

ASSET MANAGEMENT AND CAPITAL STRATEGY PLAN 2021 - 2025

Mid Devon District Council

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BACKGROUND:

Property Services provides accommodation for services within the Council and its businesses. The service also leads on construction elements of the property capital programme and ensures statutory compliance of the estate and undertakes a broad range of estate and management activities. Elements of the Property Services business units also support elements of the HRA estate.

Through the delivery of repairs and maintenance, Property Services ensures the Council meets its statutory building compliance responsibilities and its duty of care under relevant health and safety legislation. In addition, services include maintaining pathways and roads, hard landscaping, sewage works and retaining walls. The business unit supports the HRA to develop existing assets and land to create socially rented and socially affordable homes to replace assets lost under the Right to buy scheme.

'Building on Strong Foundations: A Framework for Local Authority Asset Management' is a document published by the Department for Communities and Local Government that lists 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 latest version of the Equality Act 2010.
- Generate efficiency gains, capital receipts or an income stream.
- Improve the quality of information available to the public.
- Asset security is continued to be reviewed and risk assessed using the latest version of the HMG Security Policy Framework as guidance including a Code of Practice for Council CCTV.

The value of the assets we manage have a total net value of circa £43 million. Property Services are responsible for an operational budget of circa £1.2 million, as well as providing services that come under other operational budgets such as car parks.

The service manages a wide range of assets that include land, car parks and assets relating to bereavement services. We provide services to approximately 96 locations including leisure and sports centres, corporate offices, a multi-storey car park, industrial units, shops, public conveniences, CCTV, car parks, buildings within a conservation area and paddling pool. The team undertake construction of play areas, skateboard parks and other recreational leisure facilities across the district. Our service also manages new lettings and lease renewals for the Market Walk shopping precinct.

Foreword

The latest version of our Capital Strategy Asset Management Plan sets the continued direction for managing our assets. In this document, assets are seen as the means by which public benefits are delivered, either through their employment to deliver services, or as investments. The plan has started to deliver services in a more “joined up” fashion, and the more effective use of assets such as combining our Grounds Maintenance facility with our Waste and Recycling operation is an example of cooperative working across the Council.

It sets out the organisational framework for the strategic and for the day-to-day management of property, this is through the placing of asset management in the Council structure and the establishment of specific asset management arrangements.

The Asset Management Plan outlines policies for the effective management of property, and sets policies to shape the direction of asset management. Important issues such as carbon reduction are covered in the Plan. The plan outlines a set of performance management arrangements, including a set of Performance Indicators, to ensure that value for money is delivered through the use of assets.

The Plan includes a set of appendices that give details of how assets will be managed and provide an action plan to build on the Council’s strengths and to achieve those improvements in management and performance that the Council wishes to achieve.

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Leader, Mid Devon District Council

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Deputy Leader and Cabinet Member for Housing & Property Services
Mid Devon District Council

Andrew Jarrett
Deputy Chief Executive (S151)
Mid Devon District Council

1 Introduction

The Asset Management and Capital Strategy Plan 2021-2025 ('the Plan') sets out the Council's approach to the Strategic Management of its land and building assets. It is developed in consultation with the Senior Officers and Members of the Council that form the Capital Strategy Asset Management Group (CSAG). The plan seeks to ensure that our assets are being used in the most effective and efficient way to support the delivery of the corporate plan. This continues to be of high importance particularly during the COVID-19 pandemic and our full Council motion to aim for net zero carbon emissions by 2030.

The Asset Management and Capital Strategy Plan 2021-2025, gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability.

Property Services Mission Statement:

"To maximise the value derived from our property holdings for the community by delivering a sustainable and efficient corporate property service that meets our stakeholders' needs and be recognised as a forward-thinking, proactive service."

The main strategic document for the Council is the corporate plan and this document 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 and the Climate Action Plan. For further information, refer to the corporate plan on our website. The plan provides a link between these activities and reiterates the need for these to be co-ordinated to support the objectives of the corporate plan 2020-2024.

The CSAG function involves key Council services and the role of the CSAG is key to ensure that there is an effective dialogue on asset management issues across the Council. The CSAG ensures there is insight into individual Council services, together with a clear understanding of corporate goals and objectives. The group consists of officers and members who follow an agreed process that ensures the estate is managed effectively and that any disposals reflect value for money. The final decision in respect of significant disposals would be made by the cabinet.

2 The Benefits of Property Asset Management Planning

Property assets should be linked to the delivery, 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. The Plan places our property assets at the centre of Council decision-making, acknowledging the importance and financial value of those assets and their value in the support of services as well as the need for property matters to be linked and considered in the business plans of all services.

While the Council's policy relating to the disposal and acquisition of public open space is under review, public open space is considered by the CSAG group and due process is followed thereafter. A local authority has a statutory duty to dispose of the land or property for the best price that can reasonably be obtained. If part of the land is public open space for the purposes of the Open Spaces Act 1906 then pursuant to section 123(2A) of the Local Government Act 1972, the Council has to advertise its intention to dispose of the land and invite the public to submit any objections.

The Plan enables us to consider the best use of our assets by identify those that require investment in planned maintenance; those that we should consider disposing of; those that could generate additional income from leasing out etc. These considerations will then inform our capital programme and funding decisions.

Asset disposals

When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be used to buy new assets or to repay debt. The Council is also permitted to spend capital receipts on service transformation projects until 2021/22. Repayments of capital grants, loans and investments also generate capital receipts. The Council expects to receive £0.900m of capital receipts (net of pooling) in the coming financial year as follows:

	2019/20 actual	2020/21 forecast	2021/22 budget	2022/23 budget	2023/24 budget
Asset sales	2.038	0.750	0.900	0.900	0.900
Loans repaid	0	0	0	0	0
TOTAL	2.038	0.750	0.900	0.900	0.900

Further details of planned asset disposals are contained in the capital programme.

Condition of the existing Estate:

- **Running Costs** - Alignment of operating costs with a dedicated property code to enable analysis. Data will then be extracted to inform and shape the property reviews.
- **Condition Surveys** - Carried out on non-housing stock on a rolling basis. (Appendix 3) There is a planned maintenance programme now in place.
- **Statutory Compliance** - There is a programme of statutory inspections and surveys in place and this is monitored by the Office Manager for Property Services.

Data Management:

We are in the process of updating our ownership layers on CAPS. We are also reviewing data packages that can enhance and make the management of our estate more efficient.

Tenanted non-residential property (TNRP) Review (Appendix 4):

The CSAG reviews asset ownership through an assessment of efficiency, effectiveness and affordability. This will ensure that each part of the estate is fit for purpose. Assets that do not fulfil the Council's strategic priorities and/or do not provide a positive rate of return, could be sold or transferred to a third party.

Service managers bid annually to include projects in the Council's capital programme. Bids are collated by finance who calculate the financing cost (which can be nil if the project is fully externally financed). The relevant PDGs appraise all bids based on a comparison of service priorities against financing costs and makes recommendations to Cabinet. The final capital programme is then presented to Cabinet in February and to Council in the same month each year. The capital programme embraces a broad range of expenditure including operational assets that will be used for more than one year; assets owned by other bodies, and loans and grants to other bodies enabling them to buy/build assets.

Financial Management

Sound management of our assets will always require a sufficient maintenance budget in order that the life and usage of our assets are maximised. Where sales and disposals occur then the net available income is made available to meet corporate priorities outlined in our Corporate Plan and the Climate Action Plan. Due to the long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend into the future.

The Deputy Chief Executive (S151) is satisfied that the proposed capital programme is prudent, affordable and sustainable because the Council has adequate means of financing and repaying any required borrowing.

- Continued development of the Capital Programme links to the Plan and capital monitoring.
- 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 thus allowing the Council to plan our medium and long term financial commitments.
- Capital expenditure - where the Council spends money on assets, such as property or vehicles that will be used for more than one year. In local government this includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy/build assets. The Council has some limited discretion as to what counts as capital expenditure ; for example assets costing below £20k are not capitalised and are charged to revenue in the relevant year.
- The detail of our approach to capitalisation is shown in our Accounting Policies in the Statement of Accounts that we produce each year. For 2019/20 please refer to the below. <https://www.middevon.gov.uk/media/351593/annual-accounts-2019-20.pdf>

Table 1: Prudential Indicator: Estimates of Capital Expenditure

	2019/20 Actual £m	2020/21 Forecast £m	2021/22 Adjusted capital programme* £m	2022/23 Adjusted capital programme* £m	2023/24 Adjusted capital programme* £m
Non-HRA	2.046	2.299	7.527	14.047	13.727
HRA	4.006	2.552	11.648	15.498	7.485
Commercial activities/ non-financial investments **	6.146	2.942	15.879	15.969	12.926
Total	12.198	7.793	35.054	45.514	34.138

Performance Management:

Development of performance measures in relation to assets that evaluate asset use in relation to corporate objectives. This will be undertaken in tandem with assessing property management software tools.

3 Climate Change

The Council has committed to a policy of achieving net zero carbon emissions by 2030. Employment of a Climate and Sustainability Specialist is facilitated in the revenue budget to progress projects and opportunities to achieve this objective. Further, the capital programme includes £1.050m of expenditure on schemes directly linked to combating climate change. £250k

has been allocated within the HRA to improve housing stock energy efficiency. There is also the hydro mills electricity generation project at Tiverton Weir costing circa £800k which is intended to generate green electricity for use at the Council's Phoenix House offices; this project will also generate budget savings along with feed in tariff revenue and will be subject to a business case.

The Council are also exploring the possibility of installing additional Electric Vehicle charging points into appropriate Council –owned sites. The Council will continue to work with Community groups on Climate Change initiatives such as tree planting on Council land

The Council welcomes confirmation of circa £311k grant funding from BEIS to support decarbonisation projects and in addition to this, the Council have been awarded a further £38k for specialist support on developing our Carbon Action Plan. The two latest grants are specifically to assist the development of a Heat Decarbonisation Plan to 2030 (£18,000 funding) and for skilled project support on the delivery of our Carbon Action Plan (£20k). All three funding schemes will help the Council realise its ambition to become carbon neutral by 2030.

4 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 our stakeholders. Property can drive corporate objectives and organisational change; 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
- Provide an appropriate, attractive, secure and safe working environment that motivates employees
- Asset security is continued to be reviewed and risk assessed using the latest version of the HMG Security Policy Framework as guidance including a Code of Practice for Council CCTV
- Minimise, in all respects, the impact of the Council's buildings on the environment throughout their life such as regular reviews on Energy Performance and Display Performance Certificates, Decarbonisation projects, LED lighting and improved energy performance of our heating systems including new boilers and controls
- Ensure the Council's property assets comply with statutory/regulatory codes and are managed efficiently
- Ensure that the disposal of surplus assets links with the Medium Term Capital and Revenue Financial Plans
- Identify land for Affordable Housing developments
- Identify commercial opportunities that provide a financial benefit
- Ensure our assets become as energy efficient as possible to work towards our target of net zero emissions by 2030 with programmed work as identified within the latest version of the Climate Action Plan

Key projects that the Property Services team are reviewing include the provision for our depots and office space rationalisation across the estate.

5 Investments for Economic Development Purposes

The Council makes investments to assist local public services, including making loans to other public sector bodies and the Council's subsidiary to promote economic development and provide an income stream. In view of the public service objective, the Council is willing to take more risk than with treasury investments. However it is still planned for such investments to generate a profit after accounting for all costs, and after conducting all appropriate due diligence.

In 2019/20 the Council approved a loan to fund a GP Surgery/NHS Hub in Crediton that is expected to be facilitated in 2021/22. . Not only will this provide the Council with a return on its loan, it will also provide an important, modern NHS Hub in Crediton, replacing two existing GP surgeries and offering further NHS services to the public.

Decisions on investments are made by the relevant service manager in consultation with the Deputy Chief Executive (S151) and must meet the criteria and limits laid down in the Treasury Management Strategy Statement (TMSS). Most loans and shares are capital expenditure and purchases will therefore also be approved as part of the capital programme.

Commercial Activities

With central government financial support for local public services declining, the Council invests in commercial property for financial gain and for economic development purposes.

With economic development being an important objective, the Council accepts higher risk on commercial investment than with treasury investments. The principal risk exposures include the timing of debt repayments; development market values; development costs and profitability of the subsidiary. These risks are managed by due diligence of business cases.

The Council also has commercial activities in retail properties, which expose it to normal commercial risks. The over-arching ethos behind these activities is economic regeneration and retention of premises within the town centre rather than the income stream.

6 Portfolio overview - what does the Council own?

The Council holds a wide and varied portfolio of property and building assets comprising non-residential properties and areas of open space with a net book value in the region of circa £43m. A full list of our 96 properties can be made available on request.

The Council's portfolio can be split into three main areas as shown below:

1. For the purpose of direct service delivery, such as parks, open spaces and leisure centres.
2. To support service delivery, for example administrative offices and depots.
3. Tenanted non-residential property: This part of the portfolio is varied and assets have been made available for a range of uses; such as the potential to contribute to future regeneration schemes, provide employment, or to retain control over property use. In addition, some properties in the portfolio provide valuable revenue income such as our Market Walk properties, industrial units in Cullompton and Fore Street Tiverton properties.

The housing stock is managed by the housing service and is subject to its own Housing Strategy and Housing Revenue Account Business Plan. The management of these assets is outside the scope of this plan.

7 Organisational Framework for Asset Management

The overall monitoring of the Plan and corporate asset management initiatives is the responsibility of the Cabinet. The Cabinet considers the Council's plan and in doing so, it looks to ensure that value for money and good practice criteria are addressed. The expectation is that the level of stakeholder engagement relating to property matters will continue because of this revised plan. It requires continued input from building users, visitors, managers and planners to create a suitable property portfolio that is good value, fit for purpose and sustainable. The adoption of the Plan is a corporate issue that will influence Council business. Where the action affects a particular division then each relevant Member will be consulted in accordance with current practice as well as our Leadership and Corporate Management teams.

These are set out below:

- Links between corporate objectives and property priorities.
- Full involvement of all service areas either through service/asset reviews or at an appropriately senior level at CSAG.
- Clear distinction between strategic and operational decision-making – the Plan 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.

Corporate Management - Responsibility for the corporate management of the Authority's property assets rests with the Deputy Chief Executive (S151) and Corporate Manager for Property, Leisure & Climate Change and reports to the Cabinet Member for Housing & Property Services.

The Deputy Chief Executive (S151) has the authority to undertake all required developments in asset management once this has been delegated by Cabinet. His role and responsibilities are defined, and have been communicated to all concerned in the management and use of property throughout the authority.

The Capital Strategy Asset Management Group - The Council has set up a cross-service forum to promote the effective management of the Council's land and buildings. CSAG is chaired by the Corporate Manager for Property, Leisure & Climate Change with the forum made up of Cabinet Members and senior representatives. The Corporate Manager for Property, Leisure & Climate Change Assets acts as an internal project manager in respect of the preparation and monitoring of the Plan.

To ensure continued inter-department consultation and a corporate approach to proposals effecting the Council's land and buildings we should expect continued property improvement, greater cross service sharing, capital receipts and income resulting from ongoing property review and Capital investment.

The Group meets on a regular basis throughout the year. These meetings have of late been arranged remotely due to Covid-19.

Service areas affected by Asset Management reviews are consulted and any resultant actions are reported back to the CSAG.

The CSAG supports the development and monitoring of the capital programme and the Council's medium-term financial plan.

The CSAG group provides linkage to the Council's capital strategy by monitoring and reviewing future financial years through the Corporate Manager for Finance.

- Identification of property holding purpose and individual property asset strategy
- Monitoring of Capital Programme
- Reports to Cabinet for corporate property decisions

CSAG Key Outputs:

Property Review:

- By Service
- By Type

Co-ordination and review of:

- Accommodation use
- Planned maintenance
- Asset disposal
- Capital investment
- Performance measurement and monitoring on energy performance and reactive maintenance levels
- Property asset contribution to the Council's objectives.

Consultation and Communication:

- With users via staff, customer surveys and neighbourhood officers (on HRA land)
- With the public via public notices advertised in the local paper on public open space(s)
- Other public service providers
- Cabinet/Members via e-mail and the weekly information sheet

8 How do we measure performance?

Central to this plan is the objective to ensure that we deliver an effective and efficient asset base from which to deliver services. As a consequence, property services uses SPAR for recording property performance indicators such as the number of voids.

Future PPIs will continue to be considered and are listed below:

- To ensure the Council and its tenants have buildings that are fit for purpose and comply with statutory requirements.
- Help to ensure the Council makes best use of its estate.
- Effectively support the Council in minimising the impact of the estate on the environment and greenhouse emissions,
- Manage maintenance and capital programmes effectively?
- Ensure internal customers are satisfied with the service provided and the functional suitability of the estate.

These PPIs will be internally reviewed regularly and SPAR will be updated to be able to report quantifiable data.

Proposed Performance Indicators (PPIs) total property costs (occupancy, operational and management) per FTE (Full Time Equivalent Staff).

Total building operation costs (revenue) per square metre GIA.

Workstations per full-time equivalent staff (FTE).

Total annual energy consumption (kWh) per property (GIA).

Tracking rate of return for commercial properties

9 What have we achieved so far?

The Council adopted the principal of strategic asset management in 2003 with the publication of its first Corporate Property Asset Management Plan. This was updated and adopted by cabinet in 2016 and this version has now been revised.

- 1 **Property Register – Caps** database bringing together property information from different software systems across the Council - continues to be under review. Dedicated resource has been identified and training is underway.
- 2 **Energy Management / Carbon Reduction** - energy saving performance contract. 12-year contract with Anesco is ongoing. Work underway following the award of circa 311k on lighting and heating projects.
- 3 **Management of Land Drainage** - Flood Management Act 2010.
- 4 **Continued Development of Employer’s Requirements** - building design for Council housing developments.
- 5 **The Capital Disposal Programme** - managed by the CSAG - receipts towards capital programme (in addition to usual capital receipts) - continuation of CSAG.
- 6 **Leisure Facilities** - ongoing investment and improvement to facilities, i.e. Fitness extension to Exe Valley Leisure Centre and gym refurbishment programmes at Lords Meadow Leisure and Culm Valley Sports Centre.
- 7 **Market Walk / Fore Street Tiverton** – The purchase of commercial units with ongoing investment in commercial property.
- 8 **Public Conveniences** - working closely with Town and Parish Councils to secure funding to continue the service or find alternative uses.
- 9 **Phoenix House** - rental of office space for the Department of Work and Pensions.

10 Income Generation

The Property Service continues to generate income for the Council that is budgeted. A breakdown of our net annual income/savings is provided below:

Phoenix House (income from sub-letting)	£66.7k
Solar Photovoltaic Panels via the Feed In Tariff per annum (depending on the weather throughout the year)	£6.7k
Tiverton Bus Station income	£24.5k
Cullompton Industrial Units	£126.7k
Park Lodge income (for People’s Park & Recreation Ground Trust Committee)	£10.2k
Shop Units (General Fund and HRA)	£104k
Cemetery Lodge income (income for Parks and Open Spaces)	£8.4k
Property on Phoenix Lane, Tiverton	£12.7k
Contributions / transfer for Public Conveniences	£10k

Cemetery Income Tiverton and Crediton	£130.3k
Market Walk income based on current cash income stream per annum	£241.5k
Fore Street Tiverton Rentals	£118.5k
Lowman Green Tiverton – Commercial Unit	£10k
Property at Coggan’s Well Tiverton	£21k
Tiverton CCTV Contributions	£6k
Amory Park, Tiverton Pitches Hire	£2.5k
District Wide Play Area Contributions	£22k

Renewals of Community Leases are also controlled via Property Services. These can deliver income and support the provision of services to the community and reports land sales that can deliver Capital Receipts. This can be on HRA land and will, therefore, be assigned to the HRA development work being undertaken.

11 - Supporting the Corporate Plan

To see our corporate plan in full please use the following link:

<https://www.middevon.gov.uk/media/348008/20200312corporateplan2020-2024v6.pdf>

Set out below 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 objectives.

Homes

- Deliver more affordable housing and greater numbers of social rented homes
- Work with Community Land Trusts and other organisations to deliver homes retained in perpetuity for local need
-  Work with landlords to ensure the high quality of homes in the private rented sector
- Lobby to see the abolition of the 'Right-to-Buy' or the devolution of discounting powers to individual local housing authorities
- Promote the regeneration of our town centres by working with landlords and property developers to improve and increase the supply of quality housing
- Introduce zero carbon policies for new development
- Encourage the piloting of Modern Methods of Construction (MMC) and self-build opportunities
-  Use new development as opportunities to help communities to become increasingly sustainable and self-sustaining at neighbourhood level (district heating, energy use, recycling/re-use systems etc)
- Work with local stakeholders to initiate delivery of the new garden village at Culm
-  Support and grow active tenancy engagement
- Support the establishment of Community Land Trusts in partnership with parish councils and other local bodies

Environment

Encourage retro-fitting of measures to reduce energy use in buildings

Encourage "green" sources of energy, supply new policies and develop plans to decarbonise energy consumption in Mid Devon

 Identify opportunities to work with landowners to secure additional hedgerow planting, biodiversity and reforestation

Consider promoting the designation of the Exe Valley as an Area of Outstanding Natural Beauty (AONB)

Encourage new housing and commercial developments to be "exemplars" in terms of increasing biodiversity and reducing carbon use

Increase recycling rates and reduce the amounts of residual waste generated

 Explore large-scale tree-planting projects and re-wilding to enhance biodiversity and address carbon pressures

Promote sustainable farming practices in partnership with local farmers, district and county councils; including research into best practice re better soil management and animal husbandry

 Work with parish and town councils to promote the development and retention of parks and play areas across the district

Support community activities that improve the environment such as litter-picks, guerilla gardening, or community adoption of assets

Community

Work with developers and Devon County Council to deliver strategic cycle routes between settlements and key destinations

Secure decent digital connectivity for all of Mid Devon

Work with education providers to secure appropriate post-16 provision within the district to minimise the need to commute out for A/T level studies

 Lobby Devon County Council and others to introduce 20mph speed limits where children play, and take opportunities to pilot car-free days/routes

Promote new, more integrated approaches to promoting good health and healthier living especially in the context of planned new developments

Seek opportunities to address public health issues and disparities to improve the health and wellbeing of everyone in Mid Devon

 Encourage communities to deliver their own projects to reduce carbon emissions

Facilitate networking across volunteer and community groups to spread knowledge, expertise and awareness on climate issues

Work with the NHS and other health bodies to promote use of our leisure centres

Promote community involvement in Council activity

 Promote new approaches to rural transport in partnership with town and parish councils through the deployment of emerging technologies

Work with county, town and parish councils to identify safer walking journeys to school

Economy

Work with developers to secure our ambitious plans for the J27 'Devon Gateway' development site

Consider acquiring or creating new business parks to accelerate economic growth, and creating new opportunities for incubator and start-up space

Identify strategic and tactical interventions to create economic and community confidence and pride in the places we live. This includes a continued focus on Town Centre Regeneration



Facilitate the creation of exciting new commercial opportunities within strategic developments at Culm Garden Village and Tiverton Eastern Urban Extension

Produce business plans for the creation of a commercial Economic Development function perhaps in partnership with other agencies

Explore commercial opportunities that deliver new or innovative services for customers that can generate revenue for the council

Promote zero carbon exemplar sites within commercial settings



Use car park pricing mechanism to effectively balance the needs of vehicular access with those of reducing car use

Promote the development of the farming economy and local food production. Working in partnership with farmers to develop and grow markets on the principle of reducing carbon emissions and sustainability



Support the creation of South West Mutual Bank and seek opportunities to encourage new branches being opened in areas that aren't well-served by existing banking services providers

Develop and deliver regeneration plans for all three main towns in partnership with town and parish councils, private and third sector and communities

Useful Links:

Climate Action Plan:

<https://www.middevon.gov.uk/your-council/>

Mid Devon Local Plan:

https://www.middevon.gov.uk/media/350631/local-plan-review-final-adopted-version_accessible.pdf

Transparency Code:

This link takes the reader to what and assets we own that will be updated alongside CAPS ownership module.

<https://www.arcgis.com/home/webmap/viewer.html?webmap=e753b141464b4714bbdcd0df6182fa9&extent=-3.4938,50.8999,-3.4817,50.9049>

Land Enquiry Form:

<https://www.middevon.gov.uk/do-it-online/other/council-land-and-property-sale-opportunities/>

Buying or Renting Council Land:

<https://www.middevon.gov.uk/business/business-property-land/buying-or-renting-council-land/>

Commercial Property:

We own and manage a number of commercial/industrial properties in Tiverton and Cullompton. The list of properties on the below link are let in association with locals agencies

<https://www.middevon.gov.uk/business/business-property-land/commercial-properties/>

Council Land and Property Sale Opportunities:

<https://www.middevon.gov.uk/do-it-online/other/council-land-and-property-sale-opportunities/#>

10 Mid Devon Infrastructure & Planning test

Policies and useful documents are shown below:

- Retail Study 2012 <https://new.middevon.gov.uk/media/103524/retail-study-2012.pdf>
(Appendices are also on the evidence page of our website here <https://new.middevon.gov.uk/planning-policy/local-plan-review-evidence-base/>)
- Employment Land Review 2013
<https://new.middevon.gov.uk/media/103536/economy-land-review-2013.pdf>
- Strategic Commercial Land Availability Assessment 2014 [https://new.middevon.gov.uk/media/85198/sclaa site appraisals 2014 - final.pdf](https://new.middevon.gov.uk/media/85198/sclaa_site_appraisals_2014_final.pdf) (pages 1-30 for sites assessed in Tiverton)
- Core Strategy 2007
[https://new.middevon.gov.uk/media/103617/core strategy adopted.pdf](https://new.middevon.gov.uk/media/103617/core_strategy_adopted.pdf) (policies COR12 and COR13)
- Allocations and Infrastructure DPD 2011
[https://new.middevon.gov.uk/media/103618/final version of the aidpd january 2011 .pdf](https://new.middevon.gov.uk/media/103618/final_version_of_the_aidpd_january_2011.pdf) (Tiverton allocations)
- Local Plan part 3: Development Management Policies 2013
[https://new.middevon.gov.uk/media/103619/local plan part 3 adopted october 2013.pdf](https://new.middevon.gov.uk/media/103619/local_plan_part_3_adopted_october_2013.pdf) (especially DM16)
- Local Plan Review 2013 – 2033 Proposed Submission
[https://new.middevon.gov.uk/media/114000/local plan proposed submission.pdf](https://new.middevon.gov.uk/media/114000/local_plan_proposed_submission.pdf)
and maps <https://new.middevon.gov.uk/planning-policy/local-plan-review/local-plan-review-maps/>

11 Outcomes

The Council's Asset Management and Capital Strategy Plan was last updated in 2016. This revised plan creates a useful picture in terms of 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 service strategies. The actions set out with dates in the Plan 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. 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.

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Appendix 1

Why do we need Asset Management?

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:

- Expensive maintenance backlogs.
- Poor fit between customer and service requirements and the property from which they are delivered.
- Under-utilisation of buildings.
- Inefficient sourcing and procurement of property, construction and support services.
- Inefficient use of capital.
- Insufficient control of running costs.
- Failure to provide services close to the community they serve.
- Poor security
- Uncontrolled carbon emissions

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 bringing together similar uses into the same property, rather than providing them separately.
- Improved productivity, changes in corporate culture and facilitation of corporate change.
- Improved place making in shaping the built environment of local communities.

1.2 Policy Reasons

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

2. Asset Management Today

2.1 Key Drivers for Change

The Council are drafting the 2021-2025 plan and taking into consideration previous action points from independent audit.

The changes in data systems and platforms for asset management could not have foreseen the changes in the work place that 2020 has brought about. We are therefore considering how our assets will be able to serve the Council with constraints imposed by Covid-19, Brexit and the green agenda; all of which have differing impacts but unusually all at the same time.

Where our assets have been closed for a prolonged period of time Eg. our leisure centres the property team have made best use of this unscheduled closure for maintenance identified in the capital programme as well as bringing forward routine maintenance.

2.2 Sharing/Collaborating

One of the key projects for the Property Services team will be rationalisation of our office space whilst ensuring we continue to provide a comfortable and fit-for-purpose working environment for all employees.

Collaboration with other public sector organisations, shared occupation leading to shared benefits to all parties which could be internal as well as external (such as DWP office space at Phoenix House) needs to continue to be appraised.

2.3 Ownership

A key area for asset management today, is the ownership of the challenges and outcomes, building on strong foundations and creating a collaborative environment for the identification of property holdings that fit our purpose and individual property asset strategy. We must be certain that we are improving the type, level, and accessibility of information for the community, which in turn will improve the economic well-being of an area and empower communities.

Appendix 2

Community Asset Transfer

1 Background

1.1 The Strong and Prosperous Communities Local Government White Paper was published in October 2006 and sets out the basis for a new relationship between local government and its communities. This paper advocated, “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’ looked at the clear benefits to local groups which own or manage community assets – such as community centres, building preservation trusts 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.

1.3 The Localism Act 2011 introduced an obligation on the Council to maintain a register of assets of community value that helps to protect the rights of the community for to bid for those assets.

1.4 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 straightforward commercial sale.

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’s priorities through the Capital Programme and transfers for the delivery of services by community groups.

1.8 The CSAG is currently embarking on a Property Review that will, amongst other things, identify assets that could be subject to future disposal.

1.9 Community Asset Transfer needs to be considered by the CSAG. Town or Parish councils wishing to apply to take on assets currently held by the Council require a defined process to do so.

Appendix 3

Condition of the existing estate

Statutory commitments

Where we provide and maintain property for our business, Property Services are responsible for compliance with a high number of statutory requirements to protect the Council from prosecution and therefore prevention is key.

A performance monitoring spreadsheet is maintained by Property Services and can identify any short falls in compliance

The Council undertakes a wide range of activities under the legislative requirements to ensure that it meets its statutory obligations, which include:

- Asbestos Management
- Fixed electrical testing
- Structured surveys
- Legionella
- Condition Surveys
- CCTV Code of practice and asset security

The Council regularly inspects its roads and pathways, carries out other routine inspections, and keeps records that are required for insurance purposes. These are essential in order that we can defend potential claims.

Non-statutory commitments

The statutory commitments have to be observed so that the Council can continue to operate a facility for employees and the public. The Council may not have a statutory obligation to maintain some assets via its planned maintenance programme, however failure to maintain can result in unbudgeted expense and service disruption caused by asset failure i.e. failure of swimming pool plant, resulting in the closure of the swimming pool.

Building condition categories

Condition Survey Categories	
A	Good. Performing as intended and operating efficiently.
B	Satisfactory. Performing as intended but exhibiting minor deterioration.
C	Poor. Exhibiting major defects and/or not operating as intended or also has a poor energy rating.
D	Bad. Life expired and/or serious risk of imminent failure. Carbon emissions cannot be controlled.
Not Set	Condition survey not undertaken.

During the inspection of buildings, the urgency for maintenance works is assessed simultaneously with the condition. This assessment then informs the prioritisation of

both the order of works and budget allocation including a review of the climate action plan.

1 Condition Surveys

Condition surveys on the Council's non-housing premises should be carried out on a regular basis. The majority of property is generally in a sound or acceptable condition with relatively minor works required. The planned maintenance budget generally 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. This can be done internally or via external contractors where necessary.

Condition surveys will be undertaken on a regular basis and will provide more comprehensive information to help inform not only the Planned Maintenance Programme, but also the on-going general review of the Council's varying asset cluster.

The appraisal with regard to fitness for purpose of use, condition and compliance. The four factors that will be assessed and ranked are:

- Physical condition
- Fire, health and safety and disabled accessibility
- Suitability
- Energy Rating

In addition, annual tests on utilities and building facilities such as electrical wiring; boilers including gas safety; air conditioning 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

2 The Equality Act 2010

The Property Services team takes a role in working to fulfil the obligations under Part 3 of the Act. Audits have been carried out on all premises available for public use and we have implemented a number of improvements to ensure suitable access for the disabled.

Premises are routinely monitored with service managers to gauge where further improvements could be made. Provision is made within revenue budgets to enable this process.

3 Asbestos

The Control of Asbestos Regulations 2012 places a duty to manage asbestos, wherever it is found in our buildings. The Council has surveyed all of 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 Council's Asbestos Policy gives full details of the management of ACM's.

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

The Health and Safety Executive Code of Practice 'The control of legionella bacteria in water systems' was published in 2001, with an updated 4th edition issued 2013 with HSG274 part 2 in support of the ACOP issued 2014. It sets out duties on the 'building manager' to ensure that water systems are monitored to reduce the risk of legionella.

The Council has used an independent company to carry out its Legionella risk assessments that is being reviewed by our Facilities Manager and our Corporate Health and Safety Manager. Remedial works are prioritised and financed from the maintenance budget for the property. The legionella policy has recently been reviewed and adopted and gives full details of the management and control of the Legionella risk.

5 Fire Safety

The Regulatory Reform (Fire Safety) Order 2005 covers general fire safety in England and Wales. Employers (and/or building owners or occupiers) must carry out a fire safety risk assessment and keep it up to date.

The Council has instructed an independent company to carry out fire risk assessments to its key properties, will continue to work through any remedial problems, and will identify funding from the capital programme where applicable.

Appendix 4 Tenanted Non Residential Property (TNRP) Review

1 Background

The Council owns assets that are let to third parties, other than HRA housing, for example industrial workshops and residential properties. These assets are held for investment or socio-economic purposes or both.

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:

- There should be clear allocation of roles and responsibilities and accountability processes in the management of TNRP to drive continuous improvement in TNRP performance
- Local authorities should adopt business planning disciplines to ensure clear strategy, plans and programmes for the management of their TNRP
- To ensure best value is being obtained, local authorities should continuously measure and report on the performance of all TNRP as investments

2 Work that is on going:

A strategic review is carried out on a regular basis at CSAG and the discussion includes the following:

- A list of TNRP assets and their type
- Asset values and income (internal rate of return (IRR) valuation).
- A basic analysis of why they are held e.g. Socio-economic, investment or unidentified.
- A desktop indicative assessment of their suitability, condition and running costs.
- CSAG referral of recommendations to Cabinet following the CSAG groups agreement on the follow asset clusters:

1. Industrial Estates
2. Fore Street properties
3. Residential property
4. Market Walk shopping precinct.
5. Council Land
6. Corporate offices

A phased work programme is in place that is mainly based on the Capital medium term financial plan that should ensure.

- The Council is clear as to why it owns TNRP
- There is a clear business case for owning individual TNRPs.
- 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. On-going Development of the TNRP review:

The TNRP assets will continue to be reviewed against the decision framework. The outcomes will include an understanding of the property objective and will arrive at a decision to either retain or dispose of an asset.

The Council makes investments to assist local public services, including making loans to other public sector bodies and the Council's subsidiary to promote economic development and provide an income stream.

When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be spent on new assets or to repay debt. The Council is also permitted to spend capital receipts on service transformation projects until 2021/22. Repayments of capital grants, loans and investments also generate capital receipts.

Where an asset is retained, it will fall into one of three classes:

- Continued maintenance – where the property is considered to be doing the right thing in the right place. All that will be required is a planned maintenance schedule;
- Improve usage – there may be an opportunity for better usage or co-location. This may require some capital expenditure, along with a planned maintenance schedule;
- Building enhancement – where an asset requires significant capital expenditure.

4. Disposal of Freehold Assets:

The CSAG reviews asset ownership through an assessment of efficiency, effectiveness and affordability. This will ensure that this part of the estate is fit for purpose. Assets that do not fulfil the Council's strategic priorities and/or do not provide a positive rate of return, could be sold or transferred to a third party.

Where an asset is deemed surplus to requirements it is subject to external valuation, for values in excess of £5k and following a consultation with Ward Members, a recommendation will be made to Cabinet by the Deputy Chief Executive (S151):

- (a) Documenting the reason for disposal,
- (b) Stipulating any conditions that will apply and/or endure after disposal
- (c) Suggesting an appropriate method of disposal.

Ward Members will be consulted on those assets identified as surplus, for disposal, with a value of under £5k before the Deputy Chief Executive (S151) authorises the disposal of the asset, and determines the appropriate method of sale and the timing.

The receipts generated by the disposal of assets are treated as a corporate resource to fund the capital programme. To this end, the Deputy Chief Executive (S151) shall, in liaison with the Corporate Manager for Property, Leisure and Climate Change, set targets for capital generation by disposals, and monitor performance on a regular basis.

Appendix 5

Corporate Asset Management software

1 Background

The Council have historically operated different property management systems across its Finance, Property Services, Housing, Estates and Street Scene 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.

The Asset Management and Capital Strategy plan was audited on October 2019. Where it is recommended Property Services continue to review the CAPS data and we have put measures into place to resource this and this work is on going. This will be reported by the PPIs on SPAR.

2 Review of all software used to manage our assets

To ensure the authority has a complete and up-to-date record of property assets to facilitate decision-making, Property Services will need to review the software packages that we use to manage our estate and influence an action plan for ensuring information is maintained and current. This review will incorporate our aspirations for digital transformation. Capital budget has been identified to bring this forward and during the 2021/21, financial year investigations will be carried out to find a suitable software solution.

Appendix 6

Asset Management Action Plan

Annex A - Asset Management Action Plan

ACTION	BENEFIT COUNCIL TO	HOW TO ACHIEVE THIS	RESOURCES NEEDED	LEAD OFFICER	DATES CSAG to be agreed
1. Review and amendment of Asset Management Plan 2016-2020 Performance Management.	Link to Corporate Plan 2020 – 2024.	Continue to Implement management practices.	Property Services Team	Corporate Manager for Property, Leisure & Climate Change Land Management Officer	
2. To integrate climate action plan with the asset management plan	Work towards the net zero target of 2030	Climate action plan, new climate and sustainability specialist who is part of the Property Services team	All council resources will need to contribute working towards net zero	Corporate Manager for Property, Leisure & Climate Change Climate & Sustainability Officer	

ACTION	BENEFIT TO COUNCIL	HOW TO ACHIEVE THIS	RESOURCES NEEDED	LEAD OFFICER	DATES CSAG to be agreed
3. Continue to review benchmarking and sharing of information with neighbouring authorities.	<i>Improve quality of asset management plan.</i> Identify where efficiencies will be achieved.	Continue to Implement management practices.	Facilities Manager & Property Services Team. Facilities Manager to set up a working group with other property managers from other authorities.	Corporate Manager for Property, Leisure & Climate Change	
4. Continue to integrate capital strategy into the asset management plan.	To continue to link the corporate plan through integration of asset management plan/capital strategy/ medium term financial plan.	Working with the Finance service.	Corporate Manager for Finance	Corporate Manager for Property, Leisure & Climate Change	
5. Ongoing Improvement professional skills/training. Continuous professional development.	Improved quality of asset management.	Appraisals; On-the-job training provision and external courses.	Property Services Team	Corporate Manager for Property, Leisure & Climate Change	

ACTION	BENEFIT TO COUNCIL	HOW TO ACHIEVE THIS	RESOURCES NEEDED	LEAD OFFICER	DATES CSAG to be agreed
6. To provide signposting on how communities can request Community Asset Transfer	Improved capacity and cost-effectiveness through partnership working.	Explore shared service opportunities.	Property Services team and Community Development Manager	Corporate Manager for Property, Leisure & Climate Change	
7. Continue to update CAPS Ownership for land Module and Quality Assurance Land Terrier.	Avoids duplication of records. Certainty over asset base. Reduce database maintenance requirements.	Dedicated resource identified in Property Services	Property Services team Business Support Officer	Facilities Manager and Land Management Officer	
8. To continue to review life cycle asset replacement budget to ensure essential maintenance repairs To include: Risks Asset Security Future expenditure requirements in relation to plant and asset replacement.	Awareness of risks and costs of reductions to planned preventative maintenance.	Provide regular updates of the quarterly monitoring	Corporate Manager for Finance, Property Services Business Support Officer	Office Manager and Business Support Officer in Property Services	

ACTION	BENEFIT TO COUNCIL	HOW TO ACHIEVE THIS	RESOURCES NEEDED	LEAD OFFICER	DATES CSAG to be agreed
9. Continued Analysis of value for money for Cemeteries Parks, Open Space and Grounds Maintenance	Contributes to effective use of resources. Potential efficiency increases/cost reductions identified.	Working with Operations manager for Street Scene Services and Parks and Open Spaces Officer	Property Services team, Street Scene Services and Parks and Open Spaces Officer	Corporate Manager for Property, Leisure & Climate Change	
10. To work with the planning service on revised procedures for S106/CIL on Council Assets	Improved consideration of the impact of development on existing assets and added robustness to adoption procedures for new assets.	To work with colleagues within the Planning Service.	Regular review meetings with lead officers who need to have an input in S106	Land Management Officer	
11. Continue to deliver Capital projects that supports the Corporate Plan 2020 – 2024.	Improved use of asset management expertise at project design stage.	Involvement in CSAG.	Property Services Team	Corporate Manager for Property, Leisure & Climate Change	On-Going

ACTION	BENEFIT TO COUNCIL	HOW TO ACHIEVE THIS	RESOURCES NEEDED	LEAD OFFICER	DATES CSAG to be agreed
12. Revise and review Management Plan annually	Improved management of assets. Increased internal rate of return. Reduced reactive maintenance costs. Improved risk management.	Annual review. Continued research for opportunities and regular meetings with Cabinet member for Housing and Property Services	Property Services Team CSAG	Corporate Manager for Property, Leisure & Climate Change	March 2022
13. Review the use of grass verges on the General Fund Estate with reference to the recent HRA land working group	Encourage greater biodiversity	CSAG working group	Property Services Team CSAG	Corporate Manager for Property, Leisure & Climate Change	
14. To develop a Community Transfer Policy with reference to Appendix 2	Community cohesion, active citizenship and promoting economic regeneration	Development and policy adoption	Property Services Team CSAG Legal Services	Corporate Manager for Property, Leisure & Climate Change	