

Strategic Property Committee Agenda

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Notice is hereby given pursuant to the provisions of the Local Government Act, 1999, that a meeting of the Strategic Property Committee will be held in the Unley Council Offices, 181 Unley Road, Unley on

***Wednesday, 22 February 2017
at 6pm***

for the purpose of considering the items included on the Agenda.

A handwritten signature in black ink that reads "Peter Tsokas". There is a horizontal line underneath the signature.

Peter Tsokas
Chief Executive Officer

STRATEGIC PROPERTY COMMITTEE

PRESENT:

Councillor John Koumi – Presiding Member
Mayor Lachlan Clyne – ex Officio
Councillor Don Palmer
Councillor Luke Smolucha
Councillor Peter Hughes

ACKNOWLEDGMENT:

We acknowledge that the land we meet on today is the traditional land of the Aboriginal people and that we respect their spiritual relationship with their country.

We also acknowledge that the Aboriginal people are the custodians of the Adelaide region and that their cultural and heritage beliefs are still important to the living Aboriginal people today.

APOLOGIES:

DEPUTATIONS

PRESENTATION:

OFFICER'S REPORTS

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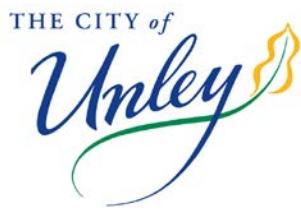
NEXT MEETING

TBA

CONFLICT OF INTEREST

TITLE: CONFLICT OF INTEREST
ITEM NUMBER: 6
DATE OF MEETING: 22 FEBRUARY 2017
ATTACHMENT: 1. CONFLICT OF INTEREST DISCLOSURE FORM

Members to advise if they have any material, actual or perceived conflict of interest in any Items in this Agenda.



CONFLICT OF INTEREST DISCLOSURE FORM

I, _____ have received a

[insert name]

copy of the agenda for the (Ordinary / Special) **Council / Committee / Board**

[delete that which is not applicable]

meeting to be held on _____

[insert date]

I consider that I have a ***material** conflict of interest pursuant to section 73 / ***actual** or ***perceived** conflict of interest pursuant to section 74 [**delete that which is not applicable*] of the *Local Government Act 1999* ("the LG Act") in relation to the following agenda item:

_____ [insert details]

which is to be discussed by the ***Council / *Committee / *Board** at that meeting.

[*delete that which is not applicable*]

The nature of my **material** conflict of interest is as follows [*ensure sufficient detail is recorded, including the reasons why you (or a person prescribed in section 73(1) of the LG Act) stands to obtain a benefit or suffer a loss depending on the outcome of the consideration of the matter at the meeting of the Council in relation to the agenda item described above*].

OR

The nature of my **actual** conflict of interest is as follows [*ensure sufficient detail is recorded, including the reasons why the conflict between your interests and the public interest might lead to a decision that is contrary to the public interest in relation to the agenda item described above*].

I intend to deal with my **actual** conflict of interest in the follow transparent and accountable way *[ensure sufficient detail is recorded as to the manner in which you intend to deal with the actual conflict of interest in a transparent and accountable way]*

OR

The nature of my **perceived** conflict of interest is as follows *[ensure sufficient detail is recorded, including the reasons why you consider that an impartial fair-minded person could reasonably consider that you have a perceived conflict of interest in the matter]*

I intend to deal with the **perceived** conflict of interest in the following transparent and accountable way *[ensure sufficient detail is recorded as to the manner in which you intend to deal with the perceived conflict of interest in a transparent and accountable way]*

Signature

Date

DECISION REPORT

REPORT TITLE: PROPERTY MANAGEMENT POLICY – ACQUISITION AND DIVESTMENT
ITEM NUMBER: 7
DATE OF MEETING: 22 FEBRUARY 2017
AUTHOR: ALAN JOHNS
JOB TITLE: MANAGER, PROPERTY ASSETS

1. EXECUTIVE SUMMARY

To seek Council endorsement of a new Property Management Policy – Acquisition and Divestment that supports the structured acquisition and divestment of community properties.

The previous Council Property Management Policy largely focussed on the acquisition of property for operational requirements but did not directly address the strategic acquisition of properties.

Following a series of briefings in 2013, it was decided to split the original Property Management Policy to recognise Leasing and Licensing of Community Properties (February 2014). However, the second policy dealing with Acquisition and Divestment was never endorsed.

Council has now formed a Strategic Property Committee and it is therefore timely to re-examine the draft Property Acquisition and Disposal policy.

2. RECOMMENDATION

MOVED:

SECONDED:

The Committee recommends to Council that:

1. The report be received.
 2. The Property Management Policy (new policy, Attachment 1 to Item 7/17) be endorsed.
-

3. RELEVANT CORE STRATEGIES/POLICIES

- 2.2 - Activated places
- 3.1 - Equitable parking throughout the City
- 4.3 - Functional open-green space throughout the City of Unley
- 5.5 - A financially sustainable approach to business and planning activity

4. DISCUSSION

A series of Elected Member briefings were conducted during 2013 covering:

- A review of the existing Property Management Policy (including leasing and licensing as well as property acquisition and divestment).
- The purchase and divestment of land and properties to meet current operating needs as well as a structure to meet identified strategic goals.

As a result of these considerations, the original Property Management Policy was split to recognise Leasing and Licensing of Community Properties (February 2014) and the stand-alone draft Property Acquisition and Divestment Policy. The second policy was never endorsed by Council.

Council has now formed a Strategic Property Committee and it is therefore timely to re-examine the draft Property Acquisition and Disposal policy.

Current Process

Council's earlier Property Management Policy (No. COU53) included the following requirements in relation to planned and structured acquisition and disposal of property:

New and replacement - Where an existing asset has reached the end of its useful life and may need replacing or a request is received by the users to create an additional asset as part of the building, community or recreation complex, the principles of this policy and asset acquisition must be applied. In particular, a cost benefit analysis including a shared cost arrangement should be developed and, as a benchmark, the costs should be shared equally between Council, state and external funding sources and the users of the facility/building.

Acquisition – The acquisition of property can only occur in accordance with the guiding principles of this policy; in particular, can the service be delivered without a Council building being purchased through joint ventures, multi-use facilities, combining like activities and services through amalgamations, etc.

Where purchase is still being considered and prior to purchase a full asset audit and management plan should be undertaken so that the long term financial costs associated with maintenance, depreciation, legislative compliance, service delivery, refurbishment and redevelopment is understood.

Sale and Disposal - Assets are owned by Council as a means of providing a service.

An asset can be sold or disposed of when –

- (a) the requirement for the service is deemed to be no longer required by Council.
- (b) There is a better solution for ensuring the continuation of the same service which is in accordance with this policy's guiding principles; and
- (c) the asset is obsolete in that the long term cost of maintaining the asset based on the asset management plan is considered financially too great for the perceived benefits being derived from the service.

Whilst these policy statements meet the general requirements of planned property management, and are generally adequate for the sale and disposal of a property, they do not set out the reasons for acquisition of a property.

The proposed Policy includes an overarching statement that reflects and supports property acquisition for future strategic purposes:

The acquisition of property assets (buildings and open space) shall only occur in accordance with the guiding principles of this policy and either where master planning has clearly identified a requirement, OR a property is seen to be of future strategic significance to the City of Unley.

Property acquisition may occur to:

1. *Facilitate or meet growth demands in Council based activities*
2. *Replace or duplicate an existing facility to better meet service requirements,*
3. *Create new open space or to expand existing open space (including Pocket Park initiatives)*
4. *Increase 'off-street' parking*
5. *Create linkages between community spaces*

Other Policy Changes

Endorsement of this Policy will result in two Property Management Policies covering:

- Leasing and Licensing (COU53) and
- Acquisition and Divestment

ANALYSIS OF OPTIONS

Option 1 – Endorse the new Property Management Policy – Acquisition and Disposal (Attachment 1 to Item 7/17)

This option will endorse a new Property Management Policy that supports a strategic and planned approach to property acquisition and divestment and in line with good asset management and governance principles.

The proposed Policy is consistent with other Council policies and the Community Plan and will sit with Property Management- Leasing and Licensing of Community Properties.

The policy enables both the planned and opportunistic acquisition of properties.

Option 2– Endorse the proposed policy with amendments.

RECOMMENDED OPTION

Option1 is the recommended option.

COMMUNITY ENGAGEMENT

Community engagement is not required at this time although future individual transactions will likely require a degree of public consultation to meet the requirements of the Local Government Act or internal Council requirements.

7. POLICY IMPLICATIONS

The proposed policy outlines a clear guide for the purchase and divestment of Council properties that supports the immediate needs of the community as well as supporting the future strategic goals of Council.

7.1 Financial/budget

There are no direct financial impacts as a result of endorsing this Policy

7.2 Legislative/Risk Management

This Policy supports good governance and risk management practices and

7.3 Stakeholder Engagement

Nil.

7.4 Environmental / Social / Economic

There are no implications arising from this report.

8. CONCLUSION

A new Council Policy covering property acquisition and divestment has been prepared. It provides formal methodology and criteria for property acquisition and divestment, including planned and opportunistic, with a strategic focus.

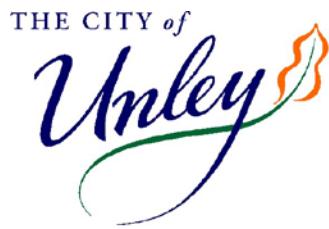
Adoption of this new Property Management Policy that includes a clear, defined and transparent process is recommended.

9. ATTACHMENTS

- Property Management – Acquisition and Disposal policy

10. REPORT AUTHORISERS

Name	Title
John Devine	General Manager City Development



Property Management – Acquisition and Disposal

Policy Type:	Council Policy
Reference Number:	
Responsible Department:	Assets & Infrastructure
Responsible Officer:	General Manager A & I
Legislation	Local Government Act 1999 – Chapter 11 Development Act 1193 Real Property Act
Relevant Delegations:	NA
Related Policies and Procedures	Disposal of Surplus non-community land
Community Goal	Organisational Excellence - Good governance and legislative framework
Previous Policy No	
Date Adopted:	
Review Date:	

1. POLICY STATEMENT

The acquisition or divestment of property assets (buildings and open space) shall only occur in accordance with the guiding principles of this policy and either where Service Reviews or Master Planning has clearly identified a requirement OR a property is seen to be of future strategic significance to the City of Unley (ie enabling the objectives of the Community Plan to be met), or on similar grounds, a property is deemed to be surplus to requirements and can be divested.

Property acquisition may occur to support Council achieving the objectives of the Community Plan and in particular to:

1. Facilitate or meet growth demands in Council based activities (new properties).
2. Replace or duplicate an existing facility to better meet service requirements.
3. Create new open space or to expand existing open space.
4. To increase 'off-street' parking.
5. To create linkages between community spaces.

Property Divestment may occur to assist with the delivery of objectives of the Community Plan, or to improve the efficiency of service delivery.

2. GUIDING PRINCIPLES

Council has developed a set of guiding principles to ensure assets throughout the city are developed and managed in a responsible, systematic manner to meet the needs of the community. These principles are:

Principle 1 – Equity across the community

A balanced approach is taken ensuring that residents across the community have equal opportunities for required services

Principle 2 – Sustainable assets

Assets are designed and maintained in a manner cognisant of a triple bottom line outcome (financial; environmental; social) and utilising a life cycle approach

Principle 3 – Risk sensitive

Asset based decisions made in a manner where risks are identified, understood and managed (WHS; Environmental; Public Safety; Political)

Principle 4 – Strategic consistency

Assets related to services are planned & maintained within an integrated planning framework

Principle 5 – Functional and Service Levels

Assets are designed and maintained to ensure they are fit for purpose, meeting the agreed Level of Service

Principle 6 – Compliant

Assets are designed and maintained to meet compliance requirements at a minimum

Principle 7 – Innovation and improvement focused

Alternative methods of providing services/ assets are regularly examined, and improvements considered, ensuring “best value” options are applied

The council's property portfolio will be managed in line with these principles.

3. Planned Strategic Property Acquisition/Divestment

Council manages and regularly reviews its property and open space asset portfolio on an on-going basis and considers and assesses current and future needs in line with facility or site suitability, its fitness-for-purpose and growth and expansion opportunities.

Regular community scanning is utilised to identify and review opportunities that may prove beneficial to the City of Unley in growing, upgrading or replacing building and property assets to better deliver a range of required Council activities.

4. Acquisition

The acquisition of property shall only occur in accordance with the guiding principles of this policy and where strategic master planning has clearly identified a requirement OR a property is seen to be of future strategic significance to the City of Unley.

Where a planned acquisition is being considered, a full asset audit and management plan should be undertaken so that the long term financial costs associated with maintenance, depreciation, legislative compliance, service delivery, refurbishment and redevelopment is understood.

If Council decides to acquire a property as a result of the above process, a budget adjustment will be made as part of the next quarterly review.

5. Sale and Disposal

Assets are owned by Council as a means of providing a service. An asset can be sold or disposed of when –

- (a) the requirement for the service is deemed to be no longer required by Council.
- (b) There is a better solution for ensuring the continuation of the same service, or a change in service level, which is in accordance with this policy's guiding principles; and
- (c) the asset is obsolete in that the long term cost of maintaining the asset based on the asset management plan is considered financially too great for the perceived benefits being derived from the service (there is no need for the property in the foreseeable future).

Community and recreation assets can only be sold or disposed of in accordance with Council's Community Consultation policy, Community Land Management Plan and in accordance with the *Local Government Act 1999* and, where applicable, the *Development Act 1993*.

Council must first receive a report in accordance with the principles contained within this policy to determine if the asset is obsolete or no longer required for the purposes of determining if public consultation is justified. If Council choose to undertake public consultation then Council must receive a final report based on the outcome of the public consultation and determine if the asset is to be sold or disposed of / divested.

All building and land assets determined by Council as suitable for sale shall be disposed of through an independent accredited agent (e.g. auctioneer, real estate agent) duly engaged in accordance with Council's procurement policy with the asking price set at an independent market rate.

6. Opportunistic Acquisition

Where a property that may be of future strategic significance is identified, an initial assessment shall be undertaken by the Administration. If the property is deemed potentially suitable following this assessment, a full Report will be forwarded to the Strategic Property Committee at the next programmed meeting for further consideration.

All matters pertaining to the acquisition or divestment of property(s) will be considered as 'commercial in confidence' and all reporting will be classified as Confidential unless determined otherwise.

DECISION REPORT

REPORT TITLE: CONFIDENTIALITY MOTION FOR ITEM 9 – PROPERTY DETAILS

ITEM NUMBER: 8

DATE OF MEETING: 22 FEBRUARY 2017

AUTHOR: KELLEY JAENSCH

JOB TITLE: EXECUTIVE ASSISTANT CITY DEVELOPMENT

PURPOSE

To recommend that Item 9 be considered in confidence at the 22 February 2017 Strategic Property committee meeting and that the Minutes, Report and Attachments referring to this report remain confidential until the item is revoked by the Chief Executive Officer at a future date.

RECOMMENDATION

MOVED:
SECONDED:

That:

1. Pursuant to Section 90(2) and (3)(b) of the Local Government Act 1999 the Council orders the public be excluded, with the exception of the following:

Mr P Tsokas, Chief Executive Officer
Mr J Devine, General Manager City Development
Ms N Tinning, General Manager Business & Service Improvement
Mr A Johns, Manager Property Assets
Ms K Jaensch, Executive Assistant City Development

on the basis that it will receive and consider the report on Strategic Property Purchase and that the Committee is satisfied that the meeting should be conducted in a place open to the public has been outweighed in relation to this matter because:

- (b) information the disclosure of which
- (i) could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct, business, or to prejudice the commercial position of the council; and
 - (ii) would, on balance, be contrary to the public interest.

It would be in the best interest of the Committee to consider this matter in confidence.

DECISION REPORT

REPORT TITLE: CONFIDENTIALITY MOTION TO REMAIN IN CONFIDENCE ITEM 9 – PROPERTY DETAILS
ITEM NUMBER: 10
DATE OF MEETING: 22 FEBRUARY 2017
AUTHOR: KELLEY JAENSCH
JOB TITLE: EXECUTIVE ASSISTANT CITY DEVELOPMENT

PURPOSE

To recommend that Item 9 remain in confidence at the 22 February 2017 Strategic Property Committee meeting until the order is revoked by the Chief Executive Officer.

RECOMMENDATION

MOVED:
SECONDED:

That:

1. The report be received.
2. Pursuant to Section 91(7) and (3)(b) of the Local Government Act:
 - 2.1 The
 - Minutes
 - Report
 - Attachments

remain confidential on the basis that the information contained in this report could confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct, business, and

- 2.2 the minutes, report and attachments will be kept confidential until the item is revoked by the Chief Executive Officer.