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| Report of: | Executive Member for Finance and Governance – Councillor Stefan Walker Director of Finance – Helen Seechurn |
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| Submitted to: | Executive Member for Finance and Governance |
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| Date: | 6 October 2022 |
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| Title: | Estates Strategy – Lettings Policy |
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| Report for: | Decision |
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| Status: | Public |
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| Strategic priority: | Physical environment |
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| Key decision: | Yes |
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| Why: | Decision(s) will have a significant impact in two or more wards |
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| Urgent: | No |
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| Why: | For the purposes of the call-in procedure, this report is not urgent |
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Executive summary

The report seeks an Executive decision to approve further enhancement of the Council's Estates Strategy.

The report sets out and recommends adoption of a framework of transparent, consistent and impartial processes that are to be used during the letting of land and premises owned or managed by the Council.

As implementation of the Lettings Policy Framework forms part of the Council's Estate Strategy and has the potential to impact upon all wards, the enhancement being proposed is a key decision.

Purpose

1. The purpose of the report is to seek approval for further enhancements to the Estates Strategy that clarify the processes for letting land and premises owned or managed by the Council.

Background & relevant information

2. Middlesbrough Council holds a significant asset portfolio that is used to deliver services, support businesses and contribute to the well-being of the Town.
3. The letting and management of assets is essential to enable the Council to help meet the changing needs of Middlesbrough.
4. The Lettings Policy Framework sets out a comprehensive framework and governance structure for the letting and management of the Council's land & property assets.
5. Operation of the policy ensures that all lettings have clear objectives, decisions are made based on full information and there is a full audit trail leading to the grant of legal interests in the Council's Estate Portfolio.
6. The Council's Estate Strategy was approved by Executive in September 2020 and sets out the strategic basis and high level purpose for holding and managing the Council's Estate Portfolio.

Implementation of the estates strategy

7. Following on from a review of the Council's Non-Operational Commercial Estate Portfolio in March 2020, this policy seeks to adopt a framework of transparent, consistent and impartial processes that are to be used during the letting of any land or premises owned or managed by the Council.
8. Adoption of the policy will ensure that the Council complies with standing legislative requirements.
9. Because land and premises held by the Council represents a valuable public asset, it is essential that the Authority seeks to maximise the return on the investment it makes in any land or property assets held for commercial purposes.
10. Implementation of the policy will ensure that the Council is also able to maximise the social, environmental and economic benefits of holding the same by driving revenue, maximising utilisation and minimising costs.
11. It is intended that the policy will provide a framework for the letting and leasing of all land and premises across the Authority, regardless of the Directorate managing or holding the asset – by using principles authorised at Corporate Level.
12. These principles will guide Heads of Service, existing and prospective tenants, helping to inform decision making and improving community awareness of the Council's policy for the leasing of its land and premises.

What decision(s) are being recommended?

13. That the Executive Member for Finance and Governance approves the further enhancements to the Estates Strategy in order to:
- a) Clarify the processes that are to be used during the letting of land and premises owned or managed by the Council;
 - b) Adopt a framework of transparent, consistent and impartial processes for the letting of land and premises owned or managed by the Council; and
 - c) Ensure that the Council's standing Community Asset Transfer Policy is revised and brought up to date.

Rationale for the recommended decision(s)

14. To ensure that the Council introduces a policy governing the letting of land and premises which is responsive, fit for purpose and allows the Council to clearly demonstrate Value for Money in relation to the management and letting of council owned assets, whilst also being supportive of local communities and reflective of their requirements.

Other potential decision(s) and why these have not been recommended

15. Do nothing – although the Council's processes might continue to have a positive financial impact, by not adopting principles adopted and authorised at Corporate Level, decision making would in the main remain isolated and uninformed, with the strategic impact across both services and local communities being reduced due to a lack of awareness.

Impact(s) of the recommended decision(s)

Legal

16. The letting of Council owned land and property assets is governed by the Council's standing financial orders and Government legislation.
17. Adoption of the enhancements outlined in paragraph 13 does not create any specific legal issues, although the process actions and any subsequent steps to implement the policy would need to be undertaken within the Council's legal framework.

Strategic priorities and risks

18. Adoption and implementation of the Lettings Policy will help address risk and remove potential for challenge by the adoption of a robust and responsive, fit for purpose decision making framework.

Human rights, equality and data protection

19. There will be no negative, differential impact on protected groups and communities.
20. A Level 1 (Initial Screening) Impact Assessment (IA) will be carried out on individual lettings of land and property assets, if deemed appropriate.
21. The proposed decision does not involve the collation and use of personal data.

Financial

22. There are no direct financial implications to report.

23. The letting of Council land and property will continue to be progressed in accordance with the delegation of responsibilities outlined within the Asset Disposal Policy.

Actions to be taken to implement the recommended decision(s)

| Action | Responsible Officer | Deadline |
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| Adopt the policy amendments from the date of determination | Valuation & Estates Manager | October 2022 |
| Revise all necessary documentation | Valuation & Estates Manager | October 2022 |

Appendices

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| 1 | Lettings Policy Framework |
| 2 | |
| 3 | |

Background papers

The following background papers were used in the preparation of this report:

| Body | Report title | Date |
|---------------------|---|---------------------------------|
| Executive Committee | Estates Strategy – Commercial Property Portfolio Review | 17 th March 2020 |
| Executive Committee | Estates Strategy | 29 th September 2020 |

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