Shinfield
Parish Council

Land Procurement Policy

A Policy to Regulate the Procurement of Land by the Shinfield Parish Council

FINAL

Version 1

Approved at Full Council: 24/03/2020

Review Cycle: Annual

Next review Date: DD/MM/YY

Introduction

The Shinfield Parish Council investing capital policy enables the parish council to acquire and dispose of interests in land. Such interests can include acquisition of freehold or leasehold property and disposal of freehold or leasehold property including the granting of a lease to a tenant.

The parish council's primary purpose for land acquisitions or disposals is for the betterment of the residents of the parish through improving access to public facilities for association, culture, education, recreation, and well-being.

The parish council may also decide to invest in land and buildings to provide relief for hardship such as low-cost social housing.

Purpose of a land transaction

Any transaction should support the council objectives as described in the current adopted version of the Neighbourhood Plan, Parish Vision or Future Shinfield policies and the Project schedule.

The purpose of the transaction should be clearly identified in any reports, project development documents, bids or business cases.

Decision making

Land transaction decisions shall be made by Full Council based on a recommendation of the Finance and General Purposes Committee (F&GP). All investment recommendations shall be accompanied by a Full Business Case (FBC) using the Office of Government Commerce (OGC) Five Cases Model.

Transactions requiring surveys, development of designs and other enabling costs prior to the Full Business Case shall submit an Outline Business Case (OBC) (using the Five Case Model) to seek funding for such enabling costs to Full Council supported by an F&GP recommendation.

Project Initiation, which does not involve external costs, will be approved by the Development Board if the Project Initiation Document (PID) demonstrates that the project is aligned to parish policies, is affordable and achievable. When timescales do not permit approval by the Development Board a chairs action may be taken. The Chair of the Development Board in agreement with the Clerk will approve the PID and report to the next Development Board.

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Process for the transaction

The parish council may be (1) actively seeking property for an identified purpose or (2) re-acting to a new opportunity. Transactions may be with either the public sector including the University of Reading or commercial landowners. It is likely that where the parish council is seeking land it will work with public sector owners to identify sites through the One Public Estate process and the Public Sector Register of Surplus land. However, the parish expects that from time-to-time private sector landowners may bring forward disposal opportunities that meet the councils needs and criteria.

Land transactions include the following stages:

<u>Project Initiation Document (PID)</u> – Actions by council members and officers at no cost to develop a short-written report including:

1. Identification of the opportunity.
2. Identification of project leadership: lead member and lead officer.
3. A high-level statement of value.
4. Definition of purpose aligned to SPC policies.
5. Identification of funding source.
6. Timescales to complete the transaction.
7. Risks to SPC successfully completing the transaction.

If the Development Board approves the PID that the project is aligned to parish policies, affordable and achievable the project will develop the Outline Business Case (OBC) for funding for any necessary fees.

<u>Outline Business Case</u> – Fee costs for external support:

1. Appointment of agent/valuer to negotiate.
2. Appointment of legal representative.
3. Confirmation of rights to dispose/ ownership/charges on land.
4. Appointment of design team/cost advisors if development is proposed.
5. Any other costs/appointments required for developing the business case.

The outline business case shall include the PID and state the proposed way forward to bid for the land to enable the parish to obtain all necessary Due Diligence information within the proposed timescales. The OBC approval shall set a limit to the value of any offer made or received by the council.

<u>Full Business Case</u> – Proposal to conclude the transaction by entering into contract/signing land transfer documents:

1. Confirmation of contract value.
2. Confirmation of fees, taxes and other costs associated with the transaction.
3. Time limits to contract exchange and completion.
4. Operating cost impact.

The FBC shall include the PID, OBC, any design proposals with relevant pre-application advice and legal report on title. The FBC uthorises signing of legal contracts/documents.

Timescale and risk

The process will vary in timescale. However, it is necessary to ensure that when commercial land opportunities arise that sufficient time is available to complete the PID and OBC stages to enable the Full council to authorise detailed negotiations. It is anticipated that the PID would take 1-2 weeks to prepare and the OBC 2-3 weeks to prepare.

Therefore, any land opportunity will require at least 6 weeks to reach a position where negotiations can start.

If vendors are unwilling to offer sufficient time for the SPC process to work the opportunity will be deemed to be not achievable by the Development Board and no further action will be taken.

Completion

Following completion of the transaction the SPC Asset register shall be updated to reflect the transaction. The council shall be notified of completion at the next meeting of the Full Council.

The clerk shall implement measures to secure and make safe any new assets.

Review

To be reviewed annually.

Draft: Dated 25/04/21