

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

CABINET – 10 FEBRUARY 2015

Title of report	ACQUISITIONS POLICY
Key Decision	a) Financial Yes b) Community Yes
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Purpose of report	To seek Cabinet approval for the corporate Acquisitions Policy
Reason for Decision	To provide a framework that enables the acquisition of land, property or any other asset
Council Priorities	Value for Money Business and Jobs Homes and Communities Green Footprints Challenge
Implications:	
Financial/Staff	No financial implications associated with the adoption of the proposed policy
Link to relevant CAT	None
Risk Management	The policy provides a robust and thorough methodology for all acquisitions of land / property

Equalities Impact Screening	No implications
Human Rights	No implications
Transformational Government	No implications
Comments of Head of Paid Service	The report is satisfactory.
Comments of Deputy Section 151 Officer	The report is satisfactory.
Comments of Monitoring Officer	The report is satisfactory.
Consultees	Corporate Leadership Team
Background papers	None
Recommendations	<p>IT IS RECOMMENDED THAT CABINET:</p> <p>A. APPROVE THE DRAFT ACQUISITION POLICY; AND</p> <p>B. RECOMMEND TO COUNCIL THE NECESSARY FUTURE CHANGES THAT WILL NEED TO BE MADE TO THE SCHEME OF DELEGATION WITHIN THE COUNCIL'S CONSTITUTION</p>

1.0 BACKGROUND

- 1.1 In October 2014, the Housing Department commissioned Housing Quality Network (HQN) to carry out an appraisal of the options for the Council to deliver new homes for affordable/social rent, whether this is through new build or through acquiring stock – be it existing, off plan, through s106 agreements or otherwise.
- 1.2 The final report is due to be submitted shortly and in order to allow the Council to consider and progress any resulting recommendations, the Council requires a transparent framework to govern any potential acquisition of land and/or property in the future.
- 1.3 The Council has a duty to ensure that its assets are efficiently managed and it is intended that this policy is applied to both General Fund (GF) and Housing Revenue Account (HRA) acquisitions. It should be noted that the current Asset Disposal policy (2008) is currently under review and will be presented to Cabinet for consideration in due course.
- 1.4 Although the Constitution currently provides the Chief Executive with delegated authority "to undertake acquisitions and disposals of land up to a value of £10,000...", the Council

currently has no formally approved policy framework for acquiring assets, and the attached draft Acquisitions Policy seeks to address this.

2.0 PROPOSED APPROACH

- 2.1 The proposed draft has been developed with the input of the Asset Management Group, along with the Head of Finance, Head of Planning and Regeneration, Corporate Property Officer, Head of Housing, Legal services and Leisure Services.
- 2.2 The policy provides (at 2.1) that Council will only acquire land or property for one or more of the following reasons:
- its contribution towards the provision of the Council's services and/or delivery of corporate aims
 - for economic development purposes
 - to provide affordable housing
 - revenue income generation
 - strategic acquisition for regeneration, development or redevelopment purposes
 - to improve performance of any investment portfolio
- 2.3 The policy sets out, in some detail, a robust and thorough methodology from the point of identifying any acquisition, through financial, planning and legal considerations, to negotiation of the purchase price.
- 2.4 It is proposed that for any acquisitions identified at a capital value of £100,000 or more, or a periodic payment of £20,000 or more per annum, and where the acquisition is to be paid for from funds other than commuted sums taken in lieu of affordable housing, the relevant Director, in consultation with the S151 Officer, will prepare a report for Cabinet to obtain agreement in principle to proceed, identifying a budget for the acquisition.
- 2.5 If Cabinet give in principle approval to proceed, negotiations will be commenced with the vendor by the District Valuer or other suitably qualified surveyor (RICS) acting under the instruction of the relevant Director.
- 2.6 It is proposed that acquisitions of a lower value than £100,000 be approved by the relevant Director and the Head of Finance, as Section 151 Officer, in consultation with the relevant Portfolio Holder, provided there is Capital Programme approval in place. It is considered that the proposed limit will provide the required level of autonomy and flexibility for the officers above to make timely acquisitions of smaller land sites or single units of property, whilst reserving more significant acquisitions for Cabinet approval. This proposal, if approved, will require amendments to the scheme of delegation in the Council's constitution. As changes to the Council's constitution are normally only considered once a year, it is proposed that the required amendments will be put forward for consideration by Council in September 2015.
- 2.7 For all acquisitions below the limit outlined in 2.4, a report will be prepared for the next Cabinet, by the relevant Director in consultation with the Head of Finance as S151 Officer, informing Cabinet of the acquisition.
- 2.8 In accordance with existing powers of delegation, approval of any acquisitions to be made using commuted sums taken in lieu of affordable housing, shall be delegated to the

Director of Housing, in consultation with the Portfolio Holder for Housing, on a case by case basis. This approach was agreed by Cabinet at its meeting of 16 October 2007.

- 2.9 In exceptional circumstances, the Chief Executive, acting on the advice of the Head of Finance as S151 Officer, and in consultation with the Leader of the Council, may undertake acquisitions of land and property of a value in excess of £100,000 in accordance with, and to give effect to, the Council's strategies and corporate aims (subject to a report being prepared for the next Cabinet by the Chief Executive). This approach will only be applied when flexibility is required for the Chief Executive to respond quickly to any time critical opportunities that arise.
- 2.10 All decisions to acquire through Compulsory Purchase Orders will be reserved to Cabinet.

3.0 FINANCIAL IMPLICATIONS

- 3.1 Whilst there are no financial implications associated with the adoption of the proposed policy, future changes will be requested to the Constitution's Scheme of Delegation to provide the Chief Executive, Leader, relevant Directors and Head of Finance with the appropriate levels of authorisation to commit funding.