Asset Management Plan

2016-2021

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Foreword

The Asset Management Plan (AMP), as approved by the Cabinet and Council, provides the framework and procedures for Chichester District Council when dealing with landed property matters. The AMP takes account of the latest Government initiatives and guidelines for Local Authorities. The Council has, during the formulation and continuous review of its AMP, taken account of the recommendations contained in the former Audit Commission's publication; Hot Property - Getting the most from Local Authorities Assets and the former Department of Transport, Local Government and Regions (DTLR) (now Department for Communities and Local Government DCLG); Asset Management of Local Authority Land and Buildings - Good Practice Guidelines 2000 and RICS Guidance 2005.

The Guidelines and Procedures incorporated in the Asset Management Plan are reflected in Annual Service Plans and approved annually by the Cabinet and/or Full Council where required by the constitution e.g. major capital projects. Minor changes to the Plan are effected under delegated powers.

The AMP is a Strategic Council document, designed to assist both Members and officers when giving consideration to land and property in support of delivery of the Council's objectives and pledges to the community. The AMP should be considered in conjunction with, and informs, the Financial Strategy.

Public property assets are estimated to be worth over £370bn nationally and at Chichester the portfolio (operational and non-operational) is currently (October 2015) valued at £115m, with rental income generated at £2.5m per annum, maintenance costs of circa £400k pa and asset replacement programme costing circa £3m over the next 5 years. The financial figures are therefore compelling but the need to ensure the portfolio is effectively managed is also predicated on the need to ensure that the Council's property remains fit for service needs and that non-operational property delivers an acceptable rate of return. The AMP will be used to co-ordinate the management, maintenance and review of the Property Portfolio to ensure these objectives are met.

Gillian Keegan

Cllr Gillian Keegan (Cabinet member for Commercial Services)

1. Organisational Arrangements

1.1   General Considerations

    1.1.1   The Local Government Act provides local authorities with general powers to look after the social, economic and environmental well-being of its administrative area.

    1.1.2   When considering property the Council has two distinct roles in Chichester:

        (a)   Through the ownership of the portfolio it is a landlord/landowner.

        (b)   It is a local authority.

    The Council has a general power of competence contained within the Localism Act 2011 and in addition has specific statutory powers to acquire and hold property. These are:

        (a)   A present or future operational purpose.

        (b)   Proper planning of the District including the prevention of inappropriate development.

        (c)   To facilitate strategic planning and appropriate economic development including fostering employment opportunities.

        (d)   For the purposes of the prudent management of its financial affairs

    1.1.3   While property is held for the above purposes, this Asset Management Plan (AMP) ensures the Council manages the portfolio to its best advantage.

    1.1.4   The Commercial Programme Board (CPB) is responsible for the strategic management of the Council's assets via the implementation of the AMP. It makes recommendations to the Cabinet (and Council if required by the constitution) via the Senior Leadership Team (SLT) (which comprises the Chief Executive, two Executive Directors and the Head of Finance and Governance) on the approval/revision of the Council's AMP to co-ordinate with the requirements of the Council's Corporate Plan. The AMP provides a Strategy for the Council's present and future requirements for property assets. The AMP is dynamic and has and will continue to be revised, normally annually, to reflect the changing needs of the Council and the community.

1.2   The Council's Property Portfolio

    1.2.1   The assets owned by the Council can be categorised into the following types:

        Property Plant and Equipment (PPE) comprising:

        Land and Buildings

Vehicles, Plant Furniture and Equipment[1]

Infrastructure Assets

Surplus properties

Assets under construction

Assets Held For Sale

Investment Properties

Heritage Assets

Property is categorised as an Investment Property only if it is held solely for Investment purposes. The Council holds many properties that have been let on commercial leases but as these are held for purposes such as economic development, planning and community purposes they are categorised as PPE.

1.2.2   All landed interests are held corporately not by individual services. District Council objectives for holding property assets are set out in Appendix 3.

1.2.3   The makeup and value of the Council's Property Portfolio is summarised in Appendix 1.

1.3   Linkages to Corporate Structure

1.3.1   The Council's AMP has been developed in order to better deliver the Council's objectives that are set out within: The Sustainable Community Strategy; The Corporate Plan and Service Plans. In addition, a Local Strategic Partnership (LSP) (now known locally as Chichester in Partnership) was established in 2002 that will inform these Plans as and when they are reviewed. The AMP will respond to these reviews to ensure that its contribution to objectives remains effective. A summary of these Strategies and Plans is set out below and their relationship to the AMP is represented in Figure 1 below. The Council's Financial and Investment Strategy interrelates with the AMP. Internal Procedure notes, such as the one dealing with disposals, provide added guidance.

1.3.2   The Sustainable Community Strategy (2009-2026) involves all three tiers of Local Government - the County, District and Parish Councils and other partners. The Strategy supports detailed policy plans such as Education, Social Services, Housing and Economic Development. The priorities contained within the Strategy are: Economy; Environment; Health and Well-Being; Housing and Neighbourhoods and Transportation and Access.

1.3.3   The Corporate Plan (2015 - 2018) envisages: a place where businesses can flourish; where communities are active happy places; where residents and visitors can find good cultural, leisure and sporting activities; and where a good quality of life is open

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[1] Not considered as part of this Plan

to all. The Corporate Plan is the District Council's contribution to the Sustainable Community Strategy. It contains a set of guiding principles and the following five priority themes:

- Improve the provision of and access to suitable housing;
- Support our communities;
- Manage our built and natural environments;
- Improve and support the local economy and
- Prudent management of the Council's finances

Figure 1:

Relationship between AMP/Financial Strategy and other Corporate Strategies and Groups
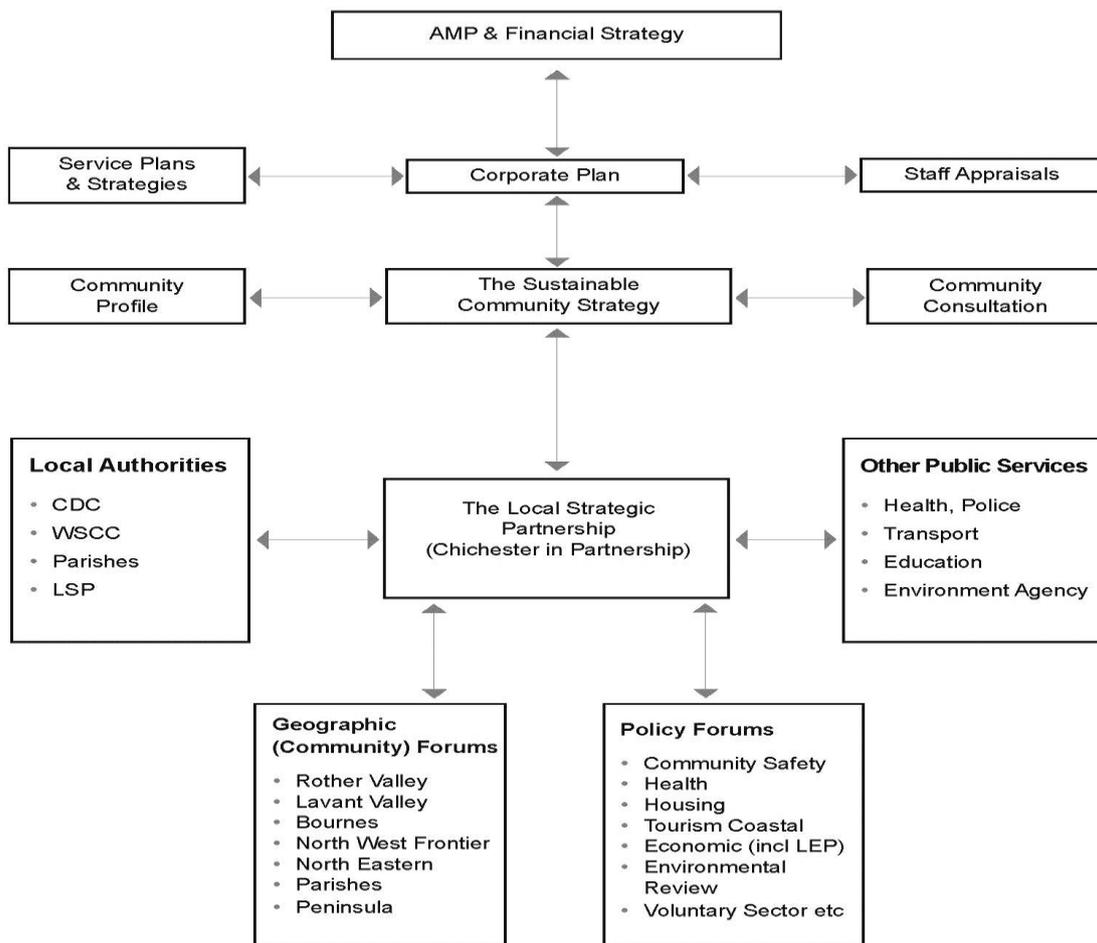
1.3.4   The Council's overriding objective and operating model is to retain services; delivered in the most efficient way; generate income and be more commercial in the way that it operates.

1.3.5   Service Plans - these documents will incorporate any property asset requirements of the service. They are reviewed annually and will cover key issues such as:

- Maintenance standards;

- suitability and sufficiency of current property assets;

- future property needs and

- Surplus property.

1.4   Devolution and Service Sharing

1.4.1   The District Council, faced with growing financial challenges, is implementing new ways of working (NWOW) and exploring partnering with both the public and private sector to deliver services in the most effective and efficient way for the benefit of its communities.   It is also (March 2016) engaged with public sector partners across East and West Sussex and Surrey to request additional devolved powers from central government in order to deliver growth more quickly and appropriately. These initiatives could have a direct impact on the Council's property portfolio, including the possibility of a centrally managed public sector estate. The implications of all of these initiatives on the Council's property assets will be regularly reviewed as the position develops.

1.5   Service Strategies

1.5.1   Service Strategies/Plans exist in the following areas and contain specific property related objectives which, following an options appraisal and prioritisation are, or will be, included within the Corporate Plan, subject to the availability of resources:

- Air Quality Action Plan (2015-2020);
- Climate Change Strategy (2016-2020);
- Coastal Defence Strategies (Pagham to East Head; North Solent Shoreline Management Plan and Beachy Head to Selsey Bill Shoreline Management Plan);
- Strategic Community Assessment (2015-2016);
- Destination Management Plan/Tourism Strategy (under review);
- Economic Development Strategy (2013-2019);
- Digital Access Strategy (2015-2018);
- Health Improvement Strategy;

- Chichester District Council Housing Strategy 2013 -18 (Reviewed 9/2/16)
- Chichester District Council Homelessness Strategy 2015 - 2020;
- Local Plan (2015-2029);
- Contaminated Land Strategy (June 2015);
- Private Sector Renewal Strategy
- Waste Minimisation Strategy

1.5.2 As new strategies are developed or existing strategies are reviewed the Corporate Property Officer and CPB will consider the implications on the corporate estate.

1.6 The Corporate Property Officer (CPO)

1.6.1 The CPO has defined responsibilities that collectively enable the Council to implement:

■ Strategic Asset Management

■ Tactical Asset Management

■ Day-to-day Property Management

1.6.2 The CPO is the Executive Director (with responsibility for the estates and building services functions) who has the following roles and responsibilities associated with the AMP:

(a) Implementation of the AMP.

(b) To Chair the Commercial Programme Board meetings.

(c) To communicate to Members and SLT/CMT on progress in delivering the AMP.

(d) Assess the results of data analysis and determine what action is necessary to ensure the Council's property continues to contribute to the Council's objectives and priorities.

(e) Assist with the preparation and review the Council's SCS, Service and Corporate Plan (including the Finance Strategy) and determine the ability of the Property Portfolio to effectively achieve delivery of the identified property requirements.

(f) Identify future property requirements and regularly review under-used or void property to ascertain whether they are able to meet future property needs or should be earmarked for disposal or investment.

(g) Develop and co-ordinate property reviews.

(h)   Assist Heads of Service to develop their strategies and Service Plans so as to incorporate asset management.

(i)   The CPO is accountable to the Cabinet via the Commercial Programme Board and SLT; in turn the Cabinet is accountable to the local community.

Responsibilities

(a)   Obtain the required data from Heads of Service, analyse the data and produce the required statistics for the performance indicators. Ensure performance indicators remain relevant to measuring the Council's objectives set for managing and holding property and review as necessary.

(b)   Ensure the Valuation and Estates Manager maintains a Property and Maintenance Management System with cross-service capabilities to enable the compilation of data for the formulation of all property performance indicators and benchmarking statistics.

(c)   Direct the day-to-day management of the Property Portfolio via the Estates Service except where such responsibility is devolved to service managers.

(d)   Co-ordinate necessary training related to Asset Management for officers and members.

(e)   The CPO acts within the requirements of legislation, Council procedures and Standing Orders. The CPO will submit reports for decision by the Cabinet/Council on all landed property unless the proposal can be dealt with under his delegated powers.

1.6.3   The CPO is also a member of the SLT and therefore is able to maintain a strategic understanding of the Council's property requirements.

1.7   The Commercial Programme Board

1.7.1   The Commercial Programme Board (CPB) is responsible, amongst other things, for the coordination of strategic property planning via the AMP. The CPB provides a cross service, high-level strategic overview of the requirements for land and property necessary for the delivery of services to the community that has been identified through Council approved Corporate and Service Plans. Membership of the CPB includes:

■   The Corporate Property Officer (Executive Director).

■   SLT which includes the Chief Executive and S.151 officer

■   Cabinet Member with responsibility for the Commercial Portfolio

- ■ The Head of Commercial Services

- ■ Valuation and Estates Manager (as required)

- ■ The Building and Facilities Manager (as required)

- ■ Corporate Policy team member

1.7.2   Objectives of the CPB:

1. Identify and exploit potential revenue and capital opportunities

2. Identify and access potential revenue savings

3. To develop the commercial acumen and skills across the council

4. To ensure that the service delivery mechanism is appropriate

5. To ensure the Council has sufficient and suitable premises to meet its corporate objectives

6. It is also responsible for the implementation and periodic revision (subject to SLT and Council approval if required) of the Council's Asset Management Plan. In doing so it will maintain a strategic overview of the following Council documents:

   - ■ Asset Register

   - ■ Property Disposal programme (3 year plan)

   - ■ Repair and Maintenance Programme (5 year plan)

   - ■ Asset Replacement Programme (5 year plan)

   - ■ Property Performance indicators

   - ■ Property Reviews

   - ■ Acquisition Programme (5 year plan)

1.7.3   Information provided by Corporate and Strategic Plans, together with information obtained through the collection of data from Service Managers (no less than annually), comment and advice from District Audit, the requirements contained within Service Plans, performance indicators and benchmarking will be available to the CPB to inform and periodically recommend revisions to the AMP. The CPB meets at least four times a year.

1.7.4   In this way Members have been, and will continue to be, fully involved in the formulation of the AMP and progress with its delivery. They will be able to interpret feedback received from stakeholders so as to ensure continuous improvement.

1.7.5 A comprehensive list of actions is contained within the 'Programme and Plan Development and Implementation' section of the AMP.

1.8 The Estates and Building Services

1.8.1 In progressing the aims and objectives of the AMP the Council will ensure that it will employ appropriately qualified property professionals (including Registered Valuers) (whether employed internally or via external consultants) and will retain the Strategic Asset Management function within the authority.

1.8.2 The Council will retain up to date procedure notes to ensure that it deals with case work in a professional and consistent manner.

2. Consultation

2.1 External

2.1.1 The Council's decision-making process is firmly underpinned by in house resources within the Community and Partnerships Support Team. Officers have developed a Consultation Charter and Toolkit, resources that are available to colleagues to provide guidance in how to engage with relevant stakeholders and outline the support available to them. The team also maintain a calendar of consultations being undertaken to ensure transparency and avoid consultation fatigue.

2.1.2 The Charter and Toolkit include a variety of methodologies designed to gain feedback that informs the direction of the Authority, Service Strategies and specific projects. Methods include: User Questionnaires; Formal Consultation; Targeted Consultation; Stakeholder Forums (such as the Council's Car Parking Forum); the Local Strategic Partnership – Chichester in Partnership; Community Forums & All Parish meetings and Council Media such as the Initiatives Magazine.

2.2 Internal

2.2.1 Members – as well as their involvement on the groups and bodies involving external partners described above, the Council's internal structures are designed to ensure that Members are centrally involved in the formulation, delivery, monitoring and review of the AMP. In order to facilitate this role Members will receive regular monitoring reports on performance indicators to demonstrate progress in ensuring property continues to contribute to service and property holding objectives. The scrutiny role is covered by reports to the Overview and Scrutiny Committee on request. Membership of the CPB by the Commercial Services Portfolio Holder and their attendance at training seminars ensures regular key member input and skills development. In addition, a workshop session and tour, which brings to life the key aspects of AMP delivery, is provided frequently to Members.

2.2.2 Officers – Heads of Service, inform the CPO of their requirements for operational land and property via their approved Service Plans. These Plans are reviewed annually and will enable progress to be monitored and requirements to be incorporated within related strategies, for example, the Repairs and Maintenance Programme, Acquisition and Disposal Programme and Capital programme. In addition via the Council's Management Forum occasional reports are made to ensure that the asset management message reaches as wide a range of staff within the organisation as possible. The Management Forum is made up of approximately 50 managers that meet quarterly to receive presentations on topical issues.

2.2.3 Prior to receiving a capital proposal affecting Council land and property resources it will be a pre-requisite that Heads of Service shall have undertaken and completed consultations with internal (including appropriate portfolio holders where the project exceeds £175,000 in cost) and appropriate external stakeholders. The community may have already nominated their interest in the asset through the "Community Right to Bid" and the Asset may have been listed on the Councils Register of Community Assets. If this is the case, then legislation ensures that the community have up to six months to negotiate purchase of the Asset before the Council could pursue disposal on the open market. The community may also, in response to initial consultation, look to immediately nominate the building which would confer the same Right.

2.2.4 In addition community groups can exercise a "Community Right to Challenge" in relation to shaping and running services that have previously been delivered by the Council, which may have implications for land or property resources. Such a scenario should have been considered or highlighted through appropriate consultation at an early stage. Any such requests should be considered in accordance with the requirements of the Constitution.

3. Data Management

3.1   Background

3.1.1   The Council recognises that in order to manage the portfolio effectively the availability of appropriate, accurate and up-to-date data is essential. The Council has maintained a property database since 1990 and will continue to do so. The data is held on a Property Management System (PMS) that contains both textual and map based information (known as the "property terrier"). The details of these systems are set out below together with the ways in which the systems are updated and enhanced to enable improved access to the data which will assist officers and Members in the delivery of the AMP.

3.2   Current Software Systems:

3.2.1   The Council uses an electronic property terrier database for holding details of its property portfolio. The system, supplied by CAPS, is highly flexible and holds data in both a textual and map format. Details can be easily retrieved via a search function which enables officers to locate information quickly.

3.2.2   The CAPS software is a corporate integrated system linking many Service modules together and is centred on a Gazetteer Management System (GMS) with unique property record numbering (UPRN) within the authority.   The Council will retain a BS7666 compliant UPRN so as to be consistent with the National Land Information Service (NLIS). Respective CAPs modules include; land and buildings (PMS), development management (planning), building control, environmental health (including contaminated land), land charges, housing and licensing.

3.2.3   ESRI Arc view, GIS - a windows based system that comprises a digital map record of all the Council's land and property assets. The polygons created are capable of seamless insertion to the CAPS PMS geographical layer.

3.2.4   Valuation Software – The Estates Service use KEL Sigma, Delta and DRC valuation Software™ to support its valuation functions. Once base data is loaded onto the system the software enables repeat valuations to be effectively undertaken. A Development feasibility program is utilised (which calculates land values) that works for all property types e.g. commercial (retail, office, industrial, technology etc.), residential, hotels, leisure, land development etc. The software can also be utilised for insurance and asset valuations based on a Depreciated Replacement Cost (DRC) basis.

3.2.5   All of the above systems are managed by staff within the Estates Service

3.2.6   Property Condition Data - held electronically by the Building Services team and will be integrated within the bespoke property management systems

described above. This data will be maintained and will be used to inform the Repair and Maintenance Programme and Asset Replacement Programme.

3.2.7   Financial Data - Sundry debtors such as rent due together with operational data such as energy bills and management costs, are held on a financial system (Civica) maintained by the Exchequer team.

3.3   Future Software Systems and Developments

3.3.1   The current financial data (held on Civica) is not integrated with the property data making portfolio analysis difficult. The integration of these systems to allow comprehensive reporting drawing data from both systems has been technically proven and will be introduced in 2016/17.

3.3.2   The Council maintains a record of its own land ownership but often better outcomes can be obtained for the community by considering the public sector estate collectively. As the opportunity arises the Council will consider joining any collective public sector data record to enable such initiatives to be better exploited in the future.

4. Performance Management and Monitoring

4.1   Performance Management and Benchmarking

4.1.1   The Council will manage and monitor the use of its property resources to ensure that the Portfolio continues to meet the objectives set for holding that property and delivers performance improvements linked to corporate and service objectives. The Council uses a selection of CIPFA Property Performance Indicators (covering maintenance; environment (including energy); suitability; sufficiency, capacity and utilisation) together with bespoke indicators for the non-operational portfolio. These are set out in Appendix 3 together with the property aim and objectives that it is monitoring. These indicators are measured (with the results reported annually to the CPB) to give an indication as to whether the objective is being met or progress made towards achieving it.

4.1.2   The results will be discussed by CPB culminating in decisions being taken on the future of these assets i.e. retain within the portfolio, dispose, co-locate, re-use (following investment) or pursue partnership opportunities. A full review of the portfolio will be planned into future workplans. Heads of Service and Managers will also report on the performance of their assets against the objectives set in their Service Plans, including stakeholder views, and this data will be used to inform the Repairs and Maintenance and Asset Replacement Programmes. Comparison will be made against best practice to indicate where investment decisions should be directed. The Council has previously approved a programme of actions to address performance including:

■   Funding approval to eradicate backlog and maintain pressure on reactive repairs which eradicated the backlog of essential repairs.

■   Establish an appropriate target rate of return and analyse data on a property by property basis to identify poor performers within the portfolio.

■   Management costs appeared very competitive but approved further benchmarking.

■   Repair and Maintenance costs were analysed to deliver a reduction of R&M costs by 10% pa in real terms between 2004-2009. This target was achieved.

4.2   Monitoring

4.2.1   Annual reports will be provided to Council, via its CPB on the performance of the property portfolio. Management systems exist to provide this information including Covalent project management software.

4.2.2   The Council's Corporate Objectives are a regular item on Management Forum meetings. Via this Forum the contribution that the Estates and Building Services make to the delivery of these objectives will be considered and monitored. The CPB will be made aware of the property needs for the various services within the Council via Service Plans.

4.2.3   Via these various methods set out above and the ongoing analysis of benchmarking information examples of poor performance, under utilisation, investment needs and partnership or sharing opportunities are considered and acted upon via the CPB to ensure that the Council's objectives for holding property continue to be met.

4.3   Capital Programme (within the Financial Strategy)

4.3.1   Reports are regularly provided to the CPB and Cabinet, via the Financial Strategy, in order that they are continually up-to-date with regard to the current position in relation to the budget and progress with capital projects. A Project Management Process is used to assist members consideration and approval of capital proposals (see 5.1 below).

4.3.2   In delivering capital projects the Council will follow its own contract standing orders (CSOs), procurement guidelines and statute. These CSOs allow flexibility in the use of Frameworks up to full OJEU procedures dependent upon the size and nature of the project and will be selected so as to minimise management time and exerts downward pressure on project costs.

5. Programme and Plan Development and Implementation

5.1   Option Appraisal/Project Appraisal

5.1.1   A Project Proposal Scheme has been established and approved by the Council to enable the prioritisation of all capital projects exceeding £50,000 in value. The process is consistent with PRINCE2 principles. All project proposals must include an options appraisal, project objectives (incorporating project specific outcomes), links to Corporate and Service Plans, revenue costs analysis (including whole life costs) and a points based prioritisation analysis. All property related capital proposals are assessed by the Corporate Policy Team and the CPB prior to being considered by the SLT, senior members and the Cabinet for inclusion within the Council's Capital Programme (contained within the Financial Strategy). Should the Initial Project Proposal (IPPD) be approved a Project Implementation Document (PID) is prepared for approval (to identify milestone tasks and risks, and ensure effective allocation of resources during project implementation). Following project completion a Post Project Evaluation (PPE) is undertaken to assess whether the project has satisfied the objectives initially set, including budget and time indicators and users needs. The Council uses "Covalent" software to coordinate the project planning to monitoring process.

5.1.2   Guidance and training has been provided to staff. The Project Management process is continually reviewed. As part of the PPE process any lessons learnt will be disseminated to all managers via the Management Forum, CPB and CMT.

5.2   Property Review and Rationalisation

5.2.1   Full property reviews of all Council landholdings were completed in 1995 and during 2001/2. A further light touch review was undertaken in 2014 which identified assets suitable for inclusion in the Council's Asset Realisation Programme and to drive the Council's commercial and economic aspirations. The cumulative outcome has been a significant reduction in the amount of property used to deliver services, particularly in administrative offices. Heads of Service are required to relinquish any property held vacant for more than six months and to advise the CPO of any property requirements in emerging or approved strategies and plans.

5.2.2   A comprehensive review of all Council assets is included within the Action Plan included in Appendix 6 to ensure that the portfolio is suitable for the future needs of services.

5.3   Shared Use and/or Co-location

5.3.1   The Council has been successful in identifying opportunities for shared use with the local community or co-location with other services where this meets joint objectives. It is a requirement of every Service Review and Project Proposal that such opportunities are explored and reported upon for full consideration by CPB and Members.

5.4   Capital Programme (as contained within the Financial Strategy)

5.4.1   The property elements of the current Asset Replacement Programme and other property related investments e.g. The Enterprise Gateway are included in the Capital Programme approved annually by Council within the Financial Strategy.

5.4.2   The Programme includes all known property requirements over a three to five year horizon via the Council's Acquisition Programme, Disposal Programme and major works involving capital expenditure via the Asset Replacement Programme (25 year plan). The Programme is reviewed annually and considered by Members to reflect the changing needs for property within the community it serves as reflected in approved Strategies and Service Plans. Prior to inclusion within the Capital Programme proposals will have been appraised, options analysed and opportunities for partnership working and/or re-use of assets explored.

5.5   Repairs and Maintenance Programme

5.5.1   The Council has pursued a ring-fenced forward-funded Repairs and Maintenance Programme since 1995. This practice will continue as it has ensured that occupied properties are maintained to a good or satisfactory condition. Within the context of the resources available the programme will be reviewed annually to ensure that a backlog of repair work doesn't develop whilst eradicating any 'poor' condition properties. The Repairs and Maintenance Programme has, since 1995, successfully reduced the amount of reactive maintenance.

5.5.2   Suitability and Sufficiency Surveys will be undertaken in conjunction with service managers every three years. The surveys incorporate a grading system, which identifies high priority work and distinguishes it from medium and low priority work. This enables work to be scheduled within the five-year rolling Repair and Maintenance Programme.

5.6   Acquisition and Property Development Programme

5.6.1   With reductions in service budgets and the transfer of the housing stock to Hyde Martlet the need for service generated acquisitions has been very limited and re-use of existing assets is a more likely scenario.

5.6.2   Nevertheless, the Council will actively seek to acquire property for investment purposes with preference given to purchases that also provide a

community or economic development benefit. An Investment Protocol is being developed and this will provide guidance when selecting and proceeding with prospective acquisitions. Opportunities for investment acquisitions were greater during the recession when competing demand for the properties had reduced but opportunities to acquire suitable properties have now reduced considerably.

5.6.3   The Council is also seeking to undertake property development to provide the dual benefits of generating revenue income at an acceptable rate of return and providing economic development benefits or facilities for potential occupiers. Currently (Mar 2016) the minimum acceptable return on investment is 4.7% which is the return available via the Property Investment Fund. Projects currently being pursued include the Enterprise Gateway located at Plot 12 Terminus Road.

5.6.4   The Council also undertakes development for its own operational purposes such as the Gypsy and Traveller transit site at Westhampnet Depot.

5.6.5   Any Council property that has been vacated because of their unsuitability or to reduce service costs will be either retained if the return on investment from rents or licence fees is greater than the current 4.7% benchmark or considered for disposal. The Council will continue to pursue its New Ways of Working Programme (NWOW) in order that it keeps it administrative floor space to a minimum.

5.6.6   The Council will consider the use of compulsory purchase powers to assist land assembly where there is a clear public interest test that has been met. The current Acquisition Programme is included in Appendix 6.

5.7   Under-utilisation and Disposal Programme

5.7.1   It is the firm intention and policy of the Council to raise revenue through property rents, income or disposal. All property with potential to provide an acceptable return will therefore be retained by the Council unless there are overriding considerations otherwise, such as the need to raise capital. There will also be cases where it is in the interests of the Council to retain ownership for strategic or estates management purposes. For example at Terminus Road and Quarry Lane the Council is freehold owner of a high proportion of the land and the Council has added control of land use and development through the leases. It would therefore not be in the interests of the Council to sell individual freeholds which would then fall outside of these controls. The Council will not, however retain vacant property in its portfolio without good reason and land suitable for housing development, in particular, will be more suitable for disposal than retention for letting

5.7.2   Any property declared surplus to requirements is placed in the Council's Property Disposal Programme (see Appendix 5). Major disposals, beyond

the level of delegation of the Executive Director or Head of Commercial Services will be reported individually to the Cabinet for approval.

5.8   The Property Cycle

5.8.1   Figure 2 below identifies the various control and monitoring mechanisms and their relationship to each other and the Programmes described above and identifies responsibilities. The contribution made by feedback from performance indicators is also identified, as is the fact that the process is cyclical thereby ensuring continuous improvement.

Figure 2:

The Property Cycle at Chichester District Council

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┌─────────────────────┐      ┌─────────────────────────┐      ┌─────────────────────┐
│ Property Disposal   │      │ Change of use/re-use by │      │                     │
│ Programme - CPB &   │ ───► │ other service/sharing/  │ ───► │ Acquisition         │
│ Estates Service     │      │ partnership             │      │ Programme - CPB     │
│                     │      │ opportunities considered│      │                     │
│                     │      │ by CPB and Cabinet      │      │                     │
└─────────────────────┘      └─────────────────────────┘      └─────────────────────┘
         ▲                                                              │
         │                                                              ▼
┌─────────────────────┐         The Property Cycle         ┌─────────────────────────┐
│ Service Plans &     │                at                  │ Repair and Maintenance  │
│ Property Review -   │      Chichester District Council   │ programme managed by    │
│ CPB                 │                                    │ Building Service        │
└─────────────────────┘                                    └─────────────────────────┘
         ╲                                                          ╱
          ╲                ┌─────────────────────────┐            ╱
           ╲              │ Central Management split  │          ╱
            └────────────►│ between Services Managers │◄─────────
                          │ and Estates and Building  │
                          │ Services                  │
                          └─────────────────────────┘
                                       ▲
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| Return from Investment Portfolio | Standards of Repair and Structural Maintenance and feedback from Suitability & sufficiency Surveys | Energy Management and Utilisation | LSP, SCS, Corporate Plan, Service Plans and Reviews |

Advice to the Board and Review Committees (via SLT/CMT, CPB, CPO, Estates and Building Service)

5.9   Action Plan

5.9.1   The Action Plan set out in Appendix 6 is a summary of those actions identified within the Asset Management Plan for implementation and development during the life of the AMP. Implementation of these Actions will further progress the Council's desire to ensure that its property assets continue to contribute to the effective delivery of services.

Appendix 1: The Extent of the Council's Property Portfolio (April 2016)

Property occupied or used by the Council for the delivery of services:

	Number of Properties/Agreements
Offices	1
Foreshores Premises	1
Depot	1
Leisure Centres	3
Car Parks	33
Public Conveniences	22
Museum and Heritage Properties	3
Parks and Open spaces	49
Homeless Hostel	1
Residential Properties associated with operational property	2

Other Properties:

Industrial units	49
Commercial and industrial ground leases	72
Shops	40
Offices	17
Sports clubs, community and voluntary organisation premises	27
Kiosks and concessions (inc Chichester Traders Market)	7
Town centre commercial access agreements	17
Non-operational residential properties	2
Residential vehicular and pedestrian access agreements	84
Miscellaneous lettings such as the crematorium and bus station	4
Income received (before concessions and other allowances)	circa £2.5m pa.
Total asset Value	£113m (wef October 2015)

Appendix 2: Service Strategy objectives and targets that involve property assets

(TBC following review of plans)

Appendix 3: Performance Indicators: Relationship between Approved Property Holding Objectives, Property Performance Indicators and Local Performance Indicators

Performance Indicator 1: Property Condition and Required Maintenance

OBJECTIVES:
- i. To measure the condition of the asset for its current use
- ii. To measure changes in condition
- iii. To measure the annual spend on required maintenance

PURPOSE:
- i. To show the severity and extent to which maintenance problems affect the portfolio
- ii. To assist in development of detailed information on required maintenance
- iii. To encourage authorities to invest in planned maintenance
- iv. To show year on year changes in required maintenance
- v. To show the annual spend on repair and maintenance

Property Holding Outcome	CIPFA Property Performance Indicators	Local Performance Indicator	Service/Officer Responsible for Collection
Minimise costs in use	Indicator A: % gross internal floor-space in condition categories A-D	No operational properties will be in Categories C (poor) or D (bad)	Business Improvement/ Buildings & Facilities Service Manager
	Indicator B: Required maintenance by cost expressed: • Overall cost per square metre GIA	Cost per square metre for all CDC premises is below average when compared to BCIS benchmark or other appropriate data	Business Improvement/ Buildings & Facilities Service Manager
	Indicator C: Annual percentage change to total required maintenance figure over previous year	Reduce R&M costs by 3%[2] (in real terms) over 5 years	Business Improvement/ Buildings & Facilities Service Manager

[2] Provisional figure to be considered by Commercial Programme Board

		Retain reactive maintenance to less than 20% of total spend	

DEFINITIONS:
- Required maintenance is defined as 'The cost to bring the property from its present state up to the state reasonably required by the authority to deliver the service and/or to meet statutory or contract obligations and maintain it at the standard'. This should exclude improvement projects, but include works necessary to comply with new legislation e.g. asbestos and legionella;
- Spend on Maintenance covers the total repair and maintenance programme (reactive and planned) including any associated fees for the work. It should also include any capital spending on repair and maintenance;
- Include all Freehold and Leasehold property where the authority has a direct repairing obligation
- Condition Categories:
  A. Good – performing as intended and operating efficiently
  B. Satisfactory – performing as intended but showing minor deterioration
  C. Poor – showing major defects and/or not operating as intended
  D. Bad – life expired and/or serious risk of imminent failure

Note: indicator D in the CIPFA suite (total spend) is not proposed for use by CDC.

Performance Indicator 2: Environmental Property Issues			
OBJECTIVE: • To encourage efficient use of assets over time and year on year improvements in energy efficiency			
PURPOSE: i. To reduce environmental impacts of LA operational property ii. To highlight areas of poor or mediocre energy and water efficiency/performance and act as a catalyst for improvement iii. To compliment the process for 'Energy Certificates' iv. To support the LA's assessment of property performance together with condition and suitability within the framework of Asset Management Planning			
Property Holding Outcome	CIPFA Property Performance Indicators	Local Performance Indicator	Service/Officer Responsible for Collection
Minimise energy costs and carbon emissions in use	Indicator A: Energy consumption (gas, electricity, oil, solid fuel) to be reported by property category in £ spend per m² GIA and by kwh per m² GIA	tbc	Business Improvement/ Buildings & Facilities Service Manager
	Indicator B: Water Consumption: to be reported by property category in £ spend per m² GIA and by volume m³ per m² GIA	tbc	Business Improvement/ Buildings & Facilities Service Manager
	Indicator C: CO_2 emissions: to be reported by property category in tonnes of carbon dioxide per m² GIA	tbc	Business Improvement/ Buildings & Facilities Service Manager

Performance Indicator 3: Suitability Surveys			
OBJECTIVE: To encourage Local Authorities to carry out Suitability Surveys enabling them to identify how assets support and contribute to the effectiveness of frontline service delivery i.e. are they fit for purpose?			
PURPOSE: i. To ensure that Local Authorities are undertaking Suitability Surveys ii. To enable the Local Authority to understand their Asset Base iii. To ensure that the property meets the needs of the user iv. To enable key decisions to be made			
Property Holding Outcome	CIPFA Property Performance Indicators	Local Performance Indicator	Service/Officer Responsible for Collection
Ensure the property is fit for purpose	Indicator B: The annual change to the percentage of the property estate (m^2 GIA) classified as good or satisfactory	See PI 1(a)	Business Improvement/ Buildings & Facilities Service Manager

Performance Indicator 4: Sufficiency (Capacity and Utilisation) Office Portfolio			
OBJECTIVE:			
• To measure the capacity and utilisation of the office portfolio. There is an implicit assumption that services should be delivered in the minimum amount of space as space is costly to own and use. For a similar reason an authority should occupy a minimum of administrative accommodation.			
PURPOSE:			
i. To identify the intensity of use of space			
ii. To assist councils to identify and minimise assets which are surplus or not in use			
iii. To minimise costs of assets (or avoidance of costs from acquiring more space) through intensification of use			
iv. To measure the level of usage			
Property Holding Outcome	CIPFA Property Performance Indicators	Local Performance Indicator	Service/Officer Responsible for Collection
Effective use of floorspace	Indicator B1: Average office floor space per number of staff in office based teams (NIA per FTE)	tbc	Business Improvement/ Buildings & Facilities Service Manager
	Indicator B2: Average floor space per workstation (not FTE) using NIA	Tbc Ratio of workstations per FTE (7:10)	Business Improvement/ Buildings & Facilities Service Manager
	Indicator B3: Annual property cost per workstation (not FTE)	tbc	Business Improvement/ Buildings & Facilities Service Manager

Notes:

1) CIPFA Indicator A1 (Operational office property as a percentage of the total portfolio and Office space per head of population); Indicator A2 (Office space as a percentage of total floor space in operational office buildings using NIA) and Indicator A3 (The number of office or operational buildings shared with other public agencies & The percentage of office or operational buildings shared with public agencies) are not considered necessary given the nature of the CDC portfolio.

2) Other Services will develop their own space utilisation targets within their service plans

Performance Indicator 5: Non-Operational Property			
OBJECTIVE: To measure the effectiveness of the property held by the authority that is not used for service delivery. These assets will either be retained to deliver a return or they will be surplus to requirements and held pending disposal. There is an implicit assumption that these assets should maximise their financial return or be disposed of as quickly and effectively as possible.			

PURPOSE: 1. Ensure a rate of return acceptable in the prevailing economic climate
        2. Account for management costs and ensure they remain competitive
        3. Dispose of under- performing property			

Property Holding Outcome	CIPFA Property Performance Indicator	Local Performance Indicator	Service/Officer Responsible for Collection
1. Ensure a rate of return acceptable in the economic climate		% voids & arrears Rate of Return for Retail Rate of Return for industrial	Valuation & Estates Manager Valuation & Estates Manager
2. Account for management costs and ensure they remain competitive		Management Costs pm^2	Valuation & Estates Manager
3. Dispose of under-performing property		Property Disposal Programme	Valuation & Estates Manager

Appendix 4: Acquisition Programme

Year	Property
2016/2017	Horticultural Development Area land
	Investment opportunities
	City Vision purchases including Southern Gateway (tbc)
2017/2018	Investment opportunities
2018/2019	Investment opportunities

Appendix 5: Disposal Programme

Year	Property	Expected receipt (annual figure)
2016/2017	Barnfield Drive (Phase 1)	
	Former Portfield FC Ground, Church Rd, Chichester	
	Land at Ellis Square (Stage 1)	
Total		£6m
2017/2018	Barnfield Drive (Phase 1 & 2)	
	The former Grange site, Midhurst	
	Land at Ellis Square (Stage 2)	
	2 Industrial plots near Plot 12, Terminus Road	
	Ex public conveniences and grounds maintenance site, Priory Road	
Total		£3m
2018/2019	Barnfield Drive (Phase 2)	
2019/2020	Land at Malcolm Road, Tangmere	

Appendix 6: Action Plan 2016/17

Task	Action Description	Milestone date for completion	Responsible officer
1	Annual review of the AMP	31st March 2017	CPO
2	Review Service Plans to identify any property asset requirements	30th June 2016	PL
3	Monitor progress with devolution and implications for a centrally managed public sector estate.	On-going	CPO
4	Review new and existing strategies to identify the implications on the corporate estate	On-going and by 30th June 2016	PL
5	Annual review of data from performance indicators and benchmarking (including report to members)	30th September 2016 (for 2015/16 data)	PL/JB
6	Deliver member's tour	30th October 2016	JH
7	Integrate the Property Condition Data held electronically by the Building Services team into the CAPS property management system	30th September 2016	JB
8	Integrate the Civica financial system with the CAPS property data system to allow comprehensive data reporting and analysis	30th October 2017	MD/JB/PL
9	Utilise reports on asset performance to inform the Repairs and Maintenance and Asset Replacement Programmes	31st December 2016	JB
10	Establish an appropriate target rate of return and analyse data on a property by property basis to identify poor performers within the non-operational property portfolio.	30th September 2016	PL
11	Conclude Post Project Evaluation (PPE) reports for NWOW (Phase 2) and Gypsy and Traveller site – including reporting of lessons learnt to the Management Forum	12 months following practical completion	JD & JB/SH
12	Advise the CPO of any property requirements in emerging or approved strategies and plans	On-going	All HOS
13	Comprehensive review of all Council assets	TBC	TBC
14	Undertake suitability and sufficiency surveys	TBC	JB/All HOS
15	Approve the Investment Protocol	31st July 2016	TJ/PL
16	Develop utilisation targets for operational property e.g. homeless hostel; public conveniences; Novium Museum; Depot; car parks etc.	30th September 2016	All HOS