



Lewes District Council *and* Eastbourne Borough Council

Corporate Asset Management Plan 2017-2020



STRONGER together



Lewes District Council



Working in partnership with Eastbourne Homes

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Note: The Corporate Asset Management Plan 2017-2020 replaces the LDC Property Strategy 2012 and the EBC Asset Management Plan 2008-2013.

FOREWORD

Welcome to the Corporate Asset Management Plan (AMP) 2017-2020.

This is the first AMP following the decision by Lewes and Eastbourne to integrate services. Both Councils will retain their own sovereignty with separate corporate and strategic plans that reflect the nature of the areas they cover, however, Lewes and Eastbourne are looking to achieve the same aims with their assets and this AMP sets out how our Councils intend to plan and manage their corporate property portfolios.

This AMP is produced against a backdrop of change for local authorities with the need to find new ways to help face reduced funding from the Government and the changing face of local government itself through the move to devolution with more partnership arrangements and greater autonomy from central Government. Although by sharing services we can build resilience and protect services for our local communities and visitors, this alone will not be enough to face the challenges ahead.

Property and land needs to be responsive to changing future needs and buildings need to be fit for purpose providing services communities want and need. This AMP sets out the strategy for how we will challenge the reasons for continuing to hold the Councils' corporate property and how we will ensure that only those assets that help support the aims of the Councils' Corporate and Council Plans and priorities are retained.



Councillor Andy Smith

Leader

Lewes District Council



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Leader

Eastbourne Borough Council

SECTION 1 – INTRODUCTION

Purpose and aims of the Corporate Asset Management Plan



The future continues to look very challenging for local authorities. Lewes District Council (LDC) and Eastbourne Borough Council (EBC) are faced with finding substantial savings at a time when the Government grant for Councils will disappear altogether by 2019.

Across the portfolios there are a wide variety of assets including office buildings, commercial, industrial, retail, community centres, tourist attractions, recreation areas, theatres, and leisure centres which reflect the diversity of our local communities.

Efficiently managing these assets will play a key part in helping to realise the savings needed in order to meet the future financial challenges the Councils are faced with. Each Council will require flexibility from its property portfolio to support local communities, business and visitors and ensure that any held assets are efficiently managed to maximise and improve their uses.

LDC and EBC need to challenge themselves to see whether there are better ways of delivering services from their properties in order to ensure they continue to deliver what customers want and need, both now and in the future. The AMP focuses on 4 key areas:

1. Improving yield from the investment portfolio.
2. Reducing maintenance costs and liabilities.
3. Delivering efficiencies through smarter procurement.
4. Increasing the capital value of each Council's asset base.

Key aims and objectives

The key corporate objectives and priorities for the Councils are outlined within the Lewes District Council Plan 2016-2020 and the Eastbourne Borough Corporate Plan 2016-2020. The Councils' plans are supported through the Medium Term Financial Strategy which governs and reports on the financial structure of LDC and EBC. The AMP is the primary tool to deliver the property elements of the corporate objectives and priorities working within legislation and the Constitution (fundamental principles) of each Council. It will help deliver the agreed priorities by defining how the Councils manage their property portfolios and setting objectives that need to be achieved over the lifespan of the AMP, progress against which will be reviewed annually. The Property and Facilities Shared Service (PFSS) will deliver the objectives of the AMP on behalf of service areas.

The AMP will:

- Provide the strategy framework for LDC and EBC to manage and maximise the potential of their property portfolios and meet the Asset Challenge;
- Ensure that the respective property portfolios are managed and operated in accordance with the Councils' Corporate and Council plans and priorities and Medium Term Financial Strategies;
- Ensure that the Property and Facilities Shared Service (PFSS) efficiently delivers benefits to each Council from the respective property portfolios;
- Unlock the potential of land and buildings across Lewes District and Eastbourne Borough, working with external partners where appropriate.

The AMP objectives are underpinned by six asset management strategy themes outlining the iterative work that will be undertaken across the Councils.:

- **Theme 1: Establish** a clear vision regarding how LDC and EBC will achieve a sustainable asset base by 2021: delivered through the Corporate Landlord model and Property and Facilities Shared Service planning;
- **Theme 2: Challenge** the reasons for retaining assets and ensure that retained assets contribute towards a sustainable asset base: this comprises a critical part of Phase 1 of Asset Challenge;
- **Theme 3: Identify** the benefits and make best use of each asset to stimulate regeneration including the provision of affordable housing: Phase 2 of Asset Challenge;
- **Theme 4: Seek** opportunities where key strategic assets could realise significant capital and/or revenue returns in order to reinvest in the retained operational portfolio: the key element of Phase 2 of Asset Challenge as the portfolios move towards achieving a sustainable asset base;
- **Theme 5: Reduce** on-going property maintenance and financial liabilities for LDC and EBC: supports theme 4 in achieving the sustainable asset base objective;
- **Theme 6: Ensure** that retained assets combine social, cultural, environmental and economic benefits: guarantees that the Councils are only holding properties that meet corporate aims and objectives.

One of the key over-arching corporate objectives that the Councils have set for their property portfolios is to achieve a sustainable asset base by 2021. In other words, reaching a position where every asset should at least 'break-even' and pay for itself, ensuring assets are not a drain on the Councils' resources or those of local tax-payers.

Difficult decisions will need to be made if the Councils are to achieve a sustainable asset base, particularly those around disposal, acquisitions, investment and transfer of properties. This AMP sets out the visions, values and objectives to help the Councils meet this aim. It will ensure that LDC and EBC only hold property assets that are fundamental in

supporting the social, economic and environmental wellbeing of those that live, work and visit the Lewes District and Eastbourne Borough areas, through either directly providing space for services to be delivered or creating income that can be reinvested in the property portfolios.

Central to the AMP is the AMP Implementation Plan set out in Appendix 1 which outlines the main objectives to be achieved over the life of the AMP. Each objective links to one or more of the six asset management strategy themes as well as the Councils Corporate and Council plans. These objectives provide a framework to enable the Councils to reshape their assets in response to corporate objectives, challenges, opportunities and changing needs and will ensure that retained properties are managed efficiently and effectively.

The diagram on the following page shows how the plans are inter-connected.

How do the Asset Management Plan and Asset Challenge fit in?



SUSTAINABLE ASSET BASE

SECTION 2 - MEETING THE CHALLENGE

Corporate Landlord and Shared Service



The property functions of the Councils aligned in May 2016 as the Property and Facilities Shared Service (PFSS), part of a move to a Corporate Landlord model aimed at bringing savings and improvements to quality of service. The structure chart for the service is attached at appendix 3. Under the Corporate Landlord model, the management of a property asset and the responsibility for maintenance, development, disposal, management (including leases and licences) and statutory compliance is delivered by a centralised corporate unit. Budgets are transferred from the service department to enable strategic procurement of services and the service departments become clients of PFSS.

The service plan for PFSS sets out the main objectives for the service, which includes the following areas of responsibility:-

- Maintenance and Facilities (including planned and reactive repair and maintenance service for the Councils' non-housing property, caretaking for the Councils' administrative properties, capital works, and building security);
- Asset Development (including disposals, acquisitions, leases, licences, rent reviews, and support to strategic property projects);
- Corporate Landlord and Procurement (including delivering savings for both Councils through joint procurement of service and supply contracts, off-street car parking policy and tariffs, management of public conveniences across LDC, compliance with landlord statutory obligations, client functions and implementation of the Councils' property asset management system.

PFSS will, working with service heads across both Councils and external partners, deliver the objectives of the AMP on behalf of LDC and EBC. Service delivery, efficiency and quality will be monitored through performance indicators. Within the AMP, progress against each AMP implementation objective will be assessed and reported annually and the AMP objectives will continue to be refined over the lifecycle of the AMP to reflect priorities and central government policy changes.

Service areas will be better supported by PFSS as the strategic responsibilities for assets will now fall to the shared service Corporate Landlord allowing service areas to focus more on their own areas of expertise. It will continue to be important to maintain close liaison between service areas and the Corporate Landlord to ensure a shared understanding of service plans, and property priorities in order to ensure that the Councils' property portfolios deliver the objectives of each service area. Service Level Agreements will be established between PFSS and the service departments to ensure the asset base meets service need.

Asset Challenge



To achieve a sustainable asset base by 2021, LDC and EBC must test why they hold the assets they do, along with the true costs of those assets, and how they benefit our customers. Difficult decisions will need to be taken by both Councils. This will be represented through the Asset Challenge programme - a key strand of the Councils' AMP and asset management strategy objectives.

The programme will give each Council the opportunity to consider their assets in a new light and make strategic decisions about their future and indeed the future face of LDC and EBC. Asset Challenge will assess each asset's viability, to include considerations such as retention, investment, transfer or disposal. There will need to be a proven case for the retention of any assets, which will need to be supported by a business case setting out the benefits as well as how any costs relating to the asset will be funded in future years. In addition to the relative costs associated with each asset, the social, economic and environmental benefits will be a key factor in determining future actions. The Asset Challenge process is supported by a suite of property appraisal documents establishing property management criteria including disposal, acquisition and investment.

Whilst undoubtedly there is a strong financial need to complete the Asset Challenge process, key to the process is making sure that all assets that are retained have strong social, cultural, environmental and economic benefits to the areas served by each Council and clearly contribute to increasing social value.

In addition to considering the existing portfolio, it is important that both Councils are open to opportunities to increase income through investment in the purchase of new properties. As funding from central government decreases, the Councils will move towards a more commercially focused position seeking investment opportunities that can generate good rates of income to ensure frontline services are protected and improvements are made across the District and Borough areas. Opportunities will be sought to increase potential through marriage values of schemes where possible by incorporating mixed-use development opportunities and other benefits.

On 23 June 2016, the country decided to leave the European Union. It is too early to say what impact Brexit may have on land and property prices and invariably the extent of any impact will vary from area to area. As a consequence it brings with it uncertainty, however, what is clear is that undoubtedly property is going to need to work harder than ever before to sustain not only itself but support other services and the Councils will need to invest in property in order to build resilience against the future challenges faced. Innovation and opportunity will be key to this success.

Acquisition, investment and disposals will be considered on a case by case basis in line with asset policies, the principles of which are set out in Appendix 2.

Building Maintenance Plan



Key to realising the aspirations of this AMP is the development of a joint Building Maintenance Plan (BMP) setting out the Councils' priorities for planned maintenance expenditure on their assets over the next five years.

The BMP identifies the overarching priorities for maintenance, such as Health & Safety, Statutory Compliance, and ensuring that buildings are weathertight.

The Plan sets out how LDC and EBC will move from the current position of almost 100% reactive maintenance to a 60/40 planned/reactive maintenance basis over a two-year period. It also sets out the sustainability priorities for LDC and EBC that need to be factored in when work is taking place, such as the EBC priority to reduce the carbon footprint in Eastbourne by 40% from the 2009 baseline.

Existing condition data will be reviewed and funding forecasts will identify the resources needed over the life of the plan in order to achieve the maintenance priorities and act as a tool to inform strategic decisions on the future of assets through the Asset Challenge process.

With regards to any Heritage buildings and facilities, repairs and maintenance will be prioritised to ensure that the buildings are weather tight, and so that health and safety risks are managed. Major works and refurbishments will be subject to external funding bids that will be co-ordinated through the relevant lead officer.

The Plan will be subject to periodic review, reflecting repairs and maintenance works undertaken, increased knowledge of the condition of each Council's assets, and changes to the Councils' property portfolios.

Asset Policies



The AMP is supported by a number of strategies and policies, which form the basis for evaluation and recommendations on the Councils' portfolios in a clear and transparent manner. These work in conjunction with Asset Challenge and the Building Maintenance Plan to ensure that decisions are made in accordance with the AMP and corporate policies and priorities.

The principles of the strategies and policies are set out in Appendix 2.

Data Management

Part of the work around aligning property functions across LDC and EBC is the move to streamlining and a shared approach regarding property data management and systems including details of agreements relating to each property, asset valuations, insurance details, rent reviews, condition surveys and a photographic record of the asset.

In addition, LDC and EBC have computerised Geographic Information Systems (GIS), which shows the Councils' land ownership with associated information such as site and ward boundaries, planning, and contaminated land.

Decision making



The Councils are in the process of aligning their property decision making processes. Once this is completed there will be a similar decision making procedure in place across both Councils as follows:

- PFSS: this is the service responsible for the day to day management of the portfolios working in its capacity as Corporate Landlord with service areas to deliver the corporate priorities and AMP implementation objectives. PFSS additionally meets finance and legal colleagues monthly to discuss each respective property portfolio and associated legal matters affecting each portfolio.
- Strategic Property Board: The aim is for both Councils to have a Strategic Property Board (SPB) which will act as the consultation forum with Members regarding strategic property matters (acquisitions, disposals, debtors, investment opportunities and development updates). There is already an SPB in place in EBC and proposals are similarly being considered for an SPB in Lewes.
- Cabinet: is the decision making body of each Council and considers recommendations put forward by officers at Cabinet meetings. In some cases, final decisions are then delegated by Cabinet back to senior managers, in other cases decisions are made at the Cabinet meeting itself, the Cabinet having decided on whether to agree, disagree or change any recommendations that have been made to them.

SECTION 3 – INTERNAL AND EXTERNAL INFLUENCES

Internal

The AMP is not a stand-alone plan. It exists in conjunction with the Councils' corporate strategies and priorities, ensuring a clear joined up vision and aims to support their delivery.

Below are the main plans and governance that the AMP supports and works within:-

Constitution

Each Council has a Constitution in line with the Local Government Act 2000. This is a fundamental document which sets out the framework for how the Councils, councillors and officers carry out all of their business and it underpins the Councils commitment to openness and involvement.

The Constitution contains a number of parts which set out the basic rules for how each Council works. The respective Constitutions also tell residents how they can make their voices heard in the decision making process.



Lewes District Council: Council Plan 2016-2020

LDC's Council Plan sets out the Council's key priorities and projects over the four year period to 2020 and sets out a number of commitments to residents, businesses and local communities. The commitments are themed around communities, place and value for money and aim to provide:

- Resilient, healthy and engaged communities – making communities stronger and better able to support themselves through addressing environmental crime and anti-social behaviour, promoting healthy lifestyles and supporting people to maintain their wellbeing, and continuing to work with key voluntary organisations.
- Improved customer service – improving customer service by making better use of technology, joining up systems and training staff,
- Delivering sustainable new housing and infrastructure – delivering new and affordable homes and infrastructure improvements to new and existing homes and businesses.
- Growth and prosperity – working closely with strategic and economic partners to bring about investment in jobs, skills and training opportunities to contribute the regeneration needed, especially in coastal and rural areas.
- Clean and green district – investing in recycling services and encouraging much higher rates of recycling and preserving parks, open spaces and nature reserves for future generations.
- Delivering sustainable services – integrating all services with EBC by 2020 in order to achieve annual savings of £2.7million per year.

The full plan can be downloaded from:

http://www.lewes.gov.uk/Files/Council_Plan_2016-2020.pdf



Eastbourne Borough Council: Corporate Plan 2016-2020

One of EBC's main documents is the Corporate Plan and sets out the Council's priority aims in order to help make Eastbourne the best place to live, work and visit. The current plan is divided into four priority themes:

- Prosperous Economy sets out how EBC will help make Eastbourne a thriving borough. Priority aims include having an outstanding seaside resort and gateway to the South Downs National Park, a transformed and accessible town centre, and creating opportunities for improving skills, employment, learning, and participation for residents and tourists.
- Quality Environment outlines how the borough will be made more sustainable and a better place to live, work and visit. Priority aims are to transform sites that are currently under-used in the town centre, improve the quality and quantity of public space, produce less waste and recycle and reuse more and improve public transport and cycling facilities.
- Thriving Communities sets out the aims for improving the lives of our communities and for those who visit the borough. Priority aims include having the lowest levels of crime in comparison to similar towns in the South East, supporting families and young people to reach their full potential, having a wider range of activities and facilities for young people, enabling them to be the best they can be and a wide range of quality homes including affordable housing for those in need.
- Sustainable Performance outlines the ways in which the Council will continue to make sure that it provides value for money for its customers and visitors to the borough. Priorities include providing excellent service, being high performing and a valued partner across the public, private and voluntary sectors, continuing to be customer focused, being an excellent employer, and having a sustainable asset base.

The plan also sets out the 2026 Partnership vision for Eastbourne to be a premier seaside destination within an enhanced green setting - a safe, thriving, healthy and vibrant community with excellent housing, education and employment choices, actively responding to the effects of climate change.

The full plan can be downloaded from:

<http://www.eastbourne.gov.uk/resources/assets/inline/full/0/249015.pdf>

Pride of Place

Pride of Place

Eastbourne is one of six local authorities and six Local Strategic Partnerships that have worked together to produce Pride of Place - the sustainable community strategy for East Sussex. The strategy sets out the vision for East Sussex to 2026 for improving people's quality of life based on the issues and priorities that local people have said they are most concerned about. Priorities include developing the economy; providing high quality education, learning and skills opportunities; improving travel choices and access to services; providing high quality affordable housing; protecting natural and built environments and adapting and responding to climate change; improving health, well-being, safety, security; creating strong communities and community leadership; and supporting older people, children, young people and carers.



Medium Term Financial Strategy (MTFS)

Each Council has a Medium Term Financial Strategy (MTFS) which provides the financial framework to support delivery of the corporate aims of the Council. It is updated annually and makes medium term forecasts about expenditure, funding and other resources. The MTFS allows the Councils to balance priorities and resources, anticipate and plan for change.

The medium term outlook for both Councils is extremely challenging. Both LDC and EBC have seen significant reductions in levels of government funding. The Councils' response to the challenge is the Joint Transformation Project discussed earlier in this document, which will see an integration of services across both Councils by 2020, enabling each Council to save around £3million per year.



Joint Efficiency Plan 2016-2020

In 2016 the Government offered local authorities a guaranteed minimum level of grant funding for four years starting in 2016/2017. This offer was conditional on each council approving and publishing an efficiency plan. LDC and EBC prepared a joint Efficiency Plan demonstrating how greater certainty around funding would help deliver the Councils' four years financial plans and bring about opportunities for further savings.

The full plan can be downloaded from: http://www.lewes.gov.uk/Files/efficiency_plan_-_final_October_2016.pdf



Localism Act 2011

Localism Act 2011

The Localism Act was introduced in order to provide new freedoms and flexibilities for local government and new rights and powers for individuals and communities. Two of the main provisions of the Act are the Community Right to Bid and the Community Right to Challenge.

The Localism Act requires local authorities to maintain a list of assets of community value which have been nominated by the local community under Community Right to Bid. When listed assets then come up for sale or change ownership, community groups are given time to develop a bid and raise the money to bid to buy the asset.

Once on the register of Community Assets, an asset cannot be sold without first allowing a community group a period of up to 6 months to raise funds to make a market based offer.



Transparency Agenda and One Public Estate

The Transparency Agenda is aimed at opening up government and public services in order to improve local transparency and accountability and increase innovation and growth to meet local needs and demands. As part of this agenda local authorities are encouraged to make data openly available.

The One Public Estate programme is an initiative being delivered in partnership with central government and the Local Government Association (which works with the government on behalf of local authorities) supporting collaborative property-led projects in local areas, delivering ambitious projects that transform local services. It aims to support partnerships to use assets more effectively, creating economic growth and deliver more integrated public services.



Strategic Property Asset Collaboration in East Sussex (SPACES)

SPACES is a 10 year partnership programme with a range of public and voluntary sector partners across the south east. It is a property collaboration programme that aims to generate capital receipts and reduce costs through property sharing and alignment amongst partners. There are targets to achieve £10 million reduction in revenue cost of property assets, £30 million in capital receipts through the disposal of property and reduce carbon emissions by 10,000 tonnes across the life of the programme.

Property Legislation

The portfolios will be operationally and strategically managed in accordance with all relevant property legislation and procedures will be reviewed from time to time to ensure that they are updated to reflect changes in legislation.

The Property Market and the Economy

These are interlinked and will impact on the strategic and operational asset management of the portfolios. The assets will be managed having regard to the state of the Property Market and the expected trends within the different property uses and having regard to the economy and how economic trends will impact on property assets.