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| 14 May 2014 | Director’s Report |
| To the Ordinary Council Meeting | Property and Economic Development |
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| **3.6 Property Strategy** | |

TRIM REFERENCE: F2014/00328 - D07288799

MANAGER:  Jari Ihalainen, Director

AUTHOR: Jari Ihalainen; Director

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| **SUMMARY**  Council has a substantial property portfolio comprising community, operational and commercial properties distributed throughout the shire. Council also owns a vast number of vacant land parcels and manages a significant number of Crown sites.  The Property Strategy has been prepared to assist the Council to manage this property portfolio effectively and ensure current and future community, operational needs and commercial objectives are met. |

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| Recommendation  *That Council endorse the Property Strategy for immediate implementation.* |
| **ORDINARY MEETING HELD 14 MAy 2014**  ***RESOLVED on the motion of Councillor GRAHAM and seconded by Councillor Taylor:***  ***488/14 That Council endorse the Property Strategy for immediate implementation*** |

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**BACKGROUND**

Wyong Shire Council is a major land owner with a property portfolio comprising more than 600 buildings (including those used for infrastructure purposes) and over 2000 lots. Land holdings comprise freehold and leasehold interests together with vast areas of Crown Land under the care, management and control of Council. Property forms an integral component of Council’s service delivery capability and also provides an opportunity for Council to generate a significant recurring income stream through commercial agreements.

Historically, Wyong Shire Council has not treated its property portfolio as a commercial, strategic resource. Large allocations of money and resources are required to maintain, improve and develop property to a standard that meets community needs. Further, property assets may be vacant, underutilised or surplus to service delivery requirements leading to operational inefficiency and unnecessarily tied up capital.

The Property Strategy sets a framework for the management of property to ensure;

* existing and future assets are aligned with service delivery objectives,
* assets use is optimised to reduce cost and improve efficiency,
* asset management outcomes are commercially focused and accurately reported,
* property transactions are transparent.

**CURRENT STATUS**

At present, Council has no specific policy or strategy that guides dealings in regard to the property portfolio.

**IMPLEMENTATION PROGRAM**

The implementation program for the key Property Strategy outcomes is shown in the table below:

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| **Task** | **Target Completion Date** |
| Adoption of Property Strategy | 30-Jun-14 |
| Adoption of Policy on Property Transactions | 30-Jun-14 |
| Implementation of PMS | 30-Jun-14 |
| Establish WSC Property Taskforce | 5-May-14 |
| Review and Standardise Performance Measures and Reporting | 31-Jul-14 |
| Identify Surplus and Non-Performing Assets | 30-Jun-14 |
| Comprehensive Portfolio Review | 30-Aug-14 |
| Reclassification of Community Land Stage 2:  Planning Proposal – Council report  Preparation of Planning Proposal  Planning Proposal submission to DoPI  Government Agency referral  Public Exhibition  Council endorsement  Notification of LEP | 30-Jun-14  30-Jul-14  30-Aug-14  30-Oct-14  30-Nov-14  30-Feb-15  30-Mar-15 |

**STRATEGIC LINKS**

The Property Strategy has been identified as a major project in Council’s Strategic Plan, with links to the Asset Management Strategy and the Community Strategic Plan Objective 7:

*“There will be a strong sustainable business sector and increased local employment built on the Central Coast’s business strengths.”*

The purpose of this Property Strategy is to establish a commercial approach to property based on a clear understanding of the requirements of Council and the services it delivers combined with best value in property management and development. This holistic approach to property management and development supports the commercial delivery of best value services and the well-being of residents and visitors of Wyong Shire.

The Strategy will contribute broadly across all of Council’s Principal Activities by providing an improved strategic focus to land management matters. This will ensure improvements to Council’s long term financial position.

The implementation of the Property Strategy will focus on community assets and development investment to secure future land requirements that aide in the delivery of infrastructure and employment generating development.

**GOVERNANCE AND POLICY IMPLICATIONS**

This draft Property Strategy does not require formal approval under any Act or Regulation, as it is an organisational initiative. Any activities resulting from the implementation of the Property Strategy would be governed by Council’s existing policies and procedures, e.g. procurement, asset management etc.

**CONCLUSION**

The adoption of the Property Strategy will ensure that Council’s property portfolio is effectively managed by focusing performance measures on operational efficiency whilst driving best value commercial outcomes. Improved reporting and data capture will improve accountability and transparency and ensure property decisions are fully informed. The divestment of surplus and non-performing assets will provide Council with additional capital for reinvestment into improved property assets which are aligned with future service delivery needs. The creation of an investment-grade income generating property portfolio will also diversify Council’s revenue stream and improve the financial sustainability of the Shire.

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**ATTACHMENTS**

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| **1** | Draft Property Strategy - V1 0 |  | D06914281 |