

Property Strategy

2017 - 2021



Tendring
District Council



Foreword

The Council wants to meet the challenge of reducing resources by remaining an aspirational community leader for Tendring. Land and property are one of the three major resources available to the Council, together with its staff and its financial resources.

The Council needs to consider carefully how it plans to utilise its assets to support the delivery of the Council's priorities. This strategy is intended to set the vision and objectives for the Council's land and property assets.



Councillor Giancarlo Guglielmi
Portfolio Holder for Resources and Corporate Services

“We will maximise the value of our assets, ensuring that the Council fully engages with all communities within the District, in full knowledge of the huge financial pressure we find ourselves under.”

“We have led the way in transforming the way we work, the way we communicate and the way we think. Given that land and property are one of our most important resources we have to excel in the way we manage them.”

Introduction

The purpose of this strategy is to outline what the Council already has by way of land and property. To take a look at how the Council's land and property could be used to meet its objectives .



Council's Priorities

Council and Community

- Deliver high quality affordable services
- Balance our budget
- Good governance
- Transform the way we work
- Make the most of our assets
- Engagement with the community
- Support the vulnerable
- Support rural communities
- Effective partnership working
- Channel Shift

Employment and Enjoyment

- Support business growth
- Enable better job prospects
- Facilitate improved qualification and skills attainment
- First rate leisure facilities
- Attractive events programme
- Maximise Partnership Opportunities

Health and Housing

- Promote healthier lifestyles and wellbeing
- Support improved community health
- Deliver a quality living environment
- Local regeneration
- Have a positive Local Plan in place



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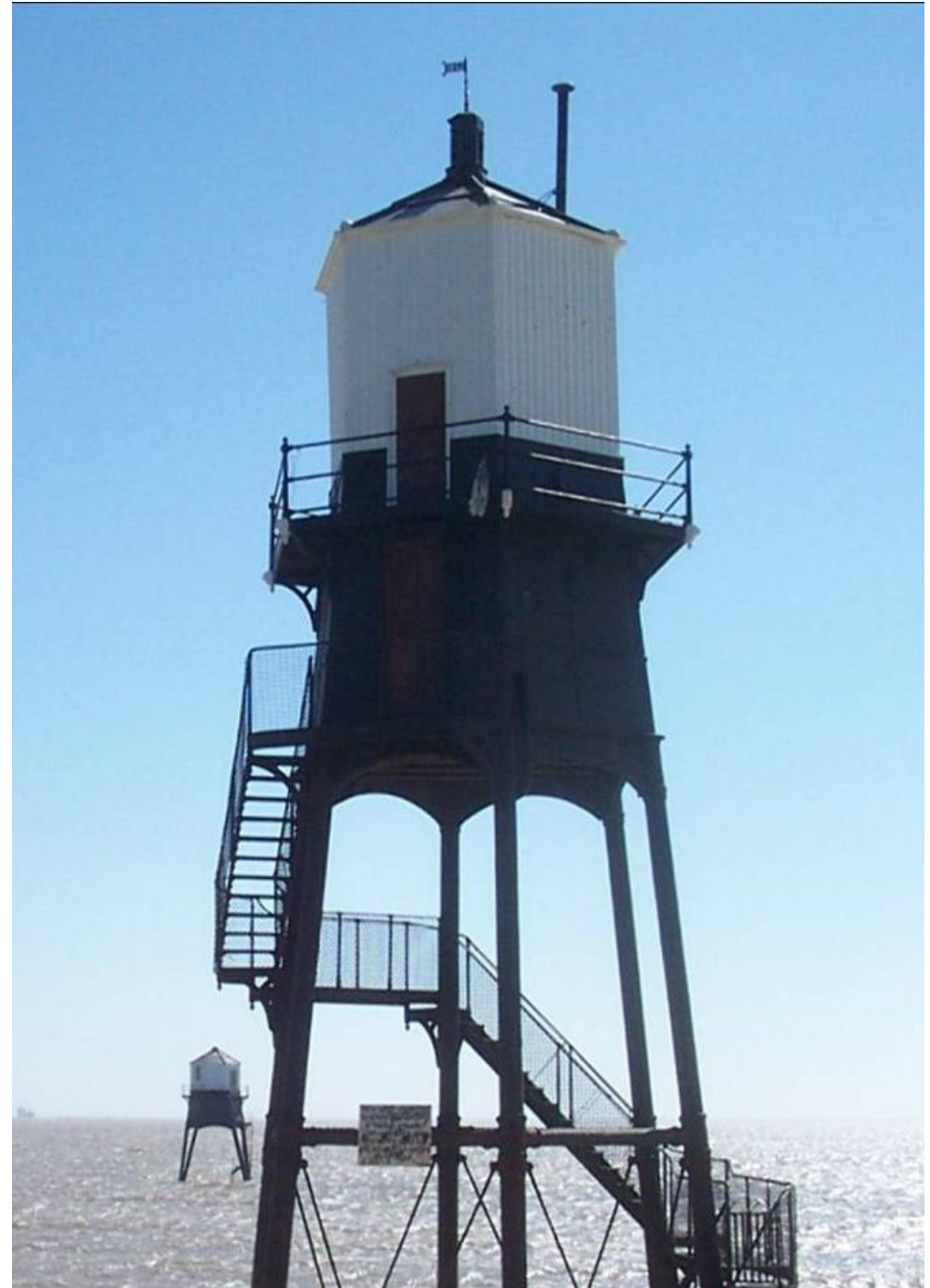
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Current Assets

- Around 3,500 socially rented dwellings
- Approximately 380 leasehold flats with associated parking and gardens
- 500Ha of open space in 400 locations
- Almost 50 sites for community and sporting facilities
- Over 40 Public Conveniences
- Over 50 commercial premises
- 80 miscellaneous assets i.e. pumping stations & cemeteries
- 40 leisure and entertainment facilities
- Over 50 car parks
- Over 7Ha of allotment in 5 sites
- 20 properties in the regeneration portfolio i.e. starter units and community centres
- 15 office, depot and storage facilities
- 3,000 beach hut sites and 50 Council owned beach huts/ beach chalets

Full details of the Council's property can be viewed in list form in the Council's property stocktake published on its web site.

Information is also available in map form at: <http://epam.idoxgroup.com/>



What are the Assets Currently Worth?

The Council's external valuers advised that in **2015/16** that the Council's assets were worth **£183m** with **£132m** being housing stock and the remaining **£51m** all other non-residential land and property assets. The Council currently receives in the region of **£786k** from beach huts and another **£345k** per annum in rent from its other non-housing assets .

What Costs are Involved?

In **2015/16** the Council spent around **£2.74m** per year on its non residential property including **£797k** on rates and **£704k** on utilities.

The property occupied by the Council is in a range of conditions and it is not currently possible to conclusively quantify the cost of outstanding repairs and maintenance. Most property leased to others by the Council is funded and maintained by the tenants.

A Different Approach.

The Council's overall financial position is extremely challenging. Active and effective management of property represents an opportunity to create a positive economic driver for the Authority and therefore in support of services and the Community. This approach forms the basis of the key projects to rationalise and to invest in property.



Recent and Current Projects

Changing Places Facilities



A joint £212,000 project between the Council and County Council, using funding from the Disabled Children Short Breaks programme, created 3 new specialised toilet and changing facilities including shower, toilet, ceiling track hoist and adjustable height changing bench for children and adults with severe disabilities in Tendring. One in Clacton, one in Dovercourt and one in Walton.

Art Kiosk

One of the empty deckchair stations had a make over and is now being used as a gallery for a local art group.



Greensward Play Area

A new £135,000 children's play area has been constructed, funded by planning obligation contributions, on the West Greensward in Clacton, which includes a specially-commissioned helter-skelter and a boat.



Clacton Pier—Holland Haven Coastal Defence Project

A £36 million project between the pier and Holland Haven to place rock fishtail groynes and create 22 new beaches. This will mean that not only the cliffs and town beyond will be protected from erosion by the sea, but there are new beaches for residents and visitors to use. This generates real potential to encourage new business and new attractions and visitors to the area.



Jaywick Land

The Council has purchased considerable areas of land in Jaywick in order to improve the area and to create homes and jobs

New Beach Huts

20 new beach huts have been constructed on the popular West Clacton Beach reducing the local waiting list for sites. The Council has the option to either rent them out or sell the huts with a yearly ground rent payable to the Council in respect of the land they sit on.

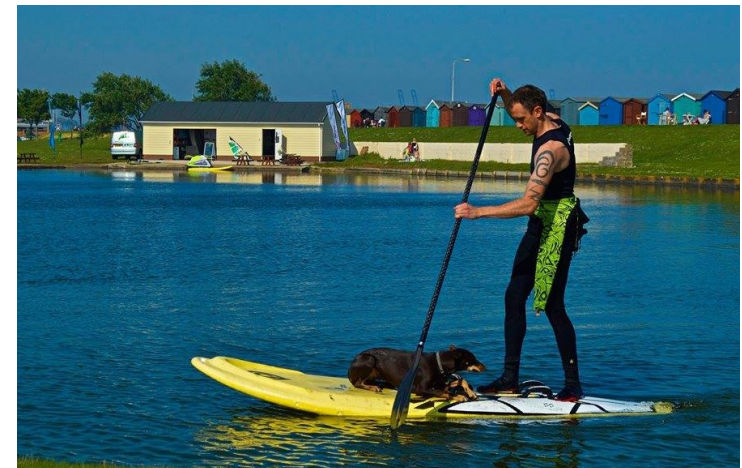


Windsurfing School

A windsurfing teacher has taken the lease of the boating lake in Dovercourt to teach and run demonstrations. Previously the lake was underused and closed for much of the season.

Atlanta Building

The Council has agreed to lease the Atlanta Building which is an iconic 1950's building in a prime location on the Clacton on Sea front. The new tenant is to regenerate the building including a new shop gelateria and conference venue.



What else is Possible ?

Land and property presents opportunities for significant income but also entails significant costs. The Council is in an increasingly tough financial position and it can no longer afford to default to the status quo. Every asset must be scrutinised to make sure that it is contributing fully and efficiently. The Council must be thorough and business-like to deliver both on services and financially.

The Council's current assets (not including beach huts and housing) return in the region of £275,000 per year rental income across the whole of Tendring.

A more commercial approach to property has potential to reduce costs and generate income. Such an approach should include:

- Investing in IT and modern working methods and equipment.
- Fully challenging all property held
- Disposing of property that is not needed or not performing properly.
- Investing in services and income generation.
- Rationalising offices and operational assets.
- Acquiring or building investment property.
- Maximising rental income



In the main owning property carries financial costs. The Council can no longer afford to approach land with the question “Can we sell it?” It must ask “Why should we keep it?”

To maximise potential the Council needs:

immediate priority projects,
and;
systematic review and challenge to deliver property change over the longer term.

How can change be made?

Understanding of what we have

Property records

We can be confident that all of the Council's property is recorded in the central database. We will continue to enhance the background data held in the system.

Suitability

A desktop suitability study gives a preliminary view of the nature of each of the Council's land assets. This will be built upon in a progressive way.

Stock condition and monitoring

Future general assessment of the condition of property will include the extent of the Council's maintenance backlog and likely future works.



Making the most of what we have

Clear Management

The day to day management of operational property is carried out by the Council's front line units. They will deploy robust systems for the assessment and monitoring of the condition of properties and monitoring for trespass and encroachments. The Assets team are responsible for commercial and other leasehold property and will manage these, including appropriate enforcement of lease provisions.

Generating Income

Many of the properties let to others by the Council fulfil important community roles and are supported by the Council in balance with the Council's wider financial priorities. Where properties are let for more commercial purposes the Council will seek to maximise rental income in support of its overall financial position.

Sustainability and efficiency

Inefficient buildings are a drain on scarce resources. It is likely that future government policy will force authorities to improve or dispose of inefficient space. We will reduce the amount of built space we use and improve its efficiency by using all buildings more effectively and deploying modern working methods.

Availability of resources

Cash: The Council has some one off capital reserves that can be invested. The Council faces a very tough revenue outlook. Every project and every decision needs to carefully assess the potential to generate or save revenue.

Partnerships: The Council will seek to work with public, private and third sector partners where appropriate. The Council must ensure that partnerships are mutual and genuine and that it and the community gain as well as contribute to them. Partnership could take the form of a shareholding in a development, company or special purpose vehicle.

Disposal: Disposing of unneeded or inefficient assets reduces costs and generates income that can support the Council's priorities. Disposal will be a key part of partnership and joint venture initiatives, a source of match funding and an enabler of investment and development. We will seek to integrate necessary disposals into our overall package of measures so that they can be seen as enablers rather than isolated actions. Within the context of our visions for the District we will always try to achieve the highest price when disposing of assets.



Resources are a critical factor for the Council. A clear commercial imperative is essential to the overall delivery of priorities.

Borrowing: Historically the Council has borrowed in order to invest. The Council is a good borrower and it is unlikely that mortgaging or other securitisation of debt, unless within the framework of joint venture or special purpose vehicle will offer advantage. The Council is able to borrow prudentially: where it makes economic sense, including the costs of borrowing.

Grants: Our ability to take advantage of grants in the past has been challenged by the bidding timescales and technical issues. The Council has appointed a new Funding Officer. Where possible we plan to enhance the Council's ability to secure grant by scoping projects in advance.



Options appraisal and whole life costing

We will ensure that appropriate choices are made by using options appraisal and costing models suitable to the scale of projects. Options appraisal can be simplistic for modest projects but fuller and with whole life costing for larger ones.

Local and political consensus

This strategy and the Property Programme aim to set out a vision for the future of our District aligning together the investments and costs, the opportunities and the necessities: to put forward a package of initiatives that will enable strong political and local leadership and consensus. To please most of the people most of the time.

Acquisition

We will work positively towards the acquisition of property that is needed to deliver our priorities. We will always aim to purchase at the most advantageous price and only where that acquisition is necessary.

Compulsory Purchase Orders

Voluntary transactions will be our preference but we have been and will be ready and prepared to use statutory powers to acquire land where it is necessary to do so.

Planning and constraints.

A number of our existing buildings are listed buildings, Scheduled Ancient Monuments, or within Conservation Areas. Some are designated as Historic Parks and Gardens, others are Nature Reserves or Sites of Special Scientific Interest. Such property can make a huge contribution to the heritage and environment of the District. We will work with statutory bodies to ensure that our actions are compatible with the preservation and enhancement of these sites.

Land and property within flood risk areas will need to be adapted to deal with climate change issues or designed to be water compatible in accordance with national guidance or relocation considered.

“CAROS” (Community Asset Rent Off-setting Scheme)

The Council supports groups that help the community. If a non-business tenant of the Council can demonstrate that their organisation contributes to the well-being of the district and its residents, then they can apply for a grant to reduce the amount of rent they pay. At the present time this scheme off-sets the payable rent to £500 or 25% of their current rent (whichever is greater).

Whilst the Council is providing notable support to these community groups it does mean that the rental income on these assets is significantly reduced.



The Council owns a large number of diverse and varied land and property assets. This section seeks to indicate the general proposed direction of travel for the main category types and provide a background to each category.

Housing and associated areas

- Identify existing sites that are sustainable for development or redevelopment of Council housing.
- Work towards the realisation of Garden Communities where achievable.
- ◆ Invest in existing stock to enable the decent Homes Standard to be achieved and maintained.
- Identify further viable sites for acquisition or construction of new council homes.



Public open space

- ◆ Focus use of planning agreements on creation of substantial attractive areas that include formal recreation.
- ◆ Where viable increase the number and quality of formal play and sport facilities.
- ◆ Improve the quality of open space in tourist locations.
- ◆ Dispose of small, ineffective and remote open space sites.
- ◆ Investigate ways to work in partnership with residents and partners to involve communities in the operation of open spaces in residential areas and in town centres.
- ◆ Investigate ways to add value to existing major sites and expand the extent and offer in order to generate high quality destination facilities.



Community Facilities and Sports Clubs

- ◆ Support and encourage community transfer where this is sustainable and facilitates step change in the community facilities or services.
- ◆ Ensure that other facilities are well managed and delivering community facilities in accordance with lease terms
- ◆ Rationalise facilities and organisations where they become unsustainable.



Public Conveniences

- ◆ Understand and agree how to reduce the number of conveniences.
- ◆ Seek to engage with other operators and developers to share facilities
- ◆ Where needed secure new or refurbished facilities as part of coastal regeneration.



Highway

- ◆ Seek partnership with the County Council and neighbouring Councils on maintenance and street scene issues throughout the District.
- ◆ More actively manage areas that are TDC owned but not adopted.
- ◆ Seek to ensure that highway verges are well maintained and presented



Regeneration

- ◆ Identify interim uses for transitioning sites where appropriate.
- ◆ Manage and regularise existing tenancies.
- ◆ Assist with the development and deployment of sustainable regeneration policies.



Allotments

- ◆ Where viable support creation of new allotments .
- ◆ Transfer management of allotments to Town and Parish Councils and to local trusts.



Unused and Surplus property

- ◆ Seek the most effective way in which these properties can contribute to the Council's priorities.
- ◆ Dispose of all unused property



Commercial properties

- ◆ Ensure that commercial tenants fulfil all lease requirements in full
- ◆ Optimise rental income
- ◆ Where viable invest in enhancing commercial property and constructing new facilities
- ◆ Where viable acquire commercial property for revenue generation



Other infrastructure

- ◆ Identify and dispose of infrastructure assets that are no longer required.
- ◆ Invest where required in infrastructure assets that are necessary
- ◆ Prioritise infrastructure assets that contribute to tourist or regeneration projects.
- ◆ Work with sector partners to develop an Integrated Transport Plan.



Leisure and entertainment facilities

- ◆ Where viable invest directly in improving facilities where financially prudent.
- ◆ Where possible manage facilities to generate income or reduce costs.
- ◆ Work in partnership with other providers and developers to achieve investment into provision of these facilities.
- ◆ Prioritise facilities that contribute to tourist or regeneration projects.



Car parks

- ◆ Dispose of small or underused sites.
- ◆ Invest in the improvement or extension of busy sites.
- ◆ Where viable acquire or construct new car parks to serve town centres or tourist areas
- ◆ Prioritise car parks that contribute to tourist or regeneration projects.



Offices and Depots

- ◆ Maximise occupancy and efficiency of core sites
- ◆ Share space and services with Essex County Council and with local partners
- ◆ Find ways to better deliver services in the wider District
- ◆ Encourage more transactions to be made over the internet in line with our channel shift policy
- ◆ Introduce modern and flexible working methods
- ◆ Dispose of surplus sites



Coastal and Tourist

- ◆ Where viable create new assets.
- ◆ Manage assets commercially.
- ◆ Encourage improvement, innovation and development.
- ◆ Generate income and sustainability.
- ◆ Bring vitality and visitors to the coast