

| Regeneration and Property Committee | |
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| Meeting Date | 14 th November 2023 |
| Report Title | Property Asset Strategy and Property Procedure Rules |
| EMT Lead | Emma Wiggins, Director of Regeneration and Neighbourhoods |
| Head of Service | Joanne Johnson, Head of Regeneration, Economic Development and Property and Interim Head of Planning |
| Lead Officer | David Johnson, Interim Property Advisor Kieren Mansfield, Strategic Programme and Assets Manager |
| Classification | OPEN |
| Recommendations | <ol style="list-style-type: none"> 1. Members approve the draft Property Asset Strategy and Property Procedure Rules. 2. Members approve the principles set out at Appendices 3 and 4 attached to the strategy, as a basis to consult on the development of new policies in respect of Asset Review and Disposal and Community Asset Transfers |

1 Purpose of Report and Executive Summary

- 1.1 Swale Borough Council's adopted Property Asset Strategy covers the period 2017-2020 and therefore requires updating. This report presents a new, draft Property Asset Strategy, alongside a set of Property Procedure Rules for consideration.
- 1.2 The document also presents a set of draft principles, recommended as a basis to consult on new Asset /Disposal and Community Asset Transfer policies, the final drafts of which would then be considered by a future meeting of the Regeneration and Property Committee.

2 Background

- 2.1 The Council owns a wide-ranging portfolio of property assets, which broadly fall within three categories; the operational estate (supporting the delivery of services), the community estate and the commercial estate.
- 2.2 Efficient and effective management of the Councils existing and any future property assets has significant implications for the Council, in respect of both service delivery and its medium-term financial strategy, and for the communities that we serve.

- 2.2 An up-to-date Asset Strategy is recommended to set out the key principles that will guide the Council's management of this property portfolio, to
- ensure that the management of its assets is aligned with council strategies and policies.
 - create a strong basis for delivery of services for residents and stakeholders,
 - improve utilisation.
 - secure minimum expenditure with maximum receipt while providing the best quality assets possible within resources.
 - deliver strong, positive management of the Council's assets, fiscally, physically and from a net carbon zero perspective.
 - have clear agreements relating to third party use or occupation of the Council's Property Assets.
- 2.3 One of the key principles set out in the draft strategy is the recommendation to establish a Corporate Landlord approach to the management of the Council's Property Assets. The establishment of an officer property review group would seek to ensure that property matters are considered and informed by the input from across the Council's relevant service areas. This would support better informed recommendations to Members and decisions and a consistent approach to management of the property portfolio.
- 2.4 The draft strategy also recommends initiating and undertaking a continuing asset review program which will consider all assets the council holds and identify those which are surplus against criteria set out in a Disposal/Asset Review Policy. The draft principles for a revised policy are set out at Appendix 3 attached to the strategy.
- 2.5 For disposals that will generate capital receipts for the Council, it will be important to consider options for those where there is the potential to enhance values. At present no budget is set to support taking such steps but this might be considered for the future, with the potential to increase capital receipts for the Council.
- 2.6 Community Asset Transfers also provide a route for the disposal of assets, where appropriate, to support and empower communities. The draft principles for a new Community Asset Transfer Policy are set at Appendix 4 attached to the strategy, reflecting both the opportunities and risks that are involved.
- 2.7 The development of these policies, and in particular that for Community Asset Transfers, will require wider consultation with the community and stakeholders.
- 2.8 Accompanying the Strategy are a set of revised, draft Property Procedure Rules. These are intended to set out draft procedures for the acquisition, disposal and management of property assets held by the Council. These Rules would apply to all property assets in which the Council has, or proposes to have, a freehold or leasehold interest, including licenses, concession, tenancy at will and hire agreements.

- 2.9 The implementation of these rules will be governed by the Council’s constitution and the adopted Scheme of Delegation should be read in conjunction with them.

3 Proposals

- 3.1 That the draft Property Asset Strategy and the accompanying Property Procedure Rules are approved, in relation to the future management of the Councils property portfolio.
- 3.2 Members approve the principles set out at appendices 3 and 4 attached to the strategy, as a basis to consult on the development of new policies in respect of Asset Review and Disposal and Community Asset Transfers.

4. Alternative Options

- 4.1 Not to adopt the strategy and procedure rules as proposed. This is not recommended, as the current strategy expired three years ago and a refresh is required in light of the Council’s changed position since it was first adopted in 2017.

5 Consultation Undertaken or Proposed

- 5.1 It proposed that two key policies relating to asset review and disposal and Community Asset Transfer are subject to wider consultation, with a final draft of the policies to be considered by a future meeting of the Regeneration and Property Committee.

6 Implications

| Issue | Implications |
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| Corporate Plan | One of the key aims of the Property Asset Strategy is to ensure that the management of the Council’s property assets is aligned with council strategies and policies. The nature of the Property Assets is such that it will impact across most, if not all corporate priorities. |
| Financial, Resource and Property | <p>The Councils property portfolio provides financial challenges but also opportunity to secure increased income, capital receipts and investment that generates medium term savings. By setting a clear framework and re-establishing a Corporate Landlord approach, the Strategy will assist in realising these benefits.</p> <p>Whilst seeking to secure minimum expenditure with maximum receipt, the Property Asset Strategy points towards the potential to make some investment in steps that enhance values and the financial benefit to the Council from a disposal, however no specific budget is currently identified for this.</p> |

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| | The strategy will also help make clearer the basis upon which property related decisions will take account of wider community and other considerations and the financial implications of doing so. |
| Legal, Statutory and Procurement | Decisions and processes in relation to the Councils property assets would be governed not only by an adopted Property Asset Strategy and the associated Property Procedure Rules, but also by the Council's constitution and the adopted Scheme of Delegation. |
| Crime and Disorder | None identified at this stage. Poorly managed and vacant property does present increased risks in relation to anti-social behaviour, impacting on places and communities. |
| Environment and Climate/Ecological Emergency | In driving towards successfully implementing the council's declaration to be carbon neutral in service delivery and as a borough, Council owned property must form a central role. The Council's premises and estate is a large contributor to our carbon footprint, and it will be an important consideration in reaching targets. |
| Health and Wellbeing | None identified at this stage, although the community benefits of some of the Council's property assets are significant and contribute to well-being within the Borough. Effective management promoted through the Strategy and Procedure rules will support having a more resilient and sustainable portfolio of community property assets. |
| Safeguarding of Children, Young People and Vulnerable Adults | None identified at this stage |
| Risk Management and Health and Safety | None identified at this stage |
| Equality and Diversity | Many of the Council's Property Assets are important to residents and communities. The community impacts (including issues relating to equality and diversity) of decisions taken in respect of individual assets will need to be considered on each occasion and will form part of the proposed asset review process. |
| Privacy and Data Protection | None identified at this stage. |

7 Appendices

- 7.1 Appendix I - Draft Property Asset Strategy and associated appendices
Appendix II – Draft Property Procedure Rules

8 Background Papers

8.1 None