



Full Council

12 May 2025

**Subject: Recommendation from the Governance and Audit Committee
-Annual Report of the Monitoring Officer 2024/2025**

Report by:

Monitoring Officer

Contact Officer:

Lisa Langdon
Assistant Director for People and Democratic
Services and Monitoring Officer.
Lisa.Langdon@west-lindsey.gov.uk

Purpose / Summary:

The Annual Report from the Monitoring Officer aims to provide an overview of governance matters relating to this Committee, and to seek appointment of Ms Fiona Souter and Ms Sarah Lawrie as members of the Independent Remuneration Panel until Annual Council May 2029.

The Governance and Audit Committee considered this report on 22nd April 2025 and **RECOMMEND** this report to Council.

RECOMMENDATION(S):

That Council:

- (1) accept the RECOMMENDATION from the Governance and Audit Committee and receive and endorse the information contained with the Monitoring Officer's Annual Report
- (2) accept the RECOMMENDATION from the Governance and Audit Committee and agree that the governance outlined in Section 2 of the report, in respect of managing Commercial and Economic Growth, provides

assurance that the council is taking appropriate mitigating measures against the risks identified in its commercial approach

- (3) accept the RECOMMENDATION from the Governance and Audit Committee to approve the appointment of Ms Fiona Souter as a Member of the Independent Remuneration Panel until Annual Council May 2029 (Section 7.1) be approved.
- (4) accept the RECOMMENDATION from the Governance and Audit Committee to approve the appointment of Ms Sarah Lawrie as a Member of the Independent Remuneration Panel until Annual Council May 2029 (Section 7.1) be approved.

IMPLICATIONS

Legal:

The Council is required by law to prepare, and keep up to date, the Constitution. There is no legal requirement for the Monitoring Officer to produce an annual report of this nature, however it has previously been requested by Members and aims to provide transparency in respect of the wider governance associated work the Monitoring Officer is involved with on an annual basis.

Financial: FIN/5/26/GA

No financial implications arising from this report. Lay Members do attract a remuneration fee which is established by the independent Remuneration Panel. The fees are contained within existing budget provision.

Staffing: There are no staffing implications arising from this report. The work is conducted by the Monitoring Officer, Deputy Monitoring Officer and wider departments.

Equality and Diversity including Human Rights: It is imperative that when dealing with all governance issues, people are treated equally and fairly. The Monitoring Officer, Deputy Monitoring Officer and wider team are aware of Equality legislation and due to the sensitive nature of this work, particularly that relating to complaints made under the Standards regime, ensure that equality and diversity is considered and applied as appropriate at all times.

The provisions under the Regulation of Investigatory Powers Act 2000 are founded on the premise of protecting human rights, and the governance surrounding this legislation ensures the human rights of the residents of West Lindsey are protected.

Data Protection Implications: The information contained in this report is, by its very nature, personal and often sensitive data. Therefore, staff only know about specific information if they need to, and information is kept confidential as appropriate, with care being taken in relation to the sending out of correspondence (such correspondence being marked "confidential" where necessary).

Climate Related Risks and Opportunities: The organisation is aware of its responsibilities surrounding climate change, and much of the work referred to within this report is conducted over email with limited printing of paper documents, and where possible meetings and discussions are held virtually using the MS teams function, thereby saving in fuel costs and emissions.

Section 17 Crime and Disorder Considerations: Whilst there are no direct implications, the work carried out by the Monitoring Officer and wider teams contributes to cohesion and informal resolutions within communities, and therefore promotes community safety. The Monitoring Officer and Deputy Monitoring Officer are able to provide a police contact to anyone who suspects or alleges criminality.

Health Implications: There are no health implications arising from this Report.

Title and Location of any Background Papers used in the preparation of this report :

Monitoring Officer Annual Report 2023/24 submitted to Council in May 2024

Risk Assessment :

Good governance and up to date practices and procedures for decision making ensure the organisation is legally compliant, whilst protecting against ultra vires decisions. Further, good governance is essential for ensuring value for money and that the Council is acting within its own powers and procedures at all times. Ensuring good governance at all levels protects the organisation from external claims and challenges.

“Failure to comply with legislation” and “inability for the Council’s governance to support quality decision making” are strategic risks for the organisation and these risks are considered regularly by the Management Team prior to consideration at the Governance and Audit committee.

Call in and Urgency:

Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?

i.e. is the report exempt from being called in due to urgency (in consultation with C&I chairman)

Yes

No

Key Decision:

A matter which affects two or more wards, or has significant financial implications

Yes

No

1 **Introduction and Summary**

1.1 This report sets out the Annual Report of the Monitoring Officer for 2024-2025, which aims to provide an overview in respect of governance matters associated with this Committee.

1.2 The report includes for information purposes: -

- details of the governance arrangements in place to manage Commercial and Economic Growth, including WLDC owned companies;
- presents a high-level data analysis of the number, nature and outcome of complaints received under the Code of Conduct, during the 2024/25 civic year;
- notification of pending appointments of Independent Lay Persons to various roles across the Council, for recommendation to Council where terms of office are due to expire;
- support the Monitoring Officer has provided to a number of Parish Councils to ensure their continued functioning;
- the use and frequency of urgent delegated committee decisions taken by the Head of Paid Service; and
- information in respect of the Council's Regulation of Investigatory Powers (RIPA) Policy and the number of times the Council has used it powers.
- This year's report also includes details of an internal audit undertaken on the Code of Conduct complaint process and summarises the arising recommendations to be implemented.

Monitoring Officer's Annual Report

2. Governance arrangements in place to manage Commercial and Economic Growth

2.1 The Sections below provide updated positions, together with information on how the Council governs its business interests.

2.2 West Lindsey Owned Companies

2.2.1 West Lindsey District Council controls ownership in the four companies listed below. These are managed using nominated representatives acting as Directors and carrying out the shareholder function. In practice the shareholder role is carried out by way of formal reporting to the Corporate Policy and Resources Committee.

Company	Reg. No.	Date incorporated	WLDC Staff/Roles		Shareholding
WLDC Trading Ltd	10547086	Jan 2017	SGS– Director		Sole Shareholder
WLDC Staffing Services Ltd	10276205	Jul 2016	Vacant – Director Vacant – Shareholder		
SureStaff (Lincs) Ltd	06476932	Jan 2018	Representative PD - Secretary		
Market Street Renewal Ltd	10298200	Jul 2016 – moved to wholly owned company in Sept 2023	SGS	Director	Sole Shareholder
			AM	Director	
			Vacant	Shareholder Representative	
			PD	Secretary	

Key: -

AM – Andrew Morriss – Independent Lay Member of the Governance and Audit Committee

PD – Interim Director of Finance and Assets (S151 Officer)

SGS – Sally Grindrod-Smith – Director of Planning and Regeneration, Projects and Growth

- 2.2.2 There has been a new Director appointment and a Director resignation for each of West Lindsey owned companies during 2024 – 2025. Additionally, a company secretary was appointed to Market Street Renewal Limited.
- 2.2.3 There is a vacancy for the shareholder representative for all the West Lindsey owned companies. The replacement for this role would need to be agreed by the Corporate Policy and Resources committee and confirmed at the next available board meeting for West Lindsey owned companies. There is also a Director Vacancy for Surestaff / Staffing Services which will require an appointment by the Corporate Policy and Resources committee.
- 2.2.4 Business Plans for West Lindsey Owned Companies are currently being updated for 2025. Business Plans will continue to be reviewed and presented to the Corporate Policy and Resources Committee annually.
- 2.2.5 In conclusion there have been no major concerns reported around the governance of the West Lindsey owned companies and they have not been subject to any legal challenge during the year 2024 – 2025.

2.3 Development Agreements

- 2.3.1 A development agreement is a term which is used to cover a variety of agreements amongst developers, landowners, purchasers, tenants and funders. Each agreement will, of course, require to be tailored to the parties and the circumstances of the particular development, but they tend to have a number of elements in common.

- 2.3.2 Many include some or all of the following obligations on the developer:
- to carry out the particular development in line with agreed plans and specifications;
 - to procure the provision of collateral warranties by the contractor and consultants to the purchaser/tenants and funder;
 - provisions which are designed to ensure the quality of the development;
 - letting obligations, which set out the minimum criteria for any prospective leases which the developer seeks to secure, perhaps with an agreed form of lease attached; and
 - A timetable for the development, including a long-stop date for completing it.
- 2.3.3 The Council entered into a Development Agreement with MUSE in 2017 to support the regeneration of Gainsborough Town Centre. This was a five-year agreement and has now ended. The Council conducted a public procurement exercise to select a development partner to lead the regeneration of RAF Scampton. The development partner was approved by the Corporate Policy and Resources committee in 2023, but the development agreement remains pending and subject to further discussions with the site owner. Should the discussions be successfully concluded the Corporate Policy and Resources committee will be presented with the final agreement for their consideration.

2.4 Commercial Property Portfolio.

- 2.4.1 At the Corporate Policy and Resources Committee on 13 April 2017 Members agreed a criteria for investment in commercial properties.
- 2.4.2 The criteria included Lot size, Location, Asset quality, Tenant ease term, Tenant Covenant, Occupation and Tenure. In addition, the committee agreed to delegate the application of the criteria to the Chief Executive following consultation with the Chairman of Corporate Policy and Resources Committee.
- 2.4.3 The criteria was revised at the meeting of the Corporate Policy and Resources on 10th May 2018 to increase the purchase price range to £10 million. This was to enable the portfolio to be balanced and to take advantage of a gap in the market for lots between £5 million and £10 million.
- 2.4.4 Appendix 1 sets out the scoring criteria which is currently used to evaluate properties for the portfolio.
- 2.4.5 The Council has bought no additional investment properties during 2024/2025 and it is not envisaged that any further commercial properties will be purchased.

- 2.4.6 Members have been regularly updated on these properties in the budget monitoring reports which are provided on a quarterly basis to the Corporate Policy and Resources Committee, and this will continue to be the reporting mechanism regarding these investments.
- 2.4.7 As advised in the 2022 – 2023 Monitoring Officer’s Annual Report, at the time of writing, the policy relating to Commercial Investments was due to being reviewed to ensure it accorded to the new government regulations relating to MRP.
- 2.4.8 This work was completed and the Council are fully compliant with the government regulations as outlined in the treasury management strategy approved by Council on 3rd March 2025.

3. Ensuring compliance with the Subsidy Control Act (2023)

- 3.1 The Subsidy Control Act (2023) was introduced during 2022 - 2023 replacing the State Aid legal requirements following Brexit. The new Act was designed to continue to ensure that the public sector applied a ‘level playing field’ approach to all aspects of procurement and therefore did not give undue financial support to bidders.
- 3.2 As reported in last year’s Monitoring Officer Annual Report at the time of the Act’s introduction the Council sought Legal advice to ensure it was adhering to all the requirements it placed on Local Authorities, and received assurance it is complying with the new legislation.
- 3.3 Officers continue to review each of our major projects on a case by case basis to ensure full compliance and no matters of concern have been raised.

4 Procurement Act 2023 and Resulting Revisions to Contract Procedure Rules.

- 4.1 The withdrawal of the UK from the European Union (EU) provided the opportunity for central government to introduce new legislation governing public sector procurement and contract management, as our previous regulations (as detailed in the Public Contract Regulations 2015) were the enactment of an EU Directive.
- 4.2 The resulting Procurement Act received royal ascent in 2023 (with the provisions coming into effect on 28th October 2024) resulting in the Council having to review its processes, policies, regulations, constitution and practice to be updated.
- 4.3 This matter was the subject of a full report to the Governance and Audit Committee at its meeting on 21 January 2025 which included an updated set of Contract Procedure Rules which were subsequently recommended to and adopted by Full Council in January 2025.
- 4.4 Training sessions on the new requirements have been provided to staff.

5 Overview of the Number, Nature and Outcome of Code of Conduct Complaints Received

5.1 The sections below set out the position in respect of Member Code of Conduct complaints data for the civic year 2024 - 2025 up to March 2025, with data having last been reported to Annual Council in May 2024.

5.2 During 2024 - 2025 19 complaints were received.

5.3 2 were in relation to District Councillors and 17 related to Parish Councillors.

5.4 The nature of these complaints is summarised below:

- Leadership 2 (2 Parish)
- Bullying/ Harassment 4 (1 District, 3 Parish)
- Respect 13 (1 District, 12 Parish)

5.5 The level of complaints has risen slightly when compared to last year (15 in total 1 District Councillor 14 Parish Councillors) but overall remains on a par to previous years. The increase can be accounted for by a cluster of complaints relating to one Parish Council.

5.6 It is to be expected that the Council will receive more complaints about Parish Councillors as opposed to District Councillors, given the very high number of Parish Councillors compared to District Councillors, this trend has borne out during 2024 - 2025.

5.7 The Monitoring Officer has issued one formal action against a District Councillor but none against a Parish Councillor during 2024-2025.

5.8 The Monitoring Officer does regularly offer advice, guidance and words of caution in a bid to avoid costly and time-consuming investigations in matters which in main can be resolved by informal actions, this will always be the preferred method resolution.

5.9 There were no full investigations required by the Council during this year 2024-2025.

5.10 The level of formal complaints will never truly demonstrate the amount of work undertaken by the Monitoring Officer and Deputy Monitoring Officer in supporting Councillors, particularly Parish Councils, nor does it reflect the numerous enquiries which the Monitoring Officer receives which fall outside of the Monitoring Officers powers, or the volume of correspondence issued to prevent matters progressing to a formal stage.

5.11 As advised in the 2023/2024 Monitoring Officer's Annual Report, to increase knowledge and understanding around the Standards regime and the role of the Monitoring Officer, a series of training sessions were

provided for Parish Councils during the Summer of 2024. These sessions were held during July of 2024.

- 5.12 The Government has recently announced it is reviewing the Standards Framework, and the Monitoring Officer will continue to keep abreast of any outcomes.

6. Code of Conduct Complaint Process Audit

- 6.1 The Code of Conduct regime was subject to an Audit in December 2024 and that Audit concluded that the process provided reasonable assurance. There were some follow up actions which included amendments to the internal spreadsheets, providing refresher training for those who facilitate the process, and also considering extension of the response timescale. These actions are being implemented by the Monitoring Officer and Deputy Monitoring Officer.

7. Pending Appointments for Lay and Co-opted Members recommended by the Monitoring Officer for Council Approval.

7.1 Independent Remuneration Panel Member

- 7.1.1 Recruitment for Independent Members of the Remuneration Panel took place during February /March 2025. One vacancy had arisen due to the passing of one member of the Panel.

- 7.1.2 A recruitment process was undertaken, generating three applications. However, one applicant withdrew prior to interview. Following a formal interview process, overseen by the Monitoring Officer and Chairman of the Governance and Audit Committee, the positions have been provisionally appointed to Ms Fiona Souter and Ms Sarah Lawrie, subject to approval by Council.

- 7.1.3 Council will be asked, at their Annual General Meeting, to approve that Ms Fiona Souter and Ms Sarah Lawrie be appointed as Independent Members of the Remuneration Panel for a period of four years commencing Annual Council May 2025 and ceasing at the Annual Meeting of Council in May 2029.

7.2 Future Expiration Dates of Lay Persons Roles.

- 7.2.1 Terms of Office across Lay positions available on the Council are aligned to expire on a rolling basis, as opposed to all appointments expiring at the same time, to ensure that some level of knowledge and experience is retained,

- 7.2.2 During 2025/2026 three roles expire, these being: May 2026 - Mr S Beard (Standards Independent Person); May 2026 - Mr R Quirk and Mr T Hall (both Independent Remuneration Panel)

7.2.3 Recruitment will be undertaken towards the end of 2025/2026 civic year.

8 Support to Parish Councils.

8.1 The Monitoring Officer regularly supports Parishes on an informal basis throughout the year. As well as powers and duties in relation to the Code of Conduct, the Constitution also provides the Monitoring Officer the relevant authority to: -

4. To make, under Section 91 of the Local Government Act 1972, temporary appointments of Members to Town and Parish Councils following consultation with the Chairman of the Governance and Audit Committee. (Part IV / Page 33)

8.2 These appointments are made to prevent the Parish Council becoming inquorate due to resignations and it is typical for the Ward Member to be appointed.

8.3 During 2024 – 2025 this intervention has been used twice assisting the following Parishes: -

- Fenton and Torksey Lock; and
- South Kelsey

8.4 The appointments made under Order of Section 91 are no longer in place, as both Councils are now quorate.

8.5 The Council continues to strengthen its partnership and are working more closely with the Lincolnshire Association of Local Councils (LALC). LALC continues to champion the adoption of the West Lindsey Code of Conduct as we continue to champion the raft of benefits afforded to Parishes by subscribing to the help and support of LALC

8.6 LALC also provided support in facilitated sessions organised by the Monitoring Officer to support a Parish Council experiencing some challenges. It is hoped this mutual support approach can continue.

8.7 The request for support can often exceed the internal resources available given there are over 600 parish councillors across the District. Requests also sometimes fall outside of Monitoring Officer's legal powers. To increase awareness of the Standards regime generally and the Monitoring Officer's role, as advised in Section 5 training sessions were held over the Summer 2024 and will be repeated periodically.

9 Urgent Delegated Decision Making Process

9.1 As anticipated in last year's report, the use of the urgent delegated decision provision continues to subside and is now back to Pre-pandemic levels, and being used rarely.

- 9.2 During the civic year 2024 – 2025 to-date 2 urgent delegated decisions have been taken.
- 9.3 Members are notified of such decisions within 5 days of them having been made, they are also made available on the website for the public/press. <https://www.west-lindsey.gov.uk/my-council/decision-making-and-council-meetings/officer-decisions/>
- 9.4 The Chairmen of the Corporate Policy and Resources and/or Prosperous Communities Committees, are always consulted, as required by the Constitution.
- 9.5 The Head of Paid Service has continued with his informal commitment to extend the delegation limits to include the Leader of the Opposition, something first introduced during the Pandemic, and they continue to be afforded consultation rights on all urgent delegated decisions taken, attending when available.
- 9.6 The five day notification target has been met for all such decisions taken during 2024-2025

10 Regulation of Investigatory Powers (RIPA)

- 10.1 The Human Rights Act 1998 requires the Council and organisations working on its behalf, pursuant to Article 8 of the European Convention, to respect the private and family life of a citizen, their home and their correspondence.
- 10.2 The Regulation of Investigatory Powers Act 2000 (RIPA) provides a statutory mechanism for authorising covert surveillance, the use of a covert human intelligence source (CHIS), or the acquisition of communications data. It seeks to ensure that any interference with an individual's right under Article 8 of the European Convention is necessary and proportionate. In doing so, RIPA seeks to ensure that both the public interest and the human rights of individuals are suitably balanced.
- 10.3 West Lindsey, in common with all Local Authorities, is required to have arrangements in place to ensure that it abides by these regulations. This includes having an up-to-date Policy, carrying out training and keeping appropriate records. All requests to carry out surveillance have to go through an authorisation process, which includes approval by a magistrate.
- 10.4 Following a review of arrangements in January 2021, Members are advised annually of the number of surveillance requests which have been approved. It can be confirmed that during 2024/2025 no requests for the use of the Power were made.
- 10.5 Whilst the Authority has not needed to use its formal RIPA powers over the last four years, the relevant officers are aware of RIPA and its

implications. Information is also available for all officers on the Minerva intranet page.

- 10.6 The Monitoring Officer ensures the RIPA Policy remains up to date and fit for purpose.

APPENDIX 1 – ADOPTED INVESTMENT CRITERIA

Financial considerations				
<p>Lot Size (Capital Value) - The core initial lot size target is £1.0m - £4m. Taking into account the Council's total investment return of £20m it is recommended that a minimum of 8 assets are held without any single asset being overly dominant. A spread of £1.0m to £4m implies an average asset value of £2.5m and a portfolio of c.8 assets.</p>	£2.0m - £5m	£1.0m - £2.0m or £5m - £7.5m	£500k - £1.0m or £7.5m - £10m	<£500k or >£10m
	5	3	1	0
<p>Rate of Return (Net Yield)* - Investments will look to achieve an overall target yield of circa +/- 1% of the average net yield of the entire portfolio for which the target is currently 7.0%.</p> <p>*the return to the council after consideration of agents fees (1%), legal fees (0.5%), Stamp Duty Land Tax (at prevailing rate), external management costs (if applicable), survey costs (estimated) and any void costs.</p>	6% to 8%	5% to 6% / >8% to <10%	<5% or 10%	N/A (property vacant)
	5	3	1	0
<p>Lot Size (Annual Rental Income) - The target income range is between £150k and £300k pa. This is driven by the Authority's target net return of 7% and the identified target lot size of £1.0m - £4.0m.</p>	£125k p.a. - £300k p.a.	£100k p.a. - £125k p.a. or £300k p.a. - £600k p.a.	£50k p.a. - £100k p.a. or £600k p.a. - £800k p.a.	<£50k p.a. or >£800m p.a.
	5	3	1	0
Property/Asset Considerations				
<p>Sector - The council should invest in a diversified and balanced portfolio with a focus on the traditional lower risk sectors of Offices, Industrial and Retail; the spread of sectors will limit the Council's exposure to volatility in a particular area.</p>	Traditional Property type (Office, Industrial, Retail)	Leisure	Healthcare or Other Business Uses	Residential
	5	3	1	0

APPENDIX 1 – ADOPTED INVESTMENT CRITERIA

<p>Location Quality - the 'Primeness' of an asset's location will depend very much on the nature of each individual asset and the market within which it competes. Prime locations by sector can broadly be outlined as follows: Offices - located within an established business district of a major UK city or on an established out of town business park with access to amenities and good transport links. Industrial - located within close proximity to UK motorway network or transport hub (airport/port/rail links) or an established and successful industrial/manufacturing park. Retail - located within the retail core of a major UK city or an established and successful out of town retail location.</p>	Primary	Secondary	Tertiary	N/A
	5	3	1	0
<p>Located Proximity to WLDC - Location will be dictated by opportunity to acquire investments that meet the strategy. A balanced portfolio would not usually be restricted to WLDC's administrative boundary and would consider opportunities to purchase further afield focusing initially on investments more locally, i.e. in the LEP/area, before expanding the search country/UK wide.</p>	Within WLDC	Within 1 hr drive time	Within 2 hr drive time	>2hr drive time
	5	3	1	0
<p>Tenure - When considering the tenure of an asset, freehold would be preferable to leasehold. Freehold provides the greater levels of security against a leasehold asset that would effectively decrease in value over time. However assets on long leasehold basis may still be suitable for consideration where the lease term remaining is 125 years or more.</p>	Freehold	Long Leasehold (125 yrs+)	Long lease between 75yrs & 125yrs	Long lease less than 75yrs
	5	3	1	0
<p>Building Condition - The age and specification of the property will also affect the ability of the Council to let or sell the property in the future. It must also be taken into consideration in respect of the cost of protecting the investment and the undertaking of repairs and refurbishment if the cost cannot be fully recovered from the tenant. Preference should therefore be for modern and efficient stock. Consideration should also be given to any landlord costs associated with works that may be required to bring the property up to a satisfactory EPC level (new leases should have a minimum EPC rating of 'E' by 1st April 2018) if it is not already.</p>	Good	Fair	Poor	Not Acceptable
	5	3	1	0
<p>Security of Income/Leasing</p>				
<p>Covenant Strength - With tenanted properties there should be consideration of the quality of the tenant and more importantly, their ability to pay the rent on time and in full. Consider Dun & Bradstreet, Experia credit rating when applying Financial Covenant score. If Property is multi-let it may be acceptable to have some weaker tenants within the tenant mix as the risk is diversified to a certain extent.</p>	Strong financial covenant	Good financial covenant	Limited financial covenant	Poor financial covenant/vacant
	5	3	1	0

APPENDIX 1 – ADOPTED INVESTMENT CRITERIA

<p>Unexpired Lease length - In the case of a tenanted property, the unexpired length of the term of the lease is of key importance in ensuring that the landlord's revenue stream is uninterrupted. This must consider any upcoming breaks and assumes the tenant breaks at the earliest opportunity. For multi-let properties consider the Weighted Average Unexpired Lease Term (WAULT) i.e. the average lease term remaining to first break, or expiry, across the property weighted by contracted rent.</p>	10yrs+	5yrs to 10yrs	Between 2yrs & <5yrs	Less than 2yrs/Vacant/Holding Over
	5	3	1	0
<p>Rent Review - To increase income there must also be consideration of upcoming Rent Reviews in terms of the time frame and the method (i.e. upward only, RPI/CPI etc.) There should also be some consideration to the Rental Growth Prospects.</p>	Stepped rent/RPI or fixed uplifts	Open Market Rent (5 yearly)	Unusual review format (i.e. 14 yearly)	No RRs
	5	3	1	0
<p>Rental Growth Prospects - This considers the passing rent in relation to the market conditions and prospects for increase in income having regard to estimated rental value compared to passing rent. At a minimum the Market Rent should be equal to the Passing Rent.</p>	Substantial Rental Growth Prospect	Some Rental Growth Prospect	Rack Rented/No Likely Change	Over rented (i.e. Passing Rent > Market Rent)
	5	3	1	0
<p>Repairing terms - There should be preference for investments with full repairing and insuring (FRI) terms meaning that all costs relating to occupation and repairs are borne by the occupier(s) during the lease term with only insurance premiums recharged and service charge (if applicable).</p>	Full Repairing/fully S/C recoverable	Internal repairing - s/c recoverable by capped	Internal repairing - partially recoverable	Internal Repairing - non-recoverable/ Landlord only
	5	3	1	0
<p>Occupancy rate - Ideally the property will be fully let and income producing. A vacant or mostly vacant property potentially provides the opportunity to increase income (depending on market demand, building condition etc.) Also, there should be consideration as to the ease of getting the property fully occupied and the expense which the Landlord will have to pay in the interim i.e. empty rates, repairs and redecoration etc.</p>	Fully let (100% let)	Part Let, Part Vacant (>70% & <100% let)	Mostly Vacant (50% - 70% let)	Predominantly vacant
	5	3	1	0