

Policy Register

Strategic Property Acquisition Policy

Policy Classification	- City Services
Policy No.	- POL/569
Policy Status	- Current
Responsible Service Unit	- City Projects
Authorised by	- Council
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This policy is part of a suite of policies adopted by Council or the Executive Management Team (EMT).

New or replacement policies can be created and developed within Service Units but can only be added to Council's Policy Register by Governance Services following the approval of the policy by Council or the EMT.

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PURPOSE

The main objective of this policy is to provide the authorising environment for officers to acquire properties as part of Councils:

- Strategic Property Portfolio (SPP) Strategy;
- Community Infrastructure requirements;
- Open Space Strategy 2014;
- Any future relevant Council policies.

The Strategic Property Portfolio (SPP) makes up part of the 10 Year Financial Plan by contributing to Council's vision of being a financially sustainable organisation.

Adopted by Council, the Strategic Property Portfolio intention is to acquire property that will strategically enhance opportunities for development and community enhancement.

The SPP vision and principal:

'The Strategic Property Portfolio will provide the City of Manningham with an additional funding source to enhance services and associated infrastructure for the benefit of the community.'

'Contribute to an alternative income stream to achieve Council's mission to be a financially sustainable Council.'

The SPP Strategy is primarily focused on investment opportunities for financial benefit.

Other property acquisitions like community infrastructure and the Open Space Strategy consider the priorities for the development/use of public open space within Manningham. These considerations are determined on the highest return on community benefit not financial dollars.

POLICY STATEMENT

Property Acquisitions are determined by:

- Providing an income stream to increase Manningham Council's capacity to sustainably enhance or expand Manningham Council services to the Manningham community. This can be achieved through investment return on property or through the strategic acquisition of property to allow for the expansion services in areas of demonstrated need. It is therefore essential there is a clear policy and guidelines for the assessment of properties purchased for the portfolio.

- Investing in community infrastructure that relates to place, personal wellbeing, economic value and social sustainability and resilience for the Manningham community.
- Creating accessible and well-connected Open Space network that supports a healthy community and a healthy environment.

SCOPE OF POLICY

The scope of this policy provides the authorising environment for properties to be acquired.

The policy details the Strategy, Criteria and Governance framework to be applied when acquiring properties, which are detailed in document titled, *'Criteria, Strategy and Governance Framework for the Property Investment Project procedure'*.

The acquisition of a property will typically require that most of the investment criteria have been met.

The criteria are set out below:

- Land and/or property with value add and/or underlying capital growth potential or community benefit.
- Land and/or property that has minimal ongoing management and repair and maintenance obligations that would need to be undertaken directly by Council staff.
- Land and/or property sites less than or equal to the allocated budget, adopted by Council for each program.
- For SPP sites, land and/or property sites that can be held for a period that allow a level of capital growth / return on the property (anticipated to be at least 5% per annum) that reflects Council's ability to be a patient landowner and create value over the medium term (i.e., 5-10 years).
- Land and/or property sites that located within Victoria, with a preference for properties within Manningham; and
- For SPP sites, land and/or property sites that can be exited / disposed of quickly and easily where necessary without a major risk of significant loss of capital investment.
- Land and/or property sites that provide for the expansion, relocation or development of community services and facilities identified as Community Infrastructure.
- Land and/or property sites that provide for the expansion of open space as identified in Manningham Council's Public Open Space Strategy.

RESPONSIBILITY

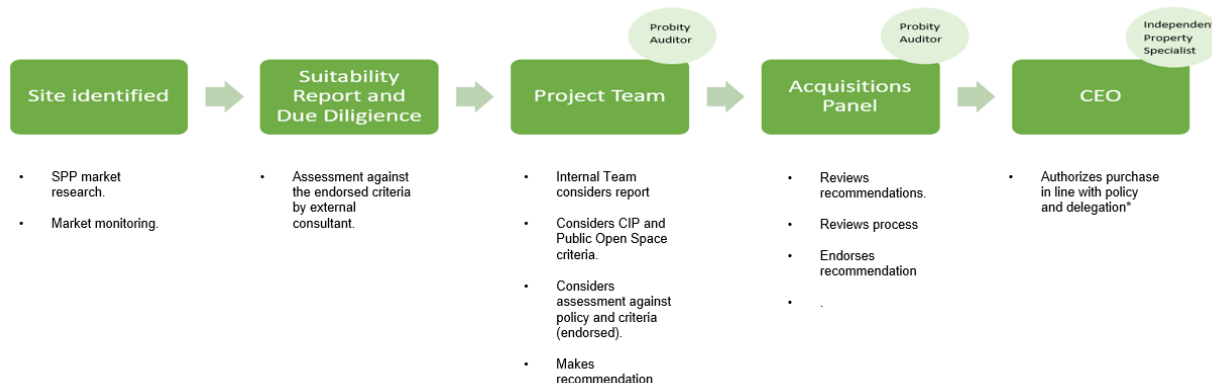
The process for undertaking acquisition in line with policy is identified in document titled, ‘Criteria, Strategy and Governance Framework for the Property Investment Project’.

The key groups involved in implementation of the process are policy are:

- **Independent Property Advisor** – The independent property advisor undertakes the market research to provide current opportunities to the project team and analyses the alignment with the acquisitions criteria.
- **Project Team** – Reviews the opportunities presented and works with Councils subject manner experts to make recommendations to the Acquisitions Panel.
- **Acquisitions Panel** – The acquisitions panel reviews the recommendation in line with the governance frameworks, due diligence and provides recommendations to the CEO for approval.
- **The CEO** – Approves acquisitions and executes the relative acquisition documentation for Council. The CEO will be supported in the final decision making by an Independent Property Specialist, to undertake final due diligence that recommendation by the acquisition panel is viable and meets the Policy and framework.
- **Project Control Group** – Supports the SPP by providing expert advice on strategy, identifying risks and review proposed changes to the policy, criteria, strategy, or governance.

The below diagram identifies the high-level process to be followed in assessing and acquiring property under this policy.

Process Map



Probity

An independent probity auditor is appointed and will be involved in reviewing the recommendations put forward by the project team and acquisition panel.

Property Investment Advice

Council's Property Investment Advisor must be suitably qualified by industry standards to provide the necessary advice. The Advisor must be an independent person who has no actual or potential conflict of interest in relation to investment decisions and the strategy being recommended.

Any property identified through an independent source or alternatively via a third-party agency must be subject to a full review by Council's Property Investment Advisor.

Community engagement on purchases

In accordance with our community engagement policy, Council will inform the community.

This will provide the community with information to assist them in understanding the opportunity the purchase has provided and community benefit.

DEFINITIONS

- SPP – Strategic Property Portfolio

RELATED POLICIES

- Liveable City Strategy (LCS).
- Community Engagement Policy.
- Open Space Strategy 2014.

SUPPORTING PROCEDURES

- Criteria, Strategy and Governance Framework for the Property Investment Project Procedure.

ACTION PLANS

None.

GUIDELINES

The policy is to be reviewed annually for currency.

The policy is valid for an initial period of 2 years and is renewed automatically each year when Council adopts the annual Capital Works program and allocates funding for Strategic Property acquisition project.

Acquisitions are reported to Council via the Bulletin. Where a property does not meet the criteria as set out in the policy a separate Council report will be prepared for Council to decide.

RELATED LEGISLATION

The *Local Government Act 2020* (the Act) sets out Council's powers in relation to land. Part 4, Division 4 of the Act details Council's powers and obligations regarding:

- Acquisitions and compensation
- Creation of easements
- Restrictions on power to sell or exchange land
- Lease of land
- Transfer, exchange, or lease of land without consideration

In addition to these legislative obligations, the purchase or sale of land must also be undertaken in accordance with Council's relevant Instruments of Delegation, namely the Instrument of Delegation from Council to the Chief Executive Officer as amended from time to time, and the Instrument of Sub-delegation from the Chief Executive Officer to Council staff.

SUPPORTING RESEARCH AND ANALYSIS

This policy has been developed in-line with Council direction to develop the property investment portfolio.

The policy has been endorsed by a project control group from departments and stakeholders across Council and developed using best practice.

Extensive market research undertaken by Council officers and external consultants has been undertaken in the development of the policy.

DOCUMENT HISTORY

Policy Title:	Strategic Property Investment Policy for the Strategic Property Portfolio
Responsible Officer:	Krishen Soobrayen
Responsible Officer Position:	Manager City Projects
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To be included on website?	Yes

Previous versions	Meeting Type	Meeting Date	Item No.
25 October 2022	Council	25 October 2022	16.2
28 March 2023	Council	28 March 2023	12.1