

NORTH YORKSHIRE COUNTY COUNCIL

INFORMAL MEETING OF EXECUTIVE MEMBERS

12 October 2021

REVIEW OF THE PROPERTY PROCEDURE RULES

Report of the Corporate Director Strategic Resources

1.0 PURPOSE OF REPORT

- 1.1 To inform Members of the outcome of the review of the Property Procedure Rules (PPR) and to present to Members, for their consideration for recommendation to the Chief Executive Officer for recommendation to the full Council for approval, proposed changes to the PPR and consequential amendments to the Constitution.

2.0 BACKGROUND

- 2.1 Under his delegated decision making powers in the Officers' Delegation Scheme in the Council's Constitution, the Chief Executive Officer has power, in cases of emergency, to take any decision which could be taken by the Council, the Executive or a committee. Following on from the expiry of the Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020, which allowed for committee meetings to be held remotely, the County Council resolved at its meeting on 5 May 2021 that, for the present time, in light of the continuing Covid-19 pandemic circumstances, remote live-broadcast committee meetings should continue (as informal meetings of the Committee Members), with any formal decisions required being taken by the Chief Executive Officer under his emergency decision making powers and after consultation with other Officers and Members as appropriate and after taking into account any views of the relevant Committee Members. This approach will be reviewed in September 2021
- 2.2 The PPR provide for periodic review of the application and effect of the PPR to ensure that they provide for efficient and effective management of property by the Council.
- 2.3 Officers have undertaken a detailed review of the PPR. This report identifies a requirement for the agreement and implementation of revised PPR to reflect revised and centralised arrangements for the management of all property and associated services established under the responsibility of the Corporate Director Strategic Resources. The proposed amendments to the PPR also seek to address issues within the existing Rules.
- 2.4 Under the Audit Committee's Terms of Reference, the Committee has power "To review, and recommend to the Executive, changes to Contract, Finance and Property Procedure Rules". The proposed amendments to the PPR were therefore reported to the informal remote meeting of the Audit Committee members on 20 September 2021 and were recommended to the Chief Executive Officer for referral to Executive Members and ultimately full Council for approval.
- 2.5 The current PPR are attached to this report at **Appendix 1** and the proposed PPR are attached at **Appendix 2**. Since the informal remote meeting of the Members of the Audit Committee on 20 September, the proposed PPR have been further amended through the provision of a definitions section, format changes and the amendment of references and

cross-references. Additional changes that are proposed are shown as tracked changes within the document in **Appendix 2**.

- 2.6 This report provides Members with a summary of the proposed changes to the PPR. Members' views and comments are welcome.
- 2.7 Following on from the expiry of the legislation permitting committee meetings to be held remotely, the County Council resolved at its meeting on 5 May 2021 that, for the present time, in light of the continuing Covid-19 pandemic circumstances, remote live-broadcast committee meetings should continue (as informal meetings of the Committee Members), with any formal decisions required being taken by the Chief Executive Officer under his emergency decision making powers and after consultation with other Officers and Members as appropriate and after taking into account any views of the relevant Committee Members and all relevant information. This approach is being kept under review.
- 2.8 Subject to any comments they may have, should Members of the Executive at its informal meeting on 12 October 2021, be minded to recommend the proposed changes to the PPR and consequential amendments to the Constitution for approval, these recommendations will need to be considered by the Chief Executive Officer, under his emergency delegated powers, for recommendation to full Council for approval at its meeting on 19 November 2021.

3.0 KEY CHANGES

3.1 Coverage

- 3.1.1 The original coverage of the Rules was property contracts (because they started as an extract from the Contract Procedure Rules). Over time, it was modified and the scope was expanded to cover some property management issues.
- 3.1.2 Section 1 of the proposed PPR identifies clearly that all activities associated with the management of the Council's property portfolio, including repairs and maintenance and investment, are covered by the Rules. These responsibilities, with only a small number of exceptions, lie with the Corporate Director Strategic Resources in accordance with the centralised arrangements for the management of property that have been established. These arrangements were established in accordance with good practice to enable efficient and effective management of the property portfolio.
- 3.1.3 Most licences and hirings are now covered to ensure more effective management can take place of the use and costs of the Property portfolio.

3.2 Financial Provision and Delegated Authorities

- 3.2.1 One of the key principles established in the rules is that budget provision or funding source must be identified prior to any relevant decision being made under the rules. This will be undertaken by the Corporate Director Strategic Resources or officers authorised by him.
- 3.2.2 As a result of the above it is proposed that values associated with some of the delegated authorities, to both the Deputy Leader and the Corporate Director Strategic Resources, are increased from those contained in the current rules.
- 3.2.4 The table below indicates the revised values for the Corporate Director Strategic Resources and Deputy Leader for acquisitions and disposals. Where values exceed those delegated to the Deputy Leader then it is proposed that the approval of the Executive will be required.

	Corporate Director Strategic Resources		Deputy Leader	
	Existing (£)	Proposed (£)	Existing (£)	Proposed (£)
Acquisition				
Freehold	250,000	500,000	1 million	1 million
Annual Rent / Licence Fee	25,000	150,000	100,000	250,000
Disposal				
Freehold	500,000	1 million	1 million	1.5 million
Annual Rent / Licence Fee	50,000	150,000	100,000	250,000

3.3 Specific Additions

3.3.1 The areas proposed to be added to the PPR include:

- a) Acquiring property by auctions and tenders. There are proposed new rules in Section 5.
- b) Signing of rent review memoranda. All of these will now be done within the Property Service rather than in Legal and Democratic Services. This will speed up the process.
- c) Restrictions on legal title to reinforce transaction terms. The imposition or amendment or removal of restrictions on title for this are not covered in the current Rules. Provision for this is set out in the proposed amendments, for absolute clarity.
- d) Management of investment in property. There are new sections to cover the changes to the management of investment in property, including maintenance.

3.4 Specific Changes

3.4.1 Specific changes made in the proposed amendments include:

- a) Compulsory purchase. The structure of the section (Rules 5.12 – 5.13) and the wording have been simplified.
- b) Reallocation of property. The section in the current Rules is called Redeployment of property – other than for disposal. It has been replaced with a more straightforward section (Section 9) about re-using property. This reflects the centralisation of property management under the responsibility of the Corporate Director Strategic Resources.
- c) Property-related compensation payments. The section (Section 10) has been separated out, expanded and made clearer.
- d) Transactions at over value. This is now covered in more detail (Rules 5.8 – 5.10), tying in the issues around Subsidy Control. The wording has been better aligned with the wording for transactions at under value.
- e) Transactions at under value. The text has been expanded and made clearer (Rules 6.7 – 6.10).
- f) Amendments are proposed in respect of the approval arrangements for mortgages.

- g) Statutory transfers. It is proposed that the Rules be amended to enable the CDSR to approve all disposals / transfers that are required to be implemented in accordance with statute including, for example, the transfer of school sites to Multi Academy Trusts in accordance with the provisions of the Academies Act, 2010.

3.5 Consequential amendments

3.5.1 Subject to any comments they may have, should Members be minded to propose the suggested changes to the Property Procedure Rules for approval, then certain consequential amendments will also be required to the Executive Members' Delegation Scheme, which references Executive Members' powers in relation to property matters. The proposed consequential amendments to the Scheme are set out by way of tracked changes on the version attached at **Appendix 3** to this report. Members will see that in order to 'future-proof' the Scheme as far as possible, the detail of the delegations is not this time replicated in the Scheme but instead the delegation refers to the detail set out in the Property Procedure Rules.

3.5.2 In the event that the changes to the Property Procedure Rules are approved then certain other consequential amendments may be required to other parts of the Constitution. It is recommended that authority be given to the Assistant Chief Executive (Legal and Democratic Services) to make any further consequential amendments to the Constitution.

4.0 FINANCIAL IMPLICATIONS

4.1 There are no significant financial implications arising from this report.

5.0 LEGAL IMPLICATIONS

5.1 There are no significant legal implications arising from this report.

6.0 ENVIRONMENTAL IMPLICATIONS

6.1 There are no significant environmental implications arising from this report.

7.0 CONCLUSION

7.1 Members of the Executive are requested to note the contents of the report and to offer any observations on the proposed amendments to the Property Procedure Rules and consequential amendments.

8.0 RECOMMENDATIONS

8.1 Executive Members are asked to recommend to the Chief Executive Officer that using his emergency powers he recommend to full Council at its meeting on 19 November 2021:

- i) Approval of the suggested amendments to the Property Procedure Rules set out at **Appendix 2** and the suggested consequential amendments to the Executive Members' Delegation Scheme set out at **Appendix 3**;
- ii) That authority be given to the Assistant Chief Executive (Legal and Democratic Services) to make any further consequential amendments required to the Constitution in light of the changes to the PPR.

GARY FIELDING
Corporate Director Strategic Resources

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29 September 2021

Background Papers: None

Appendices:

Appendix 1 – Current Property Procedural Rules

Appendix 2 – Suggested amendments to the Property Procedure Rules

Appendix 3 – Suggested consequential amendments to the Executive Members' Delegation Scheme