

APPENDIX 4 A, B, C
APPENDIX A

Annual review of Contract Procedure Rules by Audit Committee – 27th September 2007

| Rule | Current Wording | Proposed Amendment | Reason |
|-------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|
| Contents page | See Contents Index. | Add in: <i>17. Contract Monitoring</i> <i>18. Notification of Section 151 Officer and Monitoring Officer</i> And re-number “17. Declarations of Interests” as: <i>19. Declarations of Interests</i> | To keep Contents Index up to date |
| 2.4 | The CDFCS (in consultation with the HLS) shall, as a minimum annually, review the application and effect of these Rules and shall propose such updated Rules to the Council as the CDFCS may consider appropriate. | To amend Rule 2.4 as follows: <i>The CDFCS (in consultation with the HLS) shall review the application and effect of these Rules and make an annual report to the Audit Committee recommending such amendments to the Rules as are considered appropriate.</i> | To reflect the Audit Committee’s role in annually reviewing all the Contract Procedure Rules. |
| 7.6 | Before quotations are opened it must be recorded in writing whether the lowest price or the MEA quotation should be accepted. Where both price and quality are to be factors (ie where MEA applies) the quality criteria must be identified and the weighting between price and quality established and recorded before quotations are opened. | Add the following sentence at the end of Rule 7.6: <i>Advice should be sought from the CDFCS on the design and operation of any evaluation model to be used as part of the selection process.</i> | To further good practice and effective corporate governance. |
| After Rule 7.10.2 | | Insert new sub-heading: <i>Risk Assessment</i> | To contextualise new Rule 7.11 – see below. |

| Rule | Current Wording | Proposed Amendment | Reason |
|-----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| New 7.11 | None – new rule. | <p>A new Rule 7.11 as follows:</p> <p><i>Before a Contract is awarded after a quotation exercise such steps shall be taken, in conjunction with the CDFCS, as are reasonably necessary (having regard to the subject matter, value, duration of the contract and other relevant factors) to complete a risk assessment of the potential contractor's financial stability.</i></p> | Whilst it is not necessary or practical to undertake a financial assessment of every contractor at the invitation to tender stage or prior to contract award, this should be good practice in defined circumstances. |
| 8.2 | Before Directors invite tenders it must be recorded in writing whether the lowest price or the MEA tender is to be accepted. Where both price and quality are to be factors (i.e. where MEA applies) the quality criteria must be identified and the weighting between price and quality established and recorded before tenders are invited. | <p>Add the following sentence at the end of Rule 8.2:</p> <p><i>Advice should be sought from the CDFCS on the design and operation of any evaluation model to be used as part of the selection process.</i></p> | To further good practice and effective corporate governance. |
| After Rule 9.5 | | <p>Insert new sub-heading:</p> <p>Risk Assessment</p> | To contextualise new Rule 9.6 – see below. |
| New 9.6 | None – new rule. | <p>A new Rule 9.6 as follows:</p> <p><i>Before a Contract is awarded after a tender exercise such steps shall be taken, in conjunction with the CDFCS, as are reasonably necessary (having regard to the subject matter, value, duration of the contract and other relevant factors) to complete a risk assessment of the potential contractor's financial stability.</i></p> | Whilst it is not necessary or practical to undertake a financial assessment of every contractor at the invitation to tender stage or prior to contract award, this should be good practice in defined circumstances. |
| New 17.0 & 17.1 | None – new rule. | <p>Insert the following:</p> <p>17.0 CONTRACT MONITORING</p> <p><i>17.1 The Responsible Officer shall take all such steps as are necessary to monitor and review the</i></p> | To further good practice and also to take account of CIPFA's Best Practice Contract Procedure Rule 22 (contract monitoring, evaluation and review). |

| Rule | Current Wording | Proposed Amendment | Reason |
|---------------------------------------------------|-------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | <p><i>performance of the Contract, having regard to its value, nature, duration and subject matter. As part of the monitoring and review process the Responsible Officer shall maintain adequate records of contract performance and details of review meetings with the Contractor. Such records and details shall be made available to Internal Audit whenever required.</i></p> | |
| <p>New 18.0, 18.1, 18.2, 18.3</p> | <p>None – new rule.</p> | <p>Insert the following:</p> <p>18.0 NOTIFICATION TO STATUTORY OFFICERS</p> <p><i>18.1 When a procurement is to be undertaken which exceeds the financial value thresholds specified in Rule 18.2 then the Responsible Officer leading the procurement shall notify by email the Council's S151 Officer (ie the CDFCS) and its Monitoring Officer (ie the Head of Legal Services) before an advertisement inviting tenders or expressions of interest (as the case may be) is published; such notifications shall include the estimated "whole life" financial value of the contract, the procurement methodology and any other relevant factors including, but without limitation, any TUPE implications.</i></p> <p><i>18.2 The financial value thresholds for the purposes of Rule 18.1 are:</i></p> <p>(a) <i>works contracts - £1m</i></p> <p>(b) <i>services contracts (except in respect of social care, consultancy contracts and the appointment of Counsel) - £150,000</i></p> <p>(c) <i>social care contracts - £500,000</i></p> | <p>To further good practice and effective corporate governance, particularly in the light of recent well publicised procurement difficulties experienced by other local authorities.</p> <p>The arguments for its inclusion are strong. However, careful consideration will have to be given as to how this is operated so as to ensure that there are no un-avoidable delays between "notification" and "approval" – Rule 18.3 provides for a five working day period, but both Legal Services and FCS will need to ensure that notifications are processed quickly.</p> |

| Rule | Current Wording | Proposed Amendment | Reason |
|----------------------------|----------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|
| | | <p>(d) <i>consultancy contracts - £50,000</i></p> <p>(e) <i>supply contracts (except in respect of equipment and other assets including vehicles and hardware) - £1m</i></p> <p>(f) <i>equipment and other assets including vehicles and hardware - £100,000.</i></p> <p><i>18.3 No advertisement shall be published for the procurement until five whole working days have elapsed since the email notification referred to in Rule 18.1 was sent.</i></p> | |
| Existing 17.0 & 17.1 | Declaration of Interests (heading and text) | <i>Re-number as 19.0 (heading) and 19.1 (text)</i> | To correct the numbering sequence following the inclusion of new Rules 17 and 18 (see above). |

Annual review of Financial Procedure Rules by Audit Committee – 27th September 2007

| Rule | Current Wording | Proposed Amendment | Reason |
|-------------|------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| New 11.8 | <p>Debt Write-Off</p> <p>None – new rule.</p> | <p>A new Rule 11.8 as follows:</p> <p><i>Where an invoice has been raised in respect of a debt and it subsequently becomes apparent that the debt was not legally due to the Council (on the grounds that, for example, it was mistakenly believed that the Council had a valid legal claim against the debtor) then the invoice may be cancelled by the CDFCS in consultation with the HLS.</i></p> | <p>To amend the Rules so that if an item should not have been classified as a debt in the first place, then it can be written off with the approval of the HLS or CDFCS without having to seek Members' approval.</p> |
| New 11.9 | <p>Debt Write-Off</p> <p>None – new rule.</p> | <p>A new Rule 11.9 as follows:</p> <p><i>If an overpayment has been made by the Council to a third party (including, but not limited to, employees and suppliers) then all necessary steps shall be taken to recover the amount of the overpayment. If it is considered inappropriate, however, to recover the overpayment (on grounds including, but not limited to, cost effectiveness or compassionate reasons) then approval not to pursue the overpayment must be obtained from:</i></p> <p>(a) <i>the nominated Accountant (by the CDFCS) in the relevant Directorate in respect of debts up to £500;</i></p> <p>(b) <i>the CDFCS in respect of debts above £500 and below £5,000;</i></p> <p>(c) <i>the relevant Portfolio Holder in respect of amounts of £5,000 and above.</i></p> | <p>Where there has been an inappropriate payment or overpayment to a third party then the officer involved needs to obtain the relevant approval not to recover the amount.</p> |

| Rule | Current Wording | Proposed Amendment | Reason |
|------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|
| 19.1 | <p>Revision of Financial Procedure Rules</p> <p>The CDFCS (in consultation with the Head of Legal Services) shall, as a minimum, annually review the application and effect of these Rules and shall propose such updated Rules to the Council as the CDFCS may consider appropriate.</p> | <p>An amended Rule 19.1 as follows:</p> <p><i>The CDFCS (in consultation with the Head of Legal Services) shall review the application and the effect of these Rules and make an annual report to the Audit Committee recommending such amendments to the Rules as are considered appropriate.</i></p> | <p>To reflect the Audit Committee's role in annually reviewing the Financial Procedure Rules.</p> |

Annual review of Property Procedure Rules by Audit Committee – 27th September 2007

| Rule | Current Wording | <i>Proposed Amendment</i> | Reason |
|------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|
| 1.1 | <p>Acquisition.</p> <p>The acquisition of Property by the Council, including the extension of an existing lease (other than by exercise of an option to renew) and the surrender or assignment of a lease to the Council, but excluding a mortgage of property owned by a third party in favour of the Council.</p> | <p>A revised definition as follows:</p> <p><i>Acquisition.</i></p> <p><i>The acquisition of Property by the Council by whatever means, including</i></p> <ul style="list-style-type: none"> • <i>an option for a purchase or a lease</i> • <i>a new lease for a property previously leased in (a lease renewal), including an option to renew contained in an existing lease</i> • <i>a Co-habitation Arrangement with another organisation in a non-Council Property</i> • <i>the surrender or assignment of a lease to the Council, including the operation of a break clause</i> <p><i>but excluding:</i></p> <ul style="list-style-type: none"> • <i>a mortgage of property owned by a third party in favour of the Council</i> • <i>the informal hiring of property from a third party.</i> | <p>To clarify the meaning of the term particularly to cover the issue of options and co-habitation.</p> |
| 1.1 | <p>None – new definition.</p> | <p>A new definition as follows:</p> <p><i>Co-habitation Arrangement.</i></p> <p><i>An arrangement with a third party to use space in a Council property or for the Council to use space in a third party's property without a lease or licence or the payment of a rent or fee, but normally with payments for a share of running costs. This often relates to</i></p> | <p>To provide clarification.</p> |

| Rule | Current Wording | <i>Proposed Amendment</i> | Reason |
|------|------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|
| | | <i>space shared by cross-organisation teams.</i> | |
| 1.1 | None – new definition. | <p>A new definition as follows:</p> <p><i>Informal Hiring from a third party.</i></p> <p><i>An arrangement for use of part or all of a Property for specific hours on specific days on the hirer's standard terms, whether or not a payment is made and whether or not there it is documented (eg 10:00 to 12:00 every Wednesday for a payment of £50 secured by signing a hiring form). An Informal Hiring must not be used to secure use of a whole building for each day each week - such arrangements must be secured by a lease or a licence.</i></p> | A new definition to clarify other definitions. |
| 1.1 | None – new definition. | <p>A new definition as follows:</p> <p><i>Informal Hiring to a third party.</i></p> <p><i>An arrangement for the use of part or all of a Council Property by a third party on a regular basis, whether or not a payment is made and for which a lease or a licence does not exist.</i></p> | A new definition to clarify other definitions. |

| Rule | Current Wording | Proposed Amendment | Reason |
|------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|
| 1.1 | <p>Disposal.</p> <p>The disposal of Property by the Council, including the surrender or assignment of a lease by the Council, but excluding the granting of a mortgage in respect of property owned by the Council.</p> | <p>A revised definition as follows:</p> <p><i>Disposal.</i></p> <p><i>The disposal of Property by the Council by whatever means, including</i></p> <ul style="list-style-type: none"> • <i>the surrender or assignment of a lease by the Council including the operation of a break clause</i> • <i>a Co-habitation Arrangement with another organisation in a Council Property</i> • <i>the Informal Hiring of all or part of a Property to a third party.</i> <p><i>but excluding</i></p> <ul style="list-style-type: none"> • <i>the granting of a mortgage in respect of property owned by the Council.</i> | To clarify the meaning of the term. |
| 1.1 | <p>Property Contract</p> <p>A contract relating to Property including (but not limited to) transfers, leases, easements, tenancy agreements and licences.</p> | <p>A revised definition as follows:</p> <p><i>Property Contract</i></p> <p><i>A contract relating to Property including (but not limited to) transfers, leases, options, easements, tenancy agreements, licences, and variations and releases from restrictive covenants, user rights granted under local government reorganisation arrangements and wayleaves, but excluding those contracts entered into by school governing bodies under their delegated powers.</i></p> | To clarify the meaning of the term. |

| Rule | Current Wording | Proposed Amendment | Reason |
|------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.1 | <p>Redeployment</p> <p>The use of Property by the Council for a purpose different to that for which it has hitherto been used.</p> | <p>A revised definition as follows:</p> <p><i>Redeployment</i></p> <p><i>The re-allocation of a Property by the Council for a purpose different to that for which it has hitherto been used including to disposal.</i></p> | <p>To clarify the meaning of the term and align it with the scope of the Redeployment Process which covers decisions to both re-use and dispose of an existing Property.</p> |
| 2.2 | <p>These Rules apply to all Property Contracts, other than those entered into by school governing bodies under their delegated powers.</p> | <p>To amend Rule 2.2 as follows:</p> <p><i>These Rules apply to all Property Contracts.</i></p> | <p>The definition of Property Contact in Rule 1.1 has been amended to include the exclusion stated in the revised text.</p> |
| 2.3 | <p>These Rules shall be applied in conjunction with the following documents:</p> <p>(a) Asset Management Planning Framework: Acquisition Process</p> <p>(b) Asset Management Planning Framework: Redeployment Process</p> <p>(c) Asset Management Planning Framework: Disposals</p> | <p>To amend Rule 2.3 as follows:</p> <p><i>These Rules shall be applied in conjunction with the following documents:</i></p> <p><i>(a) Asset Management Planning Framework: Acquisition Process</i></p> <p><i>(b) Asset Management Planning Framework: Redeployment Process</i></p> <p><i>(c) Asset Management Planning Framework: Disposals</i></p> <p><i>(d) Asset Management Planning Framework: Rent and Rent Reviews</i></p> | <p>To ensure the list of supporting documents is up to date.</p> |
| 2.5 | <p>The CDFCS (in consultation with the HLS) shall, as a minimum, annually review the application and effect of these Rules and shall propose such amended Rules to the Council as the CDFCS may consider appropriate.</p> | <p>To amend Rule 2.5 as follows:</p> <p><i>The CDFCS (in consultation with the HLS) shall review the application and effect of these Rules and make an annual report to the Audit Committee recommending such amendments to the Rules as are considered appropriate.</i></p> | <p>To reflect the Audit Committee's role in annually reviewing all the Property Procedure Rules.</p> |

| Rule | Current Wording | Proposed Amendment | Reason |
|-------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 6.1.3 | <p>In respect of the Acquisition of Property other than by lease or licence for a rent or licence fee: ...</p> <p>[other text covering powers to act]</p> | <p>To amend Rule 6.1.3 as follows:</p> <p><i>In respect of the Acquisition of Property other than by lease or licence or other agreement for a rent or licence fee or other annual payment or by option: ...</i></p> <p>[the other text covering powers to act to remain unchanged]</p> <p><i>For the purposes of this Rule, the value in relation to the surrender of a lease to the Council is the capitalised value of the rent or licence fee foregone as a result of the surrender.</i></p> | <p>To clarify the Rule in relation to arrangements other than for acquiring new leases, for example, co-habitation agreements and in relation to the surrender of leases.</p> |
| 6.1.4 | <p>In respect of the Acquisition of Property by lease or licence for a rent or licence fee:</p> <p>(a) the CDFCS may approve any Acquisition where the annual rent or fee is £25,000 or less;</p> <p>(b) the Executive Member for Corporate Affairs may approve any Acquisition where the annual rent or fee is £100,000 or less;</p> <p>(c) the Executive may approve any Acquisition and must approve any Acquisition where the annual rent or fee is more than £100,000.</p> <p>For the purpose of this Rule, the annual rent or fee means the initial rent or fee payable by the Council (but ignoring any discount or rent-free period).</p> | <p>To amend Rule 6.1.4 as follows:</p> <p><i>In respect of the Acquisition of Property by lease or licence or other agreement for a rent or licence fee or other annual payment:</i></p> <p>(a) <i>the CDFCS may approve any Acquisition where the annual rent or fee or other annual payment is £25,000 or less;</i></p> <p>(b) <i>the Executive Member for Corporate Affairs may approve any Acquisition where the annual rent or fee or other payment is £100,000 or less;</i></p> <p>(c) <i>the Executive may approve any Acquisition and must approve any Acquisition where the annual rent or fee or other annual payment is more than £100,000.</i></p> <p><i>For the purpose of this Rule, the annual rent or fee or other annual payment means the initial rent or fee or other annual payment payable by the Council (but ignoring any discount or rent-free period).</i></p> | <p>To clarify the Rule in relation to arrangements other than for leases, for example, co-habitation agreements.</p> |

| Rule | Current Wording | Proposed Amendment | Reason |
|-------|-----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 6.1.X | None – new Rule | <p>A new Rule as follows:</p> <p><i>In respect of the Acquisition of Property by option:</i></p> <p>(a) <i>the Corporate Director for the service acquiring the option may approve the securing of an option providing that the anticipated total cost payable to secure the option does not exceed the available budget provision.</i></p> <p>(b) <i>the Executive may approve the securing of an option and must approve the securing of any option for which the anticipated total cost payable to secure the option exceeds the available budget provision.</i></p> <p>(c) <i>the CDFCS may approve the exercise of any option within the limits set for leases in section Rule 6.1.4 (a) or the limits set for other Property Contacts set in Rule 6.1.3(a).</i></p> <p>(d) <i>the Executive Member for Corporate Affairs may approve the exercise of any option within the limits set for leases in Rule 6.1.4 (b) or the limits set for other Property Contacts set in Rule 6.1.3 (b).</i></p> <p>(e) <i>the Executive may approve the exercise of an option and must approve any triggering of an option within the limits set for leases within Rule 6.1.4 (c) or the limits set for other Property Contacts set in section in Rule 6.1.3 (c).</i></p> | <p>The new Rule to fill an omission in earlier versions about the approval of options.</p> <p>[Existing Rules need renumbering so that this will appear after current Rule 6.1.4 and before current Rule 6.1.5]</p> |

| Rule | Current Wording | <i>Proposed Amendment</i> | Reason |
|-------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|
| | | <i>For the purpose of this Rule, the relevant value for securing options is the cost of securing the option (as opposed to the value of any resulting transaction) and the relevant value for triggering options is the value of the transaction to be entered into (as opposed to the cost of securing the option).</i> | |
| 6.2.X | None – new Rule | A new Rule as follows: <i>The Surveyor is responsible for negotiating the terms for the Acquisition of Property and for any subsequent rent reviews, if relevant.</i> | A new Rule to make the role of the Surveyor explicit in relation to Acquisition. |
| 6.2.1 | The CDFCS is responsible for determining the terms for the Acquisition of Property, and shall report such terms to the HLS. | To amend Rule 6.2.1 as follows: <i>The CDFCS is responsible for approving the terms for the Acquisition of Property, and shall report such terms to the HLS.</i> | To reflect the terminology used in relation to the decision-making process. |
| 7.0 | REDEPLOYMENT OF PROPERTY | A revised title as follows: <i>REDEPLOYMENT OF PROPERTY – OTHER THAN FOR DISPOSAL</i> | To align the wording in the Rules with the scope of the Redeployment Process which covers decisions to both re-use and dispose |
| 7.2 | Approval for Redeployment | A revised title as follows: <i>Approval for Redeployment – other than for disposal</i> | To align the wording in the Rules with the scope of the Redeployment Process which covers decisions to both re-use and dispose |
| 7.2.1 | Whenever it is proposed that Property should be redeployed by the Council, the CDFCS is responsible for seeking the approval which is necessary in accordance with this Rule 7.2. | To amend Rule 7.2.1 as follows: <i>Whenever it is proposed that Property should be redeployed other than for disposal by the Council, the CDFCS is responsible for seeking the approval which is necessary in accordance with this Rule 7.2.</i> | To align the wording in the Rules with the scope of the Redeployment Process which covers decisions to both re-use and dispose |

| Rule | Current Wording | Proposed Amendment | Reason |
|-------|----------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|
| 7.2.2 | In the case of any Redeployment of Property which is not held by the Council on a lease or licence: ... | To amend Rule 7.2.2 as follows: <i>In the case of any Redeployment of Property other than for disposal which is not held by the Council on a lease or licence: ...</i> | To align the wording in the Rules with the scope of the Redeployment Process which covers decisions to both re-use and dispose |
| 7.2.3 | In the case of any Redeployment of Property which is held by the Council on a lease or licence: ... | To amend Rule 7.2.3 as follows: <i>In the case of any Redeployment of Property other than for disposal which is held by the Council on a lease or licence: ...</i> | To align the wording in the Rules with the scope of the Redeployment Process which covers decisions to both re-use and dispose |
| 7.3 | Terms of Redeployment | A revised title as follows: <i>7.3 Terms of Redeployment – other than for disposal</i> | To align the wording in the Rules with the scope of the Redeployment Process which covers decisions to both re-use and dispose |
| 8.0 | DISPOSALS | A revised title as follows: <i>REDEPLOYMENT FOR DISPOSAL</i> | A redeployment is normally only for a single disposal. |
| 8.1 | Approval for Disposals | A revised title as follows: <i>Approval for redeployment for Disposal</i> | A redeployment is normally only for a single disposal. |

| Rule | Current Wording | Proposed Amendment | Reason |
|-------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 8.1.2 | <p>Subject to Rule 8.1.4, in respect of the Disposal of Property other than by lease or licence for a rent or licence fee:</p> <p>(a) the CDFCS may approve any Disposal up to £500,000 in value;</p> <p>(b) the Executive Member for Corporate Affairs may approve any Disposal up to £1,000,000 in value;</p> <p>(c) the Executive may approve any Disposal and must approve any Disposal over £1,000,000 in value.</p> | <p>To amend Rule 8.1.2 as follows:</p> <p><i>Subject to Rule 8.1.4, in respect of the Disposal of Property other than by lease or licence or other agreement for a rent or licence fee or other annual payment:</i></p> <p>(a) <i>the CDFCS may approve any Disposal up to £500,000 in value;</i></p> <p>(b) <i>the Executive Member for Corporate Affairs may approve any Disposal up to £1,000,000 in value;</i></p> <p>(c) <i>the Executive may approve any Disposal and must approve any Disposal over £1,000,000 in value.</i></p> <p><i>For the purpose of this Rule, the value in relation to options means the value of the transaction resulting from the option and not the value of the option itself. For the purposes of this Rule, the value in relation to the surrender of a lease by the Council is the capitalised value of the rent or licence fee which would have been paid, but for the surrender.</i></p> | <p>To clarify the Rule in relation to arrangements other than for granting new leases, for example, co-habitation agreements and in relation to the surrender of leases.</p> |

| Rule | Current Wording | Proposed Amendment | Reason |
|-------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 8.1.3 | <p>Subject to Rule 8.1.4, in respect of the Disposal of Property by lease or licence for a rent or licence fee:</p> <p>(a) the CDFCS may approve any Disposal where the annual rent or is £25,000 or less;</p> <p>(b) the Executive Member for Corporate Affairs may approve any Disposal where the annual rent or fee is £75,000 or less;</p> <p>(c) the Executive may approve any Disposal and must approve any Disposal where the annual rent or fee is more than £75,000.</p> <p>For the purpose of this Rule, the annual rent or fee means the initial rent or fee payable to the Council (but ignoring any discount or rent-free period).</p> | <p>To amend Rule 8.1.3 as follows:</p> <p><i>Subject to Rule 8.1.4, in respect of the Disposal of Property by lease or licence or other agreement for a rent or licence fee or other annual payment:</i></p> <p>(a) <i>the CDFCS may approve any Disposal where the annual rent or fee or other annual payment is £25,000 or less;</i></p> <p>(b) <i>the Executive Member for Corporate Affairs may approve any Disposal where the annual rent or fee or other annual payment is £75,000 or less;</i></p> <p>(c) <i>the Executive may approve any Disposal and must approve any Disposal where the annual rent or fee is or other annual payment more than £75,000.</i></p> <p><i>For the purpose of this Rule, the annual rent or fee or other payment means the initial rent or fee payable or other payment to the Council (but ignoring any discount or rent-free period). For the purposes of this Rule in relation to options, the annual rent or fee means the initial rent or fee payable to the Council under the lease or licence resulting from the option.</i></p> | <p>This clarifies the rule in relation to arrangements other than for leases, for example, co-habitation agreements and for options.</p> |
| | None – new Rule | <p>A new title as follows:</p> <p>Approval for Rent Reviews</p> | New heading. |
| 8.1.X | None – new Rule | <p>A new Rule as follows:</p> <p><i>The CDFCS may approve the completion of a rent review memorandum provided that the original lease included provisions for the rent review.</i></p> | <p>This fills an omission in relation to rent reviews in leases to third parties.</p> <p>[Existing Rules need renumbering so that this and the next two sections appears after Rules 8.1.4 and before current Rule 8.1.5]</p> |

| Rule | Current Wording | <i>Proposed Amendment</i> | Reason |
|-------|-----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|
| | None – new Rule | A new title as follows: <i>Variation of lease terms</i> | New heading. |
| 8.1.Y | None – new Rule | A new Rule as follows: <i>The CDFCS may approve any variation to the terms of an existing lease or licence or other agreement (including the grant of a licence to assign or sublet).</i> | This fills an omission in relation to changes to the terms of leases to third parties. |
| | None – new Rule | A new title as follows: <i>Release or variations of restrictive covenants</i> | New heading. |
| 8.1.Z | None – new Rule | A new Rule as follows: <i>In respect of the release or variation of restrictive covenants:</i> <i>(a) the CDFCS may approve any release or variation up to £500,000 in value;</i> <i>(b) the Executive Member for Corporate Affairs may approve any release or variation up to £1,000,000 in value;</i> <i>(c) the Executive may approve any release or variation and must approve any release or variation over £1,000,000 in value.</i> <i>For the purposes of this Rule, the value is the value of the payment to effect the release or variation.</i> | This addresses an omission in relation of restrictive covenants. |

| Rule | Current Wording | Proposed Amendment | Reason |
|-------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 8.1.4 | <p>Disposal at under value</p> <p>Where any property is to be disposed of by sale or by long lease (ie 7 years or longer) at an undervalue the approval of the Executive is required, and where the amount of the undervalue is more than £2,000,000 the Disposal may only proceed with the prior consent of the Secretary of State.</p> | <p>To amend Rule 8.1.4 as follows:</p> <p><i>If it is proposed to dispose of property at under value in accordance with the provisions of the Local Government Act 1972: General Disposal Consent (England) 2006 then the approval of the Executive is required if the Disposal is by sale or by long lease (i.e. 7 years or longer). If the amount of the undervalue is more than £2,000,000 then the Disposal may only proceed with the prior consent of the Secretary of State for Communities & Local Government. If the basis of Disposal is for a lease of less than 7 years then the disposal can proceed on the basis set out under Rule 8.1.3 using the market value (not the under value) as the basis for applying the Rule. The extent, nature and reason for the undervalue must be clearly stated in the report produced for approval in all cases.</i></p> | <p>To clarify the arrangements in relation to disposals at under value.</p> |
| 8.2.X | None. | <p>A new Rule as follows:</p> <p><i>The Surveyor is responsible for negotiating the terms for the Disposal of Property and for any subsequent rent reviews, if relevant.</i></p> | <p>A new rule to make the role of the Surveyor explicit in relation to this work.</p> <p>[Existing Rules need renumbering so that this appears before Rule 8.2.1]</p> |