



Corporate Property Strategy 2008-2013

Dover District Council
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Corporate Property Strategy 2008 to 2013

Dover District Council

Corporate Property Strategy

Background

The District Council recognises that the property assets from which it delivers its services are vital to the success of the organisation. Buildings designed and managed to meet service requirements enhance service delivery, whilst the management and maintenance of unsuitable or surplus properties wastes resources. Influences from the Audit Commission reports on “Hot Property” and “Use of Resources” and the introduction of Corporate Asset Management Planning and Capital Strategies have set the national framework. Locally, the Community Strategy, Corporate Plan and Service plans confirm the need for continued improvement in the way the District Council manages its property assets for the benefit of local communities.

Purpose of a Corporate Property Strategy

To provide:

- The principles which guide asset management and service property planning
- A link to the Council’s corporate plans and objectives
- A framework to define the role and purpose of property as a support to service delivery
- An effective vehicle for the delivery of asset management planning
- A cohesive rationale for the ownership, occupation and management of the Council’s property assets
- A framework for all existing property related policies, working practice guidance notes and working parties.

Introduction

The Corporate Property Strategy is a high level strategy, which outlines the key role that property plays in contributing to the achievement of Dover District Council’s objectives. The Strategy also provides the overarching framework that governs how we acquire, manage and dispose of land and property. This strategy therefore aims to ensure the delivery of the Council’s Asset Management Plan.

The purpose of Corporate Property Strategy 2008 – 2013 is to set out future key service and corporate property issues relating these issues to the key areas of change identified in the corporate Asset Management Plan 2008 – 2013 and then to develop a range of projects to drive forward the delivery of solutions.

Strategic property planning and management helps to deliver Council priorities by:

- Improving services and quality of life for citizens;
- Releasing capital, raising revenue and minimising costs;
- Providing resources for economic development and regeneration;

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- Improving environmental sustainability; and
- Helping to ensure that the Council remains fit for purpose to deliver our services to the community.

Property, together with Human Resources, Information and Communication Technology (ICT) and Finance are the key resources that underpin the delivery of all Council services. The continued development and integration of these key resources is pivotal in improving future services and the quality of life for the district's citizens.

Elected members and Council officers will use the Corporate Property Strategy in planning and managing the Council's property resources to improve services and provide better value for money for our citizens.

This Council needs to utilise property as a corporate resource and also need to keep members and officers informed about its use. The Audit Commission Report "Local Authority Property: A Management Overview" calls for property to be utilised as a dynamic resource and pro-actively managed at a high level with the establishment of clear objectives for property portfolios.

This Strategy seeks to establish clear objectives for the future management of the Council's corporate properties and set out the actions required to ensure that the Council's corporate property assets are managed in accordance with the principles set out in the Asset Management Plan.

The Council's Corporate Property Strategy Mission is to ensure that optimum use is made of all Dover District Council's property assets to support the delivery of the objectives contained within the Corporate Plan.

Management of the Property Portfolio

Dover District Council has a diverse property portfolio covering both operational and non-operational property. This portfolio allows the Council to fulfil its Corporate aims and to support regeneration by providing property for joint and partnership operations that would not otherwise be financially viable.

The Council acknowledges the contribution that its property can make to the satisfactory achievement of its Corporate goals, but also recognises that sub-standard property will hinder the delivery of high level services to its customers. The Council's property portfolio is essentially a resource to support the delivery of the Council's Objectives. The Council recognises the challenge posed by the continuing maintenance demands of its property portfolio and therefore needs to ensure that it has a corporate property management process which will be flexible enough to accommodate the diverse portfolio and local needs.

The Council's aim is to establish and maintain a sustainable property portfolio of the required quality, size and distribution to support its Corporate Objectives.

Each of the Council's property assets has been categorised against the CIPFA Property categories, as recommended in the Single Capital Pot Guidance. All of the Corporate properties will be covered by a general strategy, and each operational and non-operational category will be covered by specific strategies. This Corporate Property Strategy is therefore based on developing separate strategies for each of the following three categories of property:

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1) Operational Assets

Operational assets are those held, occupied, used or contracted to be used on behalf of the authority or consumed by the Council in the direct delivery of the services for which it has a responsibility, whether statutory or discretionary.

Examples include:

- Land associated with operational property
- Other housing properties (i.e. non-dwelling properties)
- Buildings
- Office buildings
- Sports centres and pools
- Museums and galleries
- Depots and workshops
- Cemeteries (buildings only)
- Off street car parks

2) Non-Operational Assets

Non-Operational assets are those held by the Council but not directly occupied, used or consumed in the delivery of services

Examples include:

- Land awaiting development
- Commercial property
- Investment property

The Non-Operational property contributes to the Council's Corporate Objectives by providing both a regular source of income and capital growth. A number of the assets support local regeneration, and economic development, or meet the needs of local communities.

Assets owned by the Council but used by another organisation (not for providing the authority's services) are treated as Non-Operational for the purposes of this Strategy.

3) Surplus (Non-Operational) Assets

The Surplus (Non-Operational) Assets are those not currently being utilised to meet service needs, either directly by the Council or through third parties, and which have been declared surplus to requirements.

Such property will normally be identified as surplus following service, directorate or corporate property reviews. It may also be identified following requests from external sources for development land or from adjoining owners seeking garden extensions etc.

In developing this Strategy it has been assumed that: -

- The structure of the council will not change significantly in the near future, nor will the level of services delivered to the public.
- Major capital resources will be available from the Council's Capital Programme to address a significant portion of the maintenance backlog.

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- The Council will continue to operate within central government budgetary controls.

Principle Objectives

In developing effective strategies for the management of the Council's property assets the following principle objectives for the property portfolio have been identified:

- To treat all property and land as a corporate resource
- To provide an efficient and adaptable stock of land and buildings fit for their purpose;
- To ensure that all property and land held and/or occupied by the Council should support either directly or indirectly the Council's corporate objectives;
- To ensure that the Council will wherever possible occupy property of which it is the owner of the freehold unless there are opportunities to share with other local authorities or voluntary bodies;
- To establish clear criteria for the appraisal of property assets and if retention is the preferred option to ensure that there is a clear understanding as to the reasons for retention and the standard to which the property is to be maintained.
- To critically review the property portfolio and to closely scrutinise any properties that fall below the minimum standard deemed necessary to provide the required level of service.
- To optimise property usage and reduce operational costs;
- To establish and co-ordinate the future property requirements of the Council in the short, medium and long term, to meet the needs of its Customers in terms of future service delivery;
- To carry out periodic reviews of the Asset Management Plan, the Property Investment Portfolio and the Property Maintenance Budget to ensure that the Council's property assets are utilised to deliver their full potential.
- To manage the Council's Property Portfolio in accordance with 'good practice' and to develop a range of systems and procedures which allow continued improvement in the management, maintenance and delivery of accommodation to fulfil the Council's Corporate Objectives.
- To ensure that no additional property will be acquired either leasehold or freehold for operational purposes unless it can be demonstrated that the service cannot be delivered from existing accommodation in the Council's ownership.
- To ensure that all potential acquisitions are identified at the earliest opportunity in Service Plans and where appropriate Directorate Asset Management Plans.
- To encourage the use of increasingly innovative, economic, energy efficient and sustainable properties as a means of improving service delivery.

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- To ensure that there are explicit processes and procedures governing the use, management and deployment of land and property which are to be fully adopted by officers, elected members and other stakeholders;
- To ensure that surplus assets which do not support the Council's corporate objectives are identified at the earliest opportunity and the capital resource tied up in those assets to be released and deployed for alternative use;
- To purchase, lease or construct (as a last resort), additional property if the existing portfolio cannot accommodate the need, or such purchase, lease or construction is part of an overall service review exercise.
- To ensure that all freehold property held by the Council is occupied wherever possible.
- To release leasehold property on the cessation of the service being accommodated, unless an alternative service need has been identified.
- To provide effective estate management to reduce expenditure on leased operational property.
- To maximise space utilisation in operational properties.
- To develop effective sustainable planned maintenance programmes for operational properties to ensure continued fitness for purpose.
- To provide attractive, safe and accessible buildings to staff, customers and users.
- To maximise the revenue income to the Council, having due consideration for its wider Corporate objectives.
- To retain investment properties which produce a rental income surplus, unless they have been identified for disposal in a property review.
- To seek to progressively reduce property management costs.
- To ensure that investment in land and buildings maximises value for money;
- To ensure an explicit, co-ordinated approach to asset management across the Authority;
- To ensure that decisions relating to the rationalisation, acquisition or investment in property have regard to operational objectives;
- To use the Council's assets to support and deliver economic development;
- To identify and focus upon opportunities for engaging in regeneration and neighbourhood renewal through the imaginative and innovative use of property along with our partners, SEEDA, English Partnerships and Kent County Council;
- To explore and exploit opportunities for shared use with the Council's partners;

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- To maintain an effective 10 year rolling planned maintenance programme to ensure corporate properties are fit for purpose
- To dispose/ use properties as appropriate to realize the major projects contained within the Corporate Plan
- To continue to rest member responsibility for the asset management planning with the Cabinet member for Access and Property Management;
- To continue the Council's Corporate Property Officer (CPO) responsibility for the overall strategic direction, management and use of the Council's operational and non-operational land and property. The nominated CPO is the Head of Property and Procurement;
- To establish an Asset Management Group responsible for the co-ordination and management of the Council's assets and where appropriate to advise and make recommendations to Cabinet, Corporate Management Team and elected members on the use of the Council's property and land;
- To continue to produce and maintain an Asset Management Plan (AMP) and Corporate Property Strategy (CPS), both to be updated annually;
- To continue to maintain an accurate and comprehensive database of its land holding. As far as practically possible property data should be held within a single data system using a common unique property reference number.

Implementation of the Strategy

Key Strategies

It is clear that if the objectives within the Corporate Property Strategy are to be fulfilled, a number of key general and specific strategies will need to be implemented across the Council. These will be based on the following Key Strategies in order to provide an overall structure to this ongoing task.

The Key Strategies identified are as follows: -

- KS1 To ensure effective political leadership with regards to property management.
- KS2 To develop clear management policies for property management.
- KS3 To ensure economy and efficiency in property management decisions.
- KS4 To involve stakeholders in property management process.
- KS5 To encourage a learning ethos within the Council and ensure that managers and staff have relevant skills.

The Specific projects and targets will be set out in the Council's Asset Management Plan to deliver the corporate and services objectives of the District Council.

The monitoring of progress towards these objectives will be managed by the Head of Property & Procurement and to assist in this task a series of key local performance indicators will be introduced to monitor property management performance, to measure

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improvements in procurement and/or provide an early warning of risk. Information on the progress towards the achievement of the objectives will be reported within the quarterly Management Information Report (MIR).

The Corporate Property Officer will undertake a regular rolling asset challenge programme to review each property based on priorities to determine if the asset:

	STATUS	ACTION
1	Is appropriate for current & future service needs	These properties are basically appropriate for current & future service needs. Minor works may be required
2	Can be better utilised	Need further consideration exploring various options such as alternative use; flexible working; amalgamations
3	Requires major investment	Major refurbishment, extension, relocation or acquisition
4	Can be held for long term development	Waiting for the Local Development Framework to have the site allocated for a particular use
5	Is surplus to requirements	Can be disposed of
6	Could be provided elsewhere, more economically, providing the potential	
7	Could be worked harder or used better	
8	Could be measured against Performance Indicators	

The Corporate Property Officer will collate Performance Indicators annually to check for inefficiencies across the portfolio by:

- Measuring the condition of the asset for its current use showing whether maintenance problems affect the portfolio and developing information on the maintenance backlog
- Demonstrating financial justification for maintaining an investment portfolio
- Measuring cost & efficiency of property service provision
- Encouraging efficient use of assets over time and improving energy efficiency
- Measuring & monitoring delivery of new capital projects against time & budget targets

As mentioned above, the Corporate Property Officer will maintain a 10 year planned maintenance programme, which will roll forward every year and be amended to reflect work already carried out, or properties disposed of.

The planned maintenance programme will grade each building from 1 to 5. Grade 1 will reflect those important buildings such as area offices, which will be maintained to a high standard; grade 5 will reflect buildings, which have little or no future value to the Council and will be kept wind and watertight only.

The Corporate Property Officer will also ensure use is made of Whole Life Costing. This enables comparative cost assessments to be made over a specific period of time, taking into account all relevant economic factors both in terms of initial capital costs and future capital

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costs enabling better decisions to be taken. The Council will need to carry this out prior to acquiring or refurbishing properties as part of the project evaluation.

The Corporate Property Officer will also use sustainability criteria in commissioning or refurbishing buildings.

This Council as both employer & provider of services has policies & procedures informed by the Disability Discrimination Act. All new building work is procured to ensure compliance with accessibility standards

With regards to Health & Safety, this Council has a duty to ensure that the property stock is used & maintained to prevent or control risks to staff, visitors, contractors & others. The Head of Property and Procurement has delegated accountability for the Health and Safety of the property stock including formulating & implementing H&S policies. Managers have day-to-day responsibilities for Health and Safety of premises and all users of premises.

Review and Monitoring

This Corporate Property Strategy 2008 – 2013 to be reviewed on an annual basis by the Corporate Property Officer and amended as necessary. An annual report will also be taken to Cabinet each autumn summarising what has happened to corporate property in the previous 12 months including disposals, acquisitions and leases.

(Appendix A; Dover District Council Property Summary)

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APPENDIX A DOVER DISTRICT COUNCIL PROPERTY SUMMARY

OPERATIONAL LAND AND BUILDINGS	Number as at 31/03/06	Net Book Value as at 31/03/06	Number as at 31/03/07	Net Book Value as at 31/03/07 000's
Offices:				
Whitfield Complex	1	3,494,000	1	3,443,000
Others*	2	137,000	3	393,000
Leisure Centres & Pools:				
Dover Leisure Centre	1	5,689,000	1	5,633,000
Deal Leisure Centre	1	6,012,000	1	6,836,000
Deal Tennis Centre	1	224,000	1	144,000
Others:				
Dover Museum	1	5,372,000	1	5,319,000
Depots and Workshops	15	241,000	15	240,000
Cemeteries (sites)	7	48,000	7	47,000
Car Parks	38	3,524,000	38	3,594,000
Public Conveniences	26	1,802,000	25	1,716,000
Sea Defences (kilometres)	7	6,359,000	7	6,142,000
Parks and Open Spaces	29	489,000	29	444,000
Deal Pier	1	574,000	1	567,000
Historic Buildings:				
Timeball Tower, Deal	1	148,000	1	148,000
Grand Shaft, Dover	1	18,000	1	17,000
St Martin's Battery	1	0	1	0
Town Clock, St Peter's Church, Sandwich	1	0	1	0

*Castle Street is now in use and has increased the number of operational offices.

NON-OPERATIONAL LAND AND BUILDINGS Housing Revenue Account & General Rate Fund	Number as at 31/03/06	Net Book Value as at 31/03/06	Number as at 31/03/07	Net Book Value as at 31/03/07
Shops	21	752,000	21	752,000
Other Commercial	30	677,000	30	588,000
Let Land	4	63,000	4	84,000
Industrial	6	455,000	6	324,000