

Property Asset Acquisition Policy

1. Overview / Policy Statement

- 1.1 This policy, together with South Oxfordshire and the Vale of White Horse District Councils (known as the councils) Land and Property Asset Disposal Policy are key documents in the overall management of the councils' property portfolios. Property is a corporate resource, and this policy is intended to assist the councils in meeting the aims outlined in Our Council Plans ([The way ahead council plan South](#) / [At the heart of the Vale council plan](#)) 2025-2029 and beyond.
- 1.2 The purpose of the councils' Property Asset Acquisition Policy is to set out the principles and processes by which the councils will acquire property. The policy will inform officers and members when considering the acquisition of additional property holdings (land or buildings) to be brought under the control of the councils.

2. Objectives

- 2.1 This policy places emphasis on adopting procedures that are consistent and which ensures maximum benefit is derived from the effective acquisition and subsequent management of the councils' property whether on a freehold, leasehold or other basis. The policy is intended to establish a robust framework by helping to ensure that the councils secure the best solution for service delivery, achieve the best terms reasonably obtainable at the time and that align with overall objectives, that the councils act within the appropriate legal, financial, tax, and regulatory frameworks and where appropriate considers whole life costs of the property being acquired.

3. Scope

- 3.1 The councils currently own, lease and manage buildings and areas of land within the districts that are diverse in their nature and use, and include amongst other uses: civic buildings and depots to support the delivery of council services, community buildings, housing, retail, commercial, leisure and sports sites, car parks, public toilets, cemeteries, parks, open spaces and amenity land.
- 3.2 The councils utilise their property in a number of ways, including:
- Operational - corporate assets / land and buildings delivering services to residents

- Community - land and buildings most of which are leased out for community purposes
- Investment - income producing assets / long leases and assets held for capital appreciation
- Amenity land – countryside sites, nature reserves, open spaces and roadside verges.

3.3 This policy aims to set out a framework for progressing acquisitions. The councils may need to acquire land or buildings for a number of reasons including:

- For direct service delivery or support of service delivery
- Where required to meet the demands of a changing or expanding service delivery or to reflect changes in legislation or service specification
- Strategic acquisition for future development in line with council priorities and objectives including affordable housing and action on tackling the Climate and Nature Emergencies
- For regeneration purposes in order to deliver a wider social or community benefit
- Acquisition of either additional or replacement operational property holdings as part of the rationalisation of the property estate (replacing unsuitable, costly- or 'life-expired' - holdings with more suitable, sustainable and cost effective-alternatives)
- In circumstances where an acquisition is required to perfect the title of or improve disposal prospects and receipts for another council-owned interest, with marriage value being realised on disposal of the larger (combined) interest.

3.4 All actions undertaken by the councils need to be taken in the context of the proposed Local Government Reorganisation, and any directions arising from that.

4. Roles and Responsibilities for Delivery

4.1 Any Service Manager considering or identifying the need to acquire land or buildings for service delivery purposes must consult the Strategic Property Manager at the earliest opportunity to establish the Brief of Requirements and against which all suitable options can be assessed. This information should be captured by the Service Manager and fed into the Project Delivery Framework (Gateway Process) to obtain approval to initiate the project. It is important that this takes place at an early stage and prior to any commitment being made on behalf of the councils.

4.2 Each acquisition should be treated on its own merits and nothing in this policy document binds the councils to a particular course of action in respect of an acquisition.

- 4.3 The Director of Development and Corporate Landlord will be responsible for managing the approved capital budget.
- 4.4 Post acquisition the Service Manager(s) for the occupying service(s) will be responsible for ongoing revenue costs relating to the asset. The Service Manager may, additionally, remain responsible for ongoing costs incurred by the existing property asset rendered surplus to requirements by the acquisition, whilst awaiting the existing asset's disposal or re-use.

5. Relevant Legislation

- 5.1 The powers under which the councils may acquire property can be general or specific, but general powers stem from the Local Government Act 1972 (Section 120). This enables councils to acquire property for any of its functions or for the benefit, improvement or development of the district, even if the property is not immediately required for any of these purposes.
- 5.2 The Local Government Act 2000 introduced additional 'wellbeing' powers which provides councils with the power to do anything which they believe will achieve the promotion or improvement of the economic, social or environmental wellbeing of their area.
- 5.3 Section 12 of the Local Government Act 2003 gives local authorities power to invest for any purpose relevant to its functions under any enactment or for the purposes of prudent management of its financial affairs.
- 5.4 Where the councils have committed to receive land and buildings from a developer under Section 106 of the Town and Country Planning Act 1990 that allows local authorities to enter into agreements with developers to mitigate the impact of development on the community.
- 5.5 Section 227 of the Town and Country Planning Act 1990 in the case of a specific alternative to compulsory purchase and more generally by Section 120 of the Local Government Act 1972.
- 5.6 Acquisition of Land Act 1981 – statutory procedures must be strictly observed.
- 5.7 Section 9 of the Powers under the Housing Act 1985 to provide housing accommodation which includes part (b) acquiring houses.
- 5.8 Section 17 of the Powers under the Housing Act 1985 to acquire land/buildings by agreement and the power for the authority to be authorised by the Secretary of State to acquire compulsorily (i.e., to use Compulsory Purchase Orders powers).
- 5.9 Compulsory Purchase Act 1965 provides a legal framework for public authorities in England and Wales to acquire land without the owner's consent, ensuring compensation is paid for the land taken.

5.10 Land Compensation Act 1961 provides a framework for compensating landowners whose land is compulsorily acquired by authorities, ensuring they receive fair compensation based on market value and other considerations.

5.11 The rights of the affected landowner(s) under the Human Rights Act 1998.

6. Relevant Policy and Procedure

6.1 Anti-Money Laundering Policy ([South/Vale](#)).

7. Alternative Formats

7.1 Please do not hesitate to contact a member of the Strategic Property Team if you would like this policy in an alternative format, via property@southandvale.gov.uk or telephone 01235 422422.

8. Policy

Objectives

8.1 For the purposes of this policy, reference to 'property' includes any building constructed on land, or land, or an interest in land itself. It applies to the councils choosing to acquire an interest in property in any of the following forms:

- Freehold
- Leasehold
- Easements, options to purchase and release of restrictive covenants.

8.2 Unless there are exceptional circumstances, property will only be acquired by the councils where some or all of the following objectives are served:

- It contributes to the service objectives of the councils
- There is a direct link to improving the economic, social and/or environmental well-being of the community
- It satisfies the reasons for the councils to acquire land or buildings, set out in 3.3 above
- An additional property holding offers the best (most effective and affordable) long term solution to achieve the objective(s) and that no existing alternatives will suffice
- The particular solution proposed is the best of the options available and is within the budget available
- There is budget approval within the councils' medium term financial plan (MTFP) and capital programme.

8.3 The councils take a positive approach to securing land and buildings from third parties through Section 106 agreements, such as public open space and community buildings with appropriate commuted sums. Notwithstanding the commuted sum the assets are likely to still incur costs for the councils in the future, expose the councils to additional risks, and need to be valued and properly accounted for in the councils' financial statements. However, such transfers will allow the council to work with the community when they want to take on these assets.

Brief of Requirements

8.4 Prior to the search for and acquisition of any property whether freehold or long leasehold, a Brief of Requirements is to be determined and agreed between the Service Manager and the Strategic Property Manager.

8.5 This is then to be developed into a Project Brief against which accommodation options can be modelled and costed to determine the optimal solution and likely project cost for budget approval purposes in accordance with the councils' capital governance process.

8.6 Where appropriate a full option appraisal (including whole life costing) should be carried out to assess the Net Present Cost (or Value) which would involve an appraisal of all the various options open to the councils for delivery of final objectives.

8.7 Consideration must be given to all other council-owned property and their respective suitability prior to any acquisition, to ensure that there are no alternative suitable holdings in the portfolio that could equally or better accommodate the specific service requirement.

8.8 Against this framework and if there is no solution available within the existing councils' portfolios, external third-party solutions can be similarly considered and evaluated.

8.9 All option appraisals should consider the on-going cost of holding the property and ensure that any decision to acquire land or buildings is informed by both the capital value, capital and revenue cost implications of ownership, and the risks associated therein. Where there are special circumstances for an acquisition this must be clearly articulated and justified.

8.10 A "do nothing" option and any third-party provision should be simultaneously assessed and noted as the baseline for the decision.

8.11 Where a number of potentially suitable property options exist at the time of acquisition, comparisons between each property may be necessary in order to determine which is most suitable for the councils' needs. Officers will be mindful of other potentially suitable properties which may become available in the near future. This will be balanced with service delivery needs.

8.12 The following criteria may be used in the decision-making process, ranked and weighted as appropriate, assessed against the Brief of Requirements:

- Location
- Accessibility – Transport, Infrastructure and Equality
- Cost (short, medium and long term) including revenue for ongoing costs / resources to manage the property and funding options available
- Availability of other land or buildings at the time
- Condition of building
- Cost of developing/altering/refurbishing for council purposes
- Impact on the councils' ability to meet its net zero carbon targets
- Nature of the interest being offered (e.g. freehold or leasehold)
- Nature of potential hazards (e.g. presence of asbestos, land contamination, flood zone, etc.)
- Any restrictions on use
- Energy performance of a building - the councils have an ambition for all council-owned homes to have a minimum of Energy Performance Certificate (EPC) Rating C, as set out in the councils' Nature and Climate Action Plan 2025- 2029
- Sustainability (e.g. proximity to public transport)
- Likely exit costs
- Opportunities for further development / change of use to meet Council Plan objectives
- Risks
- Opportunities to address the Climate Emergency
- Ease of management.

Financial Criteria for Acquisitions

8.13 The councils need to take a strategic approach to land and property acquisitions. The requirement to acquire land and property for any of the purposes outlined in paragraph 3.3 above should be identified as part of the councils' procedures for developing the Medium Term Financial Plan, Capital Programme, Council Plan and Service Delivery Plans.

8.14 Service Managers will be required to take a medium to long term view when planning delivery of their services and, in conjunction with the Strategic Property Manager, will need to identify any requirement to acquire land and property or any opportunities to dispose of surplus assets in order that these changes can be incorporated into the councils' financial planning.

8.15 Whilst local authorities have the power to invest for any purpose relevant to its functions The Prudential Code for Capital Finance 2021 determines that 'it is not prudent for local authorities to make any investment or spending decision that will increase the capital financing requirement, and so may lead to new borrowing, unless directly and primarily related to the functions of the authority'.

In order to comply with the Prudential Code, an authority must not borrow to invest primarily for financial return.

- 8.16 The Public Works Loans Board (PWLB) lending arrangements revision, published on 15 June 2023, advises that any investment asset bought primarily for financial return which was acquired after 15 June 2023, whether financed through borrowing or another source, would prevent the authority being able to access the PWLB. To comply with the Prudential Code, this policy excludes acquisition of commercial assets for investment purposes.

Approvals

- 8.17 All acquisitions must be approved in accordance with the council's current Constitution, Contractual, Financial and other Procedure rules. Allocation of capital budget to acquisition projects requires the approval of Cabinet / Council.
- 8.18 Consequently, officers may enter into negotiations for the acquisition of property provided that all necessary approvals have been obtained before the councils are legally committed.
- 8.19 There are more specific powers that support acquisitions for capital programmes or specific projects, through the making of compulsory purchase orders which, if approved, allow councils to acquire land or buildings through compulsion as opposed to acquisition by agreement. This is outlined further in section titled 'Compulsory Purchase' below.

Negotiations

- 8.20 Following the sign-off of the Brief of Requirements, preliminary feasibility studies and investigations and an acquisition proposal having been approved by stakeholders, together with approval of allocated budget, the Strategic Property Team will undertake a search for suitable properties and commence negotiations for acquisition as appropriate. All negotiations should make it clear that pursuit of an acquisition is subject to contract / the required council authority and, if necessary, appropriate surveys, planning and other permissions.
- 8.21 Where it is proposed that the councils will acquire land and / or buildings using Community Infrastructure Levy (CIL) monies, grants or any other contribution or donation the acquisition will be treated as any other and appropriate approvals obtained.
- 8.22 Once heads of terms for the acquisition have been agreed between the parties, the Strategic Property Team will instruct the Legal Team. The Strategic Property Team will also instruct any necessary surveys as part of the usual due diligence process which should highlight any long-term defects and environmental factors which may cause a risk such as flooding, proximity to trees, ground condition, etc. Subject to all of this being satisfactory, approval will be sought to complete the purchase.

8.23 It is likely that other elements of a property acquisition process will need to be factored in such as alteration or fit out proposals, costing and programming and obtaining the necessary approvals and consents from the planning authority and landlords.

8.24 Legal completion will need to be carefully co-ordinated by the lead member of the Strategic Property team in conjunction with Legal and Finance.

Funding Responsibility

8.25 The Director of Development and Corporate Landlord will be responsible for managing the approved capital budget. Costs which may be incurred include, but are not necessarily restricted to:

- The freehold or leasehold acquisition cost of the property (including stamp duty, surveys, legal and surveyor's fees etc)
- Any improvement or upgrading costs (including statutory compliance work and maintenance costs required to bring the property up to an acceptable standard) and fitting out
- IT connections and equipment including data infrastructure cabling.
- Furniture, fixtures and fittings and effects.

8.26 Post acquisition the Service Manager(s) for the occupying and managing service(s) and/or the centralised Corporate Landlord function will be responsible for ongoing revenue costs relating to the asset:

- The day-to-day running costs including facilities management
- Any associated rent and service charges
- Insurance
- Business rates or Council tax liability where relevant.

8.27 The Service Manager may, additionally, remain responsible for ongoing costs incurred by the existing property asset rendered surplus to requirements by the acquisition, whilst awaiting the existing asset's disposal or re-use.

8.28 Where an acquisition is aborted and does not result in legal completion and transfer of ownership, the costs incurred will be charged to the service revenue budget.

8.29 All acquisitions must have the necessary budgetary (capital and ongoing revenue) and relevant Cabinet and / or Council approval before the acquisition is completed, including donated assets. The VAT status of any property to be acquired should be known. Where there has been an 'election to tax', the VAT requirements and effect on net cost should be discussed with the finance department before proceeding.

Compulsory Purchase

- 8.30 The councils may acquire land by agreement and an effort to do this should always be encouraged. Such ability to acquire land is promoted by S.227 of the Town and Country Planning Act 1990 in the case of a specific alternative to compulsory purchase and more generally by S.120 of the Local Government Act 1972. Where the councils have the ability to acquire the land compulsorily, acquisition by agreement is often referred to as 'acquisitions under threat of Compulsory Purchase Order (CPO)'.
- 8.31 The councils may consider, where appropriate, the acquisition of land through compulsory purchase powers but this is a complex, expensive and drawn-out process.
- 8.32 Powers of Compulsory Purchase are conferred on public authorities by legislation – in most cases directed by the Acquisition of Land Act 1981 – and statutory procedures must be strictly observed. Compulsory Purchase powers enable the authorised public authority to compulsorily acquire land where required in order to carry out a function which Parliament has decided is in the public interest. The council could consider using these powers where the owner or occupier of the land in question is unwilling to sell by agreement or where agreement cannot be achieved.
- 8.33 There are several stages in the Compulsory Purchase procedure, and the approval of the relevant Government Minister is required before such powers can be used. When deciding whether to exercise Compulsory Purchase powers the councils must take into account all relevant considerations (including, but not exclusively, the rights of the affected landowner(s) under the Human Rights Act 1998).
- 8.34 The Planning & Infrastructure Act 2025 will improve the CPO process and land compensation rules to enable more effective land assembly through public sector-led schemes, though the changes have not come into effect yet. A more streamlined and efficient process will also enable authorities to make greater use of their compulsory purchase powers

Risk Management

- 8.35 The councils should be aware that directly acquiring property will always incur risk, which can take many forms such as:
- Costs of acquisition, management and disposal – most of which will be non-recoverable if an acquisition is aborted or transaction fails
 - Void periods may increase holding costs – the councils may have to pay for empty business rates, utility costs (standing charges), vacant property insurance, security, facilities management costs, repairs and maintenance
 - Resource required to manage the property, especially where there are frequent changes in occupier

- Cost of repair resulting from tenant behaviour
- Building obsolescence and physical deterioration may incur additional costs
- Changes to taxation of property
- Turbulent property markets and volatile economic conditions – can cause capital value depreciation
- Relative illiquidity – properties can take a long time to sell and realise the capital invested
- Not purchasing a balanced property portfolio that is flexible to whether any market changes
- Reputational risks – both from failing to acquire the right property as well as securing an inappropriate one.

8.36 Acquiring property in accordance with this policy should, to some extent, mitigate the risks outlined above, where they are capable of mitigation.

Money Laundering

8.37 All transactions should be carried out in accordance with the councils' Anti-Money Laundering Policy.

8.38 All cash transactions must be within the limits set out in the Anti-Money Laundering Policy.

Internal and External Audit

8.39 Audit trails of all acquisitions will need to be maintained and accessible by Internal / External Audit to verify actions / values and how the authority made the decision to acquire an asset. All acquisitions must be added to the councils' property management information system / Fixed Asset Register and included within the councils' financial statements.

9. Communication and Contact Information

9.1 For further information about this policy, please contact the Strategic Property team on strategicpropertyteam@southandvale.gov.uk

10. Definitions

Key term	Definition
Property	Includes any building constructed on land, or land, or an interest in land itself
Freehold	A type of property ownership where the ownership of both the building and the land is outright.
Leasehold	The right to occupy and use a property for a specific number of years for in return for payment of rent.

Easement	A legal right that allows the use of another person's land for a specific purpose without owning it.
Option to purchase	A contract between a property owner and a buyer that allows the buyer to pay a certain sum of money for the right to purchase the property on or before a later date.
Release of restrictive covenants	The legal restrictions imposed on a property owner's use of the property are lifted or modified.

11. Change Record

Change Record	
Policy title	Property Asset Acquisition Policy
Version number	1.0
Owner	Strategic Property Manager
Author	Karen Lister
Approved by	South and Vale Cabinet
Approved date	South – 16 April 2026 Vale – 17 April 2026
Effective date	20 April 2026
Renewal date	19 April 2030