

Property Transactions Report

For Finance & Governance Cabinet Advisory Board on 13 July 2021

Summary

Lead Member: Councillor Tom Dawlings – Leader of the Council and Portfolio Holder for Finance, Governance and Property

Lead Director: Lee Colyer Director of Finance, Policy & Development (S151 Officer)

Head of Service: David Candlin, Head of Economic Development and Property

Report Author: John Antoniadis, Estates Manager

Classification: Part Exempt

Exempt Appendix B: Exempt by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended): Information relating to the financial or business affairs of any particular person including the authority holding that information.

Wards Affected: All

Approval Timetable	Date
Management Board	23 June 2021
Portfolio Holder	28 June 2021
Finance & Governance Cabinet Advisory Board	13 July 2021
Cabinet	29 July 2021

This report relates to the following corporate priorities:

- A Prosperous Borough – by making the best use of land and property assets for the benefit of residents and in encouraging future growth and investment by marketing opportunities that the Borough owns.
- A Confident Borough – by empowering communities and residents through the release of Council assets; working with parish and town councils and community groups to enable them to take control of their services; enabling residents to take control of their futures through an active asset programme of change and evolution.

Recommendation

This report makes the following recommendation to the final decision-maker:

- That the report be noted.

1. Introduction and Background

- 1.1 This report informs Cabinet of the property transactions completed under delegated authority for the period 1 January 2021 to 30 June 2021 in accordance with the requirements of the Constitution.
- 1.2 The Constitution of the Council provides for delegated authority in respect of commercial properties.
- 1.3 Commercial properties are defined for this purpose as being all land and buildings owned by the Council or in which it has an interest and which are managed on a commercial basis but excluding land and buildings which are held by the Council in order to discharge or fulfil its statutory functions where different considerations may apply.
- 1.4 Under the delegation outlined in the Constitution the following powers are exercised including the service of any necessary statutory or other notices, subject to the provisos set out below:
- (i) to negotiate and agree rent reviews;
 - (ii) to terminate, renew or re-let leases and licences as appropriate;
 - (iii) to grant new leases or licences;
 - (iv) to grant licences to assign or to sub-let;
 - (v) to vary the terms of leases;
 - (vi) to grant wayleaves, easements or rights of way; and
 - (vii) to grant or refuse to give consents or approvals under covenants or other provisions where permission must be sought from the Council under the terms of any leases, tenancies, licences or similar documents.

Provisos

- (a) All rents, charges etc. shall not be less than current relevant market values.
 - (b) No leases or licences shall be granted, renewed or terminated where the current or proposed consideration or annual rent (which for this purposes shall be exclusive of VAT) exceeds £25,000 in value.
 - (c) All decisions shall be in accordance with all adopted Council policies.
 - (d) At six monthly intervals, action taken shall be reported to Cabinet.
- 1.5 This report also details acquisitions and disposals where the Constitution delegates authority to acquire or dispose of land assets with a value under £250,000 subject to Section 151 Officer and Portfolio Holder approval.

- 1.6 Set out in the tables in Appendix A and Exempt Appendix B are the property transactions undertaken with delegated authority for the period from 1 January to 30 June 2021 as required to be reported to Cabinet under the delegation.
- 1.7 This report also serves to update Cabinet on the lease management for the Royal Victoria Place.
- 1.8 This report further seeks to update Cabinet on any property transactions undertaken by Tunbridge Wells Property Holdings Ltd.

2. Property Transactions

- 2.1 Appendix A and Exempt Appendix B set out all the property transactions completed under delegation as outlined above.
- 2.2 Property Disposals/Transfers - During the first six months of the calendar year, the Council has disposed of two property assets namely Land at Sychem Lane, Five Oak Green for £700,000 and Land at Bright Ridge/Speldhurst Road Southborough for £1,900,000. The sale at Bright Ridge/Speldhurst Road was a collaboration between TWBC and Southborough Town Council with TWBC owning 8.47% of the land and Southborough Town Council the remainder. TWBC facilitated the joint sale of both pieces of land following the grant of planning permission for residential development. Details are given in Appendix A of this report.
- 2.3 Lease & Licence Renewals/New Leases – Seven new lettings/ licences were granted, equating to a net revenue increase of £47,700 per annum. Breakdowns with explanations are given in Exempt Appendix B of this report.
- 2.4 Rent Reviews – Seven rent reviews were completed, securing a net annual rental increase of £1,084.40.
- 2.5 Property Acquired by TWBC – No properties were acquired during this period.
- 2.6 Other Matters Completed with Delegated Authority – Two matters were completed under this heading. One relating to the removal of a restrictive covenant for a payment of £55,000 and the other relating to a five year option agreement under which the Council will receive £55,000 if the option is exercised to transfer a small piece of land that may be required for a possible development.
- 2.7 New Assured Shorthold Tenancies Granted by Tunbridge Wells Property Holdings Limited – Sixteen new ASTs were granted as listed.
- 2.8 Royal Victoria Place - Sub-lettings from British Land for retail units and commercialisation. The lease from TWBC to British Land provides that, in the event of income (as defined under the lease) being greater than the initial rent, then the tenant will pay an increased rental sum. TWBC have set up a process whereby British Land advise the Council of changes in the sub-tenancies for review by Finance on an annual basis, upon receipt of British Lands' formal accounts. No changes in the tenancy schedule were completed during the subject period.

3. Appendices and Background Documents

The following documents are to be published with and form part of the report:

- Appendix A: List of Property Disposals/Transfers which have taken place
- Exempt Appendix B: List of Lease and License Renewals/New Leases, Rent Reviews and Other Matters

4. Consultation on Options

4.1 Management Board approved this report for noting on 23 June 2021.

5. Cross Cutting Issues

A. Legal (including the Human Rights Act)

- (a) Legal – Legal advice was sought for all transactions and all necessary legal documentation was approved by Legal Services before completion.
- (b) Human Rights Act – There are no consequences arising from the recommendation that adversely affect or interfere with individuals' rights and freedoms as set out in the Human Rights Act 1998.

Claudette Valmond, Principal Solicitor - Commercial

B. Finance and Other Resources

Assistance from the Finance team was provided as and when necessary and all required notification has been provided to amend the Council's financial records.

The condition of the current property market is reflected in all property transactions but the transactions reported have been achieved in accordance with the acquisitions and disposals policy of the Council as stated in the Constitution.

Lee Colyer, Director of Finance, Policy and Development (section 151 Officer)

C. Staffing

Appropriate staffing was provided in all services of the Council involved in these transactions and professional consultants were appointed as appropriate to ensure compliance with the Constitution.

Nicky Carter, Head of HR, Customer Service and Culture

D. Risk Management

Risk has been managed by complying with the Constitution requirement to obtain valuations where necessary.

John Antoniadou, Estates Manager

E. Environment and Sustainability

No impact

John Antoniadou, Estates Manager

F. Community Safety

There are no consequences of concern arising from this report.

Terry Hughes, Community Safety Manager

G. Equalities

No specific issues.

John Antoniadou, Estates Manager

H. Data Protection

No specific issues.

John Antoniadou, Estates Manager

I. Health and Safety

No specific issues.

Mike Catling, Corporate Health and Safety Advisor

J. Health and Wellbeing

No specific issues.

Rebecca Bowers

Health Improvement Team Leader