



Nottinghamshire

POLICE & CRIME COMMISSIONER

Standing Orders for
Dealings with Land and Property

Review Date: 2013

10.07.12

Standing Orders for Dealings with Land and Property

1. General

Under the Police Reform and Social Responsibility Act 2011 all assets of the Police Authority transfer to the Police and Crime Commissioner. Under the act the Police & Crime Commissioner cannot make delegations to the Chief Constable. The delegations incorporated in this document are to the ACO Resources (where under the stage 1 transfer the ACO Resources is employed by the Police & Crime Commissioner and under the direction and control of the Chief Constable).

This document will require amending or incorporating into a scheme of consent when a stage 2 transfer is undertaken).

Decisions relating to the acquisition and disposal of land and property are included within the budget plans approved by the Police and Crime Commissioner. Where a significant acquisition or disposal has not been included within the approved budget the ACO Resources shall:

- Consult with the Treasurer
- Include details of the transaction within an Estate Management report to the Police and Crime Commissioner
- Ensure that the approved process is followed
- A record of all of the decisions taken is provided to the Treasurer on a monthly basis and this will be notified to the Police & Crime Panel.

2. Disposal of Land and Property

2.1 Valuations of Land and Property

Land and property approved for disposal should be independently valued by a qualified Valuer to ensure the best price is reasonably obtained.

Finance should receive a written valuation for the required accounting entries.

2.1.1 Houses

The ACO Resources should obtain independent valuations from the consultants in conjunction with local Estate Agents.

A record of the valuations obtained should be retained on file.

2.1.2 Land and other property

The ACO Resources should undertake research on the asset to be sold and where appropriate appoint consultants to assist on this and advise on the market price and most suitable method of disposal.

2.2 Methods of Disposal

2.2.1 **House Sale to resident officer**

Based on the independent valuation supplied by the consultant the ACO Resources should approve a reasonable market price for properties up to £250,000. Above this value the approval of the Police & Crime Commissioner should be obtained.

A formal letter should then be sent to the resident officer advising on the sale price of the house.

Where there is potential for further development the consultant's valuation should include an element for "hope value". In exceptional cases there should be consideration for having a restrictive covenant.

2.2.2 **Other House Sales**

The ACO Resources can approve the disposal of other vacant houses by the most economical and effective method available up to a value of £250,000.

2.2.3 **Land and property sales**

On the advice of the Head of Property and/ or external consultants the ACO Resources can approve the disposal of land and property up to £250,000, based on the advice of the most suitable method of disposal (i.e. tender/sale by private treaty/auction). Where the estimated value of the sale is above £250,000 there should be report to the Police & Crime Commissioner for approval.

All uses of the Police & Crime Commissioner's seal shall be made by the Chief Executive (or Treasurer) and shall be required for **all** land and property disposals.

2.2.3.1 TENDER

The process set out in 2.3 of these Standing Orders and Contracts Standing Orders 8 and 10 for the submission and opening of tenders for contracts shall apply to tenders for land and property sales.

Generally the tender with the highest bid will be awarded the sale; however, this will be subject to evaluation of the terms within the bids.

For land and property disposals all bids with an estimated receipt greater than £250,000 Total Value shall be reported to the Police & Crime Commissioner for approval.

In order to ensure the timely and efficient disposal of land and property it may be necessary for post bid discussions/negotiations to take place.

Where there is a major variation in the disposal value, from that notified to the Police & Crime Commissioner, it will need to be referred back to the Commissioner for approval.

Where the variation is smaller the ACO Resources can approve these. For clarity smaller variations are Total Value of £50,000 or less, or less than 10% of the original bid price, whichever sum is the greater.

A record of all decisions taken shall be maintained and approvals given in writing.

2.2.3.2 AUCTION

Where auction is deemed to be the most suitable method of disposal the ACO Resources can arrange for this to take place.

Where the estimated receipt is greater than £250,000 in Total Value this shall be reported to the Police & Crime Commissioner for approval, prior to the auction taking place. Where appropriate a recommended level of reserve should be approved by the Police & Crime Commissioner.

2.2.3.3 SALE BY PRIVATE TREATY

Sale by private treaty is usually made via an Estate Agent. Where this is deemed the most suitable method of disposal the ACO Resources can approve this.

Where the price offered for a property is less than the advertised price the highest price offered can be accepted by the ACO Resources, in line with the approval for variations (i.e. up to £50,000 or 10% or less of the advertised price).

Where the estimated receipt is greater than £250,000 in Total Value this shall be reported to the Police & Crime Commissioner for approval.

2.3 Tender Procedure

2.3.1 The ACO Resources shall prepare written sales particulars including full details of the property and of any rights or obligations by which the parties to the transaction are intended to be bound.

2.3.2 The ACO Resources shall advertise the intention to dispose of the property in at least one local newspaper and in cases where the property is estimated to have a value in excess of £1,000,000 in such one or more National Journals as the Police & Crime Commissioner considers to be appropriate; in each such case the advertisement shall state the nature of the property and the date, being not less than fourteen days after the date of the advertisement, by which parties wishing to be invited to tender should advise the ACO Resources of their interest.

2.3.3. (i) The ACO Resources shall invite tenders from all of the persons who stated that they wished to be invited to tender.

(ii) If more than six persons indicate a desire to tender for the property the ACO Resources, in consultation with the Chief Executive or Treasurer, may if deemed appropriate select not more than six persons to be invited to tender, in which case an invitation to tender will be issued to the six persons selected and the reasons for such selection shall be recorded.

2.3.4 Every invitation to tender shall state that all tenders must be submitted in a plain sealed envelope, which shall be supplied by the ACO Resources bearing the words "Tender For" followed by the description of the property to which it relates, and shall state that no other name or any mark indicating the identity of the sender shall be placed on the envelope. Each such envelope shall be addressed impersonally to the ACO Resources and all tenders received shall be kept securely in the custody of the ACO Resources until the time and date specified for their opening.

2.3.5 Any tender received otherwise than in accordance with 4 above or after the deadline for the receipt of tenders shall not be accepted but shall be opened to ascertain the identity of the tenderer and shall be returned promptly to such tenderer without any details of such tender being revealed to any party.

- 2.3.6 All tenders properly received shall be opened at one time in the presence of not less than two Officers of the Force. The Police & Crime Commissioner or Deputy may be present at the opening if they wish. All tenders received shall be recorded, and the Officers and others present at the tender opening shall sign the record.
- 2.3.7 The ACO Resources is authorised to accept the highest tender subject to the provisions for variation in 2.2.3.1 above
- 2.3.8 If no tender is accepted the ACO Resources shall consider whether and if so what further efforts should be made to dispose of any property. A report shall be prepared on the matter for the Police & crime Commissioners consideration accordingly.
- 2.3.9 Any Valuer, Estate Agent or other external adviser retained at any time by the ACO Resources to deal with the disposal of real property on behalf of the Police & Crime Commissioner shall be required to observe these Standing Orders.

3. Purchases of Land and Property

- 3.1 The ACO resources shall report to the Police & Crime Commissioner for approval in all cases where it is proposed to enter into a contract for the acquisition of freehold or leasehold interest in land and property, with a Total Value greater than £100,000. This should have been identified and approved in the Capital Programme.
- 3.2 The ACO Resources shall have authority to enter into a contract below £100,000.
- 3.3 The ACO Resources is authorised to take a lease of land, or a licence on behalf of the Police & Crime Commissioner over land, subject to a rent or fee not exceeding £25,000 per annum and for a period not longer than 7 years. The terms of such lease or licence having been recommended by a qualified adviser.
- 3.4 All uses of the Police & Crime Commissioners seal shall be by the Chief Executive (or Treasurer) and shall be required for all property and land purchases.

4. Leases and Memorandum under Licences

- 4.1 The ACO Resources shall have authority to sign licences and memorandum under leases that do not change the underlying obligations and inherent contractual liabilities of the Police & Crime Commissioner.
- 4.2 The ACO Resources shall have authority to negotiate rent reviews where increases are estimated to be no more than 5%.
- 4.3 The ACO Resources shall have authority to undertake the assignment of leases for a value not exceeding £25,000 per annum and not longer than 7 years.

5. Granting of Leases

- 5.1 The ACO Resources is authorised to grant a lease of land or buildings to a statutory undertaker or similar body for a period not exceeding 7 years where such lease or licence is required for the exercise of the statutory functions of the undertaker or other body and a qualified adviser recommends the terms.
- 5.2 The ACO Resources is authorised to take assignment of leases for a period not exceeding 7 years.