



Hinckley & Bosworth
Borough Council

A Borough to be proud of

Acquisition Strategy:

- **LAND & PROPERTY**

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INTRODUCTION

The purpose of this strategy is to provide a framework with transparency and fairness for the acquisition of property assets in accordance with the Property Asset Management Plan.

1. REASONS FOR THE ACQUISITION OF LAND AND PROPERTY

Unless there are exceptional circumstances, the Council will only acquire land or property for the following reasons:

- To provide Council services
- For Economic Development purposes
- To facilitate Council policies
- To provide affordable housing
- To improve performance of the investment portfolio
- Strategic acquisition for redevelopment

2. PROPERTY SEARCH

Once a need has been identified, the Estates & Asset Management Service in association with key services will carry out a search to establish whether suitable land or property is available to fulfil the requirements of the Council. This includes utilisation of existing assets and opportunities with potential Partner organisations.

Where a number of potentially suitable properties exist in the marketplace, comparisons will be made to establish which is the most suitable for the Council's needs. Criteria against which such decisions will be made include:

- Price
- Condition of property
- Availability (in terms of timing)
- Nature of tenure being offered (freehold or leasehold)
- Location advantages (where a strategic acquisition is under consideration)
- Return on investment (where a revenue generating asset is being considered)
- Restrictive covenants / easements etc
- Costs in-use for premises for Operational purposes
- Cost to build, adapt or improve any premises and other costs relevant to the purpose

3. FINANCIAL APPRAISAL

When a suitable property has been identified, a financial appraisal will be carried out to establish the financial/budgetary implications of acquiring the property. The advice of the Deputy Chief Executive (Corporate Direction) will be sought regarding interest

on capital invested, to enable the opportunity cost of the acquisition to be fully assessed. The financial appraisal will take into account the following matters:

- The capital cost of acquisition and relevant expenditure
- The opportunity cost of acquisition
- Any revenue, or potential revenue, generated from the property, both short and long term
- Availability of external funding sources
- Possibility of joint ventures
- The cost, in Asset Management terms, of owning the property, including:
 - Immediate maintenance/refurbishment requirements
 - Demolition costs, if appropriate
 - Adaptation requirements
- The overall effect of the acquisition on the Council's budgetary position.

4. DUE DILIGENCE

Appropriate investigations will be undertaken into matters relating to:

- The legal title of the property
- Planning and Building Regulation compliance for the existing use and proposed purpose
- Other relevant statutory consents
- Pollution
- Existing construction and M&E plant

5. INDEPENDENT VALUATION

A written formal report compliant with the RICS Red Book shall be obtained before any legal obligation or purchase is completed. Appropriate informal advice shall be obtained prior to that to assist with assessing options and recommendations.

6. NEGOTIATION

Once the Executive or Council or other appropriate decision maker has agreed to support a case to the Council for acquisition, negotiations will be commenced with the vendor – to include any appropriate caveats such as investigation of title, planning consent and full Council approval. Where the sale of the site is by auction or tender, a bidding strategy will need to be formulated as appropriate and approved by the appropriate person / body with delegated authority.

7. COUNCIL DECISION MAKING AND DELEGATED AUTHORITY

The Constitution sets out the powers and duties in respect of decision making relating to acquisition. In summary:

The Full Council has power to set policies and make decisions reserved for Council.

The Executive has delegated power to make decisions which are not reserved for another Committee or Council and implement decisions provided generally they are within existing authorised policies and budgets.

The Scrutiny Commission has the duty and power to review and scrutinise decisions and actions of both members and officers.

The constitution sets out delegated authority in respect of acquisitions to be made in accordance with the Asset Management Plan:

- In all cases to the Asset Management Strategy Group containing the executive member for Finance & ICT which can make recommendations
- Deputy Chief Executive (Corporate Direction) up to £5K
- Deputy Chief Executive (Corporate Direction) in conjunction with Executive Member up to £25K
- Executive up to £50,000
- Council over £50,001

The Constitution also sets out alternative procedures for Urgent Action.

All decisions shall be in accordance with the Council's Financial Procedure Rules.

8. INSTRUCTIONS

Once appropriate approval has been received, and all investigations satisfactorily carried out (or earlier if appropriate), the Proper Officer will be instructed to complete the documentation associated with the acquisition.

9. COMPLETION

Once the acquisition has been completed, Members will be informed as appropriate. The Estates and Asset Manager will ensure the Asset is added to the Asset Database and surveyed and maintained as identified in the Corporate Asset Management Strategy. The Legal Service will ensure that Land Registration information is provide to the I.C.T service so that GIS database system can be updated

Where appropriate or where requested as a requirement, the relevant officer to provide regular update reports to Council or the Asset Management Strategy Group or Executive providing detail on the progress of the project for which the asset was acquired.

10. ADOPTION OF PUBLIC OPEN SPACE

The adoption of public open space should be considered by the three parties set out below prior to a report to Council for approval. The adoption of land will also be reported to the next available Asset Management Group Meeting in the form of an update report

The three parties will include Estate and Asset Manager in the role of The Corporate Property Officer, Green Space Development Officer and an appropriate Planning Officer. The maintenance liability of each parcel of land must be considered in full before any adoption agreement will be agreed.

The Council will not adopt areas of Public Open Space unless;

1. A commuted payment is available from the developer to cover at least 20 yrs of maintenance, calculations of how sums can be found within the Councils Play & Open Space Guide 2002.
or
2. The Area is of interest to a charitable trust, which will maintain the land to which the Council can transfer the ownership of the land.
or
3. The developer has ceased trading and there are no assets to fund future maintenance of the Public Open Space.

or
4. It has proven impossible to negotiate an agreement between the developer and owners of houses on the estate and local parish councils to adopt the areas of Public Open Space.
(Note, that prior to planning permission be granted to the developer, that the planning department sent a letter to the Parish Council requesting a formal agreement that the Parish Council will adopt the POS on completion, inline with the terms and conditions of the 106 agreement).

It is intended that the developer will liaise with the Council before and during the adoption process to ensure that any agreed works are being carried out to the correct standards and specifications. The supervising officer for this development will be the Green Space Development Officer.

Boundary, hedges, fences, ditches and trees should be conveyed where appropriate with the adjoining development to reduce future maintenance costs.

Any adopted land parcel will be registered by the Legal department with the Land registry and the GIS database system updated with the relevant information.

11. ACQUISITION BY CPO

The procedure for obtaining a Compulsory Purchase Order is already enshrined in legislation and therefore not set out here. All decisions to enter into a Compulsory Purchase are reserved to Council regardless of value. This Policy does not apply to Compulsory Purchase situations until an acquisition stage has been reached e.g.:

- General vesting Declaration
- Notice of Entry and Notice to Treat
- Agreed acquisition of title

At such stage the procedure set out in section 9 above shall apply. Further administrative steps being taken as appropriate once the Notice to Treat crystallises as an acquisition of title.

12. ACQUISITION BY GIFT OR POSSESSORY TITLE

If such an acquisition opportunity arises, it will be considered if meeting the criteria set out in section 1 above and subject to appropriate measures under sections 3, 4 and 7.

13. LEASES AND LICENCES

Entering into a lease or licence agreement shall be considered in the same terms as any property acquisition the Council makes. Therefore Reasons for the purchase, property searches, financial appraisals, independent valuation, negotiations and Council approvals should all be identifiable stages. Clear ownership of responsibilities will require agreement prior to assignment of a lease in terms of H&S, maintenance requirements etc