# Appendix 1

# Strategic Property Review

JULY 2021

Vale of White Horse District Council

# Strategic Property Review

## EXECUTIVE SUMMARY

The following text details the steps undertaken in order to provide a Strategic Property Review (SPR) of the Vale of White Horse District Council's ('the council') assets. The methodology is discussed and a summary of the collated information explained. After considering these aspects, the assets are considered via a rigorous asset challenge process and a recommendation for the future plans for each site detailed. It must be stressed that the recommendations are those of the Property department and based upon financial findings and on Property principles.

As a result it is proposed that an Asset Management Group (AMG) with member participation is set up to check and challenge Property findings to ensure they meet the council's priorities.

The main outcomes of the review are detailed below:

- Set up the AMG.
- Ongoing legal asset title reviews and reports.
- A quarterly review group to review and challenge disposal decisions together with the Capital Project Register, in line with Corporate Plan.
- Enter into engagement with town/parish councils.
- Commence work on disposals.

### Summary/Portfolio Overview

Following the review of the council's portfolio, the results can be summarised thus:

| | |
|---|---|
| Total number of sites | 340 |
| Total area (land) | 3,496,156 sq m |
| Total area (buildings) | 31,681 sq m |
| Total number of sites – retain | 132 |
| Total number of sites – dispose | 157 |
| Total number of sites – potential housing | 92 |
| Environmental considerations | 93 |
| Total income | £1,366 166 |
| Total expenditure | -£953,123. |

# CORPORATE POLICY

The Corporate Plan was published on 30 October 2020. This document sets out the council's six strategic themes and for each theme are a set of key aims for meeting these priorities for our communities in the district

Corporate plan priority themes:

- Providing the homes people need
- Tackling the Climate Emergency
- Building healthy communities
- Building stable finances
- Working in partnership
- Working in an open and inclusive way

Our aim is to manage and maintain our land and building assets effectively, efficiently and sustainably. The evaluation process for each asset during the SPR considered how the council's assets could help support and deliver these strategic aims.

Further details on how the SPR will look to support and deliver the strategic themes are included in the 'Other Considerations' section of this document.

# INTRODUCTION

Government departments and public sector bodies are currently under unprecedented financial pressures to reduce operating costs, raise cash and improve the efficiency of service delivery.

The council is no different. In common with local authorities across the UK which hold significant property portfolios acquired, gifted or inherited over many years, the council owns or operates over 340 land and building assets.

Accordingly, a key element of fulfilling the financial improvement objectives of the council involves consideration, at a strategic level, of how it uses its land and buildings. A strategic approach to property asset management will result in positive benefits of cost-effective and productivity-enhancing accommodation, the coordinated management of all other operational resources and maximising investment income.

To support this, and in order to make informed decisions on the portfolio, the council has undertaken a SPR in order to:

- Provide an overview of the council's land and property estate, thereby providing an improved understanding of the council's property asset base.
- Establish priorities for the ongoing management and development of the council's estate as a corporate resource for the residents of the district.
- Ensure the council's estate fully supports the council's corporate plans by providing the right property in the right location to meet service needs.

- Provide a framework for rationalisation and disposals of the council's land and buildings where appropriate.
- Secure efficiencies by considering the promotion of joint working.
- Promote land use for stimulating development and growth.
- Better enhance income and reduce costs.
- Better understand the costs of managing and owning the council's estate.
- Identify and reduce risk.

Our ambition is for the council to be amongst the leading public sector organisations for development, property and asset management with a proactive approach to deriving the best from our asset base and service delivery. This can be done by ensuring it makes the best use of its land and property assets to generate significant cost savings and revenue in order to protect the councils' front-line services, in addition to capital receipts which can be realised from the disposal of surplus stock.

The aim is for this SPR to be the beginning of a rolling programme with all assets within the portfolio to be reviewed and challenged on a regular and frequent basis.

## THE COUNCIL'S LAND & BUILDING ASSETS

The council owns a substantial and varied property portfolio located within the district, which extends to over 340 separately listed land and building assets. The council's Corporate Estate holds 340 assets with a value of £47.8 million (as at 31 March 2020), including the investment portfolio for the council holds 9 assets with a freehold value of £9.0 million, generating a rental income in excess of £530,000 per annum.

These are the monetary amounts included within the council's accounts and, whilst this is not necessarily the exact amount that the council would receive if it sold all of its assets, demonstrates what a considerable resource our land and buildings are, and why they need to be carefully managed. A further consideration to be borne in mind is that the book values do not necessarily correlate to the market value of said assets, as some are valued on a depreciated replacement cost basis. Others may not include any element of 'hope value'. Marketing is the only true test of value and independent valuations can be carried out at the time of sale to verify that best value is being achieved.

There is a wide range of assets within the council's current portfolio which comprises industrial, retail, community centres, car parks, depots, public conveniences, leisure facilities, assets leased to community organisations and some assets used to generate a commercial income. Some of the assets may also have development potential. The council's land and buildings vary in size from small pieces of amenity land, roads, car parks, WCs, and parks to the larger investment generating assets mentioned above. Some assets were gifted to the council as legacies from donations whilst others were transferred through local government reorganisation or previous acquisitions. Historically, a number of such assets were to be transferred to town/parish councils, but such transfers were never completed.

Without careful management and ongoing review, there is potential to waste money by retaining buildings that are not fit for use or are unnecessary/surplus to requirements. Furthermore, on-going routine maintenance expenditure should prevent greater expenditure as building fabric and plant and equipment should benefit from extended life. Equally, all assets have a value and if they are no longer required, the council could consider selling them to unlock that value and use or invest the money elsewhere.

The council assets are used to deliver a mixture of front-line services, indirect service provision and in supporting local communities. It is imperative that the council's land and property assets support the Corporate Plan, either financially or for service delivery reasons.

As the way the council delivers services changes, its assets need to adapt to support the council as it moves forward. The council should look to continue to invest in its assets – as well as potentially investing in new assets - where required, to ensure the council provides services that are fit for the future, to maximise benefit to the people and businesses in the district and meet the council's objectives.

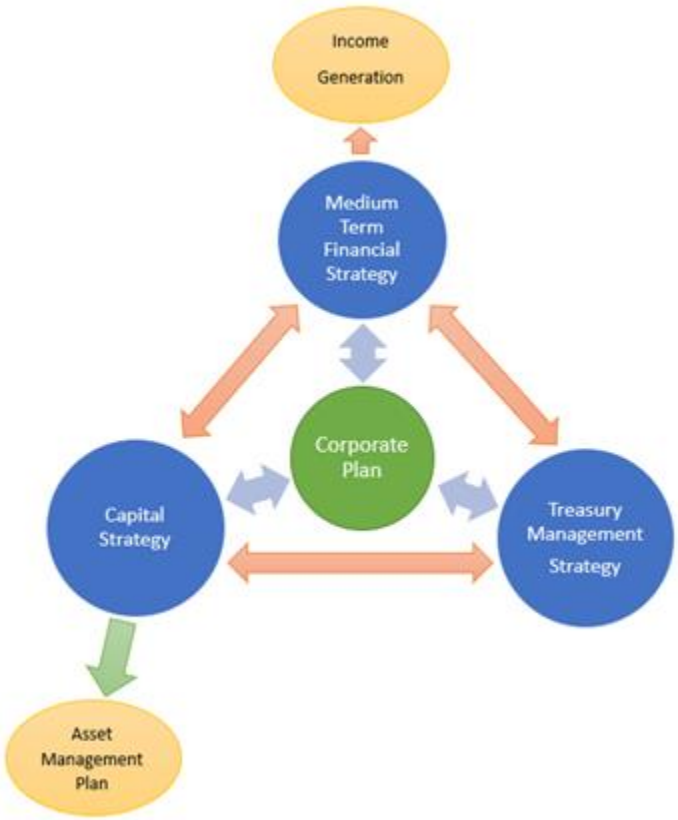
In support of maximising value for money, in relation to the maintenance and day-to-day running of the buildings, processes will ensure that capital works are prioritised appropriately and planned and preventative maintenance (PPM) programmes are in place, based on evidence from building condition surveys, and are in alignment with operational priorities of those services in occupation.

Additionally, the reasons for holding these assets will vary and, as a result, the council will need to measure its individual asset performance in different ways. Performance of each asset must therefore be linked to the strategic purpose for holding it. An on-going 'Asset Challenge' process is intended to be introduced in order to review each asset on a rolling programme before financial decisions are made regarding their continued use, in order to ensure that only those buildings providing best value are retained in the future. This process explores the utilisation of assets, along with analysis of running and maintenance costs, and geographical location.

The outcome of this process will identify asset rationalisation and disposal opportunities to support the council's Medium Term Financial Plan. The governance structure provides further assurance that money is spent in the right places and on the right buildings.

As part of the planning process and negotiations on major developments the council takes a positive approach to securing land and buildings through S106 agreements, such as public open space and community buildings with appropriate commuted sums. Where the council is successful in this approach with developers this can enable the council to manage its assets in line with SPR. In addition this will allow the council to work with the community when they want to take on these assets.

DIAGRAM 1 – VALE OF WHITE HORSE DISTRICT COUNCIL'S MEDIUM TERM FINANCIAL PLAN




# METHODOLOGY

An initial review of each individual asset has been conducted in order to consolidate the known information held for each property, as well as to identify gaps in historical knowledge/documentation from a property asset perspective. This has been produced in table form using an Excel spreadsheet (Appendix 3), with the details of individual property assets listed against individual town/villages in the council's district.

The information analysed, produced and verified within the spreadsheets is wide-ranging and extensive and includes basic property information (such as the asset ID and address of each council-owned property asset, together with its tenure – typically whether it is held on a freehold or leasehold basis – and use).

Verification of each asset has been conducted, including checking occupational agreements, what legal documentation is held/stored on Concerto (the council's property management database) and whether the council's mapping system accurately reflects the extent of ownership of council land.

Summaries of the level of compliance and status of condition surveys for council-owned buildings has also been recorded.

The information from this review has then been used to assist with the provision of a high-level, initial strategy for each property in terms of whether a first consideration should be to continue to hold an asset, to refurbish it, to repurpose it or to dispose of it. This work is ongoing and will be subject to further AMG consideration where appropriate.

Useful summaries of each property asset have then been produced to capture the majority of essential property-related information which led originally to the formulation of the initial individual property strategy recommendations.

These individual Property information sheets are attached within Appendix 2.

### Concerto

As part of the SPR, the council is reviewing the data held on the property management database, Concerto. The use of this data will also be reviewed. It is anticipated that the use of the system will be enhanced in order to maximise its value to the council both to assist the Property team in day to day duties, inform on strategic decisions, and provide a useful reporting tool.

## ASSETS

There are a number of asset types that require particular mention in this review summary section and we comment on these as follows:

### Car Parks

The council operates a number of car parks (most of which are Pay and Display) across the district and we have approached the initial review of these on the assumption that the council is committed to the retention of their car parks in town and village centres as a vital benefit to the local economy. We have therefore committed the outcome for each car park to be a 'Retain' strategy, although would add that further work investigating the income receivable for each car park against the cost of running it (in terms of management, maintenance, insurance/business rates etc.) would be beneficial. As part of this exercise, we recommend that utilisation rates are also investigated in order that options for value creation and redevelopment of underutilised car parks may be considered.

### Public Toilets

The council provides public toilets at a number of locations across the district, mostly located in the main town centre car parks. Although the council does not have any statutory obligation to provide public toilet facilities, it is recognised that they can provide an important facility to visitors from longer distance coming into an area where there is no other provision immediately available. As with car parks, for the purpose of our initial review we have assumed that a 'Retain' strategy will be implemented in the first instance.

However, further additional consideration should be given if there is more than one public facility in a town centre, where consolidation might create a value adding

opportunity and thereby save on operational costs. We will also investigate the prospect of transferring these assets to the local town or parish council in order that they may assume responsibility for ongoing provision (although it should be recognised that payment of a consideration to the relevant town or parish council for essentially taking on the liability of the public toilet facility may be required).

## Leisure Centres

The council provides a number of leisure centre and swimming pool facilities across the district, albeit 3rd party management agreements are in place for all of these. In the absence of the Active Leisure Strategy, we have assumed that these properties are adopted as 'Retained' properties for the present time. Once the strategy has been completed the report will be updated.

## Properties with potential strategic importance

Separate to the SPR, there are three properties which are currently undergoing a separate consolidated review by an external agent. These consist of the significant properties in Abingdon (Abbey House, The Charter and Upper Reaches). For the purpose of the SPR and pending receipt of the separate review for these properties, we have placed a 'Retain – Opportunity' allocation to these properties. There will be a separate report, which will be presented by September and thereafter, formally adopted into the SPR.

## Investment Properties

In addition, the council owns a number of income-producing properties as part of an investment portfolio within its wider property portfolio.

The investment portfolio of the council is relatively well-balanced with a mix of office and retail sector properties. It should be noted that other income producing properties are held by the council, although these are not considered typical investment assets as they are held in line with the council's aims of service provision aligned to its Corporate Plan (for example, the provision of town centre car parking for the benefit of the community and local economy and the ownership of several mobile homes sites which assists with residential provision). The council currently holds nine 'conventional' investment properties, producing a combined income of £530,000 pa (this includes the long leasehold Bury Street Precinct asset in Abingdon).

## Community centres, scout huts and community buildings

In Vale of White Horse, the tenancy of some of these properties has been converted from short leases at modest rents to long leases (typically 99 years) at peppercorn rents. This puts responsibility and control for the premises very largely with the community organisation who are then able to fully invest in managing and improving the buildings for the benefit of the community they serve. This saves time in managing leases and billing small rents, although the Property team still has to deal with tenant applications. The council retains some strategic control as to use and

approving new occupiers in the event that the original tenants wish to assign the lease.

The Localism Act 2011 gives communities the freedom to run their own affairs in their own way by enacting a series of specific rights that can be exercised on the initiative of local people. Specifically, 'community right to bid' gives the power to bid to potentially save assets of community value threatened with closure, by allowing communities to bid for ownership and management of them.

The council should review leases to community groups as and when they are due for renewal, or earlier if requested by the occupational body, and should respond positively in granting community associations long (more than 25 years) full repairing and insuring (FRI) leases or asset transfers where there is no realistic prospect of the building being redeveloped in the medium to long term and the body is capable of ensuring the future of the asset.

At present, the Review recommends that The Beacon be retained, as part of the wider site which includes the Portway Car Park. Should the council reconsider its strategy with regard to The Beacon, this asset will be reviewed.

### Electricity sub-stations

The council's portfolio has a large number of these and although the scope to maximise revenue/capital receipts from them is limited, there is a potential opportunity to generate a higher level of income than is currently being achieved in line with other sub-station rents being achieved elsewhere in the UK.

### Mobile Home Parks

The council owns the Pebble Hill and Woodland Park sites in Radley with over 216 homes and receives an income from the rental of the plots, generating approx. £300,000 pa currently. In addition, the council receives 10% of the value of any sales of homes from these parks. The parks are managed by a mobile home parks officer who works across three sites in both Vale and South districts.

For the time being, these properties deliver a source of income and we have therefore allocated an initial 'Retain' strategy against the mobile home park assets for that purpose.

## REVIEWING EACH ASSET/MEASURING PERFORMANCE

To manage the council Assets effectively and efficiently, the council needs to know how they are performing. To do this, it is proposed that the council uses a selection of Performance Dashboards, covering performance in utilisation, cost and, where appropriate, income and total return metrics. As a review of the council's property asset portfolios has not been undertaken for a number of years and without alignment to the council's Corporate Plan, this SPR was, by its very nature, started almost 'from scratch'.

However, the council's ability to develop greater intelligence relating to its land and buildings will be enhanced through the life of the strategy, with ongoing reviews as to how the council manages and reports on asset performance.

It is intended that Performance Dashboards will be designed and utilised. Such criteria will feed into the Asset Challenge process over time.

## ASSET CHALLENGE PROCESS

Asset Challenge is proposed to be an embedded process, which means that the council will be reviewing all of its asset portfolio on a continuous rolling programme. This ensures that only those assets that are needed are retained. The ultimate aims of Asset Challenge are to reduce costs, to identify assets that should be retained for use and/or invested in and to identify those that are surplus to requirements and therefore can be disposed of.

To do this, each asset is assessed using a step-by-step challenge process, ensuring that every asset has been fundamentally tested against a common set of criteria. The outline challenge process is set out in the table below:

TABLE: OUTLINE CHALLENGE PROCESS

| Strategic purpose | Opportunities and risks | Performance Appraisal | Option Appraisal | Outcome |
|---|---|---|---|---|
| • Why do we have the asset?<br>• What is its strategic purpose?<br>• Who is accountable for performance of it?<br>• What do we expect of it?<br>• Is this financial, non-financial or both?<br>• How would we know when this is being achieved? | • Are there any opportunities that could be exploited?<br>• Are there any known barriers to exploiting these opportunities?<br>• Are there any risks that could be faced? | • What financial and non-financial outcomes have been delivered?<br>• Can non-financial benefits be quantified, or are they qualitative?<br>• What are the management costs?<br>• Are there any invisible costs? | • Balance of performance, opportunities and risks<br>• What options are available?<br>• What are the relative costs and benefits of these options?<br>• Do any options carry increased risks? | • Retained<br>• Replaced / Remodelled / Re-used<br>• Disposed (Open Market or Asset Transfer) |

It is essential that a balanced approach to the Asset Challenge phase of the SPR is adopted, in order to ensure that the council invests in the assets it needs/intends to retain and devises a strategy to dispose of the assets it no longer requires. This will be addressed through the creation of the AMG, which is discussed later in the paper.

## Income

The Property team is aggressively pursuing outstanding rent reviews, licence fee reviews and lease renewals in order to maximise the income from the portfolio. By completing this work, the council will not only benefit from increased revenue, but will ensure that disposal receipts are maximised.

## Expenditure

The Property team is working with other service departments to ensure that the council fully identifies and captures expenditure on all its assets. This will enable the council, where appropriate, to recover all expenditure which can be recovered. Furthermore, a complete understanding of expenditure incurred for each asset is a critical part of the decision-making criteria.

## Maintenance Costs

As part of the rolling SPR, Stock Condition Surveys of the council's built assets have been undertaken. As surveys are completed, the results will be fed into the Asset Challenge process to identify the anticipated future costs for building fabric and M&E (Mechanical and Electrical) maintenance. This, in turn, will provide key anticipated future expenditure which will further assist in determining the appropriate strategy for each asset.

In addition, the Stock Condition Survey programme will assist with achieving the following aims:

- To ensure council buildings are safe and provide a suitable environment to deliver services, support the customer/service users/district residents and council staff.
- To allocate funding to projects that will achieve the maximum positive impact.
- To ensure that effective PPM is in place and achieve an efficient balance between planned and reactive maintenance work.
- To achieve maximum efficiencies in the way the council procures building maintenance work.
- To ensure that tenants comply with their lease obligations to minimise costs required when assets are relet. This will not replace the need for Schedules of Dilapidations to be prepared and served upon lease expiry.

Priorities for building/repair/refurbishment projects will be identified by conducting this rolling programme of condition surveys which aims to understand maintenance requirements over a period of 15 years. The lifecycle costs will identify maintenance works required within years 1–3, 3–7, 7-10 and 10 to 15 years. Specialist plant and equipment hasn't been reviewed and total lifecycle condition costs will be completed for specific assets in due course.

# CAPITAL PROJECTS

It is also clear that, in order to facilitate building fabric repair and improvement projects, a review is necessary to ascertain what S106 and Community Infrastructure

Levy (CIL) monies might be available to meet the short, medium and long term costings associated with the council's assets.

It will be appropriate in some circumstances to work with local town and parish councils – possibly through the creation of sub-groups – and with Community Groups as an outcome arising from the SPR.

## SUMMARY OF REVIEW TO DATE

To date, a high-level initial review of each individual asset has been conducted in order to consolidate the known information held for each property. This has been produced in table form using an Excel spreadsheet (Appendix 3), broken down into individual property assets per town/village in the council's district. The information produced for each property comprises the following:

- **Asset ID** – The unique council Asset ID reference relating to each specific property.
- **Site Name/Address –** detailing what the asset is known as and its address details.
- **Tenure –** whether the council owns the freehold or holds a leasehold interest.
- **Category –** whether the asset is operational (i.e. occupied or utilised by the council as part of its service provision to residents of the district) or non-operational (typically held for other purposes such as investment assets, amenity land, highways etc.).
- **Site Area –** expressed in metres squared, this gives the approximate gross site area of each asset.
- **Occupational Agreements –** confirmation of whether these are complete/up to date.
- **Landlord Compliance –** confirmation, where required, that the council has fulfilled its obligations in terms of ongoing Health and Safety compliance. Compliant for each of the properties indicates that statutory services have been undertaken within the frequency and date required. This does not include remedial works arising from service visits, which will be subsequently undertaken, fire door condition, or where tenants are responsible for statutory compliance.
- **Tenant Compliance –** confirmation, where required, that checks are in place to verify that tenants of the council have fulfilled their obligations in terms of ongoing Health and Safety compliance.
- **Property/Legal Documents –** confirmation that appropriate Property and Legal documentation has been retrieved and saved on Concerto, the Property department's property management system.
- **Health & Safety –** whether (and when) Health & Safety Risk Assessments have been carried out, and whether (and when) a recent Health & Safety property inspection has been carried out. This is separate from landlord/tenant compliance and relates to non-tenanted land.
- **Condition Survey –** whether a stock condition survey has been completed.

- **GIS Review –** whether the Geographic Information System mapping accurately reflects the extent of council property ownership for individual sites.
- **Deeds Packet –** whether a review of the information held in the Deeds Packet for each asset has been carried out.
- **Concerto/Unit 4 checks –** to ensure that each Asset ID is correctly logged on the Concerto and Unit 4 property management and finance IT systems.
- **Income –** the total income received at each asset in financial year ending March 2020.
- **Expenditure –** this compromises business rates, insurance, maintenance, utilities, and other items for financial year ending March 2020. Staffing costs have not been included as they are not currently recorded against each asset. This is being reviewed and a project undertaken in order to record these costs in the future.
- **Strategic Review Outcome –** the initial, desktop-based review to ascertain what strategy should be adopted for the property in the immediate future (i.e. retain or dispose). This is subject to a more detailed analysis and review prior to a final recommendation being made.
- **Housing Opportunity –** an initial, desktop-based review to ascertain whether the site might have potential for housing development.
- **Recommended Action/Strategic Next Steps –** confirmation of what further work is required in terms of furthering property strategy
- **Climate Change Measures –** These are the sites that have been identified as surplus land that could be utilised to meet climate a range of measured including tiny forests, building enhancements and ecological measures

*Note some sites could be identified as dispose and also identified as potential sites for climate change measures, for example we could create a wildflower meadow and potentially transfer to a town or parish council.*

Individual property asset review summary sheets are included at Appendix 2.

## COUNCIL FUNDING

Vale of White Horse District Council, like so many other councils, has experienced significant funding reductions and therefore needs to make careful choices when prioritising the money it spends.

This is especially true in relation to property, with a property-related gross revenue budget of £1,743,109 (2020/21), and the council needs to ensure that every pound spent is done so in the right way.  There is a capital budget for Corporate buildings maintenance of £100,000 (2020/2021, only).

The council has challenges relating to the age, condition and suitability of its portfolio.

Despite these financial challenges, the council is committed to supporting the economic growth of the county of Oxfordshire and encouraging job creation and investment in the district. New building development plays an important part in this

and it is important to note that the council's capital investment attracts further inward investment. This helps the local economy to grow and thrive so that every pound invested by the authority generates a local economic benefit well in excess of this initial investment.

As a result of this SPR, the Property team will consider requesting a capital project budget as part of the 2022/2023 budget setting. This budget could be supplemented by CIL funding where appropriate and in line with the CIL spending strategy to improve/develop the council's assets to increase revenue, for example, developing residential units or renovating existing assets.

# OTHER CONSIDERATIONS

## Working with Others

As part of the SPR, the council will seek to be active members of the One Public Estate programme, working closely with other public sector organisations across the district and wider County to explore opportunities to reduce premises costs and make assets work better for the council's communities and customers.

There may also be the opportunity to work with a wide range of the district's anchor employers and key stakeholders, to explore opportunities for shared services and how our assets may be able to support this.

The council will continue to explore opportunities for partnership working with both public and private sector bodies and agencies to ensure successful ongoing review of our land and building assets and the SPR will serve as a rolling reminder for careful consideration of these opportunities to be constantly examined and, where appropriate, pursued.

## Community Engagement

Part of the delivery of the localism agenda is that, wherever practical, buildings or land used to support community uses should be considered for transfer to the local Community, Parish or Town council governance to enable local control and determination.

Local people are often best placed to manage community facilities in their area. They already make extensive use of these assets and their local knowledge and hands-on management often results in lower overheads and better value-for-money. Community organisations also use volunteers and take great pride in their local area. Managing these facilities can help to empower local communities and can bring opportunities for greater independence and financial sustainability.

The council is fully committed to using its assets to form long-term partnerships with suitable community organisations, to create stronger, more cohesive and more sustainable communities and the SPR will help the council identify such opportunities and provides a framework, in tandem with the council's Disposals Policy, for achieving this.

## Housing

The cost of buying or renting a home is expensive and infrastructure (in terms of roads, schools and GP practices) in the district has not always kept up with the pace of housing development. Modern housing developments do not always meet the prospect of a low carbon future.

Accordingly, the council's Corporate Plan seeks to ensure that new housing/infrastructure provision in the district meets local needs, is sustainable/meets zero carbon in their build and is affordable.

The SPR supports the council's Corporate Plan by identifying potential development sites for affordable housing that meets local needs. The disposal of larger surplus sites for potential residential development identified as a result of the SPR will also assist with meeting the council's aim, as well as bringing in capital receipts (either directly or indirectly) to fund this and other council policies/objectives.

## Environmental

The council's Corporate Plan 2020-2024 set out what the council hopes to achieve over the next 4 years. One of the key themes within the Corporate Plan is the challenge of Tackling the Climate Emergency, by transforming council operations and inspiring the district residents and businesses to do the same. The council's leadership, by developing and implementing a climate change program to make the council net carbon neutral by 2030, can be supported by seeking to improve the environmental credentials of the council's built estate, although existing lease terms and market norms may limit what action the council can take.

During the course of the SPR, consideration will be given to properties having low Energy Performance Certificate ratings in order that energy efficiency improvements can be made through housekeeping, behavioural change and investment in the corporate estate. Wider consideration will also be given to enhancing sustainability in the council's new developments and refit/refurbishment projects. On the investment portfolio, the council can also engage in a timely way with its tenants when they are planning works and seek to ensure that energy efficiency of buildings is improved where possible.

In addition, by identifying and putting in place a strategy for each individual property asset through the SPR, alignment with council initiatives such as Tiny Forests and community-led projects such as the planting of native woodland/wildflower meadows, will also support the council in meeting its aims to combat the Climate Emergency whilst improving local environments.

In summary, property assets will continue to be reviewed to consider the climate change and environmental implications and to support delivery of the council's Climate Emergency ambitions.

## Legal

Ongoing due diligence work is required to the council's estate management system (Concerto) which will likely require Legal input for the 'review, check and challenge' phase for ensuring the legal documentation held is up to date and accurate.

The implementation of the SPR outcomes is likely to lead to an increase in workload for the legal team.

## Finance

One of the main drivers for the SPR is to make financial efficiencies through the effective management of our land and property assets, ensuring they provide the right space in the right place and on the best terms. This will lead to a reduction in the costs associated with running the portfolio and will also align a planned future maintenance programme for the estate within financial budgets.

Part of the review has identified the need for reconciliation of differences between the asset database and the accounting function held for fixed asset accounting purposes (meaning that assets will be 'synchronised' on both Concerto and Unit 4 – the council's respective property management and finance IT systems).

## Capital Expenditure Register

All identified capital expenditure will now be incorporated into a planned Capital Expenditure Register (CER). These projects will include replacement of large items, potential refurbishment/redevelopment, and development. In order to drive these projects a register will be created with proposed cost and timescales. This register will be used to prioritise projects and rank against corporate plan priorities and apply for external funding from CIL or alternative sources. An example of a CER is shown below.

# GOVERNANCE

## New Land & Property Asset Disposal Policy

In order to effectively and efficiently implement the SPR, it has been necessary to draft supporting policies and strategies which the council will need to consider for adoption.

### Disposal Policy

As part of the SPR work conducted to date, it was identified that the council does not have a Disposal Policy to outline the process that is to be followed in the event that a council-owned asset is ear-marked for disposal.

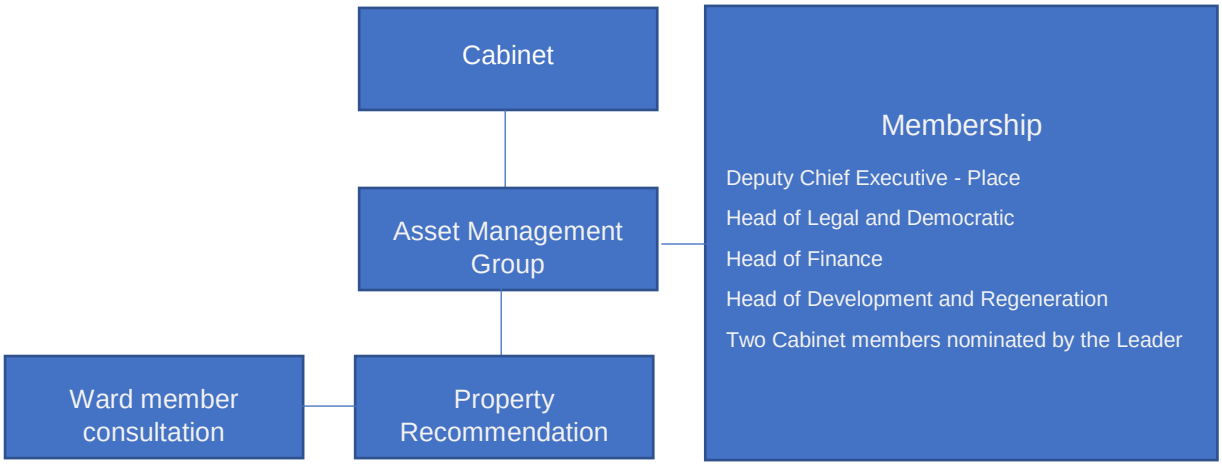
It is essential for the council to have a coherent policy for disposing of assets that are declared surplus as an outcome from the SPR and it is recommended, as part of the SPR, that the Disposal Policy is adopted.

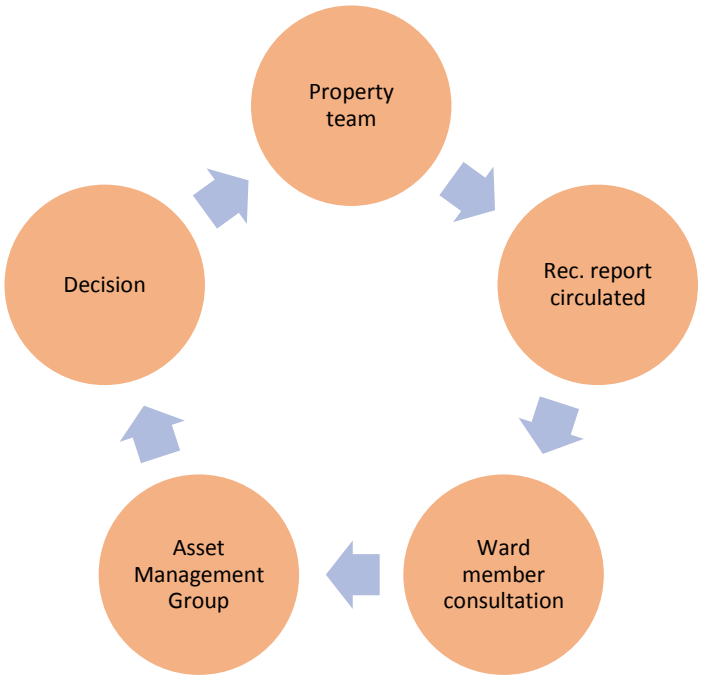
# Next Steps

It has been identified by the SPR that the setting up of an internal AMG is essential to help progress and support delivery of the recommendations made in the SPR itself. Whilst certain recommendations from Property would be financially based as aforementioned, there are a number of reasons assets are held in order to ensure all services are provided, and such reasons would be an important factor in any decision.

## ASSET MANAGEMENT GROUP

In order to ensure that all Corporate Plan priorities are represented and that when a site presents more than one option, that those options are debated, an AMG is to be established. This AMG will be an advisory group (not decision making) and should meet on a regular basis to review the Property teams' recommendations. The AMG would be comprised of the Deputy Chief Executive Place, Head of Legal and Democratic Services, Head of Finance, Head of Development and Regeneration, and two Cabinet Members to be nominated by the Leader. Other Heads of Service would be invited should the assets being discussed directly impact their service.

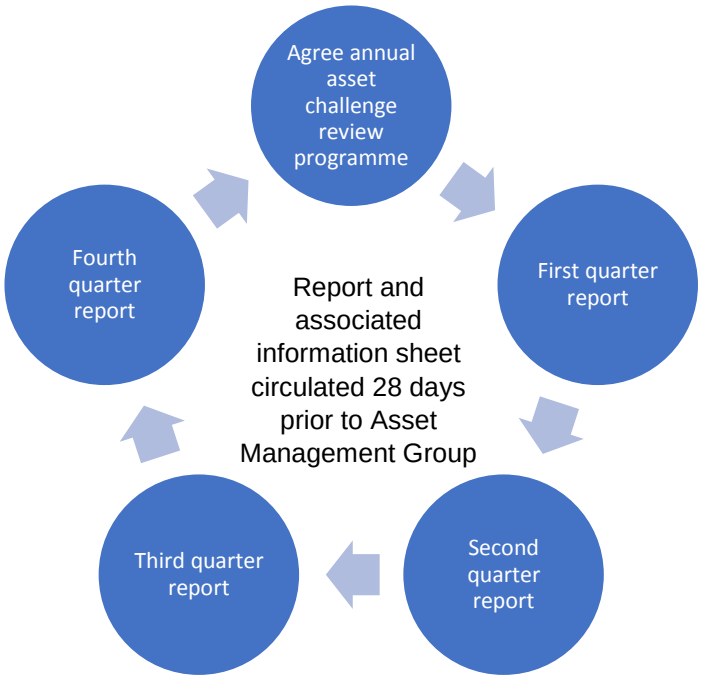





These recommendations would then be agreed by way of the appropriate formal decision, in accordance with the terms of the council's constitution, depending on the value of the asset concerned and passed to the Property team for implementation under business as usual. If a recommendation is not agreed, a forward plan or business case will be requested from the relevant service manager in advance of the next meeting.

Prior to the meeting taking place the recommendations for all potential disposals would be circulated to the group, ward members would be consulted, and the AMG would meet to agree whether the Property teams' recommendations are supported by the AMG and put forward for formal decision. If recommendations are not agreed, a future plan for the site will be completed and presented to the Property team to action as business as usual.

The AMG meeting would be held on a quarterly basis. A written report will be issued 28 days before the meeting with information sheets on the assets to be discussed and an appropriate consultation undertaken with the relevant ward member. The first of these meetings is planned for October 2021 and be repeated on a quarterly basis as the SPR is updated.




Progression with the strategies identified for each individual property asset will also be significantly assisted by the ratification/adoption of the Land and property disposal policy.

Finally, there is a distinct need for an ongoing review of the property assets held by the council and the SPR should be seen purely as the beginning of the process. It is intended that six monthly updates are given to Cabinet and relevant ward members on the implementation of the key recommendations made within the SPR together with a 12 monthly formal review report.

## Concerto

A separate review is being undertaken of the property asset management system. At the time of creating this report all findings have been manually input into a spreadsheet but there is a separate project commencing through which the Concerto database system will be updated and the data contained therewithin will be made available in support of the review.