

EXECUTIVE

LEADER: Cllr Jeremy Christophers

PORTFOLIO HOLDER: Cllr Timothy Golder

DATE: 4th December 2018

REPORT OF: Tony Watson, Interim Head of Commercial Service and Cllr Timothy Golder, Portfolio Holder for Economy Skills and Tourism

SUBJECT: Asset Management Strategy

PART I

RECOMMENDATIONS

- 1) The Executive is recommended to adopt the Teignbridge District Council
 - i. Asset Management Strategy;
 - ii. Land and Buildings Disposal Policy;
 - iii. Land and Buildings Acquisition Policy.

- 2) The Executive is recommended to consider the draft Town and Parish Council Service Devolution & Asset Transfer Policy for comment prior to consultation with the Teignbridge Association of Local Councils

1.0 PURPOSE

- 1.1 Asset management is about supporting the delivery of strategic goals and objectives through the use of property assets. The Asset Management Strategy captures roles and responsibilities within the authority, what we are seeking to achieve and, how we intend to do it. It is envisaged that the proposed Asset Management Strategy and Overview (Appendix A) be incorporated into the Capital Strategy the Council is required to produce annually under the CIPFA¹ Prudential Code.

- 1.2 The Strategy needs to be supported by the appropriate processes, governance mechanisms and policy frameworks. To this end, associated policies have been drafted for adoption in three key areas: property disposal, acquisition and transfer to town and parish councils.

2.0 BACKGROUND

¹ Chartered Institute of Public Finance & Accountancy

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- 2.1 The Council's Asset Management Plan was last updated in 2012. Rather than merely update an existing plan, a fresh look has been taken at the approach to asset management and the documents required.
- 2.2 The Asset Management Strategy provides a high-level statement of the overall approach to providing property to meet the organisation's needs. It seeks to make clear, in general terms, the strategic aim, asset priorities, how the priorities are met, how we keep track of progress and performance and by whom the work is led. An overview has been captured on one page so that the cohesive message is conveyed in a straight forward and visual manner, as opposed to a lengthy written document.
- 2.3 The property policies are designed to make sure that the property asset strategy is reflected in the decisions of all parts of the organisation. They set down the 'rules of behaviour' for the organisation, as far as property decision-making is concerned to establish:-
- i. What the corporate approach or attitude is to its property assets;
 - ii. What behaviours are expected; and
 - iii. What principles are going to be followed.
 - iv.
- 2.4 It is recommended that the 'Town and Parish Council Service Devolution & Asset Transfer Policy', is shared with the Teign Association of Local Councils for consultation with a view to the document being brought back to the Executive for future adoption.
- 2.5 Thought has been given to the creation of a property asset management action plan. This would provide clear and measurable actions that will be implemented over the short term, as part of delivering the property asset management strategy. This would set out what we need to do to deliver the strategy and the specific activities or actions to be taken. These would generally be categorised into the following groups:
- Policy development
 - Organisational arrangements
 - Property specific activities
- 2.6 Given that these activities are already incorporated and monitored within the Spar risk register, through the capital programme and service plans, a separate asset management action plan is not recommended at this time.

3.0 MAIN IMPLICATIONS

- 3.1 Research by CIPFA Property and the Royal Institution of Chartered Surveyors (RICS) has found that where strategic property asset management has effectively been put in place, it has brought real and tangible benefits for the organisations concerned. These benefits have been captured by CIPFA property and are attached at Appendix B.
- 3.2 The main implications for the new Policy documents are detailed in turn below.

4.0 Land and Buildings Disposal Policy (Appendix C)

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- 4.1 At present, there is no framework or guidelines relating to the disposal of property. The policy document primarily sets out clarity around procedures and the impact of legislation on practices. However, there are some new concepts introduced or/and areas of the policy that should be highlighted.
- 4.2 **Identification of surplus and under-used property** (Paragraph 5). This introduces responsibility for each service, through its annual service business planning, to identify property that is under-used or surplus to their individual service delivery requirements. This property will then be referred to the Economy and Assets Service to consider any other potential uses for the property, including operational use by an alternative service. Where a surplus asset is not deemed as having an alternative potential use, a recommendation to the Capital Review Groups will be made to establish the property as surplus for disposal.
- 4.3 The purpose of introducing this more strategic discipline is to embed a more corporate and efficient use of Council owned assets.
- 4.4 **Direct approaches to acquire property interests from the Council** (Paragraph 7). The Council regularly receives enquiries from third parties wishing to acquire an interest in Council owned property. This can range from people wanting a scaffold licence or to run an event, to asking if they can buy a freehold interest.
- 4.5 This policy introduces an application process for these enquiries with application forms made available on the website. The purpose is to introduce a clear and transparent process for applicants and to help manage expectations. In addition, some application forms will carry a small administration fee and a schedule is set out below:-

Purchase of freehold or lease	£150
Temporary use of council land up to 28 days	£75
Easements over land	£50

- 4.6 All proposed fee charges for 2019-20 are set out in Appendix G of the policy document and are subject to agreement by Full Council (February 2019). It is anticipated that as part of the One Teignbridge programme, online applications and payment will be made available to our customers.
- 4.7 **Member Involvement (Paragraph 8.7)**. The section sets out guidance to members in relation to property negotiations. The purpose is to set clear boundaries to which members can refer.

5.0 LAND AND BUILDINGS ACQUISITION POLICY (APPENDIX D)

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- 5.1 This policy document is to be followed when considering the acquisition by the Council of an interest in property. The purpose is to adopt procedures that are consistent and which ensure maximum benefit from the effective purchase and subsequent management of the Council owned property assets.
- 5.2 The document intends to instil the premise that the acquisition of property is considered a capital project and that as such, the adopted project management framework should be followed. This should ensure a clear appraisal and funding approval process. In addition, the policy seeks to ensure that the relevant property expertise, in the form of the Council's chartered surveyors, are brought in at an early stage to safeguard that, amongst other things, the land and/or buildings are suitable and the right price.

6.0 TOWN AND PARISH COUNCIL SERVICE DEVOLUTION AND ASSET TRANSFER POLICY (APPENDIX E)

- 6.1 The Council recognises that the devolution of assets and associated services to town and parish councils can make a significant contribution to enabling them to be a stronger, more resilient and sustainable local communities. This is not a new concept and the Council has already supported local communities by undertaking such transfers in the past.
- 6.2 The Council has a requirement to be able to balance the aspirations of local communities to take on the guardianship of public property assets and delivery of services, with the duty of care it must have in safeguarding the best interests of Teignbridge residents. The introduction of this policy and application procedure set out within this policy is intended to establish a clear approach and governance to service devolution and asset transfer.
- 6.3 In addition, town and parish councils currently remain unrestricted by central government in the setting of their precepts to fund planned spending. Given the Council's own projected spending pressures, there may come a time when it will be forced to consider reducing existing services provided or disposing of land and buildings connected with current service delivery. Where town and parish councils deem those local services particularly important to their local community, they may wish to apply to take those on themselves. In such cases, an established clear policy and procedure will assist this process.

6.0 GROUPS CONSULTED

- 6.1 Services across the Council have been consulted, and contributed, to the preparation of the Asset Management Strategy and the policy documents. These have included Housing, Open Spaces and Resorts, Leisure, Legal, Planning and Finance.
- 6.2 Consultation with the Teignbridge Association of Local Councils is recommended in respect of:-
- The Town and Parish Council Service Devolution & Asset Transfer Policy

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6.3 The Asset Management Strategy and the supporting policy documents we presented at a Member Briefing held 12 November 2018 and to Overview & Scrutiny 19 November. The documents were received positively.

5.0 TIME-SCALE

5.1 The strategy and policy content can be adopted immediately. However, where new fees and charges are being introduced as from 2019/2020, this will need the approval of Full Council in February 2019. In addition, the introduction on on-line applications and payments will be subject to the One Teignbridge programme.

5.2 The Teignbridge Town and Parish Council Service Devolution and Asset Transfer Policy will be considered for adoption by the Executive at a future date and following consultation with the Teignbridge Association of Local Councils.

6.0 DATE OF IMPLEMENTATION (CONFIRMATION OF DECISION SUBJECT TO CALL-IN)

10.00 a.m. on 11 December 2018

Tony Watson
Interim Head of Commercial Services

Cllr Timothy Golder
Portfolio Holder for Economy Skills and Tourism

BELOW TO BE FILLED IN BY REPORT AUTHOR:

Wards affected	All
Contact for any more information	Donna Best, Estates & Development Officer
Background Papers (For Part I reports only)	N/A
Key Decision	Y
In Forward Plan	Y
In O&S Work Programme	Y
Community Impact Assessment attached:	N
Appendices attached:	A: Asset Management Strategy and Overview B: Cipfa Property: Benefits of strategic asset management C: Draft Land & Buildings Disposal Policy D: Draft Land & Buildings Acquisition Policy E: Draft Town & Parish Council Service Devolution and Asset Transfer Policy