

Thanet District Council

**STRATEGIC
ASSET
MANAGEMENT
PLAN
2017-2021**

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EXECUTIVE SUMMARY

This Strategic Asset Management Plan (SAMP) sets out what the council intends to do in the future to ensure property assets support corporate priorities, increase the Council's financial resources and deliver value for money.

Effective asset management is essential to meeting the council's priorities and improvement aims with asset rationalisation a key means of reducing costs and improving efficiency. Strategic use of land and property assets is a prerequisite for the achievement of key corporate priorities in relation to a clean and welcoming environment, supporting neighbourhoods and promoting inward investment and job creation.

The challenge facing all local authorities is that we must continue to deliver effective services with ever decreasing resources. However, these are difficult times. The financial constraints and uncertainty in the wider economy bring additional challenges.

In this context, it is essential that we take a strategic view of our asset portfolio in order to deliver our corporate priorities and achieve the best value for money possible from all of our assets. The Strategic Asset Management Plan 2017-2021 sets four interlinked objectives. These are:

- Compliance
- A strategic approach to assets
- Reviewing and rationalising the estate
- Reducing expenditure and increasing income

A summary of the Council's non-housing asset management register is set out in section 2 of this document.

Understanding risks and compliance with statutory requirements are fundamental priorities. Section 3.2 of this document identifies the different strands of this activity including fire safety, asbestos management, water hygiene, equalities, energy performance and staff safety. The document at section 3.3 sets out an improved way of managing assets including a move to a 'corporate landlord function'.

In achieving the above, the Council will be adopting a strong commercial approach this means reviewing its assets and disposing of poorly performing property, consolidating the use of assets and transferring assets to others. In section 3.4 an approach to identifying redundant assets is set out with a disposal policy. In addition the disposal of assets through community asset transfer is described at Appendix 3.

Having reduced the asset base those remaining assets will benefit from investment, funded from revenue savings through reduction in maintenance and capital receipts. The priority of reducing expenditure and increasing income is key to the delivery of the Medium Term Financial Strategy.

Cllr John Townend Cabinet Member for Financial Services and Estates

1. INTRODUCTION

1.1 Scope

It is recognised good practice for local authorities to produce a Strategic Asset Management Plan setting out their broad objectives for the management, development and rationalisation of their built and land asset base over a three to five year period.

Asset management provides a structured process to ensure value for money from property in serving the needs of the organisation. Property assets are expensive, in terms of both their capital value and annual maintenance and running costs. They need to be carefully managed over their lives to ensure best value through their use, maintenance and generation of income.

This Strategic Asset Management Plan (SAMP) sets out the Council's approach to the strategic management of its land and buildings, outlining how the Council's assets support the Council's priorities. The SAMP also identifies the action required to develop these priorities further and contains proposals for improving the effectiveness and efficiency of the Council's property portfolio.

There are a range of benefits that can be derived from effective asset management including:

- release of capital for re-investment or debt reduction;
- efficient running costs;
- income generation
- better public service provision by improved property and co-location of services;
- property in good condition;
- improved property utilisation and bringing together similar uses into the same property, rather than providing them separately;
- improved productivity, changes in corporate culture and facilitation of corporate change;
- improved delivery of community objectives through the more effective use of property;
- innovative strategic procurement

1.2 Context

The key to ensuring property assets deliver what is required for Thanet District Council, its residents and its partners is by ensuring the use and management of assets is linked to the Council's priorities and values and its key strategies.

Corporate Priorities

The corporate priorities identify the areas the council will focus on over the next four years.

- A clean and welcoming environment
- Supporting neighbourhoods
- Promoting inward investment and job creation
- Working with partners to make the most of the buildings and land we own.
- Maximising commercial opportunities for key assets

Corporate Values

The corporate values identify the way the council will work in order to deliver its priorities.

- Delivering value for money
- Supporting the workforce
- Promoting open communications

Medium Term Financial Strategy (MTFP)

The MTFP includes reference to the Council's Capital Budget Strategy. The principles of that strategy are:

- To maintain an affordable four-year rolling capital programme.
- To ensure capital resources are aligned with the Council's strategic vision and corporate priorities.
- To undertake Prudential Borrowing only where there are sufficient monies to meet in full the implications of capital expenditure, both borrowing and running costs.
- To maximise available resources by actively seeking external funding and disposal of surplus assets.
- To engage local residents in the allocation of capital resources where appropriate.

The MTFP expects the SAMP to provide £100k pa revenue savings and a contribution of £2.3m in receipts to the 2017-18 capital programme, with ongoing asset disposals to generate future funding for investment in remaining assets.

At the same time the One Public Estate programme being delivered in partnership by the Local Government Association and the Cabinet Office sets out the following strategic objectives for Local Authorities and associated Public Sector Organisations:

- Delivering more integrated and customer focused services - by encouraging publicly funded services to co-locate, to demonstrate service efficiencies and to work towards a more customer-focused delivery.
- Creating economic growth - by enabling released land and property to be used to stimulate economic growth, regeneration, new housing and jobs.
- Reducing running costs - by reducing maintenance, repair and operating costs by estate rationalisation.
- Generating capital receipts - by selling redundant and surplus land and property

The SAMP will also need to reflect the council's emerging Economic Growth and Regeneration Strategy.

2. Property Assets

2.1 Summary

The council owns a mixture of operational (properties held for the delivery of services) and non-operational (investment/surplus) properties. The portfolio includes leisure facilities, car parks, civic and public buildings, agricultural and other land, shops, industrial buildings and a working port and harbours.

There are some 727 individually recorded non-housing assets spread across 338 sites within the district. This number does not include circa 350 demountable beach huts also owned by the council. The total capital value of the whole estate, as determined for accounting purposes, is in the region of £72.8 million, (This is an accounting valuation and doesn't necessarily represent the open market value of the estate). The council also owns housing assets, which are managed separately through East Kent Housing.

Pro-rata this is a huge estate for a district of the size of Thanet. Many of the assets lack any real strategic value and are a legacy of the area's past prominence as sea-side resorts.

Work is required to compile an up to date condition surveys of buildings in order to understand the overall dilapidations liability associated with the non-housing estate and to identify a financial provision and strategic plan to resolve any identified issues.

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The above is borne out by the fact that over 90% of building repairs appear to be reactive rather than planned. Best practice is 20% reactive, 80% planned.

The responsibility for estates functions is divided between the asset management team and operational managers; in relation to maintenance and repair budgets this means that there is an unclear picture as to the true cost of the council's operational estate in revenue terms.

There also multiple property databases including 'Estateman' computerised record system, the terrier and the legal GIS system which presents risks of duplication. Further, the 'Estateman' computerised property records system is out of date and is not used to its fullest capacity, giving limited functionality in an overall asset management context.

A recent internal audit report concluded that the continuation of central government cuts to local authority funding has meant that the council has been forced to make reductions in both the revenue and capital budgets with respect to the maintenance and repair of its estate.

2.2 Type of Assets

High Level Summary					
Ranked by Sites			Ranked by Assets		
Class	Sites	Assets	Class	Sites	Assets
Public Conveniences	45	45	Harbours & Ports	4	133
Plots of Land	39	49	Industrial Units	7	119
Car Parks	32	37	Retail Concessions	28	53
Retail Concessions	28	53	Plots of Land	39	49
Amenity Land	23	24	Public Conveniences	45	45
Public Shelters	23	37	Public Parks	10	41
Miscellaneous	23	30	Car Parks	32	37
Sports & Leisure	15	30	Public Shelters	23	37
Recreation Grounds	11	19	Miscellaneous	23	30
Public Parks	10	41	Sports & Leisure	15	30
Regeneration Holdings	10	14	Amenity Land	23	24
Public Gardens	8	12	Shops	7	24
Theatres & Museums	8	8	Recreation Grounds	11	19
Allotments	7	7	Regeneration Holdings	10	14
Industrial Units	7	119	Public Gardens	8	12
Shops	7	24	Cem's & Crem's	4	8
Tidal Pools	6	7	Theatres & Museums	8	8
Agricultural Land	5	7	Agricultural Land	5	7
Cem's & Crem's	4	8	Allotments	7	7
Bandstands	4	4	Tidal Pools	6	7
Clock Towers	4	4	Bandstands	4	4
Public Lifts	4	4	Clock Towers	4	4
TDC Operational	4	4	Public Lifts	4	4
Harbours & Ports	4	133	TDC Operational	4	4
Water Features	3	3	Water Features	3	3
Play Areas	2	2	Play Areas	2	2
Public Open Space	2	2	Public Open Space	2	2
Total	338	727	Total	338	727

The above table does not include residential properties held under the Housing Revenue Account provisions which are subject to separate statutory considerations.

3. Asset Management

3.1 Overview

Strengthening the management of assets will be an important priority for the council, providing greater assurance that they are safe and comply with statutory requirements as well as creating the opportunity to improve the quality and value for money of the service they can deliver. The foundations of this process must include more robust data and process, increased capacity and stronger governance and decision-making.

The Council continues to face severe budget pressures and therefore must consider a range of radical options to reduce the cost of maintaining, repairing and operating its property portfolio. This will include a more commercial approach to asset management, increasing income generation and new types of income including energy generation. This will require a more focused and strategic approach across the council's assets.

This section of the Strategic Asset Management Plan sets out the priorities for delivering on this agenda, which cover a wide range of activities and work strands, some in progress and some to be delivered over the coming years. Although this work represents a complex set of inter-related projects, the objectives driving delivery can be simply stated as:

- Compliance
- A strategic approach to assets
- Reviewing and rationalising the estate
- Reducing expenditure and increasing income

3.2 Compliance

Ensuring the health and safety of residents, staff and others using the council's buildings is the top priority for the effective management of the council's assets.

It is also important that management of the asset portfolio ensures compliance with legal agreements minimises the council's exposure to risk as a result of environmental, social and economic change and understands and addresses the council's exposure to risk of all kinds including financial, legal and reputational.

The activity in this Strategy to reinforce accurate information, classify assets according to their use and ensure appropriate leases are in place will all contribute to reducing this exposure to risk. The following section describes in more detail the strands of activity relevant to regulatory compliance, contracts and legal agreement, understanding other risks and quality assurance of the council's systems that will provide a robust and effective management of risk.

(i) Health and Safety etc. compliance

Statutory compliance should be the responsibility of asset management in order to ensure safe and compliant buildings. This involves technical advice, coordination and management of compliance activities, procurement, prioritisation and management of corporate compliance budget, centralised coordination of documentation, training, certificates and records, and managing corporate compliance performance.

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The basis of British health and safety law is the Health and Safety at Work Act 1974 (HSWA) and associated supplementary Regulations and Codes of Practice. Section 3 of the Act imposes a clear duty on local authorities to conduct their undertakings in such a way as to ensure, so far as is reasonably practicable the safety of the public using premises.

The primary statutory instruments driving statutory compliance for property assets are:

- The Health & Safety at Work etc. Act 1974
- Managing Health & Safety at Work Regulation 1999
- The Regulatory Reform (Fire Safety) Order 2005
- The Building Regulations 2000 (as amended)
- The Control of Substances Hazardous to Health COSHH Regulations 2002 & Amendment 2003
- The Control of Asbestos Regulation 2012
- The Health and Safety Executive Approved Code of Practice (ACoP) Guidance on Legionnaires Disease, the Control of Bacteria in Water Systems L8.

This task has become increasingly complex in recent years as a result of:

- An increasing burden of legislative and regulatory duties falling on building occupiers
- Delegation of relevant budgets and responsibilities to individual divisions or establishments, but with ultimate accountability still seen as resting with the corporate body of the council
- The consequences of delegation which has brought about a significant reduction in resources retained centrally to develop and monitor compliance with relevant standards
- Loss of critical mass and control in delivery of property related services through outsourcing, budget reductions and fragmentation of resources
- Complex governance arrangements as a result of shared services and partnering arrangements that do not fit easily with traditional landlord and tenant definitions

To meet this challenge the aim is to ensure that all council-owned properties have risk assessments for statutory compliance, and where relevant an identified program of recommended remedial works is agreed and resourced.

The technical information obtained from this exercise will enable better asset investment decision-making going forward and assist with ensuring that the council's asset base is statutorily compliant.

(ii) Third party management of assets

The Council's portfolio of assets includes sites that are directly managed by a third party. Where an external organisation has operational control of premises it is essential that the Council understands and addresses the residual financial, legal and reputational risks that remain.

(iii) Equalities

We will ensure that all actions undertaken through the SAMP support the Council's Equality Policy. In the delivery of projects we will ensure that Equality Impact Assessments are carried out.

(iv) Energy Performance Certificates

From April 2018, proposed legislative changes would make it unlawful to let residential or commercial properties with an Energy Performance Certificate (EPC) Rating of F or G (i.e. the lowest 2 grades of energy efficiency). Assets that fail this standard need to be identified now and this information fed into investment decision-making.

3.3 A Strategic Approach to Assets

3.3.1 Asset Information

The Asset Register is limited without useful classifications or categorisation that would assist in the management of the estate. There also other multiple property databases including the terrier and the legal GIS system which presents a risk of duplication. Further, the 'Estateman' computerised property records system is out of date and is not used to its fullest capacity, giving limited functionality in an overall asset management context.

Robust, accurate and up to date information is at the heart of effective decision making on assets. The council will be reviewing its current information management system to determine whether it is fit for purpose to move to a position where we have a system and processes to:

- Maintain a complete and accurate property asset register
- Support the continuous management and maintenance of the property asset base
- Enable the council to satisfy statutory and other reporting and compliance requirements
- Enable the implementation of performance across the asset portfolio
- Enable accuracy and timeliness in property assets reviews, appraisal, decision-making and planning
- Provide a single corporate resource for managing assets

Expenditure is also not identified as property-specific so it is difficult to get a full and accurate picture of the costs of an asset.

3.3.2 Capacity and Functions

(i) Reorganisation of our approach to asset management

Currently the management of assets is split between the Asset Management team and the services that occupy the buildings. The devolution of maintenance and repair budgets means that there is no clear picture as to the true cost of the council's operational estate in revenue terms.

Best practice is that "Corporate Property" should be responsible for all strategic asset strategy and asset planning, engaging with the corporate centre and services and seen as a corporate resource.

The council will therefore be establishing a centralised corporate landlord function to create the capacity and expertise to prioritise resources, manage risks and obtain greater value from the council's estate. This will allow access to better asset and the creation of timely and accurate management information.

This involves development and delivery of the Strategic Asset Management Plan, Corporate Landlord responsibility, strategic budgeting involving capital prioritisation and centralised control of maintenance budgets, procurement strategy and delivery of property services, property standards particularly accommodation space standards, data management particularly systems, maintenance and collection of information, asset challenge and review, professional advice and leadership.

Facilities Management (FM) functions will also be the responsibility of Asset Management. This involves professional advice, determining and specifying FM services, procurement, prioritisation and management of FM budget, managing delivery and performance of FM activities.

Repairs and maintenance budgets and responsibility will be centralised and managed by Asset Management. This includes developing corporate maintenance strategy, specifying corporate maintenance standards, prioritisation of repairs and maintenance activities, managing delivery of repairs and maintenance works and managing performance of repairs and maintenance services. The key is to ensure that land and buildings are maintained to a safe, healthy and operational

standard. Condition surveys are key to investment decisions set against corporate priorities and the Asset Management Plan.

(ii) Backlog Clearance

In recent years systems and capacity within the council's corporate asset management functions have not met demands on the service and this resulted in a backlog of case work and administrative functions that built up over some time. There are similar concerns over capacity in the legal team. This backlog of work relates to:

- Rent reviews
- Valuations
- New leases and licences
- Disposals
- Maintenance and renewal

Required Maintenance (sometimes called back-log maintenance) is the cost of bringing a building from its current state up to a condition that fully meets statutory and regulatory compliance obligations and provides a safe and efficient base for service delivery. Required Maintenance liabilities can only be established by regular costed condition surveys.

Under the CIPFA model, costs are prioritised as 1 (urgent works), 2 (essential works within years 1 and 2) or 3 (desirable works required within years 3 to 5). The total of priority 1 to 3 works for each operational building provides us with a total Required Maintenance figure for the following five years. This prioritised assessment of Required Maintenance should in principle inform both the revenue and capital budget setting process.

The aim is to ensure that the most urgent works are identified, with the greatest priority being given to those elements in the worst condition in the most strategically important buildings. The council faces a huge backlog in Required Maintenance and in a fiscally constrained environment we need to ensure the best use of resources, provide value for money and ensure that funding is properly prioritised.

Building condition is characterised as A (Good) B (Satisfactory) C (Poor) D (Bad).

The strategy should be to opt for B3 (i.e. satisfactory condition / desirable works required within years 3 to 5) as the target status for strategic properties with investment being targeted accordingly. Those non-strategic properties falling within C2 and D2 should be targeted for disposal and minimum interim expenditure.

A comprehensive condition survey will need to be carried out to inform decisions on capital and revenue expenditure on assets, their classification and their disposal.

In principle, properties within these last two condition categories should have only essential work undertaken on them in order to maintain their operational capability, this effectively being critical health and safety works and work that would continue to keep the property 'wind and water tight', until the future of the property has been reviewed. This is to avoid wasted expenditure.

In addition to condition and maintenance data, other factors need to be considered such as location, utilisation, operating costs, fitness for purpose, accessibility, capacity, contribution to current service delivery and the property's ability to support future service delivery.

A building in poor condition may still represent a suitable building to the service department, so a decision made on the basis of either condition or suitability in isolation may not necessarily be correct. It may sometimes be beneficial to undertake a more in-depth condition survey before key estate rationalisation decisions are made.

All service and utility contracts will be reviewed to ensure that they continue to provide value for money.

3.4 Reviewing and rationalising the estate

Much of the estate is redundant and surplus to strategic requirements, and could be radically rationalised to reduce future maintenance, repair and operating costs. The proceeds from the disposal of the sites released as a result could be employed to bring the remaining estate back to an acceptable condition and to invest in properties that produce a beneficial yield. Apart from these capital investment benefits, a rationalised estate would also reduce risk and help deliver revenue budget savings.

In refreshing the asset management register there will be a reclassification of our assets as either operational or investment with unclassified assets automatically being subject to a review for potential disposal. This should eliminate uncertainty about use, ensure adequate compliance with statutory obligations and allocate resource according to the value of its use.

Whilst considering the options for asset acquisition, retention or disposal, consideration will be given to neighbouring parcels of land or property owned or controlled by other public sector bodies (ie KCC, Fire service, Police etc) with a view to maximising the marriage value of the sum of the parts for the benefit of the owning authorities. There can be commercial advantage in assessing the combination of land and property held in public ownership.

(i) Operational Property

In terms of the specific performance of our Operational Properties there are two questions against which we will judge future performance:

“Have we the right property, in the right place, at the right price?” To judge this the following criteria will be used:

- The service needed to be delivered
- The geographic, demographic and social need for the service to be delivered
- Alternative facilities currently provided (or planned) in the locality
- Suitability of current provision
- Usage of current provision
- Costs to the council, in non-property terms
- The need for, benefits and costs of alternative provision

“How efficiently do our buildings run and how well are we managing them?” To judge this we will use the following criteria:

- Current and likely future property running costs
- Maintenance backlog
- Management costs
- Opportunity cost of site

(ii) Investment Property

In terms of the investment properties there are four questions against which we will judge future performance:

“Is holding the property the most appropriate way of using capital and revenue to maximise benefits to the council (and in turn the Community)?”

“Does the property have an appropriate balance between risk, income and potential future capital and/or revenue growth?”

“How does the property perform (benchmark) against other similar property?”

“Are we maximising our income and minimising our expenditure, in terms of good estates management?”

The investment property will be reviewed from these perspectives and decisions made on their future accordingly.

(iii) Disposals and Community Asset Transfers

If the disposal of an asset is desirable the Council will seek to ensure that it obtains the best possible financial consideration reasonably obtainable in respect of the disposal, unless policy considerations require otherwise (that is, in accordance with a decision by the appropriate body, the nonfinancial benefits of a disposal at less than Market Value or Market Rent justify the Council accepting a lower return). Many of the disposals that have been undertaken in respect of the property review have been undertaken to ensure that best value is obtained via the most appropriate method of disposal for the asset including public auction. This is often appropriate for small sites, particularly where there is residential development potential or a perception that this may exist.

The Council considers disposals of property to community groups (“community asset transfers”) if there is, on balance, an advantage to the Council’s policy objectives in doing so and there is a genuine business case from the community group to do so. That is, the Council would need to have confidence in the ability of the community group to sustain both the building and their own operations by which the policy benefit is achieved. The Council will carefully consider the most appropriate type of disposal; this will depend on the nature and experience of each group and all other relevant factors.

A policy for Community Asset Transfer is attached as Appendix 3, with a flowchart that sets out a simplified decision-making process that the council can follow in order to identify and transfer suitable assets.

The council’s disposal process is attached as Appendix 4.

(iv) Acquisition of assets

The Council acquires assets from time to time in pursuit of its objectives. Assets are either purchased to enable the Council to fulfil a duty, or the area could be required in order to fulfil a Council objective or to generate a long term income, or improve services or future opportunities.

Given the costs and risks involved in holding assets, in taking any decision to acquire assets the Council considers whether it is necessary to own the property concerned, or whether some other arrangement would perform the function more appropriately. The scale and nature of consideration is proportionate to the value and scale of the proposed acquisition. Other options include, for example, ‘option’ agreements giving the Council the power to acquire land on fixed terms at a later date, or acquisition of rights less than freehold ownership, such as a lease or license to share occupation. However, these also have risks and costs so each case is considered on its merits.

Where the acquisition of a particular property asset has been identified as required in order to fulfil the Council’s duties or objectives the Council formulates a strategy for acquisition depending on the particular circumstances of the case. This often includes direct negotiations; the Council will generally wish to avoid a contest being established which increases the price paid. Where practicable use of compulsory purchase powers is avoided but these can be used where necessary, including to prevent a ‘ransom’ position developing, whereby one or a small number of

property-owners are able to extract a higher than normal market price because of scheme the Council is undertaking for the general good. All CPO's will be expected to be funded by a third-party through an indemnity agreement.

Where an asset becomes available for purchase that might be of assistance to the fulfilment Council's duties or objectives the opportunities, costs and risks of a purchase are considered. In some cases taking such opportunities can significantly reduce future costs and difficulties in securing needed or beneficial land. However, both the immediate cost of purchase and the subsequent costs of (or income stream from) ownership are also weighed in reaching a decision, as is the risk that the land may not ultimately be required at all.

3.5 Reducing expenditure and increasing income

The MTFP states that the council's planned level of capital expenditure means that significant levels of asset sales are required. The SAMP provides a framework for determining which of the council's assets are suitable for disposal in order to fund new investments that will ensure that its property portfolio is fit for purpose. Over the course of this Medium Term Financial Plan the SAMP will enable the identification of a number of assets that can be disposed of without any detriment to service delivery, and yet improve the overall value for money represented by the Council's assets. The affordability of the Capital Programme has been based on the assumption of a certain level of capital receipts being generated, as these can be subject to change following public consultation and the Capital Programme will therefore continue to be reviewed and monitored.

The council continues to face severe budget pressures and is therefore forced to consider a range of radical options to reduce the cost of maintaining, repairing and operating its property portfolio. This includes adopting a commercial approach and in particular recognising the significant cost of retaining under-performing assets (in the hope of a future use) in terms of insurance, maintenance, security, health and safety and officer time.

The council therefore needs to dispose of those parts of its estate that have become surplus to requirements to generate management and maintenance savings and to achieve capital receipts to invest in its core assets.

The disposal of land and property by a council is a complex matter and must comply with a range of statutory controls and the council's own internal processes and procedures. The overriding general principle is that best consideration must be achieved although this doesn't have to be entirely monetary based, and may contain elements of social, economic and environmental benefit.

4 Governance

The Chief Executive has overall responsibility for all property asset management matters within the council.

The Cabinet Member for Financial Services and Estates is responsible for property management (including asset disposal, acquisition and asset management).

The Head of Asset Management role is responsible for:

- To perform the lead professional role in corporate asset management
- To advise the council on development, management, acquisition and disposal of assets.
- To act as corporate landlord for all the council's assets.
- To examine opportunities for greater revenue generation from land and property assets.
- To ensure day to day management of the asset portfolio.
- To manage the corporate assets team.
- To negotiate leases and other property transactions on behalf of the council.
- To manage a repairs and maintenance programme of the council's assets, informed by condition surveys.

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There is currently no policy or delegated authority for demolition of Council properties and this may also be worth considering in the medium term.

ASSET MANAGEMENT OBJECTIVES

Compliance and risk		Work Strands
	Statutory compliance	<ul style="list-style-type: none"> • Fire safety • Asbestos policy and management plan • Water hygiene plan • Equality Act 2010 access to buildings and services • Energy Performance Certificates • Staff and public safety • Third party management of assets
A strategic approach to assets		
	Management data	<ul style="list-style-type: none"> • Asset Management System • Regular building condition survey regime
	Capacity and functions	<ul style="list-style-type: none"> • Create 'corporate landlord' function • Centralisation of maintenance, repair and operating budgets • Backlog clearance
	Estate Management	<ul style="list-style-type: none"> • Classification of Assets • Maintain & improve condition of retained assets • Review planned maintenance programme
Reviewing and rationalising the estate		
	Asset optimisation	<ul style="list-style-type: none"> • Review non-core assets with a view to disposal, CAT or redevelopment • Identify development opportunities • Core assets up to a CIPFA B2 condition rating • Create disposals and acquisitions policy
	FM	<ul style="list-style-type: none"> • Realignment of contracts • Integration of functions
	Sustainable and efficient	<ul style="list-style-type: none"> • Managing assets in sustainable manner • Energy surveys • Energy generation opportunities
Reducing expenditure and increasing income		
	A better balanced portfolio	<ul style="list-style-type: none"> • Development of underutilised assets • Review retained assets and establish a Community Assets Transfer programme
	Increased income	<ul style="list-style-type: none"> • Rent review of all assets and programme of lease renewals • Review retained assets & challenge income • Proactive income collection and debt recovery • Review fees and charges and utility costs
	Increase capital resource	<ul style="list-style-type: none"> • Dispose of unclassified property

Appendix 1 Asset Management Principles

<p>Co-location and working with Partners</p>	<p>We are committed to improving customers and users experience of the services delivered from its properties by joining up, where possible, with other public and third sector provision. Such provision will also provide greater efficiency from the property.</p> <p>In providing new facilities or changing existing provision, co-location opportunities will be considered and sole use only adopted if it provides a better business solution or timing means co-location is not feasible.</p>
<p>Council Property as a catalyst for promoting inward investment and job creation</p>	<p>We will, where appropriate, bring forward land for housing and regeneration from the property portfolio.</p>
<p>Heritage and Environment</p>	<p>In managing and reviewing its property portfolio the council will be mindful of the historic and/or environmental significance of the relevant properties, protecting their status within their environment where ever possible.</p>
<p>Maintenance and Repair</p>	<p>Where properties are to be retained the council is committed to reducing and eradicating the backlog of maintenance and repair through a well-structured Planned Maintenance programme and repairs programme.</p>
<p>Procurement</p>	<p>We will continue to ensure future procurement is undertaken in accordance with the council’s procurement procedures, maintaining detailed and accurate records of each procurement undertaken.</p>
<p>Property Review</p>	<p>The council will consider its property portfolio comprehensively, gradually reviewing its property holdings.</p>

Appendix 2 Performance Indicators

Performance Indicator (PI)	Link to Objectives	Associated risks	Link to Council Priorities
Capital receipts achieved		Inability for schemes/sites to achieve planning permissions and sales to allow maximum return	Council Plan, MTFS, Capital Strategy,
Revenue income from lettings	<ul style="list-style-type: none"> • Rationalisation of Council Assets • Review retained assets & challenge income • Maintain & improve condition of retained assets 	<p>Lettings not achieved through lack of interest (possibly from poor condition of sites)</p> <p>Letting agreements not completed in a timely manner resulting in months of lost income</p>	Council Plan, MTFS, Capital Strategy
Revenue income (other)	<ul style="list-style-type: none"> • Review retained assets & challenge income 	Staffing resource requirement too high to achieve targeted level of income	Council Plan, MTFS, Capital Strategy
Cost of void periods	<ul style="list-style-type: none"> • Rationalisation of Council Assets • Review retained assets to identify opportunities to transfer assets to community • Maintain & improve condition of retained assets 	<p>Insufficient level of take up in lettings for rental assets</p> <p>Inability to dispose of sites no longer able to support revenue income</p>	Council Plan, MTFS, Capital Strategy
Water usage	<ul style="list-style-type: none"> • Managing assets in sustainable manner • Maintain & improve condition of retained assets • Rationalisation of Council assets 	Inability to reduce water usage due to age/condition of site and prohibitive costs to undertake alterations	Council Plan, MTFS, Capital Strategy,
Energy usage	<ul style="list-style-type: none"> • Managing assets in sustainable manner • Maintain & improve condition of retained assets • Rationalisation of Council assets 	Inability to reduce energy usage due to age/condition of site and prohibitive costs to undertake alterations	Council Plan, MTFS, Capital Strategy,
Maintenance expenditure		Ability to gain/retain level of maintenance budget required to protect and improve the condition of assets to the required standard to maximise income, efficient running etc.	MTFS, Capital Strategy, Climate Change Strategy

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