

# Optimising Our Property Estate

**Working**   
Smarter

**Breckland Council's  
Property Strategy  
2024-2030**

  
**Breckland**  
COUNCIL

# Foreword

## As Breckland Council's Executive Member for Property, Projects, and Procurement, I am pleased to unveil our groundbreaking Property Strategy for 2024-2030.

Breckland is a council that is committed to innovation and maximising the potential of our property assets. As council budgets across the country are squeezed ever further, there has never been a more important time to do this than now.

Our extensive property portfolio is not just a collection of buildings; it is a strategic tool to deliver exceptional services, boost our local economy, and secure a sustainable future for our communities.



This strategy outlines how we can ensure our investment asset to:

- **Enhance the quality of life for residents and our communities:** By creating vibrant spaces, supporting local businesses, and providing essential services.
- **Strengthen our financial position:** By generating revenue to help fund essential services and invest in our communities' futures and avoiding those costs which may prevent future investment.
- **Build a sustainable Breckland:** Ensuring our property assets are as environmentally friendly as possible and fit for purpose for generations to come.

But we are not just looking at the present; we are looking at the future by setting our sights on a thriving Breckland. This strategy aligns with our broader vision for the district, ensuring that every decision we make about our property is driven by the needs of our residents and businesses, now and in the years to come.

Holding property interests can be contentious for a local authority. Residents rightly require information about what we do with their money and why we are doing it. We therefore need to ensure that our land and buildings are managed as corporate resources and, as a public authority, in a responsible and transparent way. While some commercial agreements may require confidentiality, to protect the other party, we are determined to ensure that every decision we make is aimed at maximising best value for everyone in Breckland.

In addition, we must also ensure that all decisions are made in the context of the Council's priorities and objectives. This is why this document aligns so closely with Breckland's Corporate Plan and links to a broader vision of our place; a place where businesses and residents can thrive.

Breckland has immense potential, and our property portfolio plays an essential role in unlocking it. We have already made tremendous progress but can always achieve more. As we navigate challenging economic times, this strategy provides the roadmap to a brighter future. I am excited to see what we can achieve together.

Cllr Paul Hewett



# Contents

<b>Foreword</b>	<b>2</b>
<b>Executive Summary</b>	<b>4</b>
<b>Strategy Purpose</b>	<b>5</b>
<b>Vision &amp; Priorities</b>	<b>7</b>
<b>Policy Statements</b>	<b>8</b>
<b>Governance Framework</b>	<b>10</b>
<b>Management Framework</b>	<b>12</b>
<b>Strategy Road Map</b>	<b>14</b>

## **Appendices**

Appendix 1 Property Strategy Development	19
Appendix 2 The Property Assets	21
Appendix 3 Performance Metrics	22
Appendix 4 Property Working Group	23
Appendix 5 Investment Property	24
Appendix 6 Land Assets	25
Appendix 7 Operational Property	26
Appendix 8 Residential (Housing Need) Property	27
Appendix 9 Infrastructure Property	28
Appendix 10 Property Disposal Policy	29



# Executive Summary

This document is divided into key sections.

The first section describes the purpose of the document, providing key definitions, the scope and the rationale behind compiling it. It describes how the Property Strategy sits within the document framework and strategic context of the Council, as well as who the strategy is intended to benefit.

Following this, other sections describe the mission and priorities of the Council's management of its property portfolio, providing the overarching strategic vision and direction of travel for the service, and exploring the actions that will be undertaken to facilitate them.

**The key policy statements articulate and rationalise the actions that the Council should take when dealing with its property assets and explain to partners, residents and businesses how the Council intends, in practical terms, to maximise the potential of its portfolio.**

The document explores the governance arrangements that are in place to ensure that the service is managed in a transparent and accountable manner. The document also looks at more day-to-day, operational considerations, including our corporate landlord approach, as well as how data is managed responsibly.

Finally, the document refers to the review of this policy, which will be undertaken regularly throughout the plan period under the governance of a Property Working Group. The strategy will be fully renewed in 2030.

This Property Strategy is designed to rely heavily on appendices to provide substantive details for the policy commitments made within it. This is to keep the main document as concise and readable as possible.

In seeking a concise, accessible document, some legal, governance or statutory complexities relating to property assets might be over-looked. Users of this document should be mindful when seeking to apply this document for specific purposes and seek guidance accordingly.



# Strategy Purpose

**This section sets out the reasons and rationale for the requirements of the strategy. It also defines who the strategy is for.**

This document is the overarching strategy that defines Breckland Council's approach to the management of its property. Whilst not a statutory requirement, it will express how the Council plans to comply with its statutory responsibilities, as well as working towards the overall corporate aim of making Breckland a place where people and businesses can thrive.

Property management encompasses the wide range of activities that the Council undertakes to manage its property holdings and deliver the vision for the property asset base. Unlike the term asset management, which can also refer to other types of assets such as IT infrastructure, Property management is narrower in its focus and will, therefore, be used exclusively throughout this document.

This strategy will conform to the definition set out by the Royal Institute of Chartered Surveyors, which states that a Public Sector Asset Management Strategy is:

***"a strategic business planning document that indicates the direction of travel for asset management but set clearly in the context of the organisation's objectives, relevant government policies and other strategic issues that may impact on the nature, location and type of assets required."***

## Purpose of a Property Strategy

Strategic property management is the activity of aligning property assets with the strategic aims and direction of the organisation, and in the case of the Council, adding value to the residents and businesses in the district.

This strategy sets out the Council's overall approach to the strategic management of its land and building assets for the period 2024-30. It is intended to ensure that the Council's property estate delivers best value for residents by articulating a single vision for how this will be achieved.

Breckland Council holds and invests in a significant property portfolio. It is essential that this portfolio is used efficiently and effectively to help the organisation achieve its strategic aims and objectives. The main purpose of this document is to provide a framework under which decisions can be made to achieve this.

**Therefore, the Property Strategy 2024-2030 will support decisions made to achieve the Council's aims and objectives, which are clearly articulated in the Breckland Corporate Plan.**

In addition, the strategy will provide a helpful line in the sand and a reference document for the Council's partners, as well as residents and businesses, to enable them to better understand how and why decisions have been made.



## Structure of the Strategy

This strategy is purposefully written to be as concise as possible to allow the reader to quickly navigate to the strategic intentions and activity that is planned to take place. Much of the background information such as the context in which the strategy sits, how it was developed, the property assets the Council currently has interests in, and the performance metrics that will be applied to manage the property estate are all within the appendices as further reading, should that be required.

## Who is the Strategy for?

### Our Residents and Communities:

The strategy sets out transparently our intentions for how we will hold, manage and use our property to deliver high quality services to help inspire people to live, work and do business here.

### Our Partners:

This strategy demonstrates to partners our strategic intent and commitment for the use of our property estate to find ways to meet the needs of the communities we serve. Working together with partners we can collaborate for greater impact and seek new investment into Breckland.

### The Council:

The strategy will be used as a tool to create and focus our activity as a Council to ensure the property portfolio is optimised to facilitate the delivery of a broad range of high-quality services to the residents and businesses of Breckland.



# Vision & Priorities

**This section sets out the overarching mission – the core purpose and objective for our property estate. It also provides the key priorities or objectives that are critical for success.**

Breckland Council has used elements of its property portfolio in recent years to support council budgets, either through property sales to raise capital and reduce revenue costs, or by generating revenue through rental returns. But like all Local Authorities, Breckland is influenced by national government policy, funding and spending announcements as well as the national economic picture resulting in substantial pressures on residents and services due to the current cost of living challenges.

Over the Strategy period from 2024-30 we will focus on optimising revenue from existing assets and look to use our land and buildings for innovative uses within the community and with partners to support regeneration, housing and sustainability objectives. We will also look to further use grants and partnerships with the public and private sectors.

This Property Strategy is critical in setting the strategic direction for our land and buildings and to help the council and its partners find innovative and more collaborative ways to use property to enables interesting and exciting new initiatives and projects. Also, to ensure our property portfolio stays relevant, and to retain its financial and organisational value, we need to be clear about how our assets will be used, maintained and optimised.

## Mission

Our mission for the use of our property assets to meet the requirements of the Council's Corporate Plan is:

**To optimise the Council's property estate to ensure it is safe to use, sustainable, financially efficient and effectively fit for purpose, to ensure residents' and businesses' needs are met through the provision of high-quality services that meet the needs for all.**

## Priorities

Our key priorities to meet the requirements of the mission above are:

### Priority 1:

**We will optimise the value of our investment portfolio, providing valuable capital and revenue receipts to support the Council's budget to enable continued service delivery.**

### Priority 2:

**We will use our property assets to maximise opportunities with both public and private sector partners to encourage inward investment and shared outcomes.**

### Priority 3:

**We will use our property assets innovatively to support regeneration, environmental gain, economic growth and housing delivery.**

### Priority 4:

**We will work smarter, utilising technology to ensure effective management of the property estate in compliance with all relevant legislation.**



# Policy Statements

**This section sets out the major policies under which the Council's property assets will be managed throughout the life of this strategy. These policy statements will help guide the Council in activity to ensure it can deliver against the mission and priorities.**

To enable the Council to provide the best value in the most efficient way in accordance with the current environmental factors, we have set out below our strategic policy statements. These statements will provide a framework for decision-making to ensure there is organisational focus to deliver operational efficiency. From time-to-time additional policies will be added to continue to improve the efficiency and effectiveness of the property portfolio.

## Property Interests

We will only hold property interests that will directly or indirectly support the delivery of the Council's strategic aims and objectives, in this case Breckland Council's Corporate Plan or to assist our partners to deliver projects and services that support our residents and businesses.

## Disinvestment

We will continually seek to identify assets that become surplus to requirements due to performance, age, obsolescence or to reduce liability costs and undertake disposals in accordance with the criteria set out in this Property Strategy. For our land portfolio we will undertake disposals in a programmed, proactive method on a locality basis.

## Capital Receipts

Whilst we acknowledge the primary funding of Council services is from revenue rather than capital, we will ordinarily use capital receipts from property disposals to first balance the Capital Programme in the most appropriate way following direction from the S151 Officer.

Any remaining capital receipts can be used for acquisition of investment property according to set criteria. Typically this will be undertaken if the acquisition does not impact on the Council's borrowing needs for the current and following two financial years. This should enable the replenishment of any reduced revenue from disposed property and enable continuous churn to modernise the investment asset base and seek longevity of yield and income.

On occasion it may be necessary to divert capital receipts elsewhere in the Council taking a corporate approach to the overall Council's capital programme, priorities and funding. In these circumstances and where this does not impact the borrowing intentions of the Council, the aim will be to replenish the capital base of the property portfolio.

## Acquisition

We will only acquire property where there is a clear business case to do so, and ordinarily will only acquire investment property where this does not impact the Council's borrowing needs for the current and the following two financial years. The business case should confirm which corporate priority the investment is being undertaken to support and articulate the benefits for that investment. We will be ready to use any changes to compulsory purchase powers to enable an agile delivery approach to the Corporate Plan.





## **Adoption of Property & Infrastructure**

We will not seek to burden the general taxpayer with the costs for localised adoption of land and infrastructure where the Council is not under a legal obligation to do so. However, from time to time the Council may wish to adopt assets where there is no better entity available or when there are clear improved benefits to the residents and businesses of Breckland to do so.

## **Maintenance**

We will continue to monitor the economic usefulness of all our property assets and continue to invest in their management subject to the property assets continuing to meet minimum thresholds. For the investment property portfolio this will usually be yield, but for other property groups or types the measurement may be different. In general investment and overhead running costs will be funded through income generation of the commercial property portfolio.

## **Diversification of Use**

We will seek to diversify the Council's property portfolio where appropriate to meet our corporate objectives. Disposals and acquisitions will occur to assist in or develop any diversification requirements. We will also look to alter or diversify the use or operating model of property and other investment assets where required. This will include adapting the operating model of our car park assets into an end-user charging approach to alleviate budget pressures or considering the movement of property assets into a specialist property vehicle structured and established to generate enhanced returns for the Council.

## **Encroachment**

We will consider acting where encroachment has occurred on the Council's land if the land has strategic value, there are health and safety reasons, and/or if there is a legal nuisance to assure financial value or to maintain the intended use of the land.

## **Legislation**

We will meet our owner-occupier liabilities and other legislative requirements regarding holding and owning a property portfolio and keep our property assets safe to use by those that access them. This will require ongoing investment, as necessary.



# Governance Framework

**This section sets out how our property assets will be managed both operationally and strategically. It also sets out how decisions will be taken, how data will be used, and how performance will be managed and reviewed.**

The successful delivery of a property strategy relies on the development of a robust governance framework that provides a set of clear guiding principles to both strategic and day-to-day operational property decisions, projects, programmes and activities.

Such a policy framework provides consistency and transparency in decision making and actions across all parts of the property estate. It should also provide guiding principles for officers and members. Whilst not intended to be rigid in every respect, the framework provides a discipline for effective decision making.

As well as the Policy Statements in the previous section, other individual policies and procedures will need to be developed over time and will cover a range of areas including acquisition, disposal, energy management and carbon, maintenance, design, efficient space utilisation and cost management as examples. The current policy documents appended to this Property Strategy can and may be updated at any time.

## Governance

The delivery of the Property Strategy will rely on good governance and decision-making arrangements with clear member oversight. Critical to this will be the establishment of a new internal governance group, called the Property Working Group. The Property Working Group will comprise of senior officers from across the Council reflecting a diverse range of council services. It will have responsibility for providing strategic oversight and guidance on the management of the Council's property assets to ensure that activity is aligned to this strategy. It will escalate concerns and issues and report on achievements as set out below.



The Terms of Reference for the Property Working Group are set out in Appendix 5.



## Decision Making

The Council divides its functions into directorates and portfolios and for each directorate/portfolio a **Chief Officer** (who is a member of the senior leadership team) and **Executive Member** (who holds political responsibility) is allocated.

The responsible **Chief Officer** for property reports to the **Chief Executive** and has overall strategic responsibility for the **Property Management** function ensuring that its activities continue to support the Council's aims and priorities. Certain decisions are delegated to the **Chief Officer** as per the Council's Constitution.

**The Executive Member** for property is a member of the Cabinet committee and has political responsibility for the property assets. **The Executive Member** also has delegated responsibility to authorise decisions for the **Property Service** in support of the Council's aims and priorities as per the Council's Constitution.



# Management Framework

**This section sets out the specific roles and functions for the approach to the management of our property assets to ensure we are effective and efficient.**

## Corporate Landlord

The Council needs to ensure that its land and buildings are managed as corporate resources, and that the right stakeholders are involved, and decisions are made in the context of the Council's priorities and objectives. Breckland Council has adopted a Corporate Landlord model as an approach to the management of its property assets.

**The Corporate Landlord model takes a strategic approach to property and asset management across the Council, bringing together property, facilities management and commissioning responsibilities into a key enabling service. This enables the development and implementation of an estate that supports the wider corporate objectives of the Council.**

The Corporate Landlord model approach ensures that property is centrally managed and maintained as a corporate resource, with service directorates collaborating with the Corporate Landlord representative on services they need to deliver from property assets. This provides the best mechanism for driving a more strategic approach as well as being as efficient as possible with the resources available.

A fundamental principle of a Corporate Landlord approach is that all property is treated as a corporate resource and decisions on the management (including maintenance and funding) of property assets must be taken in the interests of the whole of the Council to ensure best value for the taxpayers of Breckland. The overall aim is to enable the most efficient and effective management of property, whilst optimising the estate and aligning it to the future delivery of council services.

There are some exceptions to the above approach, namely the tenancy management for the housing portfolio, which is currently managed by the Housing service, and grounds maintenance, which is currently managed by Environmental services.

## Operational Property Management

The Property service team in the Council's organisational structure is recognised as the Corporate Landlord. The Corporate Property Officer is a generic local government designation that is held by the most senior officer that has expertise in property management and has the highest level of operational responsibility for the property assets. At Breckland Council this designation is currently held by the Commercial Property & Estate Manager post supported by the rest of the Property team. That post has the overall responsibility for the management of the Council's property assets and discharging the Council's requirement to deliver best value from its property estate. It does not necessarily include the day-to-day management or liaison with the occupier or any contractual service arrangements that occupier may have with the Council. These responsibilities shall be maintained by the department that is most relevant to the property use.

The Corporate Property Officer is the initial point of contact for all corporate property management matters, providing advice on standards and procedures to ensure accordance with accepted industry best practice, as well as ensuring the property assets are safe.



**In respect of property management, key process improvements that will be used are as follows:**

- Appropriate consultation and engagement with internal and external stakeholders on strategic property management decisions.
- Regular property challenge and review, adopting robust option appraisal.
- Regular arrangements to network and meet local and regional partners to discuss strategic asset management matters and opportunities.
- Alongside these key processes effective fiscal management of the capital programme and property management functions will also include some or all the following:
  - Any investment activity progressing with a business case (or proportionate equivalent / de minimis level) including whole life costings and options appraisals ordinarily if the acquisition does not impact on the Council's borrowing needs for the current and following two financial years.
  - All business cases properly appraised with input from Financial Services and considered by the Property Working before approval is sought from the portfolio holder and/or Cabinet.
  - Bids for external capital funding (above a de-minimis level) being considered by the Property Working before s151 Officer and portfolio holder approval is sought.
  - Clear option appraisal criteria against which capital investment decisions will be assessed and made.
  - Adequate property maintenance budgets covering all council owned, occupied, and maintained properties (where it has a responsibility to maintain them).

## Data Management

Data is crucial to effective property management. It can provide insights into tenant behaviour, market trends, maintenance schedules, and financial performance. Analysing the data available in the management of the Council's property assets can improve tenant and occupier satisfaction, reduce cost, optimise rent pricing, and enhance maintenance regimes.

The Council has an adopted Performance Framework within which the performance of its property assets are managed. Analysing data arising from performance indicators can lead to good decision-making about the future use and effectiveness of the property asset base. The current suite of employed performance indicators is in Appendix 4. These are reviewed on an annual basis to ensure they remain appropriate to the effective management of the property assets to deliver against the Council's Corporate Plan.

Technology for holding data and driving efficient processes is also critical for the success of the management of the property assets. The existing property data business software system has limited capability for the Council's requirements. It is recognised that a new property data system is required and over the plan period this will be procured and implemented as part of the action plan.

## Review

This Property Strategy sets out the Council's strategic direction for its property assets through to 2030. Oversight and monitoring of progress against this plan will be the responsibility of the Property Board. Reviews of progress should have regard to the Council's strategic objectives, changes in policy, professional practice and changes in the economy and property markets.

**As a minimum, the review will include:**

- Performance indicators reviewed as per the Council's adopted Performance Framework.
- Six monthly review of the Strategy Road Map to ensure the strategic direction of the plan remains robust and deliverable.
- Annual review of the income and expenditure budgets at the end of each fiscal year – particularly in relation to the non-operational estate.





# Strategy Road Map

**This section sets out the road map for the delivery of the strategy – what we will do. It sets out the actions and activity that will need to be undertaken to ensure the strategy is delivered.**

As such an important and vital resource, it is imperative that our property assets are managed, operated and planned in a way that provides a positive contribution to the Council's strategic objectives and which serves the district and our residents best.

We have adopted four strategic priorities that will guide and direct us over the life of this Property Strategy.

To support those priorities the following is a more detailed action plan.



<b>Priority 1:</b> <b>We will optimise the value of our investment portfolio, providing valuable capital and revenue receipts to support the Council's budget to enable continued service delivery.</b>	
<b>Our ambition</b>	<p>For our property portfolio to stay relevant, and to retain its financial and organisational value, we need to be clear about how it will be used, maintained and optimised. We will continue to invest in the maintenance and improvement of investment property assets to retain revenue from commercial rents. We will also regularly review the portfolio and dispose of property assets which do not meet our investment criteria. Any acquisitions will ordinarily be made in line with guidance on borrowing and will ensure that capital investment decisions do not place additional pressure on Council Tax or our Medium-Term Financial Plan by not impacting on the Council's borrowing needs for the current and following two financial years.</p> <p>We recognise that Council services typically consume revenue rather than capital resources, and in managing a portfolio tasked with providing receipts to the council, objectives may occasionally conflict. Our portfolio priorities will reflect this, and, over time, will balance our ambition to provide a balance of capital and revenue receipts.</p>
<b>Why it matters</b>	<p>This matters because we want to:</p> <ul style="list-style-type: none"> <li>• Bring a strategic and consistent approach to the management of the investment portfolio.</li> <li>• Optimise the extensive property portfolio that has been created over many years to ensure it can continue to use the income generated to support council budgets.</li> <li>• Provide a commercial approach to the Council's investment portfolio to optimise rental income generation from third party use of our property where feasible.</li> <li>• Ensure a long-term sustainable view is taken of any investments and the appropriate risk analysis is undertaken in line with the risk appetite of the authority.</li> <li>• Ensure the Whole Life Cost of property assets is represented and included in the management of the investment portfolio.</li> <li>• Ensure strategic asset management practices are in place to reduce the exposure of risk to the Council in terms of both financial and compliance matters.</li> <li>• Ensure consistent approach to investment assets with clear separation from or re-allocation to assets held for service delivery.</li> </ul>
<b>Achieving this priority</b>	<p>To achieve this priority, we will:</p> <ul style="list-style-type: none"> <li>• Review and categorise the asset portfolio in line with the Corporate Plan &amp; Policies.</li> <li>• Identify and reduce arrears and voids through active property management.</li> <li>• Provide a commercial approach to the Council's investment portfolio to optimise rental income generation from third party use of our assets where feasible.</li> <li>• Identify income opportunities within the operational estate.</li> <li>• Rationalise the portfolio to identify disposal opportunities (e.g., ageing stock).</li> <li>• Focus resources on the top 20% of property in the investment portfolio to manage risk.</li> <li>• Ensure consistent and transparent reporting of the performance of the investment portfolio is documented as part of the Property Working Group.</li> </ul>
<b>Success Measures</b>	<ul style="list-style-type: none"> <li>• Occupancy levels as per the performance framework.</li> <li>• Annual yield analysis.</li> <li>• Arrears at or below 3% at 90+ days and over where possible.</li> <li>• Determine the purpose and long-term use of the Business Centre's property assets.</li> <li>• Categorisation of investment property assets into investment and social/regenerative use to determine future focus of management.</li> <li>• Forward plan of disposals, considering future legislation such as minimum energy performance standards and a programme of required reinvestment funding to replace income.</li> <li>• Property investment policy statement with defined criteria for investment in property.</li> </ul>



## Priority 2:

**We will use our property assets to maximise opportunities with both public and private sector partners to encourage inward investment and shared outcomes.**

<b>Our ambition</b>	The Council's property portfolio operates within a vast network of organisations and services both internal and external to the Council, each with their own objectives and aims. At the same time, the geography of Breckland incorporates a significant element of Crown Estate and other nationally owned infrastructure and land holdings that form the strategically significant One Public Estate. By reviewing existing partnerships and developing positive relationships with partners, new opportunities can be unlocked to achieve the Council's objectives and deliver first class services for our residents and businesses.
<b>Why it matters</b>	<p>This matters because we want to:</p> <ul style="list-style-type: none"> <li>• Reduce overheads as a result of partners co-locating in the Council's property assets.</li> <li>• Secure capital contributions to the Council's property assets for improvements or new developments.</li> <li>• Generate capital / revenue expenditure to create new partnerships and delivery frameworks.</li> <li>• Secure savings through economies of scale at procurement.</li> <li>• Enable partnership working to improve services delivery.</li> <li>• Take advantage of grant funding opportunities.</li> <li>• Ensure regulatory compliance within property legislation.</li> <li>• Build relationships with new partners to build resilience to future demands.</li> <li>• Develop new services / opportunities for our communities, helping to boost economic growth and regeneration throughout the district.</li> </ul>
<b>Achieving this priority</b>	<p>To achieve this priority, we will:</p> <ul style="list-style-type: none"> <li>• Be a visible and proactive partner in the One Public Estate Norfolk partnership to build locally led opportunities with other public sector organisations in order to boost economic growth within the district.</li> <li>• Develop opportunities alongside partners for co-location of public services to improve access to services for users.</li> <li>• Where possible, review corporate strategies with partners to identify points of alignment.</li> <li>• Develop a framework for divestment in land assets or partnership with parish councils to enable partnership projects to be delivered.</li> <li>• Identify areas of market failure where partnerships or delivery frameworks may unlock development.</li> <li>• Transfer responsibility for assets to local community organisations or parish councils, where appropriate, to be managed at a local level and/or to deliver local services.</li> <li>• Review assets to ensure they are accessible, welcoming and relevant to our residents and businesses.</li> <li>• Release public sector sites for development.</li> <li>• Structure lease disposals to third parties to ensure they are at least overall cost neutral to the Council.</li> <li>• Acquire strategic sites for service needs and act as a catalyst for inward investment, subject to a detailed business case which considers all implications to the Council (e.g., legal implications) and whole life costs.</li> <li>• Maintain flexible lease terms to enable agility in asset planning.</li> </ul>
<b>Success Measures</b>	<ul style="list-style-type: none"> <li>• Percentage of surplus assets reclassified for alternative uses.</li> <li>• Revenue generated / savings through partnerships.</li> <li>• Capital receipts generated through partnerships.</li> <li>• Improved public perception of service availability.</li> <li>• Indirect revenue enabled by utilising assets.</li> <li>• Gross value added for other services through revenue generation and cost avoidance property activities because of projects and programmes.</li> </ul>

### Priority 3:

**We will use our property assets innovatively to support regeneration, environmental gain, economic growth and housing delivery.**

<b>Our Ambition</b>	Historically, the Council's property focus has been commercially based. Whilst receipts from the Council's property assets have been used to support other service areas, management of the property assets has not had a direct focus on wider forms of value (e.g., social, community, environmental). Moving forward we can include measures of these wider forms of value in our decision making, allowing for a broader conception of value and regeneration which may meet our residents' priorities in their local area.
<b>Why it matters</b>	<p>This matters because we want to:</p> <ul style="list-style-type: none"> <li>• Use our property to deliver high quality services to the residents and businesses in Breckland.</li> <li>• Use our land and buildings for innovative uses within the community to support regeneration, corporate objectives and promote the local economy.</li> <li>• Support housing needs using council property assets in the right locations.</li> <li>• Ensure our land and property portfolio meets sustainability objectives.</li> <li>• Ensure our land and property portfolio can be used to provide outcomes relating to environmental gain such as biodiversity and nutrient neutrality measures to support economic growth.</li> <li>• Create better places that are valued by residents and communities.</li> <li>• Consider social value at a strategic property level to enable communities to drive change and enhance community identity.</li> </ul>
<b>Achieving this priority</b>	<p>To achieve this priority, we will:</p> <ul style="list-style-type: none"> <li>• Ensure land and buildings are managed as corporate resources, the right stakeholders are involved, and decisions are made in the context of the Council's priorities and objectives.</li> <li>• Ensure regular engagement with council services to understand how changing service delivery approaches are likely to change any needs for property assets.</li> <li>• Support services to assess how property assets are being used and whether they are suitable and sufficient.</li> <li>• Align this Property Strategy with the Housing Strategy and other strategy policies of the Council to help meet corporate housing objectives and ensure transparency relating to land and property assets.</li> <li>• Provide transparency and scrutiny to recommendations that relate to the property assets and related property services.</li> <li>• Secure best value when disposing of or letting property. Best value does not always mean the highest possible price, and all authorities can dispose of property at less than market value where there are wider public benefits to be gained.</li> <li>• Review capital requirements for assets at a corporate level to ensure transparent prioritisation across service areas within the capital programme.</li> <li>• Review the aims/objectives of the Breckland Bridge joint venture to ensure it still aligns strategically, considering current and future market conditions.</li> <li>• Improve collaboration internally with service areas such as Planning and Environmental Services to ensure best value can be obtained for any change activity.</li> <li>• Undertake land disposals on a proactive basis following a programme of locality reviews.</li> </ul>
<b>Success Measures</b>	<ul style="list-style-type: none"> <li>• Percentage of assets classified for service delivery.</li> <li>• Reviews of service-related property requirements (now and future uses).</li> <li>• Creation and use of social and economic value matrix to inform property transfers.</li> </ul>



<b>Priority 4:</b> <b>We will work smarter, utilising technology to ensure effective management of the property estate in compliance with all relevant legislation.</b>	
<b>Our Ambition</b>	By using innovative technologies and working smarter, we can ensure the planned maintenance programme decreases urgent and essential works, de-risking the estate by focusing on compliance and mitigating environmental impacts. An essential step in this journey is the implementation of a new estate management system to record all property data and create a database of information that can be relied upon for reminders of certifications and tenancy dates.
<b>Why it matters</b>	<p>This matters because we want to:</p> <ul style="list-style-type: none"> <li>• Ensure the management of our property assets is a proactive, not a reactive service.</li> <li>• Support service teams to ensure that any property asset implications within service plans and planning processes are identified and considered at the earliest opportunity.</li> <li>• Ensure there is a comprehensive preventative and planned maintenance plan.</li> <li>• Review the asset portfolio to identify life expectancy of assets to anticipate timing of redevelopment or disposal.</li> <li>• Support and inform corporate decision making based on reliable data that can be easily understood and shared across the organisation.</li> <li>• Increase efficiencies across the management of the portfolio.</li> <li>• Improve the sustainability, and financial management of the property portfolio.</li> </ul>
<b>Achieving this priority</b>	<p>To achieve this priority, we will:</p> <ul style="list-style-type: none"> <li>• Appoint a dedicated Property Working Group with appropriate membership and Terms of Reference.</li> <li>• Integrate new estate management software.</li> <li>• Introduce a carbon position statement for existing assets and criteria to be considered when acquiring new assets.</li> <li>• Ensure all EPC and ESCs are completed and maintained.</li> <li>• Continue to review Elizabeth House's lifespan, maintenance cost and sustainability credentials.</li> <li>• Actively manage utility contracts to seek the best value and change where required.</li> <li>• Investigate energy reduction opportunities for corporate estate.</li> <li>• Continue the condition survey programme, feeding into development of a corporate maintenance plan.</li> <li>• Adopt lifecycle planning in decision making.</li> <li>• Ensure early identification of the level of investment required to improve sustainability criteria of a property to ensure this is correctly budgeted for.</li> <li>• Budget consistently for planned maintenance.</li> <li>• Plan for climate change through building resilience within the property portfolio.</li> <li>• Proactively seek grant funding opportunities to assist in the investment of property assets (i.e., for retrofit refurbishment or sustainability).</li> </ul>
<b>Success Measures</b>	<ul style="list-style-type: none"> <li>• Planned preventative programme to be delivered on time (year on year).</li> <li>• Percentage of compliant buildings.</li> <li>• Percentage of building condition surveys.</li> <li>• Percentage of portfolio with life cycle costs confirmed.</li> <li>• Percentage of rent reviews / lease renewals completed.</li> <li>• Percentage of buildings with Equality Act Audits.</li> <li>• Percentage of buildings with urgent and essential category work outstanding.</li> <li>• Percentage of buildings with Minimum Energy Efficiency Standards requirements met.</li> <li>• Percentage of buildings with energy performance ratings below national target.</li> <li>• Respond to all identified health and safety issues on an immediate basis.</li> </ul>





## Appendix 1

### Property Strategy Development

This Property Strategy has been informed by various documents and policy of the Council and consultation with internal stakeholders, namely the Cabinet and the Senior Management Team.

#### Strategic / Policy Context

The context for this Property Strategy is provided by the Council's key strategy documents, in particular the Corporate Plan, Budget, Medium Term Financial Plan and the Capital Strategy.

#### Corporate Plan

This plan was adopted in 2024 and sets out a vision for Breckland until 2028. The plan is built on three themes:

Theme	Outcome
<b>Inspiring Communities</b>	Enabling everyone to lead happy, healthy and fulfilling lives.
<b>Thriving Places</b>	Creating opportunities for skilled jobs and economic growth.
<b>Working Smarter 2035</b>	Protecting our environment – now and for future generations; and putting customers first by delivering quality, value for money services that meet their needs.

The Corporate Plan states that partnership is at the heart of the Council's approach to ensuring it is and it reaches areas it would otherwise not be able to do on its own. This helpfully informs the priorities for this strategy to ensure partnership and collaboration is at the centre. The Corporate Plan also confirms that the Council is not limited to the provision of statutory services, but focussing on activity that will make the most difference locally to Breckland communities. Similarly, this is helpful in the development of this strategy to ensure that the property assets of the Council can provide resources for both our statutory services as well as our activity to improve the lives and experiences of residents and businesses.

#### Medium Term Financial Plan

The Medium-Term Financial Plan (MTFP) provides a high-level of assessment of the financial resources required to deliver our services. It also includes a set of financial policies and principles which provide a basis for maintaining the financial integrity of the Council over the medium term. It also projects the funding gap and how it will be bridged. As government policy emerges around issues such as the Environment Bill and Planning and Housing growth this plan needs to remain as flexible as possible. Other pressures like the cost of living and increases in demand for services such as benefits payments and temporary housing accommodation all add to the uncertain financial position and a continuing situation of a funding gap throughout the medium term.

Fees, charges and other income is a key part to balancing the Council's budget. The commercial property portfolio income is the third largest income source are retained business rates and Council Tax. The rent from the commercial property portfolio supports the delivery of the Council's services. In 23/24 the gross income from the Council's investment property portfolio was £3.526m.

#### Capital Strategy

The Capital Strategy covers the period 2024 – 2035 and aims to direct the authority's capital investment towards its strategic goals, whilst ensuring financial responsibility. It needs to ensure the Council's capital resources, both cash and assets are used effectively to support the Corporate Plan. It is key to the development of this property strategy because property is a wasting asset which needs financial investment. This can be large scale and therefore in local government terms require capital funding. Analysis of asset performance is critical in helping to determine decisions such as retaining ownership or disinvesting as the required investment to maintain a property can outweigh the economic benefit of that property. The availability of capital funds therefore also does help prioritise asset management planning and in turn the delivery of services.

Specific property aims within the Capital Strategy are noted as follows:

1. Physical assets and related resources are efficiently and effectively used to support the Corporate Plan.
2. Issues related to property and other assets are fully reflected in the Council's planning, specifically adequate funds for maintenance are available.

The Capital Strategy also confirms the fact that making further commercial investments primarily for yield means the Council cannot access borrowing (as per the revised CIPFA Prudential Code for Capital Finance). This includes any receipts from disinvested property assets. As a result of the Prudential Code and the Council's reserves being depleted, this is a key consideration for the development of this Property Strategy.

#### Capital Programme

The Capital Programme and associated funding for 2024 to 2035 indicates a net deficit of just over £6m. The programme includes limited scope for new investment in the short term unless additional capital receipts or funding are generated. Significant inclusions for the property portfolio are detailed including provision of funds for; commercial property maintenance, a new property asset management software system; car park resurfacing; public lighting replacement; acquisition of housing (using grant funding) and a new commercial development scheme.

#### Treasury Management Policy

The Council's Treasury Management Policy 2024-25 adopts the definition of treasury management as; "The management of the local authority's borrowing, investments and cash flows, including its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks". The Council's capital programme is the key driver of treasury management activity and as such, must reflect current central government policy. As such, this Property Strategy does not allocate any provision for expenditure on commercial investments due to the current Prudential Code which states that investments can be made for the following principal reasons. Also, the Council's Capital Strategy sets out the internal bidding process for which funding allocations will be determined:

1. To generate income which is used to protect and support services.
2. To create new opportunities for local business or increase the business rates base.
4. To respond to local market failure or identified community need.
5. To support regeneration or growth.

Projects undertaken primarily for yield, would consequently block the Council's access to external borrowing as per the Prudential Code. This is a new position for the Council which requires a careful balance of the Council's requirements from the Corporate Plan.

### Stakeholder Engagement

Workshop style events and individual discussions have been held with Cabinet Members and Senior Officers to inform the development of this Property Strategy. The following is a summary of the feedback that was provided which has been integrated into the property priorities outlined in the main document to help inform the roadmap of activity and actions.

### Commercial Property Portfolio

- Commercial return is important, but there should also be social and regenerative returns.
- Support the use of borrowing provided there is a clear purpose and programme.
- Develop a smarter approach to disinvestment and reinvestment, timing-wise taking into consideration environmental factors as well as the market.
- Review property assets in the investment portfolio to align to current market conditions to ensure it is not presenting too greater risk.

### Town Centres

- Future Breckland is a lead for our plans regarding our property portfolio including the involvement of partners to help with delivery of outcomes.
- Our town centre property should reflect the changing role of the High Streets and enable the delivery of mixed-use schemes with a housing focus.
- Need to leverage commercial opportunities and inward investment for a variety of returns including commercial income.

### Land

- Use of undeveloped held land assets need to be aligned to what it is best suited and delivers the best returns.
- Consideration to assessing undeveloped land on a locality basis to determine long term aims, i.e., retain, community asset transfer, dispose, or reuse for alternative more productive use.

### Strategy

- Review moving some or all our property in a separate entity to alleviate wider borrowing issues given the Council's current reserves/budget position.
- Diversify into further housing investment to meet Housing Strategy requirements.
- Develop the Riverside regeneration opportunity in Thetford.
- The Property Strategy for the council needs to ensure it can adapt to changes in national policy, economics and market changes.
- Require clear parameters for investment to avoid unconsidered investment decisions.
- Tactical acquisitions of property utilising grant funding for regeneration opportunities.



## Appendix 2

### The Property Assets

#### Background

Breckland Council has a significant property portfolio. A sizeable proportion, nearly 50% of the property portfolio has been historically held for investment purposes and has provided valued revenue to support Council budgets. The management of the Council's property portfolio requires ongoing investment and coordination to maximise its investment and operational purpose. The Council's property assets are one of its most important resources; and at a strategic level, land and buildings can be used to deliver the Council's objectives.

The Council currently has property assets under its ownership with a gross book value of as of 31 March 2024 of £85,751,435. The equivalent value when the last Property Strategy was written in 2012 was £56,149,824. This indicates that since 2012 there is overall been an increased investment in the Council's property portfolio, although disposals have also occurred during that time.

The assets are valued on a cyclical basis in line with CIPFA accounting requirements. The values and the number of properties has been extracted from the Council's Fixed Property Register. The values outlined below are not to be confused with Market Value. The definition of value for properties held on the Council's Fixed Property Register is Fair Value. This is the amount that would be paid for the asset in its existing use. The Council does not cyclically value its property on a Market Value basis. This is undertaken at the point of disposal for any property asset.

#### Categorisation

For the purposes of this strategy the property has been categorised into three groups:

#### Group 1: Operational

These property assets are held, occupied, used or contracted to be used on behalf of the authority in the direct delivery of services. The service may be delivered due to a statutory obligation, discretionary choice or assets may be held for the service of strategic objectives of the authority, such as regeneration or sustainability purposes.

Operational Property may be leased at below commercial rents to voluntary and community organisations and social enterprises. The benefits are not necessarily seen as a financial contribution, but rather in terms of social value or indirect savings to council services.

#### Group 2: Non-Operational Property (Investment)

These are the property assets that are primarily held for yield purpose, usually via the generation of rental income or capital appreciation. Otherwise known as investment property assets as they are held for investment purposes and performance managed on the same basis. Income generated by the commercial property portfolio supports other spending in the district and helps to keep the council tax low. The commercial portfolio comprises commercial let industrial units, offices, retail units and individual larger single assets.

For the Investment Property asset portfolio, it is important that the quality of the stock is maintained to sustain performance. As such, an assessment of the level of maintenance required for the properties has been made for inclusion in both the Council's capital and revenue budgets. If seeking to make Commercial Investments, the Council will ensure the same robust procedures for the consideration of risk and return are applied as for Treasury Investments.

#### Group 3: Other

These property assets do not fit into either category above. They are primarily land holdings, infrastructure assets and assets held for development purposes.

The breakdown of the Council's assets into each category and their associated values can be seen in the table below.

Asset Group	Property Type / Use	No.	Value £	Average Value per Asset	Group Value £
Group 1: Operational	Offices	1	2,626,650	2,626,650	35,656,511
	Car Parks	30	4,652,871	155,095	
	Hostels	3	5,541,322	1,847,107	
	Leisure Centres	2	16,859,643	8,829,821	
	Community Centres	2	166,286	83,143	
	Housing Temporary Accommodation	26	4,740,493	182,327	
	Housing Shared Equity	6	346,250	57,708	
	Museums	2	722,996	361,498	
Group 2: Non-Operational (Investment)	Industrial & Offices	189	33,114,100	175,207	46,153,600
	Land Leases	8	2,327,500	290,937	
	Retail	12	2,322,000	193,500	
	Leisure	6	8,390,000	1,398,333	
Group 3: Other	Land	145	2,526,905	17,427	3,941,324
	Infrastructure	11	1,027,397	93,400	
	Development	1	387,022	387,022	
		444		193,134	85,751,435

## Appendix 3

### Performance Metrics

#### Background

The Council has an adopted Performance Framework which is used to create the right set of performance indicators to performance measure the Council's activity and impact.

#### Key Performance Indicators

These indicators are the key indicators for the measurement of the performance of the Council's property portfolio. They are reviewed annually. The data from these indicators is provided to Members as part of the Council's quarterly performance report.

Indicator	Principle	Frequency
% of portfolio which is compliant	Portfolio compliance gives assurance that we are a responsible landlord and that we priorities health and safety. If the level drops it may lead to reputational, safety, financial implications.	Quarterly
Commercial Property Net Rental Income	Total net rental income forecast to be achieved from the Council's investment assets	Quarterly

#### Performance Indicators

There are indicators which help support the day-to-day management of the Council's operations.

Indicator	Principle	Frequency
% of portfolio with an Energy Performance Certificate (EPC) rating of F or above	EPCs above a certain level tell us how energy efficient our portfolio is and if a further indicator towards the Working Smarter 2035 objective. If we did not have a high EPC level, it would suggest our properties are not fit for purpose.	Half yearly
Commercial Property Condition Surveys	This is to ensure no investment asset has a condition survey that is older than 5 years so that the Council can monitor its decision on expenditure.	Quarterly
Commercial Property Gross Rental Income	Total gross rental income forecast to be achieved from the Council's investment assets.	Quarterly
Dereham Business Centre Rental Income	Total gross rental income forecast to be achieved from Dereham Business Centre.	Quarterly
Thetford Business Centre Rental Income	Total gross rental income forecast to be achieved from Thetford Business Centre.	Quarterly
Conference Centre Income Received	Performance measure of income received through external bookings of the Conference Centre.	Quarterly
Elizabeth House – income generated	Total income forecast to be achieved from the Council's HQ property.	Quarterly
Commercial Property Average Yield	Yield is the correct measurement to demonstrate how successfully the portfolio is in terms of return. If our yield drops, then it would have financial implications for the Council.	Half yearly
Carbon Footprint – Commercial Property	Monitor energy the Council buys from energy providers.	Yearly

Other management data is collected on areas such as the number of repairs, maintenance backlog, condition of properties, arrears and the value of disposals and acquisition.

## Appendix 4

### Property Working Group

### Terms of Reference

#### Introduction

This document outlines the terms of reference for the Breckland Council internal Property Working Group (PWG).

#### Purpose

The purpose of the PWG is to provide strategic oversight and guidance on the management of the Council's property assets, aligned with the adopted Property Strategy, to identify opportunities for the effective utilisation of property assets to support delivery of the Council's objectives and services.

At times, the use of the Council's property assets will have the ability to deliver against more than one of the council's objectives and used in different ways. Therefore, the PWG will need to make operational and strategic choices and steer activity against the objective that it believes will provide the greatest benefit and value for the Council, whenever and wherever that need may arise.

The PWG forms part of the Council's internal governance structure.

#### Function

The PWG will:

#### Review Performance

- Conduct a quarterly review of performance against the action plan outlined in the adopted Property Strategy.
- Evaluate performance against success measures outlined in the adopted Property Strategy.

#### Strategic Planning

- Review and provide strategic direction on key property-related decisions for the upcoming quarter.
- Identify and consider the future property needs of the Council and its partners.
- Consider opportunities for the use of the Council's property assets.

#### Collaboration

- Proactively facilitate communication and collaboration between the Property service and other services within the Council.
- Explore how property decisions can support the strategic objectives of other services.
- Receive updates and feedback from other services on property-related issues and opportunities.

#### Escalate

- Share key activity on the use of the Council's property assets with other stakeholders such as members, staff and partners.
- Escalate issues and concerns, and report good news and achievements, to the relevant governance board within the Council.

#### Membership

The PWG members will be as follows:

1. Deputy Chief Executive (Chair)
2. Executive Director (Deputy Chair)
3. Assistant Director Property & Infrastructure
4. Commercial Property & Estates Manager (Service Manager)
5. Accountancy Manager (Service Manager)
6. Planning Manager (Service Manager)
7. Housing Manager (Service Manager)
8. Growth/Regeneration Manager (Service Manager)

To be quorate the Board will require a minimum of four board members to attend.

The PWG may also include the utilisation of an independent member of the Group. The independent member would be required to be recruited externally. It is not expected that the independent member will be added to the Council's establishment. This role will enable independence and parity on strategic activity related to the Property Strategy.

In addition, the Property Team Leader(s) will attend to support the work of the Board as required by the Commercial Property & Estates Manager. The Property Estates Support Officer will attend to take minutes and provide general secretariat support.

Other officers and subject matter experts will be invited from time to time depending on the agenda.

#### Meetings

The Board will meet quarterly (and can be hybrid).

Additional meetings may be convened as required by the Chair.

Minutes will be taken at each meeting and circulated to members.

#### Review

These terms of reference will be reviewed periodically to ensure their continued effectiveness.



## Appendix 5

### Investment Property

#### Context

The Council owns several investment property assets, otherwise known as the commercial property portfolio. Investment assets are non-operational and are held for the purposes of investment, and therefore their primary function is to yield a financial return.

Within this group the Council owns industrial units, retail premises, office units and leisure property assets. The Council owns 215 of individual property assets in this asset group.

#### Approach

This group of property assets are managed primarily to provide a positive financial return. They are managed within a competitive marketplace of other commercial property and therefore the Council needs to act commercially with these group of assets. This requires the Council to operate this group of property assets in a 'private sector' approach which means the Council must market the property with relevant advertising and branding; strive to provide the best quality of product, i.e., the quality of the property itself; and provide the highest level of customer service to ensure of repeat business and reputation.

These property assets need to provide a positive return on investment to ensure the property is fulfilling its function. The Council can invest in any number of different types of market that are allowable under the local government act. These can include deposits, bonds and property. The commercial property portfolio needs to perform at or above a satisfactory yield return to continue the decision to invest in this type of property and market. To ensure this is met the following activities are undertaken:

- Full landlord and tenant function including tenant management (lease events, consents, variations), arrears management and debt collection.
- Reactive maintenance such as dilapidations surveys and repairs.
- Asset management including proactive capital renewal with cyclical condition surveys to inform future capital expenditure.
- Acquisition and disinvestment.

#### Strategy

For our investment property portfolio to stay relevant, and to retain its financial and organisational value, we need to be clear about how it will be used, maintained and optimised. We will continue to invest in the maintenance and improvement of this group of property assets to retain revenue from commercial rents. Equally, it is recognised that this group of property assets are ageing and require replenishment with better stock to maintain the provision of income to support the Council's aim for a balanced budget. Therefore, it will be important to review the portfolio and dispose of property assets which do not meet the required investment criteria. Any acquisitions will be made in line with the Council's current position at the time on borrowing and will ensure that capital investment decisions do not place additional pressure on Council Tax or our Medium-Term Financial Plan.

#### Actions

- Improve property management software system to increase automation and efficiency.
- Align financial reporting of income between Property and Finance.
- Reinvestment of disposed property for income replacement.
- Create tenant customer relationship management system.
- Improve internal promotion of the purpose of holding an investment property portfolio.
- Determine purpose of Business Centres and determine long term alternative use.
- Categorise this group of property assets into investment and social/regenerative use to determine future focus of management.
- Create forward plan of disposals, considering future legislation such as minimum energy performance standards and a programme of required reinvestment funding to replace income.
- Draft a new property investment policy statement.



## Appendix 6

### Land Assets

#### Context

The Council owns and manages several areas of undeveloped land. This is mostly in the form of land that has been left over from the housing stock transfer. At that time, the housing assets (buildings and gardens) were transferred but all the amenity space around the houses, particularly on housing estates was not transferred. This was left the Council with a large, disparate land portfolio. In many cases it is used as amenity land and several have a planning use class as designated open space. There are also lots of verges, visibility splays and small incidental strips of land.

#### Approach

This group of property assets must be primarily managed for owner occupier liability purposes, particularly because the public is accessing them. It is important that they are managed with care and consideration to ensure they are safe to use and are fit for purpose. In most cases the predominate management approach is grounds maintenance given they are largely soft surface land areas. The Council has had a programme of community asset transfer of these spaces to town or parish councils, along with commuted sums if available, where they can be better managed and any infrastructure equipment (play equipment, benches, bins, signage and fencing) can be better decided at a local level. The following activity is undertaken:

- Provision of short-term property licences for use of the land i.e., for a community event.
- Processing of applications for land agreements to permanent rights over the land in the form of wayleaves and easements, for example utilities connections.
- Management of encroachment and trespass and enforcement remediation.
- Engagement in Breckland Bridge joint venture for the provision of land for development.
- Disposals for disinvestment / community asset transfer.
- Strategic acquisition of land to meet corporate objectives and to undertake regeneration or development activity.
- Grounds maintenance.
- Regular inspections on higher value land assets.

With this group of property assets, the grounds maintenance is undertaken by the Environmental Services team separately to the property and asset management of these properties which are managed in the Property service. This is an exception to the current Corporate Landlord model.

#### Strategy

Given the extent of this portfolio of property, the Council is unable to resource a high level of management via inspections. Therefore, apart from grounds maintenance and some activity with the Breckland Bridge joint venture, most of the approach is for reactive activity. The owner occupier liability remains the benchmark for the level of resource requirement on how to manage this group of property assets. The strategy for the future management of this group of property assets is as follows:

- Retain and maintain to an appropriate safe level of maintenance to ensure these property assets are safe to use and access and meet owner occupier liability requirements.
- Continue to engage collaboratively with partners who may be better placed to manage the land assets for local needs and continue to consider asset transfers.
- Continue to engage collaboratively with partners who require land-based agreements to deliver greater benefit for our communities.

- Seek to move towards a proactive approach via a location-by-location review of this portfolio to determine long term aims for each land site, i.e., hold, transfer, dispose, invest.
- Support the Breckland Bridge joint venture to deliver direct development activity and improved land value.
- Seek opportunities stemming from the corporate priorities particularly Thriving Places and Inspiring Communities to use land to fulfil corporate objectives around direct housing intervention, stimulation of economic growth and regeneration of our towns.
- Unless meeting a strategic purpose, continue to avoid the liability of the adoption of open space allowing the Local Planning Act to ensure developers create the necessary management companies.

#### Actions

- Review aims/objectives of Breckland Bridge joint venture to ensure it still aligns strategically considering market conditions.
- Improve collaboration internally with service areas such as Planning and Environmental Services to ensure best value can be obtained for any change activity.
- Cease reactive land disposals (and adjust any necessary income budgets) whilst a location review of this portfolio is undertaken to re-set future asset management decisions on each land site.

#### Encroachment Policy

The encroachment on the Council's land is a serious matter and any report of encroachment that is received is considered as soon as reasonably possible. Encroachment could be in many forms such as trespass, unauthorised use or enclosure of land. Not all cases of encroachment can be or will be resolved and we need to consider what action is appropriate. Every case of encroachment is unique but the following five questions will always be considered before action is undertaken.

- Is the land part of a strategic project at the Council, e.g., Future Breckland?
- Are there any health and safety issues associated with the encroachment?
- Does the land form part of amenity land for the general public use?
- Does the encroachment pose a legal nuisance?
- Is there a reasonable financial value attached to the land?

The above forms the criteria resulting in whether the Council should act or not. If the answer to any of the above questions is yes, then further considerations need to be given. We would need to consider the output vs the gains. Whilst we would like to protect every part of the Council's land portfolio this is not always achievable, and we need to consider the impact that enforcement may have.

We will always try and resolve enforcement cases in the most reasonable way possible, by also looking into options such as formalising the use through a land agreement or disposal of the land, depending on what is deemed most suitable.



## Appendix 7 Operational Property

### Context

Other than infrastructure properties such as the Car Parks, the Council has very few operational properties from where the Council delivers services. The main operational property is the Council's headquarters, Elizabeth House (office building) located in Dereham. For this document, operational property is defined as Elizabeth House. There is an office building in Thetford, Breck House that is currently operated and managed as an investment property at this time given that is the majority occupancy and use, although the Council does have a small footprint in this office building from which is delivers some Customer and Housing services. This property also acts as a location in the south of the district for the executive to meet with partners and suppliers.

### Approach

This property is managed as an owner occupier property. It is owned and occupied primarily by the Council. Following Covid, and in a move towards agile working, the Council vacated all the ground floor space and let this out to other public sector partners, namely DWP and Norfolk County Council to create a public sector hub under the One Public Estate principles. At the time, the first-floor office space was lightly refurbished with new modern workspaces aligned to how office space is used. Currently the Council occupies all the first floor as workspace for its staff and members.

The property also includes a conference centre space which is primarily used for committee meetings of the Council. It is also used for sessional hire to users. It is quite popular given its location in the centre of Norfolk and has little similar competition in Dereham. It is also efficient to manage being on the same site as the main office workspace.

This property therefore needs to be fit for purpose and accessibly to meet the workspace needs of the Council. It also needs to be efficient and sustainable to ensure any continued or new investment has a satisfactory return. Although it has been built and occupied since 2003, it is a temporary building and needs to be maintained to ensure its useful life expectancy. If it is maintained correctly, it has a lifespan of 45 years, so would expire in c.2048. Therefore, there is 25 years unexpired life expectancy at the time of writing this document. To ensure the property is fit for purpose the following activities are undertaken:

- Provision and management of hard facilities management services to ensure provisions under the Workplace Regulations Act 1982 are met, such as heating and lighting systems, ventilation and toilet/washing facilities.
- Provision and management of soft facilities management services such as grounds maintenance, cleaning, security, waste, car parking, staff facilities, concierge, and room booking systems.
- Support for civic events (such as flag raising) and other Council meetings/events.
- Provision and management of Conference Centre space for committee meetings and external sessional room hire.
- Corporate storage.
- Landlord and tenant function including tenant management (lease events, consents, variations), arrears management and debt collection.
- Reactive maintenance.
- Asset management (and sinking fund) including proactive capital renewal and expenditure.

There is always an on-site presence from the Property service to ensure the safe and appropriate use of the property and a 24/7 on-call function.

### Strategy

It is important to keep under review the requirements of the Council for its workspace needs. This has changed significantly since Covid and with changes in working practices is likely to change again. This could require the Council to contract its workspace footprint further or expand. Ensuring this property meets the requirements of the Council's workspace needs is the benchmark for the level of resource management that is required. The strategy for the future management of this property asset is as follows:

- Retain this property asset as the Council's headquarters.
- Maintain this property asset to an appropriate safe level of maintenance and renew parts of the property to ensure its useful life expectancy.
- Ensure the layout and fit out of the property is appropriate to the Council's workspace requirements and any changing requirements in working patterns.
- Elizabeth House is currently not required to be designated as a resilient property in terms of Emergency Planning.
- Continue to improve the energy efficiency and install electric vehicle charging points.
- Ensure the workforce of the Council continue to adapt correctly to the behaviours and culture of using the space as intended.
- Continue to improve the Conference Centre offer and market accordingly.
- Review extent of outsourced contracts for provision of facilities management services and consider joining this with repairs and maintenance to obtain greater market appeal in the supply chain.

### Actions

- Undertake review of service functions to consider options and any efficiency gains for further outsourced service provision.
- Begin to plan for the expiry of the building product.
- Determine intensification of footprint across the site to target any opportunities to use part or all the space differently to support the Council's objectives.
- Install electric vehicle charging points.
- Renew parts of the mechanical and electrical elements including the heating and lighting with more energy efficient fuel sources when those elements are due for renewal.



## Appendix 8

### Residential (Housing Need) Property

#### Context

Until recently the Council held only a small number of shared equity housing interests following the disposal of the housing stock in 1993 via a large-scale voluntary transfer. More recently the Council has recently begun to re-acquire residential housing stock to support specific housing needs, namely for those residents requiring temporary accommodation and for those residents seeking resettlement following disturbances overseas. This has been enabled through provision of grant funding from the government and the reinvestment in future anticipated receipts from property disposals.

Currently the Council owns and manages 32 of individual housing units ranging from individual bedsits to housing units.

#### Approach

The group of property assets are primarily managed to support the Council's duty to ensure everyone has a decent home to live in. The acquisition and holding of a residential property portfolio for housing need is one direct way in which the Council can help provide some housing relief to those that need it most. The holding of residential property for this purpose directly aligns to the Council's Housing Strategy and most importantly in the direct provision of temporary accommodation housing, enables cost avoidance for the Council and its taxpayer. Holding and growing the number of property assets in this group, i.e., residential units, also helpfully diversifies the whole of the Council's property portfolio.

These property assets need to be primarily managed to ensure they are safe and compliant given the elevated risk of the occupiers using these properties as their home and therefore overnight accommodation.

The Council's Property service primarily undertakes property and asset management, and this will include the following activity:

- Regular inspections to check for damage and conditions and requirements for repair and maintenance works.
- Cyclical condition surveys to inform future capital expenditure on replacement and renewal.
- Capital projects to renew these property assets and reduce carbon emissions where applicable.
- Full management of compliance and repair and maintenance services including contract management, facilities management and health and safety audits.
- Close liaison with the Housing service for tenant management.
- Developing a skill set in housing property management.

With this group of property assets, the tenant management is undertaken by the Housing service separately to the property and asset management of these properties which are managed in the Property service. This is an exception to the current Corporate Landlord model.

#### Strategy

Ensuring this property group is safe to use is the primary strategy for the management of this group of assets and this required the necessary funding to mitigate the safety risk. These property assets require the necessary application of inspections, compliance and repairs and maintenance work to ensure they remain safe, complaint and fit for purpose. We will also improve the use of technology for online real-time surveys and inspections to increase efficiency i.e., to enable immediate instructions to suppliers for works.

#### Actions

- Review and conclude if there is a more efficient approach to combining tenant management and property management into one service area.
- Develop and document the responsibilities between tenant and property management to ensure there are no gaps in provision of services.
- Develop and implement an inspection regime.
- Review whether this property group needs specific performance indicators that are not already covered by the existing performance indicator framework.
- Investigate opportunities to reduce carbon footprint.
- Explore funding opportunities to acquire stock in this property group.
- Increase the skills resilience for the property management of this asset group.



## Appendix 9

### Infrastructure Property

#### Context

The Council owns several infrastructure property assets. For this document infrastructure means operational property, therefore property which the Council owns from which to provide services.

Within this group the Council owns and has assumed responsibility for some highways (although it is not the Highways Authority), footway public lights (although it is not the main Streetlighting Authority), footways and pathways, public car parks, and a small number of bridges and some drainage apparatus such as culverts.

#### Approach

This group of property assets must be managed for owner occupier liability purposes, particularly because the public is accessing them. It is important that they are managed with care and consideration to ensure they are safe to use and are fit for purpose. Also, to inform future budget requirements regarding maintenance and renewal and to minimise risks i.e., insurance claims. To ensure this is met the following activities are undertaken:

- Regular inspections to check for damage and conditions and requirements for repair and maintenance works.
- Cyclical condition surveys to inform future capital expenditure on replacement and renewal.
- Capital projects to renew these property assets and reduce carbon emissions where applicable.
- Provision of occupation agreements (such as short-term licences) to control specific use and mitigate liability risk for specific activities.
- Enforcement of the designated use and removal of property that does not align with the designated use.
- Opportunistic disposals / adoptions to a partner organisations or other parties where the discharge of the owner occupier liability may be improved.

Online reporting and the provision of data that is publicly accessible regarding the Council's responsibility and ownership of these property assets are provided to ensure efficiency. Closures of these property assets occur as required and as deemed necessary by any member of the Property service to assure the public and occupiers' safety. Most of the resource allocation on these property assets are within the towns where there is the highest number of these assets.

#### Strategy

With reducing budgets, the Council and its partners will continue to look at delivering services differently. The owner occupier liability remains the benchmark for the level of resource requirement on how to manage this group of property assets. The strategy for the future management of this group of property assets is as follows:

- Retain and maintain to an appropriate safe level of maintenance to ensure these property assets are safe to use and access and meet owner occupier liability requirements. This is undertaken in line with the Council's current inspection and maintenance management procedure.
- Increase investment in renewal of these property assets to increase longevity and reduce regular operational costs.
- Improve the use of technology for online real-time surveys and inspections to increase efficiency i.e., to enable immediate instructions to suppliers for works.
- Improve the understanding about the procedure for levels of maintenance undertaken.
- Work with partners and other service areas in the Council to seek opportunities to manage and use these property assets differently to improve efficiency or improve use by the public.

#### Actions

- Review categorisation of these property assets on the Council's asset register.
- Map the footway lights and make this information publicly accessible.
- Seek funding opportunities for larger projects such as replacement and renewal.
- Consider opportunities for working in partnership with other organisations to help monitor condition.





## Appendix 10

### Property Disposal Policy

#### Introduction

From time to time, property assets will be identified to be surplus to requirements. This could be due to various reasons such as underperformance, expiry of its useful or not being required for the original purpose it was acquired or held.

The Council continually seeks to identify assets that are surplus and to undertake disposals in accordance with the criteria set out in this Property Strategy. Disposal may not only generate a capital receipt, but also reduce maintenance costs and liabilities. As a principle we regularly review and dispose of underutilised or poorly performing assets and ensure that the top performing assets are adequately maintained. As a rule, investment property that fails to meet the required yield or to meet other Corporate Objectives will be considered for disposal, so that the capital receipt/savings can be used to support Council budgets.

To fully determine if the property asset is surplus a suitability assessment will be undertaken to confirm why it has become surplus and to confirm that any alternative uses by the Council has been considered.

The Council will seek to ensure best value for all disposals or transfers. This may result in a property asset being retained by the Council and put to alternative uses, a property being used collaboratively with partners for community/social outcomes, or a property being sold commercially. Consideration will include potential liabilities associated with the property and alternative uses.

At times value enhancement may be undertaken to improve the potential future value of the property on disposal. All disposals and transfers should be in line the Council's constitution and demonstrate best value per the Local Government Act.

Any property disposal will need to be approved by the Property Manager as well as any other required Council processes and the constitution.

#### Capital Receipts

We will ordinarily use capital receipts from property disposals to first balance the Capital Programme in the most appropriate way following direction from the S151 Officer.

Any remaining capital receipts can be used for acquisition of investment property according to set criteria. Typically, this will be undertaken if the acquisition does not impact on the Council's borrowing needs for the current and following two financial years. This should enable the replenishment of any reduced revenue from disposed property and enable continuous churn to modernise the investment asset base and seek longevity of yield and income.

#### Suitability Assessment Review Questions

The following should be considered in the suitability assessment for a disposal.

1. What is the age and condition of the property?
2. What is the nature of any occupancy agreement? What are the tenant repair, maintenance and renewal liabilities?
3. What are the landlord repair, maintenance and renewal liabilities?
4. What are the landlord other ongoing liabilities i.e., empty business rates?
5. What are the potential alternative uses for the property, and do they meet any corporate needs and priorities?
6. Are there any environmental concerns or enhancements that can be achieved?
7. Are there any strategic matters affecting the property?
8. What will be the financial impact in terms of investment to enhance the value or disposal receipts?
9. How efficiently can the property be disposed of?
10. Does any consultation need to be undertaken?
11. What is the current state of the property market?
12. What will be the outcomes on disposal?

#### Methods of Disposal

The Property Manager will determine the most appropriate method by which surplus property should be disposed/transferred. Examples include:

- Dispose to a sitting tenant.
- Transfer to a partner such as a housing association or town/parish council.
- Seek best bids via a marketing process which could be via auction or private treaty.
- Sale to a public body i.e., a Housing Association at less than market value where other benefits are offered to the Council, i.e., housing allocation.

Disposal outcomes can include financial, capital and revenue receipts and non-financial such as for economic growth, social, community or environmental outcomes.

#### Actions

The constitution to be amended to allow the disposal of property interests, (which could include transfer/sale of a freehold interest or the granting of a land agreement such as an easement or wayleave) to be more efficiently managed so that day-to-day, low level functional activity requires a more efficient approval.