



North East Lincolnshire Council

Property Policy

Summary

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Related Legislation / Applicable Section of Legislation	N/A
Related Policies, Strategies, Guideline Documents	Land & Property Strategic Asset Management Plan Economic Regeneration Financial Strategy Community Asset Transfer Approach Social Value Policy
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Joint Strategy (Yes/No)	No
Name of Partner(s) if joint	N/A
Strategy Owner (Name/Position)	Executive Director, Economy, Environment and Infrastructure, North East Lincolnshire Council
Policy Author (Name/Position)	Corporate Asset Strategy Manager, North East Lincolnshire Council
Applies to	N/A

Review of Policy

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Document Approvals

This document requires the following approvals.

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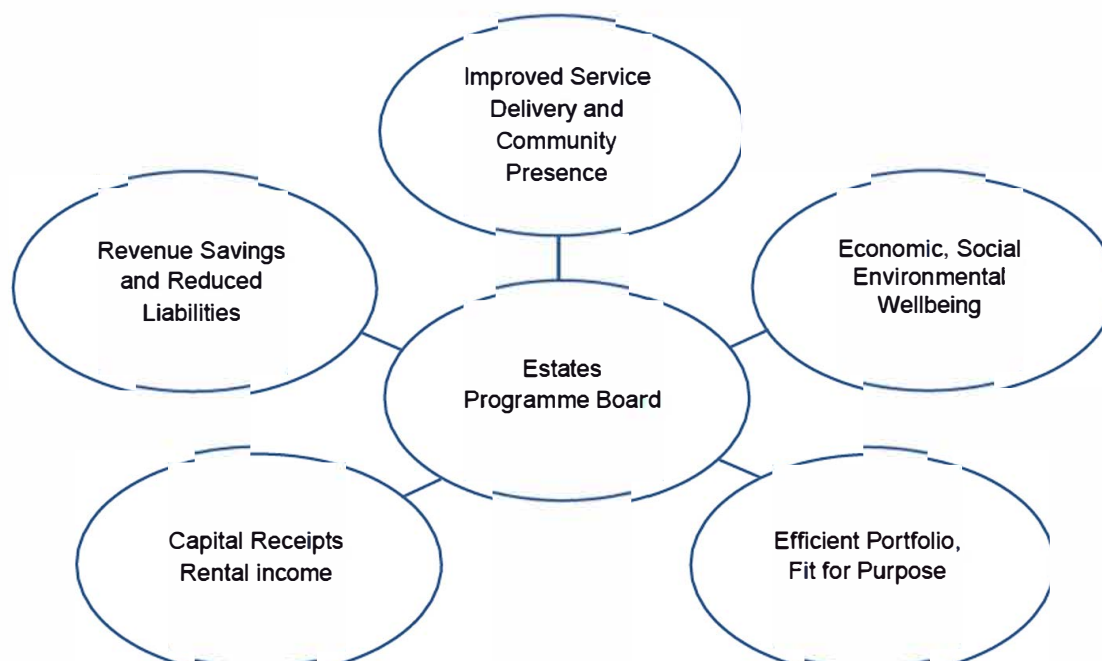
Introduction

- 1.1 Property is North East Lincolnshire Council's (the 'Council') most important non-people resource and property costs are the second largest cost after staffing costs. Property provides the means by which the Council delivers its services and manages its business. Effective Policy for the need and use of property assets is essential in ensuring buildings and property assets are utilised to optimum levels.
- 1.2 The Property Policy therefore commits the Council to a rigorous and business- like approach to the management of its property assets. Held primarily for organisational need and financial return, the Council will continue to drive performance targets to provide long term sustainable accommodation, income and value for money to support the Council's service delivery.
- 1.3 There are of course several key implications for delivery of robust management:
 - i. The need for a clear rationale for owning properties, ensuring regular processes of review, and reporting, to determine properties are fit for their intended purpose
 - ii. The need to demonstrate performance and return from its commercial portfolio
 - iii. Responsible stewardship of public assets ensuring appropriate investment to manage and maintain assets to appropriate standards
 - iv. There should be clear links between the Council's property and the Council's strategic priorities and objectives
 - v. A Policy that is clearly aligned to the Councils workplace, economic and financial position
 - vi. There will be a key role for Members in monitoring the performance of the portfolio, in both functional, and financial terms
 - vii. Value for Money (VfM) is obtained in all circumstances and whole life cost approaches to validating option appraisals will be implemented
- 1.4 The portfolio is divided into three categories as per diagram 1 below:
 - i. Property which supports the Council in delivering organisational outcomes (Operational Property)
 - ii. Properties held to support our strategic objectives i.e. property held or acquired as part of long-term objectives, or held in transition pending reuse or disposal, (Transition Property)
 - iii. Properties which provide the Council with a good commercial and sustainable return (Commercial/Investment Property)

1.5 Diagram 1: Property portfolio categories

Property Portfolio		
Operational Property	Transition Property	Investment property
Administrative, Civic, Libraries, Community etc.	Regeneration, Economic Development, Community	Commercial portfolio

- 1.6 Governance and assurance in the delivery of the Property Policy is achieved through the Council's Leadership Team, with oversight from the Estates Programme Board supported with professional services and advice as required.
- 1.7 The basic process for making property decisions is illustrated in diagram 2 below. Where property is needed to support operational, commercial or other strategic objectives then the process leads to a recommendation for action through the Estates Programme Board. Only where property is not needed to support operational, commercial or other strategic objectives will other avenues be explored through the programme board governance prior to disposal being considered.
- 1.8 Diagram 2 - Strategic Property Objectives:



- 1.9 The interdependencies of delivering improved services and managing the property portfolio well is shown above in diagram 2. Excellence in one of those areas can drive further transformational change in the other. The Council therefore expects:
- Property managers to be cognisant of the key corporate and service objectives, and there is a clear link between service users and the corporate centre
 - That Service Leaders continue to review how they use property assets they occupy
 - That there be a continued approach to a shared challenge in the use of property that incorporates collaboration, team working and prioritisation
 - Property managers are cognisant of achieving value for money from use of assets, including identifying opportunities for shared or co-location with other Public Sector Partners (both Locally and wider region through One Public Estate)
- 1.10 The Council recognises that achieving the outcomes of the Property Policy against the strategic priorities and outcomes will require formal governance that ensures competing needs to be prioritised by:
- Meeting organisational (and partner) needs/demands
 - Rationalising the number of assets
 - Maximising rental income and commercial opportunities subject to appropriate supporting evidence/rationale
 - A prudent mix of a disposal of some assets and acquiring other assets
 - Considered investment and disinvestment planning
 - Working with local partners to derive social return and community benefits

Why Have a Property Policy?

- 2.1 The Council has a substantive operational land, buildings and investment property portfolio. The portfolio principally consists of operational buildings, schools, leisure and libraries, offices and Civic buildings. The Council also holds and owns commercial and investment assets such as factory and industrial units to generate income along with assets to support economic regeneration. Business Centre's and markets also generate income and help support core Council business. Provision of commercial assets also supports employment in the Borough and supports the local wider local economy. Allotments contribute to the health and wellbeing of all people in North East Lincolnshire both of which are key outcomes for the Council.
- 2.2 With such a valuable property estate it is essential that a practical Property Policy coupled with an Asset Management Plan is in place to support the achievement of the Council's strategic priorities and is aligned to its key strategies. It is also essential that this policy is embedded into all appropriate Council policies and service plans which have implications for property assets.
- 2.3 This Property Policy gathers the Council's various objectives for property and its impact on the wider role of the Council into a coherent framework of values. This document will act as a framework within which:
- i. Individual strategies and plans are developed
 - ii. Management responsibilities and accountabilities are defined

- 2.4 The individual components of this policy represent principles that will form part of the governance of the Council's outcomes framework and will be reviewed annually (though these principles are always subject to changes in legislation which will take precedent). The policy will also align to the Council's Medium-Term Financial Plan (MTFP) to ensure that it continues to provide a relevant framework that can be used to sustain and improve the overall performance of the Council.
- 2.5 This document has been developed to act as a guide to assist officers, elected members and other stakeholders when considering and making decisions involving the property interests of the Council.

The Council's Role as a Property Owner

- 3.1 The quality and condition of Council properties can make an important impact on the environment and people whether they be; schools, libraries, town halls, offices, parks or depots; irrelevant of the type or age or historic interest of the asset.
- 3.2 The Council will ensure that its properties are maintained in accordance with suitable industry/ market standards which the Council will always strive to achieve. It also recognises that sufficient expenditure on maintenance and management is essential to prevent erosion in property condition and value.
- 3.3 The Council recognises the importance of indirect as well as direct costs of holding under-utilised property assets and will undertake a continuous process of review to promote opportunities for releasing surplus property and making better use of retained properties.
- 3.4 The Council does not necessarily need to own the property from which it delivers services and will continue to consider alternative means of service provision as part of its transformation programme. However, it does prefer ownership and where possible will seek to utilise its own property before considering leasing in options.
- 3.5 The Council also recognises the role it plays in supporting regeneration of the Borough either by using its property and land assets directly or in the acquisition or disposal of property assets. Regeneration activities will always be supported by appropriate business cases and option appraisals. Therefore this Policy reflects on the current Economic Strategy: <https://www.nelincs.gov.uk/council-information-partnerships/policies-and-strategies/>
- 3.6 This Property Policy also reflects emerging trends of central government policy. The key external influences that have been reflected are:
 - i. Customer access to services and information
 - ii. Value for Money
 - iii. Robust governance principles
 - iv. Partnering and multi-agency approach
 - v. Sustainable property
 - vi. Community use of assets
 - vii. Regeneration opportunities
 - viii. Safeguarding heritage assets
 - ix. Commercial opportunities

The Governance, Responsibility and Behaviour in the Management of Council Assets

- 4.1 The Governance arrangements for the management and reporting of all Council property assets, including investment related activity is through the Estates Programme Board sponsored by a member of the Council's Leadership Team. Matters of exception will be reported to the Leadership Team (LT). There may also be instances where referrals are subsequently made to Cabinet in respect of all key asset management decisions (commercial and strategic) – as set out at section 5.7 below.
- 4.2 Formal reports to LT are referred to the Executive Director, Economy, Environment and Infrastructure for decision in consultation with the relevant Portfolio Holder so that the activities and implications can be considered.
- 4.3 These processes will ensure there is a consistent strategic approach to the management of the Council's property asset portfolio.
- 4.4 Individual Project Teams will provide recommendations through the project management framework documentation and approach to project management, to the Estates Programme Board which should consist of workstreams representatives both internally and externally.
- 4.5 The strategic management accountability of the property portfolio is that of Asset Strategy Team with responsibility for operational management vested to the Property Services Team.
- 4.6 The LT ensures that there is an appropriate representation for board decisions including key Council wide projects and that property and asset governance is adhered to so that the terms of reference and governance procedures are in place.
- 4.7 The key principles of governance affirm that:
 - i. All property and land are to be treated as a corporate resource
 - ii. All property and land held and/or occupied by the Council should support the Council's strategic priorities and outcomes and are aligned to key strategies
 - iii. Where assets are identified which do not support these, the Leadership Team will be invited to consider the capital resource tied up in those assets, be released by disposal or deployed for alternative uses
 - iv. Where land or assets are being disposed of, consideration will be given to any void costs and how these shall be resourced. Similarly, when assets are being acquired, full consideration shall be given to ensuring all costs associated with the property can be fully met
 - v. The Council will prioritise occupation of property of which it has freehold title. The annual asset valuations allow an assessment of the portfolio to inform decisions on future uses to maximise the assets. As part of this the Internal Rate of Return will be reported for the main assets and categories to enable analysis against target rates and current performance. The commercial estate income is monitored monthly to identify and address any areas of concern or opportunities for savings and/or revenue generation
 - vi. All Council property which is subject to a lease or licence to a third party is to be classified as part of the Commercial portfolio and will be subject to best value obligations, whether market rental or demonstrate an equal social, economic or environmental return on investment (SROI)

- vii. Responsibility for the overall strategic direction of the Council's land and property to be overseen by the Council's Corporate Property Officer (CPO). The nominated CPO is the Executive Director, Economy, Environment and Infrastructure.
- viii. Service requests will, in the first instance, be raised with the Estates & Asset Strategy Team and consideration will be given at the Estates Programme Board. The sponsor, in conjunction with the Portfolio Holder may in turn raise matters with the LT. The LT oversees the co-ordination and management of the Council's assets and where appropriate provides advice and recommendations to elected members on the use of these assets
- ix. The Council continues to produce and maintain a Land & Property Asset Management Plan (L&P SAMP) which is refreshed periodically
- x. The Council will maintain an accurate and comprehensive database of its asset holdings. As far as is practically possible property data should be held within a single data system

Land and Property Asset Management Planning

- 5.1 The Council has produced a L&P SAMP for its property holdings. The main aims of the Plan are to:
 - i. Set out the role of the property assets in delivering the priorities and outcomes of the Council
 - ii. Set out the main priorities by which property will be assessed in terms of its performance
 - iii. Set out an action plan by which the Council's interest in its property assets will be changing to reflect the Council's organisational changes
- 5.2 The Council will ensure the L&P SAMP is maintained and refreshed periodically.
- 5.3 The Estates Programme Board will ensure the Property Policy is implemented and that all the Council's property assets are managed in accordance with this Policy. It will act as the Accountable body for amendments to this Policy with the remit to make recommendations to cabinet for any changes or redrafts where appropriate.

Corporate Landlord

- 6.1 The Council has continued to develop the corporate landlord function since adoption in 2009 and is responsible for the strategic management accountability and decision-making as well as the responsibility of the asset management service.
- 6.2 The Council recognises that specialised service functions will naturally assume they have unique occupational requirements. However, regardless of the type of accommodation occupied by the Council, it should be viewed as "rented" corporate property which is managed by the Estates & Asset Strategy Team, under the directorship of the Executive Director, Economy, Environment and Infrastructure.
- 6.3 The occupational space requirements are designed, maintained and managed to optimum use standards. Requests because of service changes and enhancements are considered in line with strategic property plans, together with the effective use of budgets in the utilisation of property and decisions made as referenced in 7.2 below.
- 6.4 The asset management arrangements for the property portfolio will continue to have consideration for the following:

- i. Prioritisation of maintenance activity including emerging issues, health and safety statutory compliance, cyclical and reactive maintenance
- ii. Agreed maintenance programme to assist with life cycle costs for the property portfolio and prioritising spend against planned and reactive maintenance
- iii. Management of service contracts to identify cost efficiencies without compromise to service provision to support the property users service delivery
- iv. Comparison of performance against targets in terms of management costs and to meet Key Performance Indicator (KPI) targets
- v. Facilities Management support assessing how service delivery reflects the needs of internal stakeholders.

Administrative (Office) Accommodation

- 7.1 The Council has introduced “agile working” to promote the open, non-hierarchical and communicative culture associated with open plan working environments and to promote flexible and efficient working practices and ability to use both office space and alternatives alike.
- 7.2 The design and layout of the office working environment is driven by recognition of the evolving nature of working practices generally (e.g. home- working and touchdown, diversity agenda, shift working and extended hours), coupled with sensitivity to properly meet operational requirements for confidential meetings, training, secure documentation etc.
- 7.3 The Council has set a target space utilisation of no greater than 0.7 workstations per full time employee (FTE) across a retained office estate. In addition net spatial allocation per employee will not exceed 7 square metres, to support any proposed space charging system. These targets may become more demanding as working practices evolve and may change, should there be a drive to a further blend of permanent agile/flexible working arrangements.
- 7.4 The Council will continue to invest in Information, Communication Technology (ICT) solutions to deliver key targets of agile working that includes the introduction of robust electronic document and record management systems (eDRMs) in keeping with the ICT policy.
- 7.5 In addition, the working practices will be supported by up-to-date HR policies, toolkits and training, advice and guidance for managers and employees.

Letting Policy

- 8.1 The Council will pursue a commercial letting policy designed to promote efficient management which maintains or enhances asset values, whilst considering various user needs when letting property, having regard to its strategic economic plans, e.g. incubation space, agile working space.
- 8.2 The Council will observe its obligations towards people whose first language is not English.
- 8.3 Venue Hire – the Council will include reference to the Home Office guidance and include as a standard clause:
 - i. Section 26 of the Counterterrorism and Security Act 2015 places a duty on certain bodies (including the local authority), in the exercise of their functions, to have “*due regard to the need to prevent people from being*

drawn into terrorism". This is known as the Prevent Duty. In complying with the Prevent Duty, there is an expectation that local authorities ensure that publicly owned venues and resources do not provide a platform for extremists and are not used to disseminate extremist views

- ii. Therefore, the hirer is not to use local authority resources to espouse violent and/or non-violent extremist views
- iii. The Government have defined extremism as *"vocal or active opposition to our fundamental values, including democracy, the rule of law, individual liberty and mutual respect and tolerance of different faiths and beliefs. We also include in our definition of extremism calls for the death of members of our armed forces"*

- 8.4 Venues that are owned and operated in partnership with the Local Authority are unable to accept bookings that are for party-political purposes. This is our standard approach across all political groups that enquire to hire venues and is based on the risk of perception that Council resources are being used for party-political purposes.

Property Acquisition

- 9.1 In general or unless there are special circumstances Land and Property interests will only be considered for acquisition if one or more of the following circumstances apply:

- i. The acquisition will make a positive contribution to the current delivery of Council services including any income opportunity
- ii. All other methods for the delivery of this service have been investigated and a cost benefit analysis report which highlights this acquisition as the most economically advantageous and efficient method of service delivery

- 9.2 The acquisition supports other Council strategic objectives or strategies e.g. Regeneration. In addition to the above, the following circumstances will apply:

- i. No other available land and property asset can provide a more cost effective and/or efficient point of service delivery
- ii. There is an adopted Council plan/policy/strategy, with resources identified
- iii. There is potential for advantageous shared use.

- 9.3 All property acquisitions will follow the Council's agreed business case process and must be signed off by the Executive Director, Economy, Environment and Infrastructure in consultation with the relevant Portfolio Holder, prior to any formal reporting to the Council decision making bodies.

Property Disposal

- 10.1 Land and Property shall be considered surplus or under-utilised if, following one or more of the following statements apply. That the interest:

- i. No longer makes a positive contribution to the current delivery of Council services
- ii. Has no potential for future strategic regeneration and/or redevelopment purposes in pursuit of the Council Plan strategic priorities and objectives
- iii. Does not provide VfM and an alternative site would provide a more cost effective and/or efficient point of service delivery

- iv. Offers an income from the site which is below that which could be achieved
 - v. Does not conform to Council plan/policy/strategy, with resources identified, which will bring the site into beneficial use in the foreseeable future (e.g. vacation of accommodation following successful Right to Challenge under the Localism Act)
 - vi. Offers no potential or advantage for shared use.
- 10.2 Disposals will be managed as a specific programme by the Estates Programme Board to ensure that capital receipts are aligned to the Council's Capital Investment Programme.
- 10.3 The Council, in all circumstances, have a legal duty under Section 123 of the Local Government Act to achieve the best price reasonably obtainable (Best Value). As a matter of general policy, the Council will seek to achieve open market value (to include lettings and sales) through exposure to the open market for a period of time. However the Council may not expose property to the open market should the circumstances justify such an approach.
- 10.4 Where the best price reasonably obtainable is not achieved then the Council will comply with its Protocol on less than best Disposal, and relevant legislation.
- 10.5 When disposing of property the Council will, where relevant, have consideration, but not limited to existing Policies and approaches to:
- i. Protocol on less than best
 - ii. Community Asset Transfer approach/Social Value Policy
 - iii. Considerations of disposing of Heritage Assets or listed buildings
 - iv. Assets of Community Value
 - v. Heritage Assets or Listed buildings
 - vi. Playing Pitch Strategy
 - vii. Assets under covenant or subject to Trust
 - viii. National Planning Guidance
- 10.6 All property disposals must be signed off by the Executive Director, Economy, Environment and Infrastructure in conjunction with the relevant Portfolio Holder, prior to any formal reporting to the Council's decision-making bodies.
- 10.7 The Council will consider all relevant options for all significant disposals and acquisitions outside normal operational management. Options for all disposals must consider the inclusion of, 'Planning Pre-Application feedback' that would ensure all interested parties have advice as to the development opportunities for the asset / site.
- 10.8 The Council will look to mitigate against void costs when holding assets prior to disposal for a substantive period prior to disposal should be considered as general Policy; for example when disposal terms are conditional upon a future event like obtaining planning permission.

Partnerships/ Regeneration and Assets

- 11.1 With effect from 1 April 2015 Lincs Inspire, as a leisure provider partner, has been responsible for the operational management of Leisure and Library services including day to day management of property assets. The Council holds the responsibility for the fabric of the buildings, property maintenance, repair and where relevant, decision making in terms of capital improvements, replacement or decommissioning of facilities.

- 11.2 The Council will in some cases retain overall ownership of a Council owned asset where it has entered into a partnership agreement to influence corporate priorities and needs and to be flexible over time with the changes required by local and national government.
- 11.3 The use of Council property and land assets to support the development of the Town Centre and other regeneration initiatives will always be considered favourably to drive the 'Place' initiatives within the Borough.

Conclusion

- 12.1 The Council's Property Policy is linked to other strategies which should be considered when those property assets that may be required for either retention or disposal to support the overall aims of the Council and its partners in the development of the Borough.

Council Plan	Council Plan - Our vision and aims NELC
Land & Property Strategic Asset Management Plan	NELC Land and property Asset Plan 2025 to 2028
Cleethorpes Masterplan	View Council meetings NELC 3.1-Cleethorpes-Masterplan-1-of-5.pdf 3.2-Cleethorpes-Masterplan-2-of-5.pdf 3.3-Cleethorpes-Masterplan-3-of-5.pdf 3.4-Cleethorpes-Masterplan-4-of-5.pdf
Empty Property Strategy	Empty Property Strategy
Financial Strategy and Budget Summary	How we manage our money NELC
Net Zero Carbon Roadmap	Net Zero Carbon Roadmap NELC
Economic Strategy	NEL-Economic-Strategy-2021.pdf
Grimsby Masterplan	Grimsby Town Centre Masterplan
Green Space Strategy	Parks and open spaces NELC
The Local Plan	The Local Plan NELC
Natural Assets Plan	Natural Assets Plan NELC
Leisure and Culture - Playing Pitch Strategy	Policies and strategies NELC
Sport & Physical Activity Strategy	Keeping active NELC
Skills Strategy and Action Plan	Adult education and learning NELC
Joint Health and Wellbeing Strategy	Public health NELC
Use of Council Owned Land and Open Spaces Policy	Event Safety Advisory Group NELC