

## 1. INTRODUCTION

Property is a significant, highly valued, and diverse resource that directly impacts the capacity and performance of service delivery within Horsham Rural City Council.

Horsham Rural City Council has a critical role as the caretakers responsible for the management of public land on behalf of the community. It is essential that the portfolio is safe, compliant, economically and environmentally sustainable and most of all relevant to and considerate of our community.

## 2. PURPOSE

This Property Strategy has been developed to provide a holistic framework for the management of all property assets and establishes guiding principles for the alignment of Council's property portfolio with its future community and service delivery requirements.

Council's vision for asset management is to meet community and service needs through provision and maintenance of infrastructure. Council has engaged a consultant to prepare a social infrastructure plan which, once adopted, will further inform Council's Property Strategy.

## 3. KEY PRINCIPLES/ GUIDELINES

The Property Strategy identifies the following principles that should drive Council's approach to managing the property portfolio. This process will also consider the various ways in which property can or could be managed now and into the future, and:

- Strategically manage the property portfolio for the long term in the best interest of the community and service level requirements
- Provide Councillors and Council Officers with a framework to guide decisions and actions regarding the management of Council properties, in such a way as to maximise community benefit and support financial sustainability
- Provide a consistent and transparent process to enable the evaluation of all Council properties according to their usage, suitability and physical characteristics
- Formalise assessment and evaluation principles, thus ensuring due consideration of social, cultural, economic, environmental and risk implications
- Ensure properties are 'fit for purpose' to deliver services and benefits to the community
- Manage properties that are maintained to a safe, compliant, energy efficient and modern-day standard and generally protected from deterioration
- Enable new and ongoing partnerships with community organisations to maximise the community benefit arising from facility use
- Ensure best practice and compliance with legislative requirements and consistency with existing strategy, process and policy positions.

### 3.1 PROPERTY CLASSES

Council currently catalogues properties into three primary assets classes.

#### Open Space

This class of land refers to the parks, gardens and other reserves that make up Horsham Rural City's open space network. Horsham Rural City Council is in the process of developing an Open Space Strategy which will provide strategic directions to determine priorities for the planning, provision and development of open space across

the municipality. The Open Space Strategy will establish a vision for Council for the provision of open space based on the principles of equity, accessibility, health and wellbeing, sustainability, participation, safety, adaptability and efficiency.

## Roads

As the Coordinating Road Authority, Council manages both Local and Government roads. The management of Council Roads – those contained on the Road Register – from an asset renewal, and sustainable traffic viewpoint are addressed in Council's Road Management Plan. Arterial Roads within the municipality are managed by Vic Roads in accordance with the *Road Management Act 2004*.

## Land and Buildings

This class of asset groups together all form Council owned and managed land and buildings and Crown buildings.

This includes the following property types:

- Town Halls
- Grandstands
- Libraries
- Childcare, MCHC & Youth
- Arts & Cultural Services
- Community Halls
- Neighbourhood Houses
- Aged & Disability Services
- Pavilions & Sporting Clubs
- Leisure centres
- Offices
- Depots
- Carparks
- Commercial
- Miscellaneous

## 3.2 PROPERTY TYPES

As caretakers of Public Land, Horsham Rural City City Council has an involvement with a diverse range of property and property-based assets.

Council's property portfolio consists of land which is:

- **Owned by Council in freehold** – the Horsham Rural City Council is the registered proprietor of the land on the Certificate of Title. Council manages this land in accordance with its powers under the *Local Government Act 1989*.
- Owned by the Crown and for which the Council is appointed as the Committee of Management in accordance the *Crown Land (Reserves) Act 1978*.
- **Owned by the Crown and for which the Council is the Coordinating Road Authority.** Councils manage this land in accordance with the Local Government Act 1989 and with reference to the *Road Management Act 2004*.
- **Land which Vests in Council** - whilst the Certificate of Title might show a registered proprietor other than Council, the land is deemed to vest in Council as its use is deemed for public purposes.
- **Council as Lessee** – Council has number of properties for which it is the Lessee. The majority of these properties are leased from statutory authorities or Government.

## 3.3 CLASSIFICATION & ASSESSMENT FRAMEWORK

The classification and assessment of all properties is essential to support the effectiveness of the Property Strategy. This framework is designed to provide a consistent and transparent process for the classification of all properties to support informed analysis, reporting and decision making.

This framework contains three key phases (1, 2 and 3). In addition, a series of key assessment principles will be established that will support the evaluation process in conjunction with the Legislative, Statutory, Asset and Risk Management requirements.

The Executive Management Team (EMT) will be responsible for the strategic and systematic assessment of all property to ensure a timely, comprehensive and coordinated approach. EMT will provide briefings and advice to Council to facilitate support with the various phases of the process.

### Assessment Criteria

As part of the assessment process all Council owned, and managed properties will be evaluated considering the Economic, Environmental, Climate Adaption and Financial requirements, commonly known as the “Quadruple Bottom Line”. In addition, there are a number of additional factors that will be considered as part of the assessment framework.

This will include but not limited to:

- Social Impacts
- Suitability - Fit for purpose
- Sustainability & Environment
- Community Infrastructure Framework
- Community Requirements and Feedback
- Capacity & Current Usage
- Condition & Functionality
- Risk Management
- Service Delivery Options
- Cultural Aspects & Needs of the Community

### PHASE 1 – CLASSIFICATION & ASSESSMENT

This initial phase will consolidate all relevant property information into a property report to support the initial high-level assessment and classification of all properties.

The outcome of this initial assessment, will be that all Council property will be assigned to one of the categories listed below.

- Identified for further investigation and assessment
- Currently utilised and fit for purpose
- Deferred for potential future consideration

To allow for flexibility within the framework process a property may be re-assigned if circumstances or conditions change at the discretion of EMT. At the conclusion of this initial phase a detailed briefing will be provided to the Councillors for review.

### PHASE 2 – FURTHER INVESTIGATION & DUE DILIGENCE

The objective of this second phase is that each site identified for further investigation in phase one receive a more detailed secondary assessment. This will include physical site inspections to further filter and classify these properties for reporting and decision making in line with all legislative, statutory, condition, capacity,

functionality and risk management requirements. This process will endeavour to categorise these remaining properties into the following descriptions.

- **Operational / Service Delivery**

This relates to Council's role in delivering quality services and the key facilities that support this. Given the changing nature in the way we will provide services for the future there is the opportunity to review the way similar or enhanced community services can be provided.

- **Lease / Licence**

This relates to Council's role as landlord (lessor) in either leasing properties to third parties to deliver community services, or concessions leasing to not-for profit or community associations.

- **Maintain / Hold**

This refers to properties that are currently vacant or not utilised for various reasons (condition, capacity useability) and require further assessment or consideration to determine their future. These sites must be responsibly managed regardless of occupation or use as they are a liability to the organisation if not maintained to minimum safety, environmental and security standard.

- **Generate Income / Commercial**

This relates to the classification of property where the maximisation of the income stream is considered to be the primary objective. Property in this area will be developed to the highest and best use of the site in line with market rates.

- **Develop / Partner**

This refers to the potential opportunities to increase the value of land and buildings through alliances or partnerships with third parties. Interested parties can range from Statutory Authorities, to Not-for-Profit organisations, to Public Companies to Private Organisations and take various forms from Public - Private Partnerships (PPP), 173 Agreements, Joint Ventures or land swaps/ transfers.

- **Acquisition**

This function relates to an identified need or opportunity to strategically acquire a property to support or deliver a service for council or the community. This would involve detailed commercial due diligence for the assessment of options and evaluation / analysis of purchase and life cycle costs, community benefits and long term financial impacts.

- **Dispose / Discontinuance**

This function relates to the assessment of property for which there is no ongoing service need or where the delivery approach has altered, and the property is no longer required to supply services to or for the community and is surplus to council's needs. This would consider all disposal options; testing alternative uses of capital and the timing to maximise returns.

At the conclusion of this phase a detailed briefing will be provided to EMT outlining the status and recommended classifications. Once confirmed a subject specific Councillor briefing will be scheduled to summarise the background and outcomes at this stage of the process.

## PHASE 3- REPORTING & IMPLEMENTATION

This third phase will begin with a report to Council confirming the proposed recommendations for properties that will progress through to the final assessment process. This final and detailed phase will include specific strategic investigations that may include commercial property or financial analysis and advice to support decision making.

Following the completion of the assessment process undertaken in this final phase a detailed briefing will be provided to EMT outlining and interrogating the outcomes of the process to date and confirming recommendations for Council consideration.

Given there may be several properties for discussion and consideration in this phase reports may be staged and presented to a Council meeting on a “case by case” basis (unless there is a rationale for presenting reports on related properties together as a package) or further Council briefings scheduled if required.

### 3.4 ASSOCIATED STRATEGIES POLICIES & PROCEDURES

The Property Strategy will be administered with reference to the existing internal strategies, policies and procedures:

- Council Plan
- Long Term Financial Plan
- Service Plans
- Risk Management Plan
- Service Level Agreements

### 3.5 LEGISLATIVE AND STATUTORY REQUIREMENTS

Council’s property portfolio will be managed within the necessary legislative and statutory requirements including those enacted in the following.

- |  |                                     |
|--|-------------------------------------|
| • <i>Local Government Act 1989</i>           | • <i>Retail Leases Act 2003</i>     |
| • <i>Crown Land (Reserves) Act 1978</i>      | • <i>Road Management Act 2004</i>   |
| • <i>Land Act 1958</i>                       | • <i>Valuation of Land Act 1960</i> |
| • <i>Planning &amp; Environment Act 1987</i> | • <i>Subdivision Act 1988</i>       |

### 3.6 RISK MANAGEMENT

Whatever opportunities are developed for consideration as part of the Property Strategy process is it essential that the identification and management of risk is made a priority. Risk is currently coordinated through a formally established Risk Committee.

### 3.7 COMMUNITY ENGAGEMENT

As a minimum, Council will meet all statutory obligations for notification and community consultation as part of the implementation phase of the Property Strategy process. Community engagement will be sought as early as possible in the process.