

PURCHASE OF LAND AND BUILDINGS UTILISING THE INVESTMENT & DEVELOPMENT FUND OR THE HOUSING REVENUE ACCOUNT (HRA)

Subject to the conditions specified Annex A on the next page, the Chief Executive, in consultation with:

- a) the Leader or Deputy Leader and the Chair or Vice Chair of the Strategy & Resources Committee, can utilise the Investment & Development Fund; or
- b) the Leader or Deputy Leader and the Chair or Vice Chair of the Housing Committee, can utilise the Housing Revenue Account

... for the purchase of land or buildings in accordance with the Council's general power of competence under the Localism Act 2011, or in the case of the HRA, for the Council's House Building Programme.

Subject to all other conditions specified in Annex A, the Chief Executive, in consultation with Members in accordance with Standing Order 46 of Part B of the Constitution, can amend the phasing of the capital budget for the Investment & Development Fund up to the maximum of the available approved funding.

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Annex ‘A’

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**FINANCIAL REGULATION 17
PURCHASE OF LAND & BUILDINGS UTILISING THE INVESTMENT & DEVELOPMENT FUND OR THE HOUSING REVENUE ACCOUNT
(HRA)**

		Investment & Development Fund	HRA
	Size of funds	£200 million	Within the agreed Council House Building Programme for the year
(i)	Purpose of funds	<p>To facilitate</p> <ul style="list-style-type: none"> • the acquisition of assets, both within and outside the District, to drive income from investment which will support the delivery of services to residents and businesses within the District; • the acquisition of assets within the District that do not meet the level of return required by Gryllus Property Ltd, the Council's arms-length company for the acquisition of assets outside the District; • the development of Council owned sites within the District; or • other corporate projects 	To facilitate the Council's House Building Programme
(ii)	Subject to (iii) to (viii) below, authority is delegated to the Chief Executive, in consultation with Members in accordance with Standing Order 46 of Part B of the Constitution.	<ul style="list-style-type: none"> • Purchase land and buildings in accordance with the above; • Approve funding to bring forward appropriate Council-owned sites or purchase sites* within the District for development or redevelopment; or • Support the development of other corporate projects which will: <ul style="list-style-type: none"> ➢ increase capital value of assets; or 	Purchase land and buildings* in accordance with the above.

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		<ul style="list-style-type: none"> ➤ provide an improved capital receipt; and / or ➤ provide a revenue return or saving for the Council and / or benefit the community (funding for individual projects to be agreed as part of a business plan for the scheme concerned). 	
		<p><i>*The Executive Head of Communities has authority to undertake the necessary investigative, procurement and legal arrangements to facilitate the acquisition and development of any such land, buildings or sites in accordance with the delegation above.</i></p>	
(iii)	Requirement to notify local Ward Members, if contactable during the required timeframe ...	Inform Members if the site concerned is within their Ward	
(iv)	Upper limit on individual purchases ...	Up to £10 million	Up to £5 million
(v)	Upper limit on total sum of purchases ...	£50 million per annum	Within the agreed Council House Building Programme for the year
(vi)	Purchase criteria ...	Purchase of such assets and associated income would facilitate or improve the delivery of services to the residents of Tandridge or be of economic benefit to businesses in the Tandridge area	
(vii)	Appraisal requirements ...	<p>(a) an independent R.I.C.S. qualified commercial valuation has been obtained and the purchase price (net of SDLT and VAT):</p> <ul style="list-style-type: none"> • is within the independent R.I.C.S. qualified commercial valuation for the proposed or potential use; or • does not exceed the valuation by more than 15% where an acquisition is being made for future regeneration purposes; <p>(b) where appropriate, building / mechanical / electrical / lift and environmental surveys</p> <p>(c) the net rental yield (if appropriate) shall represent a reasonable return in light of prevailing market rates; and</p>	

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		(d) in order to identify potential Full Life Costs, the valuation has taken account of the condition of the property and where deemed necessary by the Lead Legal Specialist, an independent building condition survey will be commissioned to inform the Net Rental Yield.	
(viii)	Authority is delegated to the Strategy & Strategy & Resources Committee / Housing Committee to approve the following in accordance with the above criteriaindividual purchases of land or buildings within or outside the District at or above £10 million in value (including by means of a loan to a Local Authority owned company).	Approve individual purchases of land or buildings within the District at or above £5 million in value.