

Agenda for Asset Management Forum Thursday, 9th January, 2020, 10.30 am

Members of Asset Management Forum

Councillors: G Pook (Chairman), S Bond, K Blakey, I Thomas,
S Hughes and B Ingham

Venue: Council Chamber, Exmouth Town Hall

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(or group number 01395 517546)

Tuesday, 31 December 2019



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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 are two items which officers recommend should be dealt with in this way.

7 New structure for Place, Assets & Commercialisation Service

Verbal update

8 Performance dashboard (Pages 8 - 11)

9 Property Matters newsletter (Pages 12 - 15)

10 Exclusion of the public

The Vice 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 Matters for Decision

- 11 Commercial investment fund (Pages 16 - 38)
- 12 Marpool workshops, Exmouth (Pages 39 - 40)

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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 will be recorded.

[Decision making and equalities](#)

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EAST DEVON DISTRICT COUNCIL**Minutes of the meeting of Asset Management Forum held at Council Chamber, Blackdown House, Honiton on 2 September 2019****Attendance list at end of document**

The meeting started at 9.30 am and ended at 12.29 pm

11 Public speaking

There were no public speakers.

12 Minutes from the previous meeting

The minutes from the previous meeting held on the 13 June 2019 were confirmed as a true record.

13 Declarations of interest**14 Matters of urgency**

There was one matter of urgency, agreed by the Chairman to be taken at the meeting. An emergency replacement of the boiler at Sidmouth Swimming Pool was currently underway to prevent closure of the pool. £29,354 would come from the maintenance reserve to cover this cost.

The Chairman commented that the expenditure was necessary and noted that the work was underway.

15 Confidential/exempt item(s)

There was one item classified in this way and agreed to be considered in private session.

16 Performance dashboard

The performance dashboard as at end of August 2019 was presented to the Forum. The Senior Manager for Property and Estates highlighted in particular:

- Increase rent roll from let property – this had increased due to recent letting of the café at Phear Park, reviewing the rent of the Savoy Cinema, and further letting from the Business Centre;
- The drop in minor/reactive maintenance activities was due to an inflated figure in the previous report that included a backlog of work;
- Within the Other Key Projects – Service Development section of the dashboard, the 'Incorporate use of Uniform across other key services' project is showing red as progress is stalled pending review of other possible software.

The Chairman explained the continued work to build a comprehensive asset database, which still had no completion date due to a lack of resource, both in officer time and budget.

The Forum noted the performance dashboard.

17 **Property Matters Newsletter**

The Senior Estates Surveyor highlighted the successes and general updates in the recently published "Property Matters", including, to name a few:

- Rent review reports
- Manstone workshop unit let to the Countryside Team
- Swift moving of unauthorised camping on Allhallows Playing Fields in July.

The Forum noted the newsletter.

18 **Community Asset Transfer Policy**

The Forum debated the development of a Community Asset Devolution Policy that first reviews the purpose, use and cost of all assets owned by the Council. This review would equip the Council with the information required to:

- Identify those assets required by the Council to discharge its statutory functions;
- Those assets best owned and managed by the Council to deliver the aims of the Council Plan;
- Those assets that may deliver greatest community benefit through ownership and management by the communities in which they lie.

The Forum then considered the draft procedure for requests for asset transfer.

The Chairman explained the dual approach to developing the policy alongside the procedure, in order to clarify to consultees both the Council's direction of travel but also what the process would look like.

The procedure set out clear objectives, the decision making approach, and expected timeframe. The policy would go out to own and parish councils as consultees, with the feedback taken into account before putting the policy before Cabinet and Council for approval.

The intention was to give as much flexibility as possible to the local community on how the asset can be managed, including if they can generate an income from it. The Council would need to protect the public uses but at same time ensure that others were given the freedom to make those assets work for them. It was envisaged that assets might often be grouped within a locality.

The pilot with Beer Parish Council had helped shape the procedure, using this as a test bed, with a view to applying the approach to other communities.

It was noted that Newton Poppleford Parish Council were also examining how the toilet block and car park could be better managed under their control.

Discussion from the Forum included:

- How prepared, and what resource, town and parish councils had to prepare their submission for an asset transfer, including a clear business case;
- Availability of complete data on assets was key, and there was still outstanding work on pulling together data sets on the assets;
- Basic information on assets was known, but less so on future cost liabilities;

- Need to make clear that assets would not be considered piecemeal – that a community needed to have a holistic approach to their area and the assets contained in it;
- Some elements, such as grounds maintenance, may be contracted back to the Council;
- The policy did not provide the opportunity for local communities to “cherry pick” assets; those that provided an income to the Council would remain in Council ownership;
- Assets would be transferred in a working order, but not necessarily in a refurbished state; however the intention of the policy was not to offload poor assets;
- Producing a definitive asset list at this stage would mean that focus would fall on individual assets, rather than the purpose of the policy or a holistic approach managing assets;
- Assets would be transferred as leasehold or freehold and include consideration of long term retention of the asset. No transfer would take place unless there was confidence that the business case was robust and the local community could deliver it;
- Economies of scale were being considered and taken into account; however once an asset had been transferred, there was a limited ability for the Council to have influence over that asset, such as a standard of décor, unless included in the terms of transfer;
- It was key to have robust, clear criteria and decision making process so all parties are clear what the outcome will look like.

RECOMMEND to Cabinet that the Community Asset Transfer Policy approach and the Community Asset Transfer Procedure be endorsed in principle, and the consultation with town and parish councils commence.

RESOLVED Report back to the Forum the consultation feedback and any subsequent revision for debate.

19 **Asset Devolution Programme Pilot: Beer Parish Council**

Councillor Susie Bond took the role of Chairman for this item.

Beer Parish Council had submitted a proposal to the Council that seeks the transfer of responsibility for land and property assets to their council. The proposal alongside being a project in its own right is also a pilot project in order to assist the Council in considering the potential to roll out an asset devolution programme across the District, subject to Cabinet approval.

The assets for transfer were highlighted on a map to show their location to the Forum. These assets were:

- Beer Head Car Park (southern strip and central areas only)
- Star Bank
- Play area above Pumping Station along with possibly the Underleys play area (HRA still to be consulted and will be subject to separate decision making)
- Jubilee Gardens PC's
- Jubilee Gardens Access ' Hardstanding view point – includes income received currently of £700 per annum from RNLI

- Jubilee Gardens
- Charlies Yard
- Beach Court Car Park

Areas to be retained by the Council include:

- Beach – due to complexities around day-to-day management and because of regularisation of agreements being needed
- Cliff – Parish Council are not prepared to accept this liability. This is a concern to EDDC, has been worked through at length and has now been accepted by Officers as part of this wider asset transfer
- Majority of Beer Head Car Park
- Bottom section of Beach Access Road
- Central Car Park

The Forum had received detail of the market values of the assets to be transferred, and the consequences of transferring was explained. The business case, prepared by Beer Parish Council, was explained in detail by Councillor Pook, including the rational and elements of the plan that would deliver savings to the District Council by year ten of £288,838.

Councillor Pook also outlined some of the future uses of the assets, subject to transfer, in delivering a number of improvements to the village that had been requested by both the local community and visitors to the area.

Considerable negotiations had taken place, including taking into account the fixed costs for the StreetScene service. The business case was now felt to be robust and now needed approval to proceed. There was still further detail to work through for the final agreement between parties, so a recommendation would go forward to delegate this work to the Deputy Chief Executive.

RESOLVED that a report be presented to Cabinet for approval to:

- a. Transfer assets as identified, to Beer Parish Council for nil consideration;
- b. Responsibility for agreeing detailed terms and conditions for the freehold/ long leasehold transfers to be delegated to the Deputy Chief Executive.

20 **Commercial Investment update**

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

The Forum were reminded of the background to the framework, and the robust decision process within it. The Chairman also echoed the process behind the framework and the need to act swiftly in the commercial market if the opportunity arose. Any decision on spend up to £5m was made by the Deputy Chief Executive after consultation with Leader and 3 identified Portfolio Holders.

In response to questions, the framework was confirmed as looking to invest within the boundaries of the District, with more straightforward investment to begin with, before

considering if partnership investment opportunities warranted investigation. If investments within District are not forthcoming then possibly looking further afield.

RESOLVED that the update on commercial investments be noted.

21 **Review of Business Rate Liability**

The Forum received a report on engaging a consultant to undertake a targeted review of business rate liabilities, including appeals where savings are envisaged. The consultant fees will be met from the relevant budget for those properties where savings are achieved.

RECOMMENDED that Cabinet approve an exemption to contract standing orders and appoint Val Williams as consultants to act on the Council's behalf in assessing and appealing (where appropriate) Business Rate Assessments.

22 **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.

RESOLVED that the update be noted, with further update to the next scheduled meeting of the Forum.

Attendance List

Councillors present:

G Pook (Chairman)

S Bond

K Blakey

Councillors also present (for some or all the meeting)

J Bailey

J Rowland

Officers in attendance:

Tim Child, Senior Manager Property and Estates

Matthew Dickins, Planning Policy Manager

Rob Harrison, Senior Estates Surveyor

Colin Whitehead, Principal Building Surveyor

Debbie Meakin, Democratic Services Officer

Andrew Champion, Development Delivery Project Manager

Richard Cohen, Deputy Chief Executive

Councillor apologies:

I Thomas

Chairman

Date:

Property & Estates Performance Dashboard

Updated December 2019

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



Performance Of Portfolio

Overall Management of the Portfolio	Last Report	This Report	Notes
Estates - Rent Roll	£912,601	£887,256	Younghayes Centre transfer resulted in loss of income
Estates - Re-letting (total 411)	5	4	Sidford Pavilion (negotiations ongoing), Site 3 Durham Way Honiton, Seaton Hole Kiosk, Warren View Pavilion
Estates - Held for Sale Assets (total 434)	2	2	Drill Hall (with legal), Knowle Offices (with legal)
Estates - Capital Receipts (in financial year)	£0	£0	£50,000 receipt expected in near future from sale of Knapp Nature Reserve to Sid Vale Association together with £25,000 overage payment from former garage site
Property & FM - Laggan Completed Works	107	134	
Property & FM - Planned Maintenance Spend To Budget (19/20) %	44%		To be updated by Principal Building Surveyor at AMF
Property & FM - Reactive Maintenance Spend To Budget (19/20) %	68%		To be updated by Principal Building Surveyor at AMF
Instructions with Legal	23	29	

Service Plan Objectives

Encouraging our communities to be outstanding

Objective	Officer	Target Date	RAG Last Period	RAG This Period	Current Position
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.	Tim Child/ Rob Harrison	31/03/20			9.12.19 Not started.
Manage the Beer Parish Council asset devolution pilot scheme proposals. To conclude in transfer of agreed assets to Beer Parish Council.	Tim Child	31/05/19			19.12.19 Now have Cabinet approval of Business Case to support asset transfer. Heads of Terms now being prepared.

Developing an outstanding local economy

Full project appraisal and business case to either a) Deliver new workshop units at Colyford Road, Seaton & Fosseyway, Seaton, or b) use of land for alternative proposals. Agreement by Cabinet of proposals.	Colin Whitehead	31/07/19			19.12.19 Wider discussions now taking place therefore Colyford Road on-hold, but consideration now on Fosseyway and whether that can be disposed.
Seaton Moridunum – Agree strategy for future of this site. Either dispose or retain but either way ensuring that asset contributes to enhancement of seafront. Agreement by Cabinet of proposal.	Tim Child	31/05/19			19.12.19 No longer on-hold. Agent appointed to progress negotiations.

Continuously improving to be an outstanding council

Commercial Property Income Generation – secure investment to generate £450,000 per annum net income as per transformation strategy. £50,000 in 2019/20 and preparation for £300,000 further income in 2020/21.	Tim Child	31/03/20			19.12.19 1st investment is hoped will complete mid January. Opportunities are limited and challenging due to market uncertainty and lack of opportunities. Investment Decision Making Group being kept updated.
Successful delivery of current One Public Estate projects in Axminster and Exmouth – review of assets, synergies and scoping of opportunities.	Tim Child	30/06/19			19.12.19 Continuing issues with partner engagement. Now escalated to Devon OPE Board for resolution/ or to abort projects. Officer workshop for Axminster being arranged for Feb 2020.
Increase rent roll from let property at rent review by £15,000 (from base of 01/04/2019) through adopting an increasingly commercial approach to the management of the portfolio. This links to a Transformation Strategy objective.	Rob Harrison	31/03/20			9.12.19 System in place and increases being monitored. Current increase is £11,192 from rent reviews which equates to 75% of target.

Deliver 5% increase in total rent roll from let property (from base of 01/04/2019) through adopting an increasingly commercial approach to the management of the portfolio.	Rob Harrison	31/03/20			9.12.19 System in place to capture data, target of £41,106 for the year, current increase is £29,492 equating to 72% of target which doesn't include the business centre increases.
Embed a more corporate approach to managing land and property to ensure better utilisation and efficiency of the estate, making better use of a wider data set, using this to report on performance and using this to inform strategic decision making. Cabinet decision will be required and then adoption across Council.	Tim Child	30/06/19			19.12.19 Further work needed in 2020/21 Service Plan but this particular objective now COMPLETE .
Capture future investment requirements in all General Fund buildings.	Colin Whitehead	30/06/19			19.12.19 Complete for all significant assets other than LED. Non significant assets and LED assets still to be done but plan in place and can be discussed at AMF.
Assess the financial and non-financial performance of all non-dwelling assets. Financial modelling will be by way of Net Present Value and non-financial modelling will consider the contribution towards social, economic or environmental wellbeing of a community. Further more detailed modelling will be required for certain asset types but this objective will inform decision making to support the Council's Transformation Strategy objective around generating revenue savings through reviewing assets of £200,000 in 2020/21, £100,000 in 2021/22, £75,000 in 2022/23 and £75,000 in 2023/24.	Tim Child	31/08/19			19.12.19 Delayed due to capital future investment requirements only recently being known.
Review of Landlord Health & Safety compliance across entire General Fund property portfolio. Address non-compliance if necessary.	Colin Whitehead	31/10/19			19.12.19 Comprehensive report and action plan to be considered in 1st instance by SMT+ in January 2020.
Targeted review of Business Rates liabilities on asset portfolio. Appealing of Business Rates where savings are envisaged.	Rob Harrison	31/03/20			9.12.19 Consultants appointed and undertaking review process.
Deliver a Systems Thinking Review of key systems within both Teams to deliver improved service through efficiency and effectiveness.	Colin Whitehead / Rob Harrison	31/03/20			19.12.19 Following restructure being completed earlier this year, reviews progressing in both Teams on specific tasks and efficiencies already identified and being delivered. Process Mapping for Property & FM Team in readiness for Firmstep arranged for January.
Remodelling of East Devon Business Centre to maximise lettable space and income. Generate £10,000 rental increase. Linked to Transformation Strategy objective.	Rob Harrison	30/06/19			9.12.19 - Rent increases implemented and so far rent increase is £18,090. Draft contracted out lease agreed with legal and being rolled out to existing tenants.
Review of PV array on Council assets. Linked to Transformation Strategy objective.	Colin Whitehead	31/10/19			19.12.19 Buildings identified jointly in discussions with LED. Update to be provided at January AMF.

Other Key Projects

Key Projects - Service Development	Officer	Target Date	Last Report	This Report	Notes
Estates - Address backlog of lease event activities	Rob Harrison	01/04/20			9.12.19 continuing to drive down backlog with demonstrable reduction in cases including the un allocated ones. Now down to 100 Unallocated as opposed to 140 in April.
Estates - Improve internal and external perception & visibility of work and portfolio	Rob Harrison	01/04/20			9.12.19 Property Matters now being circulated to all Cllrs as part of AMF paperwork, use of social media part of working practices.
Property Records - Utilise Business Objects training to report on staff and portfolio performance	Tim Child	01/09/19			19.12.19 Reporting of data within Uniform across both Teams now much improved. Further work being done with Strata to enable reporting on some additional areas.
Property Records - 'Super User' role for Uniform within P&E	Rob Harrison	01/09/19			9.12.19 Property Records Officer post now filled and picking up Uniform management although some assistance still being provided by Estates Team Lead. COMPLETE
Property & FM - Incorporate use of Uniform into Property Services	Colin Whitehead	01/04/20			19.12.19 Project plan new developed but significant further work needed.
Service wide - Incorporate use of Uniform across other key Services	Tim Child	01/04/20			15.08.19 Needs buy-in from other Services. Wider work being undertaken to consider what corporate system should be used and therefore this project should be ABORTED .
Estates - Adopt RTB's for Housing as BAU	Rob Harrison	01/06/20			9.12.19 - 40 instructions so far this year, system in place to monitor cases and end to end times etc. Good feedback from HRA. COMPLETE

Key Projects - Delivery	Officer	Target Date	Last Report	This Report	Notes
Transfer of Younghayes Centre and Worship land, Cranbrook	Rob Harrison				9.12.19 - Transfer of Younghayes completed 22.11.19. Legal work on POW land ongoing.
Honiton and Sidmouth Pools changing rooms reconfiguration / refurbishment	Colin Whitehead				19.12.19 To be updated at AMF.
New ventilation and air condition systems at Honiton and Sidmouth pools	Colin Whitehead				19.12.19 To be updated at AMF.
Broadclyst Leisure Centre reroofing	Colin Whitehead				19.12.19 To be updated at AMF.
Community Asset Transfer Policy	Tim Child				19.12.19 Draft approved by Cabinet subject to consultation. Consultation to be coordinated alongside Careful Choices.
Drone Policy	Tim Child/ Aaron Manley				19.12.19 Complete and to be taken to February 2020 Overview.
Exmouth Leisure Centre extension	Colin Whitehead				19.12.19 To be updated at AMF.



PROPERTY MATTERS

Property & Estates Update

December 2019

Party Wall Act Work at Sidmouth

The Property & FM Team have been heavily involved in negotiations with Devon county Council and their building contractors involved with the construction of the new senior school at Sidmouth College. This is because the site of the new school borders right up next to our existing leisure centre, and as a consequence our access routes to the main entrance of our leisure centre has to be temporarily diverted.

We need to ensure that a level access is available to all leisure centre customers whatever their circumstances whether able bodied or with some kind of disability. Extensive negotiations went on throughout the summer, and



temporary access arrangements are now in place for the duration of the construction process.

The latest deals and updates on the activities in Property & Estates



Younghayes Centre

In This Issue

- Younghayes Centre
- Asset & Insurance Valuations
- Temporary Licences Boost Income
- West Street Garages fully let



West Street Garages, Axminster

West Street Garages Fully Let Again!

Following the departure of several tenants from the Garages at West Street in Axminster, the Estates Team have moved to secure tenants for the vacant premises.

Garages 5 & 7 were let in October meaning that the site is once again fully occupied

Asset Valuations Underway

The Estates Team have commenced this year's programme of Asset Valuations. These valuations are undertaken for inclusion in the Council's Accounts and rely on the team having 3 RICS Registered Valuers who are able to complete this work.

This year the team are valuing leisure centres, industrial estates, public toilets and car parks which comprise a significant proportion of the Council's overall asset value.

That Should Cover It!

New pool covers have been installed by the Property & FM Team to the main pool and learners pool of Exmouth leisure centre. This is part of the energy saving proposals for Exmouth Leisure Centre.

The provider of the swimming pool covers, namely Glatz Pioneer, is the company that we have used to provide our existing swimming pool covers and they have responsibility for the maintenance of these existing covers. The energy savings that this will create are so extensive that the pools covers will pay for themselves in only 6 years. Other energy saving measures are to be installed at Exmouth Leisure Centre in the next 6 months.



Progress Towards Service Plan Objective On Track

The current service plan sets an objective of achieving an overall increase in rental income of 5% in the current financial year.

As can be seen from the graph, increases achieved since the beginning of the financial year stand at £29,492.



These early results mean that the Estates Team is well on the way to delivering this objective over the remaining months of the financial year.

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