

# **ASSET MANAGEMENT PLAN**

**2016/17 to 2020/21**

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## **1. Introduction to the Asset Management Plan**

- 1.1 The Council, at its meeting on 30<sup>th</sup> March 2015, received an update on the development of its Asset Management Plan (AMP) which had been subject to an external review by the Chartered Institute of Public Finance and Accountancy (CIPFA). During the course of the past year, the CIPFA report has been finalised and officers, in consultation with the Cabinet Member for Finance, have responded to it by developing this AMP.
- 1.2 The Council owns a diverse range of land and property assets. The AMP sets out the Council's approach to the management of its asset portfolio over the next 5 year period (2016/17 – 2020/21). It outlines how it will use these assets to deliver services to the public, outcomes for the community and support the objectives in the corporate plan.
- 1.3 The AMP outlines the strategic aims and objectives for the portfolio, the intended actions to achieve the objectives and how performance is to be measured, and how, through selective investment, will aim to grow the portfolio to support operational aims and objectives.
- 1.4 The Council's strategic commissioning approach to public service delivery impacts on management of the property portfolio. The result of creating alternative delivery models is that the Council needs to work in partnership with organisations such as Ubico and the Cheltenham Trust in managing its assets as in many other aspects of its work.
- 1.5 The quality, condition, suitability and sustainability of the Council's operational assets have a direct bearing on the quality and deliverability of front line services. It is therefore important that these assets are fit for purpose, safe to work in and visit and managed in a proactive and efficient way in response to the changing requirements of our customers, staff and legislation. The AMP outlines the approach to planned maintenance and investment in the property portfolio.

## **2. The Medium Term Financial Strategy**

- 2.1 The Council is facing a challenging financial outlook as a result of the reducing government grant support and a shift towards rewarding councils for business and housing growth. The Medium Term Financial Strategy (MTFS) projects the Council's financial position over the period 2016/17 to 2019/20 currently estimates a funding gap of £4m. This, if the current budget strategy work streams are delivered, leaves an unresolved budget gap of £233k. However, much of the strategy for bridging the gap is built on target for growth.
- 2.2 In developing the AMP, the Council is seeking to improve the links to the MTFS. A key driver in developing the AMP is to ensure that the Council's assets make a positive contribution to the MTFS. Accordingly, various work streams are aimed at either reducing the cost of or increasing income from the asset portfolio.

## **3. Other Current Challenges**

- 3.1 There are a number of global, national and local challenges which influence the development of the AMP.
- 3.2 There is the need to improve the infrastructure and built environment, which has in some areas, become outdated, tired and worn, where investment would enhance council services and boost the local economy.
- 3.3 Technology continues to rapidly evolve, profoundly affecting many parts of our lives, especially the changing way we and our customers communicate access and transfer information. Investment in

technology will enable us to provide some services more efficiently and effectively, facilitate flexible working, support commissioning thereby deliver operational cost savings.

- 3.4 Energy is an increasingly scarce commodity and will become ever more expensive. This is linked to the wider concerns regarding climate change, to which our buildings are major contributors. There is an ongoing need to mitigate and adapt to climate change through careful investment aimed at reducing energy consumption.
- 3.5 Changing customer demand needs to be borne in mind in the AMP as the public's expectations of the quality and delivery of services evolve and demographic change resulting from an ageing and growing population drives up the overall demand for services.

#### **4. The Corporate Business Plan**

- 4.1 This important strategic document sets out the Council's key aims and objectives. The plan for 2016/17, to be approved by Council on 4<sup>th</sup> April 2016, identifies the following council wide objectives:
  - Environmental quality and heritage are protected, maintained and enhanced
  - Sustain and grow economic and cultural vitality
  - People live in strong, safe and healthy communities
  - Transform our Council so it can continue to enable delivery of our outcomes for Cheltenham and its residents.
- 4.2 The primary aim of the AMP is to align asset management with the delivery of the objectives in the corporate strategy.
- 4.3 The AMP needs to be considered in the context of other key documents, strategies and work streams, namely:
  - Capital Programme
  - Cheltenham's Sustainable Community Strategy
  - MTFs / Budget Strategy / Shared Services / Vision 2020 programme
  - Cheltenham Development Task Force Business Plan
  - Accommodation Strategy
  - Parking Strategy (in development)
  - ICT infrastructure upgrade strategy

#### **5. Asset Management Policy**

- 5.1 The Council, at its meeting on 30<sup>th</sup> March 2015, approved an updated Asset Management Policy which supported our corporate plan objectives. This is an overarching statement which sets out the overall vision and policy objectives of the Council's property portfolio and is attached at Appendix A.

#### **6. Current Asset Base**

- 6.1 The Council owns land, property, plant and equipment within the following asset categories and valuations as at 31st March 2015, as reported in the Annual Statement of Accounts 2014/15.

|                           | <b>£000</b>    |
|---------------------------|----------------|
| Council dwellings         | 152,295        |
| Other land & buildings    | 122,302        |
| Infrastructure assets     | 11,146         |
| Community assets          | 226            |
| Surplus Assets            | 367            |
| Assets under construction | 484            |
| <b>Total</b>              | <b>286,820</b> |

## 6.2 General Fund Properties

General Fund properties include all those assets which are used to delivery council services supported by the General Fund i.e. government grant and council tax. These include:

**Community Assets** - those that are held for the benefit of the community that the Council intends to hold in perpetuity and has a determinable useful life e.g. Montpellier Gardens, Long Gardens Promenade, Pittville Park, Sandford Park etc.

**Infrastructure Assets** - property which will not be sold, transferred or assigned to another owner and includes properties such as Honeybourne Line, bridges and highway verges.

**Operational** - occupied by the Council to support the delivery and provision of services e.g. Municipal Buildings.

**The Cheltenham Trust Properties** - these support the delivery and provision of services now being delivered for the Council but by the Cheltenham Trust e.g. Town Hall and The Wilson

**Non Operational Properties** - properties in which the Council has legitimate ownership either freehold or leasehold and are not being used to meet or provide service needs (operational purposes). Such non-operational assets will include investment properties that are let to third parties to generate income and properties that are vacant and surplus to requirements e.g. Berkeley Mews (commercial) and Enterprise Way (industrial).

## 6.3 Housing Revenue Account (HRA) Properties

These are properties partly managed by the Council e.g. sub-let commercial properties beneath residential accommodation; and the housing stock managed by Cheltenham Borough Homes (arm's length management organisation) financed through the ring fenced Housing Revenue Account.

## 7. Corporate Approach to Asset Management

### Strategic Management

- 7.1 Councillors have a key role in ensuring local services meet the needs of their constituents. The AMP is approved by Council and sets out the policy and framework within which the Cabinet make decisions and officers manage assets.
- 7.2 The Head of Property and Asset Management fulfils the role of Corporate Property Officer (CPO) providing strategic advice on property related issues.
- 7.3 The decision process is set out in the constitution and the related delegated powers, where essentially:

- Decisions for property values up to £250,000 are delegated to the Cabinet Member for Finance
- Decisions for property values over £250,000 are delegated to the Cabinet
- Decisions where disposing of housing land or where the decision has an impact on the Budget and Policy Framework may be required from Full Council.

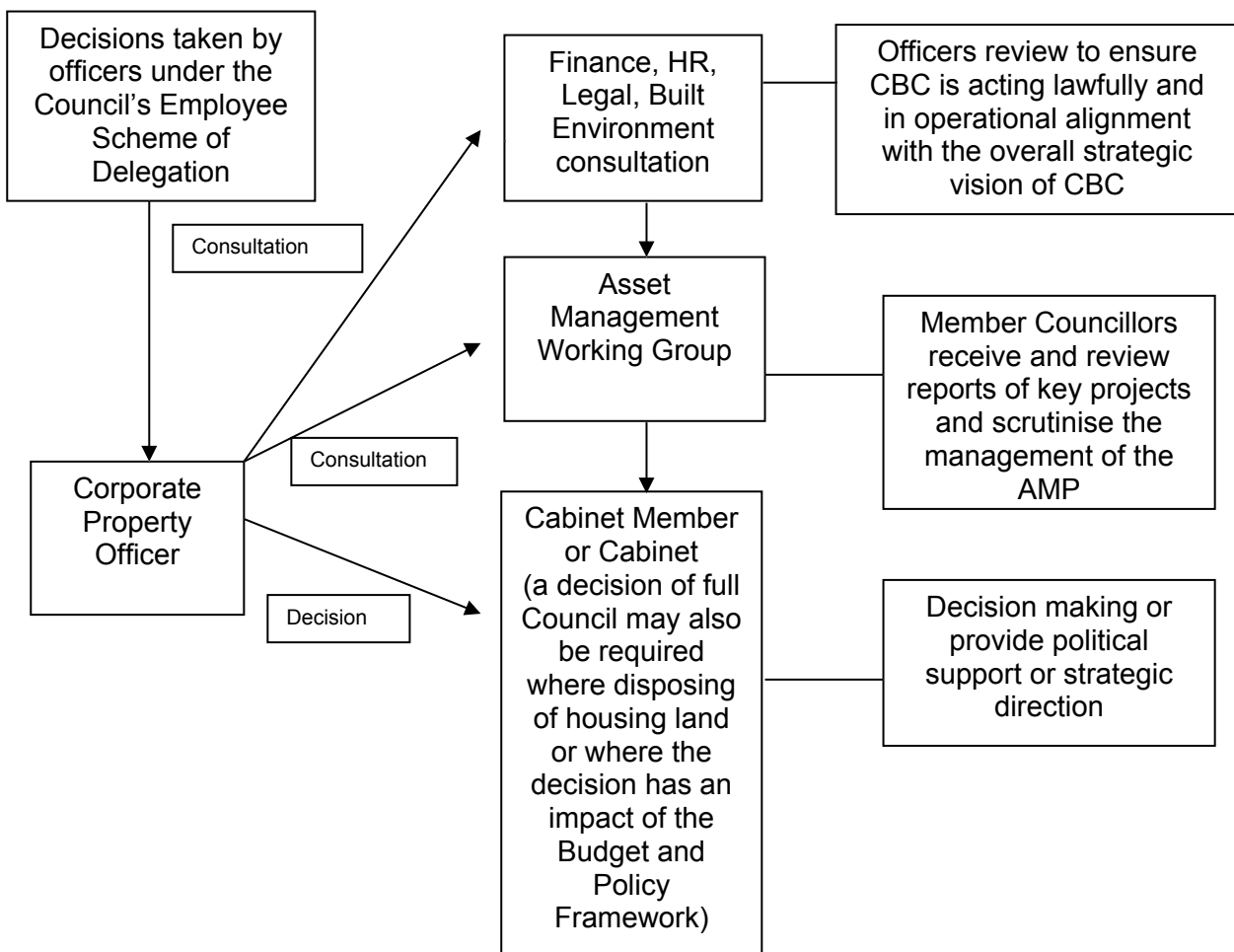
7.4 The Council’s property assets are under continual review to ensure that they continue to support the corporate plan and objectives. A diagrammatical representation of the strategic asset management review process is contained at Appendix B.

7.5 Officers have developed an Asset Management Plan - Work Plan which sets out the specific programme of activity which will deliver the overarching AMP. This is attached at Appendix C.

7.6 Asset Management Working Group (AMWG) serves to provide Council Member consultation and engagement prior to decision making. The terms of reference for the AMWG, which were revised by the Council in March 2015 in response to the CIPFA review report, are set out in Appendix D. They have now been further revised to reflect recent council restructuring and to widen the remit to consider property investment proposals.

7.7 The following flow chart documents the decision making process for considering asset management issues.

**Asset Management decision making flow chart**



## **8. Roles and Responsibilities**

8.1 Given the significant changes in the delivery models now used by the Council to deliver services, in updating the AMP, a new Property Management Toolkit has been developed which sets out roles and responsibilities (including services standards) for the management of assets. The following principles and approach apply throughout.

### **8.2 Corporate landlord**

Property Services act as the Corporate Landlord for the Council's operational space which places responsibility with the property department for the following:

- Strategic as well as day to day management of property portfolio including management / utilisation of special requirements
- Arranging repairs / maintenance/refurbishments and development opportunities
- All landlord and tenant related matters
- Renewing leases
- Carrying out rent reviews
- Responsibility for all property budgets
- Gathering and maintaining data on the portfolio
- Support for key capital projects.

This enables greater utilisation of the property assets, realising property management efficiencies and aids the delivery of more efficient services.

8.3 The property team aim to deliver the services in accordance to the service development charter set out in the Property Management Toolkit.

8.4 Property Services also provide the following professional services for CBH, which manages the Council's residential dwellings.

- Right to buy valuations
- Cyclical valuation of residential portfolio
- Property advice where common interest and projects
- CBC client for new build proposals.

### **Operational Management (internally managed assets)**

8.5 In the corporate landlord model, service departments effectively become corporate tenants who will liaise with property services with regard to their spatial needs justified by a business case where necessary.

8.6 The operational building manager's role is:

- Day to day security of building
- Ensure health and safety of building is maintained and remains operational
- Act as local liaison for property services.

8.7 The Council's building operational management policy and the building/ operational managers' specific responsibilities are set out in Property Management Toolkit.

## **9. Third Party Lettings Policy**

- 9.1 The Council has a number of buildings / assets which are let commercially e.g. the Everyman Theatre, shops, business premises. The property management and repairing responsibilities of the third party are set out in the respective leases.
- 9.2 In the case of The Cheltenham Trust, the Council's responsibilities are set out in the relevant Leases, Property Services Service Level Agreement including key performance indicators.
- 9.3 Other properties are let for voluntary / Third Sector purposes. The policy for assessing applications for rent reductions is currently being reviewed with the intention of reporting to Cabinet in late summer 2016. However the current policy is included at Appendix E.

## **10. Disposals Policy**

- 10.1 The policy applied in the disposal of assets is set out in Appendix F.

## **11. Investment Property Portfolio**

- 11.1 The Council has a portfolio which includes the Regent Arcade lease, business and industrial units. The CIPFA review commented that 'An increasing number of local authorities are exploring the opportunities that property investment (whether direct or indirect) could bring and some have already started to acquire such assets'.
- 11.2 Investing in assets for operational purposes can provide opportunities that support corporate objectives as well as a beneficial return to support the MTFS. It is vital to ensure that the right balance is achieved between sustainable investment management and other uses of the Council's assets.
- 11.3 If this can be achieved then the Council will deliver better outcomes, reduce/eradicate costly delivery failures, increase the effectiveness of staff and improve public satisfaction with its performance. The strategy for property investment decisions seeks to:
- Identify opportunities for investment to support operational need
  - Identify regeneration opportunities for the town
  - Achieve a positive contribution to the MTFS through long term income growth and a competitive return on investment
  - Ensure investment is coordinated and meets prudential borrowing criteria or can be afforded with council resources
  - Ensure that the intended benefits are realised through sound and effective monitoring.

The policy, parameters and decision making process for developing the investment property portfolio is set out in Appendix G

## **12. Capital Programme**

- 12.1 The Capital Programme is agreed by the Council annually as part of its budget setting process. The aim of the Capital Programme is to direct and link investment decisions to the delivery of the objectives as set out in the AMP which is linked to the Corporate Strategy.



- 12.2 This programme sets out how the Council will allocate and manage capital investment into public realm works, civic buildings and sustainable energy activity.
- 12.3 Despite the challenging financial climate, there is a need to commit to investment to meet the Council's aspirations and the town's long-term requirements. Substantial investment in the town has now been made possible through the receipts realised through disposals like that of North Place and Portland Street car parks and other surplus assets, supported where necessary by affordable prudential borrowing.
- 12.4 The primary objective of the Capital Programme is to identify priorities for investment and outline how the Council will manage, finance and allocate the necessary resources.
- 12.6 The Capital Programme sets out how investment is funded from the following sources:-
- Capital receipts: Selective disposals of surplus land and buildings to be reinvested into the capital programme.
  - Prudential Borrowing: Use of prudential borrowing within strict limits and linked to revenue savings where there is a sound business case which results in a positive contribution to the MTFS.
  - External fundraising: Leverage of inward investment from private and public sources e.g. pump priming to facilitate external fundraising by The Cheltenham Trust.
  - Alternative Sources: Bidding or applying for funding from government and other agencies.
  - New Homes Bonus: Potential use of this funding stream to support one off capital investment.
  - Section 106 Planning Contributions: Use of private sector developers contributions to fund essential infrastructure.
  - Joint ventures: Levering in of private sector investment for redevelopment / investment using council assets in order to secure a future income stream or net increase in capital value.

### **13. Capital Investment Decision-Making Process and Assessment Criteria**

- 13.1 Annually service managers bid for funds using a Project Assessment Tool (PAT) process which will outline individual business cases and funding proposals.
- 13.2 Given the scarcity of resources, funding needs to be allocated to highest priority projects for which there is a sound business case based on the following principles:
- The investment is necessary to deliver the corporate objectives
  - The project has been justified as the best way of delivering corporate priorities, where necessary following an option appraisal
  - There is no alternative funding source available
- 13.3 The scoring criteria and assessment process is outlined in Appendix H. The bids for funding are scored according to the criteria and the results are provided to the Cabinet to support the decision-making process.

## **14. Planned Maintenance Programme**

14.1 The Council's 10 year maintenance programme is funded from the Planned Maintenance Reserve and is used to fulfil the following overarching policy outcome:

'Maintain the property portfolio to a good standard and to invest in key public buildings in order to improve the customer access and experience'.

14.2 The planned maintenance policy is at Appendix I

14.3 The programme includes key cyclical investment required to repair, maintain or replace existing infrastructure including replacing cremators, boilers, electrical and mechanical updating, catering equipment replacement, re-surfacing and lighting replacement in the car parks. A review of the programme is undertaken annually as part of the budget setting process.

14.4 The programme includes the following types of expenditure:

- Planned – cyclical, programmed maintenance work for buildings based on regular condition surveys
- Routine – includes electrical and mechanical installation service contracts for the maintenance of infrastructure e.g. security/fire alarms and lifts
- Reactive – emergency/ adhoc / unplanned expenditure

## **15. Monitoring the AMP**

15.1 The property team has developed a monitoring process to measure the delivery of outcomes (financial and performance) against property objectives / outcomes. The performance indicators and targets they have adopted are contained in Appendix J.

15.2 Information about the property portfolio will be published in order to address the Government's drive for greater transparency, as outlined in Appendix K.

## **16. Cheltenham Borough Homes (CBH )**

16.1 Cheltenham Borough Homes is an ALMO (Arms Length Management Organisation), a wholly owned subsidiary of Cheltenham Borough Council. Its principal objectives are to manage, maintain, improve and refurbish the housing stock owned by Cheltenham Borough Council. In addition CBH provides a range of services and advice to residents of the housing stock, particularly vulnerable residents.

16.2 Delivering new affordable housing through the provision of new build is a key strategic priority for the Council, and this is being delivered in partnership with Cheltenham Borough Homes. The strategic housing market assessment calculates the need for 136 new affordable homes to be provided each year over the plan of the Joint Core Strategy up to 2031.

16.3 The Council is currently increasing the provision of new affordable housing mainly through regeneration of a number of council-owned garage sites and other council-owned brownfield site opportunities, though in the future as council owned sites begin to diminish we will consider increasing our affordable housing provision by acquiring affordable housing from s.106 sites. We will also explore the potential for redevelopment of the non-traditional stock of affordable housing, where it is appropriate and financially viable to do so.

## Cheltenham Borough Council - Asset Management Policy

Our vision for the Council's Asset Portfolio is:

***'A fit for purpose property portfolio which drives delivery of our corporate vision and outcomes'***

### ASSET MANAGEMENT POLICY

Our specific asset management policy objectives are:

**1. *To use our assets to sustain and grow Cheltenham's economic and cultural vitality and make a positive contribution to people's lives.***

- To invest in quality, public realm renewal (supported by the Cheltenham Development Task Force) in order to improve the street scene, attract business and remain economically competitive.
- To use our own investment programme to encourage and promote private sector infrastructure investment and lever in other funding in order to strengthen the local economy and the town's cultural offer.
- Wherever possible, to bring forward council owned sites for development to help businesses set up, invest and create employment in the town.

**2. *To maintain a 'fit for purpose' property portfolio to support service delivery***

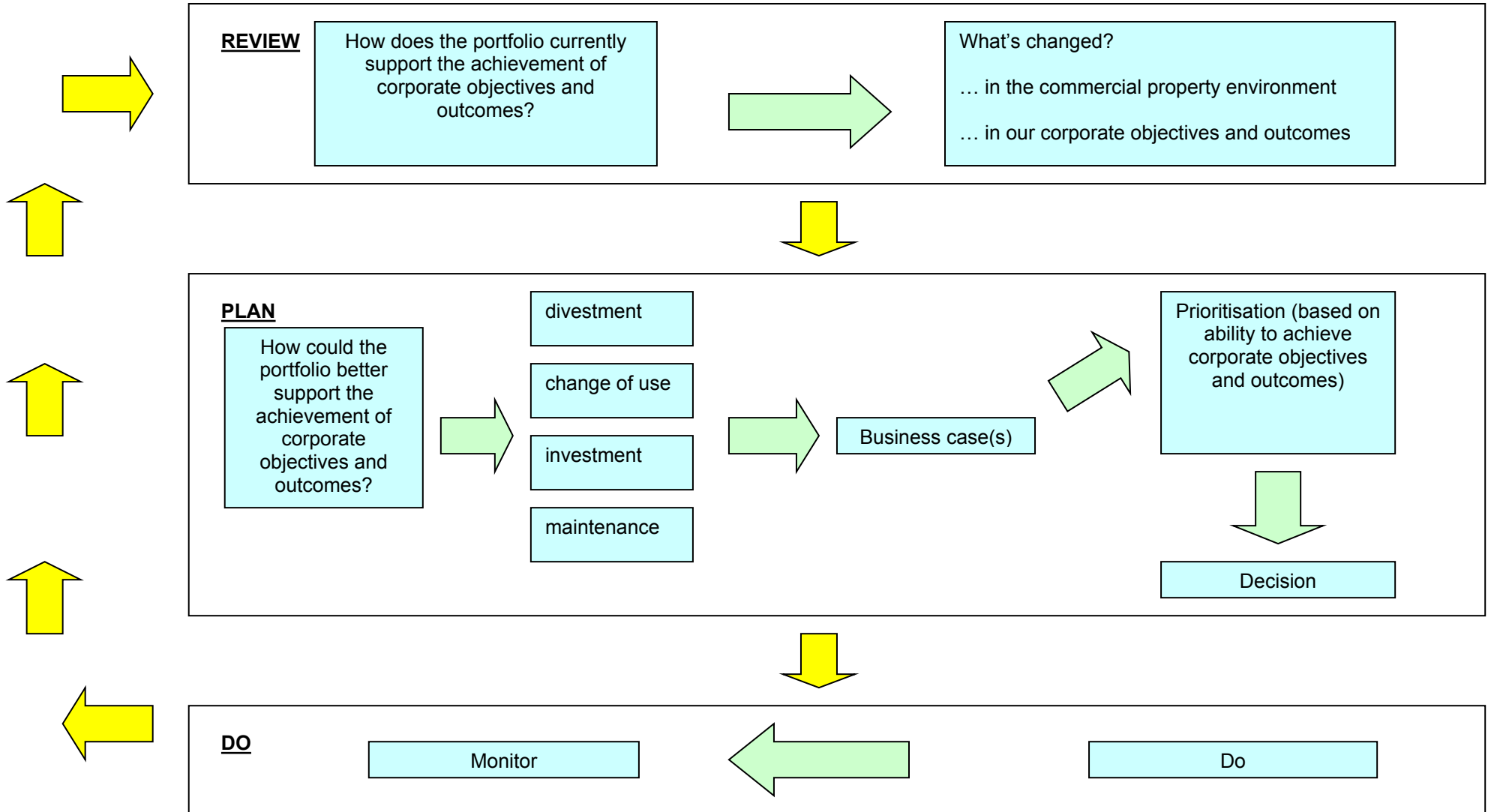
- To provide specialist property support and advice where appropriate to facilitate and improve service delivery, by implementing the corporate landlord model.
- To minimise the environmental impact of the portfolio, particularly water and energy use and the associated level of greenhouse gas emissions.
- To maintain the portfolio to a standard that complies with current legislation in particular, health and safety and to ensure that buildings are fit for purpose, sustainable and provide access for all members of the community, through our planned, routine and reactive maintenance programmes.

**3. *To make a positive contribution to the Council's financial position.***

- To optimise the utilisation and rationalisation of property assets, thereby minimising the level of void and surplus property and associated maintenance spend.
- To optimise growth and regeneration opportunities through the release of surplus sites.
- To realise capital receipts from disposal of surplus property, where option appraisals demonstrate that retention is unviable or less financially attractive than alternative options.
- To optimise the rental income of existing non-operational investment properties, while also seeking opportunities to grow rental income through selective property investment.

- To minimise the management costs associated with holding property assets.
- To plan for the current and future spending on the portfolio.
- To demonstrate value for money in the management and maintenance of the portfolio, supported by effective procurement.
- To work with partners and other public bodies to ensure that the shared use of assets is explored and optimised wherever possible using a joined up approach to service delivery to improve outcomes for our customers and communities which will reduce property costs, generate income and better value for money.
- To explore opportunities to manage the portfolio differently where properties are performing poorly.
- To work closely with Cheltenham Borough Homes to refurbish properties, regenerate neighbourhoods and deliver new and affordable housing.
- To regularly review the Third Sector policy.

# STRATEGIC ASSET MANAGEMENT REVIEW CYCLE



| Strategic Asset Management work plan     |                          |  |  |  |            |                                 |   |
|--|--------------------------|--|--|--|------------|---------------------------------|---|
| Corporate Objective                      | Property/Key Commitments | Outcome  | Action   | Risks/ Other Issues  | Time scale | Responsible Officers            | Impact  |
| Enhancing and protecting the environment | Parks and Green Space    | Protection of Cheltenham's long established green heritage. Opportunity to explore alternative uses on low quality, low value sites. | Cheltenham has a long established green heritage, the town parks, gardens and tree lined avenues being recognised nationally as some of the best in the country. The Council's stated vision for green space is ' working together to ensure a comprehensive network of attractive, valued and well used, locally distinct green spaces, that are accessible, safe and welcoming, which meet the existing and future needs of the community, enhance biodiversity and are managed sustainably to reduce our impact on climate change'. The protection and maintenance of the Boroughs historic green spaces, sites of special scientific interest, ancient woodlands, local nature reserves and other designated sites will help support the delivery of Civic Pride.<br><br>There will be close liaison with the Green Environment Team to support their objective of retaining and protecting the Boroughs historic green spaces in addition to identifying and reviewing other low quality/value spaces for potential upgrade, redevelopment or disposal opportunities. | Difficult to fund maintenance and presumption against disposal   | Ongoing    | MD Economic Development & Place | (1) On-going planned maintenance costs.<br><br>(2) Potential future capital receipt, from disposal of low quality/value green space.<br><br>(3) Meets corporate objective in maintaining and enhancing environmental quality and heritage<br><br>(4) Potentially enables CBC to influence environs and place shape. |
|  | All property             | Building fabric is maintained in good condition. .   | Continual review of 10 year planned maintenance programme. Investment in the portfolio through the implementation of works in accordance with the 10 year planned, reactive and routine maintenance programmes.  | (1) Potential impact on use and damage to the Council's reputation if not implemented.<br>(2) Pressures on the annual budget to fund the programme hence potential impact on the MTFS. | Ongoing    | Head of Property                | (1) Funding via the property maintenance repairs and renewals reserve.<br><br>(2) Minimal impact on service delivery<br><br>(3) Maintains and enhances environmental quality and heritage<br><br>(4) More effective and efficient use of resource and finance.  |
|  | All property             | Environmental benefits. Reduction in Carbon Footprint.   | Continue to explore the investment and implementation of energy efficiency measures leading to the reduction of carbon emissions to Operational Space and seek to achieve lower energy costs.  | Cost of implementation   | Ongoing    | Head of Property                | (1) Potential operational cost savings, thereby contributing to the MTFS.<br><br>(2) Need for capital investment to realise savings<br><br>(3) ) Potentially enables CBC to influence environs and place shape  |

| Corporate Objective                              | Property/Key Commitments         | Outcome  | Action   | Risks/ Other Issues                       | Time scale       | Responsible Officers   | Impact   |  |
|--|----------------------------------|--|--|---|------------------|--|--|--|
| Sustain and grow economic and cultural vitality. | Development Task Force           | (1) Revitalise key streets and spaces for the benefit of the whole community.<br>(2) Maintain and grow a varied competitive economic base.<br>(3) Improve retail offering and ranking.<br>(4) Growth in business rates income to support MTFS. | Support the town's economic strength and sustainable development by investing in revitalising key streets and spaces for the benefit of the whole community whilst recognising and supporting the need to maintain / grow a varied competitive economic base.<br><br>Through proactive management of the property portfolio and identified development sites, the Council intends to realise much needed capital to help kick start important town centre initiatives, which are underpinned by an Urban Design Framework in the form of adopted supplementary planning guidance.<br><br>Activities will include (1) Reviewing / rationalising car parking consistent with the towns commercial and environmental needs. (2) Promoting high quality physical linkages between both existing / new development areas. (3) Seeking opportunities to strengthen existing greenscape and biodiversity. (4) Reusing key buildings sensitively and redefining core assets e.g. High Street and Royal Well to provide a distinct identity. (5) Promoting sustainable residential and community housing provision against identified need. (6) Promoting employment opportunities. | Value of Council owned development sites. | Ongoing          | MD Development Task Force.<br>MD Economic Development and Place and Head of Property | (1) On capital reserve.<br>(2) Should encourage further outside investment in the town and aid further economic growth..<br>(3) ) Potentially enables CBC to influence environs and place shape  |  |
|  | Car Parks                        | Positive social, economic/environmental outcomes.  | Undertake a strategic review in conjunction with integrated transport and investigate potential divestment, investment and redevelopment opportunities, as part of the Development Task Force initiative. e.g. Shopfitters and Chelt Walk for mixed commercial/residential use   | Planning restrictions                     | 2016/17          | MD Economic Development & Place.<br>MD Development Task Force and Head of Property   | (1)Potential release of sites for development<br>(1) Potential capital receipt,<br>(2) Sale receipts, Capital reserves and or Prudential borrowing to fund development.<br>(3) ) Potentially enables CBC to influence environs and place shape |  |
|  |                                  |  |  |   |                  |  |  |  |
|  | Industrial                       | Potential capital receipt or income  | Undertake an options appraisal on the partly developed Enterprise Way  | Lack of demand due to economic climate    | 2017/18          | Head of Property   | (1) Potential revenue growth or capital receipt.<br>(2) ) Potentially enables CBC to influence environs and place shape  |  |
|  | Growth in new business and jobs. | Identify Council owned properties suitable for starter/incubator units for fledgling business  | Unavailability of suitable property  | ongoing                                   | Head of Property | (1) Potential impact on capital reserve<br>(2)income generation<br>(2) Place Shaping |  |  |

| Corporate Objective | Property/Key Commitments            | Outcome  | Action  | Risks/ Other Issues   | Time scale | Responsible Officers                                 | Impact   |
|---------------------|-------------------------------------|--|---|---|------------|--|--|
|                     | Depot                               | Better use of the existing site  | In conjunction with the occupiers to investigate the possibility of improving the efficiency of the depot following the expansion of Ubico. | Practical obstacles to change. Finance an issue in effecting change   | 2016/17    | Head of Property                                     | (1) Capital investment required to undertake identified and agreed improvements<br><br>(2) Potential loss of third party tenants<br><br>(3) ) Potentially enables CBC to influence environs and place shape<br><br>(4) Greater efficiencies and or income generation for Ubico             |
|                     | Airport                             | (1) Supports and maintains local jobs. (2) Potential revenue growth. (3) Potential to attract regional HQ's  | Working collaboratively with joint owner Gloucester City Council, to facilitate the opportunity to expand commercial operations             | Viability of the airport if expansion is not supported  | Ongoing    | Head of Property                                     | (1) Growth in Income/capital return for the Council (shareholders)<br><br>(2) Benefit to Cheltenham and greater Gloucestershire economy<br><br>(3) ) Potentially enables CBC to influence environs and place shape   |
|                     | Local Development Framework         | (1) Deliver additional affordable housing. (2) Growth in business rates income   | Identification of sites with potential for increasing residential and employment capacity.  | Planning and site assembly  | Ongoing    | MD Economic Development & Place and Head of Property | (1) Potential capital receipt<br><br>(2) Positive economic benefits<br><br>(3) ) Potentially enables CBC to influence environs and place shape<br><br>(4) Meets provision of affordable housing corporate objectives   |
|                     | The Wilson (Art Gallery and Museum) |  | Support and advise The Trust with any building related proposals  | Insufficient funding will jeopardise potential future projects  | Ongoing    |  |  |
|                     | Town Hall                           | Supports cultural enhancement. (1) Increase in visitor numbers to Cheltenham with associated economic benefits. (2) Cultural enhancement. Sustainability benefit (3) Reduction in management fee supporting MTFs | Development plans for improving performance/catering space  | Impact on quality of service and reputation. Insufficient funding will jeopardise potential future projects |            | Trustees of the Trust and Head of Property           | (1) Potential increase in revenue which can be re invested to enhance service delivery. (2) Capital investment will be primarily funded by funds raised by the Trust and supported by CBC (3) Improve service delivery (4) ) Potentially enables CBC to influence environs and place shape |
|                     | Leisure@ POW                        |  | Development plans for improving performance/catering space  | Impact on quality of service and reputation. Insufficient funding will jeopardise potential future projects |            |  | (  |



| Corporate Objective           | Property/Key Commitments | Outcome  | Action  | Risks/ Other Issues  | Time scale | Responsible Officers  | Financial Implications   |
|-------------------------------|--------------------------|--|---|--|------------|---|--|
| Strengthening our Communities | CBC Regeneration sites   | (1) Social and community benefits. (2) Deliver new and affordable housing.   | New affordable housing provision from the regeneration of St Paul's, various garage sites, Cakebridge Place, Swindon Road and other similar surplus underutilised sites.<br>The proposed land swap with the football club supports not only the new housing objectives but also provides the club with the opportunity to expand their facilities.  | Legal issues preventing or impacting on the proposed development   | Ongoing    | CEO CBH and Head of Property  | (1) HRA Prudential borrowing HCA funding and CBC funding.<br><br>(2) Contribution to Increase in housing numbers<br><br>(3) Potential improvement to the football club facilities will be funded through their own fund raising activities.<br><br>(4) ) Potentially enables CBC to influence environs and place shape |
|                               | Community Assets         | Social and community benefits  | Continuing to support the Third Sector. Transfers of ownership of Community Assets will need to be considered carefully. The Council will weigh the potential community benefit against the potential loss of future capital receipts and revenue income  | Sustainability of charity funding  | Ongoing    | Strategy and Engagement Manager<br>Head of Property                         | (1) Potential reduced maintenance costs<br><br>(2) Rent subsidy affects ability to grow third party income<br><br>(3) Community benefits.  |
| Value for Money               | Accommodation Strategy   | More efficient use of space will demonstrate a commitment to the Council's objectives of sustainability and good environmental stewardship, strengthening our economy and communities, partnership working and providing value for money services. Other benefits will include operational cost savings, potential income/capital receipt from the joint venture redevelopment of the Municipal Offices. | A review of Council occupied operational property has been undertaken to determine its condition, suitability and sufficiency. Also to establish current efficiency and use of space a survey has been conducted to assess the future impact on the Council's space requirement that initiatives such as Go Shared Services, Flexible Working and Commissioning and Vision 20:20 will have. Feasibility studies will examine relocation or new build options which will involve assessing the investment required, potential rental income, the needs for a more efficient flexible working environment, demands for new space, whole-life costs, and the potential realisation of any capital /long term income receipts. Consideration will be given to look to co-locate with other governmental bodies, statutory authorities, or other partner organisations pursuant to the 'Total Place' approach, which could lead to further operational savings for the Council, as well as providing an income stream. | May be unable to relocate to Delta Place until 2023.<br><br>Other suitable alternative accommodation may not be secured. Other interested governmental bodies, statutory authorities or partner organisations may decide not to co-locate or take any space. | 2016/19    | Head of Property and MD<br>Development Task Force and Director of Resources | (1) Potential reduction in operational costs,<br><br>(2) Potential income and capital receipt.<br><br>(3) Shared operational costs through co-location<br><br>(4) Redevelopment of the Municipal Offices will have a positive economic benefit to the town centre<br><br>(5) Potential efficiency benefits             |
|                               | Investment               | Supports Medium Term Financial Strategy and Operational Strategy   | Seek to ensure commercial property voids are kept to a minimum.<br>Selective acquisitions that support corporate operational objectives   | Remains void due to lack of demand, therefore reputational risk, and ongoing maintenance liability   | Ongoing    | Head of Property  | Maintains or increases rental income or potential capital receipt.   |
|                               |                          | Retention of tenants   | Aim to improve income through new lettings and timely implementation of rent reviews and lease renewals and proactive estate management.  | (1) Fall in rental values could see a possible reduction in income at lease renewal. (2) Tenants cease trading due to current economic climate   | Ongoing    | Head of Property  | Improvement in revenue stream.<br>Contributes towards MTFs   |

|  |  |   |  |   |         |                  |   |
|--|--|---|--|---|---------|------------------|---|
|  |  | Capital receipt contribution to MTFS                                      | Investigate opportunities to dispose of both surplus and investment property.                                | Property is slow or difficult to sell due to lack of demand       | Ongoing | Head of Property | (1) Potential capital receipt   |
|  |  | Provision of income, and opportunity of longer term income/capital growth | Investigate opportunities to grow income through selective commercial property acquisitions and transactions | Perceived growth is not achieved. Cost of managing the properties | Ongoing | Head of Property | (2) Operational costs savings.<br>(3) Contribute towards MTFS.<br>(4) .Income return will need to exceed cost of borrowing, to justify the transaction.<br>(5) ) Potentially enables CBC to influence environs and place shape<br>(6) Investment income |

(1) Potential increase in revenue which can be re invested to enhance service delivery.

(2) Capital investment will be primarily funded by funds raised by the Trust and supported by CBC

| Corporate Objective | Property/Key Commitments | Outcome   | Action  | Risks/ Other Issues  | Time scale | Responsible Officers          | Impact  |
|---------------------|--------------------------|---|---|--|------------|-------------------------------|---|
| Value for Money     | Operational              | Greater commerciality   | Challenging costs i.e. rates payable. Utility charges and maintenance works   | Challenges are unsuccessful therefore unable to achieve any savings.   | Ongoing    | Head of Property              | (1) Potential reduction in operational costs. Benefits MTFS.  |
|                     |                          | Greater commerciality   | Estate Management Improvements. By reducing rent arrears, collecting interest on late payment and obtaining income for 3rd party work   | Increased administration time in chasing arrears and interest payments.  | Ongoing    | Head of Property              | (1) Improves income<br>(2) Contributes towards the Bridging the Gap initiative  |
|                     |                          | Operational efficiencies. Improvement in service quality. Potential to grow the business and Environmental benefits by complying with the Mercury Abatement Act.  | Cremators. Options appraisal has been completed which considered the following (1) the replacement of the cremators (2) extending the existing facility (3) provision of a new crematorium and chapel.<br><br>Option (3) is the option to be implemented. | Service disruption and failure therefore reputational and financial risk.  | 2016/18    | Head of Property              | (1) Capital investment required,<br>(2) Reduction in maintenance costs<br>(3) Potential to grow income through better reliability of the equipment.<br>(4) Potential reduction in rate income due to proposed location of new cremator<br>(5) Improvement in service due to better reliability of new equipment |
|                     |                          | Will assist and improve with the management of the portfolio, performance monitoring and production of management information. Greater efficiencies by reducing double handling and making the process less labour intensive. | Data Base. Seek refinements and improvements to 'Uniform' IDox and Agresso  | (1) Risks of crucial action dates being missed. (2) Production of meaningful management data will be more labour intensive. (3) Missed opportunities to increase revenue. (4) Unwillingness to invest to drive out the efficiencies. | Ongoing    | Head of Property              | (1) Portfolio management efficiencies.<br>(2) Improved and more accurate reporting of data<br>(3) Improved budgetary forecasting<br>(4) Improve service delivery  |
|                     |                          | Potential future disposals  | Arle Nursery. Monitor and review other potential proposals.   | Planning restrictions. Alternative plant provision will be required, or change to planting regime.   | 2016/17    | MD Ubico and Head of Property | (1) Potential capital receipt.<br>(2) Cost of alternative plant provision and loss of income,<br>(3) Operational cost savings.<br>(4) ) Potentially enables CBC to influence environs and place shape   |
|                     |                          | Retention of 100% of disposal proceeds  | Surplus HRA Properties. Disposal of properties that cannot be brought up to the decent homes standard.  |  | Ongoing    | Head of Property              | (1)Capital receipt can be used toward other HRA projects.<br>(2) Potential re use of void property leading to social and community benefits.  |

**Terms of reference for the Asset Management Working Group (AMWG)**

- To serve as a forum for consultation on property decisions to support the formal decision making process in line with the constitution.
- To support and make recommendations on the strategic direction of the management of the Council's assets.
- To consider proposals to increase the investment property portfolio
- To scrutinise and review the performance of the asset portfolio.
- To review and challenge the commercial property portfolio to ensure that assets are held which provide benefits and outcomes for the Council and the community and provide the most effective return, minimising cost and maximising return.
- To review the policy for property support to the third sector, voluntary and community groups and the financial implications for the council.
- The Working Group will have no delegated authority to make any decisions or commitments

**Membership**

- Cabinet Portfolio Member
- Other representative members of the political groups
- Director of Corporate Resources & Projects
- Head of Property
- Head of Legal (or Deputy)
- Section 151 Officer (or Deputy)
- Cabinet members and officers as appropriate.

**Meetings**

- Regular meetings will be scheduled in the council diary
- Additional meetings may be convened if urgent items need to be considered ahead of Cabinet / Council meetings.
- The Group will elect its own chairman, who will not necessarily be the Cabinet Member responsible.

**Reporting Structure**

- Briefing Notes will be prepared for Cabinet where the AMWG considers it appropriate
- Where items require a decision reports will be prepared and submitted either to the Cabinet Member, Cabinet or full Council under the appropriate procedure in the constitution.

## **Policy for Property Lettings and Disposals to the Third Sector, Voluntary and Community Groups**

### **General Principles**

As a guiding principle, the Council seeks to maximise the return on its non-operational portfolio. However, where a property is occupied by a registered charity or community group which clearly supports the Council's priorities, the authority will consider a rent subsidy. The subsidy will be calculated against the total assessed rental value of the property on the open market and will be counted as grant aid.

### **Market Value**

In future all lettings by the Council will start from the basis of a commercial or market rate clearly set out in the tenancy agreement and any subsidy, either in the form of a specific performance-related grant or reduction in the market rent will be explicitly identified.

The decision on whether a particular third sector organisation should be offered Council property at less than 'best consideration' needs to be related to the assessed benefits of the service it provides to the community. If the arrangement is subsidised in any way, it must avoid falling foul of European legal requirements relating to state aid. State Aid occurs when financial assistance is given by a public body which favours certain organisations and distorts, or threatens to distort, competition between Member States of the EU. In addition the use of the building must achieve or promote social, economic or environmental well-being and that it falls within the state aid exemption.

### **State Aid**

State Aid occurs when financial assistance is given by a public body which favours certain organisations and distorts or threatens to distort competition between Member States of the EU.

The current position is that the letting at an undervalue to community organisations will not be State Aid if:

- The proposed tenant is a not for profit organisation;
- The use of the building will be for a community purpose; and
- The activities carried out by the organisation(s) are of local interest only.

### **Rent Discount**

In this process it is the responsibility of the Asset Management Working Group, acting on the advice of the Head of Property and Asset Management, to determine the lease conditions and the market rent for the property.

It is the responsibility of the Cabinet, acting on advice from the Cabinet Member responsible for Community Development, in consultation with appropriate officers and Cabinet portfolio holders, to decide whether or not the organisation contributes sufficiently enough to the Council's Corporate Plan, or the Local Strategic Partnership's Community Plan, to merit a discount on the rent and what the level of discount should be. The total discount will be considered to be grant aid.

As a general rule, when leases are due to be renewed and at the Cabinets discretion, buildings that are operating primarily as social or sports clubs with a paying membership should be given the standard 20% discount against the full market rent, that applies to all charities hiring Council property.

Buildings being leased to organisations that are open to the community at large and are working to further the aims of the Council's Community Plan can be given up to 100% discount, subject to a

business plan outlining their activities, how they align with the corporate or community plan and how they intend to make their activities sustainable.

## **Disposals**

This policy will not apply to public services which are commissioned or contracted out to third sector organisations and which have a clear monetary or commissioned value to the Council to i.e. Instances such as where a third sector group takes over the management or provision of a service on behalf of the Council should be dealt with separately. In these cases formal contracts or service level agreements would invariably be applicable.

## **New lettings**

The proposed disposal must fall within a general disposal consent (see below).  
The proposal must contribute towards meeting identified priorities in the current Community Plan and/or Corporate Business Plan;  
A business plan must be submitted, clearly indicating the community benefits of the proposed operation and its financial viability over both the short and longer term;  
If a planning consent will be required, there must be a reasonable prospect that this can be obtained in a timely fashion, as advised by the Council's Development Control Manager;  
In the case of municipal shops, any related shopping facilities must not be adversely affected;  
The current state / condition of the premises and any proposed repairs by the incoming tenant will be taken into account in assessing the market rent.

## **Existing leases**

The proposed disposal must fall within a general consent;  
The proposal must contribute towards meeting identified priorities in the current Community Plan and/or Corporate Business Plan;  
A business plan should be submitted, clearly indicating the community benefits of the proposed operation and how it will be viable in the longer term;  
In the case of municipal shops, any related shopping facilities must not have been adversely affected by the existing tenancy.

## **Temporary licences**

E.g. Access licences to cross Council land. These are not classed as a disposal and therefore the disposal strategy does not apply and neither does 'opportunity cost'.  
Access must be necessary to allow the organisation to function;  
The applicant must exempt from the State Aid rules as set out under Legal implications  
An 80% discount will be applied in the case of temporary licences, to align with the discount given to charities on business rates.

## **Legal documentation**

The unrestricted market value of any disposal should be noted in the legal documentation, so as not to risk undermining the value of other Council assets;  
The unrestricted market value of the disposal should be noted in the financial accounts;  
The Council should be able to request an annual progress report on the operation if it so chooses;  
The Council will include appropriate rent review periods and mutually acceptable break clauses in all new letting arrangements, to provide financial assurance for both the authority and its tenants;  
If the tenant or use changes, the Council will have the option to withdraw from the agreement;  
The disposal must comply with European legislation relating to state aid.

## **General disposal consent**

Under S123(2) of the Local Government Act 1972 the consent of the Secretary of State is required to carry out a disposal at less than best consideration.

From time to time, the Secretary of State issues so-called 'General Consents' which apply to disposals meeting specified criteria. Where a general consent has been issued, a qualifying disposal can proceed without the need for referral to the Secretary of State. The General Disposal Consent (England) 2003 applies to disposals where:

The local authority considers that the purpose for which the land is to be disposed is likely to contribute to the achievement of any one or more of the following objects in respect of the whole of the whole or any part of its area, or of all or any persons resident or present in its area:

- the promotion or improvement of economic well-being;
- the promotion or improvement of social well-being;
- the promotion or improvement of environmental well-being; and
- the difference between the unrestricted value of the land to be disposed of and the consideration for the disposal does not exceed £2,000,000 (two million pounds)

### General Principles

The Asset Management Plan and property review activities are designed to identify areas of mismatch between existing asset provision and current and future requirements, thereby identifying property that can be declared surplus. One of the primary aims and subsequent benefits of the disposals strategy will be the reduction of property maintenance spending going forward, and providing the opportunity reinvest the proceeds in other projects.

Before a property is disposed of the Council will consider whether it could be reused by another service within the Council, or another public body. Consideration will also be given to encourage existing occupiers to relocate where it is mutually beneficial to do so, and particularly where it would result in the release of higher value asset.

All property categorised as surplus for the purposes of the asset register will be divided into three sections as below:

1. Surplus property held for pure investment purposes, e.g. where the Council is achieving a good rate of return and the revenue stream is regarded as important. The returns from such properties will be carefully monitored each year. However, the Council should only consider the disposal of the investment properties where it is clearly demonstrated that the income generated from investing the capital receipt will be greater than the rental income by retaining the property and saving in annual maintenance costs.
2. Surplus property that is being deliberately retained for a community benefit or where a long term view is being taken. For example, property/land that is rented out and providing community support activities (e.g. scout huts) or agricultural land. It is accepted that this property will not necessarily achieve a good rate of return.
3. Surplus property where the intention is to sell will be placed in into short, medium and long term priority order.

The Disposals Programme does not rule out windfall disposal decisions, which can arise through tenant changes, lease expiry, special market conditions or an approach from a special purchaser. All capital receipts released from the sale of assets are returned to the corporate "pot" for council to determine how they will be allocated.

### Disposals process

All surplus property will be the subject of an option appraisal / business cases to determine, analyse and subsequently recommend the preferred option that is in the best interests of the Council taking into consideration and in accordance with the requirements of the Corporate Plan and MTFs.

The property team in conjunction with the Head of Property will decide on the method of disposal e.g. private treaty sale, auction, formal or informal tender, through specialised agents or in house, and will dispose of property in accordance with the disposal strategy as set out in the constitution.

Ward members will be consulted on all disposals prior to any decision being taken and disposals will then referred to the Asset Management Working Group prior to any final decision. Consent to a disposal will be a matter for the Cabinet or in accordance with a scheme of delegation approved by the cabinet.

The policy on disposal of all surplus land or buildings will be to sell them on the open market, using the most appropriate method to achieve a satisfactory sale for the best price possible. The Local Government Act 1972 governs the disposal of non-housing land. Section 123 requires that disposals



by way of freehold sale or the granting of a lease for a term of 7 years or more will be for the best consideration that can be reasonably obtained unless prior Secretary of State approval is granted.

From time to time, the Secretary of State issues so-called 'General Consents' which apply to disposals meeting specified criteria. Where a general consent has been issued, a qualifying disposal can proceed without the need for referral to the Secretary of State. The General Disposal Consent (England) 2003 applies to disposals where:

a) The local authority considers that the purpose for which the land is to be disposed is likely to contribute to the achievement of any one or more of the following objects in respect of the whole of the whole or any part of its area, or of all or any persons resident or present in its area:

- i) the promotion or improvement of economic well-being.
- ii) the promotion or improvement of social well-being.
- iii) the promotion or improvement of environmental well-being and

b) the difference between the unrestricted value of the land to be disposed of and the consideration for the disposal does not exceed £2,000,000 (two million pounds).

The Council recognises the Duty to 'Involve' which became a statutory requirement in April 2009 and will involve and engage local people through meetings with the community not only on single issues but also through the Town & Parish Councils established network.

Where the Council wishes to dispose of housing land (other than to secure tenants exercising the right to buy), it can only do so with Secretary of State consent. General Consents are issued from time to time by the Secretary of State. The Council has a general duty to act prudently in managing its property portfolio, and must bear in mind the fact that property values may drop, ageing properties will require increasing maintenance, and that financial downturns may result in untenanted properties which still require upkeep. As landlords (whether residential or commercial) it will have duties towards its tenants and visitors to the properties to ensure that the properties are in a safe condition (whether or not the tenants contribute towards the upkeep of the properties). which enable disposals meeting the criteria set out under the general consents to proceed without the need for express referral to the Secretary of State.

The Council recognises the Duty to 'Involve' which became a statutory requirement in April 2009 and will involve and engage local people through meetings with the community not only on single issues but also through the Town & Parish Councils established network.

The land will be sold at best price reasonably obtainable on the open market. Special covenants may be appropriate to particular sites, especially where the Council has retained adjacent land.

## Investment Property Portfolio Policy and Decision-Making Process

### Criteria for acquisition

- Must satisfy borrowing criteria powers, e.g. PWLB, prudential borrowing.
- Must satisfy legal powers of the council for property investment.
- Must make a positive contribution to the MTFS
- Acquisition cost must be in line with a commercially acceptable valuation.
- Must deliver the council's strategic objectives e.g. place shaping or value for money..
- May meet social value aspirations e.g. employment of apprentices, meet housing needs, positive regeneration or environmental improvement.

### Decision making process

The Property Acquisition Assessment Group (PAAG) will consider proposals for acquiring investment properties.

### Terms of Reference:

- To serve as a forum for consultation on investment property decisions to support the formal decision making process in line with the constitution.
- To scrutinise and review the performance of the investment property portfolio.
- The Group will have no delegated authority to make any decisions or commitments

### Membership:

- Head of Paid Service
- Director of Resources and Projects
- MD of Place and Economic development
- MD of Cheltenham Development Task Force
- Head of Property
- Head of Legal (or Deputy)
- Section 151 Officer (or Deputy)
- Cabinet lead Member

### Accountability:

- PAAG is not a decision making body
- It makes recommendations to the AMWG to consider prior to approval by Cabinet or Council as appropriate.

### Working methods:

- PAAG meets as and when required, with ability to be convened at short notice should an opportunity arise that requires a quick decision.
- Each member of undertakes his/her appraisal and brings it to the meeting for discussion, having supplied the headline information to complete the PAAG appraisal form.
- Confidential meeting as information is commercially sensitive. The meeting will be minuted.
- PAAG will receive regular performance report on the Council's investment portfolio for consideration, to be reported to the AMWG and Cabinet as part of the quarterly budget monitoring

report if appropriate.

**Reporting structure**

- Briefing Notes will be prepared where appropriate.

Where items require a decision, reports will be prepared and submitted either to the Cabinet Member, Cabinet or full Council under the appropriate procedure in the constitution.

| <b>PAAG Acquisition Evaluation Form</b>  |  |
|--|--|
| <b>Date:</b>   |  |
| <b>Address</b>   |  |
| <b>Agent/Source</b>  |  |
| <b>Tenure</b>  | <b>Area Sq Ft (M<sup>2</sup>)</b>                                    |
| <b>Portfolio Sector</b>  | <b>Weighting (% of Sector to Portfolio)</b>                          |
| <b>Asking Price</b>  | <b>Valuation</b>   |
| <b>Potential Purchase Price</b>  | <b>Rental Income</b>   |
| <b>Internal Rate of Return based on Potential Purchase Price</b>   | <b>Projected Annual Revenue Surplus YR 1 (based on asking price)</b> |
| <b>Tenants/Covenant/Strength</b>   |  |
| <b>Capital works/repairs Identified</b>  | <b>Non-recoverable items – voids/improvements</b>                    |
| <b>Current Planning Status</b>   |  |
| <b>Restrictive Covenants</b>   |  |
| <b>Strategic Objectives related to the Corporate Plan</b>  |  |
| <b>Income Profile</b>  |  |
| <b>Risk</b>  |  |
| <b>Due Diligence including Funding Arrangements</b>  |  |
| <b>Comments including Social Value Objectives relating to (a) Employment (b) Housing (c) Regeneration (d) Environmental together with other Operational Impacts or Factors</b> |  |
| <b>PAAG Recommendation</b>   |  |

**Portfolio Sector**

- |                                     |               |
|-------------------------------------|---------------|
| Residential                         | Entertainment |
| Retail (High Street)                | Hotel         |
| Office (single / multiple occupier) | Food/Drink    |
| Mixed use                           |               |
| Warehouse/Distribution              |               |
| Manufacturing                       |               |
| Community use                       |               |

## Capital Scheme Investment Decisions and Assessment Process

Project Assessment Forms (PAT) forms will be completed for capital funding requests and captures the information which includes the following:-

- A description of the project, timescale, impact and alternatives
- Financial details, capital and income costs, funding including match funding.
- How it meets the corporate objectives

Bids will be assessed to determine how they meet the Council Corporate Strategy objectives using the following scoring criteria:

| <b>Contribution Assessment</b> | <b>Score</b> |
|--------------------------------|--------------|
| Significant                    | 5            |
| Moderate                       | 3            |
| Weak                           | 1            |
| None                           | 0            |
| Undermines                     | -3           |

The Bridging the Gap programme board supported by the Head of Property will assess the bids. As such the assessment panel will include:

- Head of Paid Service
- Director of Corporate Resources and Projects
- Section 151 Officer (or representative)
- Managing Director of Place and Economic Development
- Head of Property and Asset Management
- Cabinet portfolio Member.

Recommendations with regard to investment will be referred to the Asset Management Working Group for consultation and subsequently onto Cabinet and Council for approval.

It is the responsibility of the Cabinet, acting on the advice from the Cabinet portfolio Member following consultation with relevant officers and Cabinet portfolio holders, to decide whether or not to support schemes.

## Planned Maintenance Policy

**Policy outcome:** To ensure at least 95% of property is maintained to a satisfactory or good condition. A rolling programme of maintenance over the next 10 years has been produced based on initial condition surveys which will be reviewed cyclically every 5 years, buildings are categorised according to their condition A, B C or D with priority levels in accordance with the National Performance indicators.

The main emphasis of the surveys will be based on a hierarchy of needs as follows:-

1. health and safety
2. protection of the asset from the elements
3. satisfactory internal environmental conditions ( heating lighting and ventilation )
4. impact on delivery of service
5. consequences of failure and serious decay
6. impact on users.

The current percentage breakdown of the properties into the various categories is as follows:-

| A ( Good ) | B ( Satisfactory ) | C ( Poor ) | D ( Very Poor ) |
|------------|--------------------|------------|-----------------|
| 10         | 87                 | 3          | 0               |

The small number of properties graded C will be assessed for consideration as an improvement/refurbishment project as surplus to requirements and subsequently disposed.

A primary aim will be to drive down property maintenance costs via proactive procurement, which will also be supported by the rationalisation of space and disposal of surplus assets.

## Performance Indicators and Targets

|   | Actual<br>14/15 | Target<br>15/16 | Target<br>16/17 | Target<br>17/18 | Target<br>18/19 | Target<br>19/20 | Target<br>20/21 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>Maintenance</b>  |                 |                 |                 |                 |                 |                 |                 |
| Repair and maintenance costs per m2<br>Gross Internal Area (£/m2)   | 9.55            | 9.83            | 8.28            | 8.28            | 8.28            | 8.28            | 8.28            |
| Total repair and maintenance spend (£)  | 1.500m          | 1.544m          | 1.300m          | 1.300m          | 1.300m          | 1.300m          | 1.300m          |
| % split between planned and responsive<br>maintenance   | 90:10           | 90:10           | 90:10           | 90:10           | 90:10           | 90:10           | 90:10           |
| <b>Environmental Property Issues</b>  |                 |                 |                 |                 |                 |                 |                 |
| Water Consumption Ltrs  | 49.67k          | 48.68k          | 47.7k           | 46.75k          | 45.81k          | 44.89k          | 43.99k          |
| Gas Consumption KWH   | 12.6m           | 12.34m          | 12.09m          | 11.85m          | 11.61m          | 11.37m          | 11.14m          |
| Electricity Consumption KWH   | 3.1m            | 3.03m           | 2.97m           | 2.91m           | 2.85m           | 2.79m           | 2.73m           |
| Water Ltrs per m2 GIA (£/m2)  | 0.32            | 0.31            | 0.307           | 0.301           | 0.29            | 0.289           | 0.283           |
| Gas Consumption KWH per m2 GIA  | 80.50           | 78.62           | 77.00           | 75.50           | 73.97           | 72.44           | 70.98           |
| Electricity Consumption KWH m2 GIA  | 19.73           | 19.31           | 18.92           | 18.54           | 18.16           | 17.77           | 17.39           |
| % reduction in energy consumption<br>(using 2012/13 as baseline)<br>kWh 15,779,859  | 0%              | 2%              | 2%              | 2%              | 2%              | 2%              | 2%              |
| <b>Estate Management Issues</b>   |                 |                 |                 |                 |                 |                 |                 |
| Total net income General Fund (£)   | 991.6 k         | 2.0m            | 2.004m          | 2.005m          | 1.995m          | 2.016m          | 2.030m          |
| Total net income HRA (£)  | 258k            | 250k            | 251k            | 251k            | 251k            | 252k            | 257k            |
| Total net income Combined (£)   | 1.250m          | 2.250m          | 2.255m          | 2.256m          | 2.246m          | 2.268m          | 2.287m          |
| Rent arrears as a % of total combined<br>income   | <4              | <4              | <4              | <4              | <4              | <4              | <4              |
| <b>Statutory Issues</b>   |                 |                 |                 |                 |                 |                 |                 |
| % of survey programme to be completed<br>on Asbestos, Legionella, Fire Risk<br>Assessments and DDA. To ensure<br>statutory issues are being addressed and<br>the risk to the Council minimised. | 100             | 100             | 100             | 100             | 100             | 100             | 100             |

## Local Government Transparency Code 2014

The Local Government Transparency Code 2014 was issued in May 2014 in recognition of the Government's desire to further increase democratic accountability and make it easier for people to contribute to decision making in their local area. One of the requirements of the code is that on an annual basis, local authorities publish details of all land and building assets that they hold. Local authorities had to comply with this requirement by 02 February 2015. CBC published the first set of data at the end January 2015.

The Council is required to publish the following property information, together in one place, for each asset:

- Unique Property Reference Number (UPRN)
- Unique Asset ID (for each building or each user of a building)
- Name of the building/land or both
- Street number or numbers
- Street name
- Postal town
- Postal code
- Easting and Northing (geocoding in accordance with ISO 6709)
- Clarify whether the property is leasehold or freehold.

In addition to the above, the local authority must list all the characteristics that apply from the options given below:

### For freehold assets:

- occupied by the local authority;
- ground leasehold; leasehold;
- licence;
- vacant.
- For leasehold assets:
  - occupied by the local authority;
  - ground leasehold;
  - sub leasehold;
  - licence.

For other assets a free text description is required to indicate whether the asset is a right of way for example and whether the asset is land only or land with a permanent building.

The information required to make the Council compliant with the Transparency Code 2014 in terms of its property portfolio will be provided from the UNIFORM system and work is underway to develop a robust reporting mechanism from this database to ensure publication of accurate data on an annual basis.