

ANGUS COUNCIL

COMMUNITIES COMMITTEE – 29 SEPTEMBER 2015

ESTATES PROPERTY PERFORMANCE

1. BACKGROUND

The Estates Section of Technical and Property Services manage the commercial and non-commercial properties held on General Fund for Angus Council.

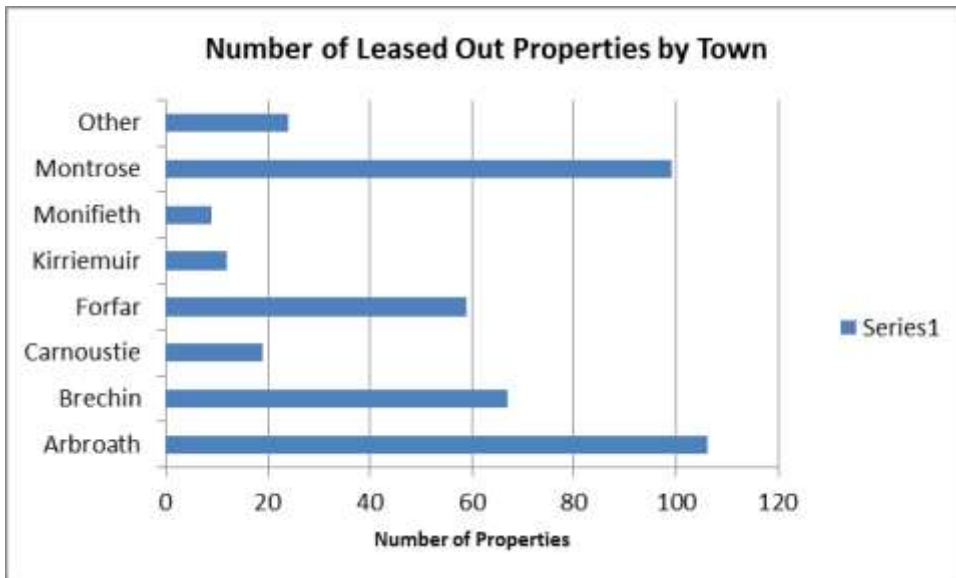
Angus Council owns a wide variety of land and buildings which are either held on the Housing Revenue Account, Common Good or General Fund. The majority of HRA buildings are residential properties and are managed by Housing, whereas the General Fund and Common Good properties are managed by Technical and Property Services, Estates Section, and include everything from shops and offices to grazing lets. There are a small number of non-residential HRA properties that are also managed by Property. In addition there are a number of properties that are leased-in by Angus Council which are also managed by the Estates Section.

2. CURRENT POSITION

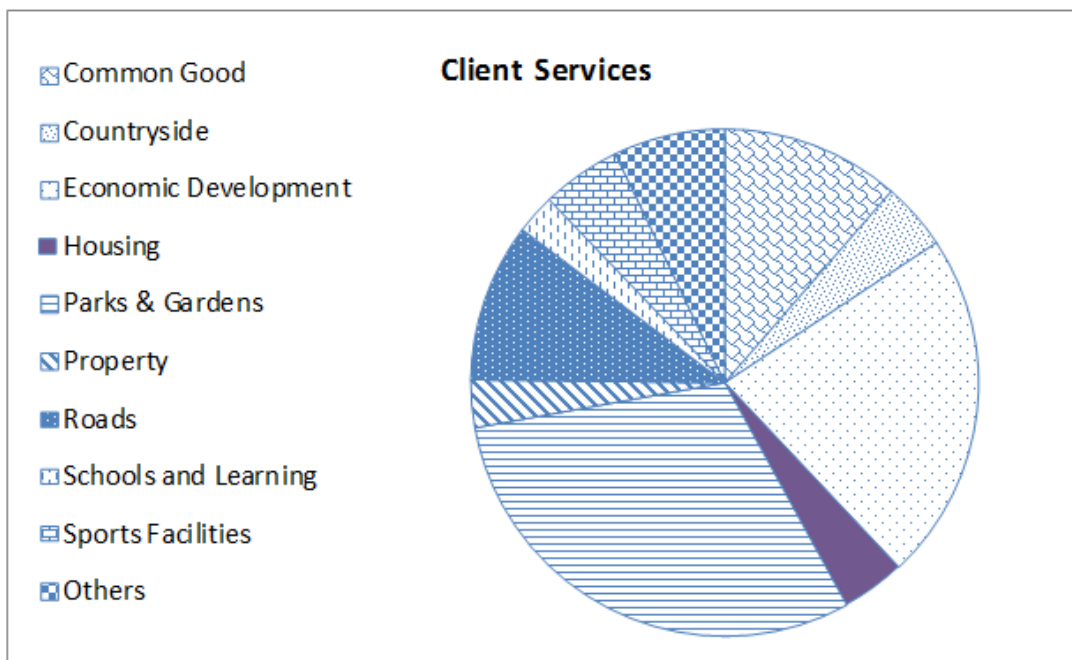
The Estates Section currently manages 395 leased out properties. These comprise 185 building leases, 193 ground/ land leases with the remaining 17 being miscellaneous leases such as telecom masts, war memorials etc. Building leases include industrial units, shops, sports pavilions etc. and ground leases include sports pitches, allotments, grazing sites etc.



The properties are located across Angus although there is a concentration of properties within the main towns with the greatest number of leased out properties in Arbroath (106) Montrose (99) and Brechin (67).



The properties are leased to a wide range of tenants from individuals to charities and multinational corporations. The properties are held on a number of different Service accounts across the three Directorates with 45 properties managed on behalf Common Good, 88 for Economic Development, 118 for Parks and Gardens and 40 for Roads. Other client services include Museums and Galleries, Environmental Health, Burial Grounds, Waste Management, Libraries and Adult Services. Estates currently manage properties for 27 different client services.



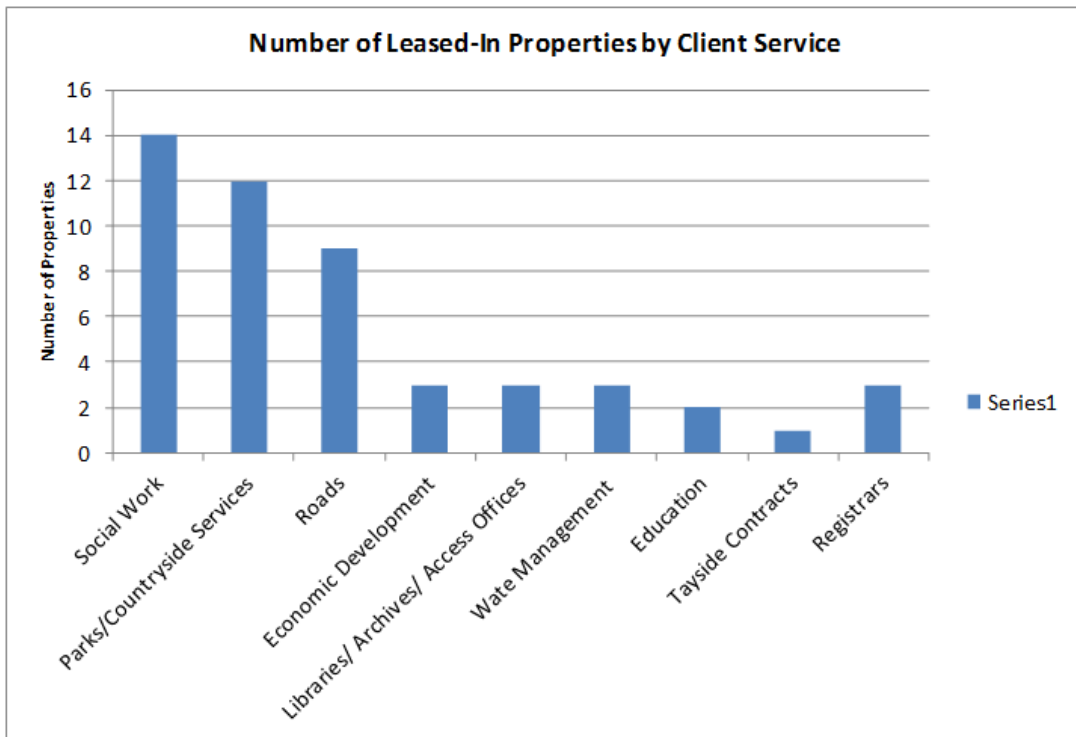
Property is responsible for the management of the properties, with the Estates Section managing all elements of the leases from lease renewals and rent reviews, dealing with tenant queries to invoicing of rent. The Maintenance Section deal with repair issues and manage the individual clients maintenance budgets although the budget setting is carried out by each client service.

The total rent income generated from the leased out properties is currently £1,696,352.79 which is invoiced and managed by the Estates Section and passed back to the different client services accordingly. The Estates Section manages the leases at review in order to ensure that market value is achieved for the properties to ensure best consideration is achieved for Angus Council.

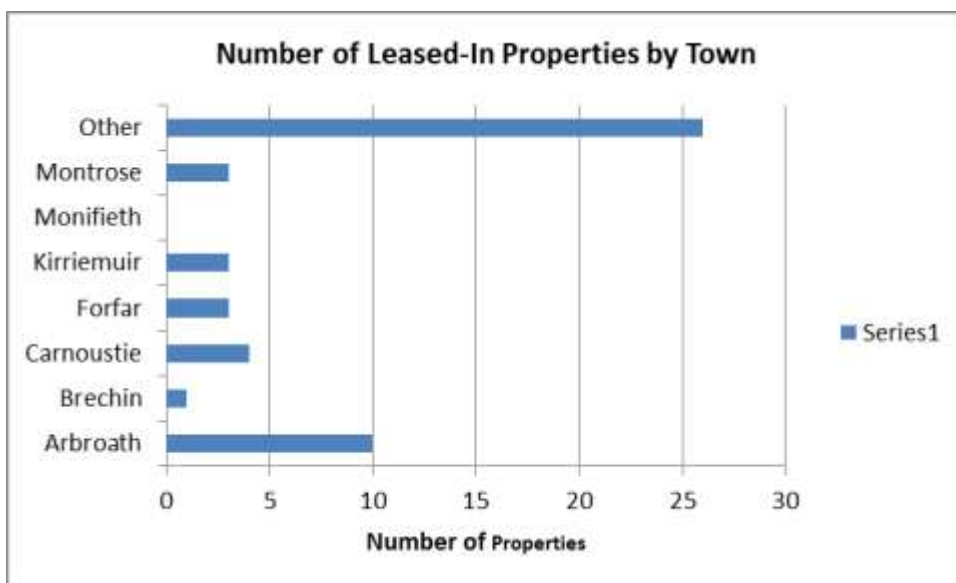
There is currently a very low vacancy rate for properties owned by Angus Council with only 9 properties available, 7 of which are on Economic Development's account.

In addition the Estates section manages the disposal of surplus properties and development sites bringing in total sales of £1,165,077 in 2014/2015. It also deals with land acquisitions for flood prevention and road widening schemes and the granting of servitudes and wayleaves.

Angus Council also leases a number of properties in from private landlords. There are currently 50 such properties ranging from offices to car parks, access routes and parks. A wide range of services use leased-in properties Social Work (including Adult Services), Parks and Roads occupying the greatest numbers with 14, 12 and 9 respectively.



These leased-in properties are also distributed across the burgh with the greatest number in landward areas and Arbroath.



They are split quite evenly between building leases and ground/ land leases with 24 building leases and 26 ground leases.



As with the leased out properties, the Estates Section manages all aspects of the lease process including rent reviews and payment of rent. The individual service identifies the need for leased-in space although work was done by Estates to try and reduce this need.

The cost for leased-in properties is currently £284,240.79

3. FINANCIAL IMPLICATIONS

Angus Council receives a rental income currently totalling £1,696,352.79 from the properties leased out by Property.

The disposal of properties in 2014/15 resulted in a total income of £1,165,077.

The cost to Angus Council for leased-in properties is currently £284,240.79

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