

Borough of Poole

Corporate Property and Asset Management Strategy 2017 – 2020



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**PART III – CORPORATE PROPERTY AND ASSET
MANAGEMENT STRATEGY ACTION PLAN 2017**

INTRODUCTION

The Corporate Property and Asset Management Strategy sets out the framework for the next three years to demonstrate how the assets of the council are contributing to the priorities stated in its Corporate Strategy.

Outcomes that we are seeking are strategic, such as;

- delivering affordable housing,
- academy transfers
- development of our dementia care and extra care accommodation and
- Town centre regeneration.

The commercialisation and disposal of assets to facilitate achieving these outcomes are some of the aims that the assets and asset and property management strategy is supporting.

The Corporate Property and Asset Management Strategy is a three part document.

Part I – The Strategy - detailing our Purpose and Principles

Part II – Resources, Delivery and Performance - to indicate how we will execute asset and property management in the current organisation, how we make decisions and establish the “road map” for each of our assets and how we will review performance of the assets.

Part III – Action Plan - setting our current priorities, targets and milestones.

ASSET MANAGEMENT ACTIVITY IN CONTEXT

The council is currently experiencing a high degree of change, such as, Local Government Reorganisation(LGR) in Dorset and spending reform on a national level. This is driving joint service working across agencies and neighbouring authorities and has led to the authority to re-focus its assets and asset management activity to achieve value for money on a corporate scale. In response to this change, and to ensure a sustainable model going forward, the authority has adhered to organising its activities into the three themes of:

- People
- Place
- Business Improvement

Since the last Strategy was issued in 2013 the number of service units has reduced from fourteen to eleven.

As levels of central government funding reduce, the council is looking to its property assets to help deliver improvements to its town centre and the economic activity of the town. In addition to securing a revenue stream that can improve the council’s financial health. Consequently, a higher level of professional service is required by the authority to facilitate this activity.

It is recognised that effective asset management is fundamental to achieving success for the council in delivering its corporate priorities. The council’s aims are articulated in terms of assets and asset management activity that is required to deliver them in the Action Plan at Part III of this document.

This action plan is regularly updated and reviewed. A previous action was to put in place a Corporate Property Investment Strategy and a Community Asset Transfer Protocol. Both of these strategies have been approved and implemented; they will now also be reviewed and updated during the life of this strategy.

The Strategy acknowledges that LGR for Dorset is on the horizon and where possible, will be aligned with the asset strategies of neighbouring councils.

SUMMARY OF THE COUNCIL'S PORTFOLIO OF ASSETS

The council currently holds and manages 326 separate assets with an overall capital value of £460.5m (31st March 2017 and excluding 276 community assets).

The assets are deployed for a wide range of uses including schools, libraries, children's centres, community centres, leisure centres, public open space, offices and depots. The council also owns some investment assets in its town centre and around its main leisure attractions such as the beaches and quays of the town. In addition it is managing its recent acquisition of industrial estate within the town.

Within the Action Plan, in Part III, we aim to identify those assets that are earmarked to deliver a council priority as stated in the Corporate Strategy – Poole 2020. There have been some notable changes in the portfolio since the first Strategy was adopted. For example;

- A number of schools have transferred to academy status
- Some surplus land and buildings capable of redevelopment or refurbishment have been transferred to a registered supplier of affordable housing to deliver much needed affordable homes in Poole
- Public Conveniences have been closed owing to budgetary constraints
- Office Accommodation has been tactically consolidated and leased – in office accommodation is now at a minimum.
- The rural estate on the outskirts of Poole has delivered the strategic planning priority of a Suitable Alternative Natural Greenspace or SANG

This second edition of a Strategy will capture these changes and will revisit the principles with a view to updating the "road map" for asset and asset management activity for the Borough of Poole in the next three years.

Borough of Poole

Part I

Corporate Property and Asset Management Strategy 2017 - 2020



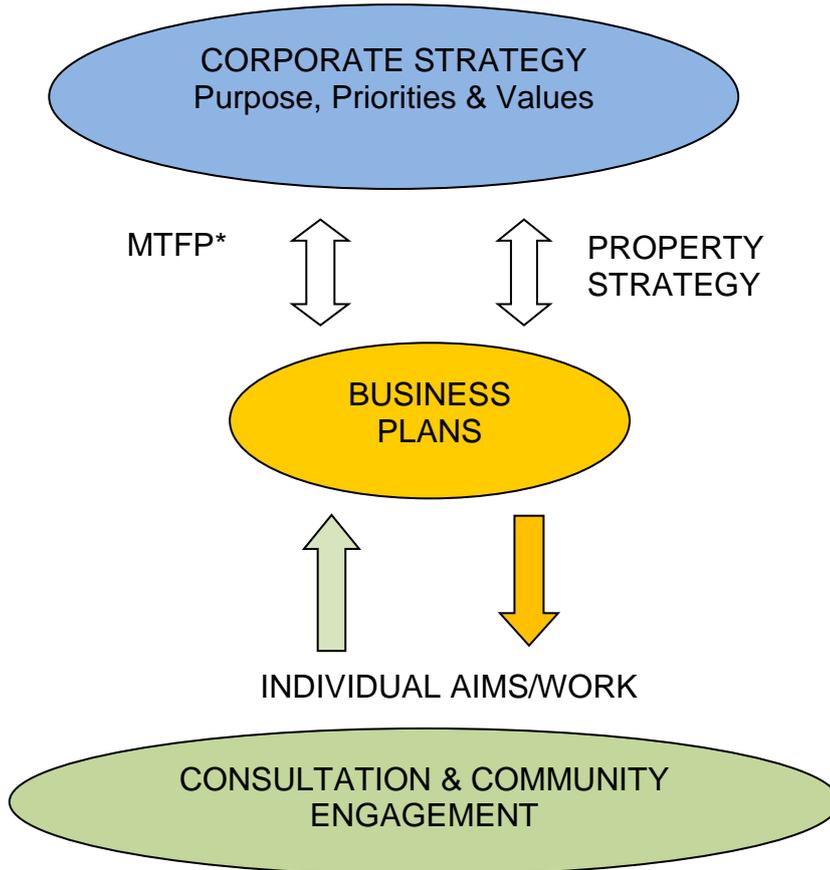
1. **PART I – THE STRATEGY** detailing our *Purpose* and *Principles*

1.1 **THE PURPOSE**

1.1.1 The Corporate Property and Asset Management Strategy exists to support our Corporate Strategy but has its own specific purpose to focus attention, which is:

“To use assets effectively to help the council achieve its purpose and priorities for the people of Poole”

1.1.2 The diagram below indicates how this strategy fits with the framework of how the council works and links to other strategies including the Corporate Strategy.



* see part II – paragraph 2.7.3

1.1.3 This strategy set in the context of its resources, proposed delivery mechanism and performance reviews; supported by the Action Plan found in part three of this document will be the driver for improvement across the authority in the performance of property and asset management.

**SIX KEY PRINCIPLES OF POOLE'S CORPORATE AND
ASSET MANAGEMENT STRATEGY**

- 1 We will effectively maintain and manage operational assets working with partner organisations**
- 2 We will adopt the corporate landlord model and take strategic investment decisions across the portfolio and with our partnering agencies.**
- 3 We will ensure efficient and sustainable utilisation of land and buildings to support the People, Place and Business Improvement Themes.**
- 4 We will encourage innovative and entrepreneurial activities which provide a commercial foundation to developing and embedding an investment strategy.**
- 5 We will use accurate asset information and utilise whole life costing techniques when making capital investment or disposal decisions.**
- 6 We will engage with voluntary groups and encourage partners to take responsibility for assets where it meets a specific purpose.**

Borough of Poole

Part II

Corporate Property and Asset Management Strategy

Resources, Delivery and Performance 2017 - 2020



2. PART II – RESOURCES, DELIVERY AND PERFORMANCE

- *how we will execute asset and property management in the current organisation with particular reference to our data system, tackling backlog maintenance and ambition to encourage partnership working*
- *how our staff will be organised and who will champion property and asset management in the organisation*
- *how decisions will be influenced and establish the “road map” for each of our assets*
- *how we will review the performance of our assets and asset management activity*

2.1 RESOURCES

2.1.1 ASSET REGISTER AND DATA SYSTEM (TECHNOLOGY FORGE)

2.1.2 The council holds an electronic asset register of all its land and buildings assets in a central database called Technology Forge data management system or TF for short. The original TF System has been developed by purchasing and populating an Estates Module which provides information on the assets that are subject to lease, licence, other form of transaction or tenancy agreement. TF also provides management reporting for estate management purposes and is informing the investment property strategy and office accommodation review.

2.1.3 TF is a comprehensive and well managed system that is being used to;

- Collate stock condition information. All assets can then be considered fully for an informed estate audit to facilitate decision making around maintenance backlog reduction and tactical capital investment.
- Improve documentation of building hazards data with particular reference to asbestos and water based hazards such as Legionella.
- Provide reports on how well the council is performing in improving the accessibility of its buildings.
- At the same time TF has enabled the council to fulfil its obligations to provide mandatory data meeting the government’s transparency agenda

2.1.6 TF data has also been instrumental in meeting the requirements of the “Dorset Explorer” a Geographical Information System or GIS database created by the Dorset Joint Asset Management Board (JAMB) workstream to create on property database for property owned and leased in by local authorities across Dorset.

2.2 PARTNERSHIP WORKING

2.2.1 Joint working with other public sector partners, community enterprises and the third/ voluntary sectors is a key requirement of the council’s asset and property managers in order that the council can contribute to county-wide one public sector estate initiatives and achieve greater efficiencies and benefits for the town of Poole.

The Dorset JAMB promoted by Dorset County Council and its Town and District Councils has been key to liaising with other estates functions across the public sector agencies in Dorset. In particular the Dorset JAMB is playing a role in the review of Primary Care and the desire of NHS England for the commissioning bodies in the NHS to come together across Dorset in an Estates Forum to adopt a new Asset Management Plan. This enables asset and property managers to actively engage with local and regional authorities and public sector agencies to gain understanding of initiatives and issues from a wider perspective. Dorset County Council have recently sought to reinvigorate the Dorset JAMB following their recent success in being

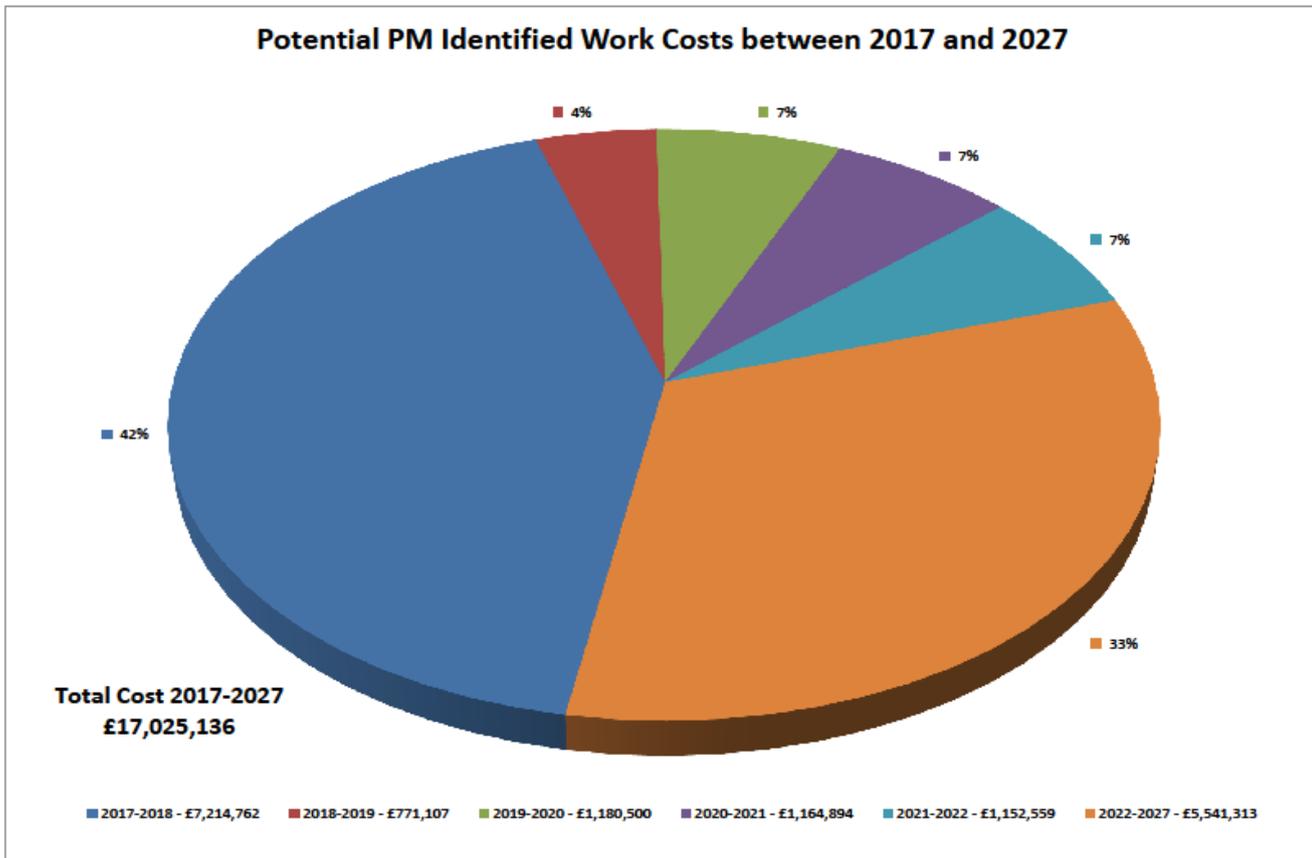
awarded central government funds on the proviso that they will continue to champion the Dorset JAMB.

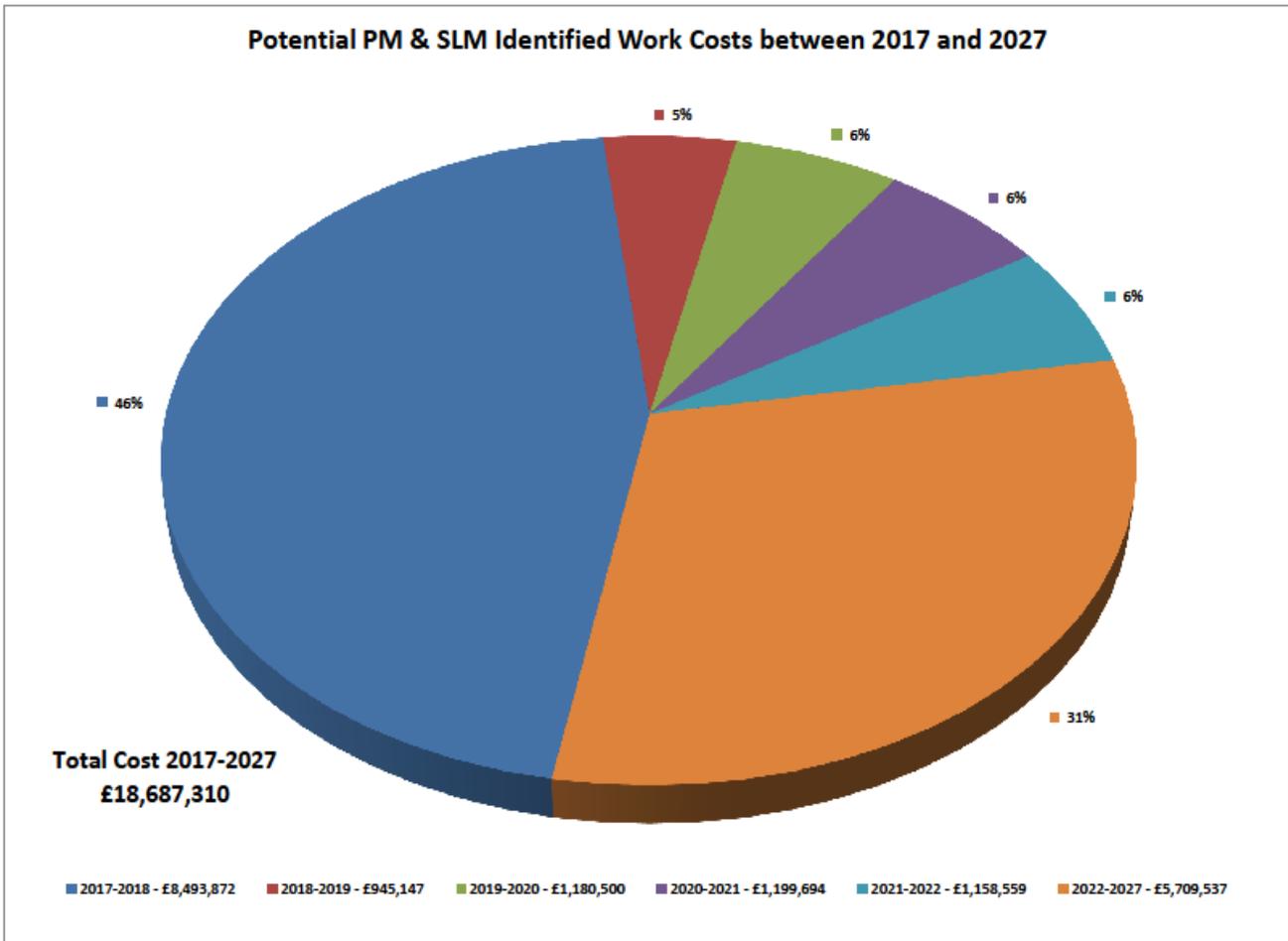
2.3 PROPERTY MANAGEMENT AND INVESTMENT

2.3.1 There is a backlog of maintenance in respect of the council's owned assets – this is known, but the extent of this backlog and the categorisation in terms of priority needs to be updated. Nevertheless, whilst this review of data is being completed, the data currently held has been used to identify the cost for all of the council's property assets for which Property Management are responsible from the financial year 2017-2018 until 2026-2027.

2.3.2 Pages 10 and 11 display two pie charts, the first pie chart shows identified work costs for properties which Property Management are responsible for and the second pie chart includes identified work costs for those properties which Sports & Leisure Management (SLM) are responsible for.

2.3.3 Details of the Property Steering Group will be given later in this document but a key task of their work will be to consider the council's arrangements for undertaking maintenance and investment decisions.





2.4 DELIVERY

2.4.1 The Corporate Property and Asset Management Strategy is committed to the execution of the following pieces of work within the lifetime of its strategy:

- Deployment of assets for the successful delivery of the priorities of the council identified within the Corporate Strategy and adopting comprehensive plans for redevelopment of assets thereby delivering to more than one Corporate Strategy priority.
- Support for the work of the Development and Regeneration Team in its proposals for town centre regeneration and the commercialisation and disposal of assets.
- Asset review (especially where it is possible to explore opportunities for co-location of services).
- Embracing the ethos of “one public sector estate” by participation in the Dorset Wide Joint Asset Management Board and NHS Local Estates Forum
- A move towards the principles of a corporate landlord model in regard to hard and soft Facilities Management and investment decisions in the estate with a proposal to incorporate Property Management Services within the same Service Unit as the Corporate Estates Team.
- A desire to achieve an aligned and common approach to estate and asset management with local authorities that will join with Borough of Poole as part of the planned Local Government Reorganisation

- The further implementation of an investment strategy which will support the financial health of the organisation and in particular the capital investment strategy and encourage entrepreneurial activity.
- The review of the Community Asset Transfer Protocol to ensure that community groups are encouraged to come forward to run and manage their own real estate whilst maintaining transparency.

2.4.2 Examples of where work has already been executed which underpin the stated purpose and principles include:

- ✓ Support to pupil place planning requirements including supporting transfer to and development of academies and the development of new schools.
- ✓ Supporting the council's decision to supply land and transfer it to registered providers for the development of affordable homes.
- ✓ Providing option appraisals to consider future property decisions such as that at Hatch Pond Depot.
- ✓ Pilot Studies to combine services and the voluntary sector such as at Oakdale.
- ✓ Appraisal and negotiation of the acquisition of investment property to support financial health and council objectives such as the recent acquisition of a trade centre in North Poole.
- ✓ Utilising the real estate to lever investment into the town centre such as the restructure of the lease at the Dolphin Centre and Towngate Square which will be a catalyst for £16m investment in the malls and public realm
- ✓ Utilising the estate to deliver improved adult social care by the proposed redevelopment of a Care Home on the site of the former Mitchell House in Canford Heath
- ✓ Providing a framework for the surplus assets of the council to be utilised to support town centre regeneration
- ✓ Engagement all Public Sector organisations including continued contribution to the Dorset wide GIS system.
- ✓ Minimal reliance on leased accommodation by relocation of staff to buildings held freehold. Significantly reducing revenue spend and supporting the MTFP
- ✓ Undertaking a comprehensive stock condition survey to more accurately identify where a maintenance backlog reduction programme should be focussed
- ✓ Transfer of buildings used by the community to a community group under the protocols of Community Asset Transfer arrangements to allow community based activities to be delivered autonomously of the council wherever possible.

2.5 THE ROLE OF THE ASSET AND PROPERTY MANAGER TEAMS

2.5.1 The execution of the asset management activities based on the principles identified relies on the fulfilment of the role of the asset and property managers. We will develop working arrangements that support and relate to the spectrum of assets owned by the council.

2.5.2 The council has reviewed the organisational structure of the staff in its Place Theme and has aligned staff within Property Management to join asset managers in Corporate Estates within the Financial Services function. As the office accommodation strategy has co-dependencies with changes to the information technology infrastructure of the council, the Head of ICT and Customer Support retains responsibility for delivering workplace and work-style change.

The joint working of these three functions is brought together by the Property Steering Group "PSG" referred to earlier in paragraph 2.3.3. The "PSG" is an officer group where all three functions are represented as well as Service Unit Heads representing the council's Themes of

Place and People. The “PSG” works with the purpose of providing the service and asset management challenge for improvement which is fundamental to delivery of this Strategy. It also advises and supports the Corporate Property Officer in fulfilment of his or her duties.

- 2.5.3 The council has appointed an asset management and property management champion in the role of the Corporate Property Officer. This role has delegated responsibilities in respect of asset management functions.
- 2.5.4 There is a need to develop and embed a suitable decision making process. This is imperative for decision making when assets have competing uses and aspiration for capital investment bids.
- 2.5.5 The decision making process adopted by the council is depicted in Appendix B

2.6 PRIORITISATION OF CAPITAL INVESTMENT BIDS AND RE-DEPLOYMENT OF SURPLUS ASSETS

- 2.6.1 The council assesses capital investment bids and proposals to redeploy surplus assets against a range of criteria.
- 2.6.2 The Management Team (“MT”) of the council are the consultees and act as a “clearing house” which, after consideration of the criteria of a bid or proposal will direct that the proposal becomes a project for the council’s Corporate Change Board. The “MT” will liaise with the “PSG” to understand all the asset and property management implications of each proposal. The Corporate Change Board provides corporate governance for each of the proposals or bids for capital that become priority projects of the council. Member liaison is provided by the “MT” and the asset managers and service providers can seek guidance on the requirements of delegated (i.e. officer) and member decision making as it concerns property assets.
- 2.6.3 The “MT” aims to achieve a balance between service need and attractiveness of return on investment and value for money aspects of the proposal or bid.

2.7 THE FINANCIAL SUMMARY OF CAPITAL SPENDING – I’ve never understood why we include this section do we want to keep it?

- 2.7.1 There is a link between the capital investment bids and improvement in performance of assets and the Capital Spending and Capital Monitoring of the council. .
- 2.7.2 School projects take up a significant proportion of the capital resources of the council but this will diminish as the council’s maintained schools move increasingly towards Academy status in the current and following years.
- 2.7.3 The Capital Strategy is supported by the Corporate Property and Asset Management Strategy, its resources and delivery mechanisms, the Medium Term Financial Plan (“MTFP”), the annual Action Plan and the wider financial strategy of the council.

2.8 OFFICE ACCOMMODATION

- 2.8.1 The council previously committed to the;
- *Development and maintenance of an Office Accommodation Plan under the direction of the “PSG”.*
 - *Management and delivery of the annual action plan for office accommodation.*

- *Developing information, advice and guidance for accommodation and new ways of working.*

2.8.2 Consultation with each of the theme groups highlighted where our office accommodation was seen as being in a poor state, with an inefficient and inhibited service delivery that was unable to support new ways of working.

2.8.3 A medium term programme action plan has now successfully been completed.

- This has resulted in a successful exit from most leased accommodation including, St Johns House, Crown Buildings, Enfeco House and high street.
- Delivered annual revenue savings of over £350,000
- Only one short term lease close to the Hatch Pond Depot site remains and is under review. Informal meeting space capacity has improved and successful trials with certain teams to reduce 1:1 ratios in office desk space and promote agile working have been undertaken.
- There has been some success in improving the meeting and waiting areas within the working space of the Civic Centre.
- Further improvements will be dovetailed into decision making regarding joint service working and future Dorset.

2.8.4 An office accommodation project will usually incur expenditure to deliver and as such must be able to demonstrate that it delivers benefit. It is expected that any further changes will be assessed on the extent to which it is making a direct contribution to the council's "MTFP" enabling the provision of modern service delivery, conforming to compliance standards or delivering service benefit.

2.8.5 A pre requisite to delivery of this will be the on-going support of the "PSG" in order to develop and maintain a coherent and effective Office Accommodation Plan.

2.8.6 The continued co-operation of Service Units, Management Team and Members to support proposals to improve the office accommodation so as to align it to modern service delivery needs and deliver savings is also vital to successful delivery.

2.9 SUSTAINABILITY, ACCESSIBILITY AND HEALTH AND SAFETY

Sustainability, Accessibility and a response to Health and Safety Legislation is a pre – requirement when making decisions around delivery of any project or priority. These influence delivery of the Strategy and are considered in turn.

2.9.1 SUSTAINABLE ASSET MANAGEMENT

2.9.1.1 The following statutory and legislative activities work to support the Council's vision of a low carbon Poole and to enhance access to external funding opportunities:

2.9.1.2 The council has signed up to the EU Covenant of Mayors initiative; a Europe-wide framework to support local authorities in their aims to reduce the costs of unsustainable energy usage. As part of this framework the council has prepared a Baseline Emission Inventory, submitted a Sustainable Energy Action Plan, which outlines the CO2 reduction projects to meet the initiative's aims, and submits a bi-annual implementation report, the most recent of which was December 2015, which tracks its progress to reducing emissions by 20% by 2020.

2.9.1.3 The Climate Change Act of 2008 legally obligates Local Authorities to reduce carbon from 1990 levels, by 80% by 2050 with an interim target of a 57% reduction by 2032. The Climate Change

Committee has indicated that to hit the 2032 target projects such as at District Heating and heat pump technologies are required; to hit the 2050 target we need a fundamental change to the way that heat and power are generated and consumed across the public sector.

2.9.1.4 The Energy Performance of Buildings Directive requires all landlords of rented buildings to ensure that the building meets a minimum standard of an E on the Energy Performance Certificate rating system. This applies to new tenancies or renewed tenancies for any tenant from 1 April 2018 and to all tenancies from 1 April 2020.

2.9.1.5 The Housing and Planning Act 2016 sets out a requirement for the local authority to produce a buildings efficiency and sustainability assessment which will include an assessment on the progress towards reducing the size of the local authority estate and the measures taken to ensure that any new buildings to the estate are within the top quartile of energy performance – this would include properties purchased for investment purposes. It is not yet clear what detail will be required within the report, guidance is expected to be issued by the Minister for the Cabinet Office. The data gathering requirement of this report begins in April 2017 and the first report should be published by June 2018

2.9.1.6 Projects to improve the sustainability of the borough's assets will be developed in an integrated manner to ensure that every opportunity is identified. There are number of external funding opportunities which could support the development of projects, some of these projects may require collaborative working with Bournemouth and other authorities throughout the county.

2.9.2 ACCESSIBILITY

2.9.2.1 The Equality Act 2010 replaces the Disability Discrimination Act 1995 and imposes a duty to make reasonable adjustments to the provision of services and exercising public functions to ensure that physical and communication barriers are removed. The council is liable to reputational and financial risks if reasonable steps are not made to comply with this legislation.

2.9.2.2 The Council has reached a position where 51% has this changed of publicly accessed buildings are compliant and all new buildings are also expected to comply. The resurvey of premises and continued monitoring and reporting against benchmarks will require details from the proposed stock condition survey and thereafter the financial resources to execute works.

2.9.2.3 Future requirements are recorded against our property asset records within the Maintenance Register and this information is used to support planning of major works.

2.9.3 HEALTH AND SAFETY

2.9.3.1 Above all else the council needs to meet statutory obligations.

2.9.3.2 The Property Management team are responsible for ensuring that those people working within the council's properties are not put in danger as part of their daily activities. Through a programme of statutory risk assessments, best practice inspections, staff training and the management of carefully selected and managed contractors we will reduce health and safety risks to an absolute minimum.

2.10 PERFORMANCE – REVIEW OF THE CORPORATE PROPERTY AND ASSET MANAGEMENT ACTION PLAN 2017 - 2020

2.10.1 The performance of the asset base is important so that lessons can be learnt from the past and future performance improved.

2.10.2 The Corporate Change Board monitor the priority projects that place heavy reliance on assets for successful delivery. The priority projects are listed in the Action Plan – Part III. The priorities indicate how the council is preparing to meet the aspirations and challenges it faces as expressed by its Corporate Strategy and the preferred options it intends to pursue. The Action Plan (Part III) has a review of performance to report twice; once in 2014 and once in 2016. The Action Plan indicates a baseline endorsed by Members from which performance of the assets and asset management activity can be assessed by the council. The baseline for the current Action Plan (Part III) stems from the Action Plan reviewed by Business Improvement Overview and Scrutiny Committee on 19th January 2017

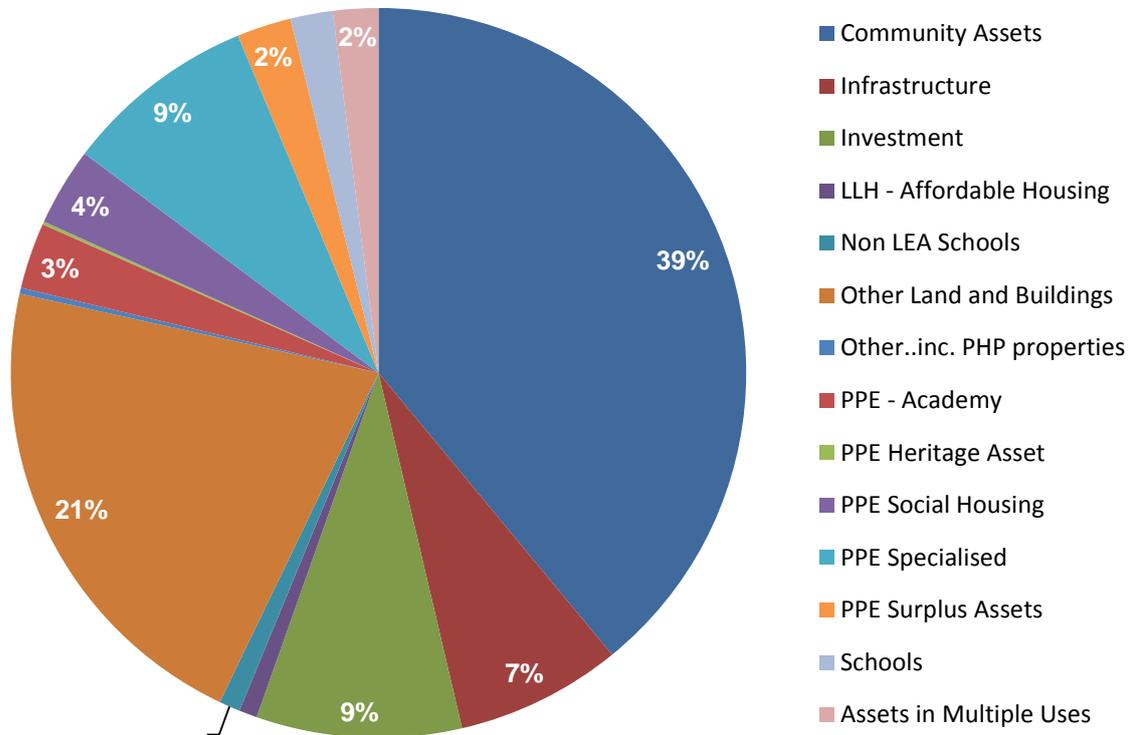
2.10.3 The performance review of assets by the Property Steering Group, Officer Peer Group and Overview and Scrutiny Committee will consider the performance of delivering the priorities indicated in the Action Plan.

2.10.4 PROPOSED TIMETABLE FOR PERFORMANCE REVIEW AND STATUS REPORTING

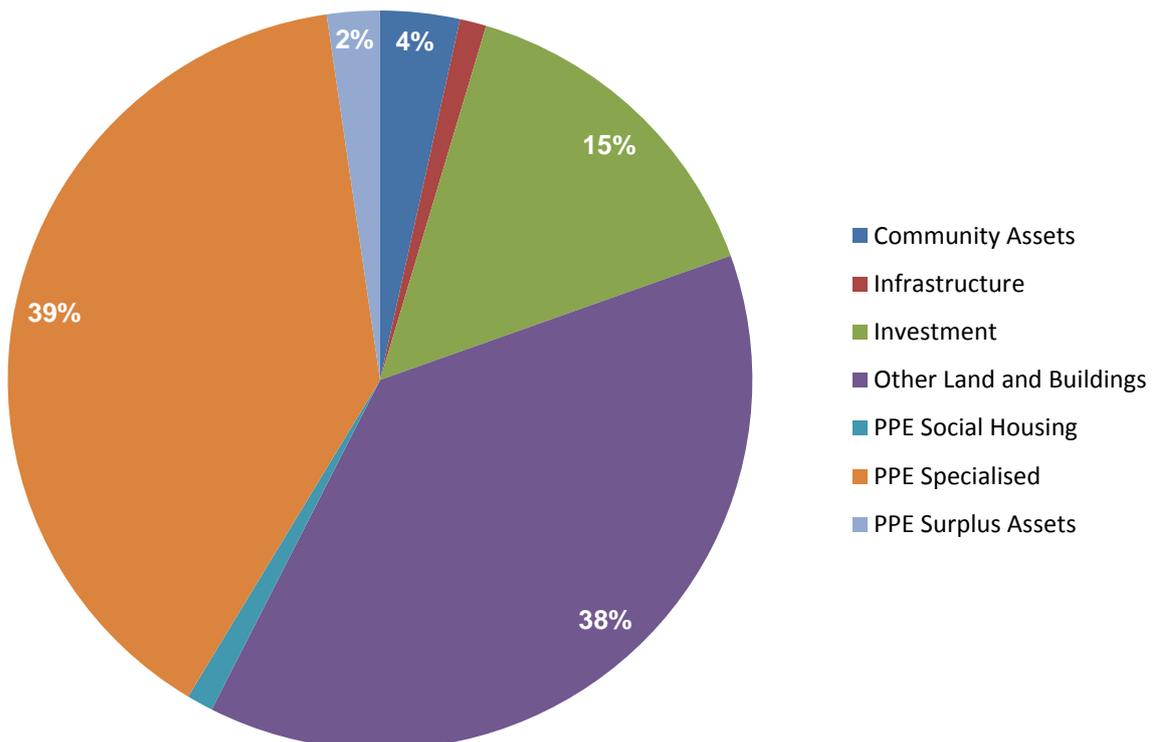
Review	By Whom	When
Action Plan Part III (performance review)	Property Steering Group	Half yearly
Action Plan Part III (Review and report of both half yearly performance reviews)	Business Improvement Overview and Scrutiny Committee	Annually

Appendix A Assets shown by type and use

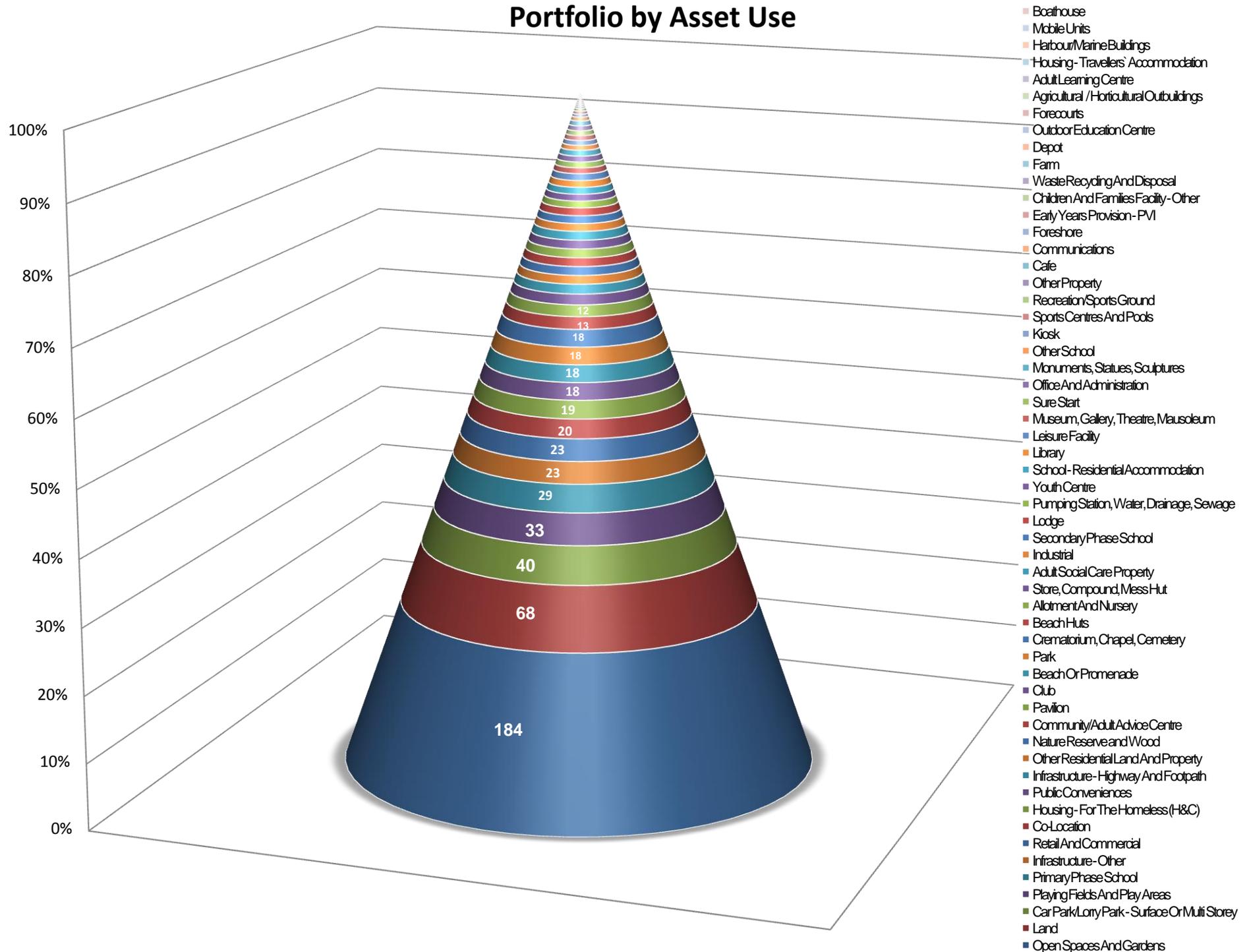
Portfolio by Capital Accountancy Asset Class



Breakdown of Assets in Multiple Use



Portfolio by Asset Use



Appendix B: Corporate Decision Making Process for Property Assets

