



CPR.21 15/16

**Corporate Policy and
Resources Committee**

Date: 24 September 2015

Property and Land Management Strategy

Report by:

Strategic Lead – Housing and Regeneration

Contact Officer:

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Purpose / Summary:

The purpose of this report is to propose the adoption of a new Property and Land Management Strategy for the Council.

RECOMMENDATION(S):

- (1) That members approve the proposed Property and Land Management Strategy.**

IMPLICATIONS

Legal:

The Property and Land Management Strategy is intended to complement the Council's existing legal and governance framework as set out in the Constitution and Financial/Contract standing orders.

In addition, all property and asset decisions will need to follow the appropriate legal/financial processes and adhere with the existing Acquisition and Disposal Policy; Lease Management Policy and Land and Property Investment Policy.

Financial: FIN/55/16

There are no direct financial implications arising from this report. The The Property and Land Management Strategy identifies the nature and value of the Council's estate. Ongoing work in reviewing the condition of council land and property assets is intended to inform the future development of a planned maintenance and capital programme that will be reflected in the Medium Term Financial Strategy, in addition to identifying any opportunities to realise capital receipts from assets which are not achieving value for money.

Staffing :

A review has been recently been undertaken of the staff resources required to support the delivery of the asset management plan. Staffing implications arising from this review will be considered and options developed accordingly in line with existing HR policies.

Equality and Diversity including Human Rights :

There are no equality and diversity issues arising directly from this report. In managing its assets the Council needs to take account of relevant equalities and diversity legislation.

Risk Assessment :

Adopting the Property and Land Management Strategy will provide a clear direction and framework for managing the Council's land and property assets. This should help provide assurance that the Council is demonstrating probity, due diligence and strategic alignment in its land/property transactions and achieving value for money from its assets.

Climate Related Risks and Opportunities :

There are no direct climate related risks arising from this report.

Title and Location of any Background Papers used in the preparation of this report:

None

Call in and Urgency:

Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?

i.e. is the report exempt from being called in due to urgency (in consultation with C&I chairman)

Yes

No

Key Decision:

A matter which affects two or more wards, or has significant financial implications

Yes

No

1 Background

- 1.1 The challenging financial climate of recent years has resulted in the need to radically realign local public services and finances. Maximising the use and effective management of assets has become even more central to the way local authorities are seeking to deliver services and provide value for money.
- 1.2 The Council recognises that the effective and prudent management of its property portfolio plays a vital role in supporting the delivery of wider corporate objectives. In particular, the Council's property and assets can support staff and customers in direct service delivery, support regeneration and economic growth, and, where appropriate, provide valuable revenue returns.
- 1.3 In early 2014, Internal Audit reviewed the council's approach to asset management. The review identified the fact that the Council's existing asset management plan was not specific enough to the organisation and West Lindsey. As a result, a new asset management plan has been developed.

2 The Property and Land Management Strategy

- 2.1 This Strategy aims to set out a comprehensive approach to asset management in order to improve transparency of decisions and to ensure that the asset portfolio is delivering the best return possible. Within the Council there is a real aim to increase revenues, and the Property portfolio should be a major contributor towards achieving that.
- 2.2 The plan is structured in two parts – the first part setting out an overview of the estate and providing the high-level policy framework to guide the

Council's approach to asset management. The second part of the plan includes an Implementation Plan and proposes a number of Key Performance Indicators.

3 The Council's Estate

3.1 Property is West Lindsey District Council's largest capital asset, with the net book value of property assets as at 31st March 2015 being circa £15.6m. The revenue cost of maintaining this asset was approximately £0.270m in 2013/14 financial year, in addition to a planned maintenance capital budget.

3.2 The Council's property estate is spread across the entire district that includes the following type of assets:

- **Operational Property** – buildings used for the delivery of Council services. This includes property used to house administrative office based functions, usually directly or indirectly supporting the delivery of services;
- **Community Assets** – property held to support local communities, typically sports-grounds and recreational land;
- **Investment Assets** – property that is primarily held to generate a financial return to the Council;
- **Surplus Assets / Land held for development** – surplus property held whilst disposal is progressed or held for future development whilst (for instance) planning consent is sought to enhance the market value of the asset prior to development and/or disposal;
- **Miscellaneous other land** – Land with limited potential for re-use / disposal.

3.3 The Property and Land Management Strategy provides a more detailed breakdown of the Council's estate.

4. Performance Management and Governance

4.1 The Property and Land Management Strategy proposes a number of Key Performance Indicators (KPIs) that will be used to monitor and inform the effective management of assets. Although significant progress has been made since the Internal Audit review of asset management there is still some work in train to provide detailed management information. As a result, targets are still to be established for a number of the KPIs. Baselines will be established by March 2016 to allow targets to be set for 2016/17.

4.2 The Strategy recommends that the Council adopt a 'corporate landlord' model, ensuring consistency in the management of all corporate assets.

In essence, this means that all land and property assets will be held and managed centrally, with the Property and Assets team providing a customer-focused 'landlord function' to services and tenants. The plan describes the internal governance structure for land and property initiatives. It is intended to pilot this process with a review of 5 properties by March 2016 to make sure it is fit-for-purpose.

- 4.3 All land and property related decisions will be undertaken in line with the Council's constitution and the existing Property Acquisitions and Disposal Policy and/or lease management policy.

5 Conclusions

- 5.1 The new Property and Land Management Strategy provides a policy framework to guide the effective management of the Council's estate.
- 5.2 It is recommended that members approve the Strategy.



West Lindsey District Council
Property and Land Management Strategy
2015-2020

Unlocking the Potential



WLDC Property & Land Management Strategy
Version: Version 2.1
Dated: 10th September 2015
Report Author: S. Troman

Forward

West Lindsey District Council, together with other public service providers, is a significant owner of property in the District, with assets in a number of areas. The presence of these assets can help promote a sense of community and act as a stimulus for wider community development.

Property is West Lindsey District Council's largest capital asset, with the net book value of property assets as at 31st March 2014 being circa £15.6 million.

The revenue cost of maintaining this asset was approximately £270,000 during the 2013/14 financial year, in addition to a planned maintenance capital budget.

The strategic impact of assets has been recognised in the Council's corporate and commercial plans. It is also regarded as a vital contributor to resource planning alongside People, Finance and ICT. Assets play an important part in the wider perception of Place. The sense of well-being and prosperity presented by well-designed and maintained buildings and infrastructure extends far beyond their boundaries.

The quality and suitability of these assets impact not only on the effectiveness and efficiency of service delivery, but also on the perception of the Council as an employer and advocate for the district. If these assets are managed well then they provide a significant opportunity to shape and influence policy options as well as bring in income and capital receipts through the strategic utilisation of property surplus to requirements. Alternatively, if managed badly, they can present the Council with a major financial burden and liability that could have serious consequences and subsequent implications for service delivery and the reputation of the Council.

The reason for the Council to hold the majority of its property assets has been to effectively support the delivery of services. The scale of the financial challenge faced by the Council having to find some £1m savings for 2014/15, combined with historic reductions of circa 30% and anticipated reductions in grant for future years expected to be similar to those already faced, means that we need to look at all our resources (including property) and challenge existing practices so that property makes its contribution to meeting the Council's funding shortfall.

The Council's response to this is to look for an increasingly commercial approach and a far greater degree of space sharing across the public estate, freeing up property for disposal and a continuous review and challenge of asset use to enable the early release of assets for disposal, generating capital receipts and revenue savings. Where assets are retained they need to support the strategic themes and priorities contained in the Council's Corporate Plan.

The Property and Land Management Strategy will facilitate rational property decision making based on identified corporate priorities and provide a practical tool which helps to define, implement and measure how the Council:-

- Makes its investment decisions concerning assets
- Maintains and improves its asset base
- Increases the cost effectiveness and value of its portfolio
- Promotes innovation and development in asset management
- Listens and responds to property users
- Ensures the portfolio is 'fit for the future'

This strategy is not a static document but rather part of a process designed to engage Members, officers, and the public, in a debate about the management of the Council's property resource. It is intended to promote a common understanding of the issues affecting property and to set a direction for its management over the medium term.

Signed

Penny Sharp

Commercial Director

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1. Executive Summary

This strategy aims to set out a comprehensive approach to asset management in order to improve transparency of decisions and to ensure that the asset portfolio is delivering the best return possible. Within the Council there is a real aim to increase revenues, and the Property portfolio should be a major contributor towards achieving that.

West Lindsey District Council has a property estate spread across the entire district that includes the following type of assets:

- **Operational Property** – buildings used for the delivery of Council services. This includes property used to house administrative office based functions, usually directly or indirectly supporting the delivery of services;
- **Community Assets** – property held to support local communities, typically sports-grounds and recreational land;
- **Investment Assets** – property that is primarily held to generate a financial return to the Council;
- **Surplus Assets / Land held for development** – surplus property held whilst disposal is progressed or held for future development whilst (for instance) planning consent is sought to enhance the market value of the asset prior to development and/or disposal;
- **Miscellaneous other land** – Land with limited potential for re-use / disposal.

Property is West Lindsey District Council's largest capital asset, with the net book value of property assets as at 31st March 2014 being circa £15.6 million. The revenue cost of maintaining this asset was approximately £270,000 during the 2013/14 financial year, in addition to a planned maintenance capital budget.

The Corporate Property and Land Management Strategy sets out the policy framework that will enable to Council to develop a systematic approach to asset management to help:

- Secure Efficiencies
- Support Service Transformation
- Promote Sustainability
- Strengthen its commercial approach
- Facilitate Regeneration
- Protect Building Fabric

Work is progressing to populate an asset management database, which will hold all relevant property information in a central location for the first time. This will allow the Council to make informed property-related decisions and develop a planned maintenance programme. This will steer the property portfolio towards performing to its maximum value, and highlight any opportunities for disposal, redevelopment or change of use.

During the 2015-2020 period of the Property and Land Management Strategy all property and assets are expected to be reviewed. This will ensure all potential opportunities are identified, following which regular reviews are planned to allow ongoing performance monitoring of the portfolio and to adapt to future changes in the property market.

The strategy identifies a number of Key Performance Indicators (KPIs) for monitoring the performance of the Council's estate management and land and property assets. Due to some management information still being established baselines and targets will be set for all KPIs

by March 2016. Performance will be reported regularly through the Council's Progress and Delivery process. Targets will be subject to annual review.

2. Introduction

2.1 West Lindsey District Council is working through a series of budget reductions by Central Government, alongside rising customer expectations for Council services. Therefore there is a need for public service transformation with a focus on exploring new ways of delivering services. The Council's response to this broad context is an increasingly commercial approach and revised public service delivery model focussed on commissioning and working in partnership with others to deliver outcomes, together with a leaner more agile organisation, which is capable of adapting to expected further changes.

2.2 To do this the Council needs to:

- **Secure Efficiencies** – For WLDC to use its own resources effectively and efficiently and seek to do more for less. This needs to be cascaded down to its asset base which in turn must be optimised in terms of its size, operating cost and 'fitness for purpose'. The portfolio will need to be 'challenged' in terms of both its need and performance.
- **Support Service Transformation** – Resource constraints, changes in public expectations and technological advances are all driving new methods of service delivery. In future there is likely to be greater cross-agency working; less direct Council service provision and more e-enabled services. The portfolio needs to support this change; with buildings becoming more flexible – facilitating use by multiple agencies, and changes in functionality over time.
- **Promote Sustainability** – There is a strong national drive to reduce carbon emissions. This is an imperative for the Council both in terms of supporting sustainability and in reducing future liabilities under the carbon trading regime. The number, type and location of buildings as well as use of energy within buildings can help to reduce the Council's carbon footprint and act as an exemplar to other organisations to do the same.
- **Increased Commercial approach** – The need for increased awareness of the opportunities for revenue growth and cost avoidance through a greater commercial awareness has been recognised and prioritised, including the approach to disposal and investment in assets and property, as well as operational and running costs.
- **Facilitate Regeneration** – Economic prosperity and neighbourhood vibrancy are important for community well-being. As a predominantly rural district this is a significant challenge for the Council. The location, type and image of Council buildings can have an important influence as a catalyst for regeneration.
- **Protect Building Fabric** – The quality of construction, the condition of buildings and their image all have an important influence on service delivery. It is important that the portfolio is managed in a way that reduces the significant maintenance liabilities from a legacy of poor construction techniques and outdated buildings in order to enhance the overall portfolio condition.

2.3 Underpinning these broad responses to the operating environment it will also be important to ensure that organisational arrangements for asset management are streamlined and that there is clear accountability for the management of assets and that robust governance arrangements are in place for all property related activities.

2.4 This document will cover all elements of property held by the Council, including operational estate, redevelopment sites and land assets, and covers the period 2015-2020.

2.5 The implementation of the investment and changes outlined in this document seeks to support the delivery of efficiency savings to the Council, by reducing running and operational costs, and to improve the revenue generated from the property portfolio. This will include the potential to transfer assets to the local community as part of the Localism agenda and consideration to rationalising assets to generate capital to minimise the need to borrow funds.

3. Where are we now?

3.1 West Lindsey District Council has a property estate spread across the entire district, which fall within the following general descriptions:

- **Operational Property** – buildings used for the delivery of Council services. This includes property used to house administrative office based functions, usually directly or indirectly supporting the delivery of services;
- **Community Assets** – property held to support local communities, typically sports-grounds and recreational land;
- **Investment Assets** – property that is primarily held to generate a financial return to the Council;
- **Surplus Assets / Land held for development** – surplus property held whilst disposal is progressed or held for future development whilst (for instance) planning consent is sought to enhance the market value of the asset prior to development and/or disposal;
- **Miscellaneous other land** – Land with limited potential for re-use / disposal.

3.2 The estate is predominantly freehold comprising operational property used for delivering services for which the Council has a statutory or discretionary responsibility plus investment property, held to generate a financial return to support the financial position of the Council. The breakdown of the Council's property assets can be found in the table below.

	Total No.	Asset Type	Number of assets	Value (£m)
Operational Property	26	Offices, Admin Buildings	3	2.97
		Depots	3	0.34
		Car Parks	11	0.48
		Toilets	3	0.31
		Leisure Centre	1	6.84
		Community Centre & Grounds	1	0.03
		Bus Station	1	-
		Other	3	-
Community Assets	16	Offices	1	-
		Sports Clubs	2	0.22
		Sports Grounds	2	0.32
		Community Centre	1	0.03
		Playing field	2	-
		Recreation land	2	0.11
		Other	6	-
Investment Assets	32	Retail	16	1.32
		Residential*	8	0.36
		Offices	1	0.21
		Oil Well sites	2	0.19

		Aggregate Site	1	0.08
		Other	4	0.4
Surplus Assets / Land held for development	34	Development Land**	8	0.74
		Toilets	1	0.12
		Vacant	1	0.16
		Other	24	0.14
Miscellaneous other land	82	Car parks	2	0.04
		Development land	1	0.19
		Other	79	0.04
Total	190		190	15.64

* These figures do not include a further 6 residential properties purchased through the Empty Property Project, which have not yet been valued

** These valuations are based on existing use

3.3 The plan in Appendix 1 shows the distribution of Council assets across the district (land/property assets shown in blue), and their relative proximity to conurbations and key road and rail networks.

3.4 The Property and Assets Team are responsible for the management of the entire land and property estate, which ensures that all assets are subject to the same landlord arrangements and option review process as outlined in this strategy. It also provides cost efficiencies through avoiding doubling up on roles and responsibilities and ensures that a team of property experts is leading on all aspects of property for the Council.

3.5 Work is underway to assess the costs of running and maintaining the operational portfolio, including the condition and extent of backlog maintenance, which will provide key information to develop an options appraisal for each property to compare running costs, maintenance/upgrading work needed and associated costs against revenue and operational requirements. This information will then allow the viability of each site to be considered and decisions to be made based on need and suitability, and a longer term planned maintenance strategy to be developed.

3.5 Currently there is an annual revenue budget of £270,000 for reactive repair work, and a capital budget of £70,000 for planned maintenance of the estate. However with several properties needing major repair and maintenance works in the near future to keep them operational, there is total capital amount of £569,846 available for planned maintenance in 2015-16, to facilitate some of this work. Given the timescale for the condition information being returned, (funded through an additional £369,000 budget) it is likely that not all of this spend will be achieved in a single financial year, but can in principle be rolled forward to continue works in 2016-17. There is also £70,940 for energy efficiency work and £250,000 specifically set aside for re-roofing the Trinity Arts Centre.

3.6 An analysis of the retail investment portfolio is examining the current rent roll in terms of capital value and rent received, in order to assess the yield of individual properties against expected market returns for similar property. The property and asset portfolio generated a total income to the Council of £563,507 in 2014-15, (including property rents and car parking, but excluding revenues generated by markets).

3.7 The nature of some of the properties in the portfolio limit the potential for future alternative uses, (for instance cemeteries, verges, footpaths etc.), but alternative management or ownership arrangements can still be considered with partner organisations and the potential for community stakeholders to be involved. Some of the properties are Listed buildings, in conservation areas or have covenants restricting their use, which can also affect the development potential, as well as maintenance costs, so it is important to get specific information to fully evaluate each property individually.

4. Where do we want to be?

4.1 There are a number of key strategies and plans that, together with the Corporate Plan, support the development of the Property and Land Management Strategy.

4.2 The Financial Strategy & Medium Term Financial Plan and the Capital Strategy provide the context for financial and resource planning for assets, including the target for the Council to generate approximately £2.5m revenue per annum by 2020 to become self-sufficient (an additional £1million per annum on the current position).

4.3 The Capital Strategy and Investment Strategy provide a framework for the delivery of the Council's Corporate Plan and Commercial Plan to support self-sufficiency and to deliver economic growth, with a focus on improving efficiency of services.

4.4 The intention of the Property and Land Management Strategy is to provide a strategic framework to support the effective management of the Council's estate. The aim is to develop a more planned and proactive approach to the management and maintenance of the council's existing assets. In addition, the Council wishes to adopt a dynamic approach to managing its assets, including acquisition of land and property that can provide a financial return and disposal of assets that no longer meet organisational objectives.

4.4 Principles of Asset Management

The Council will adopt the following principles in managing its estate:

- **Efficiency** - Investment in asset management and properties can lead to an efficient use of space, reduced costs and improved sustainability. It helps prevent the diversion of resources from corporate and service priorities and leads to better performance in income from investment properties.
- **Return on investment** – a commercial approach to property management supports income generation, contributes to the financial position of the Council, and reduces liabilities associated with property.
- **Regeneration** – The location and management of investment through property can facilitate regeneration.
- **Access to services** - The physical location, design and flexibility in the use of buildings can improve access to services.
- **Customer perception** - Buildings can engender confidence that an organisation is capable and professional and has an influence on a customer's experience.
- **Staff morale** - A good physical working environment sends a message that staff matter, which in turn can motivate staff and contribute to reducing absenteeism and low staff turnover.

Property assets are a corporate resource and consequently all assets are recognised and managed as a corporate (not departmental) resource. This overarching strategic approach delivers greater efficiencies and aligns the Council well to sharing space across the public sector estate.

4.5 Asset Management Objectives

In line with the principles outlined above, the Council intends to effectively manage its property and assets to meet the following objectives:

- To ensure property meets the service needs of customers and service providers;
- To ensure a commercial approach to the ownership and use of property;
- To ensure that the Council meets its health & safety obligations to its staff and the public;
- To ensure property is maintained to an acceptable standard;
- To embed sustainability principles and deliver enhanced performance from property to meet Energy Performance and Carbon Reduction requirements;
- To review the requirement for property at each location and the potential for making savings by reducing running costs through a programme of regular review;
- To reduce the need for administrative buildings by introducing new ways of working and moving to smaller service outlets with more staff concentrated in centralised facilities; In addition, the Council will work with others, particularly across the public estate, to explore opportunities for rationalising and consolidating accommodation.
- To maximise the use of space and modernise facilities within retained sites;
- To provide property in more innovative ways to release capital resources; reduce operating costs; and upgrade facilities, whilst bearing in mind the practical considerations of increased costs and revenue streams.

5. How do we get there?

5.1 The Council is developing its approach to asset review with an individual assessment for each property regularly monitored by Service Business Managers. We will further extend this activity to enable the development of a forward plan of property rationalisation, with linkage to the Council's overall capital programme, which will be compiled following completion of the stock condition survey currently underway. This will cover a range of options for each property including 'Do Nothing', 'Do Minimum' and 'Radically Different', and identify key risks to delivery to allow a comprehensive evaluation. Appendix 2 includes a template for Individual Property reviews.

5.2 Once this information is complete and collated to show all relevant information relating to a property in a single report, they will be assessed alongside various service delivery plans to incorporate their operational requirements, and revenue targets. This will also provide key information for use during the corporate budget setting process, to ensure that decisions made can be followed through and any works financed to support delivery of aspirations.

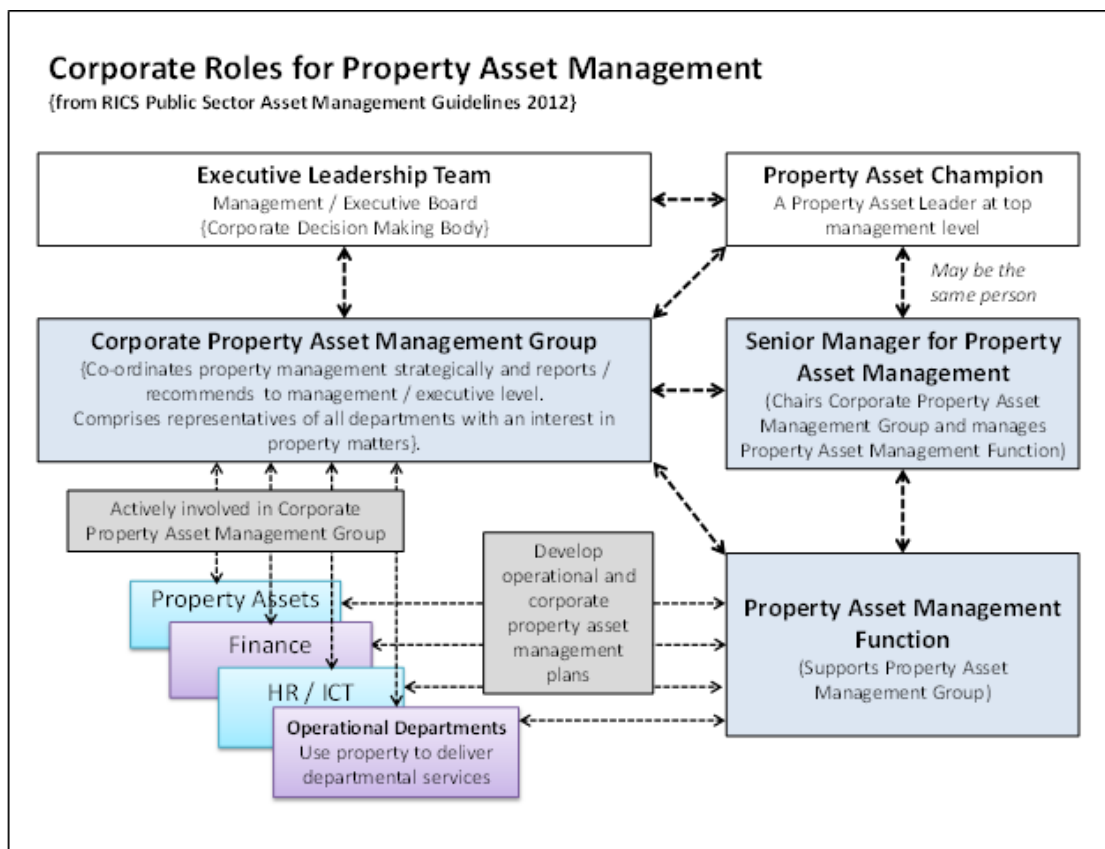
5.3 This approach will bring together all relevant service delivery and property related information and costs to form a comprehensive overview of the current property use, with a view to maximising the use of the estate and rationalising the portfolio where appropriate. The evaluation will also incorporate the potential regeneration benefits that investment in a property could deliver, which are notoriously difficult to quantify, but must not be ignored.

5.4 A further document will be produced to support this Property and Land Management Strategy once all the information has been reviewed and decisions made on how to take forward each asset, to provide an action plan to delivery. It is difficult to predict the outcome of the condition survey work, however it seems likely that there will need to be further investment in the stock, above the annual budget to bring the estate up to a manageable standard. This will have to form part of the consideration when making decisions and will have to feed into the budget setting process for future years, and any potential external funding bids. If no additional internal or external funds are made available for property maintenance the property portfolio may need to be reduced in order to 'fit' the available budget.

5.5 A key risk associated with this strategy is the lack of available information to inform on actual actions to be rolled out as a result of decisions made, as we are at such an early stage in the review process, however the approach set out in this document can be utilised as a strategic overview, and the delivery details added as decisions are made.

6. Governance

6.1 In managing its land and property assets the Council will adopt the 'Corporate Landlord approach'. The Corporate Landlord model promotes the centralised management of property as a strategic resource of the Council in order to ensure it meets organisational objectives and to secure cost efficiency. The Corporate Landlord Model is consistent with current 'best practice' in asset management (see RICS model below). It brings together all professional and technical property management resources to eliminate duplication of estates, facilities management and project management functions across services. It also enables a corporate approach to the capital programme; procurement of property services, property standards, investment decisions, environmental and energy management and portfolio performance.



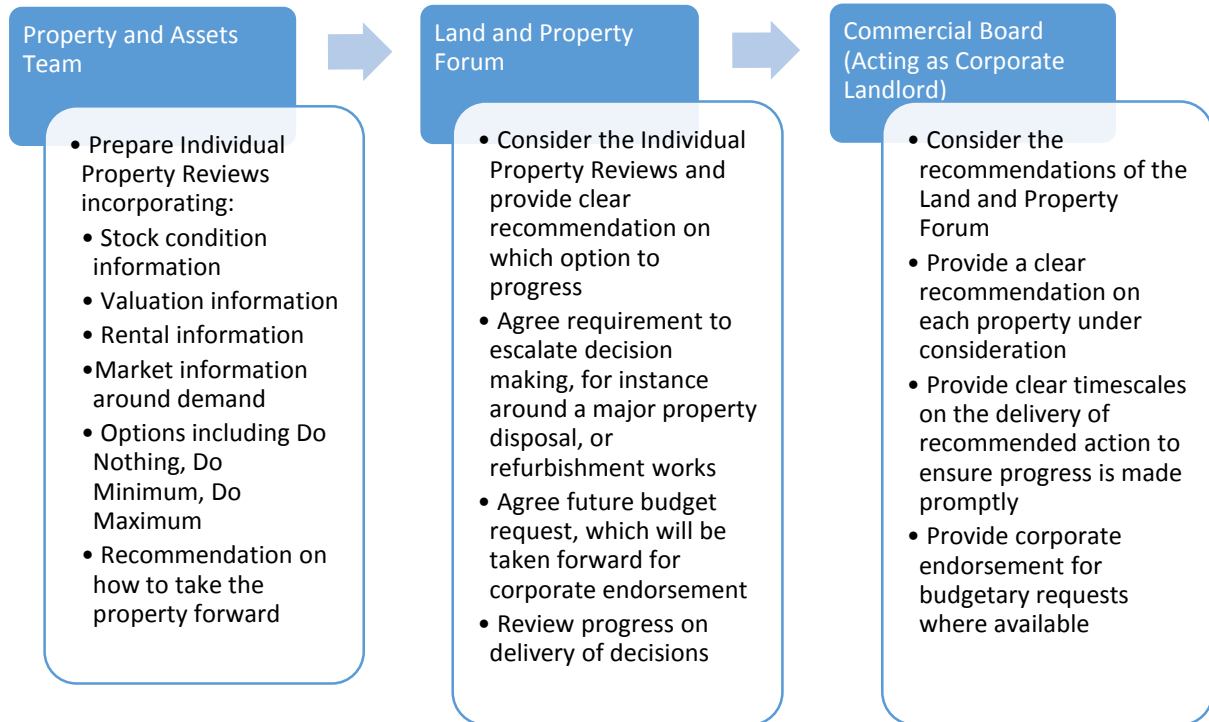
6.2 In following the Corporate Landlord approach the Council has identified the following roles to support the effective management of assets:

RICS Defined Corporate Roles	WLDC Representative
Executive Leadership Team	Corporate Leadership Team
Corporate Property Asset Management Group	Commercial Board
Property Asset Champion	Commercial Director
Senior Manager for Property Asset Management	Strategic Lead – Housing and Regeneration

Property Asset Management Function	Property and Assets Team; Energy Officer
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In addition, the Council has an operational Land and Property Forum that brings together key officers across the organisation to coordinate land and property-related activities.

6.3 In order to ensure future property decisions are made in a transparent way, and to achieve full corporate buy-in, the following process has been created:



6.4 A pilot of this process is proposed to consider three different properties through this method by the end of March 2016, which will highlight how the process will work, and whether there are any adjustments required to ensure practical delivery. Following the pilot it is proposed that all property and assets are reviewed through this process initially, (focussing on vacant or property in need of major works first), and as decisions are made around future investment or otherwise, these are recorded in a table with dates for delivery and/or future review to ensure that the property portfolio is continuously monitored and the benefits are maximised for the Council.

6.5 Formal decision regarding land and property transactions will be in line with the Council's constitution. All land and property acquisitions and disposals should be reported to Corporate Policy and Resources committee on a quarterly basis. Chief Officers have delegated authority for acquisition and disposal of land and property assets up to the value of £75,000. Chief Officers are also able to undertake land transactions up to the value of £250,000 in consultation with the Leader and Deputy Leader. All other land and property transactions will require the approval of Corporate Policy and Resources committee. In addition, land and property transactions should also be in line with the Corporate Acquisitions and Disposal policy and/or Lease Management policy.

7. Implementation Plan

In order to deliver the objectives outlined in this Property and Land Management Strategy a series of actions need to be completed, with further actions identified as more information is received and decisions are made. The table below identifies initial actions required to facilitate delivery of the Property and Land Management Strategy:

Action	Timescale	Resources	Outcome	Further Action
Completion of condition surveys for whole property portfolio	By end August 2015	Pick Everard (External contractor)	Full condition information to inform costs and programme of works	Information to feed into individual property reviews. Continuous updating and inspection programme.
Service Plans to advise on property/ estate requirements	Annually, (by end of March 2016)	Led by Team Leaders	Up to date information on individual service requirements	Information to feed into individual property reviews
Consider potential for further reduction in operational estate through Agile 2 project	Ongoing	Led by Transformation Board, in partnership with Business Improvement and Human Resources	Identification of future savings through rationalisation of operational estate	Ongoing review based on service requirements and staff numbers
Green energy information/ options for properties within portfolio	To tie in with individual property review timescale	Led by the Energy Officer, in partnership with Property and Assets	Information on specific energy and cost saving measures to support the potential to be carbon neutral as a business	Information to feed into individual property reviews
Alteration to accounting process to identify running costs of individual buildings	To tie in with property review timescale	Led by Property and Assets Team, in partnership with Finance	Comprehensive breakdown of running costs for each building, including utilities, cleaning, ground rent etc.	Information to feed into individual property reviews
Creation of individual property reviews, including identification of key risks, community involvement, etc.	Initial pilot of 5 key properties by end March 2016	Led by Property and Assets Team, to collate existing information and create options	Minimum of 3 options for each WLDC property to inform decision making at Commercial Board	Decisions made by Commercial Board to be taken forward

Action	Timescale	Resources	Outcome	Further Action
Property maintenance proposals used to inform corporate budget setting and external funding bids	By end December 2015	Led by Property and Assets with Finance	Clarification of funds available to support property maintenance/refurbishment works	Allocation of capital budget to individual properties for works
Deliver Empty Homes Project	As per funding requirements	Led by Housing Strategy	Identification and action to reduce the level of empty property	Review of impact of project and identification of next steps as needed
Deliver implementation of asset management software	End of March 2015 (subject to availability of data)	Led by Property and Assets	Comprehensive data and information stored in central location (including valuations).	Continuous updating of information
Maximise capital receipts	Ongoing	Led by Property and Assets	Reduction in operational maintenance and WLDC borrowing requirement	None
Reduce the number of properties WLDC lease from the private sector	Ongoing, (at break points in leases)	Led by Property and Assets	Reduction in financial commitments	Ongoing review
Improve access to public buildings where needed	Ongoing. (to be included in asset management data)	Led by Property and Assets (from condition surveys)	Improvement in service delivery and equalities provision	To be reviewed as part of condition updating and for any acquisitions
Carry out landlord inspections and enforcement	Ongoing at regular intervals for each property	Led by Property and Assets	Confirmation of adherence to tenancy terms, ability to trigger enforcement action where needed. More visible landlord function.	Ongoing, at regular intervals
Set up a process for reviewing rent payments to	Process and information to be in place by the	Led by Property and Assets in partnership with Debtors	Ensuring that all revenues are collected and enforcement action	Ongoing, at regular intervals in line with process

Action	Timescale	Resources	Outcome	Further Action
highlight any arrears promptly	end of December 2015		taken where necessary to support income generation	
Actively seek out uses for vacant properties to minimise voids and lost revenue	Ongoing, as required by vacancy rate	Led by Property and Assets in partnership with Bruton Knowles and potential users	Estate which is well utilised and empty properties are minimised	Continuous
Review corporate risk register with respect to property management issues	Ongoing, as required by corporate standards	Led by Property and Assets	Identification of key risks which need to be addressed to support business delivery and H&S compliance	Continuous

8. Performance Management

- 8.1 The Key Performance Indicators (KPIs) for monitoring the performance of the Council's estate management and land and property assets are detailed below.
- 8.2 As some information relating to the Council's assets is still being collated, such as the property conditions survey, it is difficult to establish targets for all KPIs at present. Where targets are not yet established, a baseline will be developed by March 2016 allowing targets to be set for 2016/17.
- 8.3 Performance will be reported regularly through the Council's Progress and Delivery process. Targets will be subject to annual review.

Customer

Measure Name	Measure Definition	Reporting Frequency	Target	Where do you get this performance information from?
Customer satisfaction (tenants)	Customer satisfaction of commercial tenants utilising WLDC estate	Annual	90%	survey/questionnaire

Financial

Measure Name	Measure Definition	Reporting Frequency	Target	Where do you get this performance information from?
5yr Condition and Required Maintenance.	Maintenance spend (i) Total spend in previous financial year (ii) Total spend per m2 GIA (iii) % split between planned and responsive maintenance	Annual	(i) 5% on previous year (ii) TBC (iii) 70:30	Data extracted from Finance System combined with Measured Survey Data
Yields (Return on Capital Employed) ROCE	Yield calculations based upon rental Income/net book value. (i) Retail (ii) Office	Annual	(i) 8% (ii) 8%	Rental income data combined with annual valuation of estate (apportioned where necessary)

	(iii) Other		(iii) 8%	
Income Generation	The amount of income received by Property & Assets; (I) Rental Income - Admin Buildings (ii) Rental Income - Other Properties	Monthly	(i) TBC (ii) TBC	Information provided each month by Financial Services
Cost of delivering service per head of population	<i>Total cost of delivering Property & Assets service less and Internal Recharges/population</i>	Monthly	TBC	<i>Information obtained from Financial Services and population data</i>

Process

Measure Name	Measure Definition	Reporting Frequency	Target	Where do you get this performance information from?
Number of repair requests received	<i>Amount of repairs received</i>	Monthly		<i>Property & Assets repairs desk on Minerva</i>
Voids Management	% of commercial voids	Monthly	12% or below (national average)	Weekly monitoring - excel sheet recording

Quality

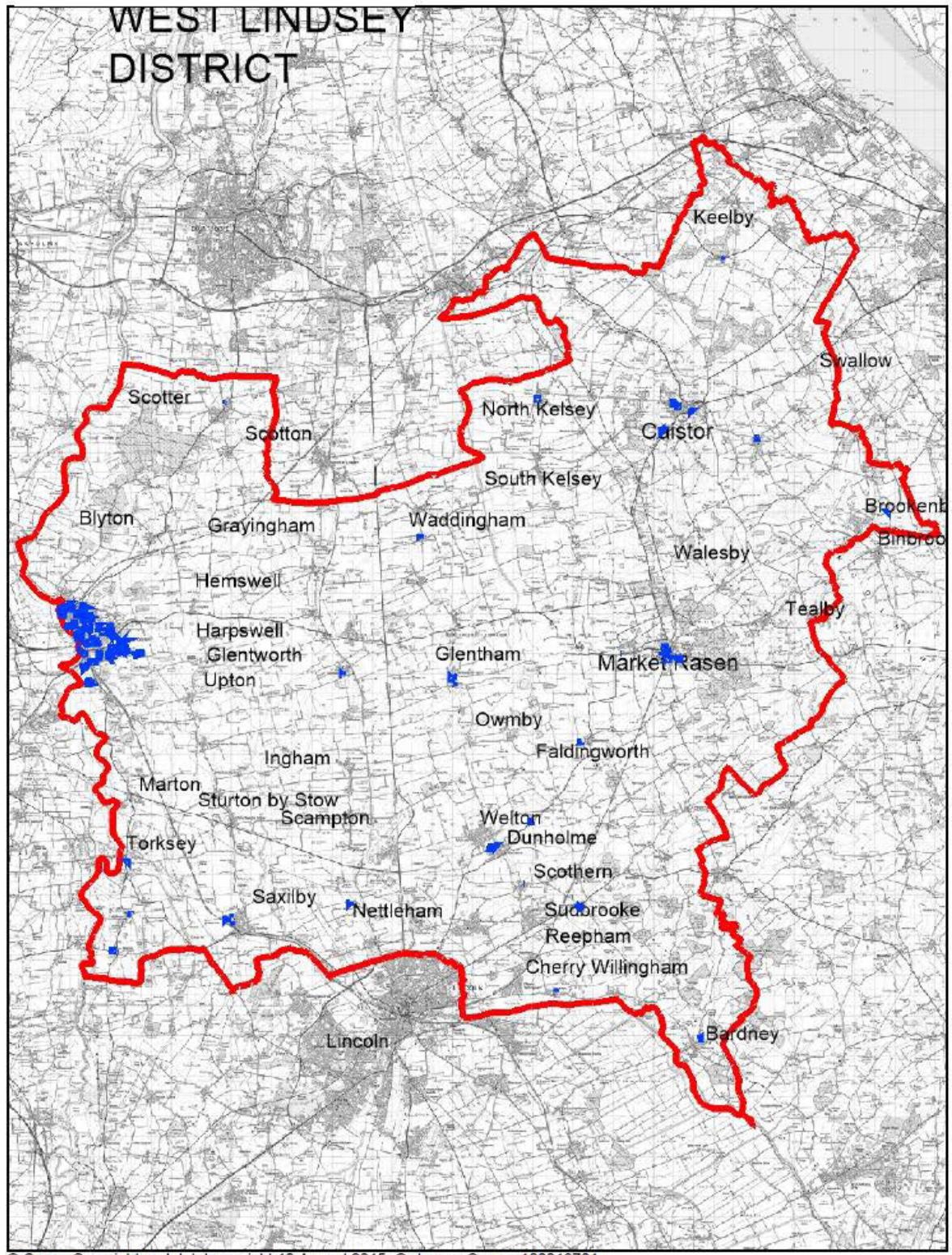
Measure Name	Measure Definition	Reporting Frequency	Target	Where do you get this performance information from?
5yr Condition and Required Maintenance.	% of gross internal floorspace in condition categories A -D	Annual	TBC	Data extracted from measured and condition surveys stored on asset management system.
5yr Condition and Required Maintenance.	Required maintenance by cost, expressed:	Annual	TBC	Data extracted from measured and condition surveys stored on asset

	<p>(i) As total cost in priority levels 1 – 3</p> <p>(ii) As a % in priority areas 1 – 3</p> <p>(iii) Overall cost per m2 gross internal area</p>			management system.
Environmental Property Issues	Energy consumption Kwh per m2 gross internal area	Annual	TBC	Kwh units used combined with Measured Survey Data
Environmental Property Issues	Tons of CO2 per m2 GIA	Annual		This may be reported by Energy Officer?
Sufficiency	The % of office or other operational buildings shared with other public agencies	Annual		Measured surveys and lease out information stored on asset management system

Appendix 1: Plan of Property Assets across West Lindsey District



1:275000



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Appendix 2: Individual Property Review Template

Site Code		Site Description				
Address						
Site Type Description			Usage			
Tenure			Site Area			
No. of Buildings		No. of Rooms		GIA		NIA
Asset Valuation		Date of Valuation		Valuation Type		
Valuer		Valuer Organisation		Valuation Status		
Current Rental Value		Current Tenant		Rent Account Balance		
Planned Maintenance Requirements (15 Years)			Planned Maintenance Costs (15 Years)			
Do Nothing Option						
Impact on Property/Asset						
Impact on Revenue						
Impact on Neighbouring Area						
Delivery Route (Lead, Partners, Timescale etc.)						
Anticipated Cost		Anticipated Rent		Anticipated Value		
Recommendation, based on the above						
Do Minimum Option						
Impact on Property/Asset						
Impact on Revenue						
Impact on Neighbouring Area						

Delivery Route (Lead, Partners, Timescale etc.)					
Anticipated Cost		Anticipated Rent		Anticipated Value	
Recommendation, based on the above					
Do Maximum Option					
Impact on Property/Asset					
Impact on Revenue					
Impact on Neighbouring Area					
Delivery Route (Lead, Partners, Timescale etc.)					
Anticipated Cost		Anticipated Rent		Anticipated Value	
Recommendation, based on the above					
Preferred Option					
Approval Level Required			Update Level Required		
Next Steps					
Responsible Officer			Next Review Date		