
Asset Management Strategy



West Devon
Borough Council



South Hams
District Council

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1. Corporate Context (Our Plan)

This Asset Management Strategy fits within the Council's corporate priorities and is integral to the delivery of "Our Plan", relevant extract below:

Action (what)	Evidence (why)	Method (How)	Monitor Impact (How/Frequency)	Where	Lead
<i>Undertake a systematic review of the Councils assets</i>	<i>Council needs to maximise income generation opportunities to balance budget and maintain services. Community and partner requirements, sharing and co-locating to save money, community needs through neighbourhood and parish plans.</i>	<i>Implement a framework and process to assess Council assets to maximise income generation and sharing opportunities with partners and enhance community benefit.</i>	<i>Develop measures to assess outcomes using emerging monitoring framework.</i>	<i>South Hams and West Devon</i>	<i>Assets CoP</i>

2. Estate Holdings Operation and Aims

South Hams District and West Devon Borough Councils (the Council), have land holdings, commercial buildings and a limited supply of housing. These assets are controlled and operated by the Assets Community of Practice, within the Customer First Team.

The commercial estate, which consists of approximately 300 units around the districts, are generally small (~650 sq ft) and ideal for smaller or start-up companies. The estate is run as a commercial enterprise so as to generate a revenue stream for the Council. It is the aim of the Council to continue to run the commercial estate and over time, to increase its size, by developing out sites in its ownership, as well as through the purchase of new land when required.

The development programme will form part of the capital programme, which is predicated on robust and compelling business cases. Whenever financially viable, the Council will consider and deploy renewable energy / environmentally friendly solutions and technologies.

Efficient and effective management of the Council's commercial property portfolio is inextricably linked to the Council's response to expected reduction in funding support and it is agreed that increasing revenue from commercial property will help to bridge any future funding gaps. Receipts from all asset disposals will initially be held in reserve, before being used to reinvest in the commercial property estate, thereby providing an ongoing income stream.

The Council's land can be separated broadly into three categories, strategic, non-strategic and public open space. The public open spaces are generally in towns and are of high amenity value to communities. Whilst they are not sacrosanct, it would only be by exception that the council would look at development opportunities on such sites. The Council is however, happy to engage with community groups, or other appropriate organisations to discuss asset transfers, where this will realise repair and maintenance overhead efficiencies. When determining a transfer, officers would consider whether the organisation requesting a transfer has aims that are clearly aligned with that of the Council in regard to the land's use and ongoing protection. Any such transfer would follow the Council's **Asset Transfer Policy**.

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Non-strategic holdings, such as verges and small parcels of land with limited development potential are subject to the Council's **Small Land Sale Policy**, and it is the intention of the Council to dispose of these sites proactively.

Strategic holdings are key to supporting the Councils overarching aim of increasing its revenue income through a programme of disposal, development and acquisition, linked to local planning need. The Council therefore intends to bring forward development on its own land, in line with planning policy and local regeneration needs, so as to provide either; capital receipts for reinvestment or an ongoing revenue stream.

This development will not be restricted to any particular type (commercial units, affordable housing etc.) but shall be driven by market demand, local need and as assessment of what will provide best value. Where possible, projects will be favoured which can reduce the Council's expenditure in other areas – for example, reducing the cost of providing short term accommodation. Ultimately, through sound, commercial asset management and a programme of reinvestment, the Council seeks to realign its portfolio to meet the objectives set out in section 3.

3. Key objectives

Commercial:

- 1) To actively grow the asset portfolio to provide a sustained and increasing revenue stream, using prudential borrowing (or other methods of low cost finance) as necessary.
- 2) To seek opportunities to acquire land and develop employment or residential units for communities, by partnering with developers of mixed use schemes to help navigate the Council through the planning and Section 106 process.
- 3) Where possible, improve the sustainability of communities by developing units in appropriate locations that foster key industries, i.e. marine and fishing.
- 4) To offer a range of scale within the portfolio, with a bias towards the smaller start-up sector.

HQ buildings:

- 1) To maintain a high quality, fit for purpose environment for SWD staff based on an agile worker profile.
- 2) Reduce the running cost of both buildings by maximising tenant occupancy.
- 3) Improve facilities as required to support a green travel policy.

Land holdings:

- 1) To transfer public open space to parishes or community groups when it is in both the communities and Council's best interest to do so. Safeguards will be put in place to ensure that any transferred public open space is protected from further development.
- 2) Dispose of non-strategic land as soon as is practicable, so as to reduce maintenance liabilities.
- 3) Where opportunities exist to bring forward development on council land, to partner when necessary with those in the industry to benefit from best practice, efficiency and reduced programme.

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- 4) To acquire land with development potential where there is a compelling business case and it supports wider Asset Management Strategy objectives.
- 5) Take steps to protect the long term interests of the council by way of good land management and security.

Residential:

- 1) Gather intelligence on housing need using; members, parishes and communities, supported by official data, to prioritise residential development by the council.
- 2) To commence a limited programme of housing development on existing council land, that is appropriate to the site, (i.e. both open market and affordable) utilising a strategy of re-investment predicated on a mixture of rental and disposal.
- 3) To grow the investment portfolio of housing stock when it also meets the needs of the housing team.
- 4) To review and rationalise the existing investment portfolio of housing stock based on the needs of the housing team and re-invest capital receipts into the portfolio.

4. Strategic Land Holdings:

There are a number of strategic development opportunities that the Council will consider:

Totnes, Steamer Quay

Develop a masterplan to bring forward a mixed use scheme that enhances the public realm and facilitates a vibrant waterside community.

Kingsbridge, K2

Develop a master plan to bring forward a mixed use development scheme around the quay, providing retail, commercial (including marine commercial) and residential.

Ivybridge

Develop a master plan to deliver a new leisure facilities and regeneration opportunity on the Leonard's Road Site.

Dartmouth

Further development of commercial units at Admirals Court, subject to demand and local need. Working with existing recreation and sports clubs to improve facilities in the locality.

Continued partnership working with Dart Harbour Navigation Authority to maximise benefit from existing assets.

Salcombe

Transform Whitestrand by delivering the vision of a cafe quarter, improved public realm, and a better balance of cars to people, all underpinned by a prestige development for visiting yachtsmen, the public and the harbour.

Tavistock

Strategic review of land holding and car parks, so as to realise development opportunities for growth and revenue, that support the community, town and tourism.

Okehampton

Old Mill Site, develop a financially viable mixed use scheme (subject to satisfaction of covenant restrictions) or dispose of the site.

5. Reporting and Sign Off

The Strategic Asset Review was undertaken and signed off by both SH and WD councils in 2013. This included a full list of the projects that have been taken forward, including disposals. In line with Our Plan, the current updating of that work will ultimately lead to further reporting to members.

So as to give that reporting context, the following financial thresholds from the **Financial Procedure Rules** are of note:

Item Value ex VAT Disposals: Land and Buildings – Section 3

Below £25,000

In conjunction with the Finance Community of Practice Lead (s.151 Officer), the Assets Community of Practice Lead (Corporate Property Officer) may effect minor freehold disposals of land not required for operational purposes up to £25,000 in value.

£25,000 to £50,000

The Assets Community of Practice Lead (Corporate Property Officer) in consultation with the Finance Community of Practice Lead (s.151 Officer) and the Leader, may agree to the disposal, by sale or lease, of small areas of land whose market value does not exceed £50,000 in value.

Above £50,000

The disposal of any land and buildings over £50,000 in value requires the prior approval of the Executive for South Hams and Resources Committee (*now Hub Committee*) for West Devon and shall be made within the context of the Council's asset management plan.

Item Value ex VAT Acquisitions: Land and Buildings – Section 2

Below £25,000

In conjunction with the Finance Community of Practice Lead (s.151 Officer), the Assets Community of Practice Lead (Corporate Property Officer) may effect minor freehold acquisitions of land required for operational purposes up to £25,000 in money or money's worth from or to the owners of adjacent or nearby property or Statutory Undertakers where there are no future ongoing liabilities.

£25,000 to £50,000

The Assets Community of Practice Lead (Corporate Property Officer) in consultation with the Finance Community of Practice Lead (s.151 Officer) and Leader may agree to the acquisition, by sale or lease, of small areas of land whose market value does not exceed £50,000.

Above £50,000

The acquisition of any land and buildings of a value in excess of £50,000 requires the approval of Executive for South Hams and the Resources Committee (*now Hub Committee*) for West Devon and shall be made within the context of the Council's asset management plan.

The Asset Management Plan, which sits under the Asset Management Strategy, will include all projects being taken forward or that are pending. It will be updated on a quarterly basis and submitted to members of the Executive at South Hams and the Hub Committee at West Devon. This will be treated as an exempt item (due to commercial sensitivities) as a progress update rather than a full report.

The Assets Community of Practice Lead (Corporate Property Officer, as well as the Group Manager - Business Development, will work closely with the portfolio holders for Customer First & Business Development at SH and the portfolio holders for Environment and Economy at West Devon, so as to ensure progress and direction has member input. The exact frequency and format of these meetings will be agreed with the relevant portfolio holders. Public and wider member engagement will also be encouraged whenever practical.

6. Community Asset Transfers

The **Asset Transfer Policy** is currently being worked up in partnership with the central government Locality team. The initial focus of this work relates to a potential multiple asset transfer in Totnes. This work and resulting policy will be applicable to both South Hams and West Devon. It is expected to be complete by early 2016 and progress will be reported to members.

This will address and define the terms of reference for Community Asset Transfers, including timescales, alignment of long term interests and protection of council assets.

7. Repairs, Maintenance and Inspection

The Council has assessed the condition and maintenance requirements of its building stock, both operational and non-operational. This supports a planned programme of maintenance being developed by Commercial Services. So as to ensure that a consistent and methodical approach is taken to the repair and maintenance of the council's assets, a **Building Maintenance Policy** has been adopted. The purposes of the policy are:

- To clearly set out the key objectives to ensure a consistent approach to the maintenance of the council's assets for effective delivery of services
- To encourage the adoption of asset management planning as a means of demonstrating value for money in the delivery of repairs and maintenance
- To encourage development, adoption and regular reviews of policies for repairs and maintenance
- To encourage a focus on the needs of users and the community
- To encourage harmonisation of repairs and maintenance practice and standards with users expectations
- To encourage the adoption of an efficient and consistent approach in the collection and recording of the property inventory, condition surveys and status information
- To encourage the adoption and regular review of a risk management regime to determine operational standards and rectification of defects arising from our own inspections and reports from the public
- To encourage continuing innovation in the repair and maintenance of buildings and other assets, whilst complying with the high standards of corporate governance

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- To develop a rolling programme of condition surveys detailing the condition of the council's assets that will drive the planned maintenance programme on a yearly basis
- To develop a 5 year resource plan to outline how the capital and revenue resources will be allocated to minimise the backlog of the highest priority maintenance work
- To monitor the council's consumption of electricity, gas and water resources and the carbon footprint for property assets