

CORPORATE
ASSET MANAGEMENT PLAN
2014 to 2018

2013 REVISION

FOREWORD

The effective use of assets is a key factor in delivering to the community of Torbay the objectives and priorities they have set for the Council. This plan sets the agenda for us to achieve that by adopting the following guiding aim:

“The principle aim of an Asset Management Plan should be to ensure that the opportunity cost of financial resources tied up in land and buildings is minimised, and that capital and revenue expenditure on the portfolio is directed efficiently and effectively to provide value for money.”

The Council is fully committed to the principle of the most efficient use of assets and this document establishes the objectives, processes and actions that all Council Members and Officers will follow to achieve that aim.

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Mayor & Leader of Torbay Council
Gordon Oliver

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Torbay Council Executive Director
Steve Parrock

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EXECUTIVE SUMMARY

This Plan defines Torbay Council's Corporate Asset Management Strategy for the four year period commencing April 2014 to 2018 and is reviewed annually. Torbay Council has commissioned the Torbay Economic Development Company (TEDC) trading as Torbay Development Agency (TDA) to deliver the Corporate Asset Management Plan (CAMP).

Torbay Council has a considerable number of assets, which are not only essential to service delivery but underpin much of the Bay's economy. Unfortunately many of these assets are in poor condition and not fit for purpose. This plan sets out strategies to rationalise the number of assets, replace them where appropriate and improve the condition of those remaining.

The overarching objectives of the CAMP are to:

- Identify and explain the importance of effective Asset Management
- Identify and explain the best practice processes that need to be followed in order to deliver effective Corporate Asset Management with regard to best practice:
 - Audit Commission recommendations in their national publication "Room for Improvement"
 - The Governments Operational Efficiency Programme (Asset Management and Sales & Property)
 - RICS Public Sector (CLG) Asset Management Guidelines
 - RICS Local Authority Asset Management Best Practice Guidelines
- Identify the specific issues that currently affect Torbay Council's land and building assets and the ability of those assets to deliver the current Community and Corporate Plan objectives
- Identify strategies to address and resolve systemic backlog maintenance to reduce Category D and Priority 1 (Health and Safety) maintenance items by 2015
- Integrate the objectives of the adopted Local Plan and the Torbay Economic Strategy with the Council's regeneration property objectives
- Link previously separate policies relating to Strategic Asset Management, Energy Efficiency, Carbon Reduction and the centrally funded Corporate Repairs and Maintenance programme
- Establish a Property Strategy Action Plan summarising the required actions arising from those recommendations
- To incorporate the Heritage Strategy and in particular the Action Plan

The plan is set out in six sections briefly summarised as follows.

1.0 Plan Context	Sets the CAMP within context of delivering the Council's vision and priorities
2.0 Asset Management Practice, Objectives & Principles	Defines the good practice aims, objectives and principles for the Council's use of assets
3.0 Organisation	Outlines the processes adopted by the Council
4.0 Consultation	Describes the processes adopted to ensure corporate asset management planning is correctly aligned to Community priorities
5.0 Performance Monitoring	Describes the processes for monitoring and reporting progress to the Council and Community
6.0 Challenges & Opportunities	Identifies the challenges and opportunities for Torbay Council's assets

1.0 PLAN CONTEXT

Torbay Council's vision is:

“Working for a healthy, prosperous and happy Bay”

The means of delivering this vision for the built environment has been developed by Torbay Council in consultation with the community and is defined within the Council's key strategic documents:

Torbay's Community Plan 2011+
Torbay Council Corporate Plan 2013-2015
Torbay Economic Strategy 2010-2015
A Landscape for Success: The Plan for Torbay to 2032 and beyond
Torbay Heritage Strategy
Geopark Management Plan
Torbay Biodiversity and Geodiversity Action Plan

A relatively small number of major assets are in very poor condition but there is little prospect of funding the repair or renewal without accompanying enabling redevelopment e.g. Oldway Mansion. This plan outlines a generic approach to tackle the repair of these assets through engagement with the private sector.

The effective use of council owned assets can also help stimulate the economy and act as the catalyst for regeneration and house building. This Plan will encourage and facilitate partnerships between private developers and Torbay Council to help regenerate and develop key assets owned by the Local Authority.



All actions recommended within the Corporate Asset Management Plan strive to promote the use of assets in a way that positively assists the Council deliver the current Community and Corporate Plans and the following pledges from the Corporate Plan:

- Investing in the future
- Spending less money to greater effect
- Protecting the vulnerable

The management of transport infrastructure assets is not held within this plan. In 2015-16, the Council will have to comply with transport infrastructure accounting regulations.

2.0 ASSET MANAGEMENT PRACTICE, OBJECTIVES & PRINCIPLES

Best Practice in Asset Management

The government have sponsored various reports regarding best practise in asset management.

National Government has developed a Public Sector Operation Efficiency Programme (OEP) which has work strands on Property and Asset Management and Sales.

This was developed by the Audit Commission In their “Room for Improvement” document reviewing Asset Management practice in Local Government.

The culmination of this work is the publication by the RICS on behalf of CLG of Public Sector Asset Management Guidelines and Best Practice Guides for Local Government Asset Management.

This Asset Management Plan reflects many of the key steps advised in those documents - although there is always room to strive for continuous improvement.

Regeneration Objectives

The Economic Strategy has been developed as a response to the challenging economic conditions within Torbay and looks to create the environment for investment from businesses and others to take the Bay forward. A number of physical regeneration opportunities are projects which sit on Council land. In light of the significantly changed funding regimes which have restricted investment into opening up employment sites Torbay is therefore well placed to combine the economic prosperity ambitions of the Bay with its own corporate service property objectives. The Torbay Economic Development Company is well placed to deliver this Commission.

Heritage

The Council commissioned the Torbay Economic Development Company to update the 2004 Heritage Strategy building on the foundations within the 2004 version to produce the 2011 version. The Heritage Strategy has been put in place to protect and enhance the heritage assets of Torbay for future generations, both those of local and national significance. Also it aspires to use this 2011 Strategy to ensure that Torbay’s heritage assets are used as a key driver for the regeneration of the Bay and to focus resources on our most valued heritage assets. The Council has a number of Heritage Buildings within its portfolio and therefore there is appropriate regard to and priority given in planning asset management to those Council properties within the Built Heritage Action Plan.

Asset Management Principles

To achieve these objectives, it is proposed that the Council manage the use of assets in a manner that adheres to the following guiding principles:

To manage assets strategically:

- To provide effective property solutions for service delivery using assets in a way that promotes not constrains service delivery
- Establish Service Asset Management Plans for all services, which address the property needs of the service
- Where possible utilise surplus land for Housing purposes, whereby a higher than planning policy level of affordable housing could be delivered in a range of formats to preserve as far as is possible the land value
- Provide a clear Corporate process for the Council to prioritise and endorse specific plans and initiatives
- Ensure appropriate technical resources are available to support the development and implementation of Council endorsed initiatives
- Ensure buildings are suitable, accessible and fit for the purpose they are used
- To provide a Port Masterplan that acts as a framework document to set the scene for the future of the port and to ensure sustainable development

To continuously maintain and improve assets:

- Maintain accurate records of elements in need of repair
- To consider the optimum utilisation of all assets whether operational or non operational
- Establish clear responsibilities for rectifying items of disrepair
- Establish clear responsibilities for addressing major replacement items
- Ensure appropriate technical resources are available to manage repair works
- Ensure major repair projects are procured to provide best value for money and in a manner that complies with Government regulations
- Ensure statutory obligations such as DDA, Asbestos and Water Hygiene are complied with

To release value and minimise cost:

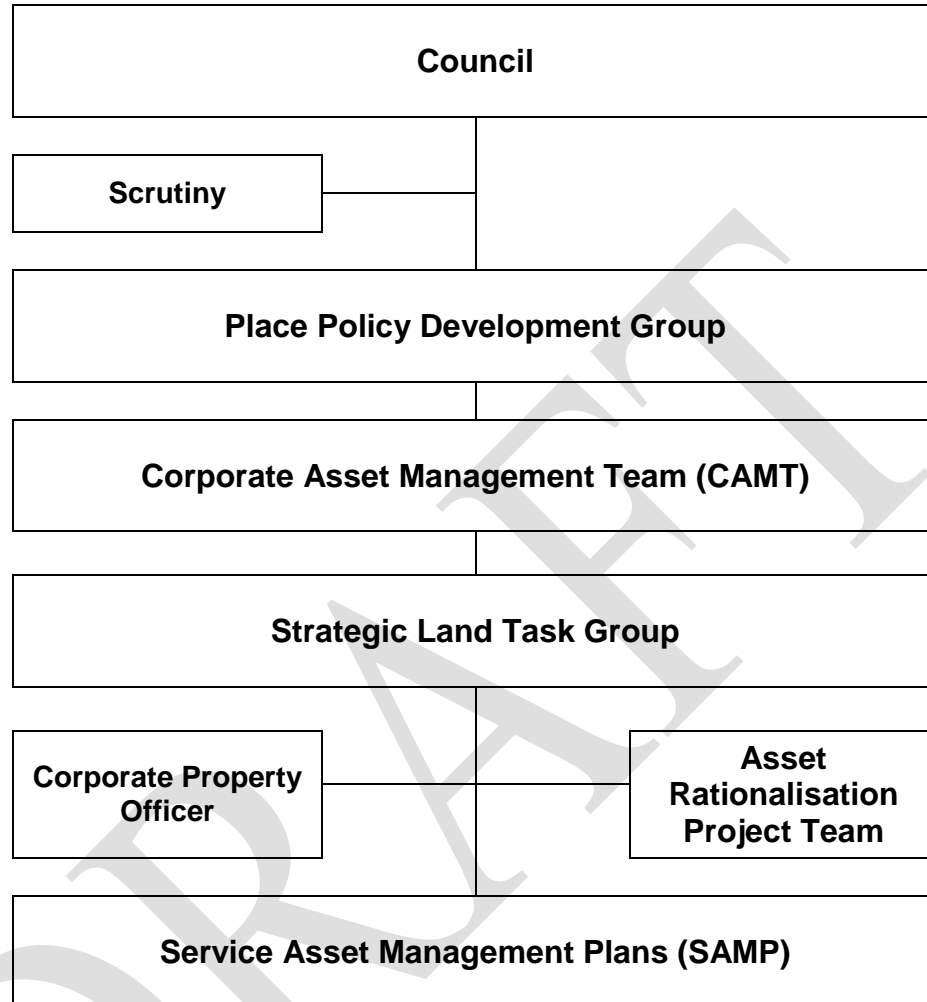
- Challenge and review the manner of use of assets
- Periodically review all assets to identify appropriate assets for alternative use or disposal
- Ensure the Council's disposal list is effectively implemented
- Ensure that non operational investment properties are performing
- Monitor running costs to target potential savings and implement more cost alternative solution
- Provide effective facilities management to assets, including energy efficiency and carbon reduction programmes

To provide accurate data for informed decision-making

- Develop improved information databases
- Ensure data is actively managed to remain accurate
- Establish protocols for the responsibility of updating data
- Ensure appropriate technical resources are available to carry out surveys to update data

3.0 ORGANISATION

Torbay Council has adopted the following processes and procedures for the delivery of Corporate Asset Management Planning.



Service Asset Management Plans (SAMP)

Formal SAMP's for all services for a five-year period have been developed and were updated by services in 2013. A key action point for the Strategic Action Plan will be to use the outcomes to drive the current Corporate Asset Management Plan. This will provide a fully integrated line of asset management planning and consultation from front line service delivery to corporate planning.

An example template of the formal SAMP's layout is attached at Appendix AM-B.

Corporate Property Officer (CPO)

The TEDC is commissioned by the Council to provide asset management services and to manage the Council's overall asset management process. The Chief Executive is responsible for advising CAMT and is supported by professionally trained property officers within the Company's Asset Management Team.

Corporate Asset Management Team (CAMT)

The team's prime function is to provide a forum to ensure that accommodation and asset issues are considered and dealt with in a manner that reflects the Council's corporate priorities.

CAMT comprises of Senior Council Officers from each Business Unit and Partner Public Sector Organisations, including Devon & Cornwall Constabulary, Devon and Somerset Fire and Rescue Service and Torbay and South Devon NHS and Social Care Provider Trust.

The current organisation, membership and terms of reference are attached at Appendix AM-A. Tasks undertaken by CAMT include:

- To develop and evaluate proposals for change of use, alteration, development, acquisition or disposal of service delivery assets
- To prioritise and manage the maintenance of assets and compliance with statutory obligations such as the Disability Discrimination Act 1995, the Equality Act 2010, Control of Asbestos Regulations 2012, the Health and Safety at Work etc Act 1974 and the Control of Substances Hazardous to Health Regulations 2002
- To support the Council's prioritisation process for Capital Expenditure
- To carry out yearly reviews of the Corporate Asset Management Plan and Capital Strategy

Council Members or the appropriate Senior Council Officers will be consulted on all recommendations prior to implementation.

Strategic Land Task Group

This group was established following a recommendation from CAMT to maximise the return from Council assets that have been identified for disposal. The group identifies reviews and then approves the preferred option for a site / property and any associated budget. Proposals are assessed and prioritised while having regard to deliverability and return on investment. Work programmes are approved and co-ordinated to bring sites forward in a timely manner.

Capital Strategy and Plan

The Council's Capital Strategy is dealt with in detail in a separate strategic plan. However, as the Capital Strategy and Asset Management Plan have such strong fundamental links both are dealt with together to ensure a common approach.

The Corporate Capital Strategy is the policy framework document that sets out the principles to be used as guidance in the allocation of capital investment in property across all the Council's services and informs decisions on capital spending priorities within the Council's 4-year Capital Plan Budget.

The 2012/13 Capital Investment Plan, approved by Council in February 2012, changed the management of its capital plan for 2012/13 onwards.

The key stages in the revised process are as follows:

- a) Officers and Members identify and submit capital schemes, on an ongoing basis, to the Executive Director in consultation with the Mayor, Executive Lead for Finance and Chief Finance Officer for inclusion in the capital reserve list in a specified format (an outline business case). If the initial business case is supported the scheme will be included for potential inclusion in the Capital Plan.

- b) Estimate of capital funding available for four years is made
- c) Capital schemes are prioritised in line with Capital Strategy and corporate priorities
- d) Council allocates un ring fenced capital grant funding to schemes in line with its priorities. Service intentions of the identified government body awarding the grant will be considered in determining allocations.
- e) Initial four year allocations of funding to schemes/services for planning purposes approved by Council as part of annual Capital Budget.
- f) Council delegates the approval of specific capital schemes within the approved capital plan in (e) above to the Executive Director in consultation with the Mayor, Executive Lead for Finance and Chief Finance Officer.
- g) If a scheme is to progress further and be approved/funded there will be a requirement for a detailed business plan. This will apply to both new schemes and schemes identified for funding within the initial four year allocation of funding. Detailed business plan to be submitted to the Executive Director in consultation with the Mayor, Executive Lead for Finance and Chief Finance Officer:
 - If scheme is to be funded from initial four year (approved) allocations the scheme will be approved by Executive Director in consultation with the Mayor, Executive Lead for Finance and Chief Finance Officer and progressed when funding confirmed or,
 - if new funding, in addition to the approved four year allocation in (e) above, is to be used and if scheme is supported by Executive Director in consultation with the Mayor, Executive Lead for Finance and Chief Finance Officer it will be recommended to Council for approval.
- h) Proposals for invest to save or self financing schemes, (usually financed from prudential borrowing), will also require a detailed business case to be submitted to the Executive Director in consultation with the Mayor, Executive Lead for Finance and Chief Finance Officer. If scheme is supported it will be recommended to Council for approval.
- i) The capital plan will be updated and any recommendations for schemes to be approved by Council included in the next quarterly Capital Monitoring Report.
- j) Previous Council approvals for capital schemes to be funded from prudential borrowing will be considered for funding from future capital funding to avoid ongoing increased revenue costs.
- k) Other schemes that do not require financial support but include the use of Council assets as a Council contribution to a scheme will also be subject to the capital scheme approval process.

The Capital Strategy (Appendix B) should be referred to for further detail.

4.0 CONSULTATION

Consultation with the Community

The Corporate Asset Management Plan is set specifically in context of the Community Plan and Corporate Plan to ensure that all of the extensive consultation carried out by Torbay Council with the community of Torbay is reflected within it.

Consultation with Stakeholders and Services

Effective consultation with Stakeholders and Services is ensured in the following ways:

CAMT Membership

All service Business Units are represented at CAMT through service representatives. The representatives have a clear mandate and role as follows:

- Highlight the role and aims of CAMT to all Business Units and Services within the service area
- Establish asset issues as a standing item on all management meetings within the services
- Collate any issues via the Business Unit Representative and present them to CAMT for consideration
- Feedback to all relevant Business Units or Services information from CAMT
- Provide any information on funding bid applications

Stakeholders

The CPO meets when appropriate with major Stakeholders to consult on asset issues, potential disposals and specific project delivery. This includes consultation with the relevant Community Partnership. Community Partnerships provide an opportunity for people who live or work in the different parts of Torbay to discuss issues of common concern, influence the way in which services are provided and improve their local area. Any relevant issues are included on subsequent CAMT agendas.

5.0 PERFORMANCE MONITORING

Corporate Asset Management Monitoring

The overall progress and performance of the Corporate Asset Management Plan aims and objectives are monitored in one of the following ways:

- CAMT will review progress of major action points at each meeting
- The Corporate Asset Management Plan will be reviewed by Council each year

Key Asset Management Performance Indicators

The following performance indicators have been adopted by the Council for use in asset management performance monitoring. These indicators have been developed by the property industry and approved by Government as follows:

PI1	Condition and Maintenance Indicators
PI2	Energy, Water Consumption and CO2 emissions
PI3	Suitability
PI4	Building Accessibility

The PI out-turns are reported to Council within the yearly review of the Corporate Asset Management Plan. The outcomes for 2012 to 2013 with comparison to previous years and comments on trends and specific issues is included attached at Appendix AM-C

6.0 CHALLENGES AND OPPORTUNITIES

The asset portfolio is large, diverse in nature, includes large numbers of very low value assets and includes 50 listed buildings with restrictions on use.

There are a number of specific challenges listed below for Torbay Council's assets that arise from a combination of the Council's history, Community Plan and Corporate Plan objectives, proposed changes to service delivery and the nature & condition of the asset portfolio.

- 6.1 Regeneration and Housing
- 6.2 Suitability of Assets
- 6.3 Asset Rationalisation Project
- 6.4 Economic Development of Council Assets
- 6.5 Repair and Maintenance
- 6.6 Asbestos and Water Hygiene
- 6.7 Energy Management
- 6.8 Office Rationalisation
- 6.9 Data Management
- 6.10 Community and Shared Use
- 6.11 Tenanted Non Residential Properties

6.1 Regeneration and Housing

Where we are now

Torbay Council and the Torbay Economic Development Company is working together reviewing the most appropriate delivery methods for Torbay's major regeneration projects focusing on the Town Centres and other sites that will benefit from the completion of the South Devon Link Road in 2015. Work continues to provide development schemes for each of the Town Centres with master plans expected in 2014.

The prime emphasis going forward will be to focus on an Employment & Regeneration programme that brings employment, offices, retail opportunities, business development, improved tourist facilities and public realm improvements to Torbay. It will also be important to ensure that Torbay provides new homes commensurate with the planned growth in employment.

Working in partnership with our planning colleagues on the local neighbourhood plans.

Actions to date

- Work continues with key projects within the Employment & Regeneration programme to produce suitable development schemes e.g. additional workspace for new and growing businesses and the identification of other sites appropriate for business growth such as Torquay Gateway and at Whiterock, Paignton; better sports facilities at Clennon Valley, Paignton; Palm Court redevelopment, Oldway and facilitating a new supermarket into Brixham Town Centre and producing suitable development schemes for the Town Centres/ harbour areas
- Work on our flagship Eco housing development is coming to an end delivering 145 homes including many that meet level 4 & 5 of the Code for Sustainable Homes
- Completion of a 45 unit Extra Care development at Dunboyne and commencement of another 123 unit Extra care development at Hayes Road that provides homes for residents with care and support needs along with on site facilities that include a cinema, restaurant, hair salon and fitness studios
- The redevelopment and regeneration of the historic pre fabricated affordable housing units in Paignton that have been replaced with efficient modern family homes
- Formulation of a Strategic Land Task group looking at the regeneration opportunities surrounding the new South Devon Link Road and maximising the return from Council assets
- Progression of the 'Planning for a successful Torbay' Strategy & the adoption of the Affordable Housing and Planning Contributions Supplementary Planning Document
- Preparation of Strategic Housing Land Availability Assessment (Baker Associates)
- Preparation of the Employment land review

Where we need to be

- Ensuring that the Council uses its assets to effectively promote employment growth, inward investment and regeneration
- Working together including with the private sector to deliver the Employment & Regeneration programme which will include Council assets
- Ensuring all investment in the Bay has regenerative benefits
- Ensure all projects are consistent with the Council's planning policy framework (Torbay Local Plan)
- Ensuring maximum funding is secured from all possible public sector funds
- Promoting the new South Devon link road between Torquay and Penn Inn

Issues

- Considerable resources may continue to be required to deliver the stepped changes required
- Current state of the property market will delay progress on projects
- Public sector interventions (i.e. through simplified planning processes) and investment will be required to stimulate the market locally
- Public sector investment, particularly grant, is shrinking given the national financial picture, innovative solutions are required
- Central government now provide direct incentives for regeneration and housing such as new homes bonus' and business rates retention scheme

Action Plan

Action	Target Date	Responsibility	Current Status
Deliver an inward investment programme	Ongoing	TEDC	Ongoing
Maximise the delivery of Affordable housing for local people	Ongoing	TEDC / Torbay Council	Ongoing
Working with the private sector to deliver the regeneration programme	Ongoing	TEDC	Ongoing
Maintain rolling Employment & Re-generation programme to monitor progress	Ongoing	TEDC	Ongoing
Work with the Heart of the SW Local Enterprise Partnership to ensure its priorities accord with Torbay's and funding opportunities are maximised	Ongoing	TEDC for the Council	Ongoing
Working with the Council / local neighbourhoods and colleagues to complete the South Devon link road implementation	Ongoing	TEDC / Teign-bridge Council / Torbay Council	Ongoing

Risks

- The Property Market
- Public Sector funding sources continue to reduce
- Human Resources – the right people for the right job with the capacity to do the job
- Actions require long term support

Benefits

- A joined up regenerated Bay
- Private sector involvement to help facilitate regeneration of Torbay
- Successful implementation of the economic strategy and local plan leading to economic prosperity for the Bay
- Improved Corporate property values by raising and improving the economic profile of the Bay
- To increase supply of affordable homes for rent and shared ownership to meet the needs of local people
- Heritage Assets improved

6.2 Suitability of Assets

Where we are now

Torbay is a geographically diverse area with a highly transient population and limited economic resources. A wide variety of public services need to be provided requiring a wide variety of assets. The current asset portfolio was inherited from a number of sources when the authority gained unitary status in 1998. Under these circumstances maintaining suitable assets is extremely challenging and will remain a constantly ongoing task.

Actions to date

The Council has raised the importance of the need to change the use of assets through the CAMT process and the following actions have been implemented:

- Service Asset Management Plans have been developed for all services
- Opportunities for change of use are specifically considered cross service at CAMT
- A number of surplus assets have been disposed of or identified for disposal
- A review of assets with potential for affordable housing use has been carried out
- A comprehensive review of Cultural Services assets has been instigated
- Development of a five year rolling programme of condition surveys and a five year maintenance plan
- Suitability survey template established and completed by most services which then feeds into the Suitability Performance Indicator

Where we need to be

Torbay Council needs to develop the review of assets in a way that ensures:

- All assets are suited to the purpose for which they are used
- An effective means to constantly review and challenge the use of assets
- A review of the council's substantial portfolio of Tenanted Non Residential Property (TNRP) principally around the reasons for holding the assets. See Section 6.11 for further details
- Disposal of assets that are surplus to the Council's requirements

Issues

- Continuation of the Service Asset Management Plans and Suitability Surveys are essential to provide the background information required to develop a 5 year property plan and investment strategy. These will form the basis of a property review. The plans will be subject to a challenge process by CAMT
- The Disposal Programme is being progressed
- The Action Plan particularly in regard to service asset management plans is a comprehensive project which will require resources if it is to be delivered

Action Plan

Action	Target Date	Responsibility	Current Status
Completion of all Service Asset Management Plans	Ongoing	CPO with service heads	100% Achieved
Complete Suitability Surveys	Ongoing	Service users / CPO	Achieved
Maintain 5-year rolling Maintenance Programme	Achieved	CPO / TEDC	Achieved and Ongoing
Maintain rolling programme of Condition Surveys	Achieved	CPO / TEDC	Achieved and Ongoing
Continue programme for asset disposal	Ongoing	CPO / Heads of Service	Ongoing

Risk

There is a high risk that without these actions to deliver a more structured and comprehensive approach opportunities for improvement and reduction in costs will be missed.

Benefits

The proposed strategy will deliver:

- A coordinated planning process from front line service delivery to corporate decision making
- Clear identification of areas requiring priority action
- Improved data and information to enable informed decision making
- A clear plan for the improved use of assets for all services linked to Council and Community priorities
- Better identification of surplus assets and potential capital receipts for funding priority schemes
- A direct benefit to all the Community and Corporate Plan Key Objectives

6.3 Asset Rationalisation Project

Where we are now

The further development of Torbay Online Asset Database (TOAD) has produced significant levels of data that has assisted in a comprehensive review of the Council's Assets. This initially identified circa 100 potential assets for disposal. These were all scored and reviewed for planning, ownership and valuation issues in order to produce a matrix and disposal programme and community consultation took place. In May 2008 a report went to Cabinet and it was agreed that 36 assets were declared surplus, 5 assets will be retained and the Council will invite community interest for the possible transfer of 2 assets. A further 5 Assets were approved for disposal in July 2009, another 5 in October 2010 and an additional 5 in May 2013. This process needs to be ongoing to ensure an annual review of further assets that can be sensibly disposed of where they are proven to have no operational or financial justification to be retained.

Actions to date

The Council has developed a working group to deliver the objectives and the following actions have been completed:

- The first Community Asset Transfer was completed in February 2012 (See Section 6.10 for further details about the CAT process)
- Twenty nine assets have been sold (January 2014) and a further two assets are under offer
- There have been total receipts of £4,057,100, an aggregate saving on repairs and outgoings of £773,490 and further yearly savings of £56,275
- The sale of vacant sites has enabled the provision of 74 new residential units
- A Comprehensive Matrix Based Assessment of each asset including legal, planning and valuation matters
- Consultation on the possible disposal list to all elected Members, Community Partnerships, Brixham Town Council and Members of Public
- Community interest currently for the possible transfer of 4 assets
- The development and Member approval of a Community Asset Transfer Policy
- The appointment of an auctioneer to assist in the disposal programme
- Press advertisements and notices erected on sites inviting Community organisations to confirm/make an initial expression of interest in any of the confirmed disposal list of properties
- Generic Disposal Assessment procedure prepared and flowcharted

Where we need to be

Torbay Council needs to dispose of more non essential and poorly utilised assets to:

- Maintain efficiency
- To service the capital programme by bringing forward assets for disposal as the programme dictates
- To achieve wider regeneration objectives as appropriate
- Priority to disposal of assets that no longer have valid use or are not cost effective

Issues

- The number of potential assets for disposal present some considerable challenges to ready them for disposal - this is an intensive and time consuming project
- The current state of the property market may delay progress on sales
- If it is seen appropriate to obtain planning permissions prior to selling assets this will cause a delay
- Demand from services for assets which have been declared potentially surplus
- Future Government Legislation and Local Policies such as Local Development Orders to create enterprise areas

Action Plan

Action	Target Date	Responsibility	Current Status
Regular review of assets for disposal	Ongoing	CPO with service heads	Ongoing
Provide Interface with Internal Stakeholders	Ongoing	CPO with service heads	Ongoing
Prepare Generic Disposal Assessment procedure	Achieved	CPO with service heads	Ongoing as requirements change
Progress Community Asset Transfer Requests through Stage 2	Ongoing	CPO, Community Partnership Officer, Asset Panel Members	Ongoing
Progress the Disposal Programme	Ongoing	Agents, Disposal Officer, CPO	Ongoing

Risks

- There is a high risk that without these actions and more resource, opportunities for driving value or delivering regeneration may be missed
- The Property Market
- There is a high risk that demand from services for assets will have an effect on receipts

Benefits

The proposed strategy will deliver:

- A coordinated process of disposals and asset rationalisation
- Assets from which to drive capital receipts
- Assets that can help the economic and social regeneration of the Bay

6.4 Economic Development of Council Assets

Where we are now

Torbay has a narrow economic base with dominant sectors including hospitality and retail being primarily low pay and other large sectors facing challenges. There are opportunities though with the following sectors having demonstrated the potential for local growth; the re-emergent advanced electronics and engineering, marine, professional services and the health economy.

To rebalance the economy, attracting new investment is essential and creating the physical environment and conditions for growth is important. Council assets, including highways infrastructure, therefore have a direct role in developing growth and should be developed in a way that supports that aim.

Further focus is required on how assets can stimulate wider economic activity for instance by using underused assets to support work and enterprise clubs, ensuring appropriate assets are transferred to the local community and in particular that employment land is brought forward to support growing local businesses and inward investment.

Actions to Date

The Council has recognised the impact of assets on developing the economy and the following actions have been implemented:

- The establishment of the Torbay Economic Development Company (TEDC) with a specific commission to create economic initiatives and develop and implement strategies including inward investment, the physical regeneration programme and the tourism strategy
- Development schemes to further improve Torquay harbour area and Torquay town centre
- A regeneration scheme for Brixham harbour area
- A regeneration scheme for Paignton town centre including Oldway redevelopment
- A new Innovations Centre providing business incubator units has been constructed in Torquay and further locations are being actively considered
- New space for home based businesses in Torquay and Brixham
- The Council has tendered opportunities for the development of Torquay Town Hall car park and Clennon Valley in pursuit of a range of economic benefits
- A new Paignton and Community library/advice centre

Where we need to be

Torbay Council needs to develop the use of assets in a way that delivers:

- A high quality holiday / tourism environment
- Attractive growth and relocation opportunities for new and existing businesses that supports delivery of the inward investment programme, new business and an increase in the business rate base for Torbay
- Business and employment opportunities for young local people to remain in Torbay
- Economic diversity
- Good working partnerships with community, local groups such as Torbay Coast & Countryside Trust (TCCT) voluntary and private sectors
- Improved retail environment
- Realistic opportunities for asset transfer
- The right infrastructure for growth in the marine and maritime sectors
- To aggressively bring forward serviced employment land for future development to support the opening of the South Devon Link Road

- Work continues with key projects within the Employment & Regeneration programme to produce suitable development schemes e.g. additional workspace for new and growing businesses and the identification of other sites appropriate for business growth such as Torquay Gateway and at Whiterock, Paignton; better sports facilities at Clennon Valley, Paignton; Palm Court redevelopment, Oldway and facilitating a new supermarket into Brixham Town Centre and producing suitable development schemes for the Town Centres / harbour areas
- Ensuring maximum funding is secured from all possible public sector sources
- The aspiration of undertaking capital schemes which create jobs and/or generate income should be strengthened and consideration given to the further diversification of the Council's portfolio to meet these aims

Issues

- There is a need to continue linkages and communication through the commissioned services to ensure a coordinated approach to development opportunities
- Disposal process needs to be co-ordinated with the economic development strategy
- The ongoing financial pressures facing the Council
- Reduced funding pots

Action Plan

Action	Target Date	Responsibility	Current Status
Establish regular dialogue between services and TEDC	Immediate	CPO / TEDC	Ongoing process
Progress the Employment & Regeneration Programme through various delivery routes for the portfolio of agreed projects	15 – 20 year delivery programme	TEDC Programme Manager	Ongoing
Develop planning application for Claylands site in Paignton for commercial use	2014	Council / TEDC / Private Sector	Ongoing
Work with local groups such as TCCT to help redevelop local assets for the benefit of the community	Ongoing	Torbay Council / TEDC	Ongoing

Risk

There is a high risk that without these actions, the economy of Torbay will decline and hinder delivery of the Council's Strategy.

That employment land designated elsewhere will be land banked or not developed quickly enough to respond to growth needs within the local economy.

Benefits

The proposed strategy will deliver:

- Assets that benefit economic growth wherever possible
- Partnership approaches to regeneration and development schemes
- Additional receipts to fund Corporate objectives
- Increased business rate income for the Council
- A direct benefit to the Community and Corporate Plan
- Improved Heritage Assets

6.5 Repair and Maintenance

Where we are now

Torbay Council has a significant and serious issue regarding the disrepair of assets in common with many other local authorities. Backlog repairs totalling £26.5 million (excluding schools) have currently been identified of which almost £11.1 million (excluding schools) are categorised as urgent (Priority 1). Expenditure on repairs totalled almost £1.1 million during 2012 to 2013 and the backlog will not be eradicated without additional activity. In excess of £10 million of additional areas of capital expenditure have been identified over the last 4 years. This is as a result of the improved data collected and as a result of TOAD becoming more comprehensive and areas such as piers and multi storey car parks amongst others being further investigated. This is not necessarily new repairs but repairs that have been outstanding for a long period of time and have now been formally identified and assessed.

Estimated backlog value presently excludes costs relating to major repairs at Torre Abbey (Phase 3), Sea Defences, some promenades and decorative lighting.

Actions to date

The Council continues to implement a repair programme to address disrepair that has succeeded in sustaining assets in a condition that has enabled continued service delivery. The following actions have been implemented:

- Expenditure is prioritised through an assessment system managed by CAMT
- Delivery of the repair programme is monitored at CAMT meetings
- A rolling record of outstanding repairs is updated by condition surveys carried out by the TEDC technical team. The data is kept within TOAD and is managed by CAMT
- The repair and maintenance budget and responsibility for expenditure has been centralised within the role of the Executive Head of Regeneration
- A five year rolling Condition Survey programme is underway
- A Repair and Maintenance programme has been developed. This is attached at Appendix AM-G. This programme prioritises works by condition grading and priority level
- A move to a 70:30 split between planned and reactive maintenance
- Agreed at CAMT that all works under the de-minimus level of £500 are the responsibility of building asset managers

Where we need to be

Torbay Council needs to continue implementing repair programmes and developing strategies to deliver:

- Year on year reduction in backlog repairs that will ultimately remedy the backlog
- A reduction in Category D /Priority 1 repairs by 2015
- Comprehensive and accurate data defining the current condition of all assets and data management to track all works
- Integration of schools maintenance programme
- A move to life cycle costing and the development of a long term planned maintenance programme
- Keep risk registers up to date
- In some instances there is no prospect of sufficient funding being made available to repair an asset. Solutions need to be developed linking to regeneration or asset rationalisation or private sector investment need to be considered, including the use of Prudential borrowing
- When condition surveys have been completed, notification needs to be sent to the building asset manager

Issues

- Based on current levels of R&M expenditure the overall backlog is increasing to such an extent that the Council's planned expenditure is not currently keeping pace with inflation and whilst the overall backlog continues to deteriorate, some individual assets are deteriorating beyond repair
- The Council's total central Repairs and Maintenance expenditure (including schools) represents 0.6% of the Council's net budget
- A budget increase is required if there is to be any meaningful progress in reducing backlog repairs
- Significant issues have been identified with areas such as Multi Storey Car Parks and piers amongst others
- In some instances other services are unilaterally commissioning repairs and maintenance e.g. Children's Services. Further service consolidation should improve efficiency and reduce overheads
- Data management has been significantly improved and is a very useful and integral management tool in the effective management of R&M

Action Plan

Action	Target Date	Responsibility	Current Status
Develop and fully Utilise Planned Maintenance Data	Ongoing	CPO / TEDC	Ongoing
Maintain rolling programme for Condition Surveys	Achieved	CPO / TEDC	Achieved and Ongoing
Maintain the rolling programme of prioritised R&M	Ongoing	CPO / TEDC	Achieved and Ongoing

Risk

Whilst there is no immediate risk of failure of any particular asset there is a high risk that without these additional actions the current poor condition of assets will continue to deteriorate.

Benefits

The proposed strategy will deliver:

- A continual improvement in the condition of assets and service delivery
- Improved data and understanding regarding the condition of assets
- Best value for money procurement of remedial works complying with procurement regulations
- Effective project management of major works
- A reduction in the fall in value of assets due to deterioration in condition
- A direct benefit to all the Community and Corporate Plan Key Objectives

6.6 Asbestos/Water Hygiene

Where we are now

Torbay Council has many assets of an age, use and type of construction that results in the presence of asbestos within their construction. A Corporate Policy for Asbestos has been put in place in recognition of that and the need for effective data and control to avoid health risks. The aim of providing up to date and maintainable asbestos registers for all assets has been set and an implementation plan put in place. A Corporate Policy on water hygiene has been prepared. A Water Hygiene monitoring programme has been implemented. A Water Hygiene Risk Assessment of each asset has been completed and remedial works are in progress.

Actions to date

The Council has nominated a specific service team to take responsibility for asbestos and the following actions have been implemented:

- A formal Asbestos Policy outlining roles, responsibilities and action plans has been ratified by the Council
- A specific contact point for asbestos has been established
- An external partnership asbestos consultant has been appointed to provide the required level of technical expertise for fully detailed survey work
- A survey programme has been commissioned
- All corporate assets have now received a Type 2 asbestos survey and the reports are available on TOAD
- Assets which have incidences of asbestos containing materials are re-inspected upon an annual basis to check for possible deterioration of the asbestos which may be harmful to occupants and visitors
- Water Hygiene Draft Corporate Policy has been completed
- A Water Hygiene contract commenced in 2008 ensuring that all corporate assets are monitored and maintained to help reduce the risk of an outbreak of Legionnaires disease in line with current legislation. This was retendered and awarded in 2012
- Bi-annual Water Hygiene risk assessments are in place
- Asbestos Report and Water Hygiene Reports have been integrated and made available from TOAD
- Asbestos reports have been made available to Service Heads and explained to building managers

Where we need to be

Torbay Council needs to continue implementing the structured action plan to deliver:

- Awareness of and compliance with the Council's Asbestos and Water Hygiene Policies

Issues

- Continuing the ongoing annual Asbestos inspections are required together with weekly and monthly water hygiene monitoring of assets

Action Plan

Action	Target Date	Responsibility	Current Status
Introduce enhanced control and monitoring to ensure Contractors are aware of Asbestos issues	Immediate	CPO / TEDC	Achieved and Ongoing
Maintain rolling programme of re- inspection	Achieved	CPO / TEDC	Achieved and Ongoing
Introduce a Water Hygiene Monitoring process with an approved contractor	Achieved	CPO / TEDC	Achieved and Ongoing
Introduce a bi-annual Risk Assessment of water systems	Achieved	CPO / TEDC	Achieved and Ongoing

Risk

There is a high risk that without these actions health and safety regulations will be breached resulting in health risks and the closure of assets.

Benefits

The proposed strategy will deliver:

- Improved data and understanding of assets
- Compliance with statutory requirements and duties of care
- Safe working environments for contractors carrying out works
- A direct benefit to the Community and Corporate Plan

6.7 Energy Management

Where we are now

Torbay Council spend on energy in the financial year 2012/2013 was £2 million (including schools). The Council spend on water was £500,000.

Effective energy management will continue to reduce consumptions and lower emissions across Torbay Council's Corporate Estate, reducing costs to the tax payer. Torbay Council's Corporate Energy Management Strategy strives to promote the use of energy and water in a way that positively assists Torbay Council in delivering the priorities from the Corporate Plan.

Actions to date

- Torbay Council has recognised the matters of carbon management and associated topics with the production of the Corporate Energy Management Strategy
- Short listed carbon reducing projects being implemented and further projects being identified
- Salix fund of £280,000 has been granted of which £177,000 has been spent (September 2013). This is being replenished by loan repayments and is managed by the Principal Services Engineer
- The Carbon Trust Standard was achieved which forms part of the early action metrics for the Carbon Reduction Commitment (CRC) Energy Efficiency Scheme. In addition automated meter reading has been rolled out across the major energy using sites of Torbay Council
- A position in the top 12% was achieved for Torbay Council in the league table of the CRC Energy Efficiency Scheme
- Voltage optimisation has been installed in Torquay Town Hall. BMS (Building Management System) has been installed into Tor Hill House to manage the working environment of the re-furbished offices
- Part night street lighting has been introduced across Torbay producing a significant reduction in energy consumption

Where we need to be

Torbay Council needs to continue with the implementation of the structured action plan to deliver:

- Consumption reduction of 5% per annum
- Identify and explain the objectives, importance and best practice processes of effective corporate energy management

Action Plan

Action	Target Date	Responsibility	Current Status
Reduce consumption by 5% per annum	Ongoing	Property Services	Ongoing
Develop partnership with South West Water to trial and install water saving devices throughout public conveniences and office toilets	March 2014	Residents & Visitors Services / Property Services	Tender documents prepared and out for tender (September 2013)

Risk

The activities that will deliver the year on year targets for the reduction of utilities consumption are set out in the Carbon Management Plan and the Climate Change Strategy. These can only be delivered with the cooperation of all the Council staff, together with top down support and 'buy in' from the Council management structure.

Benefits

The strategy will deliver:

- Reduced energy consumption
- Lower emissions
- Reduced costs

6.8 Office Rationalisation

Where we are now

The Office Rationalisation Project (ORP) is now essentially about relocating staff to reduce the number of buildings that we operate out of and thus lower our ongoing costs e.g. rents, maintenance, heating and energy, etc. and to ensure that all Council owned assets are fully utilised to ensure efficient service delivery.

As the organisation changes and overall staff numbers continue to fall, ORP Board will work with Managers and Executive Heads to support on-going re-structures.

As part of the project, planning and implementation has taken place for the next set of office moves along with some limited aspects of refurbishment. This will support the overall project objective to rationalise the number of buildings the council operates in.

Actions to date:

- Staff fully vacated from Oldway Mansion, Roebuck House and Union House
- Public Health who now fall under Council control have re-located from St Edmunds to Torquay Town Hall
- Lower Ground Floor Torquay Library refurbishments have now been completed and Resident and Visitor Services are located within the same building
- New shower and changing facilities at Torquay Town Hall have opened to support the Authorities Green Travel Plan and additional bike racks

Where we need to be

- Vacate Pearl Assurance House by 31st March 2014
- Vacate ground, 1st and 3rd floor of Commerce House by 31st August 2014
- Hand-over Oldway to developers
- Develop Units 1 & 3 in Tor Hill House for office accommodation (currently empty shop units)
- Further review of project business case in light of the potential change in the Council's office space requirements, as a result of any outcomes from the ongoing Council budget setting process

Action Plan

Action	Target Date	Responsibility	Current Status
Vacate Pearl Assurance House	31 st March 2014	ORP Project Manager	On target for early completion – Jan 2014
Vacate ground, 1 st and 3 rd floor of Commerce House	31 st August 2014	ORP Project Manager	On target for early completion – April 2014
Refurbishment of 87 Abbey Road for Safeguarding & CIS teams	January 2014	ORP Project Manager	On target for early completion – Dec 2013
Refurbishment of Units 1 & 3 Tor Hill House for office accommodation	31 st March 2014	ORP Project Manager	On target
Aspen Way - accommodation options	n/a	ORP Project Manager	Costing/options stage

Risk

If rigorous action is not pursued on the ORP then the Authority risks continued inefficient use of office space in its buildings and therefore significant savings are not being realised. Managing change needs to be factored in to future moves as staff morale may be lower if office moves coincide with major redundancies or disbursement of existing teams

Benefits

- Efficient use of office accommodation
- Savings generated through the efficient use of office accommodation
- Authority has an office building in Tor Hill House which is an improved asset
- Refurbishing empty shop units will offer more options for teams moving from Commerce House and offer rental/lease opportunities for the authority in the longer term as the requirement for office space reduces as a result of further budget constraints
- By undertaking some office moves, service transformations can take place to improve service delivery
- Future-proofing all further moves will enable subsequent team or departmental changes or reduction of staff numbers to happen more easily with minimum disruption to overall service delivery

6.9 Data Management

Where we are now

Torbay Council has inherited assets from several sources during development to unitary status in 1998 and has a large and diverse portfolio. Gathering consolidated and maintainable data has therefore proved challenging and underpins progress in many other areas. An option appraisal resulted in the development of the Torbay Online Asset Database (TOAD) being chosen as the best solution. This is a long-term and staged project addressing processes and IT development.

Actions to date

The Council has achieved significant progress in improving asset data systems and the following actions have been implemented:

- The central register of assets has been reviewed and fully reclassified to reflect the Council's existing structures
- Modules providing valuation, condition, lettings and DDA data have been developed and linked to the TOAD central register
- Facilities for attaching CAD plans, Asbestos Reports, Water Hygiene Reports, location plans and photographs have been developed and linked to the TOAD central register
- Formal protocols have been established for the entry and update of existing categories of data
- An operators manual and training programme has been completed
- The reporting module has been further developed
- Significant changes to the TOAD system have been completed to enable the system to manage the International Financial Reporting Standards (IFRS) reporting requirements
- Introduction of a new valuation module by Real Asset Management (RAM)

Examples of TOAD data information screens are attached at Appendix AM-D.

Where we need to be

Torbay Council needs to continue implementing the structured action plan to deliver:

- Asset data that is comprehensive, accurate, maintainable and easily accessible
- Integration of data on Infrastructure Assets including Harbours, Highways and Bridges
- Integration of data on Torbay's Individual Fleet Vehicles and Plant
- Asset data that can be readily realigned to changes in service delivery and partnering
- A comprehensive Health and Safety module on TOAD

Issues

- IT to agree priority additions to fields on TOAD to accommodate the above
- 2015/16 transport infrastructure assets to be accounted for

Action Plan

Action	Target Date	Responsibility	Current Status
Complete Training manual and establish training programme	Ongoing	TOAD Administrator	Achieved and training is ongoing as required
Continue to update and maintain the asset data	Ongoing	TOAD Administrator	Ongoing
Continue to update the linkage between MapInfo & TOAD	Ongoing	TOAD Administrator	Ongoing
Develop a Health and Safety Module	Ongoing	TOAD Administrator	Ongoing

Risk

There is a risk that without continuing these actions and without support from Commissioned Services asset data will become inaccurate and hard to access hindering effective analysis and decision making. The asset database is an in house system and so there is a risk that staff changes could impact on the system.

Benefits

The proposed strategy will deliver:

- Comprehensive asset data held at one source
- Ease of access to data for all relevant persons
- Asset data in a form that can be updated and maintained as a live and current record
- An enhanced ability to identify specific issues, excessive costs and inefficient use
- An enhanced ability to monitor and report performance
- A direct benefit to all the Community and Corporate Plan Key Objectives

6.10 Community and Shared Use

Where we are now

Torbay Council operates in partnership with many other organisations in delivering services to Torbay. The need for providing integrated services to the community results in shared use providing many advantages. Shared use also enhances the opportunity to use diverse assets in more suitable ways. The need and desire to use assets in a shared way will increase and provide opportunities for resolving other asset issues.

The Quirk Review looked at the clear benefits to local groups owning or managing community assets – such as community centres etc. The review is focused on how to optimise the community benefit to publicly owned assets by considering options for transfer of asset ownership and management to community groups. In response to the Quirk Review the Cabinet approved the Community Asset Transfer Policy on 27 May 2008 and the policy was enacted from August 2008.

A decision was taken at the Council meeting on 15 May 2013 to set up a Community Development Trust (CDT). 2 staff from the Communities Team were seconded across to help set-up the company with the intention that these staff be transferred to the CDT.

The Council has committed £100K per annum for 3 years to support the development of the CDT business plan via a service level agreement (or similar) (“SLA”) and delegated to the Executive Head Community Safety in consultation with the Executive Lead Community Safety and Communities the amount of funding to be made available to support the development of the CDT business plan and the content of the SLA.

The intention is that the Council works with the Voluntary and Community Sector (“VCS”) to review each parties assets and potential future opportunities for collaboration around these assets.

Actions to date

The Council is pursuing a number of specific shared use initiatives and has implemented a number of actions as follows:

- Torbay has already been leasing assets to community based organisations for many years
- Invitations continue to be invited from Community Organisations to confirm/make an initial expression of interest in any of the confirmed disposal list of properties
- Torbay worked with the Development Trusts Association (DTA) through their Advancing Assets Programme to ensure best practise is adhered to in the new Community Asset Transfer process
- DTA identified a case study community asset transfer in Torbay which they assessed for submission to the Department for Communities and Local Government (DCLG)
- Torbay was one of two national pilots working with Community Matters to deliver multiple asset transfers in Paignton Town Centre and Clifton with Maidenway. This initiative has now finished with the result being that a lease of the Monastery Chapel in Paignton was granted to ANODE on 20 December 2012 to assist their work with the community
- Transfer of the Babbacombe Cliff Railway to friends of the Cliff Railway
- Leases of land at Hollicombe and rear of 41/43 Hartop Road for use as a community gardens were granted in February & September 2012 respectively following the successful stage 2 application under the Community Asset Transfer Policy process

- A lease of land adjacent to 25 Raleigh Avenue was granted to the Residents' Association on 20 Dec 2012
- The transfer of Brixham Town Hall (excluding the library and museum) to Brixham Town Council has been completed
- A further seven applications are being considered under the Community Asset Transfer Policy process
- A policy has been developed relating to the community 'right to bid' for assets of community value following the introduction of the Localism Act
- The Council has explored Asset Based Community Development with the decision taken to create a Community Development Trust
- The Council has reviewed the Community Asset Transfer Policy in light of the Localism Act and decided that it did not need changing

Where we need to be / Issues

Torbay Council needs to develop and implement strategies that deliver:

- Increased numbers of shared facilities both in Council and other ownership by working with other public sector partners
- Uses for existing Council assets that are better suited to purpose
- Closer partnership working relationships
- To work with the VCS through the CDT to review each parties assets and potential future opportunities for collaboration around these assets
- Need to consider how to implement the Community Asset Transfer Policy following the creation of the CDT as the Community Asset Support Officers have been seconded to the CDT
- Sustainable transfer of assets to interested community groups
- As and when the need arises to have discussions with Brixham Town Council regarding the possible sale of assets in Brixham

Action Plan

Action	Target Date	Responsibility	Current Status
Identify new opportunities from Service Asset Management Plans	Ongoing	Service heads / CAMT	Achieved and Ongoing
CAMT to continue to monitor all partnership initiatives	Ongoing	CAMT / Service heads	Achieved and Ongoing
To work with the CDT about the future delivery of the Community Asset Transfer Policy process following the creation of the CDT	December 2013	CPO / CDT	Ongoing
Continue to work with all community groups at stages one and two of the asset transfer process	Ongoing	CPO, Community Asset Support Officer, Asset Panel Members	Ongoing
To work with other Public Sector Partners on a joint way forward to maximise the value of partnership assets and streamline related operational activities	Ongoing	CPO / TEDC	Project is ongoing
To discuss the potential sale of assets within Brixham with the Brixham Town Council	Ongoing	CPO / TEDC	Ongoing
To work with the VCS to review each parties assets	March 2014	CPO / TEDC / CDT	Ongoing

Risk

There is a risk that without these continuing actions opportunities to maximise the potential for shared use will not be delivered. There has to be balance between the sale of assets for profit and transfer for social gain to benefit the community.

There is a risk that the other Public Sector Partners may not be committed to working together to look at the use of assets.

Benefits

The proposed strategy will deliver:

- Enhanced opportunities to identify and deliver shared use facilities
- Development of initiatives in line with Community and Corporate Objectives
- Resource to support local charities and organisations to effectively develop initiatives through the Community Development Trust (CDT)
- The potential transfer of assets to the VCS / CDT and other community organisations could see a reduction in the maintenance backlog
- In the cases where there are restrictive covenants on land or building it may be beneficial to transfer these to communities as the value of the land or buildings on the open market could be reduced due to the covenants

6.11 Tenanted Non Residential Properties

Torbay Council holds a variety of Tenanted Non-Residential Properties (TNRP) on which it has granted either leases or licences to third parties. These assets range from golf clubs, industrial sites, Quaywest Water Park to leases to sports clubs and other voluntary sector groups and licences to run donkey ride and ice cream concessions.

There are currently 840 leased assets and licences, which generate income of circa £2.9M per annum. The amount of income per agreement varies greatly with 52 assets generating an annual income in excess of £10,000 each and 76 generating an annual income between £5,000 & £9,999 each. The rest of the agreements are below these figures.

These assets are held either as investments or for service delivery / socio-economic purposes. The definition of investment assets is narrow (Cipfa regulations) with them being defined as assets which are used solely to earn rentals or for capital appreciation or both. For Torbay Council the Chief Accountant has taken the view that, unless there is strong evidence to the contrary, the assumption is that all council property is linked to a service objective e.g. regeneration, tourism etc. Examples of TNRP held as investment assets include Torquay Golf Club and Unit 3 Riviera Park, Torquay.

Actions to date

- The TEDC continues to manage the TNRP to maximise revenue and to minimise costs
- The Council has commissioned condition, asbestos and water hygiene surveys on the TNRP with the tenants having been informed of the outcome
- A TNRP Portfolio Strategy, Review Action Plan and disposal policy have been developed. (See Appendix AM-F)

Where we need to be

Torbay Council needs to implement the above Action Plan to ensure that:

- The justification for holding the TNRP is linked to the corporate goals and objectives
- The performance of the TNRP is reviewed to determine whether they should be retained or disposed of

Issues

- To review the performance of TNRP it is useful to consider 3 fundamental questions:
 - Why are TNRP assets held?
 - How well are they performing in meeting the purposes for which they are held?
 - Are there better ways in which these purposes could be fulfilled?
- Need to determine criteria for measuring performance
- Where held for socio-economic purposes the measurement of performance becomes more challenging as we are dealing with subjective judgements and because there is a need to link these purposes to the corporate goals and objectives
- Need to consider other policies such as the Shoreline Management Plan to determine the long term options arising from climate change
- Consideration needs to be given to the Council's revenue position. The yield of particular properties to be challenged within the policy

Risks

- Currently each TNRP asset is allocated to a particular service department, which assists with management issues and they receive the income. However this may give rise to a couple of risks when assessing the performance of the TNRP
 - Depending upon the criteria set for measuring performance the perception from the service departments could be that their properties are performing well to protect their asset base
 - The service department may be reluctant to agree that an under performing TNRP should be disposed of since they would lose the rental income from their revenue budget. Any capital receipt goes into the 'corporate pot' to fund the capital programme and may not necessarily be re-invested in the service department's assets
- As part of the disposal policy there will be a need to consider the long term aspirations of the Council for the larger assets. For example, it may not be appropriate to dispose of an under-performing café within a park if it may be needed for a comprehensive re-development in the future
- There may be public resistance to the disposal of TNRP

Action Plan

Action	Target Date	Responsibility	Current Status
Implement the Action Plan to review the performance of the TNRP	Ongoing	CPO / TEDC	Due to resource issues the Action Plan (see Appendix AM-F) has not yet been Implemented
To develop a TNRP Disposal Policy	March 2013	CPO / TEDC	Achieved and included in above
To consider whether it is appropriate for a proportion of the proceeds from the sale of a TNRP to be re-invested in the service department	Ongoing	CPO / Chief Finance Officer	Included in above

Risk

There is a risk that there will be insufficient resources within the Asset Management Service of the TEDC to take this initiative forward

Benefits

The strategy will bring clarity about why Torbay Council holds Tenanted Non-Residential Properties, which is essential to drive good performance and value for money in terms of investment and/or socio-economic outcome

Into The Future

The Strategy detailed above will be delivered and monitored by implementing the specific action points detailed. Delivery will be by the Torbay Economic Development Company (TEDC).

It is accepted that the period of delivery may in some instances be long term and will inevitably be influenced by an ongoing and realistic assessment of available resources. However, the plan firmly defines the vision of how the Council will achieve a more effective use of assets and sets a firm commitment to retain the goals and actions until all are complete.

A number of significant achievements have already been secured and into the future there are many issues that are relevant to a successful Corporate Asset Management Plan. There are at this review 2 areas of particular importance:

- The continuing work of the TEDC will continue to create opportunities to make regenerative changes to the built environment and help stimulate the market.
- There may be increasing Government scrutiny of the Asset Management Function and a need to follow closely the asset management guidance that has been issued.

Appendix AM-A

Corporate Asset Management Team (CAMT) Terms of Reference

Role and Responsibilities

The remit and terms of reference for the Corporate Asset Management Team were defined within a Report to the Directors titled "Roles and Responsibilities for Corporate Asset Management and Property Issues" dated 27th March 2001.

- Provide the strategic focus for dealing with accommodation and property issues within the Council and provide the route through which property issues are considered corporately
- Develop and refine the Council's Asset Management Plan, as required by Central Government, to "optimise the utilisation of assets in terms of service benefits and financial return"
- Develop the Council's Capital Strategy
- Consider and recommend courses of action to Heads of Service or Directors as appropriate
- Identify and make recommendations on proposed priorities for action/programme development
- Identify resources required to enable schemes or actions to be undertaken
- Identify and map property resources in Torbay and record suitability for function

Meeting Programme

Corporate Asset Management Team will meet periodically with a joint agenda "Strategic Issues" and "Property Issues"

The subject matter and composition of the meeting is defined below

Aim of Meeting

- To support / inform Capital Planning
- To share information between Council Services on Council assets
- To make decisions about property issues if within Officer Delegated Powers or to make recommendations to the Mayor or Council if decision is outside Officer Delegated Powers

Meeting Composition

The composition of the meeting combines representatives from all Directorates and Officers responsible for Corporate Policy and is currently as follows:

Corporate Representatives:

Corporate Property Officer (Chairman)
Executive Head Finance
Heads of Service as required

Directorate Representatives:

People
Environment
Operational Support

Partnership Organisation Representatives:

Torbay & South Devon NHS & Social Care Provider Trust
Devon & Cornwall Constabulary
Devon & Somerset Fire & Rescue

The composition of the meeting may be varied dependent upon specific agenda items

Meeting Dates

Yearly meeting schedules will be circulated at the beginning of each calendar year and reminders will be sent by way of circulation of the agenda

Minutes

Minutes distributed to Group Members and Director's Management Team

Strategic Agenda

An agenda will be circulated one week prior to each meeting.

The standard agenda headings are defined below.

- 1 Asset Rationalisation / Disposals Update
- 2 Capital Budget Update (Monitoring, Setting, Strategy)
- 3 Asset Management Update (AMP & PPI, Asset Register/TOAD)
- 4 Update on new external funding bids/projects
- 5 Update from Chief Executive of TEDC on strategic issues

Property Agenda

An agenda will be circulated one week prior to each meeting.

The standard agenda headings are defined below.

- 1 Office moves and Office Rationalisation Project update
- 2 Matters arising from Asset Rationalisation Team, Senior Leadership Team (SLT) and Senior Leadership Board (SLB)
- 3 Maintenance Programme / Asbestos Register / Legionella update
- 4 Specific Asset / Property issues

Appendix AM-B

Service Asset Management Plan Template

1.0 Service Background and Outcomes

Brief bullet point summary outlining scope of services and key outcomes expected along with relevant comments from your service strategy.

2.0 Predicted Service Delivery Changes

Brief bullet point summary confirming possible future changes to service delivery, which are likely to have implications for service assets (acquisition, adaptation or disposal), together with likely timescales.

3.0 Scope of Service AMP

Does this SAMP cover all assets under your Business Unit / Service? If not, please confirm which ones and why not.

4.0 Identification of Current Property Portfolio

Provide a comprehensive list of current assets, responsible officers, asset functions and users and provide answers to the following questions:

Is the asset used for direct service delivery?

Is the asset used for indirect service delivery?

Annual running costs (£)

Do you still require this asset for service delivery?

5.0 Preferred Options & Action Plan

For each of the assets identified comment on the current situation, what action if any is required to implement any required changes, the priority rating and the date for review.

Appendix AM-C

Key Asset Management Performance Indicator Analysis (Including Schools)

Indicator	Description	Category	2011/12	2012/13	2013/14	2014/15	Benchmark	Comments
			Out-turn	Out-turn	Targets			
PI1- 1A	% GIA that falls in each of the Condition Categories (A = Good, D = Bad)	A	2%	4%	9%	14%	18%	Targets calculated as improvements of 5%. Further data has been captured and assets have been resurveyed. Academy Schools have been removed. This has impacted on the 12/13 figures
		B	45%	47%	52%	57%	60%	
		C	35%	32%	27%	22%	19%	
		D	18%	18%	13%	8%	3%	
PI2- 1Bi	Total Value of Backlog of Work (1 = Urgent, 3 = Desirable)	Priority 1 Priority 2 Priority 3	£14,208,743 £9,801,200 £11,692,285	£11,502,108 £6,655,761 £9,475,617	5% reduction		Not recorded	Further data has been captured and assets have been resurveyed. Academy Schools have been removed. This has impacted on the 12/13 figures
PI3- 1Bii	Required Maintenance Cost as a % in Levels 1-3 (1 = Urgent, 3 = Desirable)	Operational 1	40%	42%	37%	32%	11%	Targets calculated as improvements of 5%. Further data has been captured and assets have been resurveyed. Academy Schools have been removed. This has impacted on the 12/13 figures
		Operational 2	27%	24%	19%	14%	45%	
		Operational 3	33%	34%	44%	54%	44%	
Indicator	Description		2011/12	2012/13	2013/14	2014/15	Benchmark	Comments
			Out-turn	Out-turn	Targets			
PI4A- 1Dii	Repair & Maintenance spend per m2		£7.40	£8.24	£8.65	£9.08	Not recorded	Targets based on 5% increase. Academy Schools have been removed which has impacted on the m2
PI4B- 2A	Energy cost per m2		£10.23	£9.26	£8.80	£8.36	£12.30	Targets based on 5% reduction
PI4C- 2B	Water costs per m2		£2.37	£2.89	£2.75	£2.61	£2.01	Targets based on 5% reduction. Water spend has increased slightly. This is due to rising prices
PI4D- 2C	CO2 emissions per m2 in tonnes		0.045	0.049	0.047	0.045	0.07	Targets based on 5% reduction
PI5 – 3Ci	% of properties where a suitability survey has been carried out within the last 5 years that are graded good or satisfactory		94%	94%	95%	96%	77%	
PI6- 4 BV156	% of public buildings which are DDA compliant		54%	61%	61%	61%	Not recorded	The Office Rationalisation Project has led to an increase in this indicator

Appendix AM-D Extracts

Torbay Online Asset Database (TOAD)

Core Asset Data Tab

Torbay Online Assets Database - Version 2

Billingham, Emma - Asset Registrar

Version 2.0:3885.1791

Asset T3037 - Pearl Assurance House

Address	101-107 Union Street	Asset Type	Operational
		Property Category	Other Land and Buildings
		Sub Category	Offices,Admin. Bldg & Land associated with
		Type	Building
		Year Built	0
Eastings	291438	Subject to a Condition Survey	Yes
Northings	64232		
Map Ref	26SW	Building manager	
OS Ref.		Contact Number	
Terrier Ref.	0		
Deeds Ref.			
Land Registry Title Number			
TC Ownership	Leased	Holding Service Code	E1711
Directorate	Environment Commissioner		
Business Unit	Chief Executive Torbay Development Agency		
Service Area	... Please see Areas Tab	Manager Service Code	
Status	NOT ENTERED	UPRN	10002986652
Listed Building	No	NDR Value	0.0000
		Council Tax Band	
		Current Use	Council Office Accommodation
Acquired Date	07/02/2005	Disposal Date	
Acquired Cost	0.00	Disposal Price	0.00
Acquired Powers		Disposal Powers	
Vendor		Purchaser	
Buildings in Acq.	Yes	Buildings in Dsp.	No
Purchasing Committee	Environment Services	Archive Date	

Floors Tab

Torbay Online Assets Database - Version 2

Billingham, Emma - Asset Registrar

Version 2.0:3885.1791

If any of this data needs updating, please contact load@torbay.gov.uk

Asset T3037 - Pearl Assurance House

Floor Room

01 Ground Floor	Lobby & Stairs
02 First Floor	Communications
	Disabled Toilet
	Gents Toilets
	Interview Room A
	Interview Room B
	Interview Room C
	Kitchenette
	Office
	Office
	Reception
	Stairs & Landing
	Stairs & Landing
	Store
03 Second Floor	Comdor
	Kitchen
	Ladies Toilets
	Meeting Room
	Office
	Office
	Office
	Office
	Stairs & Landing
	Stairs & Landing
04 Third Floor	Store

TOTAL NIA m² 8.10 TOTAL NIA Sq Ft 87.10

Valuations Module

Torbay Online Assets Database - Version 2

INPUT SECURITY Billingham, Emma - Asset Registrar

Version 2.0.3899.17918

Full List

- Paignton Sands/Foreshore
- Paignton Windmill
- Palace Theatre Complex Site
- Paradise Walk / Break Neck Hill
- Park land Isham Valley
- Parkfield Site (House & Grounds)
- Part Cliff Gardens Roundham Point
- Pathway Lincombe Road/Drive
- Pavilion Shopping Centre
- Pearl Assurance House**
- Pendennis Rd Playground 1
- Pendennis Rd Playground 2
- Pett Tor Beach
- Pign Connections (Ex Fire Station)
- Plainmoor Childrens Playground
- Plainmoor Football Ground Site
- Plainmoor Grassed Play Area
- Plainmoor Site of Swimming Pool
- Play Area Huntacott Way
- Playground Barton Downs
- Folsham Centre
- Pony field part Cockington Estate
- Portion of Seabed/Breakwater
- Preston Gardens
- Preston Primary School
- Preston Shelter Public Toilets
- Primley Park
- Princes St Car Park Site
- Princess Gardens
- Princess Parade
- Princess Pier
- Princess Restaurant & Shop

Name: Pearl Assurance House
Reference: T3037

Unallocated	Land	Buildings	Plant and Machinery	Fixture and Equipme	External Works
T3037-UNALL	T3037-LAND	T3037-BULD	T3037-PLNT	T3037-FRNT	T3037-EXTW
0.00	0.00	0.00	0.00	0.00	0.00

TOTAL Values for Pearl Assurance House

	Historical Cost	Current Value
Gross Value:	0.00	0.00
Enhancements in Year:	0.00	0.00
Enhancements to Date:	0.00	0.00
Gross Cost:	0.00	0.00
Residual Value:	0.00	0.00
Depreciation this Year:	0.00	0.00
Depreciation to Date:	0.00	0.00
Impairment (LEB):	0.00	0.00
Impairment (LEB) to Date:	0.00	0.00
Impairment (PR):	0.00	0.00
Impairment (PR) to Date:	0.00	0.00
Disposal of Asset:	0.00	0.00
Net Value:	0.00	0.00

Instructions: To enter a specific components valuation click on the relevant screen above. If a screen is highlighted, it means data has been entered.

Condition Survey Module

Torbay Online Assets Database - Version 2

INPUT SECURITY Billingham, Emma - Asset Registrar

Version 2.0.3899.17918

Full List

- Paignton Sands/Foreshore
- Paignton Windmill
- Palace Theatre Complex Site
- Paradise Walk / Break Neck Hill
- Park land Isham Valley
- Parkfield Site (House & Grounds)
- Part Cliff Gardens Roundham Point
- Pathway Lincombe Road/Drive
- Pavilion Shopping Centre
- Pearl Assurance House**
- Pendennis Rd Playground 1
- Pendennis Rd Playground 2
- Pett Tor Beach
- Pign Connections (Ex Fire Station)
- Plainmoor Childrens Playground
- Plainmoor Football Ground Site
- Plainmoor Grassed Play Area
- Plainmoor Site of Swimming Pool
- Play Area Huntacott Way
- Playground Barton Downs
- Folsham Centre
- Pony field part Cockington Estate
- Portion of Seabed/Breakwater
- Preston Gardens
- Preston Primary School
- Preston Shelter Public Toilets
- Primley Park
- Princes St Car Park Site
- Princess Gardens
- Princess Parade
- Princess Pier
- Princess Restaurant & Shop

T3037- Pearl Assurance House

Block Details Elements SubElements Lines Details

Block Name: Pearl Assurance House

Condition Data: True Premises Type: IIII

Pricing Base Date: 17/05/2007 Survey Date: 17/05/2007

Surveyed by: Kendall Kingscott

Ref. Internal Area: T3037

Notes: Pearl Assurance House is a post war 3-storey building constructed of a concrete frame with brick cavity wall envelope and metal windows with stone/pre-cast concrete surrounds. The roof construction is flat off a concrete deck with felt coverings and lead detailing. The ground floor consists of retail outlet, Torbay Council occupy the upper floors on a leasehold basis.

Report Status: Final

Save

Reports: View this Block, View ALL Blocks for this Asset, View Header, View Sub Elements, View Details, Update Form

Emma Billingham - EDQA106 Version 1.0.0.0

APPENDIX AM-E

Summary Property Strategy Action Plan (PSAP)

Ref	Objective	Key Action	Key Change/Goal	Benefit/Outcome for Stakeholders	Lead Officers	Key Resources	Target	Target Deadline	Performance Monitoring
	Description of the strategic objective that is sought	Description of each specific action that will deliver the objective	Description of the specific change or goal that each action should produce	Description of the benefits that each action will deliver to service delivery groups and residents of Torbay	Description of the Officers taking ownership of delivery of each action	Description of the key teams upon which delivery of each action is dependent	Description of the hard and measurable outputs that each action must produce	Date deadline for target delivery	Description of how progress and performance will be assessed for each action
	Suitable Assets Aligned to Service Delivery	Service Asset Management Plans	All Business Units or Services to have five year plans for continued use of assets	Planned and more efficient use of assets producing improved service delivery	CPO	CAMT, CPO, Asset Registrar, Service Asset Representatives	Completion of all SAMPs and development of 5 year corporate plan. To be reviewed yearly.	Ongoing	Reviewed in CAMP yearly update
		Implementation of Service Asset Suitability Reviews	Asset use reviews completed for all services as part of SAMP process	Planned and more efficient use of assets producing improved service delivery	CPO	CAMT, CPO, Asset Registrar, Service Asset Representatives	Completion of all surveys and development of 5 year plan	Ongoing	Reviewed in CAMP yearly update
		Implementation of specific DDA improvement works arising from survey work	Completion of identified physical improvement projects	Improved accessibility to the public	CPO	CAMT, Property Services Group	Completion of projects within agreed timescales	Annual	Reviewed in CAMP yearly update – currently on hold because the budget for DDA works has been removed

Ref	Objective	Key Action	Key Change/Goal	Benefit/Outcome for Stakeholders	Lead Officers	Key Resources	Target	Target Deadline	Performance Monitoring
	Description of the strategic objective that is sought	Description of each specific action that will deliver the objective	Description of the specific change or goal that each action should produce	Description of the benefits that each action will deliver to service delivery groups and residents of Torbay	Description of the Officers taking ownership of delivery of each action	Description of the key teams upon which delivery of each action is dependent	Description of the hard and measurable outputs that each action must produce	Date deadline for target delivery	Description of how progress and performance will be assessed for each action
	Effective Repair and Maintenance	Implementation of reorganised R&M delivery process	Reduction of backlog maintenance	Improved service delivery from assets that are fit for use and publicly acceptable	CPO	CAMT, CPO, Finance, Service Asset Representatives	Delivery of 4+ year rolling programme and elimination of category D and C1 works within 5 years	Ongoing	Delivery report included in CAMP yearly update
		Implementation of five yearly rolling programme of condition surveys	All properties to have a condition survey within last five years	Improved understanding of condition and improved targeting of repair resources	CPO	CAMT, CPO, Finance, Property Services Group	100% completion rate	Ongoing	Delivery report included in CAMP yearly update
		Completion of Asbestos Surveys	Complete asbestos register in place	Healthy and safe working environment and easy delivery of improvement & development works	CPO	CAMT, Property Services Group	Completion of Asbestos Surveys & re-inspections	Ongoing	Monitoring at CAMT. Delivery report included in CAMP yearly update
		Rolling review of non service & investment assets	Establish a clear policy for non service & investment assets	Planned development of these assets will maximise returns to fund Council Priorities	CPO, TEDC Business Manager, Head of Asset Management	CAMT, Service Asset Representatives	To be undertaken annually	Ongoing	Review by CAMT. Report included in CAMP yearly update

Ref	Objective	Key Action	Key Change/Goal	Benefit/Outcome for Stakeholders	Lead Officers	Key Resources	Target	Target Deadline	Performance Monitoring
	Description of the strategic objective that is sought	Description of each specific action that will deliver the objective	Description of the specific change or goal that each action should produce	Description of the benefits that each action will deliver to service delivery groups and residents of Torbay	Description of the Officers taking ownership of delivery of each action	Description of the key teams upon which delivery of each action is dependent	Description of the hard and measurable outputs that each action must produce	Date deadline for target delivery	Description of how progress and performance will be assessed for each action
	Economic Regeneration	Managed workspace and business incubation	Enhanced support for local Business with particular emphasis on the needs of start up companies	Improved economic performance and increased survival rate for start up businesses	TEDC commission	Regeneration	Funding Bids prepared project due for completion subject	Ongoing	Place Policy Development Group
		Employment and Regeneration programme	Circa £300m of regeneration development with circa 2000 jobs	Improve economic performance and GVA	TEDC commission (TEDC Programme Manager)	Regeneration, Asset Management, Planning, Legal advisors, Procurement	Completion of various projects within the programme	Ongoing 20 year programme	Place Policy Development Group
		Brixham Town Centre	New supermarket and other commercial and residential accommodation	Improved economic performance	TEDC commission	Regeneration, Legal advisors	New facilities		Place Policy Development Group
	Integrated Disposals Programme	Implementation of an accelerated disposal programme	The disposal of appropriate Council owned sites for developments including affordable housing	Rationalisation of Property portfolio Reduced maintenance costs Increased capital programme Increased access to affordable housing	CPO, Service Heads	CAMT, CPO, Disposals Officer, Planning Service, Finance	Identified sites sold	Ongoing	Monitoring at CAMT and Place Policy Development Group. Delivery report included in CAMP yearly update

Ref	Objective	Key Action	Key Change/Goal	Benefit/Outcome for Stakeholders	Lead Officers	Key Resources	Target	Target Deadline	Performance Monitoring
	Description of the strategic objective that is sought	Description of each specific action that will deliver the objective	Description of the specific change or goal that each action should produce	Description of the benefits that each action will deliver to service delivery groups and residents of Torbay	Description of the Officers taking ownership of delivery of each action	Description of the key teams upon which delivery of each action is dependent	Description of the hard and measurable outputs that each action must produce	Date deadline for target delivery	Description of how progress and performance will be assessed for each action
	Effective Use and Rationalisation of Administrative Buildings	Office Rationalisation Project	Consolidation of Office Accommodation as part of project	Improved efficiency and service delivery and cost savings	ORP Project Manager		Refurbished Offices	August 2014	Project Team
	Improved Data Management	Development of update protocols for live data modules	Defined operating processes in place that can be monitored and audited	Accurate information available to enable informed and transparent decision making, improved prioritisation and more effective action planning	CPO, Asset Registrar	CAMT, IT, Finance, Service Asset Representatives	Data fields in TOAD completed and verified	Ongoing	Review by CAMT. Delivery report included in CAMP yearly update
		Development of user manual	Defined operating and user instructions in place and available to all officers	Accurate information available to enable informed and transparent decision making, improved prioritisation and more effective action planning	CPO, Asset Registrar	CAMT, IT, Finance, Service Asset Representatives	User Manual complete	Completed and updated when amendments are made	Review by CAMT. Delivery report included in CAMP yearly update

APPENDIX AM-F

TENANTED NON-RESIDENTIAL PROPERTY PORTFOLIO STRATEGY AND REVIEW ACTION PLAN

Background

Torbay Council (the 'Authority') holds a variety of Tenanted Non-Residential Properties (TNRP). They are held either as investments or for service delivery / socio-economic purposes.

The Audit Commission 'Room for Improvement' report said that authorities should 'review property holdings and reduce them where possible by identifying and disposing of surplus and under-utilised properties'.

In the past this has only proactively happened for the Authority's non-tenanted land and buildings but in the 2011 Corporate Asset Management Plan it was mentioned that the Authority would develop a strategy for reviewing the TNRP portfolio. As well as looking at possible disposals it is also important to maximise income and possibly expand / change the portfolio to suit the Authority's strategic objectives.

To review the performance of the TNRP it is useful to consider 3 fundamental questions

- Why are TNRP assets held?
- How well are they performing in meeting the purposes for which they are held?
- Are there better ways in which these purposes could be fulfilled?

The Royal Institution of Chartered Surveyors (RICS) has published a number of leaflets on local Authority asset management with one covering TNRP assets let to third parties (other than housing stock).

In accordance with this leaflet, which focused on the key priorities in the management of TNRP in the local government arena, the Association of Chief Estates Surveyors (ACES) Commercial Asset Management Working Group developed a 'Model TNRP Strategy and Review Action Plan'. The plan is based upon this model.

The RICS leaflet states that if there is not clarity about why TNRP is to be retained, it should be disposed of, on the best terms that may reasonably be obtained.

With regards to assets that contribute to socio-economic benefits the RICS leaflet says that 'measurement of performance becomes more challenging, as we are dealing much more with subjective judgments and because we need to ensure that the socio-economic purposes are directly linked to corporate goals and objectives'. The 'model' suggests a simple three tier ranking approach to assess the socio-economic benefits – high, medium and low.

TNRP STRATEGY AND REVIEW ACTION PLAN

1) ROLE OF THE TNRP PORTFOLIO TO THE AUTHORITY

- Financial investment by producing income used to off set the revenue costs of direct and indirect services thus reducing the impact on the Council tax; and capital receipts to support the capital programme.
- Socio-economic by supporting the wider corporate objectives of the Authority through strategic influence, control and occupational use.

2) LEADERSHIP AND ACCOUNTABILITY

Driving improvement in the performance of the TNRP is a continual and demanding process. Circumstances often change before optimum performance is achieved. Leadership is important in:

- Developing and promoting a strategy for the TNRP;
- Generating corporate interest in, and awareness of, the gains to be had from improved performance;
- Engendering support and commitment within the organisation;
- Addressing the business case for TNRP, together with the supporting action plan; and
- Ensuring the efficient and effective pursuit of agreed TNRP management strategies.

There are important roles in TNRP management and these are illustrated in the table below.

Role	Responsibilities
Elected Members	Executive Leads - providing commitment to TNRP strategic aims and setting key required corporate objectives / outcomes; Scrutiny – ensuring TNRP performance is kept under review
Chief Operating & Finance Officer and Directors	Supporting and monitoring the TNRP Action Plan; Ensuring sufficient resources are available to effectively manage the Strategy and Action Plan.
Corporate Property Officer and Executive Heads / Members of CAMT	Linking TNRP to corporate goals and objectives; Managing TNRP in accordance with the Strategy and Action Plan

3) BRIEF DESCRIPTION OF THE PORTFOLIO

The TNRP portfolio has been accumulated over many years. Some of the properties used to perform functions / services done directly by the Authority but are now let to third parties to perform that function on behalf of the Authority. For example, beach / park cafes and the Torbay Leisure Centre.

Other tenanted properties were initially acquired for other purposes. For example, the Authority holds 2 residential houses at Tweenaway Cross, which were acquired by Devon County Council (and transferred to the Authority when it obtained unitary status) in conjunction with the potential road improvement scheme. Whilst the scheme was being progressed these properties were let to a Housing Association.

Other land & properties were let to support regeneration and economic development schemes to support and provide accommodation for small to medium size enterprises.

There are currently 840 leases and licences, which generate income of circa £2.9M per annum. The amount of income per agreement varies greatly with 52 assets generating an annual income in excess of £10,000 each and 76 generating an annual income between £5,000 and £9,999 each. The rest of the agreements are below these figures.

The Authority has granted a number of long term leaseholds in exchange for a capital receipt. For example, in July 2007 a 125-year lease at a peppercorn rent was granted to Apollo Cinemas Ltd for a premium of £1.2M.

A detailed breakdown showing categories of lettings and general management policies is given in section 7 below.

4) STRATEGY AIM

To move from the historic legacy to a more balanced sustainable portfolio to meet the future financial and corporate objective needs of the Authority within 5 years.

5) STRATEGIC OBJECTIVES

To:-

- optimise the financial return, both revenue and capital growth.
- support the wider corporate priorities, in particular social and physical regeneration, economic development and safeguarding strategic influence, control and future development opportunities.

6) MANAGEMENT POLICY

Financial

The portfolio will be managed to:-

- Primarily generate income.
- Charge full market rents, unless a specific policy exists to determine otherwise.
- Carry out timely lease renewals and rent reviews.
- Maximise occupancy through appropriate marketing.
- Minimise rent arrears through timely intervention.
- Subject to finance being available, undertake planned maintenance based on condition surveys in accordance with the Council's obligations under the terms of the lease and to ensure that tenants are aware of their own repairing obligations.

- To endeavour that, if appropriate, all properties have up to date asbestos and water hygiene surveys and to have up-to-date electricity and gas safety and energy performance certificates.
- Where appropriate, improve performance through securing grant assistance, using property as match funding and working in partnership with the private/voluntary sector.
- Measure and improve the performance through the use of appropriate 'performance indicators'.

Socio-economic to support corporate objectives

To

- use the portfolio 'strategically' to safeguard, control and promote the use of land for purposes supporting the corporate objectives through the 'occupational use' of property.
- measure and monitor the 'socio-economic benefits' through a simple and clear ranking system.

7) PROPERTY ASSET CATEGORIES AND GENERAL MANAGEMENT POLICIES

1) Investment Assets

Assets which are held solely to earn rentals or for capital appreciation or both. To review the financial returns and, if considered poor, then, unless needed for a future re-development scheme, the presumption would be to dispose either to the tenant or on the market.

2) Assets Held for Socio-Economic Reasons.

2a) Leases held on a peppercorn rent

Let to occupiers generally with community based relevance i.e. community centres, voluntary sector or allotments, which indirectly support corporate objectives. Leases be retained but be subject to review every 3 years.

Where a peppercorn is payable as a result of the Authority receiving a premium for a long lease, then consideration be given to the reasons why a long lease was granted rather than a freehold disposal.

2b) Leases let on market rent but tenants receive a grant

A number of leases are let to the voluntary sector & community groups at market rent but some tenants receive a grant to help off-set the rent. Presumption to retain ownership to support the voluntary sector / community group but will undertake a review to assess condition, suitability and sufficiency; identify opportunities to lever in external/grant investment; and to assess to what extent each voluntary body contributes to the Council's objectives – if not, is the grant still appropriate (and at what level?) or should the asset be sold?

2c) Commercial leases granted for service delivery

Commercial leases of parts of operational assets such as kiosks/cafes in parks or the leisure centre. Presumption to retain and actively manage to generate revenue to support service delivery but review periodically with the service department.

2d) Leases granted at a peppercorn rent for service delivery under a contract

A number of leases have been granted to organisations who have been commissioned to provide a particular service on behalf of the Authority. For example, land & buildings have been leased to the Torbay Care Trust, Torbay Coast & Countryside Trust and TOR2. The presumption is to retain ownership for the duration of the service contract.

2e) Leases – Public Utilities and Other land and property

Sites leased for electricity sub and gas governor stations which generally produce a low level of income. Other examples include telephone masts situated on multi-storey car parks or land in high locations. To identify opportunities for rationalisation / disposal or additional income generation unless such action may be prejudicial, for instance in terms of potential redevelopment.

2f) Properties let to Registered Social Landlord under business tenancies

A number of properties are let to a RSL whilst they are being held for another purpose e.g. highway scheme. The presumption is to retain whilst needed for the scheme but review periodically with the service department.

2g) Community Asset Transfer Leases

A number of leases have been granted to community groups through the Community Asset Transfer process for land previously declared surplus by the Authority. Presumption to retain ownership for duration of the lease.

2h) Licences

The Authority has granted a number of licences for people to operate on its land. For example, donkey rides on Paignton Green and ice cream concessions at Kilmore Car Park, Galmpton and Daddyhole Plain.

The presumption will be to continue to offer such licences unless they become too intensive in terms of management time and/or the service department considers they no longer want the service to continue.

N.B. Licences have been included in the above list but, since they do not form an interest in land then they can not be sold. If they are considered no longer needed for service delivery then the licence will not be re-advertised on expiry.

8) CONDITION SURVEYS

Surveys of the TNRP are undertaken on a 5-yearly rolling programme for those properties for which the Authority has some repairing liability to identify outstanding repairs which are the responsibility of either the Authority or the tenant or both.

9) DISPOSAL POLICY

Assets that do not meet the performance test and that are identified for disposal may be disposed of in accordance with the Authority's disposal procedure. Consideration will also be given to the sale of properties that are on the performance margin and where the capital receipts generated could be better deployed.

Disposals will also be discussed with the Finance Officer and a programme agreed as appropriate to support the Authority's revenue budget and capital programme needs.

Each disposal to be considered on its merits but consideration may be given to re-invest all, or a proportion of the sale proceeds in the service department.

10) ACQUISITIONS POLICY

Consideration shall be given to the acquisition of appropriate properties to improve the performance of the portfolio (i.e. adjacent to existing ownership or leasehold interest where the Authority owns a freehold reversionary interest and in both cases will benefit from the marriage value, property to support regeneration) and to achieve a more balanced portfolio, in both financial and socio-economic terms.

Funding will be from capital receipts from assets sold out of the TNRP portfolio or prudential borrowing if the annual rents from the property to be acquired exceed the annual financing cost (i.e. occupational lease where the Authority own freehold).

11) OTHER POLICIES

When assessing the socio-economic reasons for holding onto the TRNP the service department will need to consider whether there are any policies within their service area, which may influence / dictate the suitability of retaining the TNRP e.g. Shoreline Management Plan.

12) BENEFITS

The aim of this strategy and following the review action plan is that:-

- Capital receipts are achieved with minimum impact to income.
- Review will be flexible and allows time to be developed to reflect views of stakeholders and accommodate any political/economic changes during the review period.
- Ultimately better assets are retained as investments.
- Reasons for holding assets are identified by specific purposes.
- Socio-economic outputs are fully identified, considered and linked to corporate objectives.

- Key priorities for improved management, use of resources and performance are identified and can be planned.
- Future targets and timescales can be set.

REVIEW ACTION PLAN

Purpose – To carry out a review to demonstrate the value for money in continuing to hold the TNRP portfolio – the Performance Test

Subject to sufficient resources being identified, to undertake the review in three stages as follows:-

STAGE 1 – Identify quick wins

A 'Quick and Dirty' exercise to identify obvious assets for disposal and further review by allocating them to the categories set out in section 7 of the TNRP strategy, and applying the general management policies set out therein.

STAGE 2 – Analyse why properties are held

Identify pure 'investment' and 'socio-economic' properties that also support the wider corporate objectives assets.

Where assets support wider corporate objectives identify and analyse, together with appropriate stakeholders including Executive Leads, Executive Heads, the Corporate Property Officer and Members of CAMT. Evaluate their socio-economic benefits and rank each asset as follows:-

High –critical or major contribution as identified by the Authority e.g. a key regeneration site or property occupied by a community group supported and partly funded by the Authority. If asset disposed of ultimately to support socio-economic benefit, such as to kick start a major regeneration scheme or meet an approved high priority Authority objective, then may consider a disposal at less than the best price, so long as sale price plus value of the benefits at least equals best price that could have been obtained – review periodically but presume retain ownership regardless of financial return.

Medium - important contribution – i.e. located in a key regeneration area or occupied by a community group supported but not funded by the Authority - review periodically the importance of the socio/economic role and financial performance.

Low – minor or insignificant contribution – i.e. located on edge of regeneration area so retention to support scheme not essential e.g. property, which is difficult to let and run down, or property that happens to be occupied by a community group but not one that Authority particularly supports or that has no linkages to corporate objectives - review frequently and consider disposal if financial performance poor.

Measure the performance of all assets on the basis of the 'internal rate of return' (IRR).

The IRR is the discounted rate that generates a zero net present value for a series of cash flows using discounted cash flow processes. It is important that all costs and benefits are included in the assessment and, not least, management costs. In simple terms it is a method of measuring both potential revenue and capital growth over a given period – the ‘time weighted return’. Most authorities adopt a 10 year term.

Also measure performance annually in the future by reference to the following performance indicators:-

- % management costs against gross revenue.
- Assets remaining void for greater than 6 months in a year

Set annual targets based on the previous year’s performance.

Agree a target rate of return with the Chief Finance Officer. Any assets not meeting this target consider for disposal.

Subject those assets identified for disposal to further tests as follows:-

- Does the legal tenure and/or statutory constraints preclude disposal?
- Would a disposal require the repayment of grant monies?
- Is it a strategic property to be held to control and/or facilitate future development opportunities?
- Does the property contribute to corporate objectives through socio-economic benefits?
- Could the property meet identified future operational, or with partners’ co-locational requirements?
- Are there any redevelopment or other income or capital generating opportunities i.e. redevelopment site, special purchaser, marriage value, ransom strip, over sailing rights, release of covenants?
- Could the financial performance be significantly increased through minor investment?
- Are there any other opportunities?

If answer no to all tests – Dispose. Otherwise further analyse the benefits of retention and actively manage. But also ask the question: can the capital achieved from the disposal be more effectively used than owning the asset?

Future disposals programme

Offer pure investment assets for disposal where they do not meet the target IRR agreed when and as necessary with the Chief Finance Officer. Base the target IRR, known as the ‘hurdle rate of return’, on the Authority’s alternative investment options – the opportunity cost.

Assets that have socio-economic benefits offer for disposal if they are ranked as:-

- ‘Low’ and fail to meet the target IRR.
- ‘Medium’ and significantly fail to meet the target IRR.
- ‘High’ and are being disposed of to meet a high priority Authority objective.

As the assessment of socio-economic benefits is a subjective exercise support a proposal to dispose with an option appraisal where appropriate.

STAGE 3

Stand back and look periodically through the process as more data is collected, analysed and recorded, to see whether the desired outcomes and objectives are being achieved.

On completion of stage 3, use the comprehensive data on property categories, financial and other performance, range and scale of contribution of the TNRP to socio-economic benefits, to assess to what extent the aim has or will be achieved.

Has, or will the process ultimately, through identifying assets for disposal, further investment and perhaps purchase, achieve a more balanced and better aligned TNRP portfolio, both in terms of financial and socio-economic strategic objectives? If not then consider further appropriate review and rationalisation.

During the whole review period hold regular discussions with the Chief Finance Officer to advise on the relative benefits and risks associated with the TNRP to achieve the strategic aim and objectives for the TNRP portfolio.

The balance of the portfolio may change over time as it will be determined in particular by the financial position - need for revenue v capital, level of risk the Authority is prepared to take, and to what extent it wishes to use the TNRP to drive non-financial objectives e.g. to kick start regeneration.