

COMMERCIAL IN CONFIDENCE



Glen Eira City Council

Glen Eira Property Strategy

FINAL

July 2021

Table of Contents

1.	INTRODUCTION AND SCOPE	1
2.	PURPOSE.....	1
3.	GUIDING PRINCIPLES	2
4.	COUNCIL STRATEGY, POLICY AND LEGISLATIVE FRAMEWORK	2
5.	PROPERTY ASSESSMENT FRAMEWORK AND ASSESSMENT TOOLS.....	3
6.	PROPERTY STRATEGY GOVERNANCE FRAMEWORK REQUIREMENTS.....	8
7.	ACTION PLAN TO IMPLEMENT PROPERTY STRATEGY	9
ATTACHMENTS.....		10
	ATTACHMENT 1: COUNCIL PLANS POLICIES AND STRATEGIES RELEVANT TO PROPERTY STRATEGY.....	11
	ATTACHMENT 2: PHASE 1 AND PHASE 2 PROPERTY ASSESSMENT EVALUATION MATRIX	12
	ATTACHMENT 3: PROPOSED PROPERTY STRATEGY GOVERNANCE FRAMEWORK (DRAFT)	15
	ATTACHMENT 4: RECOMMENDED 5 YEAR ACTION PLAN TO IMPLEMENT PROPERTY STRATEGY	17
	ATTACHMENT 5: PROPERTY & BUILDING MANAGEMENT AND POLICY, SYSTEMS AND PROCESSES REVIEW REQUIREMENTS - ADDITIONAL DETAILS TO SUPPORT RECOMMENDED ACTIONS	19

1. Introduction and Scope

This Property Strategy provides for the first time a 'whole of Council' framework for the management of Council's land and building assets for which Council's Buildings and Properties department acts as custodian. It will:

- sit alongside our Asset Management Plan to provide an overarching strategic framework for Council's property management activities; and
- assist Council's decision making in relation to property assets aiming to deliver policy objectives and service delivery needs now and into the future.

Council is the steward for more than \$1.46B in community assets and infrastructure. This, includes 156 land parcels, approximately 186 hectares of land used as parks, reserves and sporting grounds, 572 buildings and structures of which 240 are buildings delivering community services, within an area covering approximately 38 square kilometres.

This Property Strategy is also supported by the *Council Plan 2021-2025* which outlines how we will support our community, how we will plan for the future and how we will deliver on the priorities for our City. We will:

- Ensure new infrastructure assets meet the needs of our community.
- Review service needs to ensure strategic service planning informs investment.
- Maintain and renew our assets to ensure they meet required standards.
- Only dispose of Council land/properties under exceptional circumstances.

The Strategy is intended to apply to all Council owned and managed property relating to the following decisions or outcomes:

- Property capital works investment to maintain or expand a Council service;
- Buying/ Acquiring property;
- Owning, leasing and managing/ maintenance of property;
- Rezoning/ and identified catalyst and/ or commercial opportunities of Council property; and
- Divesting/ disposing of property.

2. Purpose

The ***purpose*** of the Property Strategy is to:

- Provide a clear link between Council's objectives, Strategies and Plans and Council's ownership of property to meet existing and emerging community needs.
- Provide a consistent and transparent Property Assessment Evaluation Matrix to enable the regular strategic review and evaluation of all Council properties.
- Outline a strategic decision-making framework to guide the acquisition, use, management and development, redevelopment and disposal of Council owned property to guide property related decisions.
- Set out a 5 Year Plan to deliver on the property related recommendations of the Property Strategy.

Like many metropolitan Melbourne municipalities, Council's property assets are aging and require significant resources for maintenance and renewal over time. With new challenges including growing population, changing community attitudes, needs and expectations regarding service provision and rate capping, it is critical that Council's property assets are operationally effective, underpinned by clearly defined objectives and principles such as environmental and financial sustainability, consistency and transparency, legal and statutory compliance and safety.

3. Guiding principles

To be operationally relevant the Strategy identifies the following principles that must drive Council's approach to managing its property portfolio and to provide a 'whole-of-Council' view for the management of property assets which are directly aligned with the overarching, long-term strategic objectives set out in the Council Plan and the Long Term Financial Plan.

The following Guiding Principles have been established for the Property Strategy:

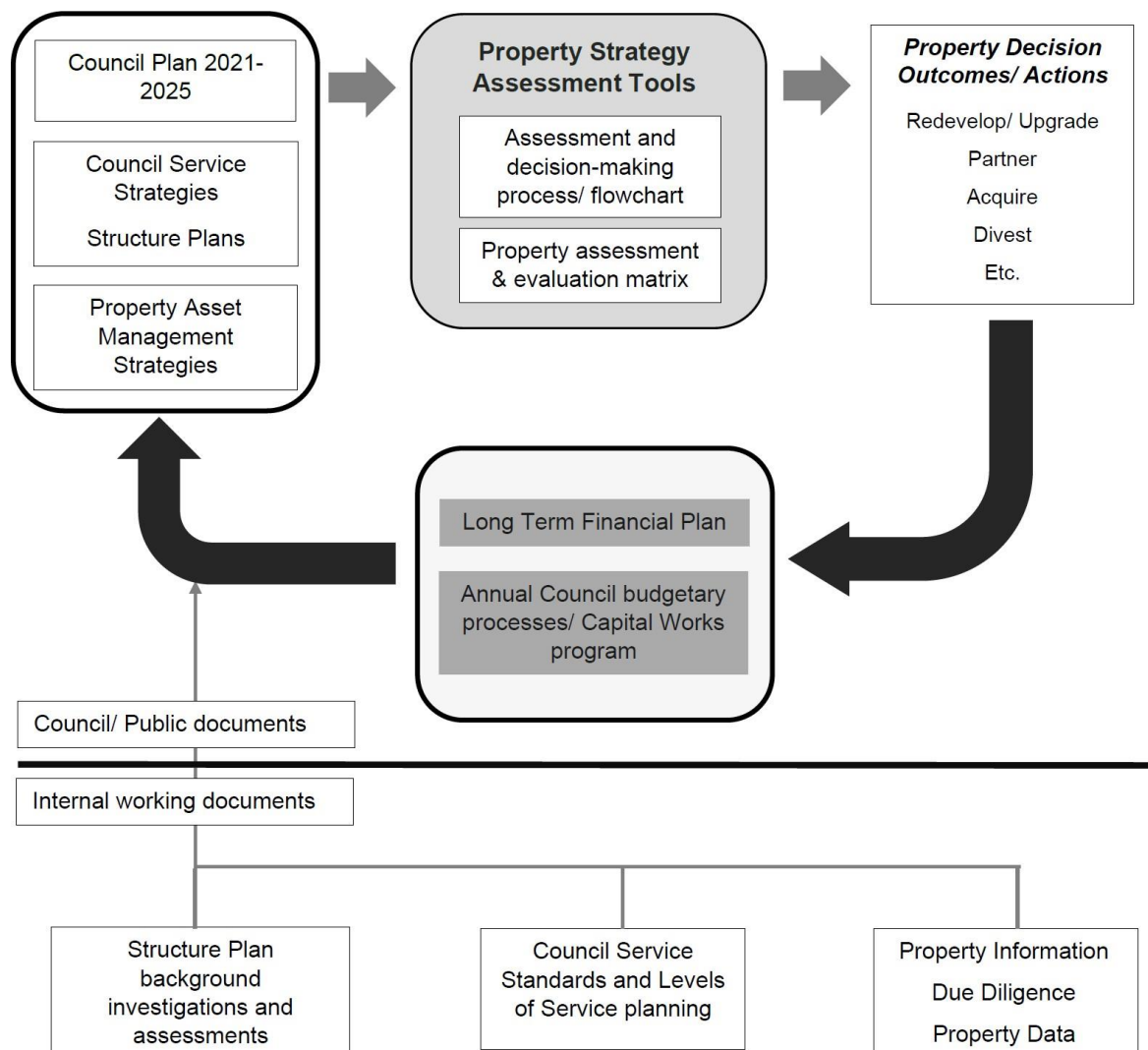
- **Provides a community benefit and meet community expectations**, including being fit for purpose, providing a positive "Community Experience" through the use of smart technologies, flexible and functionality and are appropriately located to be readily and easily accessible to the community (by car, public transport and by foot)
- **Meet Council and Community Operational and Service needs** to enable good service delivery to meet assessed service levels in the best interest of the community as outlined in Council's Plans and Strategies (e.g. Open Space Strategy, Structure Plan, etc.)
- **Value for Money** - Council will focus on achieving value for money from its property assets including the direct financial impacts of a given decision or approach as well as ensuring due consideration of social, economic and environmental costs, benefits and impacts whilst ensuring financial sustainability.
- **Consistency and Transparency** to ensure that Council decisions related to property are consistent with Council Plans and policy and can be scrutinised by the community as the most effective means of ensuring that fairness and good governance are at the heart of decisions and actions.
- **External Consultation**, when applicable, will be in line with Council's Community Engagement Policy to ensure the best possible outcome for the community.
- **Legal and Statutory compliance** to ensure it fulfils all statutory and legislative requirements and ensures properties are maintained to a safe, compliant and modern-day standard which are 'fit for purpose' benefiting the community.
- **Financial Sustainability** - Council maintains its property portfolio consistent with sound financial management and in alignment with Council's Long-Term Financial Plan and budget.
- **Environmental Sustainability** - Properties are managed to improve environmental sustainability and to reduce greenhouse gas emissions and optimise environmental outcomes and performance including implementation of "smart" building technologies and other environmental initiatives in line with Our Climate Emergency Strategy 2021.

4. Council Strategy, Policy and Legislative Framework

The Property Strategy Framework (refer to **Figure 1** below) depicts the methodology for Council decision making in relation to property assets. The framework is founded on service needs, driving property requirements that is responsive to budgetary implications.

The Property Strategy Framework relies upon property needs being driven by Council's various Plans and Strategies and the property related decision and management actions outcomes required. The property actions/ outcomes have financial implications which impact on the budgetary process and will be assessed against the budgetary and financial process to determine the property asset planning.

Figure 1: Property Strategy Framework



The Council Plans, Policies and Strategies that are relevant to this Property Strategy are listed in **Attachment 1** with a description of the Property & Building management, policy, systems and processes is included in **Attachment 5**. It is noted that as Council reviews, updates and develops its plans, policies and strategies, the Property Strategy framework will be adapted to these ongoing commitments.

5. Property Assessment Framework and Assessment Tools

The recommended property assessment framework includes an Assessment and Decision-making framework and supporting tools for assessing the performance of Council property to enable clear decisions based on agreed evaluation criteria. As outlined in Figure 1 above, two supporting property evaluation and assessment tools are proposed to support the implementation of the Property Strategy they are:

1. Property Strategy Assessment framework and decision-making flowchart; and
2. A Property Assessment Evaluation Matrix/ Checklist.

Applying these tools to review all Council property will inform decision making regarding key property assets. The property evaluation process and assessment tools are described below.

5.1 Property Strategy Assessment Framework and Decision-making flow chart

The assessment of all properties is essential to support the effectiveness of the Property Strategy. The Assessment Framework and Decision-Making Flow Chart (Flow Chart) is shown in diagrammatic form in **Figure 2** overleaf and is designed to provide a consistent assessment process, including supporting information inputs, reporting and decision points throughout the process.

It should be noted that the framework outlined is intended to be general in nature and could be tailored or modified to suit a particular property or circumstance to streamline process and decision making. A range of criticality factors, such as political consideration and economic conditions, will also need to be factored into decisions at the time. This framework contains three key phases which are briefly described as follows:

Phase 1 – Property Performance Assessment

This initial phase will establish a baseline assessment of each property based on consolidated available information. As indicated in the Flow Chart, the potential outcomes of the overall assessment include a range of appropriate management actions/ outcomes which may include:

- **High Performing** - Currently well utilised and fit for purpose, maintain as operational;
- **Medium performing** - Identified for further investigation with regard to targeted actions to address specific performance deficiencies in line with Phase 2; or
- **Low performing** - Identified for further investigation and assessment in line with Phase 2.

At the conclusion of phase one there will be a decision point to report the outcomes and recommendations to the Executive Leadership Team (ELT) for review.

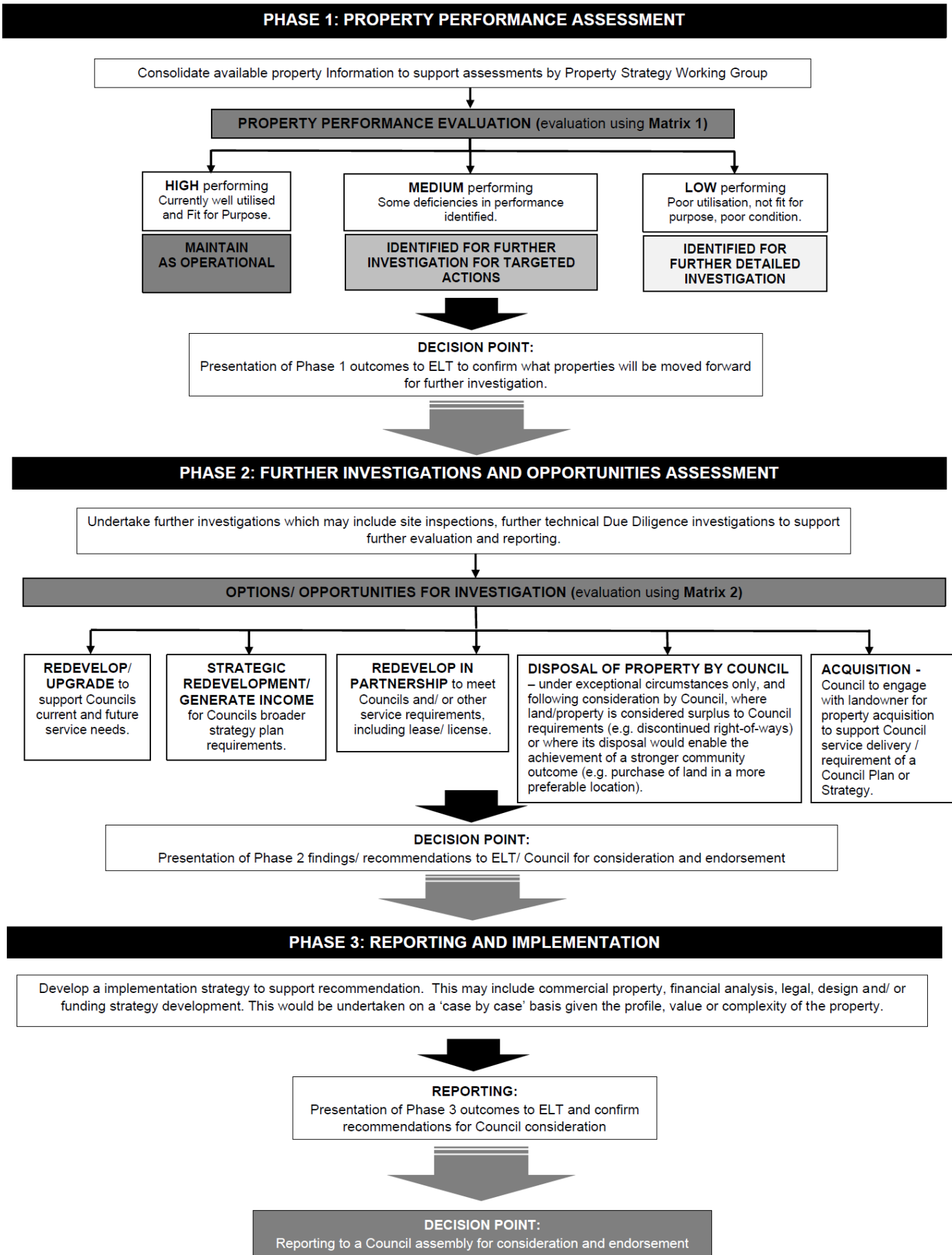
Phase 2 – Further investigations and Opportunities Assessment

The second phase is to undertake a more detailed assessment of properties identified for further investigation. The investigations may include site inspections, technical due diligence investigations to support evaluation and reporting. The process will endeavour to evaluate a range of options and opportunities to address deficiencies in performance identified in Phase 1. The selection of opportunities for investigation will need to be tailored to the particular property and circumstances and could include:

- Council undertakes selected actions to redevelop/ upgrade the property;
- Investigate opportunities for partnerships with other non-Council agencies/ parties to enhance capacity including lease or license;
- Investigate strategic/ 'income generating' redevelopment opportunities for broader Council strategic/ service requirements;
- Disposal of property by Council – under exceptional circumstances only. This may occur where land/property is considered surplus to Council requirements (e.g. discontinued right-of-ways) or where its disposal would enable the achievement of a stronger community outcome (e.g. purchase of land in a more preferable location); and
- Acquisition to support Council service delivery - Council to engage with landowner for property acquisition.

As per phase 1, a similar decision point involving a detailed report of the outcomes and recommendations to the Executive Leadership Team (ELT) and Council for review or approval.

Figure 2: Property Strategy Assessment Framework and Decision-Making Flowchart



Phase 3 – Reporting and Implementation

The third phase will include a detailed plan to implement the recommended actions. This may include the acquisition of commercial property, financial analysis, legal, design and / or funding strategy development. This would be undertaken on a 'case by case' basis given the profile, value or complexity of the property.

The phase will conclude with a decision point including a detailed briefing to the Executive Leadership Team (ELT) outlining and interrogating the outcomes of the process to date and confirm recommendations for Council consideration.

5.2 Property Assessment Evaluation Matrix

Evaluation Matrix/checklists have also been developed to support the phases 1 and 2 of the Property Assessment Framework and the two checklists are included in **Attachment 2**. The following provides a brief description of each.

Phase 1: Property Performance Assessment Matrix

The first part of the matrix will allow for a 'first pass' evaluation against key evaluation criteria to confirm its performance against several key considerations.

The Phase 1 Matrix/ Checklist assessment process would commence with the collection/ collation of a range of base property related information to inform the assessment including:

- Data on utilisation and the appropriate definitions of Low to High utilisation, which may differ depending on the nature of the Council service provided;
- Costs of operation - including current and historical (e.g. last 5 years) on property maintenance, utilities and any other operation costs depending on the property asset and existing use.
- Revenue – current and historical (e.g. last 5 years) revenue for the property asset, such as rent / hire fees.
- Review of building condition reports (if available) and/or building inspections.

The benchmarks/ performance indicators will need to be further developed with Council.

Phase 2 Evaluation Matrix (Detailed Property Performance and Opportunities Assessment)

Following the matrix 1 property performance review, those properties that are assessed as **Medium** or **Low** performing would be the subject of a more detailed review using a second matrix. This analysis will need to be tailored to each property and potential decision option and may need to be further validated by further technical due diligence, concept development and appraisal of costs and benefits to Council.

The purpose of the Phase 2 Matrix is to undertake further investigation to enable Council to validate and identify a preferred strategy or outcome which could include:

- **Redevelop / Upgrade** to support Council's current and future service needs;
- **Redevelop in Partnership** to meet Council's and/or other service requirements including lease or license;
- **Strategic redevelopment** for Council's broader strategy plan requirements;
- **Disposal** under exceptional circumstances only. This may occur where land/property is considered surplus to Council requirements (e.g. discontinued right-of-ways) or where its disposal would enable the achievement of a stronger community outcome (e.g. purchase of land in a more preferable location); and
- **Acquisition** - Council to engage with landowner for property acquisition to support Council service delivery.

6. Property Strategy Governance framework requirements

The Property Strategy, supporting property assessment requirements and framework will also require a supporting Governance framework to ensure effective coordinated implementation.

A Property Strategy Working Group with representatives from across the organisation will be responsible for the management and implementation of the Property Strategy framework. The Working Group will comprise:

- Manager Buildings and Properties and Planning Enforcement (Chair)
- Coordinator Property Management,
- Coordinator Building Operations Coordinator
- Coordinator Asset Management and Capital,
- Senior Program Manager, Project Management Office
- Special Projects Manager, Project Management Office
- Manager Recreation and Open Space,
- Manager Family, Youth and Children's Services,
- Manager Community Development & Engagement
- Manager City Futures,
- Director Corporate Services,
- Director Planning, Place and Sustainability,
- Director Infrastructure and Open Space.

The Property Strategy Working Group is required to:

- Ensure a coordinated and cross organizational approach for consideration of all property related assessments and decisions;
- Enable all decisions to be fully informed by the varying Council service drivers and community needs from each Council Directorate.
- Be responsible for the strategic and systematic assessment of all property to ensure a timely, comprehensive and coordinated approach.

This Working Group will also need to align with the Asset Management Plan (AMP) and strategy review and scope for consolidation of Working Groups should be considered.

A draft terms of reference for this governance structure is included in **Attachment 3**.

6.1 Property Management Annual Report mechanism

In line with the above recommended Property Governance framework, an annual reporting mechanism and annual report will be provided by the Property Strategy Working Group to Council that will report on Phase 1 and Phase 2 property related activities and the overall performance of the portfolio.

The purpose of the Report is to provide a summary of annual achievements driven by the Property Strategy and scope of the report would include:

- Status of meetings by Council's Property Governance (i.e. Property review Working Group) – i.e. number of meetings and membership.
- Status/ scope of Property Strategy actions implemented and undertaken during the year
- Status of current Property portfolio performance – including capital expenditure, recurrent expenditure and overall revenues returns of property portfolio compared to previous year. Council may wish to add other performance indicators as required.
- Details of any other revenues/ returns from sales of surplus property.
- Status of lease renewals and actions undertaken during the reporting period.
- Proposed future actions in coming year.

7. Action Plan to Implement Property Strategy

To implement the Property Strategy a 5-year plan that includes a range of recommended strategic actions has been prepared and is included in **Attachment 4**.

End Note

The Property Strategy has been prepared to provide guidance during the preparation and implementation of any plans, strategies or development proposals involving Council land.

The disposal of land will only be considered under exceptional circumstances and will require the approval of the Council by resolution.

ATTACHMENTS

Attachment 1: Council Plans Policies and Strategies relevant to Property Strategy

The following Council plans, policies and strategies are among those most relevant to the Property Strategy but are not intended to be exclusive to the guiding framework:

1. Council Plan 2021-2025
2. Community Engagement Policy, 2021
3. Antennae on Council Facilities, 2019
4. Asset Management Policy, 2013
5. Asset Management Strategy, 2014 – 2018 (updated)
6. Council Leasing and Licensing Policy, 2019
7. Open Space Strategy, 2014, 2020
8. Pavilion Redevelopment Strategy, 2017
9. Positive Ageing Strategy 2015 - 2020
10. Community Sport – Management of Grounds Policy, 2013
11. Community Safety Plan 2018-2022
12. GET Active – Future of Sport and Active Recreation 2019
13. Our Climate Emergency Strategy 2021 – 2025
14. Tennis Strategy, 2018
15. Public Toilet Strategy 2010, 2015
16. Glen Eira Libraries Strategy, 2017 – 2019
17. Glen Eira Council Municipal Early Years Plan, 2013 – 2017 Action Plan
18. Universal Kindergarten Access in Glen Eira Municipality, 2010
19. Roads and Reserves – Discontinuance and Sale Policy, 2015
20. Use of Rights of Way Policy, 2001
21. Social and Affordable Housing Strategy 2019 – 2023
22. Carnegie Structure Plan 2018 – 2031
23. Elsternwick Structure Plan 2018 – 2031
24. Bentleigh Structure Plan 2018 – 2031
25. Municipal Public Health and Wellbeing Plan 2017 – 2021
26. Playground Strategy (pending)

In addition to Council's Policy framework Council's property activities will be further managed within the necessary legislative and statutory parameters including those enacted in:

- Local Government Act 1989, 2020
- Crown Land (Reserves) Act 1978
- Land Act 1958
- Retail Leases Act 2003
- Planning & Environment Act 1987
- Subdivision Act 1988
- Valuation of Land Act 1960
- Road Management Act 2004

Attachment 2: Phase 1 and Phase 2 Property Assessment Evaluation Matrix

Phase 1: Property Performance Assessment Matrix

Assessment Category/ Evaluation Criteria	Supporting Checklist considerations
Council Plan/ Strategic Priorities setting/ Service Need	1. Property identified in and/ or required for implementation of the Council Plan or any Council strategy <ul style="list-style-type: none"> Is the property identified for current or future Council or community use in a current Council Strategy, Plan or Policy?
	2. Service Suitability and Operational Need <ul style="list-style-type: none"> Does the property deliver an identified long-term Council service need?
Strategic Property Review	3. Site Context <ul style="list-style-type: none"> Considerations include: Location and surrounding land uses; main road abuttal, proximity to activity centres, public transport; property market appeal.
	4. Site Attributes <ul style="list-style-type: none"> Considerations include: Size of site, street frontages and access, existing improvements/ uses (including community infrastructure requirements e.g. community facility, car parking) which may constrain redevelopment.
	5. Certificate of Title <ul style="list-style-type: none"> Review the Title information to understand if any easements, encumbrance, covenants which constrain use, acquisition, use, redevelopment, rezoning or disposal of a property.
	6. Town Planning Controls <ul style="list-style-type: none"> Current zoning and overlay controls which may constrain or allow current and future uses (e.g. use and development, car parking requirements, building heights and setbacks and whether the property is heritage listed). Highest and best use of the property having regard to current and future Town Planning Controls (e.g. at grade carpark with development controls allowing for enhanced development capacity).
	7. Site Specific Constraints <ul style="list-style-type: none"> Associated with presence of hazardous materials/ contamination, Heritage/ Flora & Fauna values, services availability and capacity constraints and impact on ongoing use, redevelopment, rezoning, disposal or acquisition.
Property Performance	8. Building condition / fit for purpose <ul style="list-style-type: none"> Does the facility/property meet the service need / requirements? Assessment of general building condition.
	9. Use and utilisation by Council and/or community groups / the community <ul style="list-style-type: none"> Assessment of utilisation data – hours / days of use, level of vacancy (Council to determine benchmark rates per facility type). Assessment as to whether the property is well utilised based on the utilisation data.
	10. Financial performance review – costs and revenue <ul style="list-style-type: none"> Review of latest financial data relating to the policy with a focus on the following: <ul style="list-style-type: none"> Cost to Council per annum (PA) – rent / maintenance / utilities etc. (Council to determine benchmark rates per facility type); Revenue – rent / hire fees; and Assessment of net cost to Council.
CONCLUDING ASSESSMENT/ RECOMMENDATIONS	High Performing - Currently well utilised and fit for purpose, maintain as operational;
	Medium performing - Identified for further investigation with regard to targeted actions to address specific performance deficiencies in line with Phase 2; or Low performing - Identified for further investigation and assessment in line with Phase 2.
	Recommendations of Options for further investigation as part of Phase 2 further investigations

Phase 2: Further Investigations Assessment Matrix

Assessment Considerations		Supporting Checklist considerations
Service Delivery Options Identification and Review	1. What options and opportunities should be evaluated as part of further investigations and what supporting due diligence is required?	<ul style="list-style-type: none"> • Scope of Options/ Opportunities (i.e. Redevelop/ Upgrade, Partnership, Strategic redevelopment, Disposal, Acquisition or long-term lease). • Scope of site-specific due diligence/ Technical assessments.
	2. Is the service best served from the Property?	<ul style="list-style-type: none"> • Are there alternative service delivery options, including collocation and/or commercial opportunities to improve utilization/ performance of property? • Is there an alternate located Council facility for provision of the service which may include proximity to an activity centre and public transport, proximity to complementary services etc.
Redevelop/ Upgrade (if applicable)	3. What are the options and their respective costs and benefits to redevelop/ upgrade the Facility	<ul style="list-style-type: none"> • Key findings of site-specific due diligence/ technical assessments to support redevelopment/ upgrade options. • Relative costs and benefits of the redevelopment/ upgrade options.
Redevelop in Partnership (if applicable)	4. Is a partner arrangement the best means to achieve the delivery of the service	<ul style="list-style-type: none"> • Have other property alternatives to address the service need been considered – e.g., Lease, collocation, partnership) • Is ownership the best means to achieve the delivery of the service. • Has a potential redevelopment partner been identified? • Is a competitive/ market procurement process required to identify/ select a potential redevelopment partner? • What public notification requirements need to be considered?
Strategic redevelopment (if applicable)	5. Is the Site a Strategic redevelopment opportunity aligned with Councils broader strategy plan/ Structure Plan requirements	<ul style="list-style-type: none"> • Additional catalyst benefits to wider precinct - Property outcome has additional social and economic benefits to the broader precinct in facilitating/ stimulating redevelopment, urban renewal activity. • Additional/ ancillary benefits - Property outcome has additional social and economic benefits associated with adjoining/ neighbouring uses (i.e. higher value and/ or improved community outcome if consolidated with an adjoining land parcel).
Disposal (if applicable)	6. Is the property considered surplus to Council requirements	<ul style="list-style-type: none"> • Have Council's property asset requirements specified in its strategic plans, policies and strategies identified the property surplus to Council service deliver requirements? • Have appropriate due diligence been undertaken to confirm there is no constraints/ risks to sale? • Is the property able to be disposed of in a manner which optimizes or achieves market value or are there circumstances that required Council to deal with a limited pool of potential buyers. • What governance arrangements are in place (including community consultation and public notification processes) to demonstrate transparency and accountability for the property disposal? • Is there community benefit that can be derived as part of any sale? • What are the exceptional circumstances for the sale?

Assessment Considerations		Supporting Checklist considerations
Acquisition (if applicable)	7. Is acquisition the best means to achieve the delivery of the service / community benefit	<ul style="list-style-type: none"> • Have other alternatives to address the service / community benefit been considered – e.g. a lease or partnership – such as providing open space for additional yield for private developments)? • Has the preferred method of acquisition been identified and investigated, including direct discussions and negotiations with the landowner? • What governance arrangements are in place (including community consultation and public notification processes) to demonstrate transparency and accountability for the property acquisition? • Is there community benefit that can be derived from acquisition? • Is the property able to be acquired at market value? • Is there an available source of funding?
General Project Delivery Assessment	8. Funding to support project delivery	<ul style="list-style-type: none"> • Is there an available or identified source of funding? Depending on the property asset assessed, Council may also consider options such as part disposal or commercial opportunity as a source of funding, or private sector partnership redevelopment.
	9. Council delivery capacity	<ul style="list-style-type: none"> • Does Council have the resources available to deliver the services and manage the project?
	10. Timing	<ul style="list-style-type: none"> • Is the proposal urgent or the timing to proceed optimal?
	11. Risk	<ul style="list-style-type: none"> • Are there any significant risks to manage with regard to the property (e.g. site contamination, development or construction risks, service delivery risk, restrictive covenant or similar).
	12. Criticality considerations	<ul style="list-style-type: none"> • Political consideration and economic conditions, will also need to be factored into decisions at the time.

Attachment 3: Proposed Property Strategy Governance Framework (Draft)

Purpose

To establish an internal Property Strategy Working Group and Governance framework to oversee and ensure effective coordinated implementation of the Property Strategy

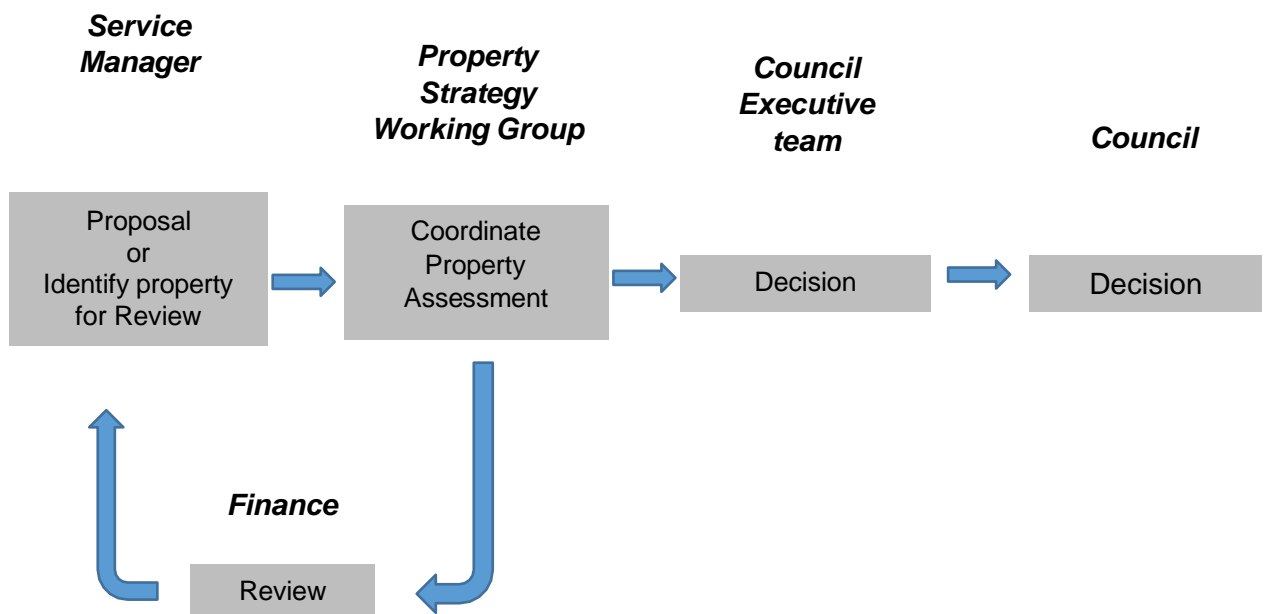
Governance Framework and Process

The process for the implementation of the Property Strategy is illustrated in **Figure 1** below.

The process may involve both service managers and the Property and Buildings Department presenting proposals or properties for assessment to the Property Strategy Working Group (using the property assessment tools).

The financial aspect/impact of the proposal would then be reviewed by Finance, after which the Property Strategy Working Group would provide the Property assessments to the Chief Executive and Council for decision making.

Figure 1: Recommended Governance Framework/ Model for implementation of Property Strategy



Terms of Reference

The roles and responsibilities of the Property Strategy Working Group include:

- Provide briefings and advice to the Executive Leadership team and Council about the ongoing implementation of the Property Strategy recommendations.
- Coordinate land and property related activities in accordance with Property Strategy.
- Strategically review and recommend use and development options within the municipality for identified key assets.
- Identify potential external partnering opportunities and complimentary site(s) for further investigation.
- Identify and develop business cases for property identified as surplus (for divestment, only under exceptional circumstances) and/or acquisition for additional property needs.

- Prepare and/or coordinate robust and fully considered land and property use options, business cases, strategy and concepts for consideration by the Council Executive Team, Chief Executive and Council.
- Implement an Annual Report to Council on the implementation of the Property Strategy and the performance of Council's property portfolio.

Membership, Chair

Chair:

The chair of the Property Strategy Working Group is the Manager Buildings and Properties and Planning Enforcement

Membership:

- Coordinator Property Management,
- Coordinator Building Operations Coordinator
- Coordinator Asset Management and Capital,
- Senior Program Manager, Project Management Office
- Special Projects Manager, Project Management Office
- Manager Recreation and Open Space,
- Manager Family, Youth and Children's Services,
- Manager Community Development & Engagement
- Manager City Futures,
- Director Corporate Services,
- Director Planning, Place and Sustainability,
- Director Infrastructure and Open Space.

Reviews

The terms of reference and membership of the Property Strategy Working Group and Governance framework will be reviewed every 5 years.

Attachment 4: Recommended 5 Year Action Plan to Implement Property Strategy

To implement the Property Strategy a range of actions are recommended and are outlined in the table below.

Table of Property Strategy Recommended Implementation Actions

Recommended Implementation Action		Timeframe for Completion
1.	Property Strategy Governance Framework	
1.1	Property Strategy Governance framework – Establish an internal Property Strategy Working Group and governance framework to oversee the implementation of the Property Strategy (refer section 6)	Year 1
1.2	Annual Property Strategy reporting mechanism – establish an annual reporting mechanism and annual report to Council on the achievements driven by the Property Strategy and the overall performance of the portfolio (refer section 6.1)	Year 1
2.	Property Portfolio Performance Review	
2.1	<p>Review of Council Property Portfolio performance - Council commence a programmed review of Council Property identified as potentially low performing, including collection/ collation of a range of property related information to inform the assessment process supported by property assessment frameworks and matrixes (refer section 5 for supporting methodology).</p> <p>The Property Strategy Working Group will develop an annual programmed review of Council Property with prioritisation determined by the following criteria:</p> <ul style="list-style-type: none"> • Incumbent tenancy agreement is due to expire, including highest and best use/service delivery for the property; • identified as potentially low performing, including collection/ collation of a range of property related information to inform the assessment process supported by property assessment frameworks and matrixes (refer section 5 for supporting methodology); • Identified as increased or significant maintenance costs vs asset management modelling in 'Predictor'; and • Identified as not fit for purpose. <p>The property assessment frameworks and matrixes should also be utilised when council is seeking to acquire property or a decision or action is required in relation to the property (e.g. a lease renewal or change in use etc.).</p>	Year 1 ongoing (annual program to be developed)
3.	Council Policy Changes and Reviews	
3.1	The <i>Roads and Reserves – Discontinuance and Sale Policy, 2015</i> be reviewed to confirm it continues to meet Council current and future requirements (refer Attachment 5 for further details).	Year 1

Recommended Implementation Action		Timeframe for Completion
3.2	Develop a <i>Property Acquisition Policy</i> to guide the acquisition of property required to deliver additional Council and community service requirements (refer Attachment 5 for further details)	Medium Term (Year 3)
4.	Property Management systems and processes	
4.1	Review of management and processes for leases and licenses – including a review of application of fees and charges, seasonal allocations and hiring and current management and renewal processes (refer Attachment 5 for further details).	Review every 3 years
4.2	Council management of multi-use facilities - The effective management of multi-use properties should be reviewed, including appropriate Governance arrangements such as Committee of Management (refer Attachment 5 for further details)	Short to medium Term
4.3	Property Performance Monitoring and Database Systems - The Buildings and Properties Department undertake a review of their current software systems to confirm appropriate enhancements required to support the Property Strategy (refer Attachment 5 for further details)	Short term (Year 2)

Attachment 5: Property & Building Management and Policy, Systems and Processes review requirements - Additional details to support recommended actions.

This attachment provides supporting details to recommendations 3.1 to 4.4 in the 5 Year Action Plan included in **Attachment 4**.

1. Council Buildings and Property Management

The overall custodian of Council's property portfolio, including monitoring and maintaining of Council's properties is controlled by the Buildings and Properties Department. There are a range of current property management/ production overlaps and a number of potential opportunities identified to improve the management of Council's property portfolio. Key findings include:

- There is a need to consider a single central point of governance within Council for all lease and license agreements and renewals. A more consistent approach to leasing will ensure that all facilities are maintained in accordance with community expectations and deliver the greatest return to the community through financial and non-financial community benefits.
- Council management of Multi-use facilities (e.g. Moorleigh Village). The effective management and utilisation of multi-use properties to ensure they meet the guiding principles of this Property Strategy needs to be further considered, including appropriate Governance arrangements such as Committee of Management.

2. Management of lease and license renewal processes and rental/ license fees

The management of existing rental and license fees needs to be reviewed to ensure consistent application and parity between community user groups. The lease and license renewal process should also be overseen by the Property Strategy Work Group (refer section 3.6 above). The review should further consider:

- The effectiveness of renewal processes;
- Existing license and lease documentation, including consideration of compliance with current legislation and how property maintenance plans can incorporate a more performance-based approach during the life of the occupation agreement;
- Review of hiring and seasonal allocation agreements in order to ensure greater uniformity of agreements with too many different types of agreements currently being used within various Council units; and
- The overall governance framework and roles and responsibility overlaps.

3. Property Performance Monitoring and Database Systems

To effectively manage and demonstrate value of Council's property assets, robust data and reporting systems are required. Without effective systems and supporting data property decisions cannot be adequately assessed from a strategic context leading to ad hoc decision making on a property by property basis. Council's existing systems need to evolve to ensure that usage, condition, fitness for purpose, ability to meet service level and deliver community value is captured and able to be readily accessed. This should identify areas of over servicing and under servicing to support better resource allocation for the maintenance, renewal and stewardship of Council's property resources.

It is imperative that property decisions are informed by and inform longer term financial plan, capital works, maintenance plans and service strategies. Improved reporting will support more transparent and robust decisions related to the performance of property and how it evolves to support current and future community needs. The key drivers for appropriate systems include:

- Decisions made on the basis of inadequate information, or in isolation from total property assets
- Inability to easily determine utilisation, condition, cost and fitness for purpose of property assets
- Gather data on utilisation of properties and update regularly.
- Develop a system to report on the performance of the property portfolio on a regular basis.

Currently Council utilizes “*Confirm*” computerized database to store all property relation information for their property assets. While the system is more advanced in terms of property management compared to other local Councils, Property and Buildings Department personnel described the system as “cumbersome” with the need for a review to consider:

- How the system could be enhanced to also record data regarding property performance and utilisation.
- How the system could be better linked to Asset Management/ building renewal program outcomes (which is currently undergoing reviews by external consultants).
- How the system could be enhanced to build in triggers for property related actions around lease/ license renewals.
- How property performance reporting could be better provided on a property-by-property basis.

4. Current Council Property Related Policy Reviews

Council has a number of Property specific policies that provide some guidance in decision-making, although there are also some obvious Policy gaps. An overview of current policies and gaps are as follows:

4.2 Roads and Reserves – Discontinuance and Sale Policy, 2015

Feedback from Council’s Strategic Planners as part of the Workshops with Council Officers noted that the current Discontinuance Policy limits the ability of Council officers to flag a Council road to be retained for strategic purposes.

The Property and Buildings Department have further indicated that the policy does allow Council to make decisions to not sell selected discontinued roadways if a Strategic Planning need is identified.

However, it was acknowledged the wording of the current Policy does not identify such a requirement in explicit terms. Given the Policy was last reviewed in it is considered that the Policy should be reviewed to confirm it continues to meet Council current and future requirements.

4.3 Property Acquisition Policy

Council does not have a policy to guide the acquisition of property. In our view a Property Acquisition Policy should be developed in tandem with the Property Disposals Policy to guide the acquisitions process. This should build upon the evaluation matrix included in Figure 4.

5. Funding and Resourcing Opportunities

Council’s Long-Term Financial Plan and budget framework has an underlying requirement that Council’s property portfolio is efficiently managed in a manner that minimises costs to Council and meets current and future community service delivery requirements.

With the aging of Council’s building stock and associated increasing cost of renewals, Council is likely to experience continued funding constraints regarding facility renewal and upgrades from existing resources. A range of alternate funding and property opportunities should be further investigated to provide improved community service delivery including:

- Ensuring new infrastructure comprises multi-use facilities in conjunction with other community groups. As outlined in Section 3.2 of this Report, there is a need for Council to consider

developing a Municipal wide Community Hubs Strategy which would drive service and asset planning in a more strategic manner to guide Council's property investment, assets planning and capital works decision-making.

- Council assisting community organisations in seeking other Government a non-government funding sources and grants;
- Realising commercial opportunities and greater community value from property, where considered appropriate.
- Council investigating where appropriate commercial operation of existing Council facilities, where community organisations are unable to provide viable operation.
- Investigating opportunities with adjoining local Councils or other public landholders to access additional land for provision of community facilities, including joint and shared use arrangements.