

Acquisition Policy

1. Introduction

- 1.1 This document sets out the process for dealing with the acquisition of land & property assets and identifies the roles and responsibilities in the decision making process of acquiring an asset. This will ensure a coordinated approach is adopted with a view to maximising value both in terms of finance and in meeting the Council's aims and objectives.

2. Definitions

- 2.1 An acquisition is defined as the transfer of the freehold or long leasehold interest of a property from a third party.

3. Procedure

- 3.1 Once a need for a property asset is identified the following procedure should be followed.

- 3.2 The Head of Service will prepare a statement setting out the business case justifying the need for the acquisition. The business case will have regard to the Council's statutory or discretionary powers to provide services and its corporate aims and objectives. The business case should be supported by the relevant Chair.

- 3.3 In normal circumstances the Council should only consider acquiring land or property if it:

- (a) contributes toward the provision of a Council service and has been identified as a priority need within the service's Business Plan and the Council's Corporate Asset Plan;
- (b) is required for strategic purposes; or
- (c) provides a sound investment with a potential future return.

4. Process

- (a) If a need for property has been identified, the Strategic Asset Manager will undertake investigations as to whether suitable land or property is already held by the Council.
- (b) If no suitable property is identified, the Strategic Asset Manager will undertake a search to establish whether a suitable property might be available in the market.

- (c) A schedule of suitable properties should be prepared. The schedule, where possible, should indicate; price, location, condition, availability, type, tenure, suitability etc.
- (d) After consultation with the Head of Service a short list of suitable properties should be identified. The Head of Service and the Strategic Asset Manager should undertake an options appraisal to establish the budgetary implications of acquiring the property in terms of initial capital costs and future revenue costs based on a Whole Life costings methodology. Implications for the current Corporate estate should also be reviewed. Consideration should be given to:
- Any costs in acquiring the property
 - Any revenue costs
 - Availability of funding sources
 - The cost in terms of capital and revenue of holding the property, including:
 - Immediate refurbishment/maintenance costs
 - Future maintenance/life cycle costs
 - Business rates
 - Insurance
 - Operating costs
 - ICT costs
 - Equipment/fittings/fixtures
 - Indirect costs (releasing existing properties – dilapidations, disposal costs etc)
 - Where surveys are not obtained prior to preparing the appraisal this should be noted within the appraisal and estimated costs indicated
 - The effect on existing budgets and the Council's Medium Term Financial Plan should be established and appropriate adjustments made.
- (e) The financial appraisal should be submitted to the Chair of Asset & Enterprise, the Chair of the Service concerned and the Council's s151 Officer to obtain approval for the Strategic Asset Manager to undertake negotiations for the acquisition of the preferred property. All negotiations should be "subject to contract".

- (f) All negotiations should be carried out on the most advantageous terms to the Council that can be reasonably obtained consistent with fairness to all interested parties subject to any relevant statutory provisions and appropriate regulations. Consideration should be given to what surveys are required and when they should be undertaken. In any event, all required surveys should be undertaken prior to exchange of contracts. If the surveys identify capital or revenue expenditure costs in excess of the estimates built into the original appraisal a further report should be presented to the relevant Chairs and s151 Officer for approval before proceeding with an acquisition.
- (g) On reaching agreement as to the terms of acquisition the Strategic Asset Manager will exercise, where permitted their delegated power to “acquire land or interest in land by agreement under any enactment in consultation with the s151 Officer” in accordance with the Council’s Standing Orders.
- (h) Once appropriate authority, i.e. where appropriate Asset & Enterprise, Finance & Resource Committees and Council, has been obtained for the acquisition Legal shall be instructed to complete the matter.
- (i) All acquisitions will be conducted in accordance with the Council’s financial standing Orders and the Scheme of Delegations and in particular those relating to the disposal or acquisition of land and buildings.
- (j) On exchange of contracts the Insurers should be advised and provided with the property’s reinstatement value.
- (h) On completion of the acquisition, details should be added to the Corporate Property Asset Database.