

Corporate Estate Management Policy

Corporate Landlord - Updated 1st April 2026

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Introduction

Kirklees Council owns an extensive non-operational land and property portfolio and recognises that through efficient and effective management, this valuable resource can support the Council's priorities by:

- Complementing the Asset Strategy
- Supporting the Capital Plan
- Supporting corporate resilience
- Providing business and development opportunities
- Generating Revenue Income

The Service Director for Development has overall responsibility for management of the portfolio, and the Estate Management Policy sets out how this will be achieved.

Whilst the primary focus of this document is to provide key policy guidance for officers, elected members, businesses and the general public, it is important to note that each individual case should be treated on its own merits and nothing in this document binds the Council into any particular course of action when dealing with the portfolio.

The Commercial Portfolio

The commercial portfolio consists of approximately 493 individual interests. These include shops, offices, industrial units, other properties and ground leases, and are let on commercial terms to produce revenue income to support the Council's budget.

Overall Portfolio Management

Portfolio Review and Disposals

The commercial portfolio will be subject to continued review to ensure investments remain viable and to identify disposal or alternative opportunities for underperforming assets.

In addition to continual review process, decisions on disposal may be determined:

- When a tenant serves notice to quit and the likelihood of re-letting is limited
- When there is no increase on a rent review or lease renewal

Assets identified for disposal will be sold in line with the Acquisitions and Disposal Policy.

Planned Maintenance and Refurbishment

Planned maintenance and refurbishment will be carried out following portfolio review/condition surveys. Where appropriate, expenditure will to be recouped from tenant(s) via service charge provisions.

Funding

Planned maintenance/repair is funded from the Commercial Estate Trading Account (if the value is under £10,000) or the Facilities Management Service Capital budget (if over £10,000).

Capital receipts from the Commercial Portfolio will not be ring fenced for reinvestment but will support the Corporate Capital Receipts 5-year rolling target.

Bids for substantial capital investment to fund procurement or wider developments of the commercial portfolio will be subject to a detailed business case to be considered via the approved Capital Delivery Board process.

General Property Management

Marketing

The marketing strategy for vacant properties will concentrate on the use of appropriate incentives to reflect prevailing market conditions. New commercial lettings will generally be on a competitive basis, the final decision on which applicant to accept will be based on the proposed rent, the most suitable use, the tenants financial standing and the level of investment by the tenant.

New tenants (including assignees) must provide appropriate proof of identification, undergo a financial assessment and provide suitable references.

Where the new tenant is an individual or a limited company without an acceptable trading history, a guarantor may be required. Where the new tenant does not provide an acceptable trading history, satisfactory references, or a satisfactory financial assessment, advance payment of rent may be required.

Tenants will not be allowed to occupy properties until agreements have been completed.

General Lease Terms

Legislation

Commercial tenants will normally have the right to renew their tenancy in accordance with the provisions of the Landlord and Tenant Act 1954. The Council retains the right to contract any lease out of these provisions if it is necessary.

Rents

Full market rents will be charged taking into account the proposed or agreed lease terms.

Repairs

The Council will negotiate full repairing terms wherever possible, which pass the full costs of property maintenance, repairs and other management to the tenant.

In multi occupied properties, the Council will use a service charge to recover all maintenance, repair, compliance with legislation and other management costs relating to the property. It may also incorporate a sinking fund to enable larger elements of repair and maintenance to be funded.

For existing tenancies, the Council will seek to negotiate full repairing terms wherever possible.

Insurance

All new lettings will be on full insuring terms, which pass the costs of insurance onto the tenant. On existing tenancies, the Council will seek to negotiate full insuring terms wherever possible.

Properties which are insured by the tenant must be insured on a basis which is agreed by the Council's Insurance and Risk Management Section.

Where insurance is provided by the Council the premium will be recharged to the tenant.

The tenant to have appropriate Public Indemnity Insurance.

Rent Review/Lease Renewal

Rent review provisions will generally allow for the review of rent every five years, on an upwards only basis. On lease renewal tenancies may be allowed to hold over if it is deemed uneconomic to review the rent.

Use

The Council will adopt good estate management and commercial practices to restrict use were necessary to achieve an acceptable mix and insure sustainability of businesses.

Alienation (Assignment and Sub-letting)

Agreements can generally be assigned unless there are good estate management reasons for imposing restrictions.

Sub-letting of the whole or any part of a property will be prohibited unless there are good estate management reasons to do so.

Dilapidations

The Council will generally inspect a tenanted property when the tenant vacates (at lease expiry, surrender or assignment) in order to ensure the property is in a good state of repair in accordance with the terms of the lease/tenancy agreement.

If necessary, a Schedule of Dilapidations will be served on the tenant.

The tenant will also be required to demonstrate legislative compliance for the demise (such as asbestos management, gas, electricity, glass etc.)

Consents

The Councils consent will generally be required for alterations/additions; the tenant will be responsible for satisfying statutory requirements such as building control, planning etc.

The Non-Commercial Portfolio

The non-commercial portfolio consists of a large number of garage sites, gardens, grazing land and long-term ground leases.

Garage sites and Garden Tenancies

The Council will not grant any new agreements to erect garages on Council owned land or use Council land for garden purposes, other than in the following circumstances:

- Where it is necessary to protect the long term (strategic) interests of the Council.
- Where there is a change of owner of either the garage or dwelling house.

Any new agreements will be at full market rents taking into account the proposed terms of the agreement.

The Council will continually review all garage sites and garden tenancies to identify those with potential for development. Where housing or commercial development is possible the Council will secure vacant possession of the site via appropriate notices being served.

Licensees and tenants will be required to remove garages and any other structures in accordance with the terms of the agreements. No compensation or other payment will be made, these sites will be disposed of in accordance with the Acquisitions and Disposals Policy or retained in the interim until strategically required for release.

Sites which are not required for strategic retention or are unsuitable for development may be subject to disposal as going concerns (i.e. subject to the existing agreements) but may be subject to appropriate covenants protecting their long term use.

Grazing Land

The Council will only grant new grazing licences on Council owned land if it is identified as having strategic or operational benefits to the Council. In such cases, the land will be re-let on the open market, if it becomes available. The Council will dispose of all remaining grazing land in accordance with the Acquisitions and Disposals Policy.

Long term ground leases (999 & 2000 years)

The Council will continue to manage these interests in line with the clauses within the leases by invoicing the rent, dealing with registrations, assignments and legal charges and providing consent where necessary. The Council will charge a fee for

carrying out these management tasks in accordance with the schedule of fees in [Appendix 1](#).

Requests to purchase the freehold reversions of these leases will be dealt with on a case-by-case basis in line with the Councils Acquisitions and Disposal Policy.

Agricultural Land and Buildings

The Council will support the disposal of all non- strategic holdings to sitting tenants. In the event of the tenant declining the property will be offered on the open market as an investment opportunity.

For those holdings which are to be strategically retained the Council will seek to negotiate mutually beneficial changes to existing tenancies. Changes to the terms under which holdings are occupied can only be agreed mutually as the tenant has an element of statutory protection regarding their existing terms of occupancy.

The Council will implement rent reviews on existing holdings when considered cost effective to do so in accordance with tenancy agreements and relevant legislation.

Miscellaneous Assets and Liabilities

The Council owns land and property assets which do not form part of the let estate e.g. heritage assets, woodland areas, embankments, bridges and cuttings etc.

For those assets which are not strategically required the Council will consider appropriate proposal for disposal or asset transfer.

Land Bank

The Land Bank is managed by the Head of Corporate Landlord for the overall benefit of the Council. Any land and property declared surplus by Services or following review, is subsequently managed, maintained and made secure through the Land Bank.

Land or property held in the land bank will be held for ultimate disposal (freehold, or by lease), asset transfer, demolition or lease as a temporary measure. Guardians may also be installed as opposed to employing a security firm.

Temporary Use of Council Land and Property

Subject to the merits of individual cases, the Council may permit temporary use of its land and property. In all cases, the use will be subject to:

- Completion of a licence agreement.
- Payment of a licence fee (where appropriate) in accordance with the approved schedule in [Appendix 1](#).
- Provision of risk assessment and method statements for the proposed use, if considered appropriate.
- A land management plan (where appropriate.)
- Evidence of public liability indemnity insurance to a minimum value of £5 million, or other value as required by the Council's Risk and Insurance officer.
- Where appropriate, a bond to cover the costs of reinstatement of the land and/or property.

General Issues

Decision-making Process

The Estates Management Policy will be used as the basis for decision-making by Corporate Landlord and Capital when operating the Delegation Scheme ([Appendix 3](#)) as amended and reissued from time to time. It will also be used as the basis for recommendations to Cabinet or Cabinet Committee - Assets where an Executive decision is required.

Value Added Tax (VAT)

The Council will elect to waive its exemption (opt to tax) on the disposal of land and property assets where the Council wishes to recover previously incurred input tax. The decision whether to opt to tax or not will be jointly made by the Service Directors responsible for Corporate Landlord and Capital and Finance.

VAT will be payable on the disposal and letting of land used for car parking (including garages) and on rents, service charges and other charges where the Council has previously 'opted to tax'.

Debt Recovery

The Council will adopt good estate management and commercial practices for managing arrears of rent which may include individual payment plans. If such agreed payment plans are not met the Council will reserve the right to take the necessary legal action to forfeit the lease and recover possession of the property. The Council will reserve the right to charge interest on arrears where the lease permits.

Consultation

Local ward members will be consulted in the following circumstances:

- As part of the process for advertising the disposal of ‘public open space’
- Before a report goes to Cabinet on land and property within their Ward

Where local ward members are to be consulted, they will be given at least 10 working days to respond and all comments, whether in support or objection to the proposal, will be included in the report to the decision-making body.

Fee Recovery

Where appropriate, the Council will seek to recover from third parties, its reasonable legal, surveying and administrative costs incurred in dealing with all matters involving the non-operational portfolio. The fee recovery will be on the basis of the approved schedule of fees listed in [Appendix 1](#).

Initial enquiries about the Council’s land and property ownership will be provided at no cost.

Commissioning

The Council may, from time to time, commission external consultants in connection with the disposal and acquisition of land and property. The Council will procure consultants in accordance with its contract and financial procedure rules and where appropriate will use Kirklees based consultants in addition to utilising national and regional frameworks. The Council will ensure that the external consultants will possess the necessary professional and technical qualifications and experience.

Appendices

Appendix 1 – Schedules of Fees

Schedule of fees to be recovered from third parties including legal, surveyor's and administrative / consent fees.

Table 1 Commercial Schedule of Fees

Management Task	Fees
New Letting	£750
Deed of Assignment	£950
Lease Renewal	£750
Landlords Consent	£950
Deed of Variation or Surrender	£1,100
Licence for Site Compound	£200 per week
Site Licence	£350

Table 2 Non-Commercial Schedule of Fees

Management Task	Fees
New Tenancies (Garden, Garage, Grazing)	£75
Registration Fees (Residential)	£65
Registration Fees (Commercial)	£100
Landlords Consent (Residential)	£100
Copy Leases (up to A3 size)	£35
Certified Leases (up to A3 Size)	£75
Copy Leases (Larger than A3)	£70
Certified Leases (Larger than A3)	£120

All fees are exclusive of Value Added Tax and disbursements.

Appendix 2 – Glossary of Terms

Table 3 Glossary of Terms

Term	Description
Assignment	The legal transfer of a land or property lease from the existing tenant to a new tenant.
Capital Plan	The Council's plan for capital expenditure over a period of one to three years.
Contract Out	The legal process by which a landlord and tenant voluntarily agree to waive the security tenure provisions afforded to a tenant by the Landlord and Tenant Act 1954. This effectively removes the tenant's statutory right to renew a commercial lease at the expiry of the lease term.
Full Market Value	The rent for which a property or land would let for on the date of letting and between a willing lessor and lessee on appropriate terms.
Landlord and Tenant Act 1954	Provides security of tenure for tenants and entitles them, in most cases, to obtain new tenancies.
Opt to Tax	'Opt-to-tax' is a mechanism which enables to Council to recover VAT on expenditure relating to a property transaction (input tax; usually when there has been major expenditure on which a large amount of VAT has already been paid out) that would otherwise be irrecoverable. This can have significant positive effects on the Council's overall financial position.
Schedule of Dilapidations	A notice served on a tenant who has failed to keep a property in repair in accordance with the terms of the lease. The notice will usually be served prior to the end of the tenant's occupation and must outline the area(s) of disrepair, the steps required and time in which to remedy the situation and the relevant clauses of the lease.

Appendix 3 – Delegation Scheme – To be updated as necessary

Delegation Scheme - To be updated as necessary