

Cabinet

6 May 2025

Proposed Changes to the Scheme of Delegation and Financial Limits in respect of Property Matters

Portfolio Holder: Councillor Zoe Van Dyke, Portfolio Holder for Business Management

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Summary

The purpose of this report is to seek Cabinet approval to update the Employee Scheme of Delegation (and the associated financial limits) in respect of certain property matters. The updated delegations will cover:

- Increasing the financial limits on matters that are delegated to officers in respect of the grant, entering into, or variation of the terms of leases or sub leases and similarly, to enter into and vary the terms of easements, licences, agreements, covenants or other rights or documents subject to financial limits.
- Adding the giving and taking of surrenders of leases.
- The appropriation of land and property.

1. Recommendation

- 1.1 The Cabinet is asked to agree to the proposed changes to paragraph 8.33 of the Employee Delegation Scheme and the associated financial limits, both of which form part of the Council's Constitution, as set out at Appendix 1 to the report.

2. Suggested reasons for decision

- 2.1 Approval of these updates to the Employee Delegation Scheme and financial limits will enable the Council's Property team to complete income generating property transactions and transfer land and property from one Council department to another more quickly and efficiently.

3. Budget and policy framework

- 3.1 Property related matters, including leases, are set out in the Employee Delegation Scheme as executive functions.
- 3.2 The report proposes changes to the Employee Delegation Scheme, and associated changes to the financial limits, to enable officers to deal with certain types of transactions more efficiently.

4. Background

- 4.1 Full Council at its meeting on 17 October 2024, agreed to increase the limits of authority for officers to act in respect of disposals and acquisitions from £100,000 per property to £500,000 per property, with a requirement for proposed transactions in excess of £500,000 to be reported to Cabinet for approval, with an additional requirement for those transactions over £1million to also be reported to Full Council after completion for information.
- 4.2 Full Council also agreed to increase the limit from £10,000 to £25,000 in respect of officers' delegated authority to agree variations to the terms of leases and sub-leases including surrenders and renewals, per annum on any single transaction.
- 4.3 The report to full Council in October 2024 reviewed the Council's financial rules and limits in general, whereas this report now specifically reviews the current property delegations and makes some recommendations for changes including the financial limits.
- 4.4 Whilst the financial limit for variations to leases was increased in October 2024, this did not cover the granting and taking of leases and other related matters. Therefore, the relevant paragraph of the Employee Delegation Scheme (8.33) has been reviewed to ensure that it is fit for purpose and that the financial limits for officers to act are proportionate.
- 4.5 The proposed changes are set out in Appendix A to the report as tracked changes for ease of reference.
- 4.6 For the avoidance of doubt and to ensure consistency, it is also recommended that the financial limits in the Constitution, in relation to leases, are also updated to include the same wording as the revised Employee Delegation Scheme.

5. Options

- 5.1 There are two options for consideration:
 - 5.1.1. Option A: Cabinet approves the proposed updated Employee Scheme of Delegation (and financial limits) in respect of Property Matters.

- 5.1.2. Option B: Cabinet rejects the proposed updated Employee Scheme of Delegation (and financial limits) in respect of Property Matters.
- 5.2 The proposed changes are set out Appendix 1 to this report as tracked changes, and it is considered that these changes will enable officers to respond more quickly and efficiently to income generating opportunities and to transfer land from one Council department to another in a more efficient way.

6. Advice and analysis

- 6.1 Other than the changes made in respect of disposals, acquisitions and variations to the terms of leases and sub-leases, including surrenders and renewals, per annum on any single transaction at Full Council on 17 October 2024, the Employee Scheme of Delegation and financial limits in respect of other property matters including the granting and taking of leases has not changed since at least 2001 and the financial limits have, in effect, been significantly eroded by inflation since then.
- 6.2 An appropriation is the transfer of land and property from one Council department to another, for example between the General Fund and the Housing Revenue Account, with the land and property remaining in Council ownership. The need for Cabinet to approve such matters is not efficient and serves very little purpose, particularly as land and property is only appropriated for projects that are funded and have already been approved.
- 6.3 Officers have reviewed the remainder of the property delegations in the Employee Delegation Scheme and are content that the remainder of this section remains fit for purpose.

7. Risk management

- 7.1 The following risks have been identified:

Risk	Description	Action to avoid or mitigate risk	Risk rating
Cabinet rejects the proposed updated Employee Scheme of Delegation and financial limits for property matters.	Officer and Member time is used inefficiently and opportunities to generate additional income can be delayed or lost altogether.	Approve the proposed changes to the Employee Scheme of Delegation and financial limits so that officer and Member time which would have otherwise been spent obtaining/granting approvals can be used more effectively.	BII
Cabinet rejects the proposed updated	Opportunities to generate additional income can be delayed or lost altogether.	Approve the proposed changes to the Employee Scheme of	BII

Risk	Description	Action to avoid or mitigate risk	Risk rating
Employee Scheme of Delegation and financial limits for property matters.		Delegation and financial limits so that officers can deal with income generating lettings and other matters more quickly.	

Likelihood	Impact:
A Very likely	I Catastrophic
B Likely	II Major
C Unlikely	III Moderate
D Rare	IV Minor

8. Consultation

- 8.1 The Council's Legal and Finance teams and the Portfolio Holder have all been consulted and have no objections to these proposals.

9. Climate change implications

- 9.1 There are no direct climate change implications, as a result of this report.

10. Financial implications

- 10.1 These are set out in the report.

11. Legal implications

- 11.1 Cabinet can arrange for the discharge of its functions under the Local Government Act 2000. This is currently dealt with by way of delegations within the Employee Scheme of Delegation which is contained in the Constitution.

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Appendices

Appendix 1 – Proposed changes to the Employee Delegation Scheme

Background papers

None