

Torrige

A great place to live, work and visit

Asset Management Plan



2013 - 2017



Asset Management Plan 2013–2017

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Foreword

Torrige District Council has had great success in implementing the strategy outlined in the existing Asset Management Plan adopted in 2008.

Achievements within this period include:

- The reduction and rationalisation of Office Accommodation
- Clear improvements in performance of the Estate, such as the reduction in Required Maintenance.
- Major Capital Investment to maintain and improve assets, such as Torrington Pool and Westcombe Depot.
- Investment in Green Low Carbon Technology, such as Photo-voltaics at Riverbank House.
- Adoption of a Carbon Reduction Programme that the Council is on track to meet the set targets.
- High Occupancy rates at and improved Income from the Councils Commercial estate, whilst continuing support for Local Business and employment despite poor economic conditions.
- Successful transfer of Assets to the Local Community under the Asset Transfer Policy.
- Ongoing joint working initiatives with other Authorities and bodies have progressed well, such as shared Service Contracts and the Joint Grounds Maintenance Contracts.

This new Asset Management Plan is for the period 2013-17 and is closely linked the Councils Strategic Plan and Capital Programme over this period.

The Council understands the positive role that active asset management has on the Council's ability to deliver first-class front-line services, and therefore we would like to build on the success of the existing plan with this new one.

We will also continue to strive to meet the aspirations of new Legislation under the Localism Act to use assets to meet the needs of the Local Community.



Cllr Gaye Tabor, Lead Member Natural and Built Environment

Introduction

Torrige District Council covers about 996 sq kilometres of mainly rural North West Devon with a population of some 62,800 (2010 figure), which is concentrated heavily in the Bideford and Northam area of the District and in the Market Towns of Holsworthy and Great Torrington.

Total asset value is approximately £30m with a Net Revenue budget of approximately £8.3m in 2013/14. The Council's Property Portfolio is widely spread throughout the district to provide a service to the community, but is in the main concentrated within the main Towns of Bideford, Great Torrington, Northam and Holsworthy. The Portfolio includes a variety of Land and property assets including Managed Commercial land and Industrial Estates, Offices, Markets, Depots, Car Parks, Cemeteries, Play areas, Parks, Public Conveniences and a Harbour. The Portfolio also includes special areas of amenity land for use by the general public, such as Northam Burrows, Westward Ho! beach and the Torrige Estuary

This Asset Management Plan is an update to the 2005-10 Plan, which was adopted by the Council and rated the top level of "Good" by Government Office South West.

The Purpose of this plan is to provide a structure to ensure that the Corporate Portfolio is strategically managed to ensure central co-ordination and maximum utilisation of the Assets on behalf of the Council and its Residents.

The Council continues to strive to deliver best practice in Asset Management within available resources and these are set out in particular within the document "RICS Public Sector Property Asset Management Guidelines - 2nd Edition 2012".

This Plan is directly aligned with the Councils four year Capital Programme and Medium Term Financial Plan in order to deliver consistency of approach and delivery.

This plan also reflects the predicted changes in the Councils Revenue Budgets over this period and the estimated reduction to a budget of approximately £6.7m in 2016/17.

1 Review of the 2008 Asset Management Plan

1.1 What we said we would do

The previous 2008-10 Asset Management Plan (AMP) set out a number of principles behind the use of the Estate and included a number of Objectives in its Action Plan.

Our progress against these objectives is outlined below:

Objectives from AMP 2008-2010	
Target	Progress
Provide Access to All at Council properties	<p>Performance Indicator BV156 on Access has improved from 84% to 96% of Council Properties over this period.</p> <p>A number of projects have been undertaken to provide lifts, improve signage, fit automatic doors, install Accessible Toilets and improve external access.</p>
Provision of Affordable Housing on Council Land	<p>Provision of 41 affordable dwellings on Council land sold at Holsworthy and promotion of affordable housing at other Council sites</p> <p>Further sites are being investigated and supported</p>
Identifying Council owned Contaminated Land	The Council is aware of its major liabilities through a number of recent site surveys and investigations.
To ensure achievement of objectives by use of Property Indicators and benchmarking	<p>The Council has been using NAPPMI indicators since 2002 and is able to use this to identify trends in its annual report. We also benchmark using the CIPFA Benchmarking Network figures.</p> <p>The Council has been able to report a reduction in overall Required Maintenance across the estate.</p>
To ensure the best use of assets and appropriate returns from them	A number of Service Reviews have been undertaken on Offices, Car Parks, Depots, Hostels and Cemeteries and these have been used to inform Members on potential development sites. A number of these have been disposed of and work is ongoing, however, progress has been difficult due to the poor residential and commercial markets
Rationalisation and Improvement of Council Offices	The Council has reduced its office capacity by 13% (NIA) over this period and rationalised accommodation across the remaining offices.

	<p>Improvements in Office Facilities, such as Photo-voltaics and Solar Thermal at Riverbank House, Improved heating and welfare at Westcombe and a major refurbishment of the Town Hall have been undertaken</p>
Provision of property data to other services and customers	<p>The NAPPMI indicators are collated annually along with additionally data on Office efficiency, carbon emissions and commercial performance and published to the Members and on the Councils website.</p> <p>Future work is required on “Transparency” via publishing of Asset data via the Councils website</p>
Review of the Investment Portfolio and its performance	<p>The Council is selling its Serviced Plots at Caddsdwn and is looking at developing further Employment Land in Bideford and Holsworthy.</p> <p>The Investment Land is regularly reviewed and performance reported to the Asset Management Groups. The Council continues to maintain a high level of occupancy rates and Income has been improved over this period, but options are limited due to the poor economic conditions.</p>
Review of Commercial (industrial) Portfolio and its performance	<p>A Managed Workspace Audit was undertaken in 2012 and reported positively on the Estate, its management and performance despite difficult economic conditions.</p> <p>Rental Income grew from £453,669 to £527,020 between 2008 and 2012. (16% increase)</p> <p>A new Agri-business Centre is being progressed at Holsworthy to replace the Councils existing Livestock Markets.</p>
Review of Non Operational Assets and their performance/need.	<p>Due to a change in definitions this is now covered by the two targets noted above</p>
Identification of Surplus Assets	<p>The Council has completed its Voluntary land Registration and has been actively bringing surplus sites forward for disposal under the oversight of the Asset Management Groups</p> <p>Progress on this has been difficult due to the poor economic conditions, but the Council continues to dispose of land.</p>
Review of Public Open Space and related costs	<p>A New Joint North Devon Grounds Maintenance Contract has been completed and the Council has reviewed its specification for this across the estate, in order to reduce costs</p> <p>The Public Realm has been improved for the benefit of the public and tourists by schemes such as the Westward Ho! Regeneration and Jubilee</p>

	<p>Square Projects.</p> <p>The Council is working actively with the Town and Parish Councils to move Public Open Space and Street Furniture to the local community and to offer Ground Maintenance cost savings to them.</p>
Promotion of Community Assets	<p>The Council has adopted a Community Transfer Policy and this has been mentored via the DTA “Advancing Assets in the Community” Round 3 programme.</p> <p>A number of assets have been transferred under this process and various schemes are ongoing. A Community Right to Bid Policy has been adopted.</p>
Promotion of recycling, energy efficiency and renewable energy at Council property	<p>The Council has adopted a Carbon Reduction Programme and this is being monitored via the Councils GHG annual report. To date a 9.4% reduction has been reported from the 2008 base year to meet our target of 12.5% by 2014.</p> <p>A number of schemes have been completed such as the Photo-voltaics at Riverbank House and major revisions to the Councils Lease car Scheme and further schemes are proposed</p>

An Asset Management Audit was undertaken in 2012 and reported in February 2013 that 10/11 controls on Asset Management were satisfactory and that the only outstanding matter was the publication of a new Asset Management Plan.

2 Asset Management Objectives and Overview

2.1 Asset Management Objectives

The Councils Strategic Plan sets out the strategic goals over this period, namely:

- **Develop a Prosperous and Sustainable Economy**
- **Support Stronger, Safer, healthier Communities**
- **Protect and Enhance the Quality Environment**
- **Be an Effective and Customer Focused Council**

With regard to the Councils Assets these can be summarised as the following objectives:

- **Objective 1: To encourage, facilitate and support local business, the community and tourism via the active use of Assets.**
- **Objective 2: The Provision of good Recreational Facilities.**
- **Objective 3: The Environmentally Friendly Use of Council Assets.**
- **Objective 4: That the Portfolio makes the maximum financial contribution to the Council within the context of Policy, good Estate management, improving asset value and provision of new assets.**
- **Objective 5: To work in Partnership and Maximise Synergy with other Service Providers and Landowners.**
- **Objective 6: To provide a Value for Money Operational Property to fulfil Service Requirements (efficient running costs, effective income generation, optimal Utilisation and efficient Office usage)**

2.2 Portfolio Overview

The Council has an extensive and mixed portfolio across the District to achieve its service and strategic objectives and this is under constant review to ensure it is Fit for Purpose.

The Councils Estate records are held electronically on a “Terrier” software system (SAM) and all assets have been subject to Land Registration to state and protect our legal ownership. This enables a very clear and accessible overview of the Council Estate.

The Councils Assets are reviewed annually against various good practice measures to check its health and condition. Primarily this is via the use of nationally agreed Property Performance indicators (NAPPMI) and these are detailed in Appendix 1, plus the use of specific other indicators. In particular the Greenhouse Gas Emissions (GHG) are annually reported. These Indicators are benchmarked and easily show trends within the Estate that can then be managed via Maintenance, the Capital Programme and Disposals/Acquisitions.

These indicators show that due to revenue and capital investment plus major decisions on the future of parts of the Estate that the overall condition and performance of the estate has been improving over the last 5 years. However, more expenditure is required to maintain this level and improve those assets in poor condition and the Councils Capital Programme is tailored towards this and meeting Service Objectives. There continue to be a number of external pressures, such as the economy and budget limits, which exert an influence. In addition, increased joint working with North Devon Council over this period will produce efficiencies and potential substantial changes in Service Delivery and hence in requirements from the Estate. This is also likely to bring about changes in some areas where parts of the estate can be used jointly in addition to existing shared facilities, such as North Devon Crematorium.

The Council has reduced staff numbers since 2008 and this has resulted in a rationalisation and reduction in the provision of Office Accommodation over this period with resulting cost savings. Further changes are anticipated over the period of this Plan.

Primary Objectives AMP 2013-17		
Objectives	Measures	Target/Action
<p>Objective 1: To encourage, facilitate and support local business, the community and tourism via the active use of Assets.</p>	<p>1 To provide low rent Community Facilities</p> <p>2 To increase the supply of Council owned employment land</p> <p>3 Transfer of Assets to the Community</p> <p>4 Provision of good quality Tourist facilities</p> <p>4 Provision of affordable housing on Council land</p>	<ul style="list-style-type: none"> ▪ Current community support levels to be sustained and transparent ▪ Delivery of new Commercial assets ▪ Provision of a new Agribusiness in Holsworthy ▪ The publishing of Estate Data online – “Transparency” ▪ The Transfer of 1 Asset per annum to the Community (Service Indicator PP6 in the Property and Procurement Business Plan) ▪ Northam Burrows Future Plan completed ▪ Delivery of affordable housing units on Council land

<p>Objective 2: The Provision of good Recreational Facilities.</p>	<p>1 Improvement of Leisure Centres</p> <p>2 Joint working with 1610 to deliver improvements</p> <p>3 Delivery of new play provision</p>	<ul style="list-style-type: none"> ▪ Replacement of major time expired plant and equipment at Leisure Centres ▪ New Fitness Facilities at Holsworthy ▪ New Gym Facility at Northam ▪ A minimum of 1 new play area or a major refurbishment per annum
<p>Objective 3: The Environmentally Friendly Use of Council Assets.</p>	<p>1 Reduction in CO emissions</p> <p>2 Green Technology installations</p>	<ul style="list-style-type: none"> ▪ Reduction of 12.5% from base year of 2008 by 2014/15 (Service Indicator PP8/LE408) ▪ A further reduction of 2.5% by 2017 (new target) ▪ The completion of new projects for renewable energy generation to deliver higher levels of sustainable energy by 2017 ▪ Installation of a Voltage Optimiser at Bridge Buildings ▪ Use of more efficient vehicles ▪ Environmental Planning within major contracts to deliver carbon savings
<p>Objective 4: That the Portfolio makes the maximum financial contribution to the Council within the context of Policy, good Estate management, improving asset value and provision of new assets.</p>	<p>1 To ensure achievement of objectives by use of Property Indicators and benchmarking</p>	<ul style="list-style-type: none"> ▪ A year on year minimum increase of 2% in rental income levels ▪ Maintaining a minimum 92% occupancy rate on the Commercial Estate ▪ That arrears are kept to a maximum of 2% of total income per annum at any time ▪ That all Commercial tenants are visited annually. ▪ To review lease, licences, rents and fees on time
<p>Objective 5: To work in Partnership and Maximise Synergy with other Service Providers and Landowners.</p>	<p>1 Joint Service Contracts with North Devon Council</p> <p>2 Working with Town Councils</p> <p>3 Joint working with 1610 to deliver improvements</p>	<ul style="list-style-type: none"> ▪ Increased number of jointly managed contracts from 2012 levels (Service Indicator PP1) ▪ New Fitness Facilities at Holsworthy Leisure Centre ▪ New Gym Facility at Torridge Pool ▪ Delivery of a Joint Grounds Maintenance Contract with North Devon and other Partners and extension of the Service to Town Councils ▪ Delivery of Improved Plant and Equipment at the Leisure centres with 1610 ▪ Delivery of a new Responsive Repairs contract
<p>Objective 6: To provide Value for Money Operational Property to fulfil Service Requirements (efficient running costs, effective income generation, optimal Utilisation and efficient Office usage)</p>	<p>1 Rationalisation and Improvement of Council Offices</p> <p>2 Performance Measurement</p>	<ul style="list-style-type: none"> ▪ Reduction in occupancy levels to 10 m2 per FTE or less by 2017 ▪ A Review of Office Accommodation ▪ A year on year minimum increase of 2% in rental income levels ▪ A reduction in Required Maintenance levels from 2012 levels (Service Indicator PP5) ▪ To maintain the maintenance split on assets at no worse than a rate of 60% Planned and 40% Reactive ▪ Delivery of Capital and Revenue expenditure on budget ▪ A Suitability Assessment and Review of the Estate ▪ Delivery of Capital Receipts to meet the MTFP (Service Indicator PP4) ▪ Delivery of a New Responsive Repairs Contract

A primary issue in relation to all assets and property over the period of this Plan is the predicted reduction in the Councils Net Revenue budget. All Assets will be reviewed over this period to identify savings and the cost/benefits that relate. This may result in changes to Service provision to the public via changes in provision or closure of facilities. In addition, further ongoing consideration to income generation and invest to save need to be identified and implemented.

There will also be over this period, further ongoing proposals related to Joint Working with North Devon Council and the Town Councils to see where efficiencies can be generated by joint use of assets, in particular related to back office services and shared facilities.

There are a number of supplemental Policies that sit alongside and may be applicable to land and building assets and therefore affect the overall management strategy.

In summary these are:

A Carbon Reduction Programme

The Council aims to manage assets in such a manner to reduce carbon Emissions and to comply with current legislation and support initiatives both on its own Estate and to support the District. The Council aims to take advantage of low carbon technology to save energy whilst benefiting fully from available grants, subsidies and tariffs.

B Community Transfer Policy

The Council is supportive of the principles behind Community Asset Transfer and will continue to enable Community Organisations to own or manage Council assets for the benefit of the overall Community.

C Community Support

The Council provides community support via the provision of low value rents to Organisations and the Council will continue to ensure that the level of provision is transparent. The Council will continue to review this support to ensure that it is appropriate and they meet Council objectives.

D Equality and Diversity

The Council will continue to ensure that Assets are available, open to all and compliant to the Disability Discrimination Act.

E Heritage

The Council has a large number of Listed Heritage Assets that not only deliver services but also add to the historic fabric of the District, such as the Town Hall and Markets. The Council will continue to act in a manner to preserve these and this likely means they will stay in Council ownership for the most part. In addition the Council has a number of Heritage assets e.g. statues and memorials, which it will continue to protect and maintain.

3 Asset Strategy

3.1 The primary objectives are aligned to the Councils strategic goals and these principles can be then applied to individual asset types/services. The following identifies the main asset types and any actions applicable to them at this level.

A Northam Burrows & Agricultural Assets

The Council has limited agricultural assets at Cleavewood, Bideford and Tadworthy, Northam and these are held as “land banks” for future development plus Northam Burrows, which is Common and part let for Golf. The assets are currently typically let under Agricultural Tenancies, Grass Lets or Manorial Rights arrangements.

Actions:

- To full implement the Farm Management Plan and Higher Level Stewardship at Northam Burrows.
- To develop a New Car Park and improve Roads at Northam Burrows.
- To maintain and improve Coast Protection (as agreed)
- To further improve facilities at Northam Burrows.
- To bring forward development land subject to provision in the new Local Plan.

B Car Parks

The Council has pay and display car parks strategically located around the District to provide parking in the major Towns and at Tourist locations, such as Westward Ho! These are important to support the local economy and provide facilities for residents, visitors and tourists. Where there are potential commercial opportunities these will be explored where they are consistent with Regeneration or rationalisation.

The Council has a number of isolated free rural car parks and the management and ownership of these is being discussed with the Local Community.

Actions:

- Refurbishment Programme
- Investment in improved signage
- Consideration of commercial opportunities to advance the Councils goals
- Transfer of Free Rural Car Park to local communities

C Cemeteries

The Council has four main cemeteries at Bideford, Great Torrington, Holsworthy and Northam and in addition maintains a number of Closed Churchyards. The Council also jointly owns the North Devon Crematorium in Barnstaple. The Cemeteries have been reviewed in the light of current capacity and adequate provision has been agreed for the foreseeable future. The operating costs and fees are under annual review.

Actions:

- Opening of Holsworthy Cemetery Extension in 2013
- Provision of new cemetery space in Great Torrington
- Closure of Northam Cemetery when full
- Cemetery refurbishment.

D Community Facilities

The Council has Community Centres at Northam and other Facilities through the District. These are currently let to Community Groups on low rents and the Council maintains the major fabric of the buildings. Other Community Organisations use Council assets and the Community Matrix is a transparent document, which identifies these groups and the financial benefits they obtain from the Council amounting to some £200,000 pa.

The Council continues to work with Organisations under the Community Transfer Policy to transfer assets to the Community for its social benefit and also has a Community Right to Bid Process in place for all Community Assets in the District, both Council and Private sector.

The Council is working with a number of organisations to enable projects and initiatives on Council land such as the new Pollyfield Boxing Club, Bideford and Air Cadet Facility, Victoria Park.

The Council has two Homelessness Hostels in Bideford and Torrington and the future of these has been reviewed by the Housing Team. They are currently operating at 100% occupancy and a clear need has been demonstrated for them. Further maintenance and improvements are planned to maintain these high use levels and their condition.

Actions:

- To continue to support community organisation via low rents
- To continue to support Community Transfers
- To maintain the Community Right to Bid Process
- To enable new Community projects and initiatives on Council land
- To maintain and improve the Hostels

E Council Offices

The Council has four main offices at Riverbank House, Bridge Buildings, the Town Hall and Westcombe in Bideford where the majority of staff is located. Smaller satellite offices exist in leased offices at Castle Hill, Torrington and within the Manor Offices Complex at Holsworthy. The Council also provides free offices for the four Town Councils.

The Office Portfolio has been under constant rationalisation and improvement since 2006 with the aim of improving the facilities, improving occupancy rates, reducing running costs and lowering carbon emissions. In line with this major refurbishments have been undertaken, surplus offices closed and sold (13% reduction in office space), energy improvements undertaken, Service teams relocated to more efficient locations and Area offices reorganised. This is an ongoing process and further opportunities exist.

The Council operates in a mainly rural area and the availability of alternative facilities is very limited and the Council owns Offices that it would either be difficult to sell e.g. Town Hall or have a limited market e.g. Bridge Building. For the future the Council will continue to look at joint working opportunities with North Devon Council, as long as this delivers costs savings and efficiencies.

Actions:

- To continue to improve occupancy rates and rationalise office space
- To continue to maintain good quality offices
- To look at alternative opportunities and joint working
- To continue to look at Best Practice in Office efficiency
- To provide a full report to Members on the current and future position

F Commercial Land

The Council has been successful over the last 15 years in obtaining external funding to develop its Commercial estates, which now comprise Caddsdow Estate, the Fishdock, Appledore, the Manor Offices Complex, Holsworthy and Tamar Estate, Holsworthy. In addition, the Council has a number of historic assets which are commercial in nature such as Cooper Street, Bideford and the Markets in Bideford, Holsworthy and Torrington. Since the Corporate Team was set up, these Estates have been managed in line with Best Practice and on a Commercial footing, but taking in consideration the Councils goals to develop local business, encourage business growth and deliver and maintain employment. The Estate was audited in 2012 and was positive in these aspects and the overall level of management. Income and occupancy levels have been maintained and improved despite the poor economic position.

The Council will look to provide more Serviced Employment land and Council assets in the future and various schemes are in place to deliver this including the new Agri-business at Holsworthy.

Actions:

- To continue to increase income by a minimum of 2% pa
- To maintain occupancy rates above 92%
- To look at alternative opportunities and funding to deliver Council owned New Estates
- To deliver the new Agribusiness in Holsworthy
- To maintain our assets

G Depots

The Council has three main depots at Westcombe, Bideford, School Lane, Torrington and Pipers Yard, Holsworthy. Whilst none of these provides a modern depot facility they are low cost, adequate and located in the appropriate areas for service delivery. Improvements were carried out at Westcombe and School lane in 2011/12 to improve welfare facilities, parking, heating and energy use. Surplus land at the depots has been sold off and each site continues to be reviewed for opportunities to relocate and redevelop where this delivers cost savings and efficiencies.

Actions:

- Disposal of surplus facilities

- To maintain our assets
- Consideration of joint working opportunities

H Leisure, Parks and Open Spaces

The Council has four main Leisure Facilities at Northam, Holsworthy and Torrington plus parks, play areas and open spaces throughout the District. The Council is one year into its new Leisure Management Contract with 1610 and there is an ongoing process looking at Investment opportunities and jointly funded Plant and Equipment improvements at these sites. The Council has carried out improvements to its Sports Facilities etc over the last few years but it is recognised that many need substantial investment to enable them to be maintained in good condition and meet current modern standards.

Actions:

- To take advantage of available grants and funding
- To maintain our assets
- Consideration of joint working opportunities with 1610, Town Councils, Community Organisations and Sports Clubs
- Provision a new play area at Lords Meadow, Northam
- Investigating potential transfer of parks, play, public open space and Street furniture to Towns and Parishes

I Regeneration

The Council has an active regeneration programme to use its land ownership to provide and deliver Corporate goals via redevelopment and land acquisition. Several of these schemes are in their early stages and are subject to inclusion of the land in the forthcoming Local Plan.

The Council also looks to take opportunities to acquire new land for such purposes.

Actions:

- Completion of the East the Wharves Development
- Completion of the Cleave Wood Development
- Progress on Caddsdow Phase 3
- Progress on the Westward Ho! Regeneration projects
- Completion and delivery of a new Agri-Business at Holsworthy
- Keeping the Bideford Regeneration sites under review
- Delivery of affordable Housing on Council land

J Public Conveniences

The Council has 21 Public Conveniences and based on a major review in 2002 the Council has now completed its programme of rationalisation and improvements. This has resulted in a reduction from 29 toilets and a substantial improvement in the quality and performance of the current stock.

Actions:

- Disposal of surplus public conveniences
- Investigating potential transfers to Towns and Parishes

- To maintain our assets

K Vehicles

The Council has a number of directly owned Commercial vehicles mainly within Operational Services. A replacement programme until 2019 is in place to ensure that these are maintained to a suitable standard, minimise costs and give the maximum possible viable life.

Actions:

- Disposal of surplus vehicles
- Introduction of lower carbon emission and higher efficiency vehicles
- To purchase the most suitable whole life cost vehicles

L ICT

The Council has a substantial ICT system based around a virtualised environment with host servers based at Bridge Buildings and a Disaster Recovery/Business Continuity environment based at Caddstown. A replacement and improvement programme until 2016 is in place to ensure that these are maintained to a suitable standard, minimise costs and give the maximum possible viable life. The key factor is ensuring that the ICT systems are aligned to the business of the council to deliver the levels of efficiency and change that will be required now and in the future.

Actions:

- Software upgrades and improvements
- Continue with the investment of lower carbon emission equipment.
- Maintenance of ICT Security and Contingency systems.

M Acquisitions

The Council will continue to look for opportunities to acquire land and property for the purposes of Regeneration and to increase the Councils Strategic Land Holdings.

Actions:

- To acquire appropriate new land and property holdings.
- To used external funding, where possible, to subsidise/fund these purchases.

4 Organisation and Governance

- 4.1 The Council in 2001 recognised the need to manage its asset portfolio corporately and to fully integrate Estate and Asset Management under a single Service, namely Property and Procurement, with a Corporate Property function. An Officer Asset Management Working Group (OAMWG) was established in 2001, to corporately co-ordinate the asset management process at Torridge District Council and the Member Asset Management Working Group (MAMWG) was set up in 2008 to provide a Member steer on Estate management. The OAMWG is chaired by the Head of Paid Service and the MAMWG by the Property Lead Member.

These arrangements ensure that Assets are viewed Corporately and Strategically for the benefit of the Council as a whole. The Council Property budgets are centrally managed and this ensures that best value is obtained in contracts and that resources are not duplicated. The integrated Procurement function means that Services are delivered at best value with minimum overheads.

4.2 Responsibility

The Corporate Property Manager is responsible for day to day management of the Estate under the Scheme of Delegation in liaison with the Property and Procurement Manager.

The Property & Procurement Manager is responsible for the delivery of the Councils Capital Projects and for Best Practice procurement that is transparent, complaint and cost effective.

The Lead Member - Natural and Built Environment provides member oversight for this function.

The OAMWG comprises representative from services across the Authority with Member Representation. The Membership of the OAMWG is as follows: -

- Head of Paid Service (Chair)
- Lead Member Natural and Built Environment
- Corporate Property Manager
- Chief Accountant
- Principal Accountant
- Housing Manager
- Head of Strategic Development and Planning
- Special Projects Manager
- Solicitor
- Property and Procurement Manager

The MAMWG comprises Four Members with representatives from Services as required. The standing Membership of the MAMWG is as follows: -

- Lead Member Natural and Built Environment (Chair)
- Members (three)
- Head of Paid Service
- Corporate Property Manager
- Chief Accountant

The AMWGs meet at intervals of approximately six weeks prior to Community and Resources Committee and regularly review the progress and development of the Capital Programme, the programme for disposal of surplus assets and anticipated receipts to ensure that the Capital Programme is fully funded, the S106 Programme, Commercial Occupancy and Arrears and the Management of the Community Transfer processes.

All major decisions are taken by the Community and Resources Committee and, after detailed consideration; the MAMWG will make recommendations to the Committee on asset matters.

Services are key to decision making on the use of the Councils Assets to support and improve Service Delivery. Each Services Business Plan should incorporate the use and need of Assets to deliver their Objectives and Targets. The Corporate Property Manager, in liaison with Services, will undertake Reviews of assets used by Services to determine their Suitability and Sufficiency to this aim.

The Structure of Governance is outlined in Appendix 2.

4.3 **Performance**

The Council Property Performance is continually assessed and reviewed via the use of Property Performance Indicators. The Council uses a nationally agreed set of Indicators (NAPPMI – National Property Performance Management Initiative) and these are measured against CIPFA benchmarking (as a general guide as portfolios vary enormously) and since they have been collated since 2002, a clear trend can be assessed and acted on. This information is then published annually and used to enable strategic decision making and what is required to improve performance. The current indicator set is laid out in Appendix 1.

These show that a low level of maintenance spend and resulting poor Estate condition was identified in 2006/7 and Members allocated additional funds for Planned Maintenance and Capital works. This, with some major decisions being taken on the future of certain assets, has resulted in a substantial improvement in the condition and performance of the estate over this period. The main areas of concern at this time are related to major plant and equipment replacements that are due at the Leisure centres and these are allocated in the Capital Programme.

The Offices have been rationalised by the disposal of Allhalland Street and several Teams been relocated. This has delivered cost savings and a reduction of 13% in office accommodation provision, however, a reduction in the number of staff overall has resulted in a small increase in the Indicator (PMI5 A3 – Office Space NIA per staff) and further work will be undertaken to reduce this figure.

It is clear that these Indicators will be key to establishing the performance of the Estate over the period of this Plan and the delivery of targets. At this time the Council continues to have an effective funded Planned Maintenance and Capital Programme and it is not anticipated that this will change within this timescale.

4.4 **Risk**

The Property & Procurement Team hold a Risk Register for its functions including Asset management and this is updated annually. No unacceptable risks exist with the existing controls in place.

Risk is an element of the assessment of Capital bids and a risk assessment must be lodged with each. Once projects are completed a Post Project Review is undertaken so that any lessons, both positive and negative, can be learned.

All major projects will have their own Risk Assessments.

4.5 **Consultation**

The Council aims to consult as widely and appropriately as possible on Asset Management and in particular, take the views of Services, Ward Members, Parish Councils, Stakeholders, users, residents and others into consideration in decision making.

5 Capital Programme

5.1 The management and planning of the Councils Capital Programme is undertaken by the MAMWG in liaison with the Overview and Scrutiny Committee with the involvement of the Corporate Property Manager and Chief Accountant. All progress and expenditure is reviewed at each OAMWG.

5.2 Development of Four Year Strategy

The Council has developed a four-year Medium Term Financial Plan and has therefore developed a four year capital strategy to determine the Capital Programme in the light of the Authority's key objectives and the likely availability of financial resources (including external funding and the disposal of surplus assets). A key part of this strategy is the assessment of total capital expenditure which is formally approved as a prudential indicator of affordability under the Prudential Code.

5.3 Definition of Capital

Capital expenditure is defined in three ways:

- By proper accounting practices if it is probable that the future economic benefits or service potential associated with the item will flow to the entity
- By regulations if it affects all authorities
- by direction of the Secretary of State if it relates to a particular authority

If the expenditure does not meet the above then it must be charged to revenue. The Council can set a minimum amount of expenditure that should be capitalised and this is £10,000. The only exceptions to this are where a large number of small value items, such as personal computers, are purchased at one time and the aggregate exceeds the minimum level or where the expenditure is funded by Government capital grant.

5.4 Resources

Accountancy assesses the possible level of resources available each year to finance capital expenditure over the programme period. Corporate Property Services are consulted about likely future capital receipts. Revenue contributions to capital, government grants and other contributions and any prudential borrowing is determined as part of the Medium Term Financial Strategy. Consideration is given to the amount of resources that should be reserved in future years to accommodate any additional schemes or possible reduction resources.

The use of a particular resource to fund a scheme is not usually predetermined. The exceptions to this are either grants and contributions that are given to only support a particular scheme or reserves that are set aside for particular purposes.

During the setting of previous capital programmes it has been noted that the Council has been selling assets to fund the replacement of vehicles and other on-going service requirements rather than using a sustainable funding method. The current programme has high levels of revenue contributions to fund capital and an element of this will be transferred to a contribution to reserves. The contribution will be of a consistent level such that there will be a sufficient reserve to fund the capital requirement on an on-going basis.

5.5 **Prioritisation**

Officers are invited to submit projects covering the period of the strategy. The Project Initiation Documents (PIDs) as at Appendix 3 provide sufficient information to enable the worth of the proposal to be considered. Service critical requirements such as vehicle and ICT renewals are automatically included in line with the agreed replacement programme.

The PIDs are assessed by senior officers against the scoring criteria shown in Appendix 4. The ranked list of bids was subject to review and challenge by both the Officer and Member Asset Management Working Groups. The results, along with the estimated resources, are reported to Overview & Scrutiny (Internal) Committee who consider these and make a recommendation to Community & Resources Committee. C&R consider which schemes should be included in the provisional capital programme those that are excluded and those that should not be included at that time. The provisional programme is recommended to Council for final approval. C&R have authority to include additional schemes into the programme up to the level of resources available.

5.6 **Revenue Implications of Capital Investment**

The revenue consequences of all capital projects are carefully considered as part of the assessment. Where a project is included in the capital programme then the revenue consequences are incorporated into the revenue budget and/or Medium Term Financial Strategy as appropriate.

5.7 **Project Outputs and Review**

Outcomes and outputs are set for schemes as part of the PID. In many cases the attainment of the predicted outputs and outcomes is a condition of the external funding which can be withheld if targets are missed. All schemes should be subject of a post-project review on the delivery of it and identifying any learning points for the future.

5.8 **Reporting to Officers, Members and Stakeholders**

Regular reports on the progress of capital expenditure and resources are made to the Officer Asset Management Group Overview & Scrutiny (Internal) Committee and Community & Resources Committee.

Four- Year Capital Programme - Finance					
Category	2013/14	2014/15	2015/16	2016/17	Total
IT Related	70,000	76,000	80,000	93,000	299,000
Vehicles Plant	277,594	236,826	266,041	200,865	981,326
Property/infrastructure	1,040,400	212,000	175,000	140,000	1,526,758
Regeneration	5,440,000	376,731	0	0	5,816,731
Housing	391,097	438,000	388,000	372,887	1,589,984
Total	7,219,091	1,339,557	909,041	806,752	10,230,799

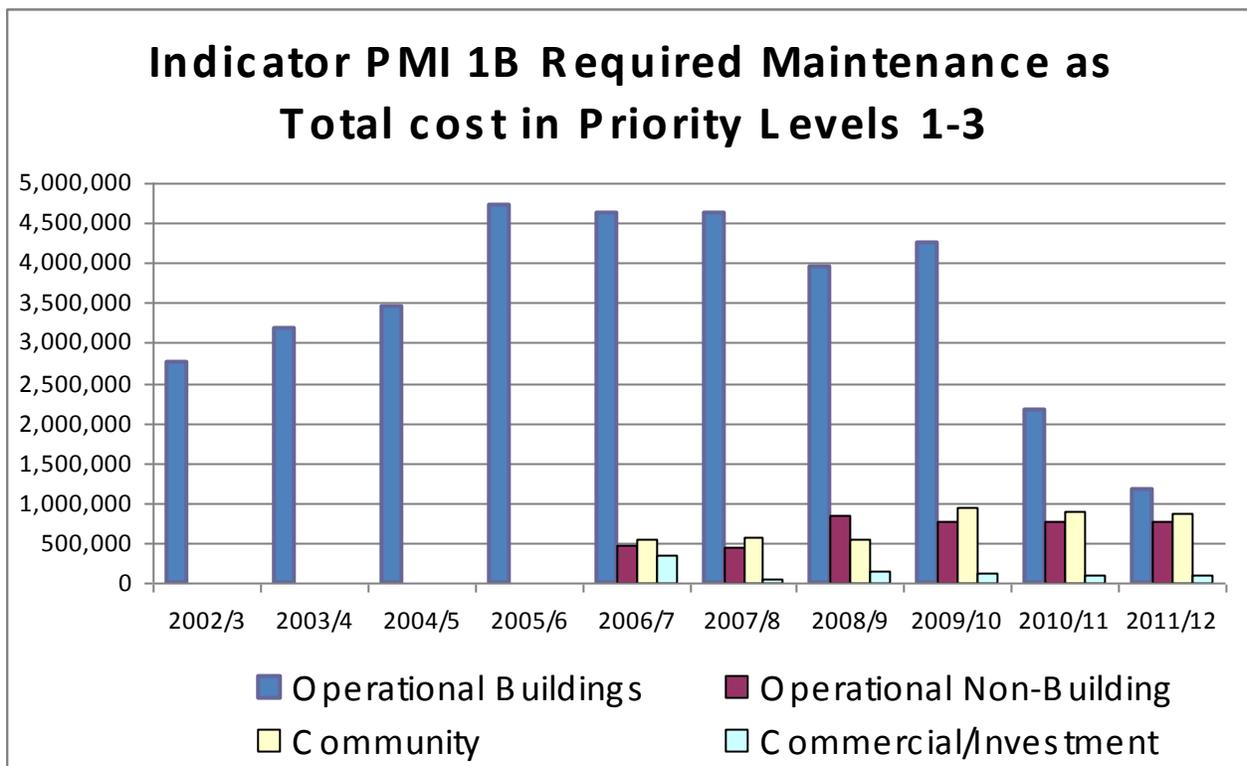
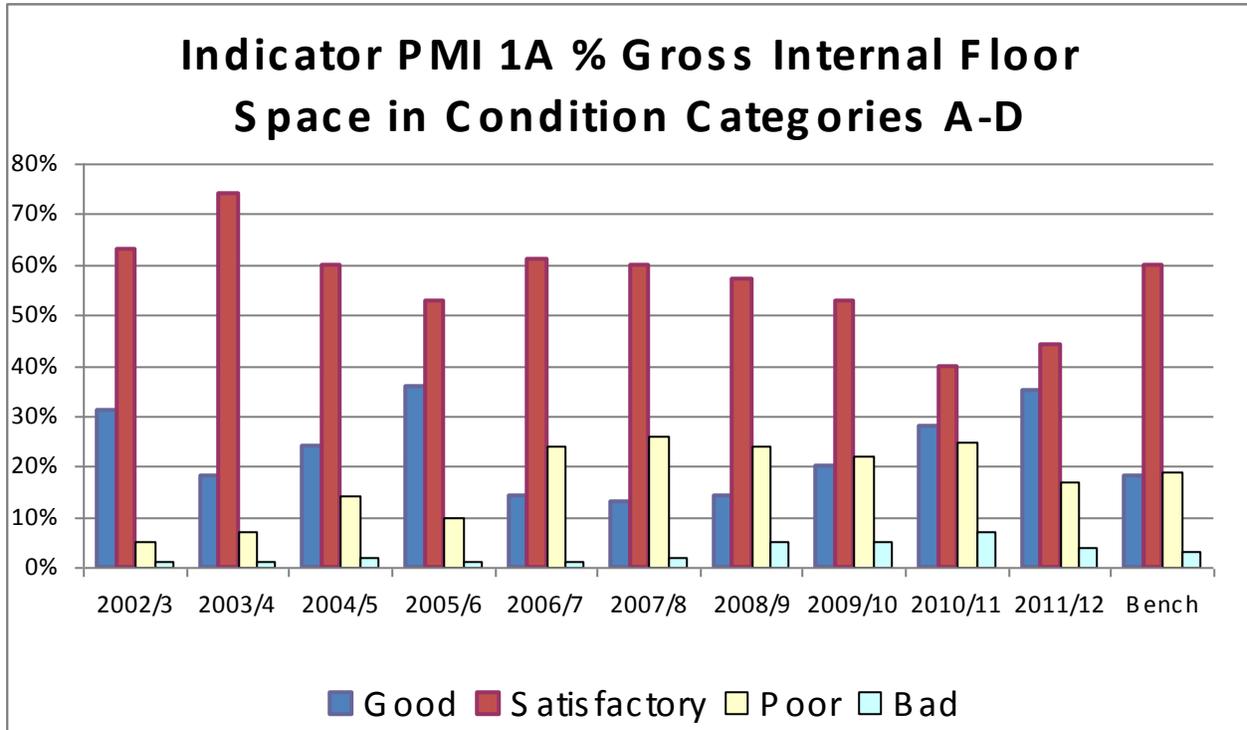
Four- Year Capital Programme - Funding					
	2013/14	2014/15	2015/16	2016/17	Total
Reserves					
Capital Reserve	500,000				500,000
Vehicle Reserve	265,594	34,406			300,000
IT Reserve	70,000	76,000	60,765		206,765
New					
Capital Receipts	290,000	290,000	290,000	290,000	1,160,000
New Homes Bonus/RCCO	1,035,178	569,467	569,467	569,467	2,743,579
Borrowing	5,400,000	160,000			5,560,000
Total	7,560,772	1,129,873	920,232	859,467	10,470,344

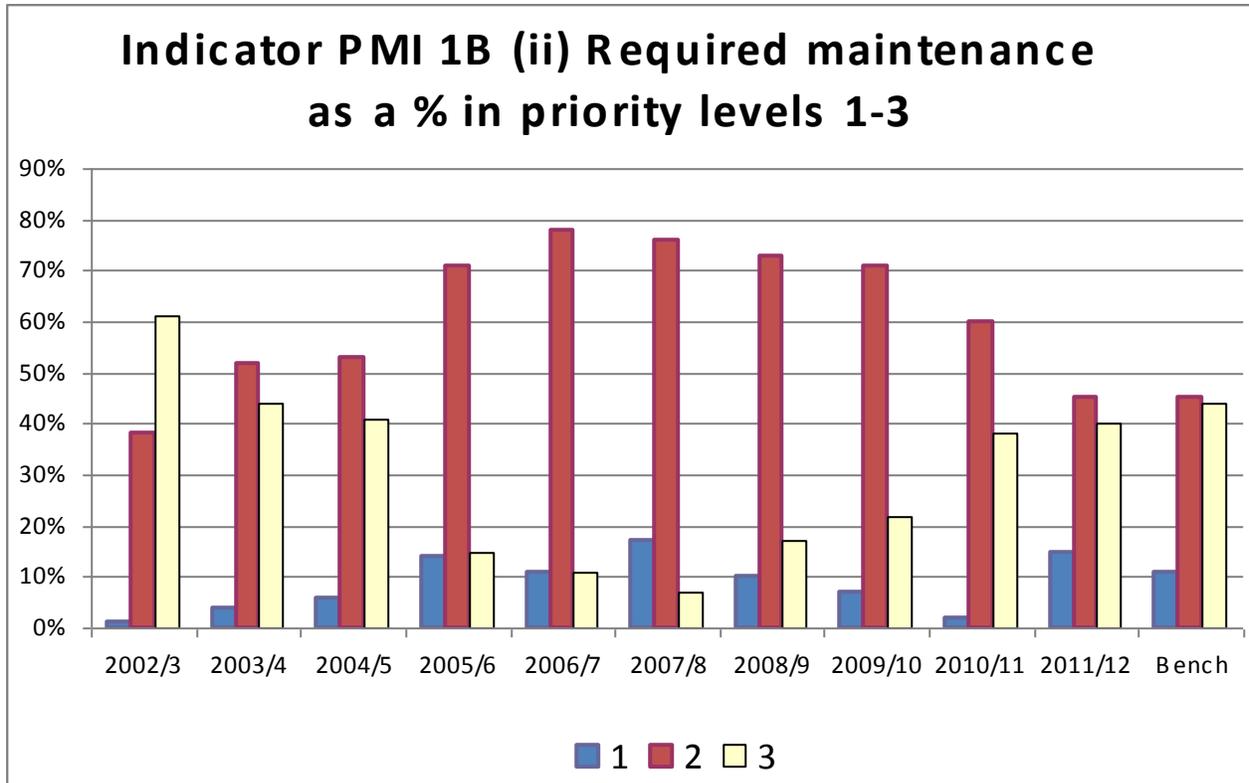
- 5.9 The Programme is supported by the disposal of surplus assets and relevant Community Transfers as identified by the MAMWG via Service Reviews, Regeneration and Opportunity Sales. In addition, the Council receives a high % of the receipts from any ex-council dwelling right-to-buys sales under the Housing Transfer to Westcountry Housing.

6 Planned Maintenance Programme

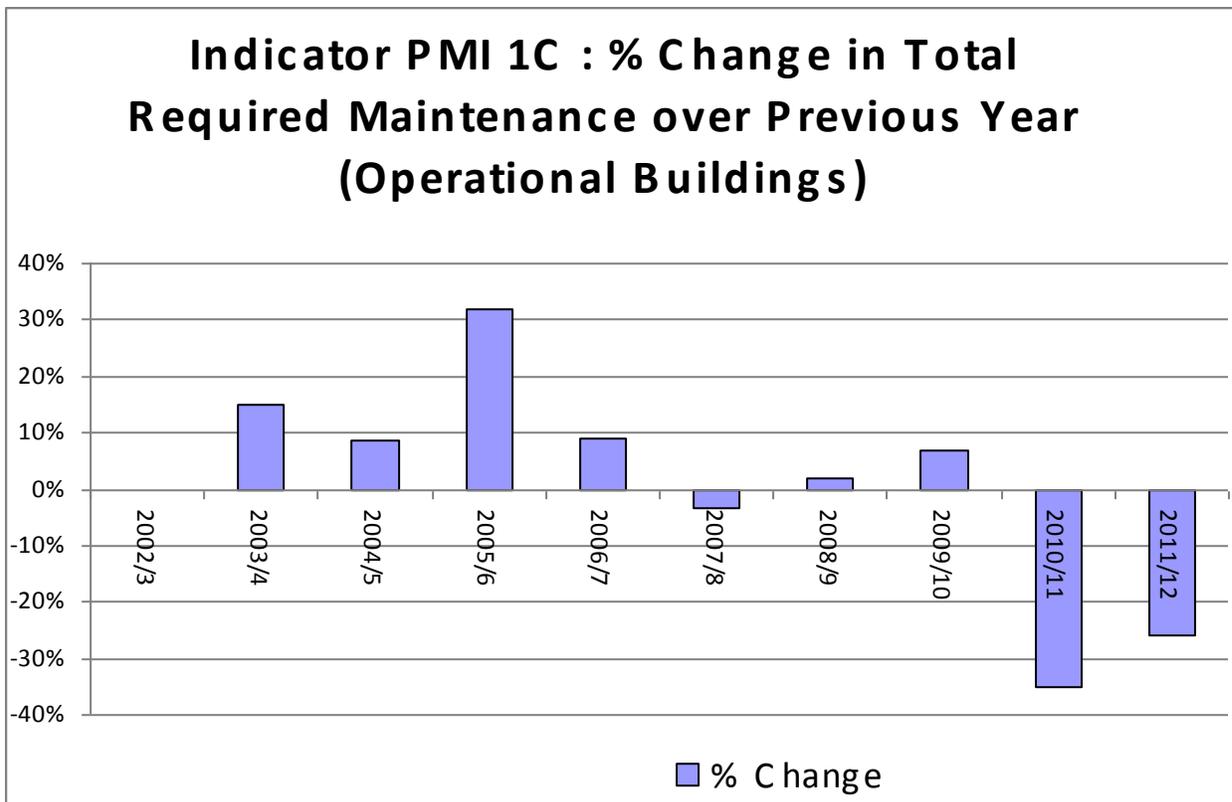
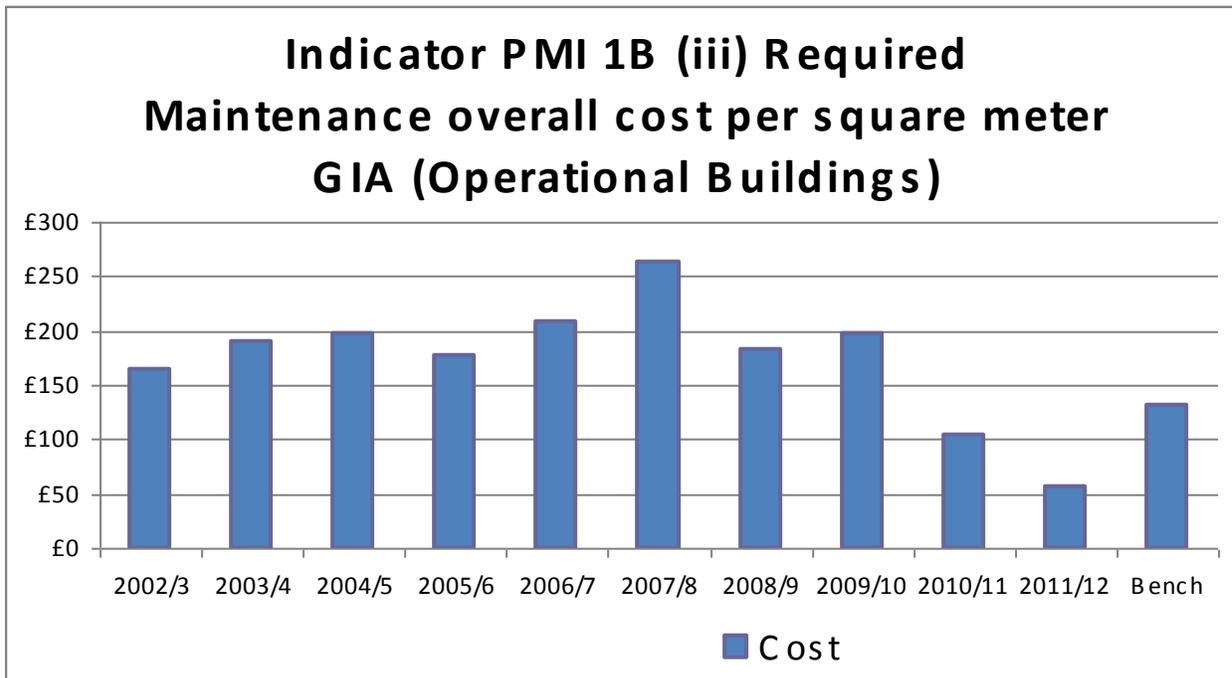
- 6.1 Planned Maintenance takes two forms: firstly, Revenue Planned Maintenance related to the Repair and Decoration of property and secondly, Capital Planned Maintenance related to the improvement and refurbishment of property. The Council has programmes related to both and the Capital Programme and its assessment process, recognises ongoing maintenance in this regard. From 2000-2005 Revenue Planned maintenance was under-funded and this resulted in deterioration in the condition of the stock. This has been addressed and substantial investment has been made in several areas and resulted in an improvement in the overall condition and level of Required Maintenance, although it is recognised that some areas still need attention, such as play provision.
- 6.2 A range of criteria is applied to the prioritisation of the programme related to in particular Service Delivery, Legal, contractual and Statutory requirements, public profile and health and safety. It is recognised that not all property can be maintained on a traditional 5-6 year cycle due to budget restraints and the aim is to apply this criteria to establish the most appropriate and effective spend.
- 6.3 The Corporate Property Manager has a maintenance programme for the duration of this plan and the contents of this are reflected in the Performance Indicators and this is reviewed annually.
- 6.4 The Council has moved the majority of its maintenance from Responsive to a Planned structure based on the Best Practice ratio of 40:60% as a target over the period of the last AMP. This delivers cost savings to the Council and a better quality service. It is intended that this continue to be the target despite the possible changes in available budgets and it will continue to be reviewed through the performance indicators. Currently a budget has been allocated of £250,000 for Planned Maintenance over the period of this Plan.

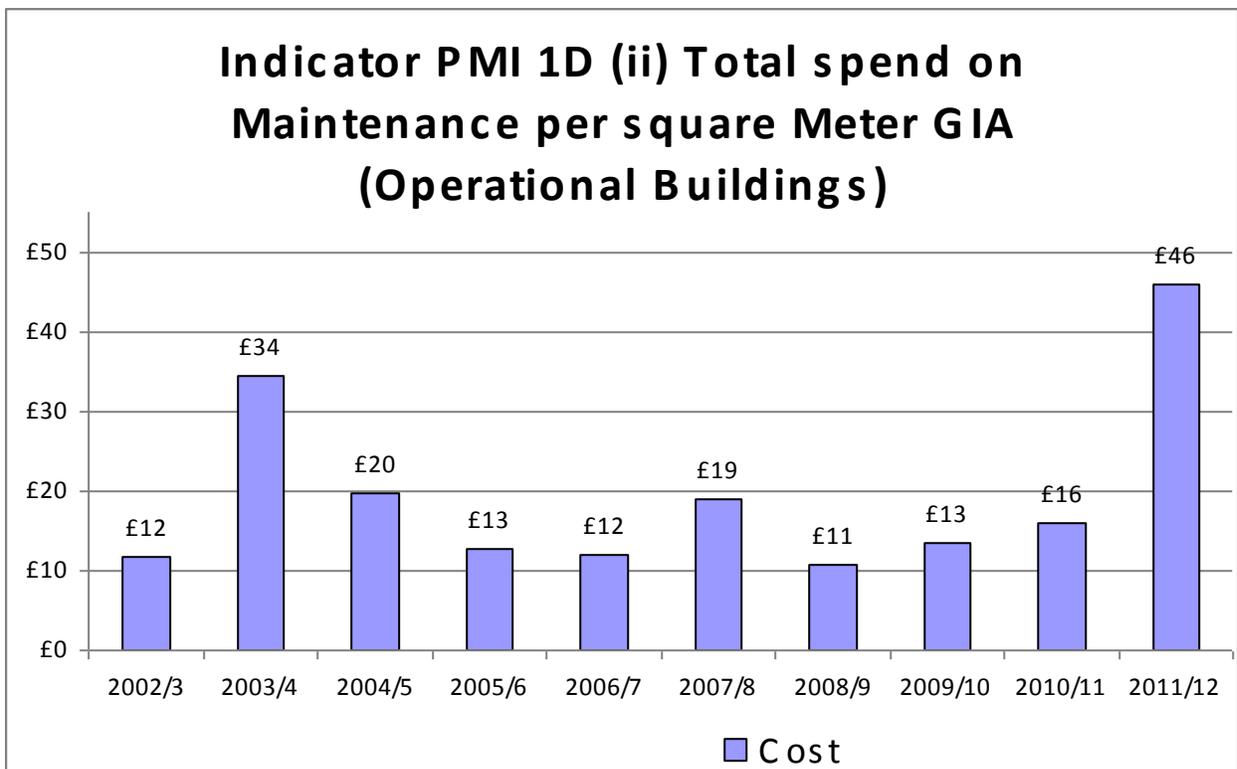
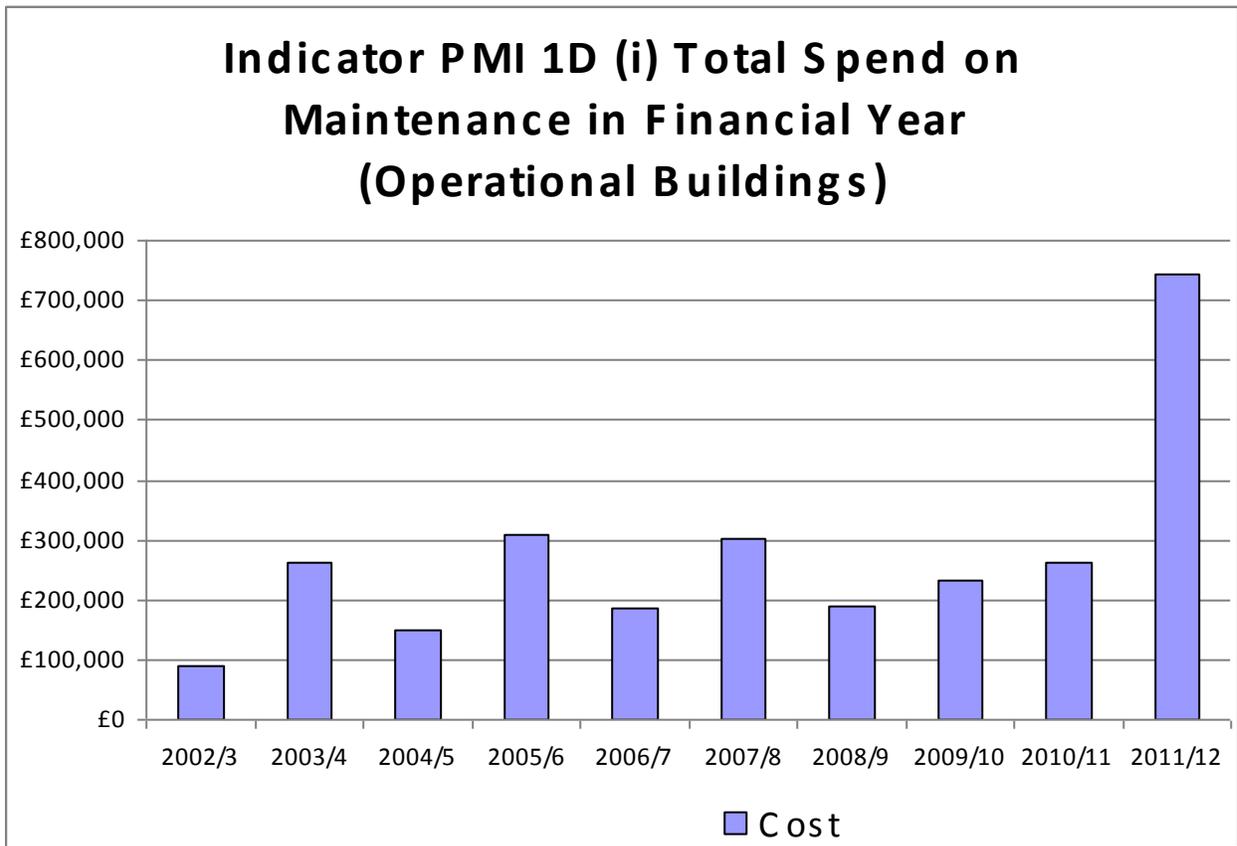
Appendix 1 Property Indicators (NAPPMI)

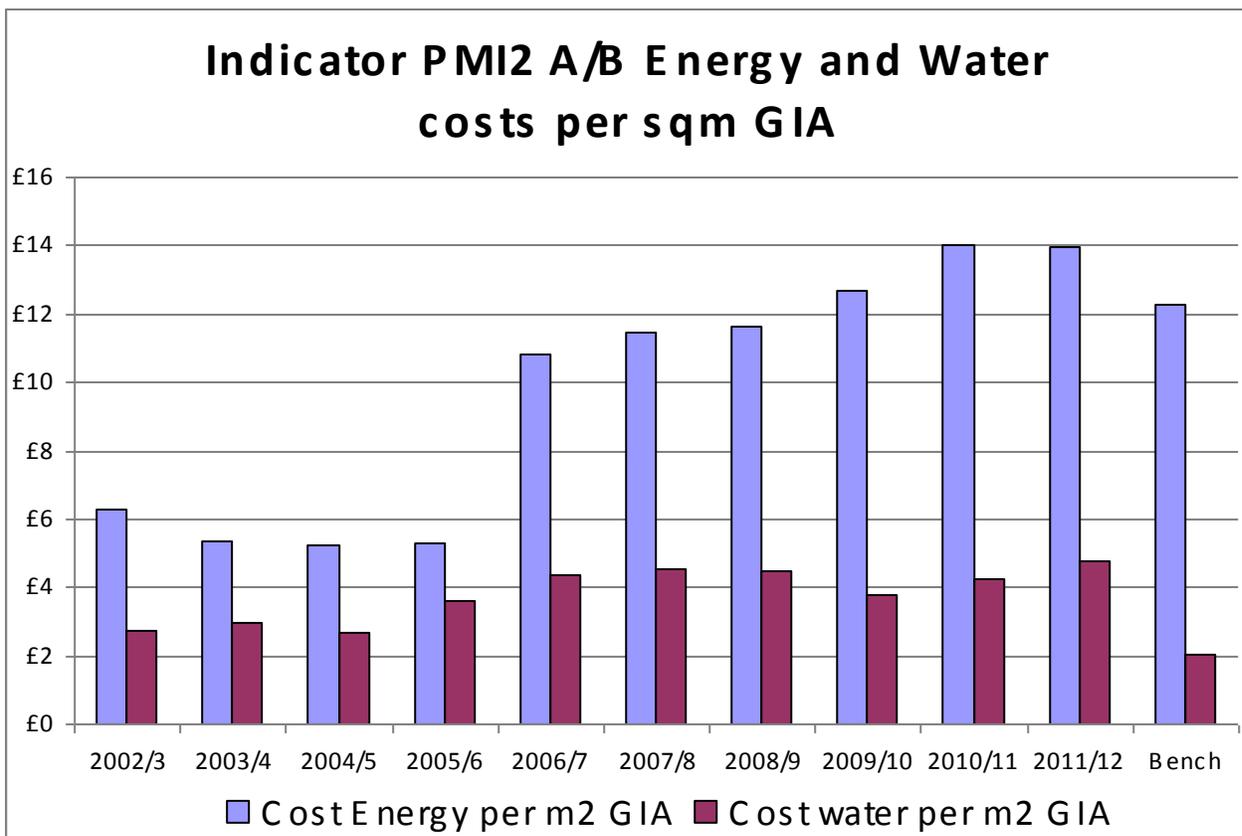
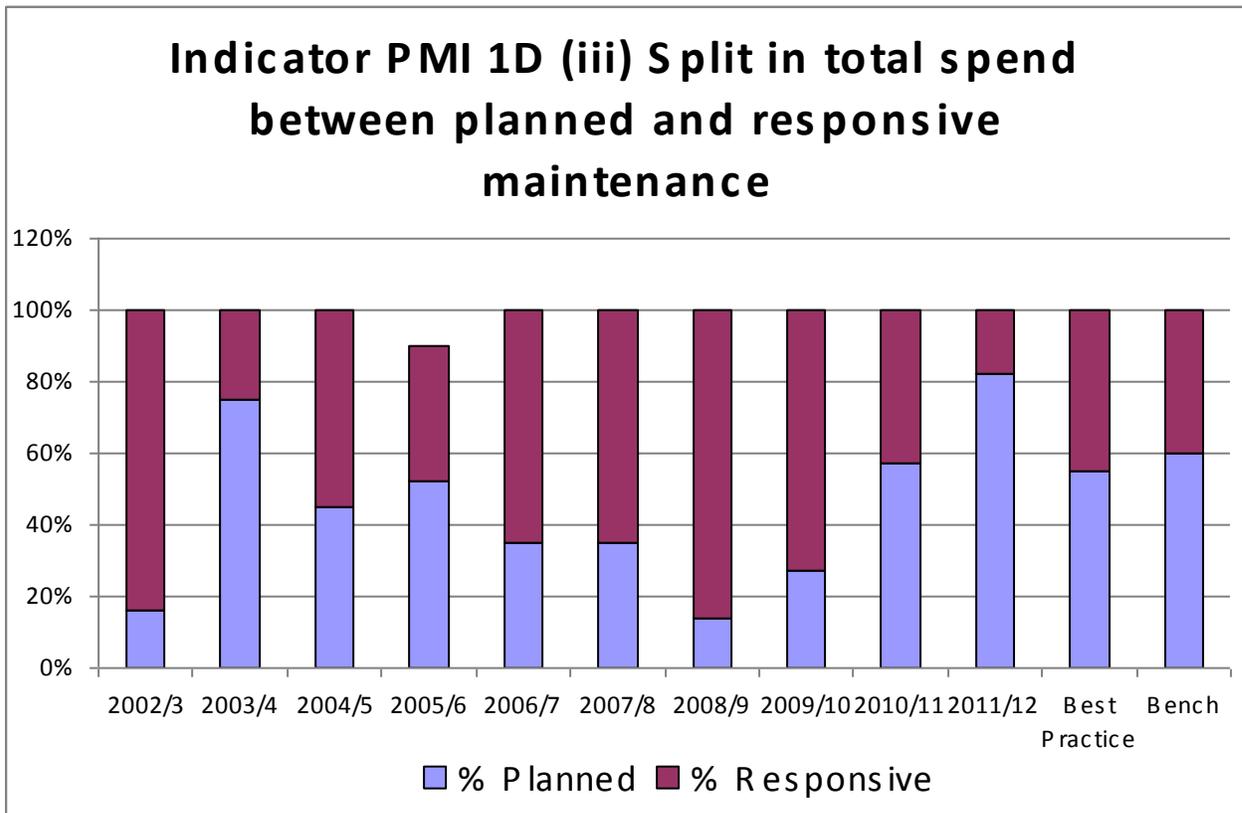


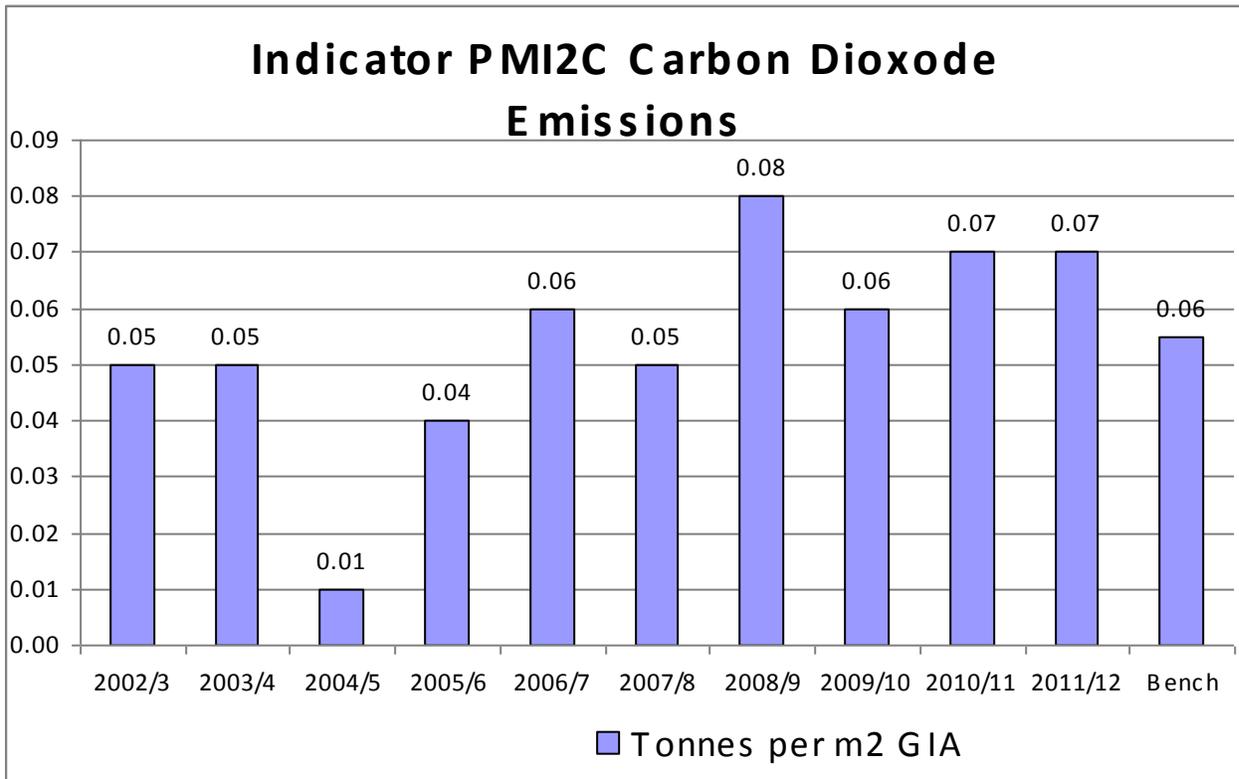
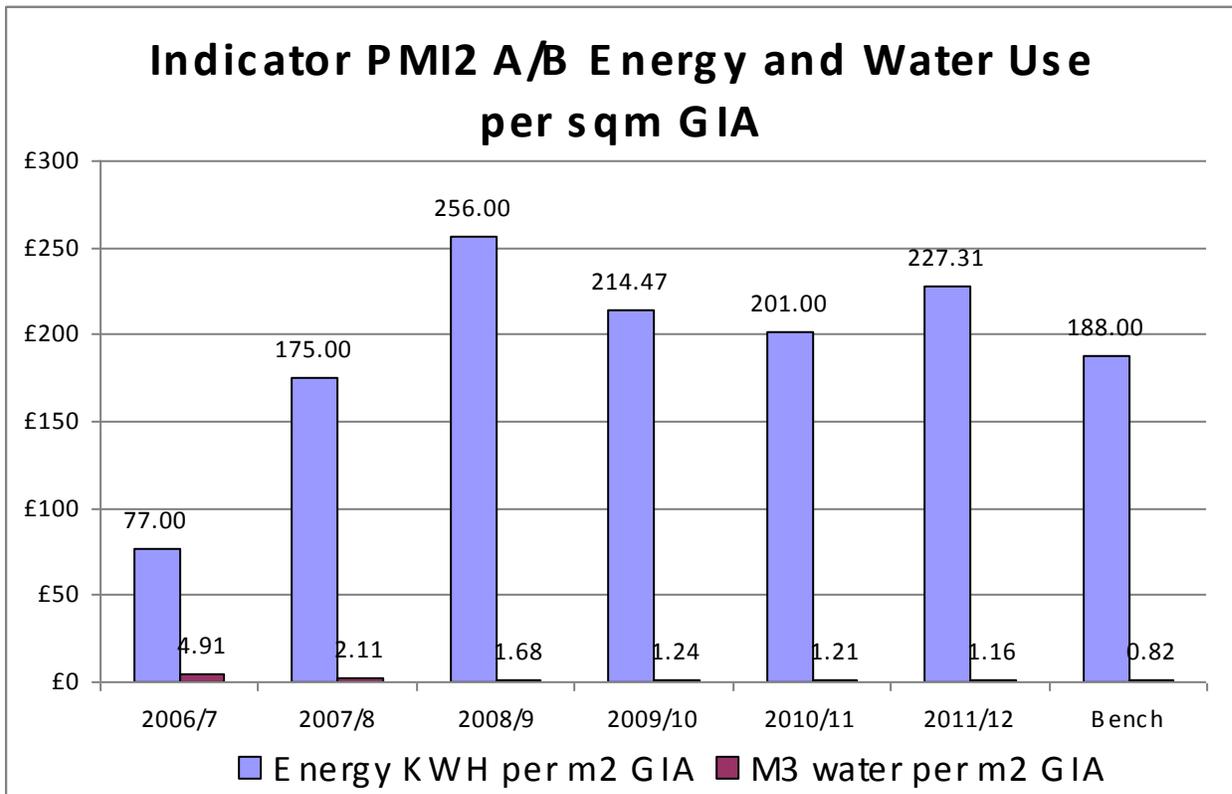


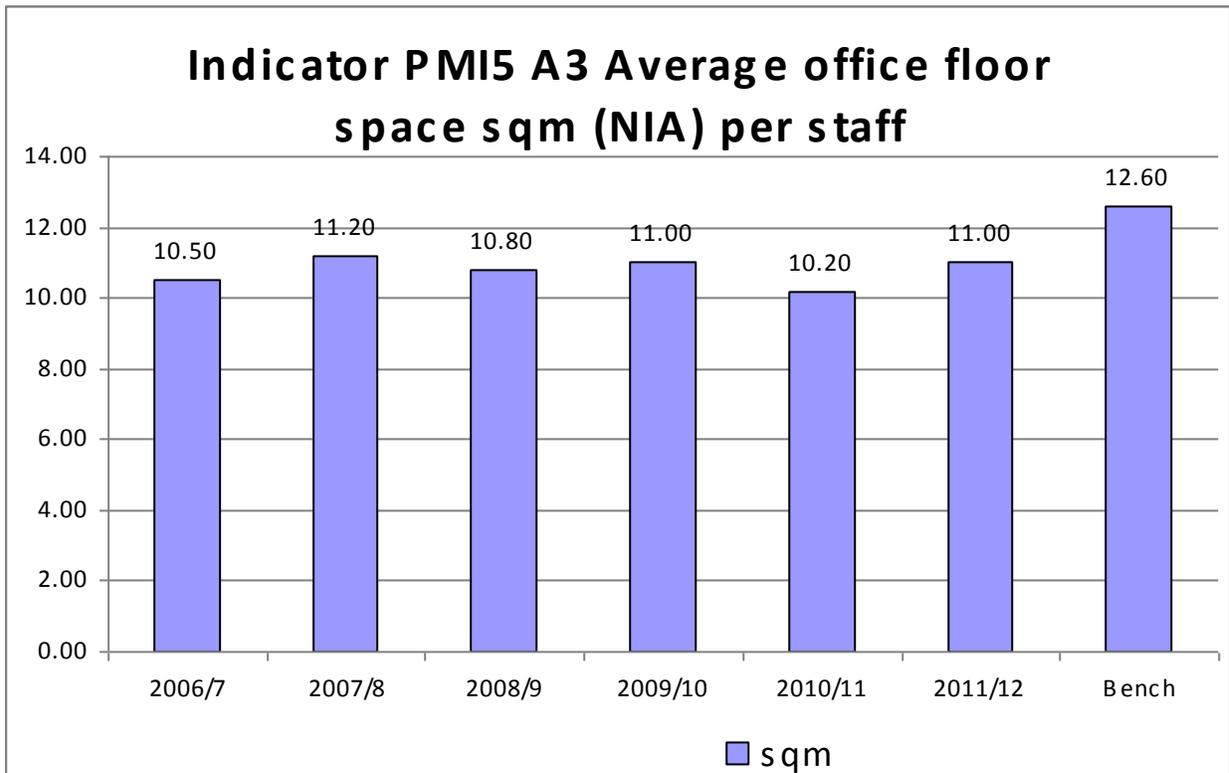
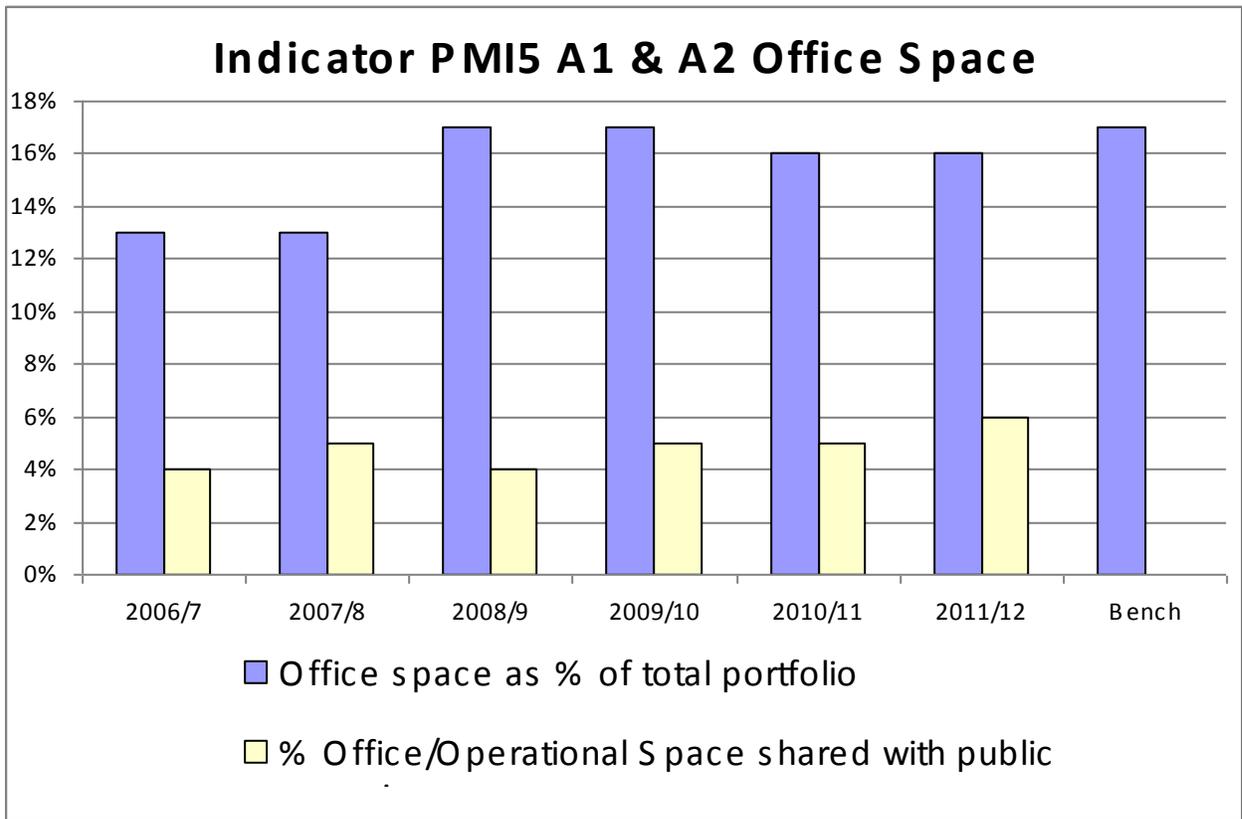
- 1 Urgent works that will prevent the immediate closure of premises and/or address an immediate high risk to the health and safety of the occupants and/or remedy a serious breach of legislation.
- 2 Essential work required within two years that will prevent serious deterioration of the fabric or service and/or address a medium risk to the health and safety of the occupants and/or a minor breach of the legislation.
- 3 Desirable work required within 3 to 5 years that will prevent deterioration of the fabric or services and/or address a low risk to the health and safety of the occupants and/or a minor breach of the legislation.











Appendix 2 Governance Structure

