

Procedure for letting

188 Rental auctions

- (1) A local authority may arrange for a rental auction to be carried out in respect of qualifying high-street premises if –
 - (a) a final letting notice served by the authority is in force in relation to the premises, 5
 - (b) it is no longer possible for that notice to be revoked on appeal (whether because of the expiry of the period referred to in section 186(2) or 187(4) or the final determination, withdrawal or abandonment of an appeal), and 10
 - (c) either –
 - (i) no tenancy or licence has been granted, or other agreement entered into, with the consent of the authority under section 184 or in circumstances where consent was not needed because of subsection (3) of that section, or 15
 - (ii) the authority is satisfied that any tenancy, licence or agreement so granted or entered into is consistent with the contemplated exercise of its powers under section 189.
- (2) A “rental auction” is a process for finding persons who would be willing to take a tenancy of the premises further to a contract under section 189 and ascertaining the consideration that they would be willing to give in order to do so. 20
- (3) Regulations must make provision about the process.
- (4) The regulations must provide for the suitable high-street use of the premises to be specified by the local authority ahead of the auction. 25
- (5) The regulations must provide for the identification of a person as the “successful bidder” following a rental auction, except in cases where the regulations provide for there to be no successful bidder.
- (6) The regulations may, in particular, provide for a person who took part in the auction but would not otherwise be the successful bidder to be treated as the successful bidder if – 30
 - (a) the landlord of the premises so proposes or agrees, or
 - (b) it appears to the local authority that it will not be reasonably practicable to enter into a contract under section 189 with the person who would otherwise be the successful bidder. 35
- (7) The regulations may include provision about with whom, and on what terms, the local authority can enter into arrangements for the auction.
- (8) The regulations may allow local authorities to make choices as to procedure.
- (9) To the extent that the local authority has a choice as to procedure, the local authority must have regard to any representations made by the landlord. 40