

Agenda Item 24

Cabinet

07 March 2012



Asset Management Update – Quarterly Review

Exempt Information

Para 3 Schedule 12A information relating to the finance or business affairs of any particular person

Summary

Progress made on the delivery of the Council's Strategic Property Asset Management Plan is detailed in the report.

Recommendation

- i) That Members note the progress in the delivery of the Asset Management Plan 2011/14.
- ii) That Members endorse the Governance change for the Asset Management Forum.

a) Reasons for Recommendation

It is considered good practice to manage the Council's property assets in a strategic and structured way to ensure best value for money from property assets in serving the strategic needs of the organisation and the local community.

b) Alternative Options

Members may consider alternative actions to those outlined in the report.

c) Risk Considerations

Property assets are expensive, in terms of both capital value and annual maintenance and running costs; they need to be carefully managed over their lives to ensure best value through their use, maintenance and generation of income. It takes time to determine carefully new property needs and to procure and provide them. The time it takes to deliver property led projects can also take a number of years. This is why the Plan is based on a medium term timeframe.

Our stewardship of property assets also carries with it a reputational risk. This can arise in a number of ways including external perceptions of asset usage, upkeep and quality of management either in the Council's direct management or by third parties. Examples might include bad neighbour uses of industrial premises, disrepair of buildings or play areas or facilities losing money or delivering ineffective services.

d) Policy and Budgetary Considerations

The Asset Management Plan provides a strategic overview for the Council's use of property.

Positive Impact Overall[Thriving Economy.](#)[Green Environment.](#)[Excellent Customer Service.](#)[Inspirational Council.](#)[Meeting our Diversity and Equality duties.](#)[Providing more service at less cost.](#)[Create Cashable Savings](#)**e) Date for Review of Decision**

The Asset Management Plan is reviewed quarterly; the delivery of which will be continuously reviewed by the Asset Management Forum.

1.0 Asset Management - General

- 1.1 It is proposed that the structures, roles and responsibilities in relation to the Council's strategic asset management are varied to reduce officer time committed to the Asset Management Forum meetings. Meetings are inherently expensive: they take up valuable officer as well as Member time. 5 key officers will be attendance with others invited on an 'as required basis'. The amended new governance is set out in the extract from the Asset Management Plan at Appendix 1.

2.0 Asset Management Plan Delivery

- 2.1 Significant progress has been made in the last twelve months to enable the delivery of the Asset Management Plan and the current status of the various actions to be undertaken are summarised below.

Action	Assigned to*	Status
Knowle Office Relocation	RC	Further option and viability testing currently being undertaken. In the meantime, project team being assembled.
Depot Review	SS	Has been implemented. The Knowle and Manstone Depots form part of the Knowle Office relocation. The Camperdown Depot will form part of the Council's commitment to the Camperdown Creek regeneration.
Car Park Review	SS/DB	The Car Parks report with accompanying questionnaire has been sent to the Town and Parish Councils, Chambers of Commerce and Devon County Highways for consultation. Following consideration of responses by the Asset Management Forum, relevant

		recommendations will be made to Cabinet in April. It is anticipated that further work will then be undertaken to review opportunities for development, capital receipts, asset transfer or increased revenue income opportunities.
Open Space Review	ST	Members considered the open space review report at the Special meeting held October 2010. A full Open Space Policy for the district is currently being developed. Anticipated that this will be in place Spring 2012. (NB the LED and private sports club TNRP Reviews will feed into this work)
Community Asset Transfer	DB	To be developed within the Strategic Development and Partnerships think tank with support from the organisation 'Locality'
Condition of existing estate- alignment of running costs	SD	Finance has assigned a part time employee to the task and it is anticipated that in the financial year 2012/13, property costs and income will be captured against each asset in an accurate manner.
Tenanted Non Residential Property Review	DB	<p>CIPFA Consultants are assisting with the preparation of reports on the Council's tenanted Portfolio. These include reports in relation to:</p> <ul style="list-style-type: none"> • Industrial Estates – Report to Cabinet March 2012 • Sports & Activity Clubs – Tenant questionnaires completed and draft report available. Policy to be developed with Members by CIPFA Senior Estates Surveyor (SES) as recommended. • Private Halls – Planned future report drafted • Cafe and Kiosks – Planned future report drafted • Chalets and Beach Huts – Draft available. SES to work with Streetscene, Property Services and Cipfa to finalise review report. AMF will then develop recommendations to be considered by Cabinet for April 2012 • Cinemas and Theatres - to be drafted. • LED Leisure Facilities – Initial draft report submitted by CIPFA. Leisure East Devon TAFF established to consider Service Level Agreement (SLA) between EDDC and Leisure East Devon (LED); and the financial contribution made by EDDC. Review to feed into this work. Possible that the scope of the TAFF could be extended to include consideration around the development of

		a future strategy in relation to provision of sports halls and swimming pools in the district. Further work to be undertaken in establishing planned maintenance budget costs. AMF to provide recommendations to Cabinet within next 6 months.
Data Management/Property Register	CP	Database now developed to hold property information on Council assets which is accessed from various other databases across the organisation. Available on to Members via the Council's intranet.
Performance Management	KL	To be initiated
Development of Capital Programme links to AMP & Capital Monitoring	SD	These have been initiated
Whole Life Costing appraisal	JG	Initial report drafted. Mechanism for implementation to be taken forward
Bench Marking	BK	To be initiated
Cultural Assets Review: The Tehlma Hulbert Gallery, Honiton and The Manor Pavilion, Sidmouth	SM	To be initiated

- * KL Kate Little, Head of Economy
 RC Richard Cohen, Deputy Chief Executive
 DB Donna Best, Principal Estates Surveyor
 CP Chris Powell, Corporate Manager - ICT
 SD Simon Davey, Head of Finance
 SS Simon Smale, Head of Environment
 JG John Golding, Head of Housing
 ST Sulina Tallack, Section 106 Officer
 BK Brian Kohl, Property Service Manager

3.0 Project Delivery/ Projects Emerging

3.1 **Seaton Regeneration** – As reported to Cabinet 13 July, Seaton Regeneration is one of the Council's corporate priorities and considerable success has been achieved against not only its own objectives, but also the 'shopping list' agreed by all Seaton's Members in 2008 and which set out aspirations for the town.

3.3 The Land Agreement with Tesco has now been completed. In addition to the £1.955 million capital receipt, a further £37,000 was negotiated in lieu of visitor centre pre-development works previously to be undertaken by Tesco. The decision to retain

the public conveniences in July 2011 has equated to an estimated net total cost of £107,000 for the Council along with the on-going revenue commitment of £22,000 per annum.

- 3.4 The grant of an easement to Tesco for surface water drainage into the rhyne system partly in the Council's ownership is close to completion following the recent clearing works undertaken by Tesco.
- 3.5 The legal documents have been executed to transfer land known as Sheep's Marsh into the Council's ownership. This land will be used to further expand the Axe Wetlands Nature Reserve.
- 3.6 BIP West Devon have now appointed a dedicated Business Development Officer. Who will work with officers, members of Seaton Chamber of Commerce and the wider business community on an agreed programme of activity in the period to June 2012.
- 3.7 The marketing of the opportunity to take a tenancy of and operate the Seaton Visitor Centre has now completed. Those parties who made an expression of interest will be interviewed by a Member and Officer panel in March. A report to Cabinet will follow in due course with recommendations regarding the future implementation of the project.
- 3.8 The easement grant to DCC for the Stop Line Way cycle scheme has partially been implemented. Currently, this excludes the Underfleet area owing to uncertainty about the future development of the Visitor Centre.
- 3.9 **Exmouth Regeneration** – Work undertaken over the last 2 years to develop a vision for the future development of the town and seafront with the local community, has enabled the drafting of a masterplan and the establishment of several projects to assist the delivery of the vision. A number of the projects identified affect land that the Council owns or in which it at least has a controlling interest. These projects would require positive action by the Council to enable them to come forward. At the Cabinet Meeting held 30 November, the Council made a commitment to bring forward these projects over a phased four year programme.
- 1) Estuaryside Transformation
 - 2) Exmouth Splash (Queen's Drive)
 - 3) Camperdown Creek Regeneration
 - 4) The Elizabeth Hall Site
 - 5) Pierhead and Mamhead/ Mamhead Slipway Improvements
 - 6) Foxholes Hub & Car Park
 - 7) New London Inn Quarter
- 3.10 Project Initiation Documents are now being drawn up to set out a delivery strategy for the first four projects and a report to Cabinet will follow in due course.

4.0 Priority Disposal Programme

- 4.1 At its meeting held 13 July 2011, Cabinet agreed a disposal programme to assist the shortfalls of the Capital Programme

Budget. The current status of each project is set out within Appendix 2.

5.0 Property Transactions Report – 01 November 2011 – 01 February 2012

5.1

	Number of transactions 01 Nov 2011 - 01 Feb 2012	
		Capital Receipts
Disposals completed	2	£1,740,646
		Revenue Increase
Revenue Increases (Leases /licences/ rent reviews)	6	£10,165

Legal Implications

The full terms of any documentation to be agreed upon between the surveying and legal teams. Otherwise, the report contains no further implications of a legal nature upon which to comment

Financial Implications

Capital receipts generated by the sale of assets that neither generate income nor progress EDDC core values are welcome funding for the Capital programme

Consultation on Reports to the Executive

Asset Management Forum

Appendices

- Structures, roles and responsibilities – Appendix 1
- Priority Disposal Programme – status summary – Appendix 2

Kate Little
Head of Economy

Cabinet
07 March 20123