

**APPENDIX A CHANGES TO CONSTITUTION: PART 4, SECTION 6: FINANCIAL PROCEDURE RULES FOR OFFICERS –
 RULE O: Acquisition and Disposal of Property Interests**

Rule O2 currently states: The acquisition and disposal of any interest in land and buildings or any other property will be in accordance with the delegations to the Corporate Property Officer as set out in O3 below in , the Constitution, the Corporate Property Strategy, the Acquisitions and Disposals procedures and other supporting policies.

Rule O2 to be updated to state: The acquisition and disposal of any interest in land and buildings or any other property will be in accordance with the delegations to the Corporate Property Officer as set out in O3 below in , the Constitution, the Corporate Property Strategy, the Disposals, Acquisitions & Community Asset Transfer Policy, and other supporting policies.

The changes required to the Disposals, Acquisitions & Community Asset Transfer Policy is detailed below:

Current Requirement		Proposed Requirement		Reason for Change
Disposals, Acquisitions & Community Asset Transfer Policy				
Part A Disposals Point 3 General	3.7 For disposals, the Corporate Asset Manager will assemble all relevant information and a report will be submitted to Executive with recommendations.	Part A Disposals Point 3 General	3.7 For disposals, all relevant information including a written formal report and independent valuations for each property related disposal prior to any legal obligation or disposal must be completed and should be compliant with the RICS Red Book standard. Where the report is recommending a disposal to Executive then the independent valuation report must accompany the report. Appropriate informal advice shall be obtained	As recommended by Audit & Standards Committee in respect of the Assets Review (Recommendation 1: Valuations).

Current Requirement	Proposed Requirement	Reason for Change	
Disposals, Acquisitions & Community Asset Transfer Policy			
		prior to that to assist with assessing options and recommendations.	
Part B Acquisitions Point 14 Independent Valuation	14.1 A written formal report compliant with the RICS Red Book shall be obtained before any legal obligation or purchase is completed. Appropriate informal advice shall be obtained prior to that to assist with assessing options and recommendations.	Part B Acquisitions Point 14 Independent Valuation 14.1 A written formal report and independent valuation must be acquired for each property related acquisition prior to any decision to acquire, and such valuations should be compliant with the RICS Red Book standard. Appropriate informal advice shall be obtained prior to that to assist with assessing options and recommendations.	
Part B Acquisitions Point 16 Council Decision Making	16.1 The Constitution sets out the powers and duties in respect of decision making relating to acquisition, which requires all acquisitions to be considered by Cabinet. All decisions shall be in accordance with the Council's Financial Procedure Rules.	Part B Acquisitions Point 16 Council Decision Making 16.1 The Constitution sets out the powers and duties in respect of decision making relating to acquisition, which requires all acquisitions to be considered by Cabinet. Where the report is recommending an acquisition by Cabinet then the independent valuation report must accompany the report to Cabinet.	

Current Requirement	Proposed Requirement	Reason for Change	
Disposals, Acquisitions & Community Asset Transfer Policy			
		All decisions shall be in accordance with the Council's Financial Procedure Rules.	
Part B Acquisitions Point 11 Property Search	11.1 Once a property requirement has been approved by Executive, the Corporate Asset Manager in association with key services will carry out a search to establish whether suitable land or property is available to fulfil the requirements of the Council. This includes utilisation of existing assets and opportunities with potential Partner organisations. Where a number of potentially suitable properties exist in the marketplace, comparisons will be made to establish which is the most suitable for the Council's needs. Criteria against which such decisions will be made include: <ul style="list-style-type: none"> • Extent of Suitability • Price • Condition of property • Availability (in terms of timing) 	Part B Acquisitions Point 11 Property Search As current requirement, but in addition to include: Searches conducted and all findings noted and acted upon must be provided in all acquisition proposals and this should be verified via the management/project governance structure to ensure assurances are informed and reliable. Where necessary, appropriate sensitivity analysis to be undertaken to determine the range of risk in the acquisition.	As recommended by Audit & Standards Committee in respect of the Assets Review (Recommendation 4: Compliance with Good Practice).

Current Requirement	Proposed Requirement	Reason for Change	
Disposals, Acquisitions & Community Asset Transfer Policy			
	<ul style="list-style-type: none"> • Nature of tenure being offered (freehold or leasehold) • Location advantages (where a strategic acquisition is under consideration) • Return on investment (where a revenue generating asset is being considered) • Restrictive covenants / easements etc • Costs in-use for premises for Operational purposes • Cost to build, adapt or improve any premises and other costs relevant to the purpose 		
Part B Acquisitions Point 13 Due Diligence	13.1 Appropriate investigations will be undertaken into matters relating to: <ul style="list-style-type: none"> • The legal title of the property • Planning and Building Regulation compliance for the existing use and proposed purpose • Energy Performance Certificate 	Part B Acquisitions Point 13 Due Diligence	As current requirement, but in addition to include: Searches conducted and all findings noted and acted upon must be provided in all acquisition proposals and this should be verified via the management/project governance structure to ensure assurances are informed and reliable. Where

Current Requirement	Proposed Requirement	Reason for Change	
Disposals, Acquisitions & Community Asset Transfer Policy			
	<ul style="list-style-type: none"> • Other relevant statutory consents • Pollution • Existing construction and mechanical and electrical plant 	<p>necessary, appropriate sensitivity analysis to be undertaken to determine the range of risk in the acquisition.</p>	