



Corporate  
Asset Management Plan

---

2015 to 2019

**2015/16 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.

.....  
Mayor & Leader of Torbay Council  
Gordon Oliver

.....  
Torbay Council Executive Director  
Steve Parrock

## **CONTENTS**

- 1.0 Plan Context
- 2.0 Asset Management Practice Objectives and Principles
- 3.0 Organisation
- 4.0 Consultation
- 5.0 Performance Monitoring
- 6.0 Challenges and Opportunities

### Appendices

- AM-A SAMP Template
- AM-B Key Asset Management Performance Indicator Analysis
- AM-C Torbay Online Asset Database Extracts
- AM-D Property Strategy Action Plan (PSAP)
- AM-E Tenanted Non-Residential Property Portfolio Strategy and Review Action Plan
- AM-F Community Asset Transfer Policy

## **EXECUTIVE SUMMARY**

This Plan defines Torbay Council's Corporate Asset Management Strategy for the four year period commencing April 2015 to 2019 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). The Executive Head of Business Services will act as the lead Client Officer and will serve as the point of contact for the TDA to request/receive instructions on property/asset matters.

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 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 2018
- Integrate the objectives of the Local Plan, Council approved Masterplans 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 ambitions are for:

### **“A Prosperous Torbay” and “A Healthy Torbay”**

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

Torbay Council's Corporate Plan 2015-2019  
Torbay Economic Strategy 2013-2018  
Torbay Local Plan  
Torbay Heritage Strategy  
Torbay's Housing Strategy 2015-2019  
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. 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 to deliver the current Corporate Plan. The following principles from the Corporate Plan guide this:

- Use reducing resources to best effect
- Reduce demand through prevention and innovation
- Integrated and joined up approach

The management of transport infrastructure assets is not held within this plan. In 2016-17, 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
- Be guided by the Port Masterplan as it 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:**

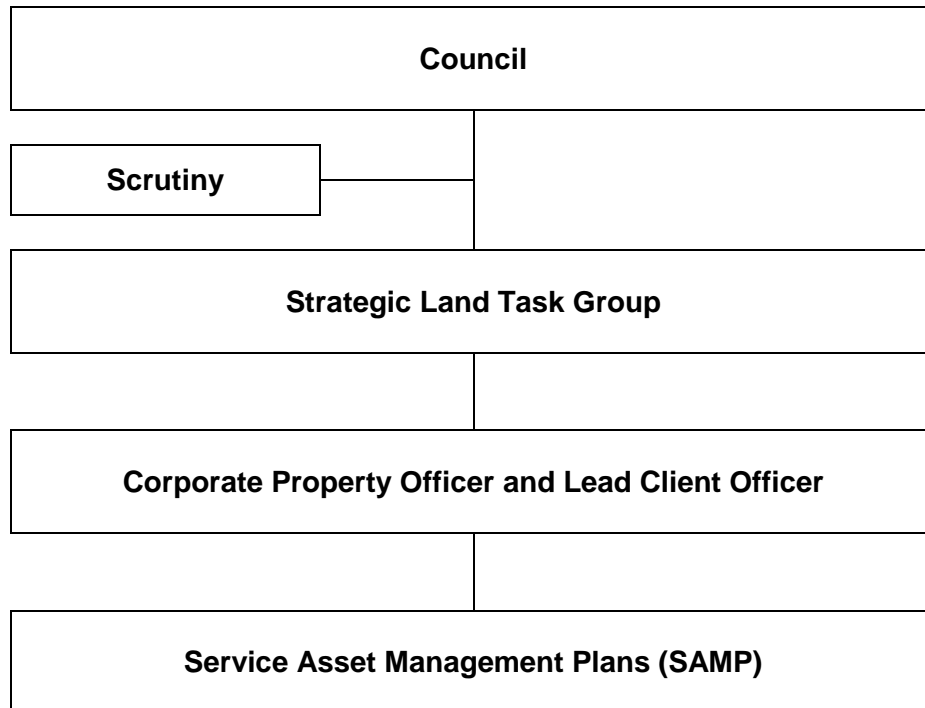
- Due to the financial challenges facing the Authority and the possible future reductions in Revenue Support Grants (RSG), unless there is specific approval at Full Council to the contrary, the Council will:
  - Always seek to maximise the full market receipt for their assets whether by way of freehold disposal or leasehold interest
  - Seek to maximise revenue streams either through development or retention of the asset base
  - Ensure that receipts obtained from disposals will be used to deliver the Capital Strategy which will have an emphasis on investing in revenue generating opportunities
  - Not restrict or reduce the current or future value of its assets through the use of contractual restrictions, covenants, peppercorn rents
  - Ensure any grant from the Council to assist with a tenant's rent will be reviewed annually
- Undertake a strategic review of all assets to identify performance and yield and challenge the manner of use of all assets for the potential to generate additional revenue. Where assets are underperforming we shall seek future investment creating alternative uses or look to dispose of assets and reinvest capital receipts in the capital programme or other investment opportunities.
- Monitor the market for investment opportunities, principally in Torbay but not exclusively and look to acquire new assets where the yield offers a better return on investment
- Ensure the Council's disposal list is effectively implemented
- Continue to 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-A.

#### **Corporate Property Officer (CPO) and Lead Client Officer**

The TEDC is commissioned by the Council to provide asset management services and to manage the Council's overall asset management process. Within the TEDC, the Head of Asset Management and Housing is responsible for advising the Strategic Land Task Group and is supported by professionally trained property officers within the Company's Asset Management Team. The Lead Client Officer will provide formal recommendations to Council in relation to asset decisions and will issue instructions to the TEDC as required, within the Scheme of Delegation.



### **Strategic Land Task Group**

This group was established 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 within the approved budget set by Council. 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 key strategy policy framework document that sets out the principles to be used as guidance in the allocation of capital investment across all the Council's services and informs decisions on capital spending priorities within the Council's 4-year Capital Investment Plan.

The Capital Strategy should be referred to for further detail.

## **4.0 CONSULTATION**

### **Consultation with the Community**

The Corporate Asset Management Plan is set specifically in the context of the 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 via an approved email circulation group.

The CPO consults when appropriate with major Stakeholders on asset issues, potential disposals and specific project delivery. This includes consultation with the relevant Community Partnership and Ward Councillors. 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.

## **5.0 PERFORMANCE MONITORING**

### **Corporate Asset Management Monitoring**

The overall progress and performance of the Corporate Asset Management Plan aims and objectives are reviewed by Council annually.

## **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 2014 to 2015 with comparison to previous years and comments on trends and specific issues is included attached at Appendix AM-B.

## **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, 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 strategic 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.

The prime emphasis going forward will be to focus on an Employment and 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.

### *Actions to date*

- Work continues to develop key projects and identify appropriate public sector funding opportunities to implement the Economic Strategy and its delivery programme. In particular the focus is to produce suitable development schemes e.g. additional workspace for new and growing businesses, the identification of other sites appropriate for business growth such as Torquay Gateway, Oxen Cove and 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 has come to an end delivering 145 homes including many that meet level 4 & 5 of the Code for Sustainable Homes. The development has been recognised locally and national winning the best large housing development Michelmores SW Property Awards and at the National Housing Awards
- 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 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
- The Strategic Land Task group continues to look 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 and the adoption of the Affordable Housing and Planning Contributions Supplementary Planning Document
- The Employment land review has now concluded providing useful data that has informed the Local Plan process

### *Where we need to be*

- Ensuring that the Council uses its assets and powers to effectively promote and facilitate employment growth, inward investment and regeneration
- Working together including with the private sector to deliver the Regeneration programme which will include Council assets
- Ensuring all investment in the Bay supports the Council's economic growth objectives and has widespread 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
- 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*

<b>Action</b>	<b>Target Date</b>	<b>Responsibility</b>	<b>Current Status</b>
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 Regeneration 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	Opened December 2015
Continue to use Council assets to facilitate and fund employment growth and regeneration	Ongoing	TEDC for the 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
- Improve the value generated from Council assets

## **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 regular asset reviews. 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
- 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 Community 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
- In April 2015, approximately £1.7m of premises budgets were centralised within the TEDC's Asset Management Team. This has allowed the effective prioritisation of repairs, efficiencies in completing works and ensures repairs are strategically assessed.

### *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 the Strategic Land Task Group

- 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*

<b>Action</b>	<b>Target Date</b>	<b>Responsibility</b>	<b>Current Status</b>
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
Consider centralising all R&M budgets to allow strategic allocation and investment	March 2016	CPO / Head of Asset Management	Phase 1 Completed April 2015
Review and consolidate the range of asset meetings that take place	December 2014	CPO / Head of Asset Management	Completed

#### *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
- Efficiencies in raising orders
- A clear plan for the improved use of assets for all services linked to Council priorities
- Better identification of surplus assets and potential capital receipts for funding priority schemes
- A direct benefit to all the 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 would be retained and the Council would 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, another 5 in May 2013, another 10 in May 2014 and an additional 2 assets in September 2014. 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.

Due to the financial challenges facing the Authority and the possible future reductions in Revenue Support Grants (RSG), unless there is specific approval at Full Council to the contrary, the Council will:

- Always seek to maximise the full market receipt for their assets whether by way of freehold disposal or leasehold interest
- Seek to maximise revenue streams either through development or retention of the asset base
- Ensure that receipts obtained from disposals will be used to deliver the Capital Strategy which will have an emphasis on investing in revenue generating opportunities
- Not restrict or reduce the current or future value of its assets through the use of contractual restrictions, covenants, peppercorn rents
- Ensure any grant from the Council to assist with a tenant's rent will be reviewed annually

The Council will undertake a strategic review of all assets to identify performance and yield and challenge the manner of use of all assets for the potential to generate additional revenue. Where assets are underperforming we shall seek future investment creating alternative uses or look to dispose of assets and reinvest capital receipts in the capital programme or other investment opportunities.

The market will be monitored for investment opportunities, principally in Torbay but not exclusively and look to acquire new assets where the yield offers a better return on investment

#### *Actions to date*

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)
- Thirty nine assets have been sold (December 2015)
- There have been total receipts of £5,950,850, an aggregate saving on repairs and outgoings of £985,020 and further yearly savings of £80,805
- The sale of vacant sites has enabled the provision of 119 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
- Currently community interest for the possible transfer of 1 asset
- 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*

- The disposal programme is inhibited by the level of resource available and therefore to accelerate this programme and increase the level of receipts, 4% of all disposal receipts will be used to cover the cost of the additional resource required to deliver the disposal programme

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

- Maintain efficiency
- Service the capital programme by bringing forward assets for disposal as the programme dictates
- Achieve wider regeneration objectives as appropriate
- Dispose 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*

<b>Action</b>	<b>Target Date</b>	<b>Responsibility</b>	<b>Current Status</b>
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
Review the effectiveness of the Community Asset Transfer policy	March 2015	CPO / Head of Asset Management	Completed
Progress the Disposal Programme	Ongoing	Agents, Estates Officers, CPO	Ongoing
Review financial and standing orders regulations relating to disposals and new leases	April 2016	Estates Manager	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, in common with other coastal resorts, has a narrow economic base with the dominant employment sectors, including hospitality and retail, being primarily low pay. There are opportunities for the growth of the local economy by concentrating on sectors where there are local strengths and where the following sectors having demonstrated the potential - the re-emergent advanced electronics and engineering, marine, fisheries, professional services and the health economy.

To deliver the Council's economic strategy objectives and support the growth of local businesses, attracting new investment is essential in order to create the physical environment and conditions for growth. Council assets, including highways infrastructure therefore have a direct role in developing growth and should be developed in a way that supports that aim.

Short term focus is required to ensure that appropriate assets are used to deliver economic infrastructure and employment land 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
- Development of two new work hub facilities at Brixham & Torquay
- Bids have been submitted to deliver a new Innovation Centre supporting the electronics and photonics centre
- Funding obtained to open up Claylands employment site in Paignton

- The Council has tendered opportunities for the development of Torquay Town Hall car park 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 and 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
- The Council will consider purchasing properties for investment purposes

*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*

<b>Action</b>	<b>Target Date</b>	<b>Responsibility</b>	<b>Current Status</b>
Establish regular dialogue between services and TEDC	Immediate	CPO / TEDC	Ongoing process
Develop planning application for Claylands site in Paignton for commercial use	2016	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
Seek funding for Electronics & Photonics Innovation Centre	2016	TEDC	Ongoing

### *Risks*

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 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 £22 million (excluding schools and leased out assets where Torbay Council have no responsibility for repairs and maintenance) have currently been identified of which almost £9.2 million (excluding schools and leased out assets where Torbay Council have no responsibility for repairs and maintenance) are categorised as urgent (Priority 1). Expenditure on repairs totalled almost £1.6 million during 2014 to 2015 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 5 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. Repairs and maintenance on Council schools are funded by a specific government grant.

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 for non schools:

- Expenditure is prioritised through an assessment system managed through Council R&M Review meetings
- A repair and maintenance programme is developed which prioritises works by condition grading and priority level. This is developed in consultation with relevant service heads and is monitored at Council R&M Review meetings
- A rolling record of outstanding repairs is updated by condition surveys carried out by the TEDC Property Services Team and TEDC Structural Engineers when required. The data is kept within TOAD
- The repair and maintenance budget and responsibility for expenditure has been centralised within the TEDC Asset Management Team
- A five year rolling Condition Survey programme is underway
- A move to a 70:30 split between planned and reactive maintenance
- When condition surveys have been completed, notification is sent to the building asset manager

#### *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 2018
- 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
- 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

#### *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 place 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 for 2014-15 (including schools) represents 1.35% 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. 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*

<b>Action</b>	<b>Target Date</b>	<b>Responsibility</b>	<b>Current Status</b>
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 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 TEDC Property Services 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
- Water Hygiene risk assessments are in place and updated by the responsible building manager when changes occur to the asset water service systems
- 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*

<b>Action</b>	<b>Target Date</b>	<b>Responsibility</b>	<b>Current Status</b>
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
Update Risk Assessments of water systems when required	Achieved	Building Manager / TEDC	Achieved and Ongoing
Review assets which require Asbestos and Water Hygiene Surveys	March 2016	TEDC	

*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 Corporate Plan

## **6.7 Energy Management**

### *Where we are now*

Torbay Council spend on energy in the financial year 2013/2014 was £1.8 million including schools (but not academies). The Council spend on water 2014/2015 was £501,000.

Effective energy management will continue to reduce consumptions and lower emissions across Torbay Council's Corporate Estate, reducing costs to the tax payer. The reduction of leased in assets by Torbay Council will continue to affect the figures. 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
- A Salix fund of £280,000, part funded by Salix is managed by the Principal Services Engineer. This is to help lower energy consumption.
- LED & Control street lighting has been introduced across Torbay producing a significant reduction in energy consumption
- The Council has recently been awarded a Salix loan of £380k for street lighting

### *Where we need to be*

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

- Consumption reduction of 1% 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 1% per annum	Ongoing	Property Services	Ongoing

### *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 Community 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
- Created a stand alone Children's Safeguarding hub within 87 Abbey Road
- Returned vacant possession back to the Landlord for Pearl Assurance House and staff relocated
- Returned vacant possession back to the Landlord for Commerce House and staff relocated

### *Where we need to be*

- 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*

<b>Action</b>	<b>Target Date</b>	<b>Responsibility</b>	<b>Current Status</b>
Vacate Pearl Assurance House	31 <sup>st</sup> March 2014	ORP Board	Completed
Vacate ground, 1 <sup>st</sup> and 3 <sup>rd</sup> floor of Commerce House	31 <sup>st</sup> August 2014	ORP Board	Completed



Refurbishment of 87 Abbey Road for Safeguarding & CIS teams	January 2014	ORP Board	Completed
Aspen Way - accommodation options	n/a	ORP Board	Completed

### *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
- 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.

We are currently looking to procure a replacement system for TOAD which in addition to the current capabilities will incorporate the facilities management helpdesk and the room booking facility.

### *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
- Introduction of a new valuation module by Real Asset Management (RAM)
- Integration on RAM of Torbay's Individual Fleet Vehicles and Plant

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

*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 Transport Infrastructure Assets including Harbours, Highways and Bridges
- Asset data that can be readily realigned to changes in service delivery and partnering
- Publish asset data on a monthly basis as per the Local Government Transparency Code 2014

*Issues*

- 2016/17 transport infrastructure assets to be accounted for. Comparison data for 2015/16 will be required

*Action Plan*

<b>Action</b>	<b>Target Date</b>	<b>Responsibility</b>	<b>Current Status</b>
Complete Training manual and establish training programme	Ongoing	Asset Registrar	Achieved and training is ongoing as required
Continue to update and maintain the asset data	Ongoing	Asset Registrar	Ongoing
Continue to update the linkage between MapInfo & TOAD	Ongoing	Asset Registrar	Ongoing
Inclusion of transport infrastructure assets valuation data on RAM	2016/17	Asset Registrar	
Publish asset data as per the Local Government Transparency Code 2014	February 2015	Head of Asset Management / Asset Registrar	Completed and ongoing on an annual basis
Procure a new asset database solution	March 2017	Head of Asset Management / Asset Registrar	

*Risks*

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 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 (CAT) Policy on 27 May 2008 and the policy was enacted from August 2008. Through the introduction of the Localism Act 2011, Government has reignited local discussion about how Councils can make the most of assets to meet community needs in a challenging financial climate.

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 helped to set-up the company and have now been 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 party’s assets and potential future opportunities for collaboration around these assets.

The Localism Act 2011 requires the Council to consider applications for Community Right to Challenge, the right to express an interest in running a Council service and for the Council under the Community Right to Bid to maintain a list of asset of community value. Community assets need to be nominated as such by a community group. If an asset is listed and then comes up for sale, communities that want it have 6 months to put together a bid to buy it.

### *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 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)
- Since the implementation of the Community Asset Transfer Policy, leases of 4 assets have been completed and transferred to community groups
- Currently community interest for the possible transfer of 1 asset
- 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 and has amended it taking into consideration the financial challenges faced by the Authority.

### *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 review the effectiveness of the CAT policy and consider whether any changes are appropriate
- 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*

<b>Action</b>	<b>Target Date</b>	<b>Responsibility</b>	<b>Current Status</b>
Review the effectiveness of the Community Asset Transfer policy	March 2015	CPO / Estates Manager	Completed
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
--	---------	------------	---------

### *Risks*

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 Corporate Objectives
- 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 such as a potential Sports Trust or a potential Youth Trust could see a reduction in the maintenance backlog

## **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, offices, restaurants, 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 778 leased assets and licences, which generate income of circa £2.7M per annum. The amount of income per agreement varies greatly with 50 assets generating an annual income in excess of £10,000 each and 55 generating an annual income between £5,000 and £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, harbour estate, 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 on behalf of service clients 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-E)

#### *Where we need to be*

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

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

#### *Issues*

- 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?
- 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 service 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
- To review the accounting procedures to ensure that market rent is charged on all assets – even if then an equivalent grant is given to the organisation leasing the asset
- To review the benefits of centralising and then redistributing the revenue income generated from the TNRP

#### *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

Service departments will need to adopt and embrace the overriding corporate approach to asset management in order to mitigate these risks.

- 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-E) has not yet been Implemented
To develop a TNRP Disposal Policy	March 2013	CPO / TEDC	Achieved and included in above
To review the benefits of centralising and then redistributing the revenue income generated from the TNRP	October 2016	CPO / Head of Asset Management / Chief Finance Officer	Ongoing
To review the accounting procedures to ensure that market rent is charged on all assets	March 2015	CPO / Head of Asset Management / Chief Finance Officer	Completed

### 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) acting under instruction from the Council and its officers.

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**

### **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-B**

**Key Asset Management Performance Indicator Analysis (Including Schools)**

Indicator	Description	Category	2013/14	2014/15	2015/16	2016/17	Comments
			Out-turn	Out-turn	Targets		
PI1- 1A	% Gross Internal Area (GIA) that falls in each of the Condition Categories (A = Good, D = Bad)	A	3%	4%	9%	14%	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 14/15 figures
		B	45%	39%	44%	49%	
		C	23%	25%	20%	15%	
		D	28%	31%	26%	21%	
PI2- 1Bi	Total Value of Backlog of Work (1 = Urgent, 3 = Desirable)	Priority 1 Priority 2 Priority 3	£9,631,627 £6,713,477 £6,019,197	£9,265,992 £7,493,342 £4,932,528	5% reduction		Further data has been captured and assets have been resurveyed. Academy Schools have been removed. This has impacted on the 14/15 figures
PI3- 1Bii	Required Maintenance Cost as a % in Levels 1-3 (1 = Urgent, 3 = Desirable)	Operational 1	43%	43%	38%	33%	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 14/15 figures
		Operational 2	30%	35%	30%	25%	
		Operational 3	27%	23%	32%	42%	
PI4A- 1Dii	Repair & Maintenance spend per m2		£12.43	£13.00	£13.65	£14.33	Targets based on 5% increase. Academy Schools have been removed which has impacted on the m2
PI4B- 2A	Energy cost per m2		£8.74	£6.35	£6.03	£5.73	Targets based on 5% reduction
PI4C- 2B	Water costs per m2		£3.44	£4.24	£4.03	£3.83	Targets based on 5% reduction. Water spend has increased, this is due to rising prices
PI4D- 2C	CO2 emissions per m2 in tonnes		0.041	0.029	0.028	0.026	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%	
PI6- 4 BV156	% of public buildings which are DDA compliant		63%	63%	67%	67%	The Office Rationalisation Project has led to an increase in this indicator

These figures exclude leased out assets where repair and maintenance responsibility sits with the tenant.

Core Asset Data Tab

The screenshot displays the 'Core Asset Data Tab' for asset T3037 - Pearl Assurance House. The interface includes a navigation menu on the left with a 'Full List' of assets and a search section. The main content area shows a table of asset details:

Field	Value	Field	Value
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		
Northings	64232	Subject to a Condition Survey	Yes
Map Ref	265W		
OS Ref		Building manager	
Terrier Ref.	0	Contact Number	
Deeds Ref.			
Land Registry Title Number			
TC Ownership	Leased	Holding Service Code	E1711
Directorate	Environment Commissioner		
Business Unit	Chief Executive Torbay Development Agency	Manager Service Code	
Service Area	... Please see Areas Tab		
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 Disp.	No
Purchasing Committee	Environment Services	Archive Date	

Floors Tab

The screenshot displays the 'Floors Tab' for asset T3037 - Pearl Assurance House. The interface shows a list of floors on the left and a detailed view of the selected floor on the right. A message at the top of the floor view states: "If any of this data needs updating, please contact .... [toad@torbay.gov.uk](mailto:toad@torbay.gov.uk)".

The floor view includes a table with the following data:

Field	Value	Field	Value
Name	Office		
Reference	005		
Description			
TOTAL NIA m <sup>2</sup>	8.10	TOTAL NIA Sq Ft	87.19
Notes			

# Valuations Module

**Torbay Online Assets Database - Version 2**

**Name:** Pearl Assurance House  
**Reference:** T3037

Unallocated	Land	Buildings	Plant and Machinery	Fixture and Equipment	External Works
T3037-UNALL	T3037-LAND	T3037-BUILD	T3037-PLNT	T3037-FRNT	T3037-EXTW
[Table]	[Table]	[Table]	[Table]	[Table]	[Table]

**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**

**T3037- Pearl Assurance House**

**Block Name:** Pearl Assurance House  
**Condition Data:** True  
**Pricing Base Date:** 17/05/2007  
**Survey Date:** 17/05/2007  
**Surveyed by:** Kendall Kingscott

**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.

**Reports:** View this Block, View ALL Blocks for this Asset, Show Archived Lines, Tenants Report, View Header, View Sub Elements, View Details, Update Form.

APPENDIX AM-D

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	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	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	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	Client Liaison Meetings, 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	Client Liaison Meetings, 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	Property Services Group	Completion of Asbestos Surveys & re-inspections	Ongoing	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	Service Asset Representatives	To be undertaken annually	Ongoing	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
	<b>Description of the strategic objective that is sought</b>	<b>Description of each specific action that will deliver the objective</b>	<b>Description of the specific change or goal that each action should produce</b>	<b>Description of the benefits that each action will deliver to service delivery groups and residents of Torbay</b>	<b>Description of the Officers taking ownership of delivery of each action</b>	<b>Description of the key teams upon which delivery of each action is dependent</b>	<b>Description of the hard and measurable outputs that each action must produce</b>	<b>Date deadline for target delivery</b>	<b>Description of how progress and performance will be assessed for each action</b>
	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	Joint Operations 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	Joint Operations 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	Strategic Land Task Group, CPO, Disposals Officer, Planning Service, Finance	Identified sites sold	Ongoing	Monitoring at Strategic Land Task Group Meetings. 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 Board		Refurbished Offices	Ongoing	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	IT, Finance, Service Asset Representatives	Data fields in TOAD completed and verified	Ongoing	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	IT, Finance, Service Asset Representatives	User Manual complete	Completed and updated when amendments are made	Delivery report included in CAMP yearly update



## **APPENDIX AM-E**

### **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 offset 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	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 774 leases and licences, which generate income of circa £2.7M per annum. The amount of income per agreement varies greatly with 48 assets generating an annual income in excess of £10,000 each and 56 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 (RSL) 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 cannot 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 Chief Finance Officer and Executive Head of Business Services 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 the Strategic Land Task Group. 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 or service delivery?
- Does the property contribute to corporate objectives through socio-economic benefits?
- Could the property meet identified future operational needs, 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 and Executive Head of Business Services. 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 and Executive Head of Business Services 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.

## **APPENDIX AM-F**

### **DRAFT TORBAY COUNCIL**

#### **COMMUNITY ASSET TRANSFER POLICY – Update December 2015**

##### **INTRODUCTION**

The Community Asset Transfer (CAT) Policy does not include Community Right to Challenge (the right to express an interest in running a Local Authority service) or Community Right to Bid (maintaining a list of assets of community value). These are covered by separate policies and more information can be found on the Council's website.

The Local Government White Paper, 'Strong and Prosperous Communities' (2006), sets out a new relationship between local government and its communities. The reforms contained in this paper will give greater say over local services to the people who rely on them. This will enlist communities in the drive to improve services, from waste to parks and libraries. Torbay Council has embraced this agenda by giving local people more say on how services are delivered through vehicles such as the Torbay Community Development Trust and local community partnerships.

In the same spirit, the 'Making Assets Work, Quirk Review' (community management and ownership of public assets) sets out the clear benefits to local groups which own or manage public assets – such as community centres, building preservation trusts and community business enterprises. Fundamentally, the review talks about giving local people a bigger stake in the future of their area through this model. The Department of Communities and Local Government, in its response to the recommendations in the review, supports the need to 'monitor effectiveness of mechanisms in persuading local authorities to consider transferring management or ownership of assets to communities'. There are already powers in place through the Public Request to Order Disposal (PROD), whereby communities can prompt a local authority to give serious consideration to the community management of assets. This was strengthened by the Community Call for Action which came into force in spring 2008.

Through the introduction of the Localism Act 2011, Government has reignited local discussion about how Councils can make the most of assets to meet community needs in a challenging financial climate. Torbay Council is responding to this by considering options for the transfer of asset through leases and operational management to the community, for purposes that benefit the communities they serve. This can range from small parks groups to established voluntary sector organisations. Community 'benefit' is seen as varied, with a range of activity from local meeting places, such as community centres, to social enterprise businesses offering new employment or training opportunities.

School disposals are covered by a legislative framework. Any disposal would first need approval under Section 77 of Schools Standards and Framework Act 1998. Therefore, school buildings and landholding will not be considered under this policy.

The Council needs to dispose of some underused or surplus assets, which can no longer be afforded, whilst, at the same time, investing in urgent infrastructure projects across Torbay. However due to the financial constraints facing the Council, priority shall

be given to maximising the full market receipt of any disposals. The Council recognises there needs to be a balance of sales of assets to maximise investment, and to regenerate communities through alternative uses.

This Community Asset Transfer Policy identifies a level of market value when a particular asset shall be considered for community transfer and how local communities could register an interest in taking over a Council owned property. This option would still need to be assessed against sale, or alternative disposal opportunities, in each case, and should be closely linked to the Corporate Plan.

### **Strategic Context**

The Corporate Plan has identified 'a prosperous Torbay' and 'a healthy Torbay' as its key ambitions and, therefore, the policy should reflect this as the main driver.

The delivery of the outcomes of this policy, therefore, need to be aligned with the five targeted actions and three principles represented in the Corporate Plan:

#### **Targeted actions:**

- Protecting all children and giving them the best start in life
- Working towards a more prosperous Torbay
- Promoting healthy lifestyles across Torbay
- Ensuring Torbay remains an attractive and safe place to live and visit
- Protecting and supporting vulnerable adults

#### **Principles:**

- Use reducing resources to best effect
- Reduce demand through prevention and innovation
- Integrated and joined up approach

The strategic fit of any asset transfer proposal would need to achieve one or more of these goals.

### **Rationalisation of Assets**

The Council continues to undertake a review of its assets through an ongoing rationalisation programme. This is being considered in association with the new commissioning model on how the Council will deliver its services in the future.

As part of this process, the Council, through the Strategic Land Task Group, will identify buildings and land holdings which are no longer required for the delivery of its services. In this instance, a building or land holding will then become 'surplus' and be put forward to the Executive or Council (as appropriate) for potential disposal. At this stage, assets with a market value below £25,000 will be given an indication as to the likelihood that this could be considered for Community Asset Transfer. Assets of a market value above £25,000 can still be considered for Community Asset Transfer if it links with the Council's targeted actions and principles, within the Corporate Plan and is approved by the Strategic Land Task Group. Once on the disposal list, community, voluntary and other agency sectors could apply to the Council for transfer of these assets for alternative community uses. This would still be considered alongside the need to capitalise receipts of any as-

sets to deliver the Council's prioritised Capital Programme. The proposed criteria for transfer of an asset below the market value would need to be measured against the likely other uses if sold on the open market.

Under the current policy, assets or land holding are rarely sold as a freehold interest, and it is considered more appropriate that any transfer for community use should be on a leasehold basis. This would protect the future of these assets, and ensure that the Council can veto future changes in use and occupation of the facilities during the lifetime of the lease.

### **Key Policy Criteria**

There are two key factors to be considered within the policy criteria:

- Benefits to the local community by transferring the asset
- Ability of the voluntary or community organisation to sustain the use of the asset over the leased period.

Therefore, the Community Asset Transfer Policy would require all proposals to meet the following, before being considered against alternative disposal options:

- The proposed use of an asset reflects the outcomes and objectives identified in the Corporate Plan and other appropriate plans and strategies.
- The proposed use of the asset is genuinely for the benefit of the community, and would offer real opportunities for successful and independent, community or third sector organisations to become more sustainable in the long term.
- The asset would be made fully available for use by a range of local groups, especially those working with, or in, disadvantaged communities, and should be compliant with the Disability Discrimination Act (DDA).
- The use of the asset is environmentally sustainable. Any future refurbishment plans should consider energy efficiency as a priority, and use good quality, environmentally sustainable, materials and construction practices.
- That the third sector organisation would have greater security and independence, and would be better able to meet the needs of the communities it serves.
- That uses would enable communities to have more access to facilities and/or opportunities that respond to their local needs.

Under the second key factor, the Council would need to analyse the risks carefully to ensure that proposed organisations and future community management of the assets are appropriate, and sustainable, in the long term.

As it is likely that many of the community and voluntary groups, applying to the Council for the transfer of assets, would have limited financial history, or facilities management experience, it is important that a robust business case is put forward in support of any proposal/organisation. The policy, therefore, sets out the following requirements that

need to be demonstrated by organisations for them to be able to be considered 'fit for purpose' to lease Council assets:

- Financial viability of the transfer – the organisation would need to show at least a five year cash flow and budget forecast that demonstrated that the project is sustainable, and that the asset would be maintained adequately.
- Experience of, and/or commitment to, partnership working – demonstrating that the asset would be put to a variety of uses to benefit the community.
- The organisation and key individuals, managing the asset and associated project, have appropriate skills, knowledge and expertise to sustain the project in the long term.
- Clearly defined structures, roles and responsibilities within the organisation appropriate to deliver the project, whether voluntary and/or paid. It is recommended that a Council representative be included in any management committees associated with the assets.
- Clarity of decision making processes – adequate constitution, governance arrangements and management controls, are in place.
- Clarity of aims and objectives, and that these meet the key Corporate Plan objectives.
- All legislation and regulatory controls are in place – meeting equality standards, child protection, health and safety and licensing requirements.
- The project has the support of the local community – can demonstrate local need, community support through consultation, and that the project is not aligned only with a single interest group.
- Monitoring and evaluation processes are in place to demonstrate the successful delivery of objectives and targets over the life of the project.

### **Process for Assessing Proposals**

It is recommended that a Community Asset Transfer Panel be established to assess the proposals put forward. The panel would consist of the Executive Lead for Planning, Transport and Housing, two Conservative Councillors, one Liberal Democrat Councillor and one Independent Councillor (to be nominated by the Group Leaders) Council (proportional representation), who would ultimately be responsible for the final decision, supported by voluntary sector representation. This panel would also be supported by Council officers with the relevant expertise to advise on the key elements of the proposal, including planning, estates, property management, legal, finance, housing, environmental policy and community engagement.

The Asset Transfer Panel and the Mayor, or nominated individual or body (as an appeal process), would be the key decision making boards related to this policy.

The assessment of proposals put forward by the community and voluntary groups would fall into two stages:

#### **Stage One:**

Once an asset had been identified for potential disposal, community and voluntary groups could then apply for transfer of that asset for community use. It is proposed that the timeframe, for those wishing to register an interest, would be limited to three months.

There would be an initial first stage, which will allow potential community or third sector organisations to detail their proposals in outline to be considered by the Community Asset Transfer Panel. This should be a simple initial process, where the organisation would have to demonstrate the following criteria:

<b>Criteria</b>
Strategic fit against the priorities in the Corporate Plan and other applicable plan strategies.
Support from the local community in the neighbourhood for the proposals – must include support of 50 local people, and have consulted the specific community partnership. These people do not have to be active members of the group, but need to support proposal.
Who, and how local people, would benefit from the proposals.
Previous experience of the group, or evidence of supporting organisation.
Proposals are focused on needs of the community – demonstrating there is a gap in provision, e.g. providing job opportunities in deprived areas, or aimed at key target groups currently excluded from the community activity.
Implications for the asset or building in the long term – alternative use options.

The Community Asset Transfer Panel would either give its approval for the proposals to be taken forward to the second stage (this preparation period would be a maximum of three months), or advise the asset be put forward for alternative disposal. The organisation involved would be advised in writing of the decision, giving reasons if the application were refused. They would be advised of their right of appeal which could only be considered against the criteria.

The organisation's right of appeal on whether the decision is fair would be undertaken by the Mayor or his nominated representative/body. If the proposal were not approved by the Panel, the organisation would have the right, within a set timescale, to appeal against the decision. The appeal would then be reviewed by the Mayor, or his nominated representative/body, who would either reject the appeal or recommend further consideration at the second stage.

#### Stage Two:

The Asset Transfer Panel would invite successful organisations to progress to the second stage where a full business and delivery plan would need to be presented for the project/proposal. This submission would be assessed under the following criteria:

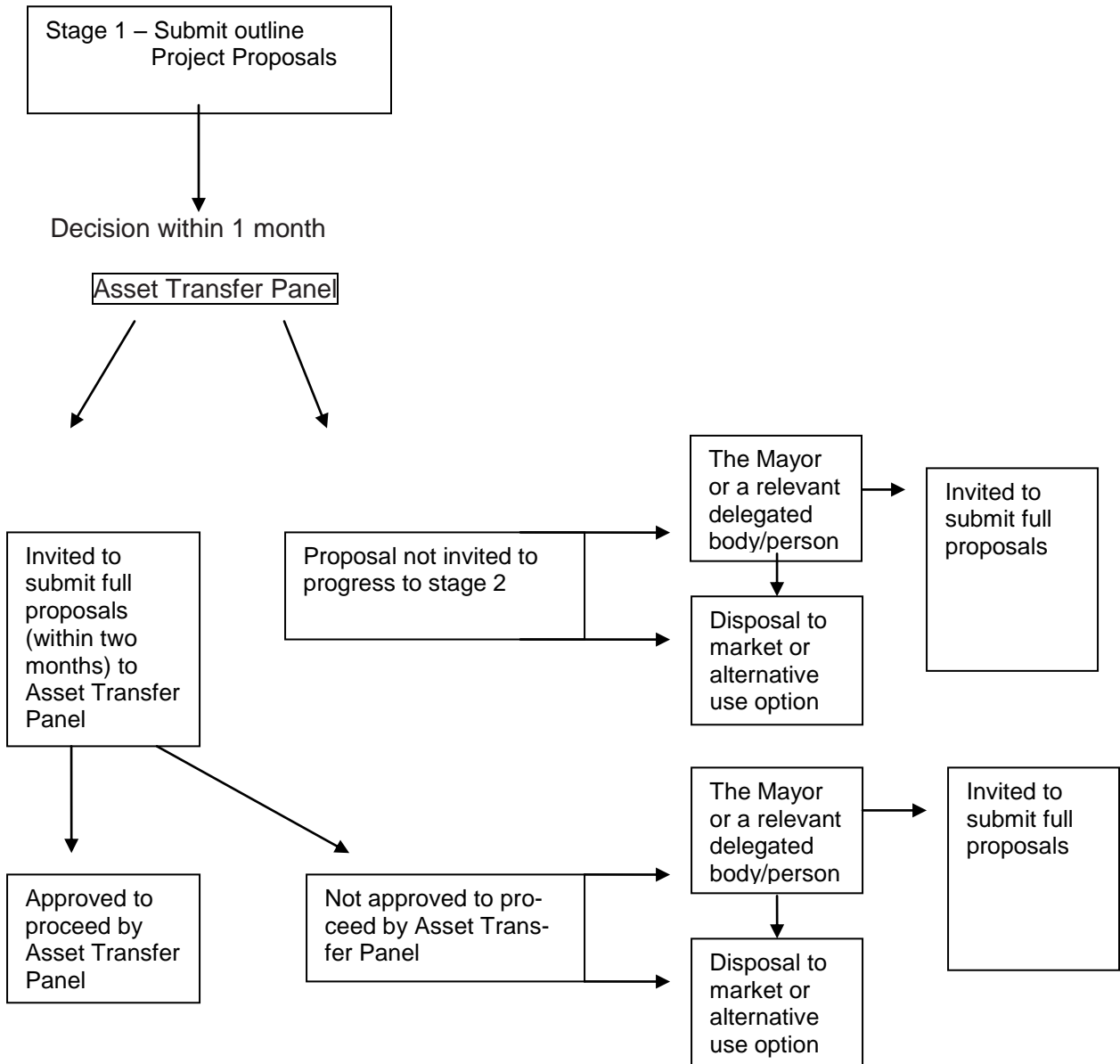
<b>Documentary Evidence Required</b>	<b>Criteria</b>
Business Plan and Governance Documentation	Outcomes, aims, objectives and targets the proposal would deliver, including how these would be monitored and assessed over the life of the project.
	What type of organisation would be running the project. The capacity of the organisation to deliver the project including : Decision making structures Management and staff structures, showing where

	these are paid or voluntary, whether these are experienced, and/or what training plans are in place.
	Identifying whether the project would create new jobs, housing or learning opportunities, and how these linked to the Corporate Plan and other relevant strategies.
	An indicative 5 year capital and revenue budget plan including all anticipated grant funding, identifying whether this had already been secured and any other income expected, sources etc.
	Relationships with any other partners on the project.
	Legislation and regulation considered within the project and how this would be addressed, e.g. Health and Safety regulations Child Protection Policy Equality regulations Licensing.
	How the project would address: Inequalities Crime prevention Environmental issues.
	The catchment area for the project.
	Length of lease required to deliver the project.
	Any development proposals relating to the buildings or land.
	Risk Analysis of the proposals.
Project Plan	Indicative timescales on how the project would be delivered from start up to fully operational.
	Description of any proposed development. Detailed breakdown of timings/costs for any proposed building works or refurbishment proposals, and how this would be funded.

Once a proposal had been successful at the second stage, this would be progressed through to the development of normal lease arrangements by the TEDC, instructed by the Executive Head of Business Services. This process would include advertising the 'disposal of public open space' which would have to be approved by the Mayor. This process usually would take two/three months.

A summary of the timescales and decision making process for both stages is detailed in the flow chart below:

Applicants will have a maximum of three months to apply at stage 1.



A guidance document and application forms will be provided to community and voluntary sector organisations to assist them in applying for Community Transfer of Assets.

**Evaluation of benefits**

The policy will be reviewed continually to ensure that it met the objectives set out in the Corporate Plan and other key plans and strategies, and demonstrated real benefits to the community.