



Property Strategy and Asset Management Plan

Progress Report Sept 2022

Introduction

This report gives a summary of progress against the [Property Strategy and Asset Management Plan](#) (PSAMP) adopted by Dorset Council in November 2020.

Changes in Assets & Regeneration since November 2020

It should be noted that since adoption of the PSAMP in the autumn of 2020, the Assets & Regeneration department have undergone a significant restructure, resulting in a smaller service. There has also been a number of changes at the corporate level. The Corporate Director who led the 2021 restructure left the Council soon after implementing said restructure, a further interim was then appointed.

In January 2022, a new Corporate Director for Assets & Regeneration started in post and the Growth and Economic Regeneration service was transferred into Assets & Regeneration. In the spring of 2022, 31ten were commissioned to undertake an independent review of Assets & Regeneration, with the aim of producing an opportunity assessment. From this there is an emerging understanding of the strengths and development areas required across the service.

These changes have occurred against the backdrop of a number of external economic factors (including Brexit, the Covid19 pandemic, the crisis in Ukraine, and the Cost-of-Living Crisis (Inflation) along with Dorset Council's own financial position.

Assets & Regeneration

Assets & Regeneration has a key role in supporting Dorset Council achieve its strategic priorities and deliver on the Leader's key commitments to make a positive impact on Dorset - the place and the people. This includes commitments:

- To underpin a financially and environmentally sustainable council
- To become a high performing team and culture with an underpinning operating model

As well as developing a model:

- With an effective corporate landlord model/a successful capital programme

A key priority is to refresh the strategic asset management plan, setting out how the Council will manage its asset portfolio to deliver the council's priorities and ambitions as laid out in the Council Delivery Plan 22-24.

New Strategic Asset Management Plan

It has been recognised that the current PSAMP does not have clear links to the priorities that are contained within the Council Plan, does not include factors such as climate change (as contained in the Climate and Ecological strategy and action plan) and some of the actions in the management plan have unrealistic timescales. With this in mind, work has commenced on the development of a new Strategic Asset Management Plan (SAMP) for Dorset Council. An organisation wide strategy, which sets out how the Council will manage its asset portfolios to deliver the Council's priorities and ambitions laid out in the Council Plan.

In June 2022 South West Audit Partnership (SWAP) were tasked with undertaking an audit of the PSAMP and plans for a new SAMP. They reported in September 2022 and noted ***“The current Property Strategy and Asset Management Plan (PSAMP) does not support services to achieve the Council’s ambitions within the Dorset Council’s Plan 2020/24.”***

A plan is in place to deliver a revised SAMP by May 2023, with extensive engagement planned with senior managers and leaders to ensure the new SAMP is recognised as a whole authority owned strategy, thereby enabling the implementation to be effective. In relation to the work to develop a new SAMP, SWAP noted ***“There are satisfactory building blocks in place for the development of the new SAMP to ensure that it supports services to achieve the ambitions within the Dorset Council’s Plan. However, there is a significant amount of work that needs to be completed if the target deadline for the new SAMP is to be successfully met.”***

Engagement with senior managements and leaders is planned for the autumn of 2022 and early 2023, with the SAMP going through governance in spring 2023.

Assets & Regeneration and Corporate Landlord

The concept of Corporate Landlord is that the ownership of an asset, budgets surrounding it and responsibility for its management and maintenance sits with Assets and Regeneration (a centralised service) and not with the service. The service departments therefore become corporate tenants and make use of the land or property in delivering a service. There are specific duties that fall on both the landlord and tenant, depending on the nature of the service.

The service department's priority is to plan and deliver their council service. The Assets and Regeneration function is to ensure those council services are adequately accommodated and to maintain and manage the property asset. The Assets and Regeneration responsibility also extends to the acquisition, development and disposal of land and property. This means that Assets and Regeneration is responsible for asset review, feasibility and options appraisal across all service departments.

Ongoing adoption of the Corporate Landlord will require some organisational change. Currently, Assets and Regeneration has responsibility for performing a number of property related tasks such as commercial leasehold negotiations and management, acquisitions, disposals, valuation advice, facilities management and the maintenance and specialist construction functions.

However, a number of service departments are still involved in property related matter meaning that property functions are undertaken by different teams across the Council. The fact that people who are not property experts are dealing with property related matters means that there is an opportunity to introduce specialist expertise which will add value to the service area and the Council. There is duplication of tasks and resources as functions are being performed both in Assets and Regeneration and in service departments; and also results in increased risk to the Council, as responsibility for compliance, health and safety is not clearly understood.

There is a risk of a lack of clarity over roles and responsibilities, key priorities (saving and income generation to the service rather than the Council) which can lead to inefficiencies and missed opportunities.

The fact that property functions are not fully centralised means that there is a lack of consistent decision making, financial prudence or clear governance. It also means that there is insufficient visibility in this area making it impossible to derive maximum value from the property assets and regeneration function.

This can be addressed by a clear Strategic Asset Management Plan summary containing the guiding principles relating to land, commercial and operation/community property assets and the adoption of Corporate Landlord.

Property Strategy and Asset Management Plan 2020-24 - Key Progress and Next Steps

Whilst the development of the new SAMP is ongoing, Assets & Regeneration will continue to deliver against the actions set out in the PSAMP 2020-2024. A progress update and next steps are included in the tables below:

Operational Asset Reviews			
Action - 1	Detail	Status	Progress to date
Review of 223 Operational Assets (Assets less commercial assets, schools, car parks, recreational sites, harbours, leisure centres, land, housing, garages, surplus assets,	1a The Council is seeking to review its operational assets to ensure the right mix and type and where possible consolidate operational assets over the next 3-5 years Targets to be agreed as part of and following service consultations	On Track	Asset review process and timeline in place, target end 2023 to complete. Assets reviews commenced in relation to a number of operational asset categories - Libraries, Children’s Centres/Family Hubs, Day Centres and Depots underway. Extensive engagement with services with regards future need. Additionally, plans in place to undertake a programme of rapid asset reviews to ascertain best use for council of specific assets. List of assets for rapid review being collated based on set of criteria.

access rights, markets and offices leased to third parties, traveller sites, shared offices on third party sites at no charge)			Analysis undertaken in August 2022 to identify 'most expensive' operational assets in terms of premises costs, and operational assets using the most energy.
	1b. Develop the detailed process for capturing, analysing and planning for future use of surplus property-in order to ensure property is back in use, developed or disposed of as quickly as possible, reducing holding time/ costs	Ongoing	Property request and decision-making process being developed (see appendix 1). Including development of standardised options appraisal and business case models (see action 5b) Options appraisal and disposal processes actively under review and updated process and governance to be included within new SAMP
	1c. Appraise opportunities for reuse, disposal or development and prepare implementation timetable-aligned to consultation in case asset declared surplus	Ongoing	As 1a and 1b
	1d Once all operational assets reviewed then repeat every 3 years	On track	Asset review process and timeline in place
Next Steps			
<ul style="list-style-type: none"> • Continue with Operational Asset Review programme. • Complete rapid asset reviews. • Complete options appraisal and business case models. • Complete and publish property request and decision-making process. 			

Service Property Strategies			
Action - 2	Detail	Status	Progress to date
Development of service property strategies	2. Service property requirement strategies for years 2-5 by Sept 2021	Ongoing	Ongoing engagement with services. Requires services to share forward operational plans, operating models and property requirements with A&P. A&P representative on project delivery teams for – Library Strategy, Children’s Centres/Family Hubs, Day Centres, Depots.

Next Steps	
<ul style="list-style-type: none"> Continue to engage with services and encourage sharing of forward operational plans, operating models and property requirements with A&P. 	

Agile Working			
Action - 3	Detail	Status	Progress to date
Agile Working	3 Agile working is implemented to support the reduction in office space 2021/22 to reflect new desk ratios following service consultations. Ref Dorset Workspace actions	Completed Sept 21	<p>Desk ratios implemented.</p> <p>Office reorganisation and relocations enabled vacation of Princes House, South Walks House, Allenview House, Cedar House, Lynch Lane Offices.</p> <p>New Council Delivery Plan 2022-24 identifies Assets & Regeneration as the lead for hybrid way of working, reducing office space and increasing value for money. Further occupancy / utilisation studies will be undertaken to inform further changes to office use.</p>
Next Steps			
<ul style="list-style-type: none"> Utilisation study to inform future office use strategy. 			

Corporate Landlord			
Action - 4	Detail	Status	Progress to date
Corporate Landlord	4a. Fully implement and embed the Corporate Landlord model within the Council's property function	Ongoing	<p>Work ongoing</p> <p>Discussions at Asset Strategy Board</p>
	4b. Ensure the development of a robust asset management plan of investment	Ongoing	Income & Investment strategy will form part of new SAMP
	4c. Specify, procure and implement an upgrade/ replacement for the Technology Forge/BIM system with assessment by Sept 2021 and implementation by March 2022	Ongoing	<p>Project has been relaunched with a new project team to refresh and refocus the project.</p> <p>Full procurement of new property information management system to meet current and future requirements.</p>
Next Steps			
<ul style="list-style-type: none"> Discussion at ASB Scope requirements for new property information management system 			

Governance			
Action - 5	Detail	Status	Progress to date
Governance	5a. Complete a review of governance relating to property, assets	Ongoing	Member led Asset Strategy Board created, sitting above CSAMG (non-decision-making group reporting into cabinet). (See appendix 2)
	5b. Complete a review of the decision-making process relating to project delivery, including procurement, scheme of delegation and approvals. Amend the constitution if required	Ongoing	Draft property request and decision-making progress in place (see appendix 1). Options appraisal and business case models in development with input from colleagues in Finance, Economic Regeneration, Climate & Ecology
Next Steps			
<ul style="list-style-type: none"> • Recommendation to create Property Strategy Group sitting below Property, People and Schools Asset Management Group. • Complete options appraisal and business case models. • Continue to develop property request and decision-making process. 			

Resourcing			
Action – 6	Detail	Status	Progress to date
Resourcing	6. Ensure the projects and delivery plan are fully and appropriately resourced including the implementation of any new management structure required to support the corporate landlord model. Plan for implementation to be ready end June 2021	Complete	Restructure completed in May 2021 (but has reduced capacity and ability to deliver); new operating model not implemented post restructure. New Corporate Director instigated review of A&P undertaken by 31ten.
Next Steps			
<ul style="list-style-type: none"> • Implement recommendations from 31ten A&P review 			

Project Delivery			
Action – 7	Detail	Status	Progress to date

Project Delivery	7a. Current surplus freehold and leasehold assets that have been identified for disposal or termination to be completed between March-June 2021	Ongoing	Partially achieved. Vacation of Princes House, South Walks House, Allenview House, Cedar House, Lynch Lane Offices.
	7b. Initial list of property projects to be established no later than June 2021	Complete	Full list of property projects in place.
	7c. Delivery of the future pipeline of work, including disposals must be resourced to create a future capital and revenue income stream. Develop resource model as part of capital programme development	Ongoing	Full list of property projects in place. Priority Assessment model, prioritising projects against weighted criteria (including council priorities) in place.
Next Steps			
<ul style="list-style-type: none"> • Reviews underway in relation to current surplus properties. • ASB input into Priority Assessment 			

Review of Commercial Portfolio			
Action –8	Detail	Status	Progress to date
Review of Commercial Portfolio (355 assets)	8a. An initial review of the commercial asset categories and the assets within them should be undertaken to identify whether they are generating adequate returns, could be repurposed to provide greater value and determine whether they fulfil the Councils economic aims	Ongoing	Asset review process and timeline in place, target end 2023 to complete. Additionally, plans in place to undertake a programme of rapid asset reviews to ascertain best use for council of specific assets. List of assets for rapid review being collated based on set of criteria.
	8c. Priorities assets based on high cost/low performance, strategic, potential opportunity value, lease status. <i>(note – no action 8b included in PSAMP)</i>	Ongoing	As 8a

	8d. Develop an implementation plan for approval and delivery of resulting priority projects	Ongoing	As 8a
	8e. Complete analysis of the next tranche of asset analysis as per the process and priorities	Ongoing	As 8a
Next Steps			
<ul style="list-style-type: none"> • Continue with Non-Operational Asset Review programme. • Complete rapid asset reviews. • Complete options appraisal and business case models. • Complete and publish property request and decision-making process. 			

Review of Other Assets			
Action – 9	Detail	Status	Progress to date
Review of all other 520 Assets (excluding schools/recreational areas include land, garages, housing, allotments, car parks, toilets etc)	9a. All other assets should be reviewed to identify whether they are operating efficiently, effectively, are core Council assets, have alternative or complimentary purposes that add value, have a future requirement	Ongoing	As 8a (all non-operational assets considered together)
	9c. Priorities assets based on high cost/low performance, strategic, potential opportunity value, lease status. <i>(note – no action 9b included in PSAMP)</i>	Ongoing	As 8a
	9d. Develop an implementation plan for approval and delivery of resulting priority projects	Ongoing	As 8a
	9e. Complete analysis of the next tranche of asset analysis as per the process and priorities	Ongoing	As 8a
Next Steps			
<ul style="list-style-type: none"> • As action 8 			

One Public Estate			
Action - 10	Detail	Status	Progress to date
One Public Estate	10a. Re-establish the working group of public sector bodies to review 'one public estate' opportunities	Ongoing	Realignment of internal officer responsibility under review and One Public Estate Board meeting established before end of December 2022
	10b. Develop a list of potential opportunities and co-working opportunities involving the Dorset Property portfolio	Ongoing	Opportunities identified through asset review process
	10c. Implement a series of initiatives that deliver efficiencies and improvements from co-location in accordance with the 'one public estate' principles	Ongoing	Dependant on opportunities identified through asset reviews
Next Steps			
<ul style="list-style-type: none"> Realignment of internal officer responsibility under review and One Public Estate Board meeting established before end of December 2022 			

Joint Ventures			
Action - 11	Detail	Status	Progress to date
Joint Ventures	11. Establish a legal and financial model for possible Joint Venture working/arrangements	Ongoing	Options analysis work being commenced and expected to generate draft options by May 2023
Next Steps			
<ul style="list-style-type: none"> Complete review of all major capital projects and align resourcing requirement by end of January 2023 Complete review of Service alignment with Corporate Landlord Model to generate overall corporate assessment and better utilisation of property resources and expertise to drive right outcomes for right place right time solutions by end of January 2023 			

Appendix 1

Assets & Property Decision Making Process **DRAFT**

Definitions

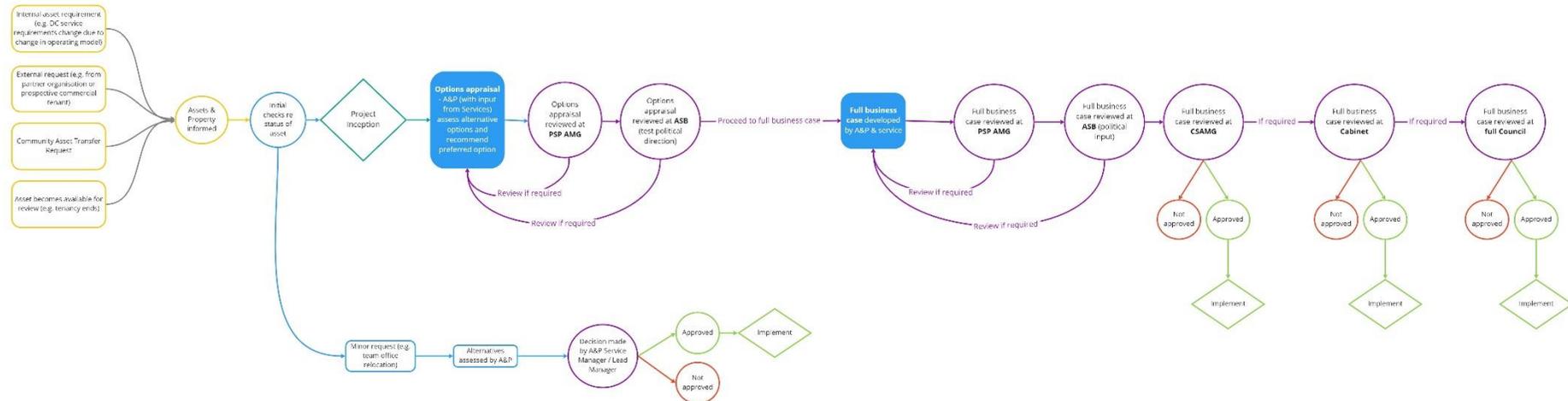
PSP AMG = Property, Schools & People Asset Management Group | CSAMG = Capital Strategy Asset Management Group | ASB = Asset Strategy Board

Options Appraisal

All options are inputted into the Options Appraisal Model, which includes a financial assessment, as well as assessment against the 10 Dorset Council corporate commitments, including the Climate and Ecological Strategy and Action Plan. The model allows detailed comparison of a number of alternative options for an asset, enabling the identification of a preferred option to go forward to full business case stage.

Full Business Case

Once a preferred option is identified, a full business case is produced. The business case template is based on the Five Case Model. It includes financial, climate and economic development workbooks.



Appendix 2

Assets & Property Governance

