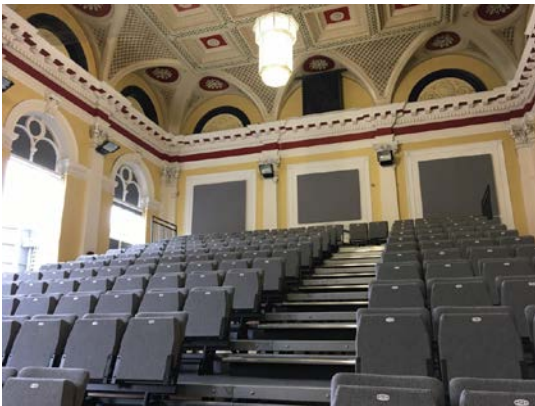




ASSET MANAGEMENT PLAN 2017 to 2022



Craven District Council

Asset Management Plan 2017 - 2022

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Foreword

The Council's property assets are a key resource and play an important role in the delivery of services to Craven's communities. They also play a major role in the majority of Council projects, its finances and priorities.

Given continued reductions in public sector funding, there is now more than ever a need to ensure effective and efficient use of our assets. Effective asset management ensures savings continue to be made on the running and maintenance costs of our assets, income from assets is maximised and any surplus or under-performing assets disposed of. Effective asset management also underpins service transformation and identifies opportunities for regeneration, new housing and economic activity.

This Asset Management Plan sets the framework for ensuring the Council's assets help deliver the Council's strategic objectives, achieve best value and ensure the strategic decision making in the use of our assets.

At a practical level the Council recognises we cannot achieve major regeneration on our own and we will continue to be innovative by working jointly with partners where possible, particularly where sustainable gains can be achieved for the benefit of the wider community.



Richard Foster
Leader Craven District Council

Introduction

Asset management provides a structured process to ensure value for money from property in serving the needs of the organisation and the communities we serve. A primary issue over the period of this Asset Management Plan is the reduction in the Council's revenue support grant and therefore the net revenue budget and the need for greater innovation in finding ways to save money and increase income.

Property assets are expensive, in terms of their capital value, annual maintenance and operational running costs. They need to be carefully managed over their lives to ensure best value through their use and maintenance and innovation is required to generate of greater levels of income.

Craven District Council has successfully delivered a number of initiatives under its current Asset Management Plan, each contributing effectively to our corporate priorities. These include;

- The reduction and rationalisation of office accommodation including the disposal of former Council offices for housing development and major retail development
- Significant capital investment to maintain and improve assets including Skipton Town Hall, Leisure Centre, Crematorium and car parks across our district
- Development or disposal of Council owned land for much needed affordable housing
- Investment in green technology e.g. solar panels installed on the Airedale industrial units
- Higher occupancy rates and improved income from the Council's commercial estate
- Successful transfer of assets to the Local Community including land at Cross Hills for creation of a war memorial and garden
- Established a master plan for Aireville Park and the Leisure Centre. This has included a major upgrade of the café at the Leisure Centre to increase income generation
- Joint working initiatives with other organisations including shared use of office space

This new Asset Management Plan (AMP) is for the period 2017 – 2022 and sets out the Council's continued approach to the strategic management of its land and buildings, outlining how our assets support our priorities. The AMP also identifies the action required to develop these priorities further and contains proposals for improving the effectiveness and efficiency of the Council's property portfolio.

We also acknowledge that the arena is much changed and requires a complete shift of emphasis to that of the past. This shift is largely due to the significant reduction in central government funding. As a consequence the Council and this AMP are more focused on generating sustainable income from our assets, creating partnerships and working together with others, and generally doing things radically differently than before.

Council Priorities

The key to ensuring property assets deliver what is required for is ensuring the use and management of assets is linked to the Council's priorities and its key strategies as follows.

Council Plan

The Council Plan sets out the Council's future priorities for improving the services it offers to Craven's communities.

The Council's vision is for a prosperous place with strong, vibrant and diverse communities and to achieve this vision it has identified three priorities:-

- Enterprising Craven
- Resilient Communities
- Financial Resilience



Skipton Town Hall

Asset Management Objectives

This Asset Management Plan establishes three key objectives to ensure Asset Management contributes towards the delivery of our priorities, drives transformation and supports business efficiency and effectiveness. These objectives are;

Objective 1: Support Regeneration, Economic and Housing Growth

This will be achieved by maximising opportunities for regeneration, new housing, economic growth and generating sustainable income streams.

Where land and property is strategically located within a regeneration area its use will be considered in the context of its regeneration potential either in economic terms or to contribute to our annual new homes target.

We recognise major regeneration cannot be delivered on our own. Projects in rural areas are commercially marginal and it takes time to build out a rural site to generate a return. In addition the Council does not employ the professional skills and experience needed to develop and deliver major capital projects and a key foundation in achieving this objective is the formation of a strategic partnership with a private sector partner who can bring the additional capacity and leverage on investments to enable land to be developed quickly, creating economic growth whilst ensuring a return on investment for the Council.

Objective 2: Maximise the Efficiency and Income Generation of the Asset Portfolio

This will be achieved by ensuring assets are fit for purpose, represent value for money and are making the optimal financial contribution. The need for individual assets will be challenged and an examination of the justification for their continued use in the provision of services.

The Council's assets consist of 1, 095, 320 square metres. Of this 66% is assessed as being at level A condition 'good, performing as intended and operating efficiently'. 28% at level B 'satisfactory' 5% at level C 'poor' and 1% at level D 'bad, life expired or serious risk of imminent failure'.

It is important that the scale of the Council's property portfolio is proportionate to the resources available to maintain it in a fit state of repair.



Objective 3: Give Benefit to our Communities

This will be achieved by ensuring assets are used to the benefit of the community and seek opportunities to transfer ownership and/or management of assets into community use where appropriate



Actions and Outcomes

This section sets out what will be done to achieve Asset Management's objectives;

Objective 1: Support Regeneration, Economic and Housing Growth		
Action	Outcome Measures	Contribution to Corporate Priority
Establish a joint venture with a private sector organisation to develop potential employment sites	<ul style="list-style-type: none"> • Business Plan for the Joint Venture Company • Number of new jobs • Grant received to restore, maintain or develop Council Assets 	Enterprising Craven
Increase the provision of housing on Council owned land to provide affordable housing and create additional income streams	<ul style="list-style-type: none"> • Number of new homes • Additional income 	Enterprising Craven
Work with public and third sector partners under One Public Estate to identify and take up opportunities for adding value to services or regeneration	<ul style="list-style-type: none"> • Opportunities for shared working to deliver regeneration identified 	Enterprising Craven
Relocate the Council depot to enable additional employment development on Council owned land at Engine Shed Lane	<ul style="list-style-type: none"> • Improved welfare measures for Council employees • Number of new jobs 	Financial Resilience

Objective 2: Maximise the Efficiency and Income Generation of the Asset Portfolio

Action	Outcome Measures	Corporate Priority
<p>Fit for purpose review of all assets to identify development opportunities and surplus assets for disposal. Review to be complete by March 2020.</p>	<ul style="list-style-type: none"> • Achievement of £20,000 per annum revenue savings • Preserve maintenance split on assets at a rate of 60% planned and 40% reactive 	<p>Financial Resilience</p>
<p>Proactively seek partners to lease office space to improve customers and users experience of the services delivered and greater efficiency from the property.</p>	<ul style="list-style-type: none"> • One additional tenant for Belle Vue Square by end March 2019 • Reduction in office accommodation of 5% by March 2018 	<p>Financial Resilience</p>
<p>Maximise financial contribution to the Council from the Council's estate by reviewing all lease, licences, rents and fees on time.</p>	<ul style="list-style-type: none"> • Year on year increase of 2% growth in rental income levels • Maintain a minimum 90% occupancy rate on the Council's estate • Arrears are kept to a maximum 2% of the total income per annum 	<p>Financial Resilience</p>
<p>Deliver strategic and property projects within budget and timescales over the period 2017 -2022</p>	<ul style="list-style-type: none"> • Replacement of cremators at Waltonwrays crematorium by March 2019 • Skipton Town Hall Museum Development complete by March 2021 	<p>Resilient Communities and Financial Resilience</p>

Objective 3: Benefit our Communities

Action	Outcome Measures	Corporate Priority
Identify opportunities to transfer Assets to the Community allowing them to be managed at a locality level	Transfer of two assets to the Community by March 2020	Resilient Communities
Undertake a major refurbishment of Aireview House Homelessness Accommodation by end March 2018	Fit for purpose accommodation	Resilient Communities

Asset Management: Organisation and Governance

The Council's Asset Management is managed under a single service namely Asset and Commercial Services which is led by the Asset and Commercial Services Manager. The service manager reports to the Director of Services who acts as the Corporate Property Officer. A Lead Member from the Council's administration namely the Lead Member for the corporate priority of Financial Resilience is appointed on an annual basis to oversee the Asset Management in the Council.

The Asset Management Plan, Disposal Policy and the Acquisition & Regeneration Investment Strategy are agreed by Council. Capital and revenue budgets relating to asset spend are set by Council as part of the Annual Budget process.

These arrangements ensure that Assets are viewed corporately and strategically for the benefit of the Council as a whole.

Assets & Commercial Services Team

The Assets & Commercial Services Team is managed by the Assets and Commercial Services Manager who is responsible for the day to day management of the Council's Assets under the scheme of delegation.

The Assets and Commercial Services Manager is also responsible for the delivery of the Council's capital projects and best practice procurement that is compliant, cost effective and transparent.

Budget and Performance Management Clinics (BPMC)

BPMCs' comprise of the Chief Executive, Section 151 Officer, Director of Services, Assets and Commercial Services Manager, Council Leader, Lead Member for Financial Resilience.

The group meets on a quarterly basis to review all service unit budgets including the Assets and Estates budgets, the progress and development of the capital programme and the performance of the Asset and Commercial Service.

Joint Venture Board

The Council has formed a Joint Venture with Barnfield Investment Properties Ltd to combine landholdings, finance and skill to deliver economic growth. The Joint Venture Board consists of six directors, three from each Barnfield and Craven.

Craven's Board membership comprises the Lead Member for Financial Resilience, Director of Services, Assets and Commercial Services Manager and three representatives from the Council's Development Partner.

The Board meets on a quarterly basis to set objectives, agree project prioritisation, review progress and performance. Any decisions required by Council under the existing constitution continue to be required.

Performance

The Council's Asset Management performance is continually assessed and reviewed via a set of Performance Indicators.

These indicators are included in the Service Plan with the key performance indicators reported on as part of the Revenue Budget, Capital Programme and Performance quarterly updates to Policy Committee. The current set of indicators is set out at Appendix B.

Capital Programme

The management and planning of the Council's Capital Programme is undertaken by the Council's Chief Finance Officer with the involvement of the Director of Services.

The Council has developed a three year Medium Term Financial Plan and a four year capital strategy to determine the capital programme in light of the Authority's key objectives and availability of financial resources.

Service Managers are invited annually to submit and update capital project proposals. The capital project proposals are assessed by the Council's Corporate Leadership Team, prioritised and then reports to Policy Committee for a decision on which projects should be included in a provisional capital programme. The provisional capital programme is recommended to Council for financial approval.

Planned Maintenance Programme

An annual planned maintenance programme is prepared on a three year rolling basis. The programme is funded from revenue and capital resources and is prioritised according to the most urgent works.

Planned maintenance delivers the repair, decoration, improvement and refurbishment of property.

A range of criteria is applied to the prioritisation of the programme and includes service delivery, legal, contractual and statutory requirements, public profile and health and safety.

The target is to maintain a 60:40 planned to reactive maintenance ratio. This delivers a cost saving to the Council and a better quality of service.

Asset Management: Policies

There are a number of Council approved policies that guide decisions on the condition of council assets, disposals and acquisitions.

Condition of Council Assets

It is important that the Council is aware of the condition of all its assets in order to ensure appropriate investment and commercial decisions can be made based on an evidenced position.

Certain assets are surveyed once every two or three years and the remainder fall within a five year rolling programme, although the assets are generally checked between these times, for a variety of purposes.

The condition of assets is assessed using criteria defined in an agreed framework under the National Property Performance Management Initiative (NaPPMI – the performance industry standard for Asset Management in England and Wales). Property is assessed on a basis of performing at a particular level. These levels are:-

- Level A: Good – Performing as intended and operating efficiently
- Level B: Satisfactory – Performing as intended but showing minor deterioration
- Level C: Poor – Showing major defects and/or not operating as intended
- Level D: Bad – Life expired and/or serious risk of imminent failure

Disposal of Council Assets

The Council has an agreed policy that it follows when disposing of assets. The standard procedure for disposal is to seek to maximise the financial benefit to the Council in accordance with Section 123 of the Local Government Act 1972.

The Council can dispose of land at an undervalue to Parish Councils and Community Groups, under the General Disposal Consent 2003, where it considers that it will help to secure the promotion or improvement of the economic, social or environmental well-being of its area.

Any land that is either inside, or outside development limits and could be suitable as an exception site, will be considered firstly for development by the Council if viable and if not then by transfer to a Registered Social Landlord. It would be expected in the case of the latter that the Registered Social Landlord will pay the recommended price per plot as set by the Houses and Community Agency.

Under the Scheme of Delegation to Officers any asset with estimated proceeds of less than £100,000 can be disposed of by the Assets and Commercial Services Manager, in consultation with the relevant local ward member(s), the Director of Services, Chief Financial Officer and the Monitoring Officer. If the estimated proceeds are more than £100,000 disposal must be approved by the Council's Policy committee.

Acquisition of Council Assets

The Acquisition and Regeneration Strategy provides the framework for making strategic property or land acquisitions where there is a strong business case to do so in terms of value for money or delivery of Council priorities.

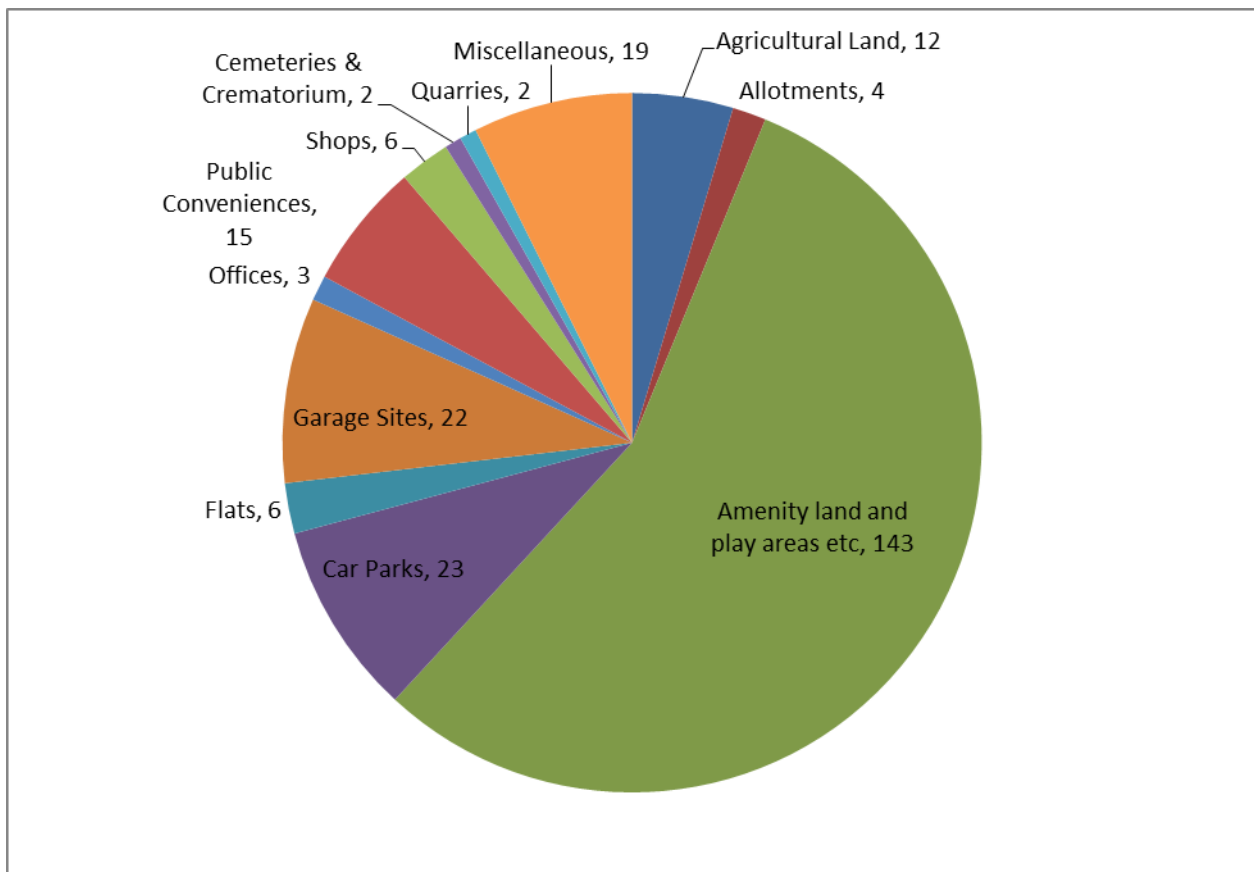
The Council can acquire assets under section 120 (1) (b) of the Local Government Act 1972 which gives the Council the power to acquire property for the benefit, improvement or development of the area or the 'general power of competence' contained in the Localism Act 2011.

The Council also needs to acquire land and property to enable the delivery of services and generate sustainable income. This requires continuous monitoring of the marketplace to identify potential acquisitions such that upon identification they are supported by business cases and presented to Policy Committee for approval.

Appendix A

Asset Portfolio

The Council owns a very diverse range of land and property assets. These include a leisure centre, cemeteries and a crematorium, car parks, civic and public buildings, agricultural and other land, shops and industrial buildings. In total the Council has freehold of 257 assets as depicted below.





If you would like this information in a way which is better for you, please telephone 01756 700600.

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