

Executive Committee

1 November 2016

Property Asset Management Plan

Update report

Appendix 2-Not for publication by virtue of Paragraph 3 of Part 1 of Schedule 12a of the Local Government Act 1972, as amended. The public interest in maintaining the exemption outweighs the public interest in disclosing it.

For Decision

Portfolio Holder

Councillor John Russell – Environmental Protection and Assets

Senior Leadership Team Contact:

M Hamilton, Strategic Director

Report Author:

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Statutory Authority

Legal power to dispose of the land – s123 (2) and s 128(1) Local Government Act 1972 and Circular 06/03 Local Government Act 1972 General Disposal Consent (England) 2003.

Purpose of Report

- 1 To review and agree the detailed confidential asset property list (Appendix 2) which comprises the detailed property interests of the Council. The summary of this list is shown as Appendix 1 and this will be attached to the Asset Management Plan.
- 1.2 To review and agree the future asset review work programs that members might wish to consider, to then report back to committee with findings.

Officer Recommendations

- 2
 - a) To agree the list of assets currently held by the Council as shown in confidential Appendix 2 and that this revised summary (Appendix 1) is then appended to the Asset Management Plan 2016-2020.
 - b) To agree the work program for the period until March 2018 with reports being made to the committee seeking instructions on the concluded reviews . The two areas of work are primarily as follows:-

- (i) Potential development sites for either residential or employment use.

(Included within this will be the Appendix 1 asset types of :- Let land, vacant land, car parks, garages and stores)

- (ii) Improving Commercial Returns to the council

(Included within this will be the Appendix1 asset types of :- Catering & retail, commercial, residential, plus leased in or managed properties, and vacant land or buildings.)

- c) To agree that officers will seek to achieve a target to commit to deliver 35-50 new homes, and that there will be a target to achieve a 5-10% increase to property income over the period.

Reason for Decision

- 3 To progress the delivery of the overall objectives of the Asset Management Plan, and agree the more detailed property reviews that need to follow this initial work.

Background

- 4 The Asset Management Plan was presented to the Executive Committee in August 2016 and at that time, while the council had a list of assets, this was not in one system, or matched to the finance system. No cross check with legal ownerships or our mapping systems had been done and it was not possible to confirm this was accurate.
 - 4.1 A project team has been formed to deal primarily with the data and financial coding as this is core to the reconciliation. The team started working to produce a composite list of assets, and to ensure that these are listed in the Technology Forge (TF) software system. This system does not directly link with the purchase ordering and financial budget systems. This means the income and costs for each asset cannot be individually identified, and part of the asset list production has been to try to address this issue and partially overcome the direct link problem.
 - 4.2 In order therefore to match expenditure and income to the data in the TF system a unique common single property code needs to be added to both systems, which will then allow a matching of data when reports are done.
 - 4.3 In addition to ensure data consistency the addresses in the financial system are being renamed to match TF. There then needs to be a cross check on the mapping Geographic Information System (GIS) again using a unique set of numbering. Finally, when this has been completed, to ensure the council ownership of the assets is protected, the registered title of the assets, and the Land Registry number, has to be entered onto the TF system. Not all assets are currently registered.

Asset List

- 5 There are a total of 790 assets within the asset list including 411 land drainage infrastructure assets, and these are broken into a series of asset groups and asset types. There are also several hundred “Plant & Equipment” assets but these are not included here.
- 5.1 The assets are divided into Asset Groups which are the highest level asset categories and, as identified in the Asset Management Plan (AMP), are merely described as Operational, Non-Operational and Income Generating Assets.
- 5.2 Within these Asset Groups are Asset Types which are numbers of similar assets with generally descriptive terms relating to their specific use such as car parks, public conveniences, leisure and tourism, land, etc and the numbers of each of these Asset Types are shown in Appendix 1
- 5.3 For drainage schemes the coding and breakdown currently utilised by the Engineering Infrastructure team for their inspections has been adopted, rather than addresses. These generally relate to map references but for convenience the confidential appendix shows approximate locations.
- 5.4 There are limitations to the asset data list and asset register that we currently hold. At present the occupational details with most statutory undertakers are not listed on the asset register and many are not known. The related easements and wayleaves are not indicated, and most rights of way are not shown currently. Covenants on sold assets are not listed, and with not all sites having registered legal title managing site encroachments is difficult. Highway sub-soil areas for sites where we have frontages (and which if registered would revert to the council if the road was closed) are not registered.
- 5.5 To complete the asset listings including checking all site boundaries would involve significant additional funding and resources plus a detailed legal review of all our current and sold assets, and a lot of site visits.
- 5.6 Due to all the foregoing it should be noted that while the composite list is now completed, work is still ongoing with the allocation of financial codes and other checks. Some of these will take many years to complete depending on resources, but for now we do have a good asset list base to start work from.

Proposed Review Process

- 6 The AMP identifies a flow chart of actions summarised as a Strategic Property Plan on a page when considering assets. The Strategic Property aims were set out broadly in the AMP and these are to ensure that the council’s land and property assets are efficiently managed and maintained in a consistent and strategic manner that supports corporate priorities and service delivery.

6.1 Broadly each review should consider

- Reviewing what our assets are and how they perform
- Challenging whether we need to keep all of our assets, and those we do are of an appropriate quality
- Disposing of assets we no longer need and acquiring new assets where necessary
- Acquiring new assets if we need them that inspire and excite
- Maintaining and investing in the assets that we keep. Therefore enhancing the locality as a place to live, work and play
- Making the assets more efficient to run
- Making the most of our assets

6.2 As part of a wider strategic objective of the council Members could choose to review assets in a number of ways, but the most appropriate approach would seem to be to consider these by asset types (Appendix 1) .

6.3 Further while assisting in achieving an overarching strategic goal a review by asset type has the advantage of allowing one sector of the portfolio at a time to be considered in its entirety. This will give members the opportunity to be able to consider the merits of individual assets against others, each against agreed criteria, the financial return of these and the collective assets, the local need, alternative use opportunities, condition of each asset, future liabilities, and/or service requirements, etc.

6.4 Members are being asked to agree the work program for the period until March 2018. Detailed reports will be made back to members in various committees as these reviews progress seeking guidance and agreement to the review findings.

6.5 It is not possible to undertake work to the whole of the portfolio and complete this immediately and even reviewing a proportion is beyond the current resource capabilities if to be completed in the time frame proposed.

6.6 However in undertaking consideration of the areas indicated over 50% of the asset list will be reviewed, and these are for asset types where there is likely to be the highest initial gains to the council. The two areas of work are primarily as follows:-

- (i) Potential development sites for either residential or employment use.

(Included within this will be the asset types of :- Let land, vacant land, car parks, garages and stores)

- (ii) Improving Commercial Returns to the council

(Included within this will be the asset types of :- Catering & retail, commercial, residential, plus leased in or managed properties, and vacant land or buildings.)

Review findings

- 7 In order to present data in a comparative fashion, the use of some grid and numerical assessment needs to be made. The alternative would be a large number of descriptive detail but that format cannot easily be analysed whereas numerical data can.
- 7.1 Where subjective issues are appropriate then members will be given details and could then decide if they agree those assessments. A review group of members might comprise a full committee or could be delegated to a working group prior to reversion to Executive if this was considered appropriate. At present it is assumed that a report might be made to Overview and Scrutiny committee with a recommendation then to Executive committee.

Implications

Corporate Plan

Contribute to a stronger local economy, Improve quality of life.

Financial

Potential to increase revenue, decrease expenditure, and to create capital receipts.

Currently no funding to undertake external or exploratory investigations into assets, to submit any planning applications, etc.

Human Resources

Limited staff resources at present and inability to recruit could hamper ability to deliver asset reviews in an appropriate timescale.

Appendices

Appendix 1 - Summary list of Asset Types

Appendix 2 - CONFIDENTIAL list of WDDC assets, occupiers, & rents

Background Papers

WDDC Asset Management Plan 2016-2020

Footnote

Issues relating to financial, environmental, economic and equalities implications have been considered and any information relevant to the decision is included within the report.

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