

ASSET MANAGEMENT AND CAPITAL STRATEGY PLAN 2016 - 2020

Mid Devon District Council

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FOREWORD:

Property Services provide accommodation for services within the Council and its businesses, lead on construction elements of the property capital programme, ensure statutory compliance of the estate and undertake a broad range of estate and strategic management activities.

Through the delivery of repairs and maintenance, we ensure the Council meets its statutory building compliance responsibilities and duty of care under relevant health and safety legislation, in addition to maintaining pathways and roads, hard landscaping, sewage works and retaining walls. We also develop existing assets and land to create affordable homes to replace assets lost under the Right To Buy scheme.

Building on Strong Foundations: A Framework for Local Authority Asset Management document published by the Department for Communities and Local Government lists the following potential benefits of good asset management:

- Deliver exceptional services for citizens, aligned with locally agreed priorities, whilst focusing investment clearly on need.
- Empower communities and stimulate debate.
- Improve the economic well-being of an area.
- Ensure that, once built, assets are correctly maintained.
- Introduce new working practices and trigger cultural organisational changes.
- Reduce carbon emissions and improve environmental sustainability.
- Increase co-location, partnership working and sharing of knowledge.
- Improve the accessibility of services and ensure compliance with the latest version of the Disability Equality Act 2010.
- Generate efficiency gains, capital receipts or an income stream.
- Improve the quality of information available to the public.

The value of the assets we manage have a total net value of around £40 million. Property Services are responsible for an operational budget, currently £1.2 million, as well as providing services that come under other operational budgets.

Our service consists of a wide range of assets including Land, Car Parks and Property. We provide services to approximately 96 locations comprising Leisure and Sport Centres, Corporate Offices, a Multi-Storey Car Park, Industrial Units, Shops, Public Conveniences, Car Parks, Listed Buildings and Paddling Pools and undertake construction of Play Areas, Skateboard Parks and other recreational leisure facilities. Our service also manages the Market Walk shopping precinct lease maintenance (Landlord contract).

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Leader, Mid Devon District Council

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Mid Devon District Council

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Mid Devon District Council

1 Introduction

The Asset Management Plan (AMP) sets out the Council's approach to the Strategic Management of its land and building assets. It is developed in consultation with the Senior Officers and Members of the Council that form the Capital Strategy Asset Management Group (CSAG). The AMP seeks to ensure that assets are used in the most effective and efficient way to support the delivery of the Corporate Plan.

Property Services Business Plan Mission Statement

"To maximise the value derived from our property holdings for the community by delivering a sustainable and efficient corporate property service that meets our stakeholders' needs and be recognised as a forward-thinking, proactive service."

The main strategic document for the Council is the Corporate Plan and this document sets out the Council's vision, values and priorities. This particular document is the 'umbrella' for a number of documents which, together, support the Corporate Strategy. For further information see the Corporate Plan on our website.

The Capital Strategy Asset Management Group (CSAG) function involves key Council services and the role of the CSAG is key to ensure that there is an effective dialogue on asset management issues across the Council. The CSAG ensures there is insight into individual council services, together with a clear understanding of corporate goals and objectives. The group consists of officers and Members who follow and agreed process which ensures the estate is managed effectively and any disposals reflect value for money.

2 The Benefits of Property Asset Management Planning

Property assets should be linked to the delivery, vision and priorities of the organisation. The way that the Council manages its land and property assets has a direct impact on the quality of services delivered to the public.

While the Council's policy relating to the disposal and acquisition of public open space is under review, all land acquisition via the s106 process will be considered by the CSAG group before any legal agreement is authorised.

Community Asset Transfer: Establishment of clear procedural policies including option appraisal. (Appendix 2)

Condition of the existing Estate:

- **i Running Costs** - Alignment of operating costs with a dedicated property code to enable analysis. Data will be extracted then to inform and shape the property reviews.
- **ii Condition Surveys** - Carried out on non-housing stock on rolling basis. (Appendix 3) Planned maintenance programme now in place.
- **iii Statutory Compliance** - There is a programme of statutory inspections and surveys in place.

Data Management:

Comprehensive property database now established to combine property, financial and management information. We plan to review asset management software as per Appendix 5.

Tenanted non-residential property (TNRP) Review (Appendix 4):

The CSAG will review asset ownership through an assessment of efficiency, effectiveness and affordability. This will ensure that this part of the estate is fit for purpose. Assets that do not fulfil the Council's strategic priorities and/or do not provide a positive rate of return, could be sold or transferred to Town and Parish councils.

Financial Management:

- **i** Continued development of Capital Programme links to the AMP and capital monitoring.
- **ii** Implement Whole Life Appraisal – a systematic assessment of all relevant expenses, income and performance associated with the acquisition, procurement, ownership, refurbishment and potential disposal of an asset over its life thus allowing the Council to plan our medium and long term financial commitments.

Performance Management:

Development of performance measures in relation to assets that evaluate asset use in relation to corporate objectives. This will be undertaken in tandem with assessing property management software tools.

3 Corporate Asset Objectives

The overall objective of the Council in the management of its property portfolio is to utilise and manage its land and property assets in accordance with the principles of Best Value; so as to enable high quality services to be provided to our stakeholders. Property can drive corporate objectives and organisational change; this is achieved by recognising and adopting the following objectives to:

- ensure that retained assets are suitable for their proposed/existing use, are fit for purpose, represent value for money and support improved service delivery.
- provide an appropriate, attractive, secure and safe working environment that motivates employees.
- minimise, in all respects, the impact of the Council's buildings on the environment throughout their life.

- ensure the Council's property assets comply with Statutory/Regulatory Codes and are managed efficiently.
- ensure that the disposal of surplus assets links with the Medium Term Capital and Revenue Financial Plans.
- identify land for Affordable Housing developments.
- identify commercial opportunities that provide a financial benefit.

4 Portfolio overview - what does the Council own?

Mid Devon District Council holds a wide and varied portfolio of Property and Building Assets comprising non-residential properties and areas of open space with a net book value in the region of £40 Million.

The Council's portfolio can be split into three main areas as shown below:

- 1 For the purpose of direct service delivery, such as parks, open spaces and leisure centres.
- 2 To support service delivery, for example administrative offices and depots.
- 3 Tenanted non-residential property. This part of the portfolio is varied and assets have been made available for a range of uses; such as the potential to contribute to future regeneration schemes, provide employment, or to retain control over property use. In addition, some properties in the portfolio provide valuable revenue income such as our Market Walk and Fore Street Tiverton properties.

However, the housing stock is managed by the Housing Service and is subject to its own Housing Strategy and Housing Revenue Account Business Plan. The management of these assets is outside the scope of this Asset Management Plan.

5 Organisational Framework for Asset Management

5.1 The overall monitoring of the AMP and corporate asset management initiatives is the responsibility of the Cabinet. The Cabinet considers the

Council's AMP and in so doing it looks to ensure that value for money and good practice criteria are addressed. These are set out below:

- Links between corporate objectives and property priorities.
- Full involvement of all service areas either through service/asset reviews or at an appropriately senior level at CSAG.
- Clear distinction between strategic and operational decision making - the AMP does not look to address detailed issues concerning individual assets. It serves to provide a framework within which those types of issues can be considered.

5.2 Corporate Management - Responsibility for the corporate management of the Authority's property assets rests with the Head of Housing and Property Services who is a member of the Management Team and reports to the Cabinet Member for Housing & Property Services.

5.3 The Head of Service has authority to undertake all required developments in asset management once this has been delegated by Cabinet. His role and responsibilities are defined, and have been communicated to all concerned in the management and use of property throughout the Authority.

5.4 The Capital Strategy Asset Management Group - The Council has set up a cross-service forum to promote the effective management of the Council's land and buildings. CSAG is chaired by the Head of Housing and Property Services or the Estates Manager with the balance of the forum made up of Cabinet Members and senior representatives at head of service level. The Estates Manager acts as an internal project manager in respect of the preparation and monitoring of the Asset Management Plan.

5.5 To ensure continued inter-department consultation and a corporate approach to proposals for effecting the Council's land and buildings.

5.6 The Group meets on a quarterly basis. The minutes of each meeting are kept confidential due to commercially sensitive information/discussion.

5.7 Service Departments in areas affected by Asset Management Reviews are consulted and any resultant actions are reported back to the CSAG.

5.8 To support the development and monitoring of the capital programme and the Council's medium-term financial plan.

The CSAG group provides linkage to the Council's capital strategy by monitoring the current year's capital programme and developing the programme for future years, through the Head of Finance, that includes:

- Corporate Property Asset Management Plan
- Identification of property holding purpose and individual property asset strategy
- Monitoring of Capital Programme
- Reports to Cabinet for corporate property decisions

CSAG Key Outputs

Property Review:

- By Service
- By Type

Co-ordination and review of:

- Accommodation use
- Planned maintenance
- Asset disposal
- Capital investment
- Performance measurement and monitoring on energy performance and reactive maintenance levels
- Property asset contribution to the Council's objectives.

Consultation and Communication:

- With users
- With the public
- Other public service providers
- Cabinet/Members

6 How do we measure performance?

Core to this AMP is the objective to ensure that we deliver an effective and efficient asset base from which to deliver services.

As a consequence, we are developing a set of Property Performance Indicators against which we can judge our performance over time and benchmark that performance with other authorities.

Our selected PPI's are based around the following discussions,

Does the estates management function;

- Work efficiently and effectively?
- Activity help to ensure the organisation has buildings which are fit for purpose and comply with statutory requirements?
- Help to ensure the organisation makes best use of its estate?
- Effectively support the organisation in minimising the impact of the estate on the environment?
- Manage maintenance and capital programmes effectively?
- Ensure internal customers are satisfied with the service provided and the functional suitability of the estate?

It is intended that we shall monitor the PPI's as our priorities and needs change and mature adding new indicators as necessary.

Proposed Performance Indicators (PPI)

Total property costs (occupancy, operational and management) per square metre Gross Internal Area (GIA).

Total property costs (occupancy, operational and management) per FTE (Full Time Equivalent Staff).

Cost of the Estates Management function per square metre GIA.

Cost of the Estates Management function as a percentage of organisational running costs.

Total building operation costs (revenue) per square metre GIA.

Workstations per full-time equivalent staff (FTE).

Area (square metres) per workstation.

Total annual energy consumption (kWh) per square metre (GIA).

Total property required maintenance as a percentage of average annual maintenance spend for the last three years.

7 What have we achieved so far?

The Council adopted the principal of strategic asset management in 2003 with the publication of its first Corporate Property Asset Management Plan.

- 1 PROPERTY REGISTER – CAPS database bringing together property information from different software systems across the Council.
- 2 PHOENIX HOUSE - space rationalisation, creation of the Phoenix Chamber.
- 3 FINANCIAL CODING – enabling accurate and more reliable cost recording against individual property assets.
- 4 CAR PARKS REVIEW – collation of car parks information and review of provision in district by a working group consisting of Members and Officers.
- 5 ENERGY MANAGEMENT/ CARBON REDUCTION - energy saving performance contract - 12 year contract with Anesco.
- 6 MANAGEMENT OF LAND DRAINAGE - Flood Management Act.
- 7 DEVELOPMENT OF EMPLOYERS REQUIREMENTS - building design for Affordable Housing Developments.

- 8 CAPITAL DISPOSAL PROGRAM - managed by the CSAG receipts towards capital programme (in addition to usual capital receipts).
- 9 TIVERTON TOWN REGENERATION PROGRAMME – masterplan setting the programme for priority projects, including enhancement and redevelopment of assets owned by the Council.
- 10 LORDS MEADOW LEISURE CENTRE - regeneration, including upgraded fitness gym, sports hall, dance studio with training room and overflow parking provision
- 11 CUL VALLEY SPORTS CENTRE – refurbishment of the gym and reception area.
- 12 EXE VALLEY LEISURE CENTRE – Plans to look at extending the gym at this facility.
- 13 OPEN SPACE STRATEGY
- 14 MID DEVON LOCAL PLAN.
- 15 MARKET WALK/FORE STREET TIVERTON - purchase of commercial units.
- 16 PUBLIC CONVENIENCIES - working with Town and Parish Councils to secure funding to continue the service or find alternative uses.
- 17 TIVERTON SKATEBOARD PARK - secured funding to deliver community asset.

In addition to the above, following a review of the Council's main headquarters accommodation at Phoenix House, Tiverton; the Council have completed the implementation of a relocation programme. The key outcomes of the project have included:-

- The creation of Phoenix Chamber where Planning Committee and Full Council take place.
- Divisible fully equipped meeting rooms.
- Potential income stream from renting rooms to the Public.
- More efficient use of open plan office space.
- Potential reduction in business rates (open plan offices converted to meeting rooms).
- Rental of office space the Department of Work & Pensions

8 Income Generation

The Property Service continues to generate income for the Council that is budgeted. A breakdown of our net annual income/savings is provided below:

Phoenix House (income from sub-letting)	£13.5k
Solar Photovoltaic Panels via the Feed In Tariff per annum (depending on the weather throughout the year)	£40k
Bus Station income	£24k
Industrial Units	£125k
Park Lodge income (income for Parks and Open Spaces)	£10k
Shop Units (General Fund and HRA)	£108k
Cemetery Lodge income (income for Parks and Open Spaces)	£8.4k
Elsie May's Building	£15k
2 Wells Close income (HRA asset)	£7.2k
Contributions / transfer for Public Conveniences	£55k
Grounds Maintenance Income	£48k
Cemetery Income	£122K
Town Council income	£15.3k
CAB Income for Town Hall Letting	£12k
Market Walk income based on current cash income stream per annum	£385k
Crediton Town Council	£5k
Fore Street Rentals	£47.1k
Lowman Green	£10k
Lords Meadow Depot	£10.8k
DCC Library income	£44k
Roundabouts sponsorships (income for Parks and Open Spaces)	£11k

Renewals of Community Leases are also controlled via Property Services that can deliver income and support the provision of services to the community.

Property Services leads the Capital Strategy Asset Group and reports land sales that can deliver Capital Receipts. This will mainly be HRA land and will, therefore, be assigned to the HRA development work being undertaken.

9 Supporting the Corporate Plan

To see our corporate plan in full please use the following link:

<https://www.middevon.gov.uk/media/206666/corporate-plan-2016-2020.pdf>

Our Corporate Plan 2016 to 2020



Our Vision: Your council, your future



Our priorities:



We will focus on:

Bringing new businesses into the District

Business development and growth

Improving and regenerating our town centres

Growing the tourism sector

We will focus on:

Building more council houses

Facilitating the housing growth that Mid Devon needs, including affordable homes

Planning and enhancing the built environment

We will focus on:

Working with local communities to encourage them to support themselves

Working with town and parish councils

Promoting physical activity, health and wellbeing

We will focus on:

Increasing recycling and reducing the amount of waste

Reducing our carbon footprint

Protecting the natural environment

Set out below is an illustration of how property assets support the Council's priorities and the actions required to improve the performance of the portfolio in relation to the delivery of Corporate and Service objectives.

Corporate Plan 2016 – 2020:

<https://www.middevon.gov.uk/media/206666/corporate-plan-2016-2020.pdf>

Business Strategies:

<https://www.middevon.gov.uk/media/343248/estates-and-property-services-business-plan-april-16.pdf>

Climate Action Plan:

<https://democracy.middevon.gov.uk/documents/s5080/MTE%208-3-16%20-%20Climate%20Change%20Strategy%20and%20Action%20Plan%20Report%2025-2-16.pdf>

Mid Devon Local Plan:

<https://www.middevon.gov.uk/residents/planning-policy/mid-devon-local-plan/>

10 Mid Devon Infrastructure & Planning

Policies and useful documents are shown below

- **Retail Study 2012** <https://www.middevon.gov.uk/media/103524/retail-study-2012.pdf> (Appendices are also on the evidence page of our website here <https://www.middevon.gov.uk/residents/planning-policy/local-plan-review-evidence-base/>)
- **Employment Land Review 2013**
<https://www.middevon.gov.uk/media/103536/economy-land-review-2013.pdf>
- **Strategic Commercial Land Availability Assessment 2014**
https://www.middevon.gov.uk/media/85198/sclaa_site_appraisals_2014_final.pdf (pages 1-30 for sites assessed in Tiverton)
- **Core Strategy 2007**
https://www.middevon.gov.uk/media/103617/core_strategy_adopted.pdf
(Policies COR12 and COR13)
- **Allocations and Infrastructure DPD 2011**
https://www.middevon.gov.uk/media/103618/final_version_of_the_aidpd_january_2011_.pdf (Tiverton allocations)
- **Local Plan part 3: Development Management Policies 2013**
https://www.middevon.gov.uk/media/103619/local_plan_part_3_adopted_october_2013.pdf (Especially DM16)
- **Local Plan Review 2013 – 2033 Proposed Submission**
<https://www.middevon.gov.uk/residents/planning-policy/local-plan-review/>

11 Outcomes

The Council's Asset Management Plan was last updated in 2008. This revised plan creates a useful picture in terms of how the Council's assets support the Council's Corporate Priorities and the challenges ahead in ensuring a strategic approach is taken to support corporate and services strategies. The actions set out with dates in the AMP highlight where work remains to be carried out to fully incorporate Asset Management into the Council's ethos and have been set to achieve the Corporate Asset Objectives.

As is demonstrated within the Plan, effective asset management is an on-going discipline that requires the active support of senior decision makers and cross service input. For further information, please speak to the author of this document, **Andrew Busby – Estates Manager 01884 255255**.

Appendix 1

Why do we need Asset Management?

Further explored...

1.0 Practical Reasons

It takes longer to change property than any of the other strategic resources. Lack of attention to asset management will result in the asset base underperforming in both non-financial and financial terms. Examples of this are:

- Expensive maintenance backlogs.
- Poor fit between customer and service requirements and the property from which they are delivered.
- Under-utilisation of buildings.
- Inefficient sourcing and procurement of property, construction and support services.
- Inefficient use of capital.
- Insufficient control of running costs.
- Failure to provide services close to the community they serve.

1.1 Business Benefit Reasons

The business benefits that have been realised by many public bodies from effective asset management are:

- The release of capital for re-investment or debt redemption.
- Reduced running costs.
- Better customer service and public service provision through improved accommodation and the co-location of services.
- Property in good condition.
- Improved property utilisation and bringing together similar uses into the same property, rather than providing them separately.
- Improved productivity, changes in corporate culture and facilitation of corporate change.
- Improved place-making in shaping the built environment of local communities.

1.2 Policy Reasons

In every part of the public sector, improved asset management is not just to be encouraged, it is a general expectation.

Appendix 2

Development of a Community Asset Transfer Policy

1 Background

1.1 The Strong and Prosperous Communities Local Government White Paper was published in October 2006 and sets out the basis for a new relationship between local government and its communities. This paper advocated that “the aim is to give local people and local communities more influence and power to improve their lives”. In addition, “we are determined to ensure that existing powers and policies that support community management and ownership are effective; and that practical ways are found to overcome any remaining unnecessary barriers”.

1.2 The ‘Making Assets Work, Quirk Review’ looked at the clear benefits to local groups which own or manage community assets – such as community centres, building preservation trusts and community enterprises. The review makes clear that what is required is not legislation, but guidance to enable a partnership approach to the delivery of community services. The review focused on how the use of publicly owned assets could be optimised by exploring options for the increased transfer of asset ownership and management to community groups.

1.3 The Localism Bill will look to devolve further powers to community organisations to take on the delivery of services previously run by local authorities. This will have an effect on buildings currently used to deliver those services.

1.4 Local authorities have been given discretionary powers under the Local Government Act 1972 to dispose of land below market value in some circumstances. Decisions on disposal need to be made by comparing the benefits that would accrue from a transfer to community use, with those from a straight forward commercial sale.

1.5 Where community groups are well established and have access to either the support of a governing body or regular income streams, the transfers have worked well. However, other schemes which rely mainly on voluntary community support have been less successful in delivering sustainability in the medium to long term.

1.6 By having a clear Community Asset Transfer Policy and selection process for third sector partners, the Council will have a greater chance of ensuring that the sustainability of the property is maintained in the long term and, by means of a robust business proposal, that community groups are able to demonstrate their capability.

1.7 There has to be a balance between the sale of assets for reinvestment in the Council's priorities through the Capital Programme and transfers for the delivery of services by community groups.

1.8 The CSAG is currently embarking on a Property Review which will, amongst other things, identify assets which could be subject to future disposal.

1.9 Community Asset Transfer needs to be considered by the CSAG. Town or Parish councils wishing to apply to take on assets currently held by the Council require a defined process to do so, we plan to do this by developing an on line application form.

Appendix 3

Condition of the existing estate

Statutory commitments

Where we provide and maintain property for our business, Property Services are responsible for a high number of statutory requirements to ensure compliance and protect the Council from prosecution, therefore prevention is key.

The Council looks after a wide range of legislative requirements to ensure that it meets its statutory obligations, which includes:

- Asbestos Management
- Fixed electrical testing
- Structured surveys
- Legionella testing
- Condition Surveys

We regularly inspect our roads and pathways and carry out other routine inspections and keep records that are required for insurance purposes, these are essential in order that we can defend potential claims.

Non-statutory commitments

The statutory commitments are necessary if the Council continues to operate a facility for employees and the public. However, we may not have a statutory requirement to cover some services i.e. Leisure and Public Conveniences.

Any special legal or insurance obligations your service needs to be met.

Building condition categories

Condition Survey Categories	
A	Good. Performing as intended and operating efficiently.
B	Satisfactory. Performing as intended but exhibiting minor deterioration.
C	Poor. Exhibiting major defects and/or not operating as intended.
D	Bad. Life expired and/or serious risk of imminent failure.
Not Set	Condition survey not undertaken.

During the inspection of buildings, the urgency for maintenance works is assessed simultaneously with the condition. This assessment then informs the prioritisation of both the order of works and budget allocation.

Recognising certain outcomes from the old inspection regime, a new improved inspection regime will be implemented following approval of the responsible officer's paper to the Cabinet Member for Housing and Property Services and the Head of Service. This will result in better informed maintenance budgeting and an improved understanding of the estate's true condition.

1 Condition Surveys

1.1 Condition surveys on the Council's non-housing premises should be carried out on a rolling basis at least every two years. The majority of property is generally in a sound or acceptable condition with relatively minor works required. The planned maintenance budget generally allows Property Services to carry out repairs to buildings and fixed equipment as and when required. There are occasions when major works need further budget approval before they can be carried out.

From 2016 these surveys will be undertaken every three years and will provide more comprehensive information to help inform not only the Planned Maintenance Programme, but also the on-going general review of the Council's varying asset cluster. Eventually it is anticipated that each asset will have its own asset management plan and classification for either on-going maintenance, capital investment, significant capital investment or replacement, change of use or disposal.

The basis of the new style surveys will enable appraisal with regard to fitness for purpose of use, condition and compliance. The three facts which will be assessed and ranked are:

- i. Physical condition
- ii. Fire, health and safety and disabled accessibility
- iii. Suitability

1.2 In addition, annual tests on utilities and building facilities such as electrical wiring; boilers including gas safety; air conditioning and ventilation; equipment checks and other monitoring form part of the planned maintenance process and are carried out regularly in line with planned and programmed schedules

2 The Disability Equality Act 2010

2.1 The Property Services team takes a role in working to fulfil the obligations under Part 3 of the Act. Audits have been carried out on all premises available for public use and we have implemented a number of improvements to ensure suitable access for the disabled.

2.2 Premises are routinely monitored with service managers to gauge where further improvements could be made. Provision is made within Revenue budgets to enable this process.

3 Asbestos

3.1 The Control of Asbestos Regulations 2012 places a duty to manage asbestos, wherever it is found in our buildings. MDDC has surveyed all of its properties and listed any asbestos containing materials (ACM's) on the Asbestos Register. Wherever possible, the ACM's have been removed or encapsulated. The asbestos that remains is being regularly monitored. The Asbestos Policy gives full details of the management of ACM's.

4 Control of Legionella Approved Code of Practice and Guidance from the HSE (L8)

4.1 The Health and Safety Commission's Approved Code of Practice 'The control of legionella bacteria in water systems' was published in 2001. It sets out duties on the 'building manager' to ensure that water systems are monitored to reduce the risk of legionella.

MDDC has a service agreement with an independent company who are monitoring all our premises on a regular basis to ensure that we are compliant with the legislation. Remedial works are prioritised and financed from the planned maintenance budget. The Legionella Policy gives full details of the management and control of Legionella risk.

5 Fire Safety

5.1 The Regulatory Reform (Fire Safety) Order 2005 covers general fire safety in England and Wales. Employers (and/or building owners or occupiers) must carry out a fire safety risk assessment and keep it up to date.

MDDC has carried out fire risk assessments at all of its premises, where required and actively manages and implements changes or improvements that are highlighted. Reviews are carried out on an annual basis.

Appendix 4

Tenanted Non Residential Property (TNRP) Review

1 Background

1.1 The Council owns assets which are let to third parties, other than HRA housing, for example industrial workshops and residential properties. These assets are held for investment or socio-economic purposes – or both.

1.2 The Royal Institution of Chartered Surveyors (RICS) recommends a focus on three key perceived current priorities for improvement in the management of TNRP in the local government arena:

- There should be clear allocation of roles and responsibilities and accountability processes in the management of TNRP to drive continuous improvement in TNRP performance.
- Local authorities should adopt business planning disciplines to ensure clear strategy, plans and programmes for the management of their TNRP.
- To ensure best value is being obtained, local authorities should continuously measure and report on the performance of all TNRP as investments

2 Getting Started

2.1 A TNRP strategic review will be commenced and with a simple overview including:

- A list of TNRP assets and their type
- Asset values and income (internal rate of return (IRR) valuation).
- A basic analysis of why they are held e.g. socio-economic, investment or unidentified
- A desktop indicative assessment of their suitability, condition and running costs
- CSAG referral of recommendations to Cabinet following completion of reviews on the following asset clusters:

1. Industrial Estates
2. Fore Street properties
3. Residential property
4. Market Walk shopping precinct.

2.2 As the strategy develops, a phased work programme should emerge to ensure:

- The Council is clear as to why it owns TNRP
- There is a clear business case for owning individual TNRPs
- The Council is clear as to what outcomes are expected
- The right people are involved
- There are clear strategies, plans and programmes in place
- The performance management process is robust

3 Outcomes

3.1 The TNRP review will measure the performance of each asset against a decision framework. The outcomes will include an understanding of the property objective and will arrive at a decision to either retain or dispose of an asset.

3.2 Where an asset is retained, it will fall into one of three classes:-

- i. Continued maintenance – where the property is considered to be doing the right thing in the right place. All that will be required is a planned maintenance schedule;
- ii. Improve usage – there may be an opportunity for better usage or co-location. This may require some capital expenditure, along with a planned maintenance schedule;
- iii. Building enhancement – where an asset requires significant capital expenditure.

4 Disposal of Assets

4. TNRP Disposal Policy

4.1 Where an asset deemed surplus for disposal is subject to external valuation for values in excess of £500 and following consultation with Ward Members, a recommendation will be made to Cabinet by the Head of Housing and Property Services

- (a) Documenting the reason for disposal,
- (b) Stipulating any conditions that will apply and/or endure after disposal
- (c) Suggesting an appropriate method of disposal.

Ward Members will be consulted on those assets identified as surplus, for disposal and with a value of under £500 before the Head of Service authorises the disposal of the asset and determines the appropriate method of sale and the timing.

- 4.2 The receipts generated by the disposal of assets are treated as a corporate resource to fund the capital programme. To this end, the Head of Housing and Property Services shall, in liaison with the Estates Manager, set targets for capital generation by disposals, and monitor performance on a quarterly basis.

Appendix 5

Corporate Asset Management software

1 Background

Mid Devon has historically operated different property management systems across its Finance, Property Services, Housing, Estates and Street Scene services. Whilst providing essential tools for each discreet area, this approach has resulted in difficulties and inefficiencies when dealing with cross-service issues. These asset management processes are coming under ever increasing scrutiny.

2 Review of all software used to manage our assets

To ensure the authority has a complete and up-to-date record of property assets to facilitate decision making, our service will need to review the software packages which we use to manage our estate and influence an action plan for ensuring information is maintained and current. This review will incorporate our aspirations for digital transformation.

Appendix 6

Asset Management Action Plan

Annex A - Asset Management Action Plan

ACTION	BENEFIT TO COUNCIL	HOW TO ACHIEVE THIS	RESOURCES NEEDED	LEAD OFFICER	DATES CSAG to be agreed
1. Review and amendment of Asset Management Plan Performance Management.	Link to Corporate Plan 2016 – 2020.	Implement management practices and assign 'SMART' targets.	Estates & Property services	Estates Manager Development Services Manager	
2. Promote the improvement of the use of Council's assets. Develop ways for all services to become aware of positive asset management ie. business plans. Asset Management Plan needs to be 'promoted' once updated.	Improved awareness of asset management; improved use of available skills & knowledge. Promoting proactive management Reducing reactive costs.	Awareness training sessions. Publication of updated asset management plan.	Learning & Development HR Business Partners	Estates Manager	

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3. Improve benchmarking and sharing of information within nearest neighbours group.	Improve quality of asset management plan. Identify where efficiencies will be achieved. Identify internal rate of return, so that assets not meeting this return can be selected for disposal.	Revision as per Action 1 (above).	Estates Management & Property Services Team. Estates Manager to set up a working group with other property managers from other authorities.	Estates Manager	
4. Integrate capital strategy into the asset management plan.	Co-ordinated support for the corporate plan through integration of asset management plan/capital strategy/medium term financial plan.	Working with Finance service.	Finance Manager for Capital Development Services Manager Contracts Manager	Estates Manager	
5. Improve professional skills/training. Continuous professional development.	Improved quality of asset management.	Appraisals; On-the-job training provision.	Estates and Property Services team	Development Services Manager	

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6. Identify strategic/key partners for collaborative working and develop a Community Asset Transfer Policy.	Improved capacity and cost-effectiveness through partnership working.	Explore shared service opportunities.	Estates and Property Services team	Head of Housing & Property Services	
7. Implement CAPS Estate Module and Quality Assurance Land Terrier.	Avoids duplication of records. Certainty over asset base. Reduce database maintenance requirements.	Cross-service working group using Prince 2 approach.	Estates and Property Services team	Estates Manager	
8. Improve energy efficiency and continue to reduce consumption.	Cost savings Achieves Corporate Plan objective.	Identify additional 'ESCO' opportunities.	Estates and Property Services team	Contracts & Services Manager	
9. Review & report based on 'outcomes' of the reduction in revenue maintenance budget. To include: Risks Future expenditure requirements in relation to plant and asset replacement.	Awareness of risks and costs of reductions to planned preventative maintenance.	Incorporate in Action 1 (above).	Estates and Property Services team	Technical Administrator	

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10. Analysis of value for money Cemeteries Parks and Open Spaces Grounds Maintenance	Contributes to effective use of resources. Potential efficiency increases/cost reductions identified.	Benchmarking (see Action 3 above) – results to be included in estates management business plan with SMART targets.	Estates and Property Services team	Estates Manager	
11. Improvement to the planning consultation process regarding S106/CIL.	Improved consideration of the impact of development on existing assets and added robustness to adoption procedures for new assets.	Liaise with Planning Service.	Regular review meetings with Planning Officers	Development Services Manager	
12. Continue to deliver Capital projects that supports the Corporate Plan 2016 – 2020.	Improved use of asset management expertise at project design stage.	Involvement in CSAG.	Estates & Property Services team	Head of Housing & Property Services	

ACTION	BENEFIT TO COUNCIL	HOW TO ACHIEVE THIS	RESOURCES NEEDED	LEAD OFFICER	DATES CSAG to be agreed
13. Revise and review Asset Management Plan annually plus initiate annual review as good practice.	Improved management of assets. Increased internal rate of return. Reduced reactive maintenance costs. Improved risk management.	Annual review. Continued research for opportunities.	Estates & Property Services team CSAG		