

Property Management Protocol**INTRODUCTION**

1. This Protocol provides a framework of principles, minimum requirements, levels of authority and delegations to ensure that KCC property is managed effectively.

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OVERARCHING PRINCIPLES

2. A set of overarching principles govern the operation of this Protocol. These are:

(1) All property owned, controlled, leased, hired or occupied by KCC is held corporately (including KCC-owned schools, but not including Voluntary Aided, Foundation, Trust and Academy Schools).

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(2) The Director of Property and Infrastructure Support (in consultation with the Cabinet Member for Business Strategy, Performance and Health Reform) is responsible for ensuring that the occupation of all KCC property is in accordance with best management practice and in the interests of the Council as a whole, with the authority to direct the use, disposal or acquisition of any Council land or property.

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(3) Where there are exceptional circumstances, and subject to the prior agreement of the Director of Property and Infrastructure Support, properties may continue to be managed at the discretion of Directorates. However, this discretion is subject to the corporate responsibilities of the Director of Property and Infrastructure Support, who (in consultation with the Cabinet Member for Business Strategy, Performance and Health Reform) has the authority to intervene in any property matters to protect KCC's overall interests.

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(4) Any key or significant decision (as defined in the Constitution) affecting property will be added to the Forthcoming Decision List and discussed with the Policy & Resources Cabinet Committee before going to, Cabinet, the Cabinet Member for Business Strategy, Performance and Health Reform, the Leader or the Director of Property and Infrastructure Support for formal decision.

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(5) Resolution of disputes on property matters is through the Cabinet Member for Business Strategy, Performance and Health Reform and then, if necessary, the Leader.

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(6) Under the Executive Scheme of Officer Delegations, the Director of Property and Infrastructure Support has a number of specific delegations as set out in paragraph 33 below.

(7) All property transactions, or decisions which have an impact on property matters, should be referred to the Director of Property and

Infrastructure Support who will consult with the Cabinet Member for Business Strategy, Performance and Health Reform above the thresholds set out in paragraph 33 below, and seek the comments of all interested parties, including other relevant Cabinet Members, Directorates and Local Members, before the decision is taken to proceed. All decisions must be taken in accordance with the delegations set out in this Protocol and the decision making procedures set out in the Constitution.

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(8) This Protocol is organised in sections to reflect the lifecycle of property (acquisition – management in use – disposal) with additional requirements to support specific initiatives and exceptional circumstances.

ACQUISITIONS

3. Objective: To ensure that land and property requirements are appropriately identified and appraised; and that all the acquisitions have the necessary authority and funding, including an assessment of the impact on revenue of funding from borrowing and approved capital funding. All acquisitions should be outlined in the Medium Term Financial Plan as part of the service transformation programme and capital programme.

4. All acquisitions (freehold and leasehold) must be authorised by the Director of Property and Infrastructure Support (following consultation with the Cabinet Member for Business Strategy, Performance and Health Reform or the Leader) either in accordance with the delegations set out in this Protocol, or the decision making procedures set out in the Constitution.

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Non-Highways Acquisitions

5. For all non-highways acquisitions, the relevant Directorate will provide the Director of Property and Infrastructure Support with:

(1) A definition of the service requirement giving rise to the proposed acquisition

(2) A full financial appraisal of options for meeting service delivery requirements (developed as appropriate with support from the Property and Infrastructure Support Group) and Bold Steps for Kent ambitions

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(3) An evaluation of the other public sectors service needs to promote efficient asset collaboration across public agencies

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6. The Cabinet Member for Business Strategy, Performance and Health Reform:

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(1) will be consulted on all proposed acquisitions

(2) will be kept informed of their progress

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(3) will determine if they or an officer will give approval for the acquisition.

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(4) may at any stage direct that a decision be referred to them

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7. Where the Cabinet Member for Business Strategy, Performance and Health Reform has determined that they will take the decision on a proposed acquisition, the matter will be dealt with in accordance with the appropriate provisions of this Protocol and decision making procedures set out in the Constitution, which will include consultation with Local Members.

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8. Subject to paragraph 12 below, the use of compulsory powers for acquisitions must be agreed by both the Cabinet Member for Business Strategy, Performance and Health Reform, the Cabinet Member for Finance and Business Support and any other relevant Cabinet Members.

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Highways Acquisitions

9. The Corporate Director for Environment & Enterprise will, in the case of all highway acquisitions, seek Local Member views as part of the consultation process for highways and traffic schemes.

10. Highways scheme design and cost (including land acquisition) shall be approved by the Cabinet Member of Environment, Highways & Waste in accordance with the relevant KCC financial regulations.

11. Highways acquisitions may be made by the Director of Property and Infrastructure Support in consultation with the Cabinet Member for Business Strategy, Performance and Health Reform provided the scheme is in an approved programme with allocated funding for construction, including all compulsory purchase compensation and disturbance payments, or falls within blight policies.

12. All other highways acquisitions (i.e. land not incorporated in the highway) will be referred by the Director of Property and Infrastructure Support to the Cabinet Member for Business Strategy, Performance and Health Reform, who will determine if they or an officer will give approval for the acquisition. Once the principle of acquisition of land is agreed, any decision whether or not to use compulsory powers will be decided by the Cabinet Member for Environment, Highways & Waste (in consultation with the Cabinet Member for Business Strategy, Performance and Health Reform) in accordance with the terms of this Protocol and the decision making procedures set out in the Constitution.

MANAGEMENT & USE

13. Objective: To ensure that property is used efficiently, effectively and economically with due regard to legislative requirements, Regular asset reviews of property assets will be made in accordance with the Chartered Institute for Public Finance and Accountancy (CIPFA) and Royal Institute of Chartered Surveyors (RICS) guidelines based on asset management best practice. Assets will be identified for disposal or re-development on a regular basis.

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14. The occupation and use of property by a Directorate is subject to the authority of the Director of Property and Infrastructure Support (in consultation with the Cabinet Member for Business Strategy, Performance and Health Reform) to approve all material changes to property, including change of use, the granting or taking of interests, reversion to operational use, alterations, additions, use by partners, etc. Such changes must be reported to the Corporate Director of Finance and

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[Procurement](#) for correct accounting treatment and apportionment of charges [for CIPFA asset valuations](#).

Premises Management

15. The Director of Property [and Infrastructure Support](#) has the authority to [recommend](#) reviews of [all or part of the Council's](#) property portfolio, to determine if it is optimised in terms of its utilisation, cost and value and, within this, to challenge the retention or use of existing properties occupied by [services or partners](#).

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Building works

16. Major capital works for properties should be subject to a formal project appraisal and should be consistent with existing financial approval and procurement processes. [Procurement of any building works will need to be subject to Spending the Council's Money and delegations that have been set up. The Director of Property and Infrastructure Support is authorised to enter into property contracts up to a value of £1million where the necessary approvals are in place.](#)

Health & Safety

17. Staff [and services](#) are required to ensure that in respect of all property matters all obligations under health and safety legislation and KCC health and safety policies are followed.

DISPOSALS

18. Objective: To ensure that land and property surplus to operational need is either reallocated to meet alternative needs or sold in line with statutory requirements.

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19. Directorates will notify the Director of Property [and Infrastructure Support](#) of:

- (1) Any property (or part) that is:
 - (a) Vacant
 - (b) Held against a future operational need
 - (c) Not used for the principal purpose for which it is held
 - (d) Likely to be surplus to requirements (with estimated time-scale)
- (2) Any operational issues associated with such property (e.g. longer term requirements)
- (3) Any statutory/process issues relevant to its disposal (e.g. established consultation processes, reference to the Secretary of State, etc)
- (4) The recipient of the capital receipt and its intended use, as agreed with the Cabinet Member for [Finance and Business Support](#) and the [Corporate](#) Director of Finance [and Procurement](#)

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(5) Any other issues which need to be considered prior to disposal

20. The Director of Property and Infrastructure Support may identify any property (or part) that is, or could be made, surplus to operational requirements.

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21. The Director of Property and Infrastructure Support will consult with the Cabinet Member for Business Strategy, Performance and Health Reform on all disposals and inform them of the comments of Local Members. The Cabinet Member for Business Strategy, Performance and Health Reform will determine whether they or an officer will give approval for disposal in accordance with this Protocol and the decision making procedures set out in the Constitution.

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Treatment of Capital Receipts (Rules and Processes)

22. Capital receipts from disposals have previously been deemed to be 'Earmarked Capital Receipts' or 'General Receipts'.

(1) Earmarked Capital Receipts are proceeds from the sale of an identified (named) site (or number of sites) to be used for the funding of a specific scheme (or number of schemes where the schemes are intrinsically linked) and contained within previous Medium Term Financial Plans. With the implementation of a centralised property model and changes to the capital programme there will be no earmarking of capital receipts. All receipts will be General Receipts and they are applied to the overall capital programme, including reducing the impact of revenue and reinvestment.

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(2) Treatment of all receipts must conform with the Financial Regulations and the rules for the virement of capital as set out in the Constitution.

(3) Decisions as to the treatment of capital receipts will be taken by the Cabinet Member for Finance and Business Support or the Leader.

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Kings Hill

23. Any property matters (acquisition/disposals/leases) relating to Kings Hill will be made in accordance with the provisions of this Protocol, subject to the provisions of the Kings Hill Development Agreement (dated 19 January 1989) and subsequent variations as and when agreed with KCC's Development Partners.

24. On any property matters relating to Kings Hill the Cabinet Member for Regeneration and Economic Development and the Director of Economic and Spatial Development will consult with:

- the Cabinet Member for Business Strategy, Performance and Health Reform
- the Cabinet Member for Finance and Business Support
- the Corporate Director of Business Strategy and Support
- the Corporate Director of Finance and Procurement
- the Director of Property and Infrastructure Support

in order for a decision to be taken by either the Director of Property and Infrastructure Support (in accordance with the delegations under this Protocol), the Cabinet Member for Business Strategy and Health Reform, or the Leader.

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Deleted: The Director of Property and Infrastructure Support and the Cabinet Member for Business Strategy, Performance and Health Reform will consult with the Cabinet Member for Regeneration and Economic Development and Executive Director of Regeneration and the Corporate Director for Business Strategy and Support.*¶

25. All decisions and duties, including attending the Partnership Board and other such meetings, relating to the joint venture partnership under the Kings Hill Development Agreement (and subsequent variations) shall be dealt with by the Cabinet Member for Regeneration and Economic Development in consultation with Cabinet Member for Environment, Highways and Waste with the advice of the Director of Economic and Spatial Development.

Enterprise Fund

26. All transactions (acquisitions/disposals/leases) undertaken through the Property Group 'Enterprise Funds' will be supported by a business case containing as a minimum:

Deleted: All decisions relating to the acquisition, management and disposal of land or property in the sole ownership of KCC or occupied by KCC at Kings Hill shall be dealt with in accordance with this Protocol and the decision making procedures set out in the Council's Constitution by the Cabinet Member for Corporate Services and Performance Management with the advice of the Director of Property in consultation with the Cabinet Member for Regeneration and Economic Development.¶

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- (1) Details of the proposal
- (2) The rationale for making the investment (against the agreed investment criteria for the Enterprise Fund, which may be varied from time to time)
- (3) Specific objectives to be met
- (4) The cost or income to KCC (revenue and capital)
- (5) The opportunities to be gained
- (6) Any return on investment including estimated revenue costs

27. All transactions coming within the Enterprise Fund balancing limit of £10m may be authorised jointly by the Director of Property and Infrastructure Support and Corporate Director of Finance and Procurement in consultation with the Cabinet Member for Business Strategy, Performance and Health Reform and the Leader (subject to the delegations contained in paragraph 32).

28. All transactions which cause the PEF1 Enterprise Fund to exceed its balancing limit of £10m will, following consultation with the relevant Senior Manager and the Leader, be recommended by the Director of Property and Infrastructure Support and Corporate Director of Finance and Procurement for decision by the Cabinet Member for Business Strategy, Performance and Health Reform.

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Urgent Decisions

29. In exceptional circumstances, where an urgent decision is required on property matters, this will be taken by the Director of Property and Infrastructure Support in accordance with the provisions of this Protocol and only after consultation with the Cabinet Member for Business Strategy, Performance and Health Reform, the Corporate Director of Finance and Procurement and the Director of Governance and Law. If the matter is outside the delegations set out in paragraph 33, below, then the matter can only be authorised by the Cabinet Member for Business Strategy.

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Performance and Health Reform, or the Leader in accordance with the procedures for the taking of urgent decisions set out in the Constitution.

30. Any decisions made under the 'Urgent Decision' arrangements will be reported in accordance with the provisions of the Constitution.

Financial Regulations

31. All of the protocols set out in Financial Regulations and Schemes of Delegation must be adhered to, except where this Property Management Protocol specifically provides for alternative levels of authorisation. No transaction should be approved unless specific budgetary provision is identified, except where the purchase is approved under the authority given in Paragraph 26-28 above.

Reporting

32. The Director of Property and Infrastructure Support will prepare each month a schedule of acquisitions, letting and disposals, and send this to the Information Point for publication.

Delegation to Officers

33. Subject to the consultation provisions set out in this Protocol, the Director of Property and Infrastructure Support is authorised to:

(1) determine and settle the acquisition or disposal of any land or property, or an interest in land or property, where the consideration (including any associated works) does not exceed £1m in any single transaction.

(2) determine and settle the terms of a lease (taken or granted) for any land or property, not exceeding a period of 20 years or where the consideration does not exceed £1m per annum in any single transaction.

(3) determine any wayleaves or easements

(4) determine any leases/transfers required in relation to the Academies Act 2010 and subsequent changes.

34. The Director of Property and Infrastructure Support may delegate in writing to more junior officers any of their powers delegated under this Protocol.

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33. Whilst having no Constitutional or decision-making status, the management of the Council's property will be exercised through a variety of ... [1]

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Supporting Mechanisms

33. Whilst having no Constitutional or decision-making status, the management of the Council's property will be exercised through a variety of mechanisms which amplify and support this protocol. These forums or groups have no Constitutional rights but allow different parts of the Council to provide feedback and advice on emerging property policy, key workstreams and informal updates on the capital programme. The key mechanisms and their purpose are summarised below:

Strategic Property Asset Forum chaired by the Cabinet Member for Business Strategy, Performance and Health Reform provides a forum to

Property Board chaired by the Director of Property provides a forum to

discuss and agree the strategic direction for property management and key property related initiatives. It provides a mechanism to assess whether this protocol is working in practice and to identify and resolve issues with regard to corporate and service responsibilities.

Project Advisory Group (PAG) considers capital projects and significant changes to capital projects and ensures that proper planning and processes have been followed and risk assessments undertaken in line with the

Constitution, the project appraisal handbook and associated financial procedures. It makes recommendations to the Leader for schemes to be included in KCC's capital programme.

Property

prepared in accordance with KCC's planning guidelines

identifies the main priorities of the Property

and Infrastructure Support division and other formal advisory groups

includes as an annex a schedule of properties for disposal. This provides delegated authority to proceed with disposals in line with the provisions of this protocol./or

financial allocations over the medium term. All capital schemes are subject to the appraisal and decision making processes around the Capital Programme and the Medium Term Financial Plan.

Information to the Council and Scrutiny

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The Director of Property will prepare each month a schedule of property transactions dealt with by the Cabinet Member for Corporate Support Services and Performance Management or him/herself, and send this to Head of Democratic Services for publication.

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Transactions proposed to be authorised by the Cabinet Member for Business Strategy, Performance and Health Reform

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Corporate Support Services and Performance Management

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are subject to the normal processes of publication

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to the Policy and Resources Cabinet Committee prior to the

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Cabinet or Cabinet Portfolio Holder taking a

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. The matter may also be called in by the Scrutiny Committee.

Note:

*All decisions and duties, including attending the Kings Hill Partnership Board and other such meetings (excluding matters relating to KCC's land which will be dealt with in accordance with this protocol), relating to the joint venture partnership under the Kings Hill development agreement (and subsequent variations) shall be dealt with by the Cabinet Member for Regeneration and Economic Development in consultation with Cabinet Member for Environment, Highways and Waste with the advice of the Executive Director for Regeneration and Economic Development.