

EAST DEVON DISTRICT COUNCIL

Minutes of the meeting of Asset Management Forum held at Blackdown House, Honiton on 13 June 2019

Attendance list at end of document

The meeting started at 9.30 am and ended at 11.45 am

1 Public speaking

There were no members of the public wishing to speak.

2 Welcome to new AMF members

The Chairman welcomed new members to the Asset Management Forum.

The Forum received a presentation from the Senior Manager for Property and Estates, and the Senior Manager for Regeneration and Economic Development, to outline the role of the Forum, and give an overview of the General Fund land and buildings portfolio, the work of the Property and Estates Team, and the work of the Regeneration Team.

The presentations are available to Councillors from their library facilities.

3 Notes from the previous meeting

The notes of the previous meeting held on the 25 February 2019 were agreed as a true record.

4 Declarations of interest

Minute 8. Performance Dashboard.

Councillor Andrew Moulding, Personal, President of local sports club.

Minute 8. Performance Dashboard.

Councillor Ian Thomas, Personal, Chairman of local sports club.

Minute 8. Performance Dashboard.

Councillor Kevin Blakey, Personal, Cranbrook Town Councillor.

Minute 11. Beer Pilot and Community Asset Transfers generally - verbal update.

Councillor Geoff Pook, Personal, Chairman of Beer Parish Council.

5 Matters of urgency

There were no matters of urgency.

6 Confidential/exempt item(s)

There were no items which officers recommended to be dealt with in this way.

7 Performance Dashboard

The latest version of the Performance Dashboard was presented to the Forum. The Senior Manager for Property and Estates reiterated the purpose of the dashboard being to give an overview of key performance data and project delivery

He specifically highlighted:

- Capital receipts
- Significant improvement in completed Lagan cases – facilities and reactive maintenance
- Commercial Investment Decision Making Group had met to consider a commercial investment opportunity in line with the adopted Commercial Investment Framework. A decision has been made to proceed with this investment opportunity.

Questions and debate on the items within the dashboard covered:

Manage the Beer Parish Council asset devolution scheme proposals.

Clarity was requested on the description of the objective relating to the asset devolution pilot. The Chairman confirmed that whilst the pilot centred around Beer Parish, the concept was to prove the model through progress of the pilot, with the intention to apply elsewhere in the District if the model was successful.

Comment was made that there was frustration in the time it was taking to reach an agreement on the pilot and a wider policy; particularly as other areas such as Seaton, wanted to progress on asset devolution.

The objective was explained by the Chairman as a move away from one-off transfer of an asset, to an approach of bringing a number of assets together as a package, covering both cost and income elements. It was not intended as a “cherry pick” exercise. The model also had to be proven that it could be scaled up to cover asset devolution to larger parishes and towns. The Chairman advised that the appetite of other authorities to take on assets would be gauged once the scheme offer was understood. He reminded the Forum that a total of £2.6m of non-statutory assets was in the District Council ownership, so it was important to explore options with those assets in order to help towards the budget gap in the medium term financial plan (MTFP).

Councillor Thomas reiterated his concerns about the concept. Selecting packages of assets based on place would have an impact on service for the district, such as with economies of scale.

The Senior Manager for Property and Estates outlined work already undertaken on a draft policy of the devolution of assets, which would come before the Forum alongside the Beer Pilot scheme proposals. The draft policy is already prepared. At that point, wider consultation would take place. The Chairman requested detail back to the Forum that outlined the pros and cons for asset devolution for both place and service elements.

Seaton Moridunum

Councillor Hartnell updated the Forum that there had been some progress, and local Ward Members and the Town Council had been updated.

Transfer of Younghayes Centre and Worship land, Cranbrook

Councillor Blakey advised the Forum that Cranbrook Town Council were ready to complete, pending outstanding remedial repairs. In response, the Senior Manager for

Property and Estates requested a definitive list of outstanding works from the Town Council.

8 **Property Matters Newsletter**

The Senior Estates Surveyor highlighted elements of the Property Matters Newsletter, including:

- Mobile banks boosting car park income;
- New Property Records and Administration Officer in post;
- Housing valuation work previously undertaken externally, was now carried out by the Estates Team. This provided both savings and efficiencies to the HRA, and this would be reviewed after six months to quantify those savings;
- Completion of asset valuation work which forms part of the Council's Statement of Accounts.

9 **Seaton Workshop Units**

Seaton workshop development covers two sites: Colyford Road and Fosseway Park. The background to the two sites was set out in the report to the Forum.

Through the use of consultants, a more cost effective and simplified design for the Fosseway Park site has been produced, with some of those changes outlined to the Forum. Whilst the specification had now reduced from the earlier design, the general cost of construction had increased negating any saving from a reduced construction specification. Rental values have not materially increased during the preceding years so the viability is not dissimilar to that presented previously to the Forum.

The report set out the initial viability work, indicating that if the Council wished to proceed, funding would be required, and obtained through the PWLB. In order to ensure a positive cashflow in year 1 and for the early years, that loan would need to be over 40 years. This issue would need exploring further to determine if this was appropriate for this construction type, as usually any such borrowing for this kind of build is in the region of 20 – 30 years borrowing term.

The Colyford Road site needed further consideration by officers about its suitability for such units, or if the asset would be better utilised for other purposes.

Debate on the sites covered:

- Need to take a strategic view on both sites, but in particular the Colyford Road site, in the wider context of the aspirations of Seaton in providing suitable sports pitches and other development alongside need for workshop units;
- Frustration at lack of progress in reaching an outcome for both sites;
- Agreement that further exploration of alternative uses for the sites needed to be undertaken. Officers would discuss the sites further, from both the Property and Estates Service and Planning Service, utilising the newly appointed Planning Delivery Manager;
- If the use of modular units for workshops had been considered as another means of driving down cost.

ACTION:

1. Appropriate officers meet to develop alternative solutions for the sites in the context of the development of the town as a whole. This will include engagement with local Ward Members and Seaton Town Council;

2. Check whether modular units had been considered in redesign work.

RESOLVED:

That the Forum receive a report back to their September meeting with outcomes from consideration of alternative solutions.

10

Beer Pilot and Community Asset Transfers generally - verbal update

The Senior Manager for Property and Estates gave an update to the Forum on the pilot, further to earlier discussion under the Performance Dashboard, as follows:

- Work continues with Beer Parish Council to prepare a robust business case, whereby the transfer of assets at Beer can take place at no extra cost to the Council, mitigating future cost liabilities on the Council, and facilitating local management and 'ownership' of assets.
- A report was issued to Strategic Management Team (SMT) in April setting out proposals, and a clear direction was given by SMT that the Council remains absolutely committed to the transfer, but that it needs to be cost neutral from year 1.
- This has generated some challenges, in that StreetScene fixed costs (staffing and vehicles) remain; and whilst those services can be redeployed, there is still a net cost to the Council, and therefore maintenance and cleansing for a period costs both Beer Parish Council and EDDC.
- Constructive discussions have continued with Beer Parish Council to refine the business model to ensure that it can be broadly speaking cost neutral in year 1 to the Council, with savings then being generated over the short to medium term, but at the same time making sound business sense for Beer Parish Council.
- The business model broadly works through Beer Parish Council having Beach Court Car Park transferred to them to provide an ongoing income, a further contribution from car parking revenue tapering down to zero after a time and a commitment by Beer Parish Council to continue using and funding StreetScene services, but on the premis that this tapers down to zero after a period of time.
- Further refining is needed of the business case such as the tapering period/ StreetScene obligations and funding.
- Interim arrangements have been put in place to enable Beer Parish Council to manage events this season.

The intention was to return to the Forum with an agreed scheme, alongside a draft policy for the wider District, at the September meeting or sooner if practicable.

Attendance List

Councillors present:

G Pook (Chairman)

I Thomas

K Blakey

S Bond

Councillors also present (for some or all the meeting)

M Armstrong
A Moulding
M Hartnell

Officers in attendance:

Tim Child, Senior Manager Property and Estates
Richard Cohen, Deputy Chief Executive
Rob Harrison, Senior Estates Surveyor
Lorna Todd, Regeneration Assistant
Debbie Meakin, Democratic Services Officer
Alison Hayward, Senior Manager Regeneration & Economic Development

Councillor apologies:

B Ingham
P Millar

Chairman Date: