

**RUSHCLIFFE BOROUGH  
COUNCIL**

**ASSET MANAGEMENT PLAN  
2014 – 2019**

**including  
ASSET MANAGEMENT  
FRAMEWORK (APPENDIX A)  
and  
DISPOSAL AND ACQUISITION  
POLICY FOR LAND AND  
BUILDINGS (APPENDIX B)**

# 1 INTRODUCTION

***“Strategic asset management is the activity that seeks to align the asset base with the organisation’s corporate goals and objectives. It ensures that the land and buildings asset base of an organisation is optimally structured in the best corporate interest of the organisation concerned.”*** (Source: RICS 2008 Public Sector Asset Management Guidelines)

The Asset Management Plan (AMP) pulls together the Council’s corporate strategies, policies and priorities and sets out how the land and building assets are used to help deliver these objectives. The AMP sits within the Asset Management Framework (AMF, see Appendix A), providing an overview of how Rushcliffe delivers good Asset Management by challenging and maximizing the use of those assets. The Executive Management Team ensures delivery of both the AMF and AMP.

The AMP takes a medium term view of managing Rushcliffe’s assets, which is influenced externally by economic and environmental drivers and internally by service need.

The value of Rushcliffe’s assets will continue to fluctuate in line with the economic conditions at both a national and local level.

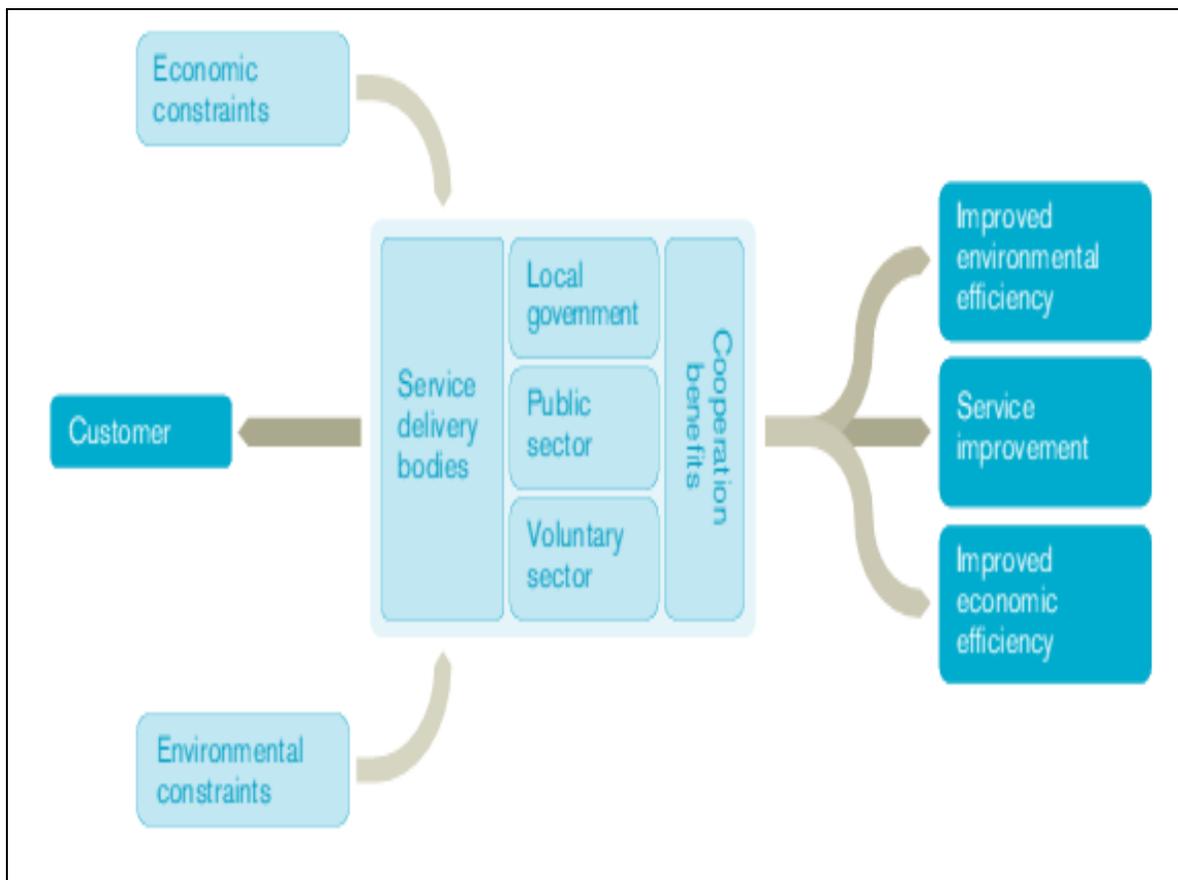
The state of the economy also places a focus on economic regeneration; supporting businesses and the role the Council can play. This might include area regeneration or increasing the number of investment properties to let, to support small and local businesses, or facilitating development between other public and private sector owners.

The government has shifted the focus towards how assets are used and challenges why they are held by public bodies, asking for new innovative ways of managing assets, including sharing assets with other public bodies and disposal where assets are surplus to requirements.

The Localism agenda impacts on assets, with Community Right to Buy and Community Right to Challenge and the emphasis on devolving control to the community and consideration of alternative service delivery models. The outcomes of these may impact of the assets owned and how they are used.

More locally, planned public sector cuts and changes in service provision, along with changes in working styles, flexible and mobile working, may change the assets needed for operational purposes.

This diagram illustrates the service, economic and environmental drivers influencing Rushcliffe’s asset management.



### **Intended audience**

This AMP is intended to be accessible to all stakeholders: councillors, senior managers, members of the public, internal service providers, partners and other public bodies.

### **About The Rushcliffe Borough**

Rushcliffe provides services to more than 100,000 residents, in excess of 2,000 businesses, and around 47,000 households. Rushcliffe owns property within the borough from which it delivers, supports and enables services to be provided or which are investment properties, occupied by third parties.

In the 2008 Place Survey, 93% of Rushcliffe’s residents were satisfied with Rushcliffe as a place to live.

## 2 RUSHCLIFFE'S CORPORATE PRIORITIES

Rushcliffe's Corporate Priorities are set out below.

Rushcliffe's guiding principles are:

*Providing community leadership*

*Delivering focused quality services which meet our customers' expectations*

*Recognising and promoting diversity*

Rushcliffe's Corporate Priorities for 2012-16 are:

*Supporting economic growth to ensure a prosperous and thriving local economy*

*Maintaining and enhancing our residents' quality of life*

*Transforming the Council to enable the delivery of efficient high quality services*

Our Sustainable Community Strategy 2009 - 2026

Rushcliffe's Sustainable Community Strategy sets out how, by bringing together organisations, groups and individuals to work with a shared sense of purpose and vision, we can achieve more than working alone. The key themes are:

*Protecting and improving our environment*

*Supporting the local economy: assist business development and sustainable growth; helping to create thriving town centres and villages in Rushcliffe; help to maintain and develop a thriving market place*

*Building stronger communities*

*Making communities safer*

*Enabling healthy lives*

*Supporting children and young people*

### 3 STRATEGIC ASSET OBJECTIVES

The overall aim of Rushcliffe's Asset Management is to enable high quality services to be provided to the residents of Rushcliffe and driving local prosperity, both now and in the future. The AMG has set out the objectives below to support the asset needs of Rushcliffe's Corporate and Community Priorities.

- *Ensure overall efficient and effective use of assets by challenging them to establish whether they are contributing all that they could and should to current and future corporate needs and priorities, including: condition, costs, suitability, environmental impact and sufficiency*
- *Encourage the use of innovative property solutions for identified needs, including transfer of assets, sharing assets, partnership working, alternative ways of working*
- *Improve the customer/end user experience, including co-location with partners, increased access and use of property to meet the needs of the community*
- *Locate in areas best suited to the community: catering for all sections of the community including the young and old*
- *Use the assets to stimulate local growth and unlock development potential in other non-Council owned sites*
- *Optimise income and return from investment property whilst meeting wider policy objectives such as regenerating the local economy, providing local jobs etc.*
- *Release capital where assets are not used to full potential, either by disposal or generating revenue from under-utilised or surplus space*
- *Ensure any property related projects are necessary and represent value for money through appropriate control and monitoring measures*
- *Support Rushcliffe's corporate strategy, operational requirements and performance objectives*

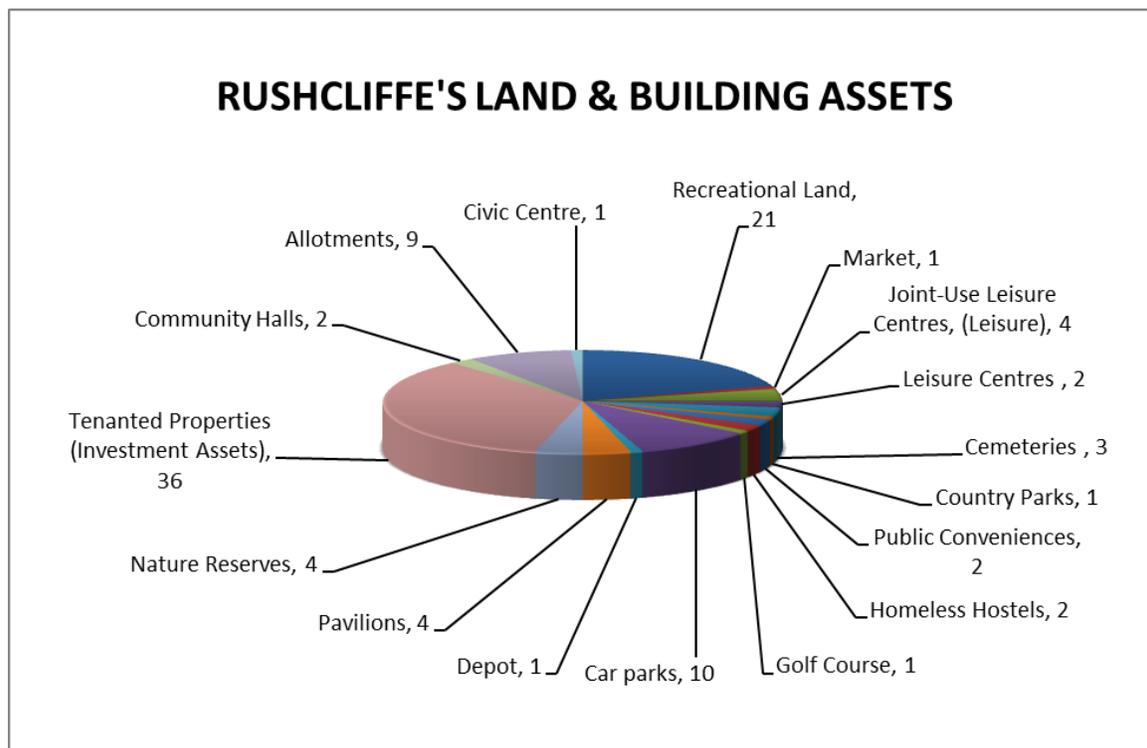
## 4 PORTFOLIO OVERVIEW: WHAT RUSCHLIFFE OWNS

Rushcliffe has over 150 land and property assets, with a total replacement/fair value of £23.6m, the most significant of which can be found on the Asset Register (for the Balance Sheet).

Rushcliffe has undertaken voluntary registration of all of its assets and has an electronic mapped overlay from the Land Registry showing its ownership. Further works are required to link the mapping overlay to the ownership data and a project is being undertaken to complete this task (ownership database project). Once completed there will be an electronic record of all ownership data. Rushcliffe's portfolio can be split into two main types of property which are held:

- 1 For the purposes of service delivery, such as community halls, leisure centres and the depot. (Hereinafter referred to as Operational Assets)
- 2 As investment property. This portfolio is varied, including assets retained for a range of reasons: to provide employment otherwise not provided in the private market; potential to contribute to future regeneration schemes; to retain strategic control over property use; to provide a valuable revenue income. (Hereinafter referred to as Investment Assets).

The pie chart below categorises Rushcliffe's assets as shown on the Asset Register. This does not include assets considered to be de minimis, such as grass verges and small areas of Public Open Space.

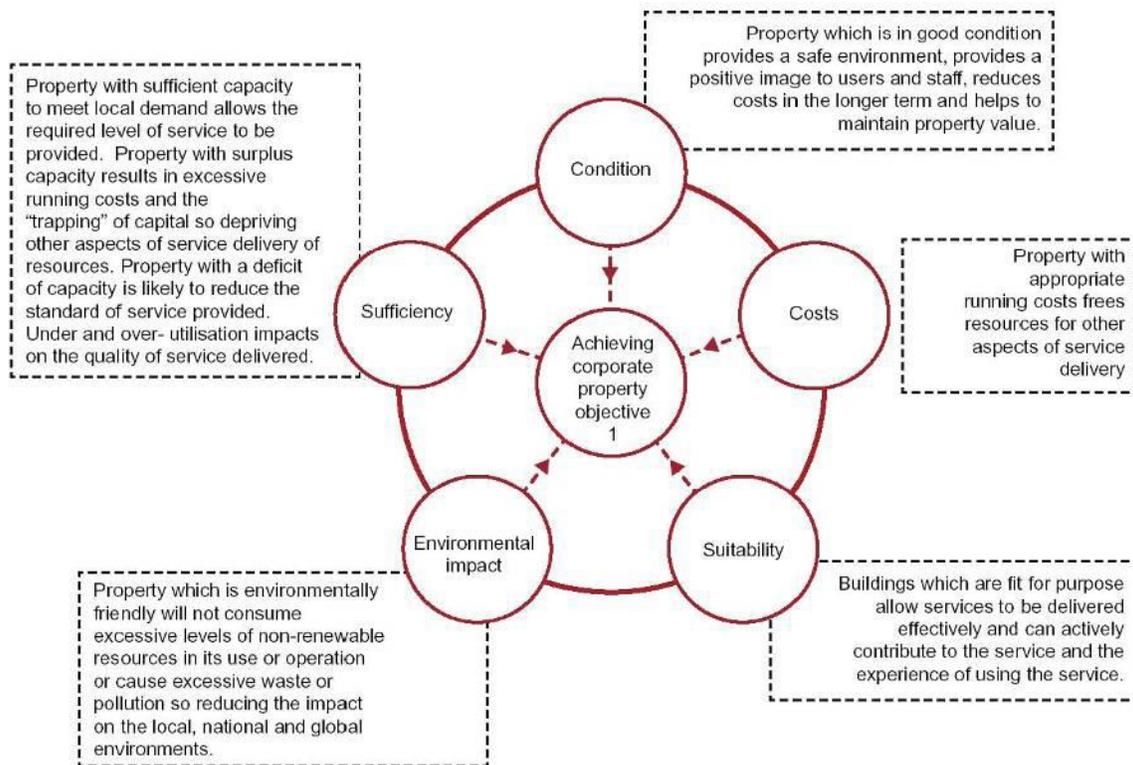


# 5 ASSESSMENT OF THE EXISTING PORTFOLIO – ARE THE ASSETS FIT FOR PURPOSE?

## Operational Assets

Operational Assets are essential to deliver services to the public, which in turn meets the Council’s Corporate Priorities. These assets are assessed in terms of performance. Performance is measured by calculating a cost/m<sup>2</sup> and comparing this with other similar types of asset to benchmark the efficiency of the building. This is considered along with condition, suitability, environmental impact and sufficiency. This analysis determines whether the asset is fit for purpose, is serving the Council well, or needs to be reassessed as a Council asset.

The diagram below illustrates how each of these elements can impact on the performance of an individual asset. For example, taking the condition element shown in the diagram, it follows that a property in poor condition/repair is likely to impact upon the effectiveness of service delivery.



It should be noted that when measures are taken to increase performance of one element, there may be consequences for other elements e.g. when considering the installation of Smart Meters, environmental benefits must be weighed against cost implications and a business case assessment will need to be carried out to determine a payback period.

## **Operational Asset Reviews**

In order to establish whether the Council's portfolio meets its current and future asset performance requirements, Executive Management Team will carry out fit for purpose assessments of each operational asset, in conjunction with service managers.

## **Investment Asset Reviews**

Investment Assets are assessed in terms of the internal rate of return against the opportunity cost for other investments. The performance is based upon maximising the income return to the Council, whilst also supporting prosperity and small local businesses. This is determined by the occupancy rate of the portfolio, the rent collected and achieving a Market Rent; all are outperforming target, which demonstrates the Council is achieving its objective.

## **De Minimis Asset Reviews**

De minimis assets (those assets of very low value e.g. grass verges, amenity land, etc.) are outside the scope of this Plan and are to be considered following completion of the ownership database project, which will map out the ownership. This will enable the Council to take an holistic view of the de minimis assets to determine a coordinated approach to retention or disposal, whilst factoring in the cost of maintaining the land and the liability of retaining it, balanced with the community and social value.

## **Community Asset Transfer**

Part of the assessment process is the consideration of other uses for the asset; could a community group or Parish Council deliver services to the public more effectively than the Council?

## **Scoring each asset's performance**

The results from the above assessments will be translated into a scoring matrix which will be graphically represented by traffic lights. This will provide an instant representation of whether the asset meets the Council's objectives. Executive Management Team will consider all assessments, if any asset, either in whole or part is revealed to have a particularly low score, this will be separately assessed and remedies sought.

Any asset considered to be surplus to requirements or underperforming will be further assessed through the Disposals and acquisitions Policy. Decisions will be made by Cabinet as appropriate.

## 6 FUTURE ASSET MANAGEMENT

The Council has new Corporate Priorities and the Government has a Localism Agenda that changes the way the Council will manage its assets. There is an increased focus on Asset Challenge, on prosperity and supporting the local economy, on empowering communities and bringing communities together and delivering efficient, high quality services.

These priorities are being met with projects such as the Cotgrave town centre masterplan, where Rushcliffe is using its land to kickstart the regeneration of the town centre, to improve the local environment and economy.

The Council is occupying a Civic Centre that is too large for its own use; whilst the space is utilised by letting it to other partners, consideration now needs to be given to the future of the Council's continued occupation. Retaining this asset will be challenged.

Similarly the Depot, which is beyond its useful economic life and is no longer fit for purpose. This will be the first asset to be reviewed under the asset challenge.

The Council needs to continue to seek opportunities to share services and thereby share assets with other partners. The partnership with the Police for a shared Customer Contact Centre has been successful and this could be replicated for other services across the borough. An example of this continued pursuit of working together and sharing assets is the proposed new Multi-Use Centre as part of the Cotgrave town centre masterplan, which will house various public bodies.

The Council's assets are in a satisfactory condition a planned maintenance programme is being delivered and the Carbon Management Plan is being implemented to install energy saving devices to the Council's assets. These measures will help to keep future costs controlled and reduced where appropriate, and ensure the assets are physically fit for purpose.

|    | <b>2013/14 ACTION PLAN</b>   | <b>PROGRESS</b>                        |
|----|--|--|
| 1. | Consideration of the future of Bridgford Hall, explore options including retaining NCC's registrar's service | Ongoing                                |
| 2. | Civic Centre Accommodation Strategy (including space audit, worker profiles, options for relocation, etc.)   | Ongoing – linked to the Arena site     |
| 3. | Review the Depot, giving consideration for relocation (including NCC 'sharing')                              | Ongoing – garage services now moved to |

|     |  | NCC  |
|-----|--|--|
| 4.  | Cotgrave Town Centre Regeneration Project and management of the Shopping Precinct  | New masterplan being worked up. Allocation in capital programme to support maintenance |
| 5.  | Implement Leisure Strategy, in particular the West Bridgford element   | Ongoing – subject to cabinet approval, timetable is to complete by Oct 2016            |
| 6.  | Community facilities – four year plan and use of assets  | Complete   |
| 7.  | Community Asset Transfer Policy  | Complete   |
| 8.  | Review all land and building assets on a rolling programme, looking at suitability, sufficiency, fit for purpose, opportunity cost etc and dispose if declared surplus to requirements | Ongoing  |
| 9.  | Disposal of Gresham and relocation of Cadets   | Complete   |
| 10. | Implementation of Smart meters across the operational building assets, identify and implement savings  | Complete   |
| 11  | Implementation of Carbon Management Plan recommendations for reducing energy/CO2   | Complete   |
| 12. | Implement project plan to create one ownership database to include data and mapping information for each asset<br>To include tree work   | Tree work moved to property and estates and arbortrack solution implemented            |
| 13. | Explore a centralised approach to reactive and planned repairs and maintenance to create efficiency savings  | Ongoing  |
| 14. | Continue to explore opportunities for shared and partnership working   | Ongoing  |
| 15. | Rebuild of Alford Road pavilion  | In progress  |
| 16. | Manage Rushcliffe's interest in Sharphill  | Ongoing  |

|     |  |                                 |
|-----|--|---------------------------------|
| 17. | Major works on the Civic Centre exterior rendering and new boilers | Complete                        |
| 18. | Implement the capital programme                                    | Complete except for Alford Road |

|     | <b>2014/15 ACTION PLAN</b>   | <b>PROGRESS</b>   |
|-----|--|---|
| 1.  | Secure tenant for Bridgford Hall and implement programme of dilapidations.   | Stage 1 HLF funding secured. Tenant marketing and selection complete. Dilapidation negotiations complete. Refurbishment design progressing. |
| 2.  | Civic Centre relocation linked to Arena site if approved   | Project progressing and on schedule with New Ways of Working being phased in  |
| 3.  | Disposal proposal for Civic Centre if council relocates  | Project progressing, proposed plan for the future of the Civic Centre in place  |
| 4.  | Review the Depot, giving consideration for relocation (including NCC 'sharing')  | Project progressing   |
| 5.  | Cotgrave Town Centre Regeneration Project and management of the Shopping Precinct  | Project progressing   |
| 6.  | Implement Leisure Strategy, in particular the West Bridgford element   | Project progressing   |
| 7.  | Review all land and building assets on a rolling programme, looking at suitability, sufficiency, fit for purpose, opportunity cost etc and dispose if declared surplus to requirements | Assets highlighted as surplus have been disposed of or are planned for disposal   |
| 8.  | Implement project plan to create one ownership database to include data and mapping information for each asset   | Phase 1 complete  |
| 9.  | Explore a centralised approach to reactive and planned repairs and maintenance to create efficiency savings  | Ongoing   |
| 10. | Continue to explore opportunities for shared   | Ongoing   |

|     |   |          |
|-----|---|----------|
|     | and partnership working                   |          |
| 11. | Build new Alford Road pavilion            | Complete |
| 12. | Manage Rushcliffe's interest in Sharphill | Ongoing  |
| 13. | Implement the capital programme           | Complete |

|     | <b>2015/16 ACTION PLAN</b>  | <b>PROGRESS</b>                            |
|-----|---|--|
| 1.  | Bridgford Hall - secure stage 2 of the HLF funding, undertake refurbishment and secure tenants  | Project progressing                        |
| 2.  | Civic Centre relocation (new ways of working) linked to Arena site, if approved   | Report scheduled for Cabinet in June       |
| 3.  | Disposal proposal for Civic Centre if council relocates   | Report scheduled for Cabinet in July       |
| 4.  | Review the Depot, giving consideration for relocation   | Options being considered – ongoing project |
| 5.  | Cotgrave Town Centre Regeneration Project and management of the Shopping Precinct   | Project progressing                        |
| 6.  | Implement Leisure Strategy, in particular the West Bridgford element  | Ongoing                                    |
| 7.  | Review all land and building assets on a rolling programme, looking at suitability, sufficiency, fit for purpose, opportunity cost. Dispose if declared surplus to requirements | Ongoing programme of review and disposal   |
| 8.  | Continue to implement project plan to create one ownership database, including data and mapping information for each asset  | Phase 1 complete. Project ongoing          |
| 9.  | Explore a centralised approach to reactive and planned repairs and maintenance to create efficiency savings   |  |
| 10. | Continue to explore opportunities for shared and partnership working  |  |

|     |   |  |
|-----|---|--|
| 11. | Complete tree surveys, record condition on database and create a programme of works                             |  |
| 12. | Manage Rushcliffe's interest in Sharphill   |  |
| 13. | Implement the capital programme   |  |
| 14. | Complete building condition surveys and a 5 year planned maintenance programme, linked to the Capital Programme |  |
| 15. | Wilford Village Cemetery – remap plots and renew policy   |  |
| 16. | Maximise income of investment portfolio   |  |
| 17. | Develop a new Investment Strategy   |  |
| 18. | Promote business growth in Rushcliffe   |  |

## RUSHCLIFFE BOROUGH COUNCIL – ASSET MANAGEMENT FRAMEWORK 2013

### INTRODUCTION

The Framework and arrangements set out below enable the Council to deliver comprehensive and inclusive asset management, as described in the Asset Management Plan (AMP).

### DEFINITION

***“Strategic asset management is the activity that seeks to align the asset base with the organisation’s corporate goals and objectives. It ensures that the land and buildings asset base of an organisation is optimally structured in the best corporate interest of the organisation concerned.”*** (Source: RICS 2008 Public Sector Asset Management Guidelines)

### PRINCIPLES OF THE FRAMEWORK

To set out the management structure and define the roles and responsibilities needed to effectively deliver the Asset Management Plan. To provide the framework to deliver: financially efficient, well run and maintained operational buildings for the community to access services; to keep land assets in good condition for the public; and to ensure non-operational properties deliver an appropriate rate of return.

### LEADING

EMT holds the key leadership role on all asset management related matters, ensuring that a coordinated approach is embedded in the Council and management decisions (subject to Cabinet approval, where relevant). A member of Cabinet is the designated Portfolio Holder for Asset Management and liaises with EMT as appropriate.

All employees have a duty and responsibility to work together to ensure a coordinated approach to asset management, as set out in this Framework and the Asset Management Plan.

### EXECUTIVE MANAGEMENT TEAM

The Executive Management Team (EMT) will provide a coordinated approach to the management of the Council’s assets, ensuring that matters are highlighted and considered by the relevant body in the context of the Council’s corporate objectives.

EMT will regularly review the property portfolio and will oversee progress on major asset-related projects.

## **ROLES & RESPONSIBILITIES**

The following have a role to play in ensuring the comprehensive delivery of asset management, as outlined below:

### **EMT**

- Set strategic objectives for asset management, ensuring links to the council's corporate strategy and service delivery plans
- Engage and keep elected Members informed

### **Corporate Property Officer (Executive Manager, Transformation)**

- Ensure progress on agreed asset-based projects
- Keep EMT informed
- Engage and keep elected members informed

### **Property Services**

- Scope project and delivery of one ownership database (Uniform) to provide data and mapping records for the council's assets
- Keep Uniform up to date and provide viewing access to other service areas, as appropriate
- Produce and keep updated the Council's Asset Management Plan
- Prepare other strategic asset management documents (e.g. Acquisitions and Disposals Policy)
- Lead role in delivering the Council's asset related projects
- Provide professional advice and guidance on all asset/property related matters
- Prepare performance indicators, where appropriate
- Deliver efficient operational asset management
- Provide day to day operational management of the Civic Centre (inc. reactive maintenance)
- Manage non-operational properties (i.e. commercial premises)
- Facilities management of the Civic Centre (i.e. caretaking, cleaning, etc.)
- Coordinate and complete condition surveys on all council buildings, including leisure centres and Civic Centre
- Prepare 5-10 year programme of planned maintenance programme
- Deliver projects – capital and planned maintenance works
- Procure day to day repair and maintenance works for other service areas upon instruction
- Provide professional advice and guidance on all building related matters
- Prepare performance indicators, where appropriate

- Complete/commission inspections and maintenance of all footpaths; boundary fences and hedges; car parks; parking areas; drainage; lighting (as appropriate)
- Responsibility to keep all above data recorded on Uniform (or ArborTrack as appropriate)
- Management of the Civic Centre car park
- Record tree locations, inspections and maintenance on ArborTrack and keep updated

### **Environment & Waste Management**

- Complete/commission grass cutting and tree inspections and maintenance, to liaise with Estates
- Operational management of Depot buildings (including reactive repairs and maintenance)
- Instruct the Property Services to procure repairs and maintenance works, where appropriate

### **Community Development**

- Operational management of assets within service area (i.e. pavilions, playing fields, etc., including reactive repairs and maintenance)
- To instruct Property Services to carry out inspections and commission works to keep the assets in good order (i.e. repairs; grass cutting; boundary fences, etc, in parks and play areas.)

### **Leisure Contracts**

- Management of Leisure Centre contract, including repairs and maintenance
- To instruct Property Services to carry out inspections and commission works to keep the assets in good order.

### **All Staff**

- Responsibility to refer all asset management related matters to the EMT via a Service Manager, Executive Manager or the Corporate Property Officer (e.g. risks, maintenance, energy issues)
- To work together to ensure a coordinated approach to asset management, as set out in this Framework and the AMP

## **TERRIER/DATABASE REQUIREMENTS**

### **Current situation**

The Council's asset ownership is recorded as data in Uniform and spatially on GIS. The mapping system is at least 90% accurate, with the Terrier requiring further information in relation to non-building assets. The systems are kept up to date by Estates, although require input from other officers in order to allocate UPRNs on small areas of land. The two systems are not currently linked.

The Council has completed voluntary registration and an electronic copy of ownership has been provided by the Land Registry. Placed as a layer over GIS, it is noted that there are anomalies between the two ownership records.

Streetwise holds an historic paper mapping system of ownership which forms the grass cutting programme and is in need of updating.

ArborTrack is a separate electronic database that maps the Council's trees and is 80% accurate. A project plan to log the location and condition of all the Council's trees is being planned by the Executive Manager, Transformation. ArborTrack may be utilised but the council is also investigating Ezytreev.

#### **NON LAND AND BUILDING ASSETS**

IT assets are managed through the Council's IS Strategy (and the Executive Manager, Corporate Governance). Plant and vehicles are managed by the Executive Manager, Neighbourhoods.

Updated March 2015  
Katherine Marriott  
Executive Manager, Transformation

**RUSHCLIFFE BOROUGH COUNCIL  
DISPOSAL AND ACQUISITION POLICY FOR LAND AND BUILDINGS**

This document sets out the policy to be adopted in connection with the disposal of surplus/under-used assets in accordance with the DCLG Guidelines on Asset Management and best value principles. The latter part of the document outlines the recommended considerations when assessing asset acquisition.

**1.0 Purpose**

1.1 To provide the guidelines by which the Council shall consider the disposal of surplus assets to deliver council priorities; release capital for reinvestment in service delivery; and reduce running costs and liabilities, consistent with the Council's corporate objectives and delivering improved value for money for residents.

1.2 Asset acquisition has to support the Council's corporate objectives as referenced in the Corporate Strategy and will link in to the capital programme, being considered and compared with other capital projects.

1.3 Acquisitions and disposals in this context can relate to leasehold as well as freehold.

**2.0 Other Document Links**

2.1 This Policy is linked to the Council's Asset Management Plan, Asset Management Framework, Capital Strategy and Corporate Strategy.

**3.0 Key principles**

3.1 In order to ensure a coordinated and strategic approach to disposing or acquiring assets, the following principles are adopted:

- **Review all assets through a Biannual rolling programme to identify assets surplus to requirements i.e. under used, sufficiency, suitability, cost in use, etc.**
- **Use an agreed options appraisal in determining whether an asset is surplus to the council's requirements in order to be fair, transparent and equitable to all**
- **Disposals are to be to the Council's advantage, financially and/or by furthering corporate objectives**
- **Disposals to be for the best consideration in accordance with Section 123 of the Local Government Act 1972 by following proper disposal**

procedures and using the most appropriate method of disposal (see below)

- Alternatively, disposals at an undervalue must fall within the acceptable grounds of Local Government Act 1972, General Disposal Consent (England) 2003 and support the council's corporate objectives
- Acquisitions of assets must support corporate objectives and be assessed against the Council's options appraisal for the capital programme

## **DISPOSALS**

### **4.0 DEFINITION OF SURPLUS/UNDER USED ASSETS**

4.1 An asset can be considered for disposal if it falls within either category of surplus or under-used, as defined below:

4.2 An asset is deemed to be surplus to the Council's requirements if one or more of the following is true:

- a) it makes minimal contribution to the delivery of the Council's priorities and services as demonstrated through the options appraisal
- b) it does not generate sufficient income to be retained for investment purposes when compared to alternative rates of return estimated to be available in the longer term.
- c) it has no potential for future service delivery or strategic regeneration/ redevelopment or wider community purposes
- d) an alternative asset has been identified which would achieve a more cost effective service delivery
- e) the asset has no alternative use

4.3 An asset is deemed to be under-used if one or more of the following is true:

- a) the income being generated from the site is below that which would be achieved from:
  - i. an alternative use
  - ii. disposing of the site and investing the receipt
  - iii. intensifying the use; or
- b) part of the site is vacant and is likely to remain vacant for the foreseeable future

- c) it makes insufficient contribution to the delivery of the Council's priorities and services as demonstrated through the options appraisal

4.4 An asset will be assessed against the above criteria in the context of the long-term potential, as well as the immediate situation.

## 5.0 Disposal Considerations

5.1 In order to consider when and how to bring an asset forward for disposal, the following matters are to be considered:

### **Legal/Legislative Considerations**

- The purpose/legislation under which the council holds the asset
- Legal constraints/powers to dispose
- Implications of disposing at an undervalue
- Ownership/Title constraints
- Which disposal route to follow

### **Financial**

- Consideration of the business case
- Consultation within the business case
- Optimising the disposal value i.e. development potential, adjoining asset
- Local Development Framework (i.e. allocation of asset)
- Cost and method of disposal
- Terms and conditions of sale
- Access to funding or a partnership/community arrangement
- Income generation
- Investment yield
- Business cost reduction

### **Timing/Local Considerations**

- Current local market conditions
- Potential for the asset to increase in value in the future against the opportunity cost
- Existing condition of the asset and operational costs
- Any anti-social or community matters

5.2 Once the above investigations are carried out, the Chief Executive, along with the S151 Officer and Monitoring Officer will make a decision on how to proceed.

## 6.0 Method of Disposal

- 9.1 The appropriate method of disposal will be adopted following best practice, professional advice, and value for money principles. Equal opportunity will be given to all interested parties to submit their expressions of interest once a matter of disposal has been agreed.
- 9.2 This may be deviated from if there is:
- a) A 'special purchaser' (i.e. one who is prepared to pay a premium for the site over and above Market Value or because they have the only interest)
  - b) A partner has been identified
  - c) The asset is being disposed at an undervalue following the options appraisal process and this has been agreed by the statutory officers and is supported by a Cabinet decision.

## **10.0 Authorisation**

- 10.1 EMT has the responsibility for submitting the option and recommendations for disposal. The decision will be made in accordance with the Council's constitution.
- 10.2 The Executive Manager, Transformation will monitor the progress of the disposals programme and keep EMT informed.

## **11.0 Disposal**

- 11.1 Once authorisation to proceed is provided, the Property Estates Manager (Service Manager) will normally be utilised to conduct the marketing, negotiations and work Legal representatives to prepare transfer documentation. Once completed, all relevant service areas, EMT and members are to be notified and Terrier (Uniform) to be updated.

## **ACQUISITIONS**

### **12.0 Process to Consider Acquisitions**

- 12.1 In order to acquire land and property, councils must demonstrate a purpose for the purchase. It may arise that the council needs to acquire (either freehold or leasehold) land and property for operational or wider economic regeneration purposes.
- 12.2 At the earliest opportunity, the relevant officer will bring a request to acquire an asset to EMT for consideration.
- 12.3 Considerations when determining to acquire an asset:

- Fit with corporate objectives

- Result of appraisal against other capital schemes
- Terms and conditions of sale
- Price of asset and if considered to be reasonable
- Location and condition of asset
- Assessment of 'fitness for purpose' for proposed use
- Any fit out works, set up costs, acquisition and associated costs
- Any alternative assets available by way of comparison
- Running costs and charges/life cost
- Legal, financial and planning considerations
- Timing, local market conditions
- Partnership/community arrangement
- For the wider community benefit/regeneration

12.5 If the authority to approve the acquisition is given by EMT, the Property Estates Manager will normally be utilised by the lead officer to commence negotiations to acquire the asset and instruct Legal accordingly. Depending on the value of the asset, a report will be presented to Cabinet for approval.

### **13.0 Authority to Dispose or Acquire Land and Buildings**

13.1 The Council's constitution states that the Executive Manager, Transformation has full powers to act in all matters within their area of responsibility (unless delegated to a Committee), including responsibility for all day to day management and operational decisions.

13.2 The delegation in relation to the acquisition or disposal of land excludes the following:

- (a) where the consideration to be paid or received by the Council exceeds £10,000 in amount or value; and
- (b) in the case of disposal, where the consent of the Secretary of State would be required (unless a general consent applies), or where there is a requirement to advertise the disposal of open space land under Section 123(2A) of the Local Government Act 1972

13.3 The acquisition or disposal of land in these circumstances will be the responsibility of the Cabinet.

### **OPTIONS APPRAISAL**

The options appraisal will consider if an asset is surplus to the Council's requirements in the context of the Council's corporate objectives, along with physical, user and financial considerations.

Further, EMT will consider disposals at an undervalue to charities and community groups.

## **METHODS OF DISPOSAL**

There are a number of methods by which a property interest may be disposed. Sale by competition is the best way of demonstrating that the best price has been obtained but there are sometimes situations where competition is not appropriate or where best price is not the principle objective.

Sale by competition could be by the following means:

### (a) Auction

This is useful when marketing a property has generated a widespread interest and has one advantage of being relatively quick and inexpensive. Auctions can work well where most of the potential purchasers are builders or investors used to auctions or where they are from the locality and know the market in detail. Examples of situations where an auction may be appropriate could be surplus plots of land, residential blocks or blocks that are mainly office accommodation. It is not generally suitable for complex sites or high values because potential bidders are deterred from the expense of making the necessary pre-auction enquiries to enable them to make a binding bid.

### (b) Formal Tender

With a formal tender, potential purchasers have to make binding offers in a specified form, by a specified date and with a specified amount of a deposit. Formal tenders offer a greater certainty on the timescale of the deal than the informal methods and it is relatively easy to demonstrate and defend the question of obtaining the best price. However, tender documents must be very precise and therefore detailed and as a result the council risks incurring high abortive costs if the process fails to attract sufficient interest. It would be good practice to prepare include the contract in the tender documents in order to prevent post tender negotiations and to place a fixed date for completion.

As any offer is binding it can be seen as a deterrent to potential interested parties because of the expense of making the necessary pre-bid enquiries to allow a binding bid to be made in the first place.

### (c) Informal Tender

With an informal tender, non-binding offers are secured by a specified date and a preferred bidder is selected with whom to negotiate actual terms. Theoretically

this process should generate more offers than the 'Formal Tender' process, but the negotiation period can be protracted and the offer price may be reduced in the process. If the council receives more than one attractive offer, they may then ask bidders to submit a second or best offer. This keeps the potential purchasers in a competitive situation and thereby a potential for obtaining increased offers. The 'Informal Tender' process is more likely to be used when the interest in the property is not sufficiently certain to risk the 'upfront' costs associated with the 'Formal Tender' process.

### Alternatives to Sale by Competition

#### a) Private Treaty

This should be considered if there is a special purchaser, this may be where the asset would not be of interest to any other buyer (i.e. small areas of land adjoined to an existing dwelling to extend a garden), or the buyer has existing property interests and so would pay a premium, perhaps to merge two sites to make it more developable. In this case, a valuation would be sought from an independent valuer to demonstrate best value had been achieved and negotiations would take place with the relevant party.

Alternatively, it may be where the council has decided not to obtain best value and instead dispose of the asset to meet a corporate objective:

#### b) Transfer to charity/other community group

This should only be considered if it meets the council's corporate objectives or is supported by the Portfolio Holder and the Chief Executive.

#### c) Considerations other than for best price

This may relate to buildings of historic interest, where disposal to a body which represents the wider public interest rather than it being redeveloped by a private company purely for profit. For example, if the council wanted to control the development as part of a wider scheme or to preserve an asset. A valuation certificate would be obtained from an independent valuer in order to demonstrate best value.

### **Disposing for the Best Consideration or at an Undervalue**

Except in the case of land held for housing purposes, the requirements of s123 of the Local Government Act 1972 ('best consideration') and the related General Disposal Consent 2003 should be taken into account.

#### a) Best Consideration

S.123 of the Local Government Act 1972 states that "..... except with the consent of the Secretary of State, a Council shall not dispose of land, otherwise than by

way of a short tenancy, for consideration less than the best that can reasonably be obtained”.

S.123 qualifies ‘best consideration’ therefore it might not necessarily be the highest price. Other factors, for example, planning, can apply. ‘Best consideration’ will be Market Value (taking into account conditions and covenants that run with the land as well as planning issues); quality of proposals; regeneration objectives; sale conditions that might bring about other quantifiable benefits; whether the bid appears financially realistic and deliverable; whether the bid is from a special purchaser, etc. This introduces a degree of flexibility in determining ‘best consideration’.

b) General Disposal Consent 2003

There is a general consent for local authorities to dispose of land or grant a lease in excess of seven years for less than best consideration where:

- i) The Authority considers that the purpose for which the land is to be disposed of is likely to contribute to the promotion or improvement of the economic, social or environmental well being of the whole or any part of its area or of all or any persons resident or present in the area.
- ii) The difference between the full Market Value of the land and the actual consideration for disposal does not exceed £2m.

The Consent provides a technical appendix describing the information which must be supplied if an application is made to the Secretary of State for approval of a sale if it does not meet these criteria or if there is doubt.

Authorities are asked to note that these provisions do not apply to certain classes of properties which are not covered by Section 123, which includes land held under the Housing and Planning Acts.

Authorities are reminded that the Consent does not override restrictions on state aid arising under European Legislation.

### **Disposals of land to assist the provision of privately let Housing**

A separate legal power (which applies to both housing and non-housing land) exists under Sections 24 and 25 Local Government Act 1988 (and a related general consent) to dispose of land for less than best consideration to assist the provision of “privately let housing” (an expression which includes shared ownership and shared equity schemes, as well as housing for rent). These provisions allow disposals either to registered social landlords or, on a more restricted basis (subject to an annual financial limit) to other providers of housing.

## **PERFORMANCE ASSESSMENT OF OPERATIONAL ASSETS**

In order to determine whether Operational Assets are performing optimally, performance is measured in the following categories and is compared with similar asset types.

### **Condition**

Rushcliffe maintains its Operational Assets to a standard fit for their purpose. Condition surveys are carried out on these properties every three years and a programme of works is delivered in order to maintain them to a satisfactory standard.

### **Costs**

Running costs of the asset are recorded to generate a £/m<sup>2</sup>, this includes energy consumption, repairs and maintenance, cleaning, reactive repairs and maintenance, security, reception staff, caretakers, waste collection and any other expenses that are particular to any individual asset. This information will be used to determine whether the building is operating cost efficiently.

The £/m<sup>2</sup> can be compared year on year and across similar asset types.

### **Environmental impact**

Carbon dioxide (CO<sub>2</sub>) production, water and energy consumption will be recorded, which can be monitored and used as a basis for annual comparison to establish the carbon footprint and whether it is reducing (see Appendix F).

Display Energy Certificates have been completed where required. The information on these certificates is used to make improvements where there is a proven business case.

### **Suitability surveys**

In order to determine whether individual assets are suitable/fit for purpose, the following data will be recorded and assessed:

Location: including proximity to related agencies, whether population/catchment area served, proximity of car park for staff, proximity of car park for public, physical terrain, proximity to staff catchment

External areas: including site enclosure, signage to site, signage around site, external lighting, footpaths, appearance

Accessibility: including public transport, access to and within building for special needs, access around site for special needs

Internal space: including effective use of space, layout

Environmental conditions: including heating, lighting, ventilation, sound insulation, acoustics, humidity

Health & Safety / security issues: including protection of staff, data, building, equipment, health and safety compliance, compliance with legislation

Building Facilities: including number and location of toilets, rest rooms, catering facilities, medical rooms, interview rooms, meeting rooms, storage facilities

ICT Infrastructure: including ability to support flexible, mobile and home working e.g. WiFi, VoIP, Citrix, telephone points, telephone system, number and location of computer points, adequacy of IT system

### **Sufficiency Surveys**

An assessment of the usable floor space against the number of workstations and number of people, to determine whether the accommodation is being maximised.

The asset will be considered in terms of its capability to create new opportunities e.g. delivering new and innovative ways of saving energy, having surplus space which could generate an income from site sharing etc.