

# The Scheme of Delegation of Functions to Officers – Granting and Renewal of Leases

## Summary

To consider a recommendation from the Governance Working Group regarding to amendments the Scheme of Delegation of Functions to Officers in relation to the granting and renewal of leases.

**Portfolio:** The Leader

**Date Portfolio Holder signed off report:** 11 February 2021

**Wards Affected:** All

## Recommendation

The Executive is advised to RESOLVE that the Scheme of Delegation of Functions to Officers at Part 3, Section B, Paragraph 4 of the Constitution be amended as follows:

The Head of Legal Services is authorised to undertake all actions in relation to the administration of the Council's estate and property portfolio except the following matters which are reserved to the Executive:

- (a) Acquisitions or disposal of land or property with a value in excess of £25,000;
- (b) the grant or renewal of all commercial leases in excess of 2 years that do not reflect market conditions in terms of value or risk;
- (c) the grant of all leases for the purposes of development or refurbishment schemes including building leases;
- (d) the grant or renewal of all leases where the Head of Legal Services considers referral to the Executive is appropriate.

## 1. Background

- 1.1. The Council's Scheme of Delegation of Functions to Officers, made pursuant to the Local Government Act 1972, Section 101, can be found at Part 3, Section B of the Constitution.
- 1.2. Currently the Scheme authorises the Head of Legal Services to undertake all actions in relation to the administration of the Council's estate and property portfolio except the following matters which are reserved to the Executive:

- (a) Acquisitions or disposal of land or property with a value in excess of £25,000;
- (b) the grant of all leases in excess of 5 years;
- (b) the renewal of existing leases not subject to the provisions of the Landlord and Tenant Act 1954.”

## 2. Proposal

- 2.1 The Council's Property Portfolio has significantly increased in recent times, but the Scheme of Delegation of Functions to Officers has not been amended to take account of the increase.
- 2.2 The Head of Legal Services has drawn attention to the difficulties of managing the Council's Property Portfolio within the current delegations. Officers are not able to progress many standard leases as the current delegations require that they be approved by the Executive.
- 2.3 The majority of leases are standard, non-controversial and meet the Council's policies and objectives. Referring such leases to the Executive frustrates efficient and timely decision making, hampers the Council's ability to manage its property portfolio in a commercial and professional manner and prevents the maximisation of its income.
- 2.4 It should be noted that the Leader of the Council, under the allocation of portfolio holder responsibilities, has responsibility for the Council's Property Portfolio and is regularly updated in relation to the grant and renewal of leases. In addition as the management of the Council's Property Portfolio is an executive function any amendments to this part of the Scheme of Delegation must be made by the Executive.
- 2.5 It is, therefore, suggested that the grant or renewal of leases should only be referred to the Executive for decision if the lease is not a standard lease or is a controversial lease. It is proposed the delegation be amended as follows:

“The Head of Legal Services is authorised to undertake all actions in relation to the administration of the Council's estate and property portfolio **except** the following matters which are reserved to the Executive:

- (a) Acquisitions or disposal of land or property with a value in excess of £25,000;
- (b) the grant **or renewal** of all **commercial** leases in excess of **5 2** years **that do not reflect market conditions in terms of value or risk**;

- (c) ~~the renewal of existing leases not subject to the provisions of the Landlord and Tenant Act 1954~~ **the grant of all leases for the purposes of development or refurbishment schemes including building leases;**
- (d) **the grant or renewal of all leases where the Head of Legal Services considers referral to the Executive is appropriate.”**

### **3. Resource Implications**

- 3.1 There are officer resources involved in drafting provisions and making amendments to the Constitution but there are no direct financial implications.

### **4. Options**

- 4.1 The Executive has the options to
  - (a) amended the Scheme of Delegation of Functions to Officers as recommended;
  - (b) make no changes to the Scheme; or
  - (c) make alternative amendments.

### **5. Legal Issues**

- 5.1 Any amendments to the Scheme of Delegation of Functions to Officers in relation to Executive functions must be made by the Executive.

### **6. Consultation**

- 6.1 The Governance Working Group considered this matter at its meeting on 11 February 2021 and supported the recommendation.

<b>Annexes</b>	None
<b>Background Papers</b>	Governance Working Group Report
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