

**Agenda for Asset Management Forum
Tuesday, 1st December, 2020, 9.30 am**



Members of Asset Management Forum

Councillors P Arnott, P Hayward (Chair), D Ledger,
J Rowland, F King and G Pratt

East Devon District Council
Blackdown House
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Heathpark Industrial Estate
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Venue: online via zoom

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(or group number 01395 517546)
Friday, 20 November 2020

www.eastdevon.gov.uk

**Important - this meeting will be conducted online and recorded by Zoom only.
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Members are asked to follow the [Protocol for Remote Meetings](#)**

This meeting is being recorded by EDDC for subsequent publication on the Council's website and will be streamed live to the Council's Youtube Channel at <https://www.youtube.com/channel/UCmNHQruge3LVI4hcgRnbwBw>

Public speakers are now required to register to speak – for more information please use the following link: <https://eastdevon.gov.uk/council-and-democracy/have-your-say-at-meetings/all-other-virtual-public-meetings/#article-content>

1 Public speaking

Information on [public speaking](#) is available online

2 Notes from the previous meeting (Pages 3 - 7)

3 Apologies

4 Declarations of interest

Guidance is available online to Councillors and co-opted members on making [declarations of interest](#)

5 Matters of urgency

Information on [matters of urgency](#) is available online

6 Confidential/exempt item(s)

To agree any items to be dealt with after the public (including the press) have been excluded. There is one item which officers recommend should be dealt with in this way, listed under item 12.

- 7 **Introduction to Service, portfolio and asset management priorities** (Pages 8 - 11)

A presentation to the Forum, alongside a service update report.

- 8 **Service Planning** (Pages 12 - 13)

- 9 **Community Asset Transfer Policy** (Page 14)

- 10 **Commercial Investment** (Page 15)

- 11 Local Government (Access to Information) Act 1985 - exclusion of press and public

The Chairman to move the following:

“that under Section 100(A) (4) of the Local Government Act 1972 the public (including the press) be excluded from the meeting as exempt information, of the description set out on the agenda, is likely to be disclosed and on balance the public interest is in discussing this item in private session (Part B)”.

Part B

- 12 **Marpool Workshops** (Pages 16 - 18)

[Decision making and equalities](#)

For a copy of this agenda in large print, please contact the Democratic Services Team on 01395 517546

EAST DEVON DISTRICT COUNCIL**Minutes of the meeting of Asset Management Forum held at Council Chamber, Exmouth Town Hall on 9 January 2020****Attendance list at end of document**

The meeting started at 10.35 am and ended at 12.20 pm

23 Public speaking

There were no members of the public wishing to speak.

24 Notes from the previous meeting

The minutes from the previous meeting held on the 2 September 2019 were confirmed as a true record.

The Service Lead – Place, Assets & Commercialisation informed the forum that Community Asset Transfer policy had been considered and approved by Cabinet and the consultation would be rolled out after Careful Choices. A further report with the consultation responses would be brought back to the Asset Management Forum (AMF).

With the support of AMF the Beer Pilot business case for the transfer of assets had been by Cabinet and the work was ongoing.

Following a request from a member to join the meeting remotely, which was not possible as facilities were not available in the Exmouth Town Hall Council Chamber, the Chairman asked for a remote capabilities review of meeting facilities at EDDC, specifically the technical capability and also whether the constitution required a councillor to be physically present at meeting.

RECOMMENDED: that a review into remote capabilities of meeting facilities be carried out.

25 Declarations of interest

There were no declarations of interest.

26 Matters of urgency

An update on Seaton workshops had been requested and would be provided under Part B of the agenda.

27 Confidential/exempt item(s)

There were three items classified in this way and agreed to be considered in private session.

28 New structure for Place, Assets & Commercialisation Service

The Service Lead – Place, Assets and Commercialisation updated the forum on changes to staffing structure in light of the Deputy Chief Executive's departure at the end of March

2020. He had been promoted to Service Lead and the service now had a broader remit, to include 'place making', sustaining clean economic growth across the district. It would also include East Devon's Housing Company, which would sit alongside the commercial investment framework and with the management of existing assets. The Property and Places team would now be reporting to the Places, Assets and Commercialisation Service Lead and he introduced Alison Hayward, Senior Manager - Regeneration and Economic Development to the AMF.

The new structure and functions had been incorporated into the new service plan. The forum noted that asset management had two main focuses:

- The management of new properties and development of the asset base.
- A comprehensive and efficient knowledge of all of EDDC's properties. An asset base was required in order to make proper informed decisions.

29 **Performance dashboard**

The performance dashboard as at December 2019 was presented to the forum. The Service Lead – Place, Assets and Commercialisation highlighted in particular:

- Review of basis for lettings to sports and activity clubs ensuring tenure arrangements exist which promote self-sustainability. To conclude in formal adoption of new arrangements. Work was to commence on this over the next few weeks;
- Delivery of workshop units or use of land for alternative proposals in Seaton – this would be discussed in private session later in the meeting;
- Incorporate the use of Uniform across other key services – a wider piece of work was being undertaken to consider what corporate system should be used. It was noted that some performance had moved from amber to green due to the use of Uniform in a more comprehensive way.

The forum noted the performance dashboard.

30 **Property Matters newsletter**

The Senior Estates Surveyor highlighted the successes and general updates in the recently published 'Property Matters', including:

- Party Wall Act work at Sidmouth College – to ensure that a level access was available to all leisure centre customers.
- Transfer of the Younghayes Centre, which was completed on 22 November 2019.
- Temporary licences – negotiation of terms to use Council owned land on a temporary basis, granting temporary licences, had generated an additional income of £15,800 since April 2019.
- Asset insurance valuations – annual programme of valuations for insurance purposes. Around 4500 housing and commercial assets were valued, with a combined reinstatement value of £715million.
- West Street garages in Axminster were all now fully let.
- New energy saving swimming pool covers had been installed at Exmouth Leisure Centre. Honiton and Sidmouth swimming pools would also be receiving new covers.

The Forum noted the newsletter.

31 **Commercial investment fund**

The forum received a presentation from the Service Lead – Place, Assets and Commercialisation on the Commercial Investment Fund (CIF), which would be a standard agenda item for the Asset Management Forum.

The Commercial Investment Framework, including the scoring matrices and governance arrangement was approved by Cabinet in early 2019, with up to £20,000,000 being approved by Council. The monies would likely come through the Public Works Loan Board or other funding available to the Council, being drawn down as and when required. It was noted that a number of authorities in Devon had a similar framework. EDDC was taking a cautious and proportionate approach, compared to others.

The framework addressed opportunity in that by investing £20,000,000, the Council could expect to receive a net return of around £450,000 per annum. There were two funds:

- £10,000,000 within an income only fund, providing 3% minimum net return.
- £10,000,000 within an income plus fund (where catalytic benefit) providing 1.5% minimum net return.

The framework contributed to the Council's Transformation Strategy – to maximise the value of assets through commercial thinking with focus on income generation, sustainability and developing local economies. There was a clear preference to invest in the district where possible.

The objectives of the CIF were:

- Income generation reducing budget shortfall.
- Investing in and optimising the effectiveness of the existing assets and new acquisitions.
- Promoting new opportunities for local economic growth, wealth creation and productivity improvement.
- Applying a clear, costed, risk managed and structured programme of investment using rigorous criteria and with appropriate decision making capabilities to respond to market opportunities in an agile but safe manner.
- In the short term – £450,000 per annum generating return in-year.
- Longer term – developing pipeline supporting both income generation but also other Council objectives.

It was requested that the CIF also included consideration of environmental impacts and the wider green agenda, in light of EDDC's climate declaration. It was noted that the framework was drawn up prior to the climate change declaration, but the scoring matrix could be updated to include this.

The CIF informing investment criteria were:

- Security – protecting the capital sums invested from loss.
- Liquidity – ensuring funds invested were available with needed.
- Yield – an acceptable rate of return.
- Adoption of weighted scoring matrices – different for each category of investment – to ensure that each opportunity was considered on exactly the same basis.

The Service Lead – Place, Assets and Commercialisation went on to explain the CIF process and governance. A very similar approach was taken at EDDC to other councils. It ensured agility in terms of allocation of resource but also in decision making to take advantage of opportunities when they arose, but doing so in a safe, accountable and democratic way. The process was set out in appendix C of the framework and ensured

that all opportunities were considered in a consistent manner, set against the framework, in a stepped process involving outline business case and full business case, which was presented at each stage to designated members and officers before proceeding further. It was noted that the framework did not require ward member involvement. The Investment Assessment Team membership would be updated so that the Chief Executive would replace the Deputy Chief Executive.

The greatest challenge to the implementation of the CIF had been around the availability of good quality investments in East Devon. The Service Lead – Place, Assets and Commercialisation updated the forum on current commercial investments that were being considered. He outlined the opportunities dismissed, most of which got dismissed following appropriate due diligence. He also reported on an acquisition due to be imminently completed.

The Service Lead – Place, Assets and Commercialisation was thanked for this presentation.

The Forum received a report giving an update on current work streams on commercial investments, in accordance with the adopted Commercial Investment Framework.

RESOLVED that the update on Commercial Investment Fund be noted.

32 **Marpool workshops, Exmouth**

The forum received an update on the project review of Marpool workshops, Exmouth. The site comprised of a former coach house building and a single story garage block which were used as workshop premises by existing tenants. The current leases made the Council responsible for external repairs. Recent stock condition survey showed the anticipated expenditure required to maintain the buildings in the next 1-2 years, and also an additional amount required over the next 10 years. The forum noted the current rental income of the premises.

Options considered were:

- Renewal of the leases – this would generate income but would also mean that the Council would have to undertake the necessary works identified in the stock condition survey.
- Disposal of the property – this would generate a capital receipt which could be invested in more fit for purpose stock and would avoid the cost of repairing the building.

The forum were requested to consider the continued economic use of the site.

RECOMMENDED: that Marpool Workshops, Exmouth be declared surplus to service requirements.

33 **Seaton workshops**

The forum received an update on the project review, which had concluded that a wider strategic review into options and proposals for the land was required. One site was considered suitable for progression, whereas the other required further review of the wider options.

Attendance List

Councillors present:

- G Pook (Chairman)
- S Bond
- K Blakey

Councillors also present (for some or all the meeting)

- J Bailey
- G Jung
- P Millar
- T Wright

Officers in attendance:

- Tim Child, Service Lead - Place, Assets & Commercialisation
- Richard Cohen, Deputy Chief Executive
- Simon Davey, Strategic Lead Finance
- Rob Harrison, Senior Estates Surveyor
- Alison Hayward, Senior Manager Regeneration & Economic Development
- Alethea Thompson, Democratic Services Officer

Councillor apologies:

- I Thomas

Chairman

Date:

Report to AMF – 2nd December 2020

Place, Assets & Commercialisation Service Update

Place & Prosperity Team

The Team identifies and takes forward projects that invest in and make best use of the Council's land, property and infrastructure assets to optimise their value, the Council's revenues and improve service delivery, as well as contributing towards the social, economic and environmental wellbeing of our localities and communities. The Team's remit also includes wider Place Making initiatives working with 3rd party asset owners, securing funding and promoting best practice in Place Making and Regeneration.

Key projects being progressed over recent months include:

The Team has been managing this ERDF funded project and co-ordinating delivery of projects across different council services. Whilst there was initial engagement with all the towns and parishes, there was only a small response and interest from them to delivering projects directly. The delivery of the project is onerous with stringent funding and eligibility criteria. The project has therefore not been able to progress as originally envisaged but is now intended to be delivered through EDDC ourselves, managed through work streams led by different Services on eligible activities such as business advice, provision of safety measures (signage, hand sanitiser) and footfall studies. Any funding will need to be spent by 31 March 2021.

Working with Devon Wildlife Trust, tenant operator of Seaton Jurassic on their phase 2 proposals. Reported to cabinet on 28 October and approved for progression of the project to deliver additional outdoor interpretation space. A planning application for this, submitted by DWT is expected to go to Planning committee on 2 December. This relates to the Seaton Wetlands Link project which was reported to cabinet in January 2020. Other projects relating to this are being progressed by the team and Countryside Services.

Day to day management of the Business Centre, ensuring all risk assessments carried out appropriately so that the centre is covid compliant. Providing tenant guidance and ensuring reception service is maintained for deliveries. Working with colleagues in Estates and Property & FM Teams to deliver on the Business Centre transition project providing efficiencies for the running of the centre and improving the offer for tenants.

The Queen's Drive Delivery Group has reconvened and has held 2 meetings in public. The Group will decide on the future direction of the project in due course.

Commencing a review of some beach hut sites requiring investment. This is at very early stages and further information on this will be provided to a future AMF.

The council is in receipt of an allocation of £125,000 in funding from central government for a programme known as One Public Estate. The purpose of the fund is to identify opportunities to work in partnership with other public sector providers

within the District, release surplus public sector land for housing development and unlock financial savings through more efficient use of assets. It is intended to provide revenue funding to carry out initial option appraisals and feasibility studies, rather than be for any capital spend on delivery. Initially the focus was intended to be on Exmouth and Axminster but more recently the Funding Administrators have requested that there be a more district wide focus to ensure spend is eligible for the funding. Further information will be provided to a future AMF but work on this has been progressing over recent months.

Estates Team

While the new challenges presented by a global pandemic have introduced new challenges, the day to day management of the portfolio continues and the team are currently dealing with a significant volume of rent reviews, lease renewals and other lease related matters in respect of properties currently leased out.

The efforts to avoid significant voids in the portfolio remain ongoing and as part of this the team are currently dealing with the marketing of Warren View in Exmouth which so far has involved a marketing excise to produce expressions of interest which will be considered by a member panel shortly.

The team are also currently busy with the annual insurance valuations. This work involves providing insurance valuations for all of the Council's properties so that these can be provided to the Council's insurers as part of the policy renewal. This is an important area of work as it not only ensures that we are adequately insured should the worst happen but accurate valuations avoid the risk of being over insured and paying more for premiums than we may need to. Once the insurance work is completed the team focus will be on Asset Valuations which will see the revaluations of around £70m of the Council's Land & Building assets for inclusion as part of the Council's statement of accounts. This is a significant piece of work which is vitally important from a financial perspective and needs to be delivered on time to avoid any delays in publication of the accounts.

Work on behalf of Housing continues apace with the team working on provision of valuations for sales of properties under the "Right to Buy" scheme and also acquiring new properties to be added to the existing housing stock. At present the team are working on a number of negotiations which will see a range of accommodation types added to the stock which it is hoped will help to meet some of the most urgent needs.

Another area the team are currently working on is securing land for the provision of SANGS which will help to enable planning policies to be delivered effectively. The team are involved from a land assembly perspective which involves a significant amount of valuation and negotiation work to reach agreement for the acquisition or lease of areas of land.

We have also recently seen a significant increase in requests for wayleaves and easements in respect of Council owned land. Much of this is related to Jurassic Fibre's roll out of their network and the team are working with them to agree suitable sites and agreements for their equipment.

Property & Facilities Management Team

The Covid 19 pandemic has provided fresh and unique challenges for the Property and Facility Management Team. This has included the precautionary measures taken in Blackdown House, Exmouth Town Hall and other similar properties encompassing restrictions of access to desks and other social distancing measures, specialist signage, provision of hand sanitiser equipment and supplies and other associated items.

During the period since the start of the first lockdown in March, reactive maintenance has needed to continue to our properties and this too has required Covid precautionary measures to be undertaken. Of particular note has been the need for the Maintenance Technicians to ensure compliance with social distancing requirements which has impacted on the way works are arranged and carried out.

Aside from the more routine reactive maintenance work undertaken, there have been two arson attacks in Exmouth which occurred in July. At the Exmouth Pavilion there was fire damage to the Back of House areas following the setting alight of a dumpy bin against the wall of the building. Restoration works to this property are close to being completed, although there has been some programme frustration because of Covid considerations. At the Bumble & Bee Café a similar arson attack took place, with the extent of the damage being more significant than for the Pavilion. The Loss Adjuster has now confirmed his acceptance of the costs from the preferred contractor, and restoration works are now about to commence.

While Planned Maintenance and Capital Works have by necessity taken a lesser priority during the period, there have been several particular projects that are either underway or being designed including the provision of new modular changing buildings at Seaton Town Football Club, while at Exmouth Leisure Centre consultants have been appointed to design new improved energy efficient lighting and investigate the removal of the very large cold water storage tank, with the supply being altered to direct feed.

A Cabinet Report has been presented regarding the investment works at Honiton Swimming Pool. The previous approved budget for this work was proven to be inadequate following a further investigation into the issues with the floor screeds and water ingress both externally and internally. Cabinet accepted the report recommendations on 28 October, with Council further considering the matter on 9 December. If approved, the works will be tendered shortly thereafter and potentially commence during Q1 2021.

Reactive maintenance in the period has included work to beach huts, sports and leisure centres, public conveniences, esplanade shelters and other properties. This has included the updating of the toilets in the clubhouse at Warren View to ensure Covid compliance and availability for safe use by those attending football games.

One significant aspect undertaken by the Team, primarily the Area Building Surveyors, has been compliance, with numerous reports and surveys being undertaken at council properties for such matters as asbestos, fire risk assessments, legionella, boilers and heating, life safe systems, PAT testing, lightning protection, fire extinguishers etc. Reports are carefully considered and where applicable remedial actions are being identified with the associated recommended works being organised. Relevant documents are being uploaded onto Idox and Uniform. The Team has also been assisting and liaising with SWAP while they undertake their compliance audit for the department.

Property stock condition data is being currently reviewed and updated, including the inclusion of potential high level costings for associated investment over the next 30 years. Net present values are being established.

Procurement will commence shortly for maintenance works due to commence from April 2021 following the conclusion of the current agreement at the end of March.

Tim Child
Service Lead - Place, Assets & Commercialisation

Report to AMF 2nd December 2020

Place, Assets & Commercialisation Service Planning – 2021/22

Recommendations

That AMF consider and support the themes below to inform Service Planning for 2021/22.

Background

The Service is in the process of preparing our Service Plan for 2021/22. Key themes are as follows:

Place & Environment

1. Climate change – making land and building assets more sustainable and fulfilling commitments in climate change strategy.
2. Continue to follow the process for bringing forward the delivery of phase 3 at Queen's Drive. To include temporary uses.
3. Explore opportunities afforded by existing assets to invest in smaller locally based projects where there is the opportunity to have a catalytic place making effect on the locality.

Economy

1. Using existing assets and commercial investment in new assets to capitalise on opportunities to support covid economic response and recovery, harnessing funding sources that might not otherwise be available and ensuring a catalytic effect with any investment.
2. Support existing tenants through response and recovery from the impact of covid on their businesses.

Homes & Communities

1. Enhanced support to HRA to deliver acquisitions but also development and other opportunities to increase social and affordable housing.

Council & Council Services

1. Centralising of asset data to understand performance of all assets, informing asset management decisions and delivery of those decisions – investment, repurposing, disposal, or asset transfer.
2. Covid compliance of Council assets.
3. Continue commercialisation of let portfolio.

4. Move away from reactive maintenance works towards more programmed works utilising stock condition data for all buildings and launch a programme of planned maintenance works for next 3 years.
5. Commercialisation - Investing in existing or new assets where there is a strong business case.
6. Asset devolution.

Tim Child

Service Lead – Place, Assets & Commercialisation

Report to AMF 2nd December 2020

Community Asset Transfer Policy

Recommendations

That the Next Steps be considered and instruction given to Officers.

Background

- This item was considered at Asset Management Forum on 2nd September 2019. A recommendation was made to Cabinet that the policy approach and the procedure be endorsed in principle, and the consultation with town and parish councils commence.

[Asset Management Forum 2 September 2019](#)

- The matter was then considered at Cabinet on 2nd October 2019. Resolved to endorse in principle, and the consultation with Town and Parish Councils commence.

<https://democracy.eastdevon.gov.uk/ieListDocuments.aspx?CId=136&MId=229&Ver=4>

- Consultation on Careful Choices then commenced and it was agreed by SMT and Portfolio Holder that the consultation on this Community Asset Transfer policy commence after the results of Careful Choices had been considered. The Community Asset Transfer Policy is after all a tool to deliver on a direction of travel that would have come out of the Careful Choices consultation. With events this year, consultation has not yet commenced.

Next steps

For AMF to:

1. Assess continuing suitability of draft policy.
2. If still suitable, instruct Officers to commence consultation on the draft as planned and resolved by Cabinet. If not, to consider what further work is required before taking back to Cabinet for endorsement prior to consultation, if indeed consultation is still supported.

Tim Child
Service Lead – Place, Assets & Commercialisation

Report to AMF 2nd December 2020

Commercial Investment Update

Recommendations

That the content of this report be noted and instruction be given to Officers.

Background & Current Position

The adopted Commercial Investment Framework requires updates to AMF meetings.

Since the last AMF meeting in January 2020 the Council completed on the acquisition of Ocean Blue in Exmouth. The details of this commercial investment and the process followed in accordance with the adopted Commercial Investment Framework was presented to Cabinet on 8th October 2020.

<https://democracy.eastdevon.gov.uk/ieListDocuments.aspx?CId=136&MId=1566&Ver=4>

The acquisition completed on 4th March 2020 and was to have been reported verbally to the AMF meeting of 5th March as per the adopted Framework but with that meeting being cancelled this has been the 1st opportunity to present to AMF.

No other investment opportunities are actively being progressed at this time due to the pandemic and a new direction being sought as to a) the appetite for commercial investment and b) the process to be followed to align with the Council's priorities and its response to supporting economic recovery from the pandemic and to providing quality social and affordable housing.

Next steps

Direction from AMF on how it wishes to take this area of work forward.

Tim Child
Service Lead – Place, Assets & Commercialisation

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted