



Property Strategy and Asset Management Plan

Progress Report Sept 2023

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 and 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. Following an independent review of Assets & Regeneration, and the production of an opportunity assessment, a realignment of senior managers has now taken place. Future further realignment of teams within Assets & Regeneration is underway and completion is expected within the next 9-12 months. This realignment of senior managers and teams within the department refocuses resource and effort in a more efficient manner to enable more effective delivery of programmes of work and specific projects.

The realignment work is closely aligned with work undertaken by professional consultants Public Intelligence to who have undertaken a number of deep dives and specific focus on areas of work and best practice nationally to aid the direction of the Council in being able to optimise and drive best value from the organisations governance and decision making and allocation of capital funding to deliver the right outcomes for Dorset Council.

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
- With an effective property services 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 latest refreshed Council Plan 2022-2024 and as such 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. This will be 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.”***

Over the past 12 months work has progressed on the development of a new operating model and Strategic Asset Management Plan (SAMP) for Dorset Council.

The organisation has worked with property consultants Public Intelligence to develop improved strategic thinking, governance, due diligence and capacity within Assets and Regeneration and the wider corporate body.

As a result of this work, plans to develop a new SAMP were revisited and rescoped. The development of a new SAMP has been aligned with plans for the implementation of an effective property services model, with Libraries being the first group of assets to transfer to this new model by April 2024. The effective property services model builds on the corporate landlord approach referenced in the November 2020 PSAMG (see appendix 2 for a summary of the Corporate Landlord model from the 2022 report to Place & Resources Scrutiny Committee).

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, access rights, markets and offices leased to third parties, traveller sites, shared offices on third party sites at no charge)	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	<p>Assets reviews have continued to progress in relation to a number of operational asset categories - Libraries, Children's Centres/Family Hubs, Day Centres and Depots underway. Extensive engagement is ongoing with services with regards future need. These reviews are aligned with service strategies/plans and as such timelines are dependent on this.</p> <p>A first tranche of 'rapid asset reviews' has been undertaken. Property consultants Montagu Evans were commissioned to review opportunities and provide recommendations on best value use for the council of 38 assets.</p> <p>A second tranche of rapid asset reviews is underway.</p>
	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	Complete	<p>A corporate approval process for decisions regarding future use of surplus / vacant properties is in place (see appendix 3). All surplus/vacant assets undergo options appraisal to identify preferred option for development of a business case.</p> <p>An options appraisal tool has been developed to assess options related to future use against financial criteria and the council's priorities.</p> <p>Treasury five case business case template in place.</p>
	1c. Appraise opportunities for reuse, disposal or development and prepare implementation timetable-aligned to consultation in case asset declared surplus	Complete	<p>As 1a and 1b</p> <p>Process in place and continuing as BAU</p>
	1d Once all operational assets reviewed then repeat every 3 years	On track	Asset review process and timeline in place
Next Steps			

- Continue with Operational Asset Review programme.
- Rapid Asset Reviews tranche 2

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	<p>Ongoing engagement with services.</p> <p>Requires services to share forward operational plans, operating models and property requirements with A&R.</p> <p>A&R representative on project delivery teams for – Library Strategy, Children’s Centres/Family Hubs, Day Centres, Depots.</p> <p>Next phase of A&R realignment will include recruitment of Asset Strategy Business Partners within the Asset Strategy team. Each Business Partner will have responsibility for understanding property requirements related to a specific directorate. Thereby driving forward work to understand property requirement strategies.</p>
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&R. • Asset Strategy Business Partners recruited 			

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>Dorset Workplace phase 2 has been launched, with 3 workstreams. A&R have responsibility for leading the office utilisation and reconfiguration workstream.</p> <p>Utilisation study undertaken to understand use of workspaces within County Hall and use of County Hall car park.</p> <p>Employee survey undertaken to understand current and future workplace needs of employees.</p>

Next Steps	
<ul style="list-style-type: none"> • Development of workspace plans – including example layouts • Development of workplace operating model 	

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	Public Intelligence commissioned to develop route map for implementation of corporate landlord model with Library services as a pathfinder. Route map used to create implementation plan for delivery of model for Library Services by 1 April 2024. Implementation board and workstreams established.
	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	Launch of TF Cloud (cloud-based property database) by targeted by October 2023. This will enable convergence of all predecessor council property data in one location, and will significantly aid the process of data cleansing. Scoping work for future data management requirements underway.
Next Steps			
<ul style="list-style-type: none"> • Progress implementation of effective property services model with Libraries • Scope future data management requirements 			

Governance			
Action - 5	Detail	Status	Progress to date
Governance	5a. Complete a review of governance relating to property, assets	Complete	Public Intelligence commissioned to undertake review of governance related to property and assets.

			This review supported the new corporate approval process for decisions regarding future use of surplus / vacant properties (see appendix 3).
	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	Complete	A corporate approval process for decisions regarding future use of surplus / vacant properties is in place (see appendix 3). All surplus/vacant assets undergo options appraisal to identify preferred option for development of a business case.
Next Steps			
<ul style="list-style-type: none"> Continue as BAU 			

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	<p>Review of Assets & Regeneration undertaken in spring 2022, produced opportunity assessment. This led to a realignment of senior managers and services within Assets & Regeneration.</p> <p>Realignment of senior managers and teams within the department refocuses resource and effort in a more efficient manner to enable more effective delivery of programmes of work and specific projects.</p>
Next Steps			
<ul style="list-style-type: none"> Complete realignment of teams under new service manager structure 			

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.

	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.
Next Steps			
<ul style="list-style-type: none"> XXXX 			

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	On track	<p>Asset review process and timeline in place.</p> <p>Next phase of A&R realignment will include recruitment of Asset Strategy Business Partners within the Asset Strategy team, who will drive forward asset reviews within their portfolios.</p> <p>A first tranche of ‘rapid asset reviews’ has been undertaken. Property consultants Montagu Evans were commissioned to review opportunities and provide recommendations on best value use for the council of 38 assets.</p> <p>A second tranche of rapid asset reviews is underway.</p>
	8c. Priorities assets based on high cost/low performance, strategic, potential opportunity value, lease status. <i>(note – no action 8b included in PSAMP)</i>	On track	As 8a

	8d. Develop an implementation plan for approval and delivery of resulting priority projects	On track	As 8a
	8e. Complete analysis of the next tranche of asset analysis as per the process and priorities	On track	As 8a
Next Steps			
<ul style="list-style-type: none"> • Continue with Non-Operational Asset Review programme. • Rapid asset reviews – tranche 2 • Recruitment of Asset Strategy Business Partners 			

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	On track	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>	On track	As 8a
	9d. Develop an implementation plan for approval and delivery of resulting priority projects	On track	As 8a
	9e. Complete analysis of the next tranche of asset analysis as per the process and priorities	On track	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	Complete	Board re-established and meeting regularly.
	10b. Develop a list of potential opportunities and co-working opportunities involving the Dorset Property portfolio	On track	Opportunities continuing to be 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	On track	Dependant on opportunities identified through asset reviews. Opportunities being also being identified through joint working with services (e.g. Family Hubs, Library Strategy etc.). OPE Board agreed to focus on specific locations
Next Steps			
<ul style="list-style-type: none"> Continued work with OPE board to identify and progress co-location opportunities 			

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 to follow development of new Strategic Asset Management Plan. Potential joint venture opportunities considered on a scheme by scheme basis.
Next Steps			
<ul style="list-style-type: none"> Implement new Strategic Asset Management Plan Consider appropriateness of joint ventures on Weymouth Regeneration and on Area based strategies 			

Appendix 2 – Corporate Landlord description (from Property Strategy & Asset Management Plan Progress Report 2022)

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.

Appendix 3 – corporate asset decision process

Corporate Asset Decision Making Process

Definitions

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

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.

