

Contains Confidential or Exempt Information	No
Title	Land and Property Strategy 2023-2027
Responsible Officer(s)	Emily Hill, Strategic Director of Corporate Resources
Author(s)	Jessica Tamayao, AD of Strategic Property and Investment
Portfolio(s)	Cllr Manro, Member for Good Growth and New Housing Cllr Anand, Member for Thriving Communities Cllr Donnelly, Member for Inclusive Economy
For consideration by	Cabinet
Date to be Considered	29 th March 2023
Implementation Date if Not Called In	13 th April 2023
Affected Wards	All
Keywords/Index	Property, Land, buildings, community space, property purchase

Purpose of Report:

This report requests the adoption of the Council's Land and Property Strategy 2023-2027 and Property Purchase Policy.

1. Recommendations for DECISION

- 1.1. Approve the Land and Property Strategy 2023-2027, as set out in Appendix 1.
- 1.2. Delegate authority to the Strategic Director of Corporate Resources to make minor amendments prior to publishing the final version of the Land and Property Strategy 2023-2027 following consultation with the Cabinet Member for Good Growth and New Housing.
- 1.3. Approve the Property Purchase Policy and proposed governance process set out in Appendix 2.
- 1.4. Approve the creation of a one-off £50m Property Purchase Capital Fund for use only in line with the Property Purchase Policy as set out in Appendix 2, with any individual property purchase price capped at £20m.
- 1.5. Delegate authority to the Cabinet Member for Good Growth and New Housing, following consultation with the Leader, the Cabinet Member for Inclusive Economy, the Strategic Director of Corporate Resources and the Director of Legal and Democratic Services to authorise individual purchases and the inception of

the associated budget within the Capital Programme, subject to meeting the criteria in the Property Purchase Policy (Appendix 2) and the purchase not exceeding the funding available as set out in 1.4 above.

2. Recommendations for NOTING

2.1. None.

3. Reason for Decision and Options Considered

Land and Property Strategy “the Strategy”

- 3.1. Ealing Council owns around **18,000 housing stock** assets and **760 non-residential assets**, comprising of land, buildings and infrastructure that are used for a wide range of purposes to deliver services to our communities. These uses include children’s centres, schools, leisure centres, libraries, car parks, community centres, adult services centres, parks, sports facilities, highways, shops and offices.
- 3.2. Historically, the Council has managed the land and property portfolio through individual services holding strategic ownership and responsibility for their operational sites. As a result, different property strategies across the Council were created, each with service specific goals. While this approach has proved successful for some services, opportunities for efficiencies are missed in this process and with ever increasing demand for Council assets, the Council needs to revisit how it manages the entire land and property portfolio.
- 3.3. The Council has always adapted how it uses land and property to meet the needs of the borough, and previous strategies reflect this. Since 2010 Ealing’s core government grant was cut by over 64%, and aligned to this, the 2010 Property Strategy focused on rationalising the portfolio, reducing operating costs and realising capital receipts to support the budget.
- 3.4. In 2018 the Council prioritised delivering services, followed by generating genuinely affordable housing to meet the local housing crisis, and the Council was awarded over £209m of funding from the Greater London Authority for this purpose.
- 3.5. The Council is now in a position to launch a new strategy, to improve how we manage our land and property, and deliver much needed services to our residents and communities.
- 3.6. The **Mission** for the Strategy is:
- “Ensuring that we use current and future land and property assets for the maximum benefit of our residents.”

3.7. The **Aim** of the Strategy is:

“To deliver a balanced, efficient and effective portfolio that enables delivery of the commitments in the Council Plan, enables transformation of public services and empowers our communities to create a lasting legacy for our borough.”

3.8. The Land and Property Strategy 2023-2027 has been designed with 5 key objectives and associated principles that will shape how we look at our land and property in order to achieve our Aim and Mission.

3.9. The five key objectives in the Strategy are:

- To plan and manage the property portfolio as a corporate resource to enable service delivery from fit-for-purpose, accessible, resilient properties and achieve the Council's corporate priorities
- To manage and maintain land and property effectively and efficiently, together with optimising financial return, social value and commercial opportunities
- To use land and buildings in an efficient, inclusive way to create social infrastructure that supports local community needs and empowers and strengthens communities
- To use land and buildings to stimulate development and growth and encourage new jobs and businesses to the area
- To use land and buildings to support the delivery of our net zero carbon goals, ensuring our land and properties become increasingly sustainable through improved design, use, operation and redevelopment

3.10. All five objectives are intended to be considered for each asset and will enable the Council to consider its broad range of commitments in its decision-making around land and property to ensure that it maximises the benefits from limited resources.

Property Purchase Policy

3.11. Historically, the Council has missed opportunities to purchase property in order to meet our objectives due to the challenges of a fast-moving property market. Specific difficulties encountered include a consistent way of appraising purchases, identification of capital funding for purchase and identification of a revenue fund for feasibility and due diligence which may be abortive if the acquisition is not successful.

3.12. The Property Purchase Policy in Appendix 2 identifies the governance approach for approving property and land purchases which are time critical, whilst ensuring a clear, robust and consistent framework for risk assessment, management and mitigation during the decision-making process.

- 3.13. It is proposed that a one-off £50m Property Purchase Capital Fund is created with individual acquisitions using this fund having a purchase price cap of £20m. A revolving corporate feasibility fund has been identified to explore potential opportunities.
- 3.14. The Property Purchase Policy will take a similar approach to Council's Temporary Accommodation Framework that was approved by Cabinet in February 2020, which similarly has its own funding pot and governance process to enable timely acquisitions.

4. Key Implications

Land and Property Strategy

- 4.1. The Strategy outlines how the Council will approach property management and decision making across all of the Council's Land and Property.
- 4.2. The Strategy seeks to create overarching objectives and principles to enable delivery on the Council Plan 2022-26 commitments around land and property.
- 4.3. The Council will commence a series of engagements with communities across our Seven Towns to develop action plans to improve access, visibility and quality of community spaces in line with our Community Access Guarantee, ensuring that community groups, start-ups and social enterprises can easily find accessible and affordable space to meet, work and run activities in all parts of the borough.

Property Purchase Policy

- 4.4. The Property Purchase Capital Fund and the corporate feasibility revolving fund will enable the Council to purchase properties efficiently using a robust governance structure, when required.
- 4.5. Property purchase may be considered if there is not a suitable or viable alternative within the existing portfolio and one or more of the following:
- i. there is a specific Council priority/objective that is delivered through the purchase
 - ii. the purchase is considered to be strategic to the way the Council intends to deliver services in the future
 - iii. a purchase facilitates the delivery of financial savings for the council, for example, it mitigates payments made to third parties to provide property or land for council use
- 4.6. The Property Purchase Policy proposes a one-off £50m Property Purchase Capital fund with a cap of £20m on any individual property purchase where acquisitions have to cover their own cost of borrowing after accounting for any operational costs.

4.7. A revolving corporate feasibility fund has been identified to explore potential opportunities in case of abortive acquisitions (for example, if a building condition survey reveals a serious structural issue). If acquisitions are successful, all costs will be capitalised.

4.8. The final decision to proceed with individual acquisitions under this Property Purchase Policy will be undertaken by an Individual Cabinet Member Decision (ICMD) which will agree the purchase of the property in line with the business case and the budget incepted into the Capital Programme.

4.9. Pre-conditions for any decision to purchase of land or property under this Policy are:

1. Prudent financial modelling showing that the borrowing costs and any other financial hurdles are likely to be met for the purchase so there is no additional impact on the Medium Term Financial Strategy (MTFS) and/or Capital and Treasury strategies
2. Consultation with relevant members and officers
3. Appropriate due diligence and risk assessment (including evidence of good title) proportionate to the amount of capital being invested and purpose of the purchase
4. Compliance with the relevant Council financial guidelines
5. Sufficient funding being available in the capital programme and revenue budget

4.10. This Property Purchase Policy is not intended to be used for:

1. Purchases where Cabinet process timescales are acceptable
2. Purchases where the sole purpose is to generate income for the Council
3. Large scale regeneration purposes
4. Purchases which are speculative and highly risky
5. Acquisitions that include an additional financial commitment from the Council which requires a separate decision and, were this decision not to be successful, would make the existing purchase commitment void
6. Purchases which are unlikely to be able to cover their own borrowing costs after accounting for operational costs, within the MTFS period and beyond
7. Purchases over £20m

It is intended that these kinds of purchases are still required to go through the existing Cabinet process.

5. Financial

Land and Property Strategy

5.1. Budget will be required to develop the corporate landlord model and resourcing around this. This funding will be subject to a separate decision.

Property Purchase Policy

5.2. As detailed above, a new one-off capital pot of £50m will be made available in accordance with the governance process outlined in the Property Purchase Policy set out in Appendix 2, with individual property purchase price capped at £20m. A feasibility fund has been identified to explore potential opportunities.

5.3. Funding will only be drawn down and incepted into the capital programme when the requirements are met and therefore there is currently no budgetary impact forecast as no sites have been identified.

5.4. A one-off feasibility fund has been identified in 2023/24 to explore potential opportunities.

5.5. The full financial implications of each purchase will be included in the ICMD which will provide both spend and budget approval.

6. Legal

6.1. There are no direct legal implications from the actions arising in this report.

7. Value For Money

7.1. The Land and Property Strategy and Property Purchase Policy will deliver better value for money across the Council's portfolio, improving how we use our buildings, optimising service delivery and improving environmental efficiency.

8. Sustainability Impact Appraisal

8.1. The Strategy seeks to ensure Council properties become increasingly sustainable through improved design, construction, and operation, to deliver our net-zero carbon goals and outlines the development of a delivery programme across the Council's portfolio to achieve this.

8.2. The Strategy links to the Council's Climate and Ecological Emergency Strategy (2021) and will support delivery of identified actions relating to land and property.

9. Risk Management

9.1. There are no specific risks arising directly from the adoption of the Land and Property Strategy. Projects initiated following the adoption of the Strategy will have their own governance structures established to managed risk.

9.2. Risks and issues raised in the Property Purchase Policy will be managed through the identified Gateway process.

10. Community Safety

10.1. There are no direct impacts from this report.

11. Links to the 3 Key Priorities for the Borough

11.1. The Land and Property Strategy and Property Purchase Policy seek to deliver outcomes on all three of the Council administration's key priorities outlined:

- **Fighting inequality** – development of community spaces
- **Tackling the climate crisis** – driving the climate agenda through improving land and property
- **Creating good jobs** – encouraging growth and development through the use of our land and property

12. Equalities, Human Rights and Community Cohesion

12.1. The Land and Property Strategy and Property Purchase Policy seek to ensure the Council is delivering services that residents and communities need. As part of this process, there will be engagement with residents and communities and individual projects will have equalities impacts assessed.

13. Staffing/Workforce and Accommodation implications:

13.1. There are no immediate direct impacts noted by the Strategy or Policy.

14. Property and Assets

14.1. The decision in this report impacts the Council's property and assets and is set out throughout the report, Land and Property Strategy and Property Purchase Policy.

15. Any other implications:

15.1. None.

16. Consultation

16.1. The Land and Property Strategy and Property Purchase Policy were developed in consultation with, Portfolio holders, Strategic Directors, Assistant Directors and Service Managers.

17. Timetable for Implementation

17.1. The timetable for implementation of recommendations within this report is as follows:

Month	Activities
13 th April 2023	Adopt and publish Land and Property Strategy
13 th April 2023	Adopt and publish Property Purchase Policy

18. Appendices

18.1. Appendix 1 – Land and Property Strategy

18.2. Appendix 2 – Property Purchase Policy

19. Background Information

19.1. 2010 Property Strategy:

<https://ealing.moderngov.co.uk/ceListDocuments.aspx?MeetingId=4324&DF=14%2f09%2f2010>

19.2. Cabinet report, July 2018 - Future Ealing: Property Assets and Neighbourhood Offer Programme:

<https://ealing.moderngov.co.uk/ceListDocuments.aspx?MeetingId=481&DF=10%2f07%2f2018%2c%2019%3a00>

Consultation

Name of consultee	Post held	Date sent to consultee	Date response received	Comments appear in paragraph:
Internal				
Emily Hill	Strategic Director of Corporate Resources	23/02/23	Multiple dates	Throughout
Shabana Kausar	Assistant Director Strategic Finance	23/02/23	16/03/23	Throughout
Jackie Adams	Head of Legal Services (Commercial)	23/02/23	Multiple dates	Throughout
Cllr Mason	The Leader of the Council	03/03/23	Multiple dates	Throughout
Cllr Manro	Member for Good Growth and New Housing	03/03/23	Multiple dates	Throughout
Cllr Donnelly	Member for Inclusive Economy	03/03/23	Multiple dates	Throughout
Cllr Anand	Member for Thriving communities	01/03/23	Multiple dates	Throughout

Report History

Decision type:	Urgency item?
Key decision	No
Yes	
Report no.:	Report author and contact for queries: Jessica Tamayao, extension: 5783