

Agenda for Asset Management Forum

Thursday 29 November 2018, 9.30am



Venue: Council Chamber, Knowle, Sidmouth, EX10 8HL
[View directions](#)

Contact: [Chris Lane](#), 01395 517544 (or group number 01395 517546): Issued 22 November 2018

East Devon District Council
 Knowle
 Sidmouth
 Devon
 EX10 8HL
 DX 48705 Sidmouth
 Tel: 01395 516551
 Fax: 01395 517507
www.eastdevon.gov.uk

- 1 [Public speaking](#)
- 2 Notes for 6 September 2018 (attached)
- 3 Apologies
- 4 [Declarations of interest](#)
- 5 [Matters of urgency](#) – none identified
- 6 Confidential/exempt items – there are no items which officers recommend should be dealt with in this way.

Part A Matters for Decision

- 7 **Actions from last meeting**
- 8 **Council's approach to managing assets and role of AMF – report attached.**
- 9 **Performance Dashboard – report attached**
- 10 **Successes Newsletter – to be circulated at the meeting.**
- 11 **Budleigh Salterton Beach Store - Briefing note attached.**
- 12 **Commercial Investment fund – report attached.**
- 13 **Stock Condition – report attached.**
- 14 **One Public Estate – report attached.**
- 15 **Younghayes Centre, Cranbrook – report attached.**
- 16 **Seaton Moridunum - Report attached.**
- 17 **Report of future lease events – to be circulated at the meeting.**
- 18 **AOB.**

Under the Openness of Local Government Bodies Regulations 2014, any members of the public are now allowed to take photographs, film and audio record the proceedings and report on all public meetings (including on social media). No prior notification is needed but it would be helpful if you could let the democratic services team know you plan to film or record so that any necessary arrangements can be made to provide reasonable facilities for you to report on meetings. This permission does not extend to private meetings or parts of meetings which are not open to the public. You should take all recording and

photography equipment with you if a public meeting moves into a session which is not open to the public.

If you are recording the meeting, you are asked to act in a reasonable manner and not disrupt the conduct of meetings for example by using intrusive lighting, flash photography or asking people to repeat statements for the benefit of the recording. You may not make an oral commentary during the meeting. The Chairman has the power to control public recording and/or reporting so it does not disrupt the meeting.

Members of the public exercising their right to speak during Public Question Time, but do not wish to be recorded, need to inform the Chairman who will instruct those taking a recording to cease while they speak.

[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 a meeting of the Asset Management Forum held at Knowle, Sidmouth on 6 September 2018

Attendance list at end of document

The meeting started at 10.05am and ended at 11.45am.

***12 Public speaking**

There were no public speakers at the meeting.

***13 Report of previous meeting and actions from last meeting**

The report of the previous meeting held on 14 June 2018 was confirmed as a true record. Most actions were covered with the agenda items for this September meeting; however the planned demonstration of the Uniform based Asset Management software was now deferred to the next meeting. This was to allow some further work to it, in order to demonstrate not only the current use of the software, but also the potential use.

***14 Declarations of interest**

Councillor Skinner – personal interest as Board Member of the Science Park
Councillor Barrow – personal interest as Shareholder of the Science Park

***15 Role of Asset Management Forum**

The Forum had already discussed, at their previous meeting, the proposal for the Property & Estates Service to have strategic oversight of all EDDC non-dwelling assets along with providing advisory support for HRA dwellings. The Property & Estates Service would hold the financial and property record data for all council property assets excluding Housing Revenue Account (HRA) dwellings and be responsible for ensuring a better understanding of the performance of each asset and making strategic property decisions based on that data.

Since then progress had been made with discussions at Strategic Management Team on the practical issues of how to deliver the centralising of asset intelligence to strategically manage the portfolio. A further report would come back to the Forum as this is progressed.

Clarity was sought over the inclusion or exclusion of HRA assets. The Chairman explained that this proposal would not be removing any day-to-day responsibilities from one service area to another. It related to holding the information about all assets that were not an HRA dwelling in one place and that data being used for strategic decisions. It would also bring a consistency to how assets were dealt with across the Council.

ACTION That the progress on this proposal be brought to a joint meeting of the Strategic Management Team and Cabinet if possible, to enable further discussion and agreement on implementation.

RESOLVED That the progress to date be noted.

***16 Performance Dashboard**

The Forum was presented with the first version of the Performance Dashboard. Tim Child, Senior Manager - Property and Estates, helped familiarise the Forum with its contents, highlighting:

- traffic light system for the key projects;

- Useful performance data such as rent roll (total rental income from land and property); number of assets held for sale; completed works; capital receipt total; capital spend to budget; and maintenance spend to budget;
- Comparison data over time to manage performance – for example, the Forum would be looking for an increase in rent roll over time and delivery towards 100% of anticipated spend as year progresses;
- One page format so all strategic level information in one place.

Comments made and issues brought up on the dashboard included:

- Seeking clarity on how overage payments from developers were allocated to budget – was this money ring-fenced for affordable housing or allocated elsewhere?
- Data for the capital spend to budget and maintenance spend to budget was still being compiled and would be in place for the next production of the dashboard;
- Helpful to see snapshot of day to day maintenance works completed as well as data on new leases and the element of those that had increased in value;
- Red RAG status on Sports and Social Club tenure arrangements gave rise to discussion on considering strategic needs for sports pitches when beginning negotiations on lease renewal. In particular, Exmouth Rugby Club was quoted as an example, as was Seaton Football Club. In response, it was confirmed that the existing process was generally for a report, containing the views of the local ward member(s) would go to the Portfolio Holder for a decision. A request was made that more Member involvement was required, particularly with the Portfolio Holder for Economy, before key leases had expired and negotiations had begun so as to identify and address wider considerations.

ACTION a) Obtain information on what budget the overage payments were paid into;
b) Research ease of providing list of leases coming up for renewal for the Forum, whereby they could then select those they considered were of key importance strategically that needed discussion before negotiation proceeded either inside / outside of Forum.

RESOLVED that the Performance Dashboard be welcomed and provided as a standing item for future meetings of the Forum.

***17 Successes Newsletter**

The drafted newsletter was circulated at the meeting for the Forum to consider.

The purpose of the newsletter was to raise awareness of the breadth of work undertaken by Property & Estates, successful projects completed and positive progress on others. Some of the articles would be used by the Communications Team for social media good news stories.

The views of the Forum on the newsletter were:

- Happy with the concept of promoting good news stories but not sure if the format suggested was right in the long term;
- If continue to use, ensure meets visual guidelines set for council publications, even if only for the consumption of Members. All communication needs to be consistent in format and quality regardless of intended audience.

ACTION To check that newsletter meets visual guidelines set for Council publications and assess best means of circulation depending on sensitivity of the content.

RESOLVED to note the content of the Successes Newsletter

***18 Seaton Workshops update**

Colin Whitehead, Principal Building Surveyor, gave an update on the current position for the two sites at Fosseyway and Colyford Road.

The project initiation document (PID) was currently being prepared. There were also some issues to be resolved, such as simplifying the design of the workshops that would mean a delay in the project but the completion date of October 2019 was still at this stage possible. There is also work needed around underlying strategy for these 2 sites.

ACTION For the workshops project to be added to the list of projects monitored by the Capital Strategy and Allocation Group once a PID has been taken through the Council's Senior Management Team.

RESOLVED that the update on Seaton Workshops be noted.

***19 Budleigh Salterton Beach Store**

A report has been prepared for consideration by the Asset Management Portfolio Holder which recommends the disposal of the site via auction with the Senior Manager, Property & Estates given delegated authority to agree the detailed terms, guide and reserve prices with the auctioneer.

RESOLVED that the update on the Budleigh Salterton Beach Store be noted.

***20 Former Searchlight Emplacement Building, Esplanade, Seaton**

A report has been prepared for consideration by the Asset Management Portfolio Holder which recommends the disposal of the site via auction with the Senior Manager, Property & Estates given delegated authority to agree the detailed terms, guide and reserve prices with the auctioneer.

Both this and the previous item will be, subject to Portfolio Holder approval, taken to auction in October.

RESOLVED that the update on the Former Searchlight Emplacement Building be noted.

***21 Newton Poppleford Public Conveniences**

This project was nearing completion, with the heads of terms sent to Newton Poppleford Parish Council and solicitors instructed.

RESOLVED that the update on the Newton Poppleford Public Conveniences be noted.

***22 Update on current commercial property investment opportunities being explored**

Two proposals were under consideration as investment opportunities:

- a) Ocean building in Exmouth currently for sale with a guide of £2.7m.. The Council owns the land, along with some neighbouring parcels of land. The building is leased by LED on a 25 year lease;
- b) A tenant requiring a long term lease has been secured by Exeter Science Park Ltd for the Exeter Science Park. The Council is considering funding this as part of its new approach to commercial property investment.

Both proposals are being considered and more detail will follow if either opportunity is progressed.

RESOLVED that the update be noted.

Attendance list (present for all or part of the meeting):

Councillors:

Dean Barrow

Paul Diviani

Andrew Moulding

Geoff Pook (Chairman)

Philip Skinner

Ian Thomas

Also Present:

Pauline Stott

Apologies:

Marianne Rixson

Alan Dent

Officers present:

Richard Cohen, Deputy Chief Executive

Tim Child, Senior Manager - Property and Estates

Colin Whitehead, Principal Building Surveyor

Rob Harrison, Senior Estates Surveyor

Adrian Priest, Estates Surveyor

Debbie Meakin, Democratic Services Officer

Chairman Date.....

29th November 2018 EDDC Asset Management Forum

Role of Asset Management Forum and the Council's approach to managing assets corporately

Recommendations

- a) To note progress to date and next steps.
- b) To support the direction of travel as outlined in this report around how the Council manages its land and property assets.

Background

Following Cllr Pook's appointment as the new (and first) Portfolio Holder for Asset Management at AMF on 14th June the 'Asset Management Portfolio – Way Forward' document was presented. This set out a move towards a strengthened strategy and policy emphasis, utilising asset performance data and more proactive and strategic management of the wider portfolio (excluding HRA dwellings) to best support the Council's corporate objectives and transformation strategy. The proposal was to centralise asset intelligence and to strategically manage the portfolio as a whole, with Property & Estates being the virtual owner of all Council non dwelling assets along with providing greater advisory support for HRA dwellings. Property & Estates would hold the financial and property record data for all Council property assets excluding HRA dwellings and be responsible for making strategic property decisions. This proposal better recognises the important role that the Council's assets can play in supporting the Council's service delivery directly or indirectly, but also the liabilities attached with holding assets. With the current position, both asset data and strategic decision making tends to be fragmented and dealt with inconsistently generating risk of gaps, impacts on our ability to manage the portfolio in a way that extracts maximum financial and non-financial return, generates additional operating cost and limits our ability to take a strategic overview. To be clear, the arrangements proposed do not impact on day-to-day management of those assets, nor indeed on the staffing and resources involved with that day-to-day management. What this is more about is:

1. Making sure that incomes and costs get captured centrally
2. Additional asset intelligence is captured
3. There is a consistent interpretation and adherence to an asset strategy
4. Performance of all assets is monitored and reported on in a consistent manner
5. That this performance data drives decision making
6. That standard policies and procedures operate across the Council

A report was taken to SMT on 22nd August setting out the direction from AMF, CSAG, Leader and Asset Management Portfolio Holder to centralise asset intelligence and strategic management of the General Fund and Non Dwelling HRA portfolio and bolstering the Strategy & Policy function. Property & Estates Officers were asked by SMT to take forward a corporate discussion on the best way forward to deliver this and to then present a business case back to SMT.

In the intervening period further work has been undertaken to better understand how land and property assets are currently managed across the Council, notably visibility to Property & Estates of:

-) Ownership records
-) Incomes
-) Lease and licence events
-) Cost liabilities – rates, utilities, cleaning, security, reactive maintenance, planned maintenance and investment planning
-) Strategies, policies and procedures
-) Clarity of why we hold the asset
-) Vacant & surplus assets
-) Health & Safety compliance

Next Steps

A workshop has been arranged to bring key officers together, to understand current practices, identify what works well and what doesn't, to gain support for change and inform what that change might be and how it will operate. The workshop takes place on 12th December and Officers invited are as follows:

Tim Child, Senior Manager – Property & Estates
 Richard Cohen, Deputy Chief Executive
 Rob Harrison, Senior Estates Surveyor
 Colin Whitehead, Principal Building Surveyor
 Simon Davey, Strategic Lead – Finance
 John Golding, Strategic Lead – Housing & Environment
 Andrew Hancock, Service Lead – StreetScene
 Andrew Ennis, Service Lead – Environmental Health & Car Parks
 Libby Jarrett, Service Lead – Revenues & Benefits
 Charlie Plowden, Service Lead – Countryside & Leisure
 Amy Gilbert-Jeans – Service Lead, Housing
 Anita Williams – Principal Solicitor

The intention is then to take a Business Case to SMT on 9th January 2019 then to Cabinet on 6th February 2019 to formally adopt a new way forward for the strategic management of land & property assets.

Tim Child
 Senior Manager – Property & Estates

CONFIDENTIAL

EDDC AMF Portfolio Performance Dashboard

Date: Nov-18

Overall Management of the Portfolio	Last Report	This Report	Notes
Estates - Rent Roll	£915,579.43	£796,131	AMF Sept Dashboard incorrectly included a leased in asset. 347 leases / licences
Estates - Re-letting (total 347)	3	5	2 Riverside units (with Legal), Garage at West Street (with Legal), Warren View (with Legal and pending further ground investigation) and Sidford Pavillion (negotiations ongoing)
Estates - Held for Sale Assets (total 434)	3	3	Drill Hall (being marketed), Beach Hut Store, Budleigh (Feb auction) and Seaton Searchlight emplacement (with Legal)
Estates - Capital Receipts (in financial year)	£58,500	£58,500	Approx £95,000 additional receipts anticipated shortly
Property & FM - Laggan Completed Works (23 Aug - 22 Nov)	193	302	249 open cases. Very high due to large number of jobs put out to external contractors and still needing closing
Property & FM - Planned Maintenance Spend To Budget (18/19) %		38%	£64,174 of £169,750
Property & FM - Reactive Maintenance Spend To Budget (18/19) %		78%	£89,179 of £113,750

Key	
Red	Unsatisfactory progress/ Not Yet Started
Amber	Issues needing resolving
Green	On target/completed

Key Projects - Delivery	Last Report	This Report	Notes
Property & FM - Project Manage delivery of Seaton Workshop Units (2 sites) - delivery of completed units			On-Hold till Jan
Commercial Property Investments			Framework anticipated to be adopted Feb after some recent slippage
Sale of Budleigh former Beach Hut Store & Seaton Lookout			
Beer Pilot			Progress to be made Dec / Jan raedy for next season
One Public Estate			Workshops being arranged for Dec & Jan
Transfer of Younghayes Centre and Worship land, Cranbrook			Anticipate completion of Younghayes transfer Dec
Seaton Moridunum - enhancement of seafront			External consultant appointed to provide valuation

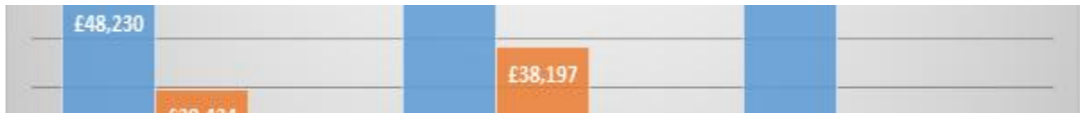
Sports & Social Club tenure arrangements			
--	--	--	--

Key Projects - Service Development	Last Report	This Report	Notes
Estates - Address backlog of lease event activities			Additional resource within Estates Team now assisting
Estates - Improve commercialism - maximising rent / reducing costs / disposing or restructuring of poorly performing assets			Proposed corporate approach to managing land and property will assist
Estates - Improve internal and external perception			
Property Records - Utilise Business Objects training to report on staff and portfolio performance			Property Records Officer becoming vacant in early Dec. Will delay this project
Property Records - Broaden remit to provide more comprehensive function			Property Records Officer becoming vacant in early Dec. Will delay this project
Property Records - 'Super User' role for Uniform within P&E			
Property & FM - Incorporate use of Uniform into Property Services			Resource challenges through staff absence and retirement
Property & FM - Review of Landlord Health & Safety Compliance across all non HRA assets, update existing or develop new			
Property & FM - Capturing of stock investment requirements within new stock condition surveys			Template to be in place Dec with surveys commencing early Jan
Service wide - Prepare and deliver Commercial Property Investment Framework			External advice being sought. Anticipate SMT on 9th Jan and Cabinet 6th Feb
Service wide - Lead staffing changes and embed new working			
Service wide - Develop and implement a more corporate approach across Council to managing land and property assets			Workshop on 12th Dec with SMT anticipated 9th Jan and Cabinet 6th Feb

High Profile Activities Next Period
Property Investment Fund - Special AMF in Jan/ 6th Feb Cabinet / 27th Feb Cabinet
Disposals - Budleigh Beach Hut Store - Feb auction
Corporate ownership of land and property - 9th Jan SMT / 6th Feb Cabinet
Honiton and Sidmouth Pools changing rooms reconfiguration / refurbishment
New ventilation and air condition systems at Honiton and Sidmouth pools
Broadclyst Leisure Centre reroofing
PV panels across District
Magnolia PC's, Exmouth - improvements



Service wide - Incorporate use of Uniform across other key Services			Needs buy-in from 12th Dec workshop
---	--	--	-------------------------------------



29th November 2018 EDDC Asset Management Forum

Budleigh Beach Store – Briefing Note

Recommendations

For Noting.

Current Position

Following a report to the Asset Management Portfolio Holder which approved the disposal of the site via auction, preparation of the legal documentation is underway.

It had been hoped that the property could have been included in an Auction on 13 December however when preparing the legal documentation an error in the land registry plan for the site was identified which needs to be corrected. Officers from Estates & Legal are working to get the appropriate amendments made and it is hoped that the property will be entered into an auction in early February.

Rob Harrison
Senior Estates Surveyor

29th November 2018 EDDC Asset Management Forum

Commercial Investment Framework

Recommendations

For Noting.

Current Position

On 6th September 2018 an AMF Working Group considered the draft Commercial Investment Framework. Feedback has been taken on board and an updated draft prepared. External advice is now being obtained on this final draft before returning to a Special AMF to be arranged in January to consider this Framework. The intention is then to take to Cabinet on 6th February and then to Council on 27th February to make available a £20,000,000 investment fund with the objective of generating a £450,000 nett income to the Council and as set out within the Council's Transformation Strategy.

This project has progressed slower than intended due to the need to react to actual investment opportunities which became available and hence diverting resource. That said, applying the draft Framework to those opportunities has helped refine. Of those two opportunities being considered, one is still live and might lead to an investment opportunity.

Tim Child
Senior Manager – Property & Estates

29th November 2018 EDDC Asset Management Forum

Stock Condition Surveys

Recommendations

- a) To note progress to date and next steps.
- b) To support the appointment in principle of an interim agency building surveyor for a term of circa 6 months to assist in undertaking these stock condition surveys. Funding would come from the existing Maintenance Reserve. A formal request needs to be made to Strategic Lead – Finance and has already been discussed.

Background

The Council currently operates a very straight forward stock condition data capture procedure. Basic data is captured but serves limited purpose in terms of understanding stock and informing decisions.

A comprehensive stock condition survey template, data repository and inspection regime is vital in that it would allow EDDC to collect information and data relating to all of our corporate properties, which is used to identify the scope and size of the Council's liability in connection with future maintenance, repairs, replacement and wider investment works.

Stock condition survey information is also vital in determining the suitability, sufficiency, and efficiency of existing corporate buildings.

EDDC is to introduce a new survey template, data repository and inspection regime to commence early January 2019. This will include a 30 year programme of works with indicative costings against each item. We aim to inspect all properties within a 6 month period and thereafter update the stock condition surveys every five years on a rolling basis.

The survey covers three main areas:

1. Property condition survey – to assess the age and condition of the major elements of the building, allowing officers to estimate the renewal year, and current indicative cost for each item.
2. Energy audit – to assess the energy efficiency of the building and check any potential improvements that will impact and improve on the running cost of the building.
3. Health and safety risk assessment – to highlight any potential risks to visitors, tenants and staff using the building.

This process is critical in providing the future cost data along with suitability, sufficiency, and efficiency data to assess alongside income and other non-financial

benefits whether a property is performing well or not. This data will then inform a performance appraisal which will determine whether to invest, dispose, transfer or change a use of a particular asset and ultimately help support generating the revenue savings needed as part of the Transformation Strategy.

Colin Whitehead
Principal Building Surveyor

29th November 2018 EDDC Asset Management Forum

One Public Estate

Recommendations

For Noting.

Current Position

This follows a briefing to AMF earlier in 2018.

Funding was secured from Government in early 2018 to scope opportunities in both Exmouth and Axminster to make better use of the public estate by working with key public sector partners and by doing so reduce revenue costs, improve services to the public and release land for housing development.

£50,000 was secured for Axminster and £75,000 for Exmouth. Opportunities for the Council are fairly limited and until recently other projects have taken priority. That said, progress is now beginning to be made and workshops are being set up for December / January to bring public sector partners together to explore opportunities, identify next steps and establish that these are worthwhile and deliverable projects and agree which organisation is best placed to lead.

Tim Child
Senior Manager – Property & Estates

29th November 2018 EDDC Asset Management Forum

Younghayes Centre, Cranbrook – Asset Transfer

Recommendations

For Noting.

Current Position

The intention when built was always for the Younghayes Centre to transfer to the Town Council. For various reasons the transfer has not been straightforward and earlier this year it appeared an impasse had been reached.

The transfer was given additional focus by both EDDC and the Town Council and despite some recent challenges resulting from the prospect of accommodation becoming vacant and rental income therefore dropping for a period until re-let, Officers have been successful in unblocking that impasse. On 19th November the Town Council resolved to progress with the transfer on the current terms agreed and Officers are working with the Town Council to ensure the transfer completes ideally before the end of the calendar year.

Tim Child
Senior Manager – Property & Estates

29th November 2018 EDDC Asset Management Forum

Seaton Moridunum

Recommendations

For Noting.

Current Position

For the past 5 years the Council has been in discussion with the freeholder of the flats (Fosseway Court) behind the Moridunum to explore opportunities to open up the wider site, to facilitate development of the Fosseway Court site but also that of the Moridunum and the wider seafront. Discussions had been unsuccessful.

With the aim of finding a workable solution the Council has instructed Lambert Smith Hampton Property Consultants to assist.

If terms can be agreed then this will return to AMF then Cabinet in early 2019.

Tim Child
Senior Manager – Property & Estates