

Is the final decision on the recommendations in this report to be made at this meeting?

Yes**Property Transaction Report:
January – June 2020**

Final Decision-Maker	Cabinet
Portfolio Holder(s)	Councillor Tom Dawlings – Portfolio Holder for Finance and Governance
Lead Director	Lee Colyer Director of Finance, Policy & Development (S151 Officer)
Head of Service	David Candlin – Head of Economic Development & Property
Lead Officer/Author	John Antoniadou – Estates Manager
Classification	Part Exempt Exempt Appendix A: 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

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

That the report be noted.

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.

Timetable

Meeting	Date
Management Board	17/06/2020
Discussion with Portfolio Holder	TBC
Finance & Governance Cabinet Advisory Board	N/A
Cabinet	06/08/2020

Property Transaction Report: January – June 2020

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

This report informs Cabinet of the property transactions completed under delegated authority for the period 1 January 2020 to 30 June 2020 in accordance with the requirements of the Constitution.

2. INTRODUCTION AND BACKGROUND

- 2.1 The Constitution of the Council provides for delegated authority in respect of commercial properties.
- 2.2 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.
- 2.3 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.
- 2.4 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.
- 2.5 Set out in the tables in Appendix A and Exempt Appendix A are the property transactions undertaken with delegated authority for the period from 1 January to 30 June 2020 as required to be reported to Cabinet under the delegation.

- 2.6 This report also serves to update Cabinet on the lease management for the Royal Victoria Place.
- 2.7 This report further seeks to update Cabinet on any property transactions undertaken by Tunbridge Wells Property Holdings Ltd.

3. PROPERTY TRANSACTIONS

- 3.1 Appendix A and Exempt Appendix A set out all the property transactions completed under delegation as outlined above.
- 3.2 **Property Disposals/Transfers** - During the first six months of the calendar year, the Council has disposed of one property asset of Land at Hornbeam Avenue, Tunbridge Wells for £526,000. Details are given in Appendix A.
- 3.3 **Lease & Licence Renewals/New Leases** – Five new lettings/ licences were granted, equating to a net revenue increase of £20,931.00 per annum. Breakdowns with explanations are given in Exempt Appendix A of this report.
- 3.4 **Rent Reviews** - Six rent reviews were completed, securing a net annual rental increase of £1,144.02.
- 3.5 **Property Acquired by TWBC** – No properties was acquired during this period.
- 3.6 **New Assured Shorthold Tenancies Granted by Tunbridge Wells Property Holdings Limited** – One new AST was granted as listed. The Covid 19 pandemic meant that a number of renewals were placed temporarily on hold. Once the current lock down is relaxed any outstanding renewals due will be completed.
- 3.8 **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.

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 The recommendations are to inform Cabinet and comply with the Constitution.

5. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Legal including 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	Keith Trowell, Team Leader (Corporate Governance) & Deputy Monitoring

	interfere with individuals' rights and freedoms as set out in the Human Rights Act 1998.	Officer.
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)
Staffing establishment	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 Human Resources
Risk management and health & safety	Risk has been managed by complying with the Constitution requirement to obtain valuations where necessary.	Report author
Environment and sustainability	No impact	Report author
Community safety	No impact	Report author
Health and wellbeing	No impact	Report author
Equalities	The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no apparent equality impact on end users.	Report author

6 REPORT APPENDICES

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

- **Appendix A:** List of Property Disposals/Transfers
- **Exempt Appendix A:** List of Lease and License Renewals/New Leases, Rent Reviews and Other Matters

7 BACKGROUND PAPERS

- None