

East Devon
District Council



Corporate Property Asset Management Plan 2009 - 2012



Knowle Offices,
Sidmouth



East Devon Business Centre,
Honiton



Riverside Workshops,
Seaton



Elmfield House,
Honiton

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Foreword

Public Services are invariably delivered directly or indirectly from land and buildings. The property portfolio of public organisations has to be right for people – for staff and customers – and for the processes necessary to deliver products and services.

The Use of Resources Guidance for Councils, measured by the Audit Commission, suggests that an Asset Management Plan should show how the Council's land and buildings should be used and developed to help deliver corporate priorities and services.

East Devon District Council has therefore produced this plan, linked to the vision and priorities of the Council, to provide a blueprint for the effective and efficient use of the Council's assets for the benefit of the residents of East Devon.



A handwritten signature in black ink, appearing to read 'A Moulding'. The signature is written in a cursive style with a large, sweeping flourish at the end.

Councillor Andrew Moulding
Portfolio Holder for Resources
East Devon District Council

1 Introduction

The Asset Management Plan (AMP) sets out the Council's approach to the Strategic Management of its land and building assets. It is developed in consultation between the Senior Officers and Members of the Council that form the Asset Management Forum. The AMP seeks to ensure that assets are used in the most effective and efficient way to support the delivery of the Corporate Strategy.

The AMP provides an overview of East Devon District Council's property portfolio, specifically providing:

- an illustration of how property assets support the Council's Corporate Priorities
- action required to support corporate and service strategies
- proposals for improving the effectiveness and efficiency of the portfolio.

2 Context

Please see Appendix 1 for information on how the AMP relates to other strategic documents of the Council. The structures, roles and responsibilities adopted by the Council in respect of Asset Management are set out in Appendix 2.

3 Why are property assets important to our organisation?

Property assets are inextricably linked to the delivery of the vision and priorities of the organisation. The way that the Council manages its land and property assets has a direct impact on the quality of services delivered to the public. It is therefore important that efficient and effective use is made of these assets to support corporate and service objectives.

4 Why do we need asset management?

Asset management provides a structured process to ensure best value for money from property assets in serving the strategic needs of the organisation. Property assets are expensive, in terms of both their capital value and annual maintenance and running costs; they need to be carefully managed over their lives to ensure best value through their use, maintenance and generation of income; and it takes time to determine carefully new property needs and to procure and provide them.

In addition to the practical and business benefits of strategic asset management, there is also Central Government policy and statutory responsibility to consider: The Department for Communities and Local Government (DCLG) are at the forefront of the drive in local government along with the Office of the Deputy Prime Minister (ODPM) and the Audit Commission. For further information relating to documents published in this topic area, please see the Further Reading section at the end of this document.

This AMP seeks to set out the Council's asset management strategy in a format that reflects the support of corporate objectives. The need for asset management is further explored at Appendix 3.

5 Corporate asset objectives

The overall objective of the Council in the management of its property portfolio is to utilise and manage its land and property assets in accordance with the principles of Best Value so as to enable high quality services to be provided to the residents of the district of East Devon. This is achieved by recognising and adopting the following objectives:

- To ensure that retained assets are suitable for their proposed/existing use, are fit for purpose, represent value for money and support improved service delivery.
- To challenge the need for property and examine in the context of the opportunity cost the justification for its continued use in the provision of services.
- To provide innovative accommodation solutions for the provision of appropriate, attractive, accessible and safe means of obtaining services for customers.
- Provide an appropriate, attractive, secure and safe working environment that motivates staff.
- Minimise in all respects the impact of the Council's buildings on the environment throughout their life.
- To ensure the Council's property assets comply with Statutory/Regulatory Codes and are managed efficiently.
- To ensure that the disposal of surplus assets links with the Medium Term Financial Strategy and that the retention of assets is rigorously tested against the Council's retention criteria.

6 Portfolio overview - What does the Council own?

East Devon District Council holds a wide and varied portfolio of Property and Building Assets comprising 246 non-residential properties and 166 areas of open space with a total replacement/existing use value of £84.9m.

The housing stock is managed by the Housing Service and is subject to its own Housing Strategy¹ and Housing Revenue Account Business Plan. The management of these assets is outside the scope of this Asset Management Plan.

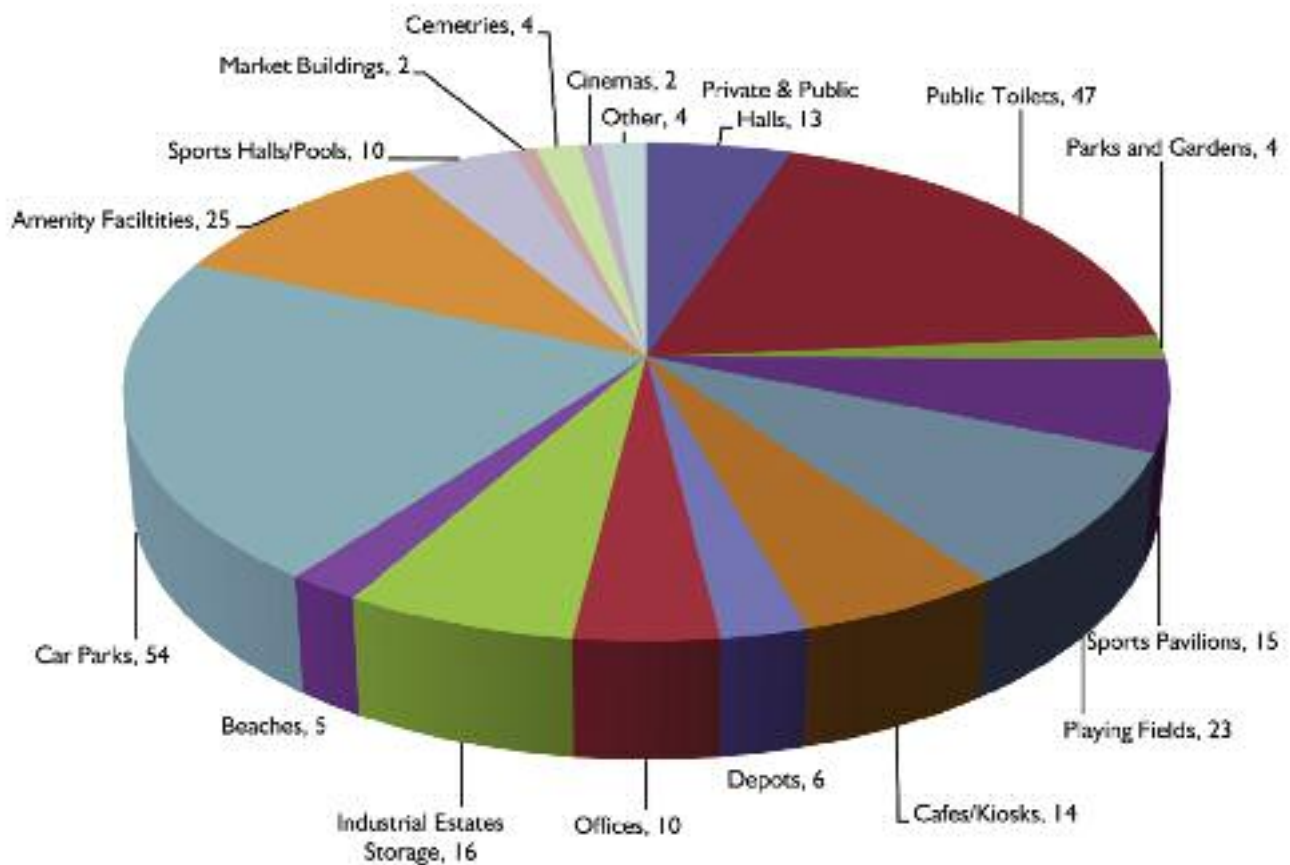
The Council's portfolio can be split into three main types of property:

- 1 For the purpose of direct service delivery, such as parks and gardens.
- 2 To support service delivery, for example administrative offices and depots.
- 3 Tenanted non residential property. This part of the portfolio is varied: In many cases the assets have been made available for social or sporting purposes or are retained for a range of reasons such as a potential to contribute to future regeneration schemes, provide employment land otherwise not provided in the private market, or to retain control over property use. In addition, the portfolio provides valuable revenue income.

¹ www.eastdevon.gov.uk/housing_policies_and_strategies.htm

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A breakdown of the Council's land and building assets are shown in the chart below. (Please note that this chart excludes public open space.)



7 How do our land and building assets support the priorities of the Corporate Strategy and how will this support be maintained and improved?

Set out below each priority heading is an illustration of how property assets support the Council’s priorities and the actions required to improve the performance of the portfolio in relation to the delivery of Corporate and Service Strategies. Given that a large part of asset management is about improving efficiency, the majority of actions to yet be undertaken, shown with a timescale indication under the date column, fall under Priorities 6 and 7.



Priority one: Affordable homes

The Housing Strategy¹ sets out in detail how the Council is providing affordable housing and how further provision of new homes will be delivered in the future.

In support of the Council’s priority to deliver a significant increase in affordable homes in the District, the following projects are currently being undertaken in respect of the Council’s own property assets:

Action/support of priority	Date	Budget	Assigned to
1 Form a development partnership with Devon & Cornwall Housing Association to deliver a high proportion of affordable housing scheme at Stowford Rise, Sidmouth	On going	Capital Programme	Housing
2 Audit of potential open sites on or adjacent to existing council housing estates that could be used to deliver affordable housing	On going	HRA revenue budget	Housing
3 Holmdale, Sidmouth: Joint venture scheme at pre-application stage	On going	Capital Programme	Housing

The Council’s existing policy in relation to its own land is to contribute land at nil value cost in order to keep the cost of development down and reduce the requirement for capital funding. The merits of

transferring land at nil value are considered against the viability of the individual scheme and any other public subsidy.

¹ www.eastdevon.gov.uk/housing_policies_and_strategies.htm



Priority two: Thriving economy

A thriving economy is about good jobs, economic growth and revitalising communities to improve their local facilities and services for our residents.

The Council holds assets which can assist in meeting this priority and work continues to explore opportunities where our assets can be used to attract investment into the district.

East Devon District Council has established the regeneration of Exmouth and Seaton as a key priority with a focus on redevelopment opportunities and the social/community aspirations of the Towns. Regeneration is a set of activities that reverse economic, social and physical decline in areas where market forces will not do this without support from the public sector. In this case, the Council recognises that it has a key role to play in moving forward the regeneration agenda through the use of its asset base to secure private sector investment.

Action/support of priority	Date	Budget	Assigned to
1 Exmouth Regeneration – The East Devon Local Plan identifies redevelopment opportunities for Exmouth such as Elizabeth Hall, the Seafront, London Inn and land at Royal Avenue, all of which are owned by the Council. The Council will work with our partners to bring forward proposals for attracting investment into Exmouth.	On going	Planning Development Grant & LABGI	Economy & Devt.
2 Seaton Regeneration – The Council, as land owner, will work with developers to bring about private sector investment into Seaton	On going	Planning Development Grant & LABGI	Economy & Devt.
3 Industrial workshops, compounds and offices: The Council will continue to provide employment premises to rent on terms suitable for small and start-up businesses	On going	Revenue Budget	Economy & Devt.
4 East Devon Business Centre ¹ – provision of 19 serviced office units and conference hire facilities will continue to support local business and in particular, small start-up businesses.	On going	Revenue Budget	Economy & Devt.

¹ www.eastdevon.gov.uk/east_devon_business_centre



Priority three: Safe, clean and green environment

Action/support of priority	Date	Budget	Assigned to
A safe environment			
1 The Council will continue to implement and maintain flood alleviation, coastal protection and land remediation schemes	On going	Capital Programme	Street Scene
2 The Council will continue to monitor Council land and buildings for Health & Safety	On going	Revenue Budget	Street Scene
A clean environment			
1 The Council will continue to maintain and enhance the Council's parks and gardens and public open space to a high standard	On going	Revenue Budget	Street Scene
2 Public Conveniences: The Council's most recent strategy has been to rationalise the provision of public toilets and close unattended facilities. Partnering arrangements have been put in place with some Parish Councils and the private sector. An active programme of modernisation for remaining facilities is now in place through an approved capital programme.	2009/10	Capital Programme	SMT (AMF) / Street Scene

Continued 

A green environment			
<p>1 The Council has adopted a Climate Change Strategy¹ under which the Council’s own Estate and Operational activities are addressed and where specific recommendations will be pursued by the Council as part of its Asset Management Strategy.</p> <p>The Council has set a target of reducing its use of carbon by 45% over the next five years. This is a significant and challenging target which will require the Council to seriously consider the assets it currently uses to deliver services.</p> <p>This will include a review of the main administrative centre at the Knowle (See Appendix 5 & 6). An energy survey of the building has been carried out and Display Energy Certificate obtained.</p>			
2 Management of the Axe Estuary Wetland Nature Reserve project	On going	Revenue Budget	Planning & Countryside
<p>3 Management of other areas of land by Countryside and owned by EDDC include the following:</p> <ul style="list-style-type: none"> • Exmouth Local Nature Reserve (LNR) • The Maer LNR, Exmouth • Holyford Woods LNR • Seaton Marshes LNR • Colyford Common LNR • Trinity Hill LNR, near Uplyme • The Knapp, Sidmouth • Honiton Bottom Community Nature Reserve (off Battishorne Way) • Otter Estuary (section close to Lime Kiln car park) 	On going	Revenue Budget	Planning & Countryside

¹ www.eastdevon.gov.uk/200308item7.pdf



Priority four: Recycling

Action/support of priority	Date	Budget	Assigned to
<p>1 Continued improvement in the availability of recycling facilities on Council premises.</p> <p>EDDC's Waste and Recycling policy is currently rolled out in the east of the district and due completion over the whole district by 2010.</p>	On going	Revenue Budget	
<p>2 Where suitable locations on the Council's land are identified, the Council will continue to install recycling stations¹.</p>	On going	Capital Budget	Street Scene
<p>3 Site at Colyton Road, Seaton will continue to be let to Devon County Council at a diminutive rent to provide for a weekend recycling facility</p>	On going	Revenue Budget	Economy & Devt.

¹ www.eastdevon.gov.uk/recycling_banks



Priority five: Children and young people

Action/support of priority	Date	Budget	Assigned to
1 The Council will continue to maintain and enhance 66 play area sites through the district. In addition, the Council has now built five skate parks.	On going	Capital, Revenue	Street Scene
2 Some of the Council's tenanted non residential property is leased to youth organisations (and sporting organisations) at a peppercorn rent or subsidised rent.	TNRP Review 2009/2010	Revenue Budget	Economy & Devt.
3 Playing Fields and sports pitches continue to be maintained for public use.	On going	Revenue Budget	Street Scene
4 Leisure Opportunities offered to children from the Council's Sports and Leisure Centres include a variety of sporting activities. Leisure Buildings let to LED at peppercorn rent and maintained by EDDC.	On going	LED/ Revenue Budget	LED
5 The Thelma Hulbert Gallery, Honiton, supports a Youth Arts Group and carries out creative and educational work with children and young people.	On going	Revenue Budget	Arts Development
6 The theatres of Exmouth Pavilion and the Manor Pavilion at Sidmouth provide a showcase for the artistic talents of young people, supporting social and confidence building characteristics.	On going	LED/ Revenue Budget	LED



Priority six: Excellent service for our customers

Asset Management has a key role to play in ensuring that the Council meets its aspirations under this priority.

The Council is currently undergoing a systems thinking review in conjunction with Vanguard consultants. This is an approach which puts the customer at the heart of service delivery and ensures that the way in which the work is organised cuts out time wasting processes.

An operational property base is integral to the delivery of most Council services and this process cannot be carried out in isolation of ensuring that this review includes the use of buildings.

In addition, the future provision of corporate core services is currently being challenged and reshaped through the National Shared Services initiative which is driving the Council to consider both joint service delivery with community partners and the benefits of sharing core services and delivery.

Action/support of priority	Date	Budget	Assigned to
<p>I Knowle Office Review: Consultants have been instructed to carry out a review of the Council’s main administrative centre at the Knowle and to assess possible alternative locations. (This study will be linked to the Accommodation Review (see below) and the systems thinking project).</p> <p>This study will also include consideration of alternative use and valuation of the existing site. (For further information see Appendix 4)</p>	2009/10	Capital Programme	Economy & Devt

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Action/support of priority	Date	Budget	Assigned to
<p>2 Accommodation Review: Service asset plans will feed into the AMP processes to provide an assessment of:</p> <ul style="list-style-type: none"> i the use, suitability, condition and occupation of property supporting the service. ii a projection of future trends and the strategic direction of the service and implications for property use <p>This will allow the preparation of an accommodation strategy that translates the medium term revenue budget and workforce development plan, into future requirement for property.</p> <p>Please see Appendix 5 for further information.</p>	2009/10 and ongoing	Revenue Budget	SMT (AMF)
<p>3 Depot Review: As part of the property review a full review of the Council's depots and storage sites is being undertaken with the aim of identifying the optimum provision in terms of size and location. This will result in improvements and investment at certain locations and the possible disposal of others.</p>	2009/10	Revenue Budget	SMT (AMF) Economy & Development/ Street Scene
<p>4 Car Park Review: The car parks owned and managed by the Council provide a significant contribution to the revenue budget (£2.9m 2007/08). The car parks are to be reviewed in terms of their on-going revenue provision, maintenance, purchase of additional car parks and potential to otherwise support regeneration projects through disposal.</p>	2009/10	Revenue Budget	SMT (AMF) Economy & Development/ Street Scene

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Corporate Property Asset Management Plan 2009—2012

Action/support of priority	Date	Budget	Assigned to
5 Public Open Space: Review of acquisition, disposal and management of public open space to ensure clear guidelines are put in place.	2009/10	Revenue Budget	SMT (AMF) Policy & Development/ Street Scene
6 Community Asset Transfer: Establishment of clear procedural policies including option appraisal. (Appendix 6.)	2009/10	Revenue Budget	SMT (AMF)
7 Building user and accessibility satisfaction: Consultation through user Surveys	2010/11	Revenue Budget	SMT (AMF)
8 One stop shops: Changing public access needs, combined with an expressed vision with the systems thinking review to bring service delivery even closer to our customers has led to the identification of a need for satellite 'one stop shops' in our main towns. A pilot scheme is currently being considered in Exmouth. A Part B report was submitted to the Executive Board 6 August 2008 ¹ .	2009/10	2010/11	Existing Staff SMT (AMF)



Priority seven: An inspirational Council: Great value for our customers

Only by implementing a strategic approach to the management of the Council’s assets can this priority be ensured.

Action/support of priority	Date	Budget	Assigned to
I Performance and condition of the existing Estate			
i Running Costs: Alignment of operating costs with a property code to enable analysis. Data will then inform and shape the corporate office and property reviews.	2009/10	Revenue Budget	Finance
ii Condition Surveys: Carried out on non-housing stock 2007. (Appendix 7) Planned maintenance programme now in place.	On going	Revenue Budget	Street Scene
iii Statutory compliance: Buildings open to the public have been audited for DDA compliance (Disability access to Council operated buildings BPVI 83%). Legionella and Fire Safety assessments complete.	On going	Dedicated budget for DDA monitoring	Street Scene
iv Suitability: To be assessed through service asset planning process. (First phase questionnaires on Knowle accommodation implemented)	2009/10	Revenue Budget	SMT (AMF)
v Review of capital projects completed in last year: Assessment methodology to be developed to measure success of completed capital projects	2010/11	Revenue Budget	SMT (AMF)

Continued

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Action/support of priority	Date	Budget	Assigned to
<p>2 Tenanted non residential property (TNRP) Review (Appendix 8): The Council will challenge and review asset ownership through an assessment of efficiency, effectiveness, and affordability.</p>	2009/10	Revenue Budget	Economy & Development
<p>3 Data Management: Comprehensive property database to be procured to combine property, financial and management information. (Appendix 9)</p>	2009/10	Capital Programme	ICT
<p>4 Performance Management:</p> <p>i Audit Commission Assessment (Appendix 10)</p> <p>ii Development of performance measures in relation to assets that evaluate asset use in relation to corporate objectives</p>	<p>On going</p> <p>2009/10</p>	<p>Revenue Budget</p> <p>Revenue Budget</p>	<p>Economy & Devt/ Finance</p> <p>Revenue Budget</p>
<p>5 Financial Management:</p> <p>i Development of Capital Programme links to AMP and capital monitoring</p> <p>ii Implement Whole Life Appraisal – a systematic assessment of all relevant expenses, income and performance associated with the acquisition, procurement, ownership, refurbishment and potential disposal of an asset over its life.</p>	<p>2008/09</p> <p>2009/10</p>	<p>Revenue Budget</p> <p>Revenue Budget</p>	<p>Economy & Devt/ Finance</p> <p>Economy & Devt/ Finance</p>

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Action/support of priority	Date	Budget	Assigned to
<p>6 Section 106 Agreements and Budget:</p> <p>i Expenditure proposals affecting the 106 budget held by the Council are considered by SMT and reported to AMF on a quarterly basis or as required.</p> <p>ii The Council's policy relating to the disposal and acquisition of public open space is to be reviewed. In the meantime, all land acquisition via the 106 process, is presented to the AMF before any legal agreement is signed.</p>	<p>On going</p> <p>2009/10</p>	<p>Revenue Budget</p> <p>Revenue Budget</p>	<p>Planning Services</p> <p>SMT (AMF)</p>
<p>7 Benchmarking: Formation of Devon Group of Corporate Property Officers to establish effective performance measures against other local authorities</p>	<p>2009/10</p>	<p>Revenue Budget</p>	<p>SMT (AMF)</p>

8 Outcomes

The Council's Asset Management Plan was last updated 2003/04. This revised plan creates a useful picture in terms how the Council's assets support the Council's Corporate Priorities and the challenges ahead in ensuring a strategic approach is taken to support corporate and services strategies. The actions set out with dates in the AMP highlight where work remains to be carried out to fully incorporate Asset Management into the Council's ethos and have been set to achieve the Corporate Asset Objectives set out on page 4.

As is demonstrated within the Plan, effective asset management is an on-going discipline that requires the active support of senior decision makers and cross service input.

For further information, please speak to the author of this document, Donna Best on **01395 571584**.

9 Further reading

Public Sector Asset Management Guide (Jan 2008)

www.publicsectorassetmanagement.com

ODPM/RICS local authority asset management guidance (Feb 2005)

www.communities.gov.uk

Building on Strong Foundations – A Framework for Local Authority Asset Management

www.communities.gov.uk/publications/localgovernment/assetmanagement

Hot Property: getting the best from local authority assets (April 2000)

www.audit-commission.gov.uk

Making assets Work, the Quirk Review of community management and ownership of assets

www.communities.gov.uk/publications/communities/makingassetswork

Opening the transfer Window, the government's response to the Quirk Review

www.communities.gov.uk/publications/communities/openingtransfer

Service Transformation: A better service for citizens and business, a better deal for the taxpayers (December 2006)

www.hm-treasury.gov.uk

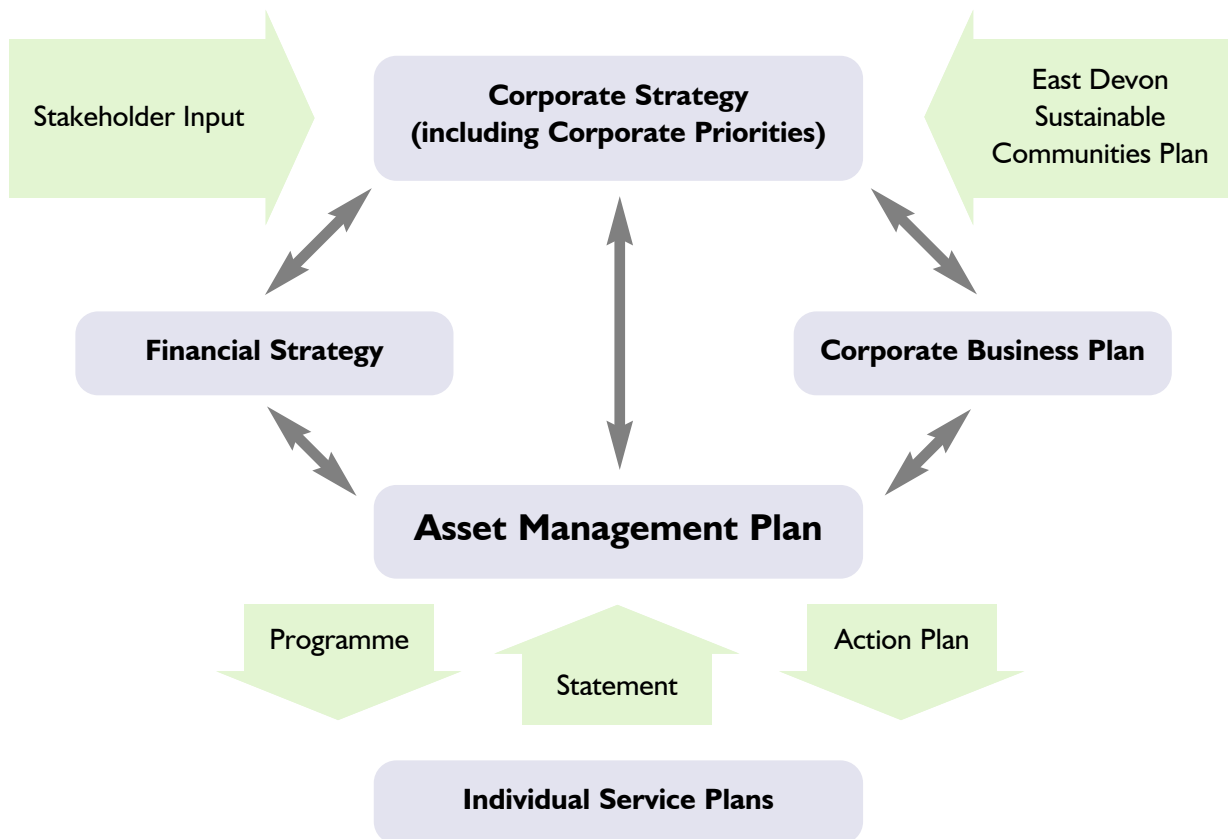
Appendices

AI The AMP and its relationship to other strategic documents

I.0 The main strategic document for the Council is the Corporate Strategy and this sets out the Council’s vision, values and priorities. This particular document is the ‘umbrella’ for a number of documents which together support the Corporate Strategy.

I.1 A vehicle by which to ensure that the management of the Council’s assets fully supports the delivery of these priorities is set out within the Asset Management Plan. The strategy for providing the financial support for the delivery of these objectives is set out in the Financial Strategy¹. The actual delivery of services is continually under review as is set out annually within Service Plans.

Diagram I: The Asset Management Plan and its relationship to other documents



¹ www.eastdevon.gov.uk/index/your_council/about_east_devon/financial_strategy_2008_onwards | dprev.pdf

A2 Structures, roles and responsibilities

1.0 The asset management function involves all council departments and the role of the Council's Asset Management Forum (AMF) is key to ensuring there is an effective dialogue on asset management issues across the Council and with our partners. AMF is chaired by the Portfolio Holder for Resources with the balance of the forum made up of senior representatives at director and section head level. The AMF ensures there is insight into individual council services, together with a clear understanding of corporate goals and objectives.

2 Management arrangements

2.1 The Council has adopted a Constitution under which the work of the Full Council includes deciding overall policies, setting budgets, agreeing constitution changes and appointing the Leader, Deputy Leader and the Executive Board. Full Council meetings are held four times a year. The annual meeting is held in May to elect the Council committees and to appoint the Chairman, Vice Chairman and the Council Leader. The full Council is the only body which has the power to amend the Council's constitution, change policy and to appoint Council committees.

2.2 Responsible to the Council, the Executive Board¹ makes operational decisions and recommends new policies. Many of its operational functions are delegated to some members of the Executive Board known as Portfolio Holders.

2.3 The Executive Board's decisions and those of the Portfolio Holders are checked by the Scrutiny Committee² with a view to making an impact on the delivery of public services. It reviews and scrutinises decisions made and particularly scrutinises performance and service delivery.

2.4 The Executive Board reports to the full Council, but its work is assisted by the work of the Corporate Overview Committee³. The Corporate Overview Committee's principal role is to develop policy and evaluate its implementation. It can examine any area of policy by researching and calling expert witnesses to meetings, providing a 'critical friend' challenge. The committee then reports its findings back to the Executive Board usually with a recommendation, thereby assisting with policy development.

2.5 The Scrutiny Committee and the Corporate Overview Committees may call in any decision made by the Executive Board or Portfolio Holders and ask for the decision to be reconsidered. Both committees can also set up Task & Finish Forum to examine particular issues in depth. Where appropriate, joint meetings of the Corporate Overview and Scrutiny Committee are held to debate issues relevant to both committees, for example service and budget planning.

¹ www.eastdevon.gov.uk/index/your_council/councillors_and_meetings/committees/executive_board.htm

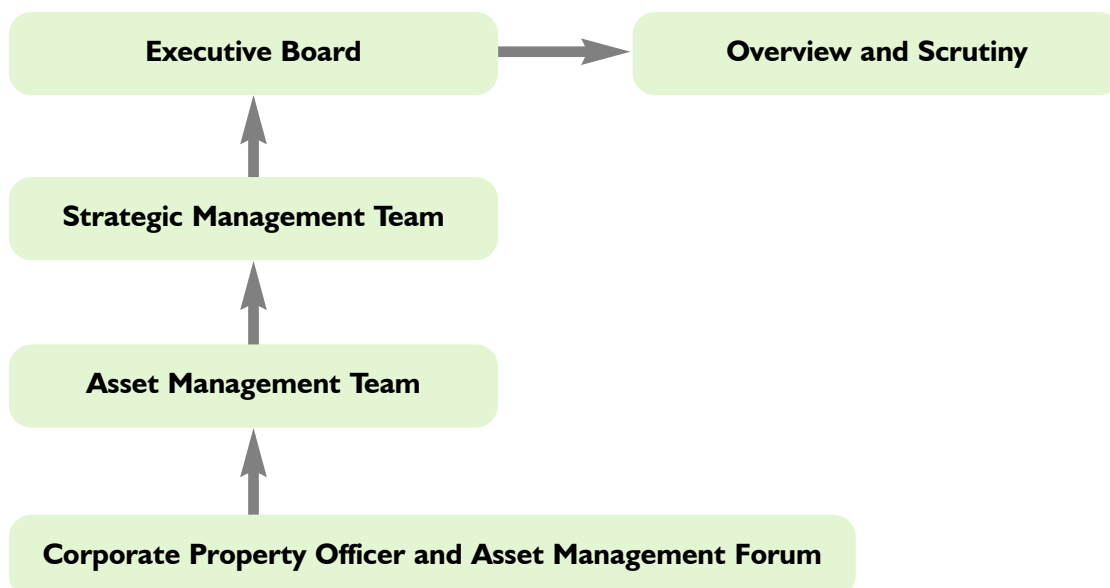
² www.eastdevon.gov.uk/index/your_council/committees/scrutiny.htm

³ www.eastdevon.gov.uk/index/your_council/committees/corporate_overview.htm

2.6 The Audit and Governance Committee¹ approves the work of internal audit, reviews the Annual Statement of Accounts and considers external audit and inspection reports.

2.7 The Housing Review Board² acts as an overview committee and considers matters relating to the Council's landlord and housing management functions. The Board consists of five councillors, five tenants and/or leaseholders and two independent community representatives.

Diagram 2: Asset Management Organisational Framework



3 Organisational Framework for Asset Management

3.1 Asset management issues apply to all Service areas and therefore the Scrutiny Committee is involved in considering asset management proposals coming out of Service and asset reviews in their particular areas.

The overall monitoring of the AMP and corporate asset management initiatives is the responsibility of the Scrutiny Committee. The Scrutiny Committee considers the Council's AMP. In so doing it looks to ensure that good practice criteria are addressed. These are set out overleaf.

¹ www.eastdevon.gov.uk/index/your_council/councillors_and_meetings/committees/audit_and_corporate_governance.htm

² www.eastdevon.gov.uk/housing_review_board

- i Links between corporate objectives and property priorities.
- ii Full involvement of all key Service areas – the key service areas are integrally involved in asset management either through service/asset reviews or at an appropriately senior level in the Asset Management Forum.
- iii Clear distinction between strategic and operational decision making - the AMP does not look to address detailed issues concerning individual assets. It serves to provide a framework within which those types of issues can be considered.
- iv Identification of key drivers amongst officers and Members - the key officer drivers of the capital strategy and asset management process are represented on the AMF. This ensures that a corporate, strategic approach to capital expenditure and asset use is championed.
- v Clear reporting lines to a strong corporate centre - the AMF provides this corporate centre, providing a strong lead and then monitors implementation of asset reviews.
- vi Integration of the Capital Strategy and the AMP - the engagement of both estates and finance officers in the Asset Management Team ensures the integration of the development and implementation of the Capital Strategy and AMP.

3.2 Corporate Property Officer (CPO)

Responsibility for corporate management of the Authority's property assets rests with the Corporate Director (E&D) who is a member of the Strategic Management Team and thence to the Executive Board.

3.3 This responsibility is in turn designated to the Corporate Property Officer (CPO), the Principal Estates Surveyor. The CPO has authority to undertake all required developments in asset management. Her roles and responsibilities are clearly defined, explicit and have been communicated to all concerned in the management and use of property throughout the Authority. The CPO also contributes to the Capital Strategy thus ensuring the closest linkage between the two plans.

3.4 Asset Management Team

A small dedicated corporate team supports the Council's corporate asset management planning processes having the following relevant responsibilities:

- Developing a corporate strategic long term vision for the management of the Authority's property estate.
- Preparing a corporate asset management plan and subsequently implementing asset management planning including individual service property planning across the Council's services.
- Responsible for the development and management of property information systems.

3.5 This team is made up of the Portfolio Holder for Economy, Portfolio Holder for Resources, CPO, Head of Finance and the Corporate Director responsible for the Economy & Development service. It reports to the Scrutiny Committee (via SMT) and meets every three months or as required.

3.6 The Asset Management Forum

The Council has set up a cross-directorate Asset Management Forum to perform the function of a Corporate Property Officer as set out in the ODPM guidance. It is established to promote the effective management of the Council's land and buildings and to oversee the preparation and implementation of the Council's Asset Management Plan. The Forum comprises a senior officer representative(s) of each Council service. It is chaired by the Portfolio Holder Resources and its membership also includes the Economy Portfolio Holder. The Principal Estates Surveyor acts as an internal project manager in respect of the preparation and monitoring of the Asset Management Plan.

3.7 Due to the relatively small size of the asset base, the Council considered it appropriate that both strategic and operational asset management is undertaken by the same team. Any proposal likely to impact upon the Council's land and buildings is brought to the Asset Management Forum for consideration before the matter is the subject of any external discussion or negotiation with third parties.

3.8 The Group meets on a monthly basis. The minutes of each meeting are reported to the Strategic Management Team and the Resources Portfolio Holder who will determine whether further consideration can be given items raised without first being reported to the Executive Board, Scrutiny Committee or relevant Portfolio Holder.

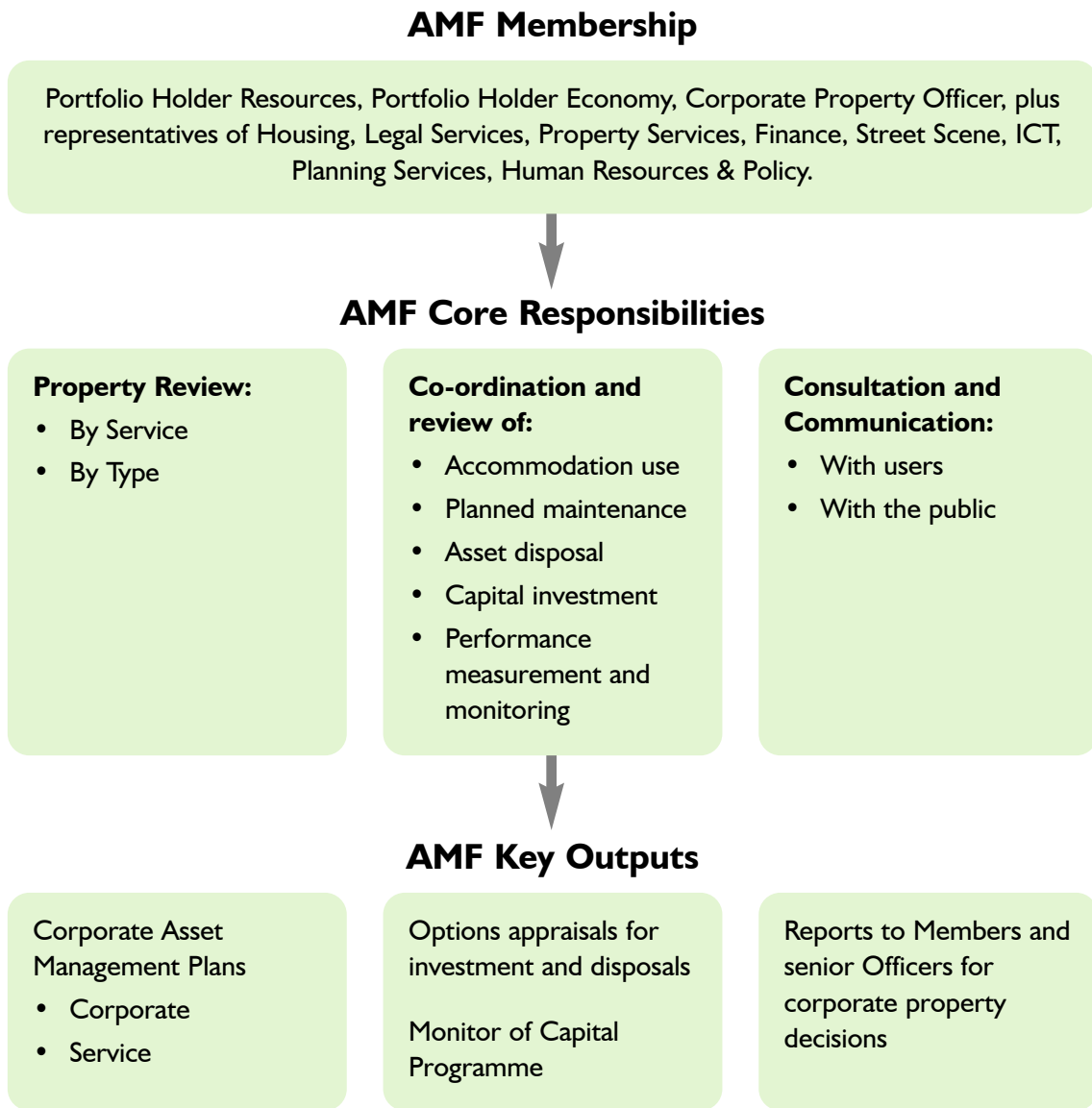
3.9 Service Departments in areas affected by Asset Management Reviews are consulted on these Reviews and any resultant actions are reported back to the Asset Management Forum.

3.10 The Asset Management Forum have the following terms of reference:

- To support the preparation and review of a corporate Asset Management Plan that details existing asset management arrangements and action to improve corporate asset use on an annual basis.
- To promote service asset management planning and a wide understanding of corporate ownership of assets; seeking wherever possible to promote and develop cross service use of assets.
- To support the adoption of performance measures and benchmarking to describe and evaluate how the Council's asset base contributes to the achievement of corporate and service objectives and improvement priorities.
- To ensure that the Council makes investment and disposal decisions informed by thorough option appraisal and the evaluation of robust whole life costing.
- To assess stakeholder satisfaction and recommend changes in asset use as a result of stakeholder consultation.
- To co-ordinate cross service aspects of corporate property assets, providing liaison between Service users and to enhance corporate service delivery.
- To support the development and monitoring of the capital programme and the Council medium-term financial strategy.

The Forum will provide linkage to the Council's capital strategy by monitoring the current year's capital programme and developing the programme for future years, through the Capital Programme Monitoring Group that reports directly to the Forum.

Diagram 3: Asset Management Forum



3.11 Member Involvement

Members are involved fully in the AMP process in the context of the Executive Board, which recommends approval of the Plan and also the Scrutiny Committee which critically assesses its implementation. Two members of the Executive Board, the

Portfolio Holder Resources (Strategic Asset Management), and the Portfolio Holder Economy (Operational Asset Management), are members of the AMF. The Portfolio Holder Resources chairs the Cross Service AMF and both Portfolio Holders are part of the Asset Management Team.

A3 Why do we need asset management? Further explored...

1.0 Practical Reasons

It takes longer to change property than any of the other strategic resources. Lack of attention to asset management will result in the asset base underperforming in both non-financial and financial terms. Examples of this are:

- Extensive maintenance backlogs
- Poor fit between customer and service requirements and the property from which they are delivered
- Under-utilisation of buildings
- Limited co-location of public services
- Inefficient sourcing and procurement of property, construction and support services
- Inefficient use of capital
- Insufficient control of running costs
- Failure to get services close to the community they serve

1.1 Business Benefit Reasons

The business benefits that have been realised by many public bodies from effective asset management are:

- The release of capital for re-investment or debt redemption
- Reduced running costs
- Better customer service and public service provision through improved accommodation and the co-location of services
- Property in good condition
- Improved property utilisation and bring together similar uses into the same property, rather than providing them separately
- Improved productivity, changes in corporate culture and facilitation of corporate change

1.2 Policy Reasons

Asset management is on the modernisation agenda of central government. Since Sir Michael Lyons' Report, *Towards Better Management of Public Sector Assets* (December 2004)¹, the Treasury has made asset management an integral part of Spending Reviews.

In every part of the public sector, improved asset management is not just to be encouraged, it is a government expectation.

*RICS Public Sector Asset Management Guidelines
Senior Decision Maker's Guide*

¹ www.ogc.gov.uk/documents/towards_better_management_of_public_sector_assets_-_sir_michael_lyons.pdf

1.3 In addition, the Building on Strong Foundations: A Framework for Local Authority Asset Management document published January 2008 by the Department for Communities and Local Government, listed the following potential benefits of good asset management:

- Deliver exceptional services for citizens, aligned with locally agreed priorities, whilst focusing investment clearly on need.
- Empower communities and stimulate debate.
- Improve the economic well-being of an area.
- Ensure that, once built, assets are correctly maintained.
- Introduce new working practices and trigger cultural organisational changes.
- Reduce carbon emissions and improve environmental sustainability.
- Increase co-location, partnership working and sharing of knowledge.
- Improve the accessibility of services and ensure compliance with the Disability Discrimination Act (DDA) 2005.
- Generate efficiency gains, capital receipts, or an income stream.
- Improve the quality of the public realm.

A4 Knowle Office Review

1.0 It has been recognised for some time that the office accommodation at the Knowle, Sidmouth is unsuitable for the running of an efficient modern authority. The existing building is wasteful on space, inaccessible, not energy efficient, and the layout makes it difficult to organise the workforce thereby discouraging corporate working.

1.1 The Council has therefore sought advice to include the following:

- i** The possible alternative use for the existing site at the Knowle (including the depot building and yard area) for redevelopment
- ii** A study to provide a high level economic impact statement on Sidmouth should the Council move from the Knowle
- iii** A strategic site selection exercise to inform the Council on the most appropriate site for the relocation of the Council's offices along with procurement options

1.2 The consultancy work was tendered and Alder King were subsequently instructed to carry out the work. The review is in its early stages and, in particular, the Council will need to feed information into the process to advise Alder King as to current accommodation arrangements along with anticipated future requirements. This information is currently being collated through an Accommodation Questionnaire for each Service to be returned to the CPO before Christmas 2008. Further details relating to the Accommodation Review are provided at Appendix 5.

1.3 It is currently anticipated that Alder King will be in a position to report back to the Council in March 2009.

A5 Accommodation Review

- 1.0** An Accommodation Review will require the preparation of service asset plans which will feed into the AMP processes to provide an assessment of:
 - i** the use, suitability, condition and occupation of property supporting the service.
 - ii** a projection of future trends and the strategic direction of the service and implications for property use
- 1.1** This will allow the preparation of an accommodation strategy that translates the medium term revenue budget and workforce development plan, into future requirement for property.
- 1.2** This Review will also inform the consultants charged with carrying out the Knowle Office Review.
- 1.3** In addition, this work supports the aspirations of the 2007 Comprehensive Spending Review (2007) (CSR07) and the related Local Government Finance Settlement¹. It is clear that there is an expectation by central government that councils should be strategically managing their accommodation requirements to ensure that efficiency gains may be made where possible.
- 1.4** The first phase of this review will focus on the office accommodation at the Knowle and will then roll out over other accommodation used in the delivery of services such as the Council's depots.

A6 Community Asset Transfer Policy

I Background

- 1.1** The Strong and Prosperous Communities Local Government White Paper² was published in October 2006 and sets out the basis for a new relationship between local government and its communities. This paper advocated that “the aim is to give local people and local communities more influence and power to improve their lives”. In addition, “we are determined to ensure that existing powers and policies that support community management and ownership are effective; and that practical ways are found to overcome any remaining unnecessary barriers”.
- 1.2** The ‘Making Assets Work, Quirk Review’³ looked at the clear benefits to local groups which own or manage community assets – such as community centres, building preservation trust and community enterprises. The review makes clear that what is required is not legislation, but guidance to enable a partnership approach to the delivery of community services. The review focused on how the use of publicly owned assets could be optimised by exploring options for the increased transfer of asset ownership and management to community groups.

¹ www.local.communities.gov.uk/finance/0809/grant.htm

² www.communities.gov.uk/publications/localgovernment/strongprosperous

³ www.communities.gov.uk/publications/communities/makingassetswork

- 1.3** Local authorities have been given discretionary powers under the Local Government Act 1972 to dispose of land below market value in some circumstances. Decisions on disposal need to be made by comparing the benefits that would accrue from a transfer to community use, with those from a straight forward commercial sale.
- 1.4** East Devon District Council has been transferring assets to community-based organisations for many years. This has mainly been within the culture and sports sector, in youth provision and community centre management. More recently, this concept has been extended to the Leisure East Devon organisation.
- 1.5** Where community groups are well established and have access to either the support of a governing body or regular income streams, the transfers have worked well. However, other schemes which rely mainly on voluntary community support, have been less successful in delivering sustainability in the medium to long term.
- 1.6** By having a clear Community Asset Transfer Policy, and selection process for third sector partners, the Council will have a greater chance of ensuring that the sustainability of the property is maintained in the long term and, by means of a robust business proposal, that community groups are able to demonstrate their capability.
- 1.7** There has to be a balance between the sale of assets for reinvestment in the Council priorities through the Capital Programme and transfer for the delivery of services by community groups.
- 1.8** The Asset Management Forum is currently embarking on a Property Review which will, amongst other things, identify assets which could be subject to future disposal. East Devon District Council has pursued a policy of disposing of surplus assets for many years. Income from disposals has traditionally financed the council's capital investment programme. However, it is becoming more difficult to identify new sites that do not pose challenges in terms of technical or other constraints. This link is therefore increasingly difficult to sustain. Nonetheless, appraisal of property assets to identify disposal opportunities is an essential part of proactive asset management. Therefore, the Council will review its property holdings against criteria for the retention of assets to be agreed. This is likely to identify further disposal opportunities that will both increase the efficiency of the Council's overall property portfolio and will provide capital receipts. A business case based on whole life costing principles is currently being explored to rigorously test the financial case for disposal.
- 1.9** In the light of these issues, a policy and accompanying procedural guidelines are currently under development

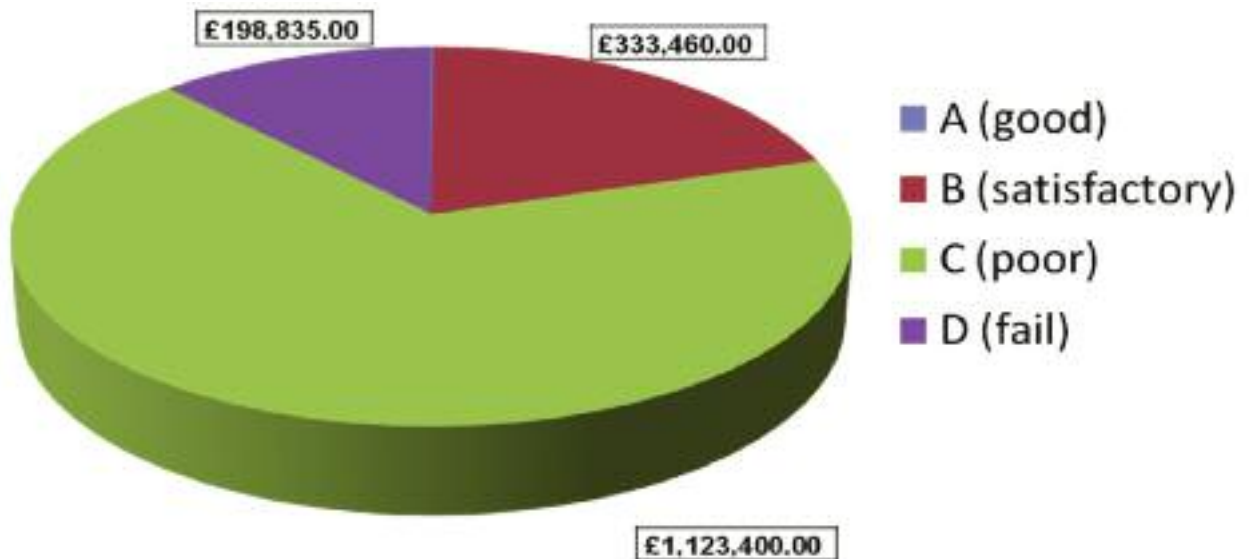
A7 Performance and condition of the existing estate

Condition Surveys

1.2 Condition surveys on the Council's non-housing premises were carried out in 2007. The majority of property is generally in a sound or acceptable condition with relatively minor works required. 16 properties require major work. The planned maintenance budget allows Property Services to carry out repairs to buildings and fixed equipment as and when required. There are occasions when major works need further budget approval before they can be carried out. Currently, 5 properties are estimated to require in excess of £100k each of improvements/repairs.

1.3 In addition, annual tests on utilities and building facilities such as electrics; boilers and gas safety; air con and ventilation; equipment checks and other monitoring form part of the planned maintenance process and are carried out regularly in line with planned and programmed schedules.

1.4 The chart set out below illustrates the findings of the condition surveys with the total expenditure required to address maintenance and repair costs where a property was found to be in a satisfactory, poor or failed condition. The total expenditure required to bring these assets into good condition represents just 1.95% of the replacement/existing use value of the Council's non-housing assets.



2 The Disability Discrimination Act (DDA) 1995

- 2.1** The Property Services team takes a leading role in working to fulfil the obligations under Part 3 of the DDA. Audits have been carried out on all premises available for public use and has implemented a number of improvements to ensure suitable access for the disabled.
- 2.2** Premises are routinely monitored with service managers to gauge where further improvements could be made. Provision is made within the Capital Programme to enable this process

3 Asbestos

- 3.1** The Control of Asbestos Regulations 2002, revised in 2007, places a duty to manage asbestos, wherever it is found in our buildings.

EDDC has surveyed all its properties and listed any asbestos containing materials (ACM's) on the Asbestos Register. Wherever possible, the ACM's have been removed or encapsulated. The asbestos that remains is being regularly monitored.

The Asbestos Policy¹ gives full details of the management of ACM's. In accordance with the policy, all ACM's are inspected annually.

4 Control of Legionella Approved Code of Practice and Guidance from the HSE (L8)

- 4.1** The Health and Safety Commission's Approved Code of Practice 'The control of legionella bacteria in water systems' was published in 2001. It sets out duties on the 'building manager' to ensure that water systems are monitored to reduce the risk of legionella.

EDDC has an agreement with Connaught compliance Ltd, who are monitoring all our premises on a regular basis to ensure that we are compliant with the legislation. Remedial works are prioritised and financed from the planned maintenance budget.

5 Fire Safety

- 5.1** In October 2006, the law regarding Fire Safety in the UK changed. It has been replaced with the requirement for fire safety risk assessment. Employers have become solely responsible for fire safety within their workplaces.

EDDC has carried out assessments at all its premises and actively manages and implements changes or improvements that are highlighted.

In addition, all non residential tenants have been advised of the new legislation and provided with information and advice as to how to carry out their own assessments.

¹ http://intranet/Intranet_ASP/Documents/Health%20and%20Safety/Asbestos%20Policy%20may04.pdf

A8 Tenanted Non Residential Property (TNRP) Review

I Background

- 1.1** The Council owns assets which are let to third parties, other than HRA housing: for example industrial workshops and offices. These assets are held for investment or socio-economic purposes – or both. The estate contributes towards the Council's financial revenue budget (2007/08 £685,000) and balances financial, economic, social and well-being objectives to achieve outcome that fit into the corporate priorities.
- 1.2** TNRP is an important subject that, with all the other competing priorities in recent years, has tended not to have had the full attention that it needs. Central Government is increasingly interested in the performance of local authority TNRP and of course, the Council will wish to maximise the benefits they obtain from these assets.
- 1.3** The Royal Institution of Chartered Surveyors (RICS) recommends a focus on three key perceived current priorities for improvement in the management of TNRP in the local government arena:
 - 1** There should be clear allocation of roles and responsibilities and accountability processes in the management of TNRP to drive continuous improvement in TNRP performance.
 - 2** Local authorities should adopt business planning disciplines to ensure clear strategy, plans and programmes for the management of their TNRP.

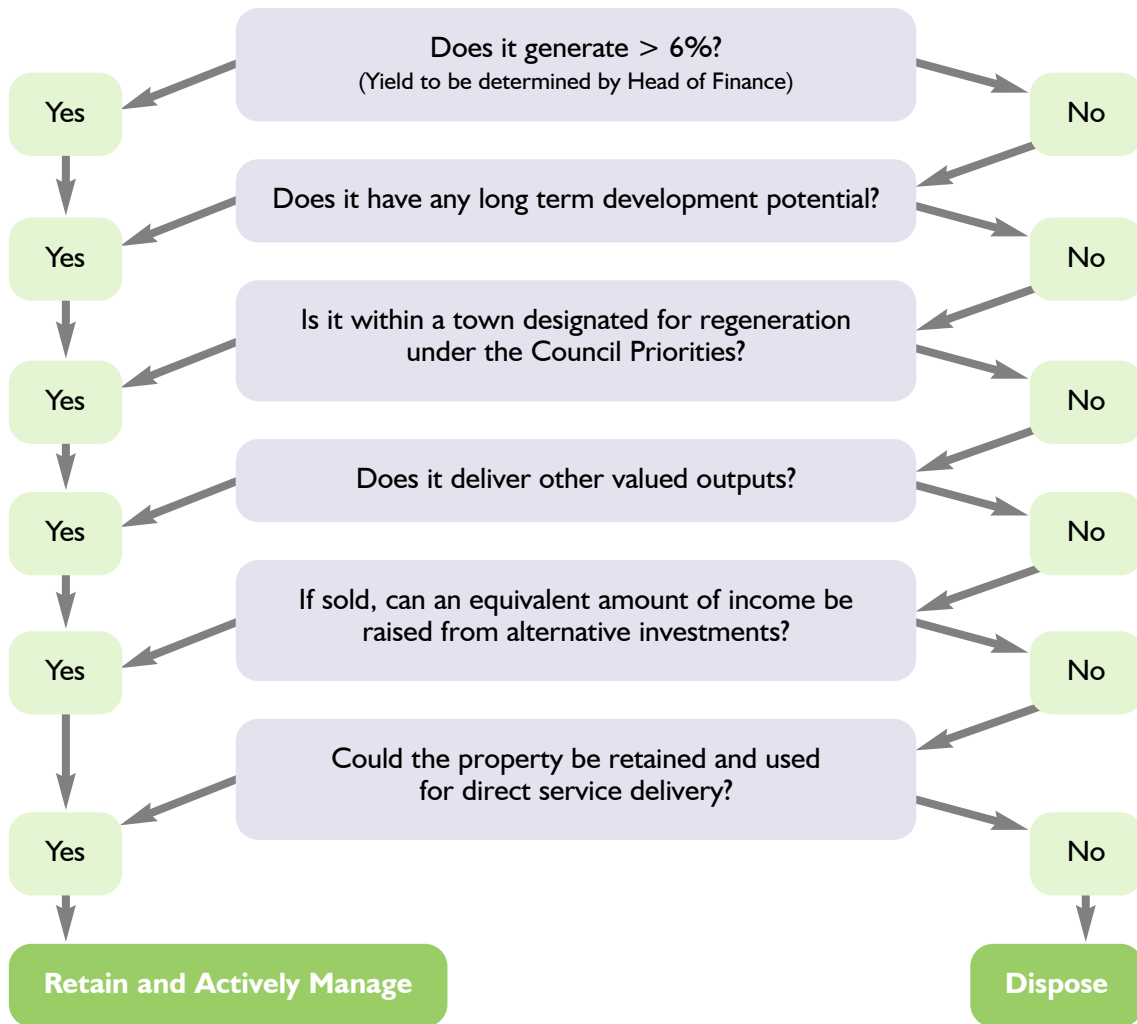
- 3** To ensure best value is being obtained, local authorities should continuously measure and report:
 - i** the performance of all TNRP as investments; and,
 - ii** any socio-economic benefit(s) ascribed to that TNRP

2 Getting Started

- 2.1** Work will soon commence on a TNRP strategic review and will start with a simple overview including:
 - A list of TNRP assets and their type (eg offices)
 - Asset values and income (internal rate of return (IRR) valuation)
 - A basic analysis of why they are held eg socio-economic, investment or unidentified
 - A desktop indicative assessment of their suitability, condition and running costs
- 2.2** As the strategy develops, a phased work programme should emerge to ensure:
 - The Council is clear as to why it owns TNRP
 - There is a clear business case for owning individual TNRP
 - The Council is clear as to what outcomes are expected
 - The right people are involved
 - There are clear strategies, plans and programmes in place
 - The performance management process is robust

3 TNRP Disposal Policy

3.1 TNRP review will measure the performance of each asset using a number of measures against a decision framework as set out below:



3.2 Assets which are identified by the AMF for disposal will be deemed surplus. Where an asset is valued in excess of £10,000, following consultation with Ward Members, a recommendation will be made to the Executive Board (a) documenting the reason for disposal, (b) stipulating any conditions that will apply and/or endure after disposal and (c) suggesting an appropriate method of disposal.

Ward members will be consulted on those assets identified as surplus for disposal and

with a value of under £10,000 before the CPR authorises the disposal of the asset and determines the appropriate method of sale and the timing.

3.3 The receipts generated by the disposal of assets are treated as a corporate resource to fund the capital programme. To this end, the Head of Finance shall, in liaison with the CPO, set targets for capital generation by disposals, and monitor performance on a quarterly basis.

A9 Corporate Asset Management software

I Background

- I.1** East Devon have historically operated different asset management systems across its Housing, Property, and Streetscene services. Whilst providing essential tools for each discrete area, this approach has resulted in difficulties and inefficiencies when dealing with cross-service issues. These asset management processes are coming under ever increasing scrutiny through CPA and more recently CAA requirements.
- I.2** A request by the Economic Development and Estates Service to replace their Landterrier system in late 2006 resulted in the Councils Programme Board asking for a wider review of processes to be undertaken. The review was to determine whether a more holistic approach could be taken, thereby providing improved reporting capability, eliminate duplicate data-entry, and facilitate sharing of resources and best practice between common areas.

2 The Vision

- 2.1** The ICT Outline Specification set out the following objectives to be met by any replacement system/s:
 - reduce the number of core systems required to a minimum thereby providing a single source for all asset management functions
 - where multiple systems are unavoidable, then to ensure these systems are sufficiently integrated to remove all need for duplicate data entry
 - migrate all appropriate electronic data held in any decommissioned systems into any new / replacement system
 - register all land and property assets within the Councils LLPG (Local Land and Property Gazetteer) assigning UPRNs to all assets, thereby enabling cross-system reporting via UPRNs and providing the Council with a single point of address-change through the LLPG
 - provide reporting capability through use of Business Objects (the Councils corporate reporting tool), thereby removing the need for staff to learn different reporting skills
 - scan and make available through document-management systems all copies of deeds and leases so that these can be readily accessed by all stake holders
- 3.0** Discussions between the relevant Council services and software suppliers have commenced and the Council is currently waiting delivery of a solution proposal from its two preferred suppliers. ICT have advised due to the scale of the project that a complete solution would not be operational before April 2009.

AIO Audit Commission Assessment

- 1.0** The most important external measurement of the Council's overall performance is currently the Comprehensive Performance Assessment (CPA)
- 1.1** The assessment examines specific areas of Council activity (known as Key Lines of Enquiry or KLOE'S) and the examination of asset management is contained within the Use of Resources assessment. This looks specifically at how the Council manages its assets. Current performance is currently being assessed.
- 1.2** The Use of Resources Guidance for Councils suggests that an asset management plan should provide clear forward looking strategic goals for property assets. The plan should show how the council's land and buildings will be used and developed to help deliver corporate priorities and service delivery needs, now and in the future. In addition, the plan needs to show how property assets will be maintained, modernised and rationalised to ensure that they are fit for purpose.
- 1.3** At level 2, the AMP should be supported by plans setting out how the council plans to deliver its strategic goals. Top performing councils will be using their asset base to help achieve wider community outcomes and see will see their property portfolio as an enabler of change, for example by using asset holdings to help drive outcomes that are wider than the main service use of an asset.
- 1.4** The Guidance also suggests that top performing councils can also demonstrate that they are working together with their partners on managing their public buildings across an area. Strategic cross-sector asset management planning should be mainstreamed across public and third sector agencies. Councils will be taking the lead in bring public sector agencies together to plan and coordinate their long-term business plans for their assets. These should identify opportunities for a joint approach to deliver better value for money and outcomes.
- 1.5** The Guidance goes on further to say that top performing councils will have a structured and systematic process for periodically reviewing their property portfolios. Under-performing or surplus assets are dealt with in order to realise the benefits, such as reduced costs, increased income or better customer access to services.
- 1.6** 2009/10 sees the replacement of the Comprehensive Performance Assessment with the Comprehensive Area Assessment (CAA). At the time of writing, the new assessment is still at the consultation stage. However, it is anticipated that, in terms of asset management, the test will be that the organisation manages its assets effectively to help deliver its strategic priorities and service needs. This will be tested by ensuring that the organisation:
- has a strategic approach to asset management based on an analysis of need to deliver strategic priorities, service needs and intended outcomes;
 - manages its asset base to ensure that assets are fit for purpose and provide value for money; and
 - works with partners and community groups to maximise the use of its assets for the benefit of the local community
- 1.7** In addition, the financial focus will be supported in terms of meeting requirements through tasks specified to be undertaken within the AMP.