

EPSOM AND EWELL BOROUGH COUNCIL

ASSET MANAGEMENT PLAN

AIMS AND OBJECTIVES

To provide a property portfolio to deliver the Council's policies and objectives

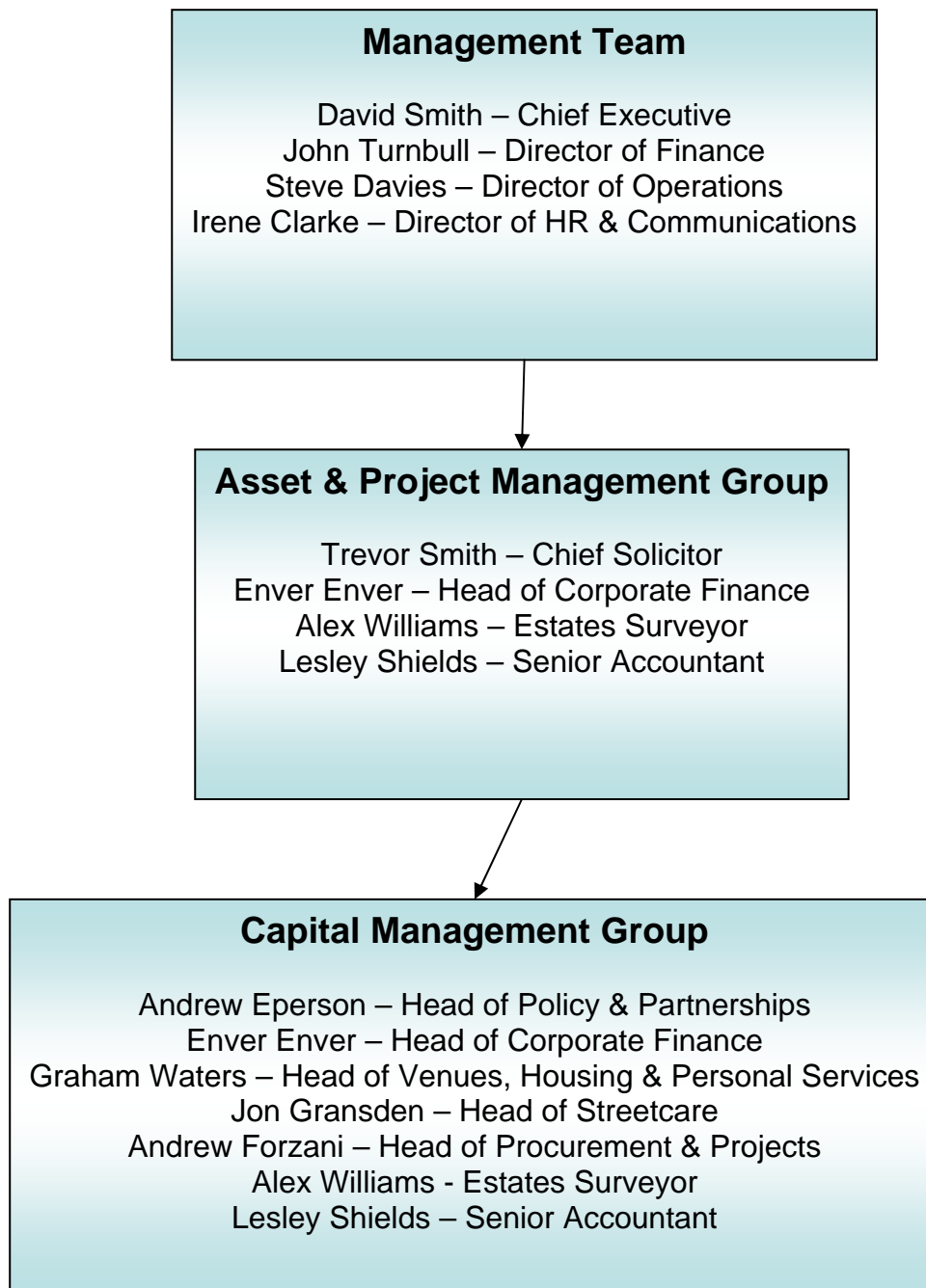
1. To ensure Epsom and Ewell Borough Council has an effective property solution by:
 - a. Having the capacity to manage buildings and related activities by way of a new up-to-date database system known as CAPS
 - b. Managing procurement solutions effectively through the procurement strategy 2005-2007
 - c. Ensuring buildings are suitable and "fit for purpose" along with being maintained to a adequate standard
 - d. Not contracting or acquiring new buildings unless they are sustainable and affordable for the life of the building
2. To raise awareness of property throughout the organisation by providing clear decision making process for its management and use by:
 - a. Monitoring portfolio compliance with legal obligations e.g. Disability Discrimination Act
 - b. Continuing meetings with the Backlog Maintenance Group and Asset Management Group on a regular basis
3. To manage the delivery of property services to demonstrate continuous performance improvement by:
 - a. Reviewing the processes and policies to ensure effective estate, contract and project management on non-operational portfolio
 - b. Setting performance targets for activities
 - c. Improving energy efficiency
4. To release value from property holdings by minimising the running costs and realising space by:
 - a. Challenging the need for ownership/retention of property
 - b. Reviewing property/land to identify sites for release
 - c. Seeking opportunities for the sharing of property with partners
 - d. Monitoring running costs to see if potential savings can be achieved

ASSET MANAGEMENT PLAN

1. ORGANISATIONAL ARRANGEMENTS FOR CORPORATE ASSET MANAGEMENT PLAN

1.1 Structure

- 1.1.1 The Strategy and Resources Committee's terms of reference includes responsibility for the Council's property assets
- 1.1.2 The Financial Policy Panel provides advice to the Strategy and Resources Committee on property related issues, including capital investment, procurement and the backlog/planned maintenance programme. A Capital Member Group is nominated annually to guide officers during the capital programme review.
- 1.1.3 The relevant policy committees are responsible for the services provided from operational assets and therefore for making recommendations on changes in use or investment needed to improve service delivery.
- 1.1.4 The following diagram shows the officer structure responsible for advising Members on policy decisions and for implementing those decisions:-



1.1.2 Terms of reference for the Corporate Property Officer:

- To be responsible for strategic asset management within the Council
- To report to Strategy & Resources Committee as necessary on corporate property issues.
- To act as the consultation and contact point for the advancement of improved asset management in the Authority
- To manage the backlog and planned maintenance budgets along with emergency budgets and other related budgets incurred for the running and maintenance of the property portfolio
- To sit on the Capital Management Group and work with the Head of Corporate Finance on respect of the Capital Strategy

1.2 Links Between Capital Strategy and Asset Management

- 1.2.1 The Council carries out a full review of its capital investment options every four years and prepares a four year capital programme supporting the Corporate Plan and the Financial Strategy.
- 1.2.2 The capital strategy prioritises investment and one of five base-line criteria covers investment identified in the Council's Asset Management Plan.
- 1.2.3 The Capital Strategy includes full project appraisal and other criteria are used to ensure that investment meets the needs of the borough.
- 1.2.4 Both the capital programme is reviewed annually and capital bids are prepared from the Asset Management Plan, including backlog maintenance where this can be charged to capital.
- 1.2.5 Targets are set for generating capital receipts from the disposal of surplus property, currently standing at £1 million per annum.
- 1.2.6 The Council's Medium Term Financial Strategy sets out the objectives for investment purposes:-

INVESTMENT
<ul style="list-style-type: none">• To deliver the four year capital programme 2004 – 2008 as approved in February 2004, subject to annual review, and to achieve a minimum investment of £3.5 million from capital reserves
<ul style="list-style-type: none">• To maintain a minimum uncommitted level of capital reserves for contingency and treasury management purposes of £7 million, subject to annual review
<ul style="list-style-type: none">• To ensure that retained Council property is effectively used for service delivery or generates a net rent income in excess of cash investment returns, or otherwise is sold and the receipt invested

- 1.2.7 Capital Monitoring: Each quarter (a) the Corporate Property Officer and the Head of Corporate Finance prepare a capital receipts forecast (b) a quarterly capital expenditure monitoring report is prepared by the Head of Corporate Finance in consultation with the Capital Management Group. This allows a regular update of expenditure forecasts and forecasts of capital reserves.

- 1.2.8** Quarterly capital monitoring updates are submitted to all Councillors and significant variations from forecasts are reported to the Financial Policy Panel and, where appropriate for capital schemes, to the relevant policy committees.
- 1.2.9** The mid-year position on capital expenditure and receipts is examined by the Capital Member Group as the first stage in the annual capital programme review.
- 1.2.10** Longer Term: The allocation of additional resources for the capital programme will be dependent upon the achievement of capital disposals and achieving and maintaining a sustainable revenue budget position.
- 1.2.11** The asset disposal programme contributes to this objective:-
- By optimising use of retained assets and therefore minimising overhead costs
 - By reducing the level of backlog repairs which provides a drain on resources
 - By allowing investment to ensure retained assets are fit for purpose, whether that be for services provided in the borough or to achieve commercial returns that help fund service delivery
- 1.2.12** Priority will be given to a disposal of an asset which is (a) not fully utilised or not needed for service delivery (b) where the disposal contributes towards wider community objective (for example town centre redevelopment and (c) where the receipt would contribute to both revenue and capital planning targets.
- 1.2.13** The Council will review its property and land holdings on a regular basis to ensure they are appropriate to the needs of the Borough.

Please see http://iris/iris/Documents/Corporate_Information/Financial_Services/Financial_Strategy/Capital_Strategy_2006.doc or the Council's website.

1.3 Community Strategy/Corporate Plan

- 1.3.1** The Council recognises the corporate and strategic importance of good management of its land and property estate. The Council will endeavour to ensure that the key aims and objectives for the property portfolio are delivered and met as effectively and efficiently as possible throughout the development of the Community Strategy, Corporate Plan, Medium Term Financial Strategy, Capital Programme and the Property Maintenance Programme.

1.4 Community Strategy

The Community Strategy for Epsom and Ewell was adopted in April 2003. This contained a Vision, Key Issues and an Action Plan. For 2005/06, the LSP has reviewed its priorities and purpose, together with the way in which progress is achieved against the Community Strategy. This has resulted in two developments.

1.4.1 First, and following a public consultation exercise in December 2004, it adopted Transportation and Congestion as an additional priority area of work. In full, these priorities are now:

- a) Quality of the environment
- b) Transportation and Congestion
- c) Antisocial behaviour
- d) Health
- e) Young People

1.4.2 Second, the LSP decided that to be most effective and to make a real difference it needs to concentrate its own direct efforts on a restricted number of areas. In light of the results of the public consultation, and more general awareness of the importance of the topics, the following two areas have been chosen for special focus:

- a) Alcohol-related problems
- b) Epsom Town Centre

1.4.3 The LSP continues to have an interest in other matters covered in the Community Strategy, notably those Key Issues not covered in one of the areas mentioned above, namely:

- a) Affordable Housing
- b) Training
- c) Equality issues

1.4.4 The Asset Management Pan will support the work of the LSP and the Community Strategy in a number of ways which can be cross referenced from the Corporate Plan priorities set out below.

1.4.5 In addition, the AMP supports the Community Strategy as follows:

- a) Transportation and congestion
 - Management agreements for public use of private car parks – Rainbow Offices/ Fairview Residential (Station Approach)
 - Improving Council car parks to increase use and better on-street parking
 - A planning application for a supermarket on Upper High Street which includes our car park has only just been validated and we are

ascertaining the impact of the scheme and how it which will affect our overall strategy for car parks

- Future plans include VMS (Variable Messaging System) signing for all car parks

b) Health

- Community Centres enable vulnerable groups such as older people to access activities to promote their physical and mental well-being
- Grant aid and the use of Council premises by the Central Surrey CVS facilitates indirect support for a range of voluntary sector organisations including older people, those with physical disabilities/learning disabilities and mental health problems
- Relate occupy one of the Council's buildings by way of a three year lease along with giving them grant aid to achieve their objectives
- Community groups benefit from discounted hiring charges at Council venues

c) Training

- Nescot Link with Rosebery to provide computer skills at former Sea Cadets site at Blenheim Road
- Providing accommodation for CAB, with debt and other advice services (at Town Hall)
- Relate accommodation at 92 High Street.
- Future plans - Early learning Centre at Hollymoor Lane Shops site

d) Equality issues

- Access to community facilities for meeting
- Refurbishment and extension to Longmead Day Centre
- Cox Lane Community Centre refurbishment

1.5 Corporate Plan 2003-7

In September 2003 the Council adopted the following as its six key priorities:

- To reduce antisocial behaviour and fear of crime
- To improve the visual appearance of the local environment
- To improve services for young people
- To secure additional key worker, social and affordable housing
- To secure improved transport facilities for particular sections of the community
- To cut bureaucracy and improve cost effectiveness

The Asset Management Plan supports the Corporate Plan priorities as follows:

1.5.1 To reduce anti-social behaviour and fear of crime

- Sale of Court Recreation Ground Lodge which has been vacant for over three years to a veterinary practice. Their presence in the park will help reduce the ongoing anti-social behaviour in this vicinity.

1.5.2 To improve the visual appearance of the local environment

- Improving maintenance, particularly of footpaths, signs and hard surfaces
- Achieving Local Nature Reserve Status for HCP
- Hogsmill OS
- Demolition of unwanted pavilions and toilet blocks
- Improving energy efficiency of Council properties
- Taking over Manor/Clarendon Open Spaces

- Future plans: reviewing open space areas to identify whether there are options to raise finance from surplus land to reinvest in the upkeep and improvement of retained open space.

1.5.3 To improve services for Young People

- Providing facilities for young people in the Council's Parks and Open Spaces
- Rainbow Centre
- Football Facility on Auriol Park
- Scout/Guides leases

1.5.4 To secure additional Key Worker, Social and Affordable Housing

- Hospital Cluster
- TA Agreement with Rosebery
- Leased properties managed by Rosebery
- Sea Cadets site – Blenheim Road
- Future Plans-Hollymoor Lane Shops, 58 Upper High Street/Huggle Tree/Phoenix Court

1.5.5 To secure improved transport facilities

- Making Council land available for the Kiln Lane link

1.5.6 To cut bureaucracy and improve cost effectiveness

- Sale of Cedars – enhancing service at Longmead and reducing costs

It should also be noted that the Corporate Plan states “ The Asset Management Plan will be reviewed to ensure that future expenditure is focused on the

achievement of the Council's priorities as described in this Corporate Plan and to ensure that property not needed for that purpose and not realising a full commercial rent is brought forward for disposal".

1.6 Shared Use of Property

1.6.1 The Council is committed to maximising opportunities for the shared use of property assets. Listed below are examples of where shared use is already taking place:

- The occupation of Surrey County Council of the whole of the second floor of the New Town Hall
- The occupation of the majority of the Ground Floor of the "Old Town Hall" by Voluntary Organisations
- The Ebbisham Centre was built in partnership with Surrey County Council where they operate a library facility
- Surrey Chambers of Commerce have space in the Civic area of the Town Hall and are grant aided by the Borough to provide a link between business and the community
- Whilst not actually in occupation or sharing a property we are working with local residents in Ewell Court Ward and have set up an advisory committee, of residents and councillors, known as the Ewell Court Advisory Committee (ECAC), who advise the Council in their deliberations on property aspects relating to Ewell Court House.
- Whilst EEBC has no general housing stock we work in partnership with Rosebery Housing Association in providing temporary housing accommodation for the homeless whereby the Council's surplus residential properties are used for this purpose.

1.7 Sport and Active Leisure Strategy

The Leisure Committee has adopted a Sport & Active Leisure Strategy (Hyperlink here once approved) this will allow resources to be targeted at priority areas. Of particular reference to the AMP is Aim 1 which is to maximise the use of venues/facilities within the Borough for sporting activities. This will involve a review of the use of Council owned facilities, both indoor and outdoor and actions that will seek to increase usage in accordance with "Whole Sport" plans. This will start to be put into effect during 2006/2007.

2. PERFORMANCE MANAGEMENT AND MONITORING

Local performance indicators

The following local performance indicators are being set up:

- Rent collected on all non-operational property by the quarter day expressed as a percentage of rent due ([See Appendix 1](#))
- Potential income of all non-operational property achieved against maximum ([See Appendix 1](#))
- Amount of arrears expressed as a percentage as at 2 weeks after quarter day ([See Appendix 1](#))
- Number of void properties expressed as a percentage of the overall portfolio of non operational assets should not be more than 5% (See Appendix 1)
- Cost of utilities for each operational asset is currently being derived and we will be undertaking a review of each to ascertain that the cost of these utilities meets with government guidelines (e.g. CO₂ emissions, energy consumption, etc)

National Performance Indicators

The following BVPIs relate to asset management and will be reported to Members:

Buildings Open to the Public with DDA access

- The percentage of local authority buildings open to the public in which all public areas are suitable for and accessible to disabled people ([See Appendix 2](#))

Heritage Assets reviewed

- The percentage of local authority heritage assets which have been reviewed within the last 5 years as a proportion of all local authority assets ([See Appendix 3](#))

Smoke free Buildings

- The percentage of local authority owned and controlled buildings that are completely smoke free

The Council has introduced a ban on smoking in the Town Hall and is proposing to introduce a phased programme banning smoking in all other Council venues ([See Appendix 4 for list](#))

Condition Surveys

- We now undertake condition surveys of all of our operational assets on a rolling programme. The costs of undertaking these surveys is covered by the backlog maintenance monies and the decision of which properties/assets will be surveyed is controlled by the Corporate Property Officer.

Internal Rate of Return on Non Operational Assets

- Please see CD Rom disc for information. These figures and the yields need to be updated to reflect current market conditions and this will be programmed into 2006/07.

Suitability Surveys

- Suitability Surveys have not yet been undertaken. We have, however, disposed of properties which we considered were not fit for purpose over the past 3 years, including The Pines, Hope Lodge, The Cedars and a number of staff properties which were surplus to the Council's requirements. In the Financial Year 2006/7 it is the aim of the CPO to review good practice of other Authorities and prepare a suitably detailed but easily understood questionnaire on all of the operational assets for the Service Managers and relevant stakeholders to complete and the results will be analysed thereafter.

3. PROGRAMME AND PLAN DEVELOPMENT IMPLEMENTATION

3.1 Capital Programme Monitoring

After the annual capital programme is approved by Council every capital scheme is allocated to a scheme manager and given a unique cost centre. All expenditure relating to the scheme will be charged to the cost centre. Scheme managers complete a milestone return to the Corporate Finance Division at the start of the year detailing expected dates for each key milestone of the project.

Scheme managers are sent monthly budget statements and every quarter they complete a standard pro-forma detailing progress on the scheme. These are sent to Corporate Finance who review each scheme, using the pro-forma and making reference to the expected milestones, with the various scheme managers. The information gathered during this exercise is then collated into the corporate capital programme monitoring report.

This report is reviewed by the Capital Management Group and a draft is presented to Directors before being sent to Committee Chairmen for comment. Once approved the report is sent to all Councillors.

3.2 Acquisition and Disposal of Assets

3.2.1 In the submission of the Asset Management Plan in 2001, we committed to review the Council's property portfolio on a regular basis.

3.2.2 Since the 2001 submission we have disposed of a number of assets. Disposals so far in the 2004 – 2008 Financial Plan have been: -

Year	Asset	£000
2004/2005	Land at rear of Pines	75
	Hope Lodge	350
	Hook Road	207
	Primrose Cottage	330
	10 Laburnum Road	410
	225 Chessington Road	2
	The Pines	880
	Restrictive Covenant Release 122 Hook Road	10
	TOTAL	2,264
2005/2006	Alexandra Lodge	250
	Release of Restrictive Covenant 123 Gib Cres	25
	Release of Restrictive Covenant 296 Hook Road	25
	Release of Restrictive Covenant 294 Hook Road	25
	Court Rec Lodge	275
	Cedars	1,090
	TOTAL	1,690

- 3.2.3 In accordance with Best Practice and good asset management planning the Council will agree and regularly review a policy statement in respect of disposing of assets.
- 3.2.4 The Council has adopted a modern Procurement Strategy and the Financial Policy Panel review the strategy and monitor implementation of the action plan supporting the strategy.
- 3.2.5 The Council has not currently adopted a formal methodology for project management. At present all major project schemes are managed using an informal “cut down” version of Prince 2. However Officers are not formally trained to use Prince 2.

Project Management training is included in the management development programme that is currently being put together by HR. This module will form part of a larger development programme that all senior managers will undergo in the next 3 years. The specific details of this module have not been agreed to date.

The Council needs to decide whether a formal project management template is to be used across the authority for all projects. This would need to be supported with appropriate training. This needs to take into account the complexity and value of each project to ensure that it is appropriate.

As a minimum all projects must be properly planned from the initial start-up phase using MS Project to ensure that an overall project plan which identifies the critical path is produced and regularly monitored.

Major projects should in addition have a project initiation document (PID) produced and approved by Directors at the outset of the project. Major projects are defined as being either over £250,000 in value or those that are especially complex or high risk.

The PID needs to cover the following areas:

- The objectives
- Roles and responsibilities – who is the client etc
- Identifies the risks and how they will be managed
- How and when is it going to happen?
- Project controls and reports including financial issues

- 3.2.6 Procurement & Projects will need to report directly to the Capital Group in order to ensure that the capital programme, along with other key one off projects, can be delivered on time, on budget and any difficulties highlighted and resolved.

DISPOSALS & ACQUISITIONS – POLICY STATEMENT/PROCEDURE NOTE

METHOD OF DISPOSAL OF SURPLUS/UNDER USED COUNCIL OWNED PROPERTY AND LAND

Introduction

This statement sets out in sequence, the procedure to be adopted in connection with the disposal of surplus/under utilised property and land, including open space land. The statement complies with the current Office of the Deputy Prime Minister (ODPM) Guidelines on Asset Management and Best Value.

1. Definition of Surplus/Under-utilised property or land

A site/property/land is deemed to be surplus to the Council's requirements if:

- (a) It makes no contribution to the delivery of the Council's services nor generates any income, and it has limited potential for future service delivery or strategic or regeneration/redevelopment purposes or
- (b) An alternative site has been identified which would achieve a more cost effective service delivery and the existing site has no potential for future alternative service delivery or strategic or regeneration/redevelopment purposes.
- (c) in the case of open space land the Council has an over supply throughout the borough of the site's designation
- (d) if the area of open space in question was developed there would be no deficit of this type of open space in that particular area of the Borough(ie it is covered by the catchment of another area of open space of the same designation or an open space of another designation, also in the same catchment area, can supply a similar function(ie a park and garden that has an informal kickabout area can also provide an amenity green space function)

A site is deemed to be under-used if either:

- (e) The income being generated from the site is below that which could be achieved from:
 - An alternative use
 - Disposing of the site and investing the income
 - Intensifying the existing use or
- (f) Part of the site is vacant and is likely to remain vacant for the foreseeable future.

2. Site Identification

Sites for possible disposal may be identified in the following ways:

- Through strategic asset realisation work undertaken by the CPO
- Through Local Plan designation
- Through Directors/Services Managers/Estates declaring sites being surplus to requirements.

NB where an under-used asset is generating an income, a cost/benefit analysis needs to be carried out in consultation with the Director of Finance to establish whether it is in the Council's best interest to dispose of the site

- Through identifying previously unidentified surplus land from the Land Registry Searches and audits (i.e. open space audit)
- In the case of open space a robust Open Space and Leisure Audit has been undertaken which has identified some categories of Open Space where there the provision is higher than the proposed standard. The officers will also be informed in this process by the results of Citizen panel consultations on how valued the open space land is by residents in terms of quality and use

3. Site Investigations

Once potential site/land/property has been identified the CPO will consult with all departments (legal, planning, environmental health etc) to ascertain whether there are any constraints.

4. Land Use/Planning Brief

Unless a site is already designated for a specific use in the Local Plan, consultation will take place with the planners for the preferred type of development for the site. This will be either:

- a) Housing Social
- b) Housing Private
- c) Industrial/Commercial
- d) Leisure/Community

Depending on which type of scheme is preferred by the planners it will almost certainly be necessary to also discuss proposals with the Highway Authority. This will be in addition to the normal highway authority consultation under the planning application process

The preferred approach to ensure control of the type and scale of the development on the site to be sold, is to dispose of the site with an approved development brief/outline planning permission. This should also provide additional certainty of the site's value(though provision should be made in the terms of the contract for a share in any development value uplift should the purchaser secure planning permission for a more valuable scheme)

5. Section 123 Local Government Act

In the case of public open space land, once the use has been ascertained, the Council will need to advertise for 2 weeks in the local newspapers to ascertain whether or not there is public objection and dependent on the outcome of the advertisement it may be necessary to hold public consultation so the officers/members can fully explain the extent of the scheme etc.

6 Planning Permission

Each site will be looked at in its entirety but in some cases the Council will apply for planning permission on its own land to ensure that the land use is consistent with local plan policies. The CPO will submit the application on behalf of the Council.

7 Independent Valuation

Where the disposal of a major or complex site is being considered, independent valuation advice will be sought.

8 Method of Disposal

The CPO will recommend the method of disposal (e.g. Auction, Private Treaty etc).

Unless a "special purchaser" has been identified, all potential purchasers are to be given an opportunity to tender/submit an offer.

Where the disposal is by way of a long lease, advice from the Director of Finance will be sought with regard to VAT, Capital Controls and treasury management.

9 Marketing Strategy

The CPO will recommend a marketing strategy (produced either in house, or in conjunction with estate agents, commercial agents etc). All costs (including legal, marketing, consultants, works required to site) are to be included in a completion statement at the end

10 Timing

The timing of any marketing/disposal will need to be considered against the background of the Council's budgetary requirements together with the state of the market. The following factors need to be taken into consideration:

- Current market conditions
- Potential for the site value to increase in the future
- Regional and Local Plan Guidance
- Introduction of the Planning Gain Supplement (tax on uplift in land values created by the (re)development. Possibly due to come into effect in 2008, with the sum payable on commencement of the development, not on granting of planning permission).

11 Approval

Once the Directors approve the disposal the CPO will prepare a report for the next Strategy and Resources meeting(and in the case of open space land subject to report and prior approval to disposal by the Leisure Committee) unless the disposal can be dealt with by way of delegated authority. If disposals fall within the delegation powers and it is deemed not appropriate to refer the matter to Committee then the relevant consultations will be carried out in accordance with the delegation.

12 Marketing

If no objections are received the marketing strategy will commence with a view to identifying a purchaser.

13 Negotiations

The return from any disposal is to be maximised unless there are overriding factors. The CPO will deal with all negotiations regarding the sale but if the offers come in at a price below open market value the matter will be referred to Directors for further consideration.

14 Instructions

Once a purchaser has been identified and all terms of the disposal agreed Legal Section will be instructed to prepare draft contracts for sale.

15 Completion

Once the disposal has completed Members and Officers, will be informed and notification to the public of the disposal through press release,as appropriate.

METHOD OF ACQUISITION OF LAND AND PROPERTY

Introduction

This statement sets out the procedure to be adopted in connection with the acquisition of land and property along with refurbishing/replacing existing buildings that are no longer fit for purpose.

1. Reasons for the Purchase of Land or Property

Unless there are exceptional circumstances the Council will only acquire land or property for the following reasons:

- (a) Its contribution towards the provision of the Council's services (e.g. possible Section 106 adoption of community building)
- (b) Economic Development
- (c) Revenue income generation
- (d) Strategic acquisition for development purposes

2. Market Research

Once a need to acquire property has been identified, market research will be carried out by the relevant services and the CPO will establish whether suitable land or property is available on the market to fulfil this need.

Where a number of potentially suitable properties exist in the marketplace robust comparisons will need to be made to establish which is the most suitable for the Council's needs. Criteria against which such decisions will be made include:

- (a) price
- (b) condition of property
- (c) availability (in terms of timing)
- (d) nature of tenure being offered
- (e) Locational advantages (where a strategic acquisition is under consideration)
- (f) Return on investment (where a revenue generating asset is being considered)

3. Financial Appraisal

Where a suitable property has been identified, a suitable financial appraisal will be carried out to establish the budgetary/financial implications of acquiring property at the quoted asking price. The advice of the Director of Finance will be sought throughout the process. The financial appraisal will take into account the following issues:

- (a) capital cost of the acquisition
- (b) any revenue or potential revenue generated from the property in the short and long term
- (c) availability of external funding
- (d) possibility of a joint venture
- (e) the cost in asset management terms including:- maintenance, refurbishment, demolition costs if appropriate, ongoing maintenance, life cycle costings, national non domestic rates, insurance
- (f) overall effect of the expenditure on the Council's budgetary position

4. Independent Valuation

Where acquisition of a major property or site is considered complex, independent valuation advice will be sought.

5. Committee Approval

Once financial appraisal has been undertaken and all issues considered a report will go forward to the Strategy and Resources Committee.

6. Negotiations

Once the principle of the acquisition has been agreed negotiations will commence with the Vendor where the sale is by auction, or tender bids will need to be formulated as appropriate.

7. Committee Approval

Any offer will be made subject to contract, committee approval, and where appropriate, survey. If offer is accepted it will be referred back to the Chairman of S&R and Chief Executive for approval.

8. Instructions

Once approval is received and surveys undertaken Legal will be instructed to complete the documentation associated with the acquisition.

9. Completion

Once the acquisition has been completed Members will be informed as appropriate.

ENERGY POLICY

In February 2005 the Council completed its Best Value Review on Sustainability. The Improvement Plan from the Review highlighted the following:

1. Commitment

Part of the Improvement Plan is to increase awareness and understanding of energy efficiency and to identify any opportunities for savings both monetary and of environmental concern.

The Council will aim over the next 5 years to improve its energy efficiency and reduce energy consumption in all its operational buildings. We intend to undertake energy efficiency surveys in all of our operational buildings. Due to budgetary constraints we will do these over a five year period. The results of these surveys will achieve the following long term goals

- To commit EEBC to responsible energy management
- To consider energy efficient investments
- To promote energy efficiency throughout our operations
- To take economically sound measures feasible to reduce consumption
- To attempt to minimise CO₂ emissions
- To use renewable energy wherever possible

2. Medium Term Objectives

To provide a safe working environment and at the same time strive to adopt best practice in managing facilities in all the Council's buildings and to optimise both energy and water consumption

- To adopt and maintain a system for monitoring costs, consumption and CO₂ emissions in all Council Buildings and develop a methodology for analysis and reporting feedback quarterly to Directors and Members
- To experiment with energy saving ideas
- To ensure energy efficiency is a consideration within the design, construction, procurement and maintenance of the Council's owned property portfolio by moving to a culture of "whole life costing"
- To procure energy and water at the most economic rates

3. Development and Implementation of the Energy Policy

An energy policy will need to be fully integrated with the other policies and strategies within the Council and we will be working to achieve this goal during 2006/7.

REVIEW OF COUNCIL'S POLICY ON ADOPTION OF LAND UNDER SECTION 106 (Note: this should be read in conjunction with the Council's overall policy on Planning Obligations)

1. Aim

The Council needs to ensure a sustainable policy whereby planning gains achieved by section 106 obligations which involve developer contributions to Council land/building assets:

- Are fully justified in accordance with national and local policies
- Provide appropriate and sufficient investment in existing buildings and land
- Ensure that acquisition of additional buildings and land eg community facilities/open spaces are accompanied by sufficient funding for future use and maintenance. Also, that in the case of community facilities there is a properly worked up plan for future community use and alternatives to Council adoption have been considered, including adoption of the facility by a suitable partner.

2. Issues

- (i) Planning gain relating to adoption of new land or buildings or investment in existing buildings will link with the Council's on going Capital programme based on an assessment of need.
- (ii) A method of calculation of new land or facilities and length of term of commuted sum payments for maintenance has been introduced, including overheads such as staffing costs:

Commuted Sum

The commuted sum is the principle required to return a set contribution per annum adjusted annually by inflation. The Council will be clear whether the calculation is made to pay out this sum in perpetuity or for a fixed number of years.

Example of Commuted Calculation in Perpetuity

Step 1

Annual maintenance costs to be incurred e.g. £20,000 pa to maintain a park £20,000

Step 2

Current interest rate achieved on investments 4.5%

Step 3

Current underlying rate of inflation 2%

Real rate of interest 2.45%

Commuted Sum Formula

Present Value = Annual maintenance costs/real rate of interest

Commuted Sum Required

£816,000

Real rate of interest calculation

The calculation is as follows
 $(1+r)/(1+i)-1$
 r=rate of interest achieved on investments
 i=rate of inflation

Example of Commuted Calculation Fixed Period

Step 1

Annual maintenance costs to be incurred e.g. £20,000 pa to maintain a park £20,000

Step 2

Number of years of maintenance funded by commuted sum 20

Step 3

Current interest rate achieved on investments 4.5%

Real rate of interest 2.45%

Commuted Sum Formula

Present Value = Annual maintenance costs/real rate of interest

Commuted Sum Required

£313,000

The calculation is as follows

$(N/r)/(1-(1+r)^{-n})$

N = present value of annual maintenance costs

r=real rate of interest

n = number of years maintenance funded by commuted sum

- (iii) A commuted sum may be negotiated at a lower level where the community benefit has been quantified and the revenue cost implications have been assessed and approved.
- (iv) A decision will be made in each case on the appropriateness of adopting public open space, play area, youth facilities, sports pitches, MUGAs, riverside area ponds, woodlands screening or “buffer zones” and informal open space areas
- (v) A decision will be made in each case on the appropriateness of adopting community and leisure buildings and the possible alternatives to adoption. The Council prior to committing itself to a building should have a clear view of the end use and will calculate the capital and revenue costs of achieving a fully operational facility

NB All planning gain issues involving highways are dealt with by Surrey County Council as the Highway Authority and therefore are not addressed in this Plan.

3 National and Local Policy

S106 Section of Asset Management Plan

Background

The S106 process is governed by Planning Circular 5/05 that sets out 5 key principles of planning obligations. They must be:

1. relevant to planning;
2. necessary to make the proposed development acceptable in planning terms;
3. directly related to the proposed development;
4. fairly and reasonably related in scale and kind to the proposed development; and
5. reasonable in all other respects

Though the Council can use this mechanism to secure monies from development, it should be noted that it also limits the extent to which the Council can use its own discretion in allocating funding realised by a development to any project within the Borough. The site where the monies are invested must be directly related to the development site that provided the funding, in scale, kind and geographical location.

The Local Development Framework will comprise a Core Strategy that will set out the Council's objectives, including its commitment to secure planning obligations from developments and affordable housing. The detail to help deliver this commitment will be contained within Supplementary Planning Documents on affordable housing and open spaces.

4 Audit Review of Section 106 Processes

Internal Audit carried out a review of the Section 106 agreements process and reported in March 2005.

The recommendations in that report have been adopted including:-

- Ensuring all sums due to the Council have been received and accounted for
- Creating a robust and accurate database which is used to monitor and control S106 Agreements.

5 Conclusions

- (i) The Council will use the aims and issues identified in this section of the Asset Management Plan as a framework for ensuring that the method of implementing Section 106 Agreements involving developers contributions to Council land and buildings is workable and achievable for the foreseeable future.

LIST OF APPENDICES TO ASSET MANAGEMENT PLAN

[Appendix 1 = Rent Collection Data](#)

Appendix 2 = Buildings Open to the Public with DDA access

[Appendix 3 = Heritage Assets](#)

[Appendix 4 = Smoke Free Buildings](#)

[Other = Action Plan](#)

APPENDIX 1 RENT COLLECTION DATA

Investment Properties known as the epm codes	At at 1st January 2006	As at 1st April 2006	At at 1st July 2006	At 1st October 2006
Rent collected on non-operational property as % of rent due				
Potential Income achieved against maximum				
Amount of arrears				
Number of voids				

Staff Properties known as the spr codes	At at 1st January 2006	As at 1st April 2006	At at 1st July 2006	At 1st October 2006
Rent collected on staff property as % of rent due				
Potential Income achieved against maximum				
Amount of arrears				
Number of voids				

Leisure Properties known as the Park Properties	At at 1st January 2006	As at 1st April 2006	At at 1st July 2006	At 1st October 2006
Rent collected on non-staff property as % of rent due				
Potential Income achieved against maximum				
Amount of arrears				
Number of voids				

Please note this indicator was only introduced 2006/2007

ACTION PLAN FOR ASSET MANAGEMENT PLAN

KEY OBJECTIVE	KEY ACTION	TIMING	LEAD PERSON	PROGRESS
Handbook which will contain operational information including backlog maintenance costings, current condition, value, rateable value of all of Council's operational building assets	Collation of various information	July/August 2006	Alex Williams	Work in progress
Rent collection Data	Setting are appropriate targets with Finance	May/June 2006	Alex Williams/Doug Earle	Work in progress
Monitoring Porfolio compliance with legal obligations in particular Disability Discrimination Act	Programme in Place	Ongoing	Stewart Hill	Work in progress
Ensuring buildings are suitable, accessible and maintained to the required standard	Criteria to be assessed and then agreed	October/November 2006	Alex Williams	Work in progress
Smoke Free buildings	Smoking to be banned in all of Council's venues	November/December 2006		Phased Programme to be agreed
Condition Surveys	Rolling programme	Ongoing	Alex Williams/Projects and Procurements	Work in progress
Improving energy efficiency	Carry Out Energy Efficiency Surveys by way of a rolling programme on all of our operational buildings over the next five years	April/May 2006	Alex Williams/Martin Stewart	consultants being chosen
Section 106 Database	Create a database	March/April 2006	Trevor Smith/Enver Enver/Pat Heath	Completed

Appendix 3

HERITAGE ASSETS

Name of Asset	Type of Listing	Last Reviewed
The Clocktower	Grade II	Refurbished 2004/2005
Ewell Court House	Grade II	Continually reviewed in backlog programme works to commence on roof and windows and basement July 2006

The Borough has approximately 400 listed buildings including structures and 21 conservation areas.

In February 2006 we have commissioned a firm of consultants to undertake a rolling programme of Conservation

Appendix 4

SMOKE FREE BUILDINGS

Name of Building	Smoke Free Y/N	2006/2007	Progress
Town Hall	Y	Y	Became operational on 1.1.06
Rainbow Centre	Y	Y	Became operational when building was completed
The Playhouse	Part		Not in auditorium but able to smoke in bar area
Bourne Hall	N	N	
Ewell Court House	N	N	
Cox Lane Community Centre	Y	Y	
Longmead Community Centre	Y	Y	
The Wells Social Centre	Y	Y	
Hook Road MS Car Parks	N	N	
Ashley Centre Car Park	N	N	
Mansion House Nonsuch	N	N	
Cemetery Chapel	Y	Y	
Pavilion Alex Recreation Ground	N	N	
Pavilion Auriol Park	N	N	
Pavilion Court Rec	N	N	
Pavilion Gib Rec	N	N	
Pavilion Poole Road	N	N	
Horton Country Park Information Centre	N	N	
Community Centre Horton Country Park	N	N	
Ebbisham Centre	Y	Y	
Nusery Lodge Nonsuch Park	N	N	
Compliant/non-compliant			