



Epsom and Ewell Borough Council Asset Management Plan

2009-2012



Final April 2010

Introduction

Effective asset management ensures that the property estate is in the optimum condition to enable the Council to meet its objectives and to provide the best service by the most economic and sustainable means.

This is not only a desirable objective in itself but is also a requirement of Central Government policy under which local authorities are encouraged to develop sustainable communities whilst rigorously pursuing best value for money. This policy is embodied in '*Strong and Prosperous Communities - The Local Government White Paper*' (CLG, 2006), '*Building on Strong Foundations - A Framework for Local Authority Asset Management*' (CLG, February 2008) and subsequent publications. These encourage local authorities to achieve positive outcomes by having an effective strategic and political leadership, working with partners and involving communities, and providing wide-ranging, strong local accountability.

More recently the Audit Commission published '*Room for Improvement*' (June 2009). This states that since publication of its earlier report on local authority property holdings, '*Hot Property*' (2000), most councils had made only modest progress in improving the management of their estate. The report goes on to describe examples and methods by which better property management can be achieved.

This approach is articulated in the Audit Commission's '*Comprehensive Area Assessment, Key Lines of Enquiry 2.3 and 3.2 on the Use of Resources*' ('KLOE') which assesses asset management standards against the following criteria:

- assets should be used for the benefit of local communities
- asset holdings should be considered in a wider context than the main service use

- asset management should be integrated with corporate goals, objectives and business processes
- authorities should work with partners on managing public assets

The Council's property assets will be used to assist in achieving the aims of the Corporate Plan and the national goals summarised above.

Scope and Content

This asset management plan (AMP) outlines the Council's asset strategy and related matters such as organisation and governance, roles and responsibilities, data management and performance management. It provides a framework for decision making and action to fulfil these aims. In this context 'asset' has a limited definition of legal interests in land and property.¹

The asset strategy comprises a general statement of how the asset base will be used to meet policy objectives and at an operational level how individual properties or asset categories will be managed in support of those goals.

Property is fundamental to the delivery of the Corporate Plan's objectives and the AMP is designed to ensure that it supports them in the most efficient and cost effective way. Appendix 1 provides a summary of the strategic framework. Management structure and responsibilities are outlined in Appendix 2.

¹ Public Sector Asset Management Guidelines. (RICS 2009)

1. Asset Strategy

The Asset Strategy will support the Council's Ambition and Key Priorities as follows:

- **Provide value for money** by creating a property estate which is fully recorded, efficient, flexible, well maintained and run on sound financial criteria.
- **Promote sustainability and tackle issues of climate change** by minimising energy consumption and promoting the management of buildings in accordance with sustainable principles.
- **Invest in employees** by ensuring that all Council property is suitable, safe and accessible.
- **Enhance the visual appearance of the local environment** by the application of rigorous maintenance standards and re-use or disposal of redundant or under-utilised assets.
- **Enhance services for young people** by a regular review of space utilisation in Council venues and management of parks and open spaces to broaden social, recreational and sporting opportunities.
- **Tackle anti-social behaviour** by ensuring that property is well designed, in good repair, secure and enhances the local environment.
- **Identify opportunities for partnership and sharing** by development of initiatives via the Local Strategic Partnership (LSP), co-location, flexible leasing and community asset transfers.

How will we will do this?

We will:

Action	Objective	Date
General		
Deliver and develop the new AMP.	Value for Money	February 2010 and ongoing
Update the asset register to ensure that all assets are accurately recorded.	Value for Money	December 2009 and ongoing
Improve the coverage and accuracy of all property performance data.	Value for Money	March 2010 and ongoing
Challenge the need to retain assets which no longer support strategic objectives and identifying opportunities for capital receipts.	Value for Money	Ongoing
Review suitability and performance to identify surplus property.	Value for Money	March 2010 and annually
Identify opportunities for shared use of property, partnership arrangements and asset transfers.	Partnership and Sharing	Ongoing
Operational Property		
Undertake a regular review of space utilisation and seek opportunities for further investment or letting opportunities.	Value for Money	Ongoing
Review maintenance budgets.	Value for Money	Ongoing
Maintain a five year rolling programme of condition surveys of all operational assets.	Investing in Employees Value for Money	Ongoing
Update and implement the backlog maintenance programme.	Enhancing the appearance of the local environment	March 2010 and annually
Ensure that all property is maintained and repaired within the limits set by the budget.	Value for Money	Ongoing

Action	Objective	Date
General		
Extend sustainable energy policies and energy efficiency measures to all Council buildings.	Tackling Sustainability and Climate Change	Ongoing
Continue to improve accessibility in accordance with the Disability Discrimination Act.	Investing in Employees Focusing on our customers	Ongoing
Improve co-ordination with service departments and external bodies and ensure that property issues are included in Best Value Reviews.	Partnership and Sharing	Ongoing
Initiate suitability audits and identify assets which are surplus to requirements.	Value for Money	March 2010 and annually
Extend the scope of National and Local Performance Indicators.	Value for Money	March 2010 and annually
Assess the current provision of public conveniences and consider closure and /or disposal.	Value for Money	2009/2010
Non-operational Property		
Ensure that all Tenanted Non-Residential Properties (TNRPs) make the maximum contribution to revenue targets or other non-fiscal objectives.	Value for Money	Ongoing
Maintain occupancy levels and ensure prompt implementation of key events (e.g. rent reviews, lease renewals).	Value for Money	Ongoing
Monitor energy costs and other outgoings efficiently and recharge in accordance with lease terms where necessary.	Tackling Sustainability and Climate Change	Ongoing
Promote sustainable policies as part of lease and service charge regimes.	Tackling Sustainability and Climate Change	Ongoing

Action	Objective	Date
General		
Continually review opportunities for revenue and capital improvement by lease restructures and variation of terms.	Value for Money	Ongoing

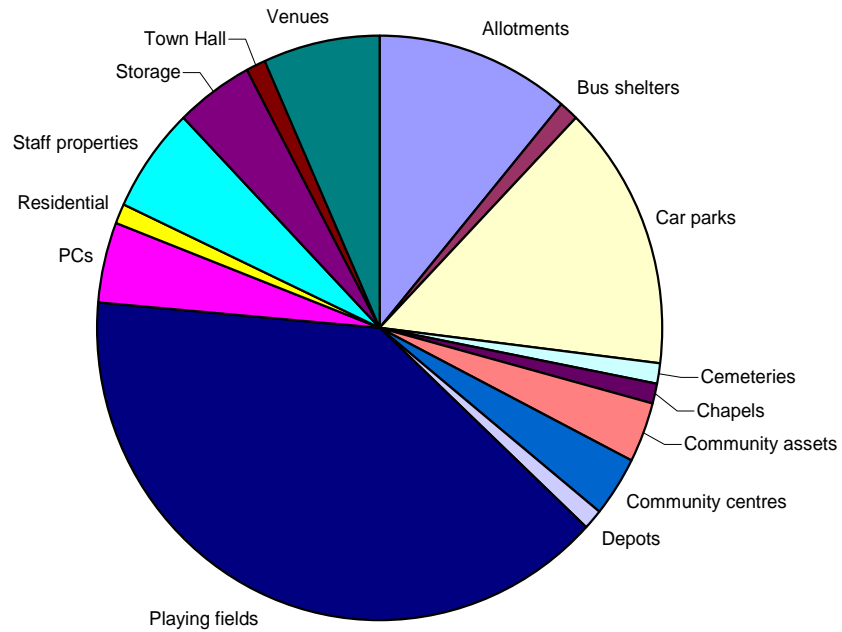
Appendix 6 summarises the specific objectives for individual properties.

2. The Property Estate

Property Assets

The Council's property holdings are summarised in Appendix 7. The portfolio comprises 41 major operational properties and 37 investment properties (see charts below).

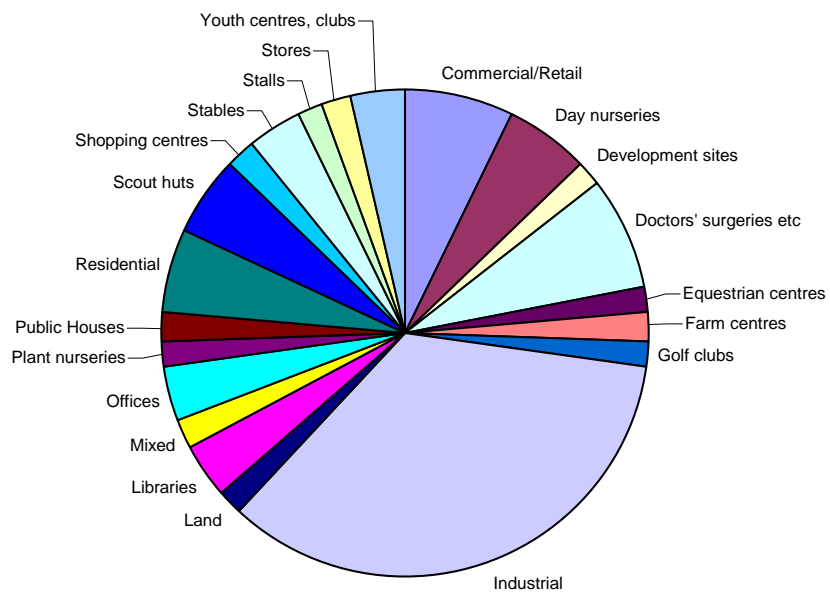
Operational Property



The portfolio includes a large number of parks and open spaces, Epsom and Ewell having the highest percentage of land in this category of any district or borough in England. As would be expected a significant number of properties have direct or indirect associations with horse racing and riding - for example stabling and grazing land.

Leisure and venue properties also constitute a larger proportion than might be expected for an authority of this size, although most are in mixed use, including libraries, health centres and other services.

Non-operational Property



The largest single investment property by value is the Ashley Centre, of which the Council owns the freehold subject to a long ground lease.

There is also a considerable industrial holding concentrated in the Longmead and Nonsuch Industrial Estates, most of the properties also being let on long ground leases. In contrast the Council owns only two traditional high street properties and no significant office accommodation outside the Town Hall complex.

There are 51 leases and licences in the investment portfolio, excluding minor agreements, wayleaves etc. Appendix 8 (confidential) provides a summary of let properties showing basic lease terms and current rents.

Data Management

The Council uses a number of property related databases as summarised in Appendix 9.

UNI-form Estates will increasingly constitute the technical core of the property asset management function but there will continue to be some reliance on the use of Excel based spreadsheets and other media for the handling and presentation of property information and reports, as they are more widely accessible to non-specialist users.

3. Condition

Repairs and Maintenance

The repair and maintenance requirement for each property is determined by a condition survey which is undertaken on a five year rolling programme. Based on this information the Procurement and Projects Team undertakes an annual review of the planned maintenance programme within the budget parameters set by the Financial Plan. Details of the process of classification and implementation of works are provided in Appendix 10.

In the long term the Council's aim is to reduce the backlog maintenance programme to levels which can be fully met within the limits of the funds available. The primary objectives for the period to 2012 are

- to spend the maintenance allocation in the most cost effective manner in a climate of reduced funding in real terms
- to integrate the repairs and maintenance programme more closely with other property performance criteria such as energy costs
- To compile and organise the necessary data to allow accurate comparison with national property performance benchmarking
- As part of the maintenance strategy identify obsolete or inefficient buildings for improvement, disposal or demolition before they become a significant drain on resources.

Asbestos

The Control of Asbestos Regulations governs the treatment, removal and management of asbestos in buildings. Asbestos surveys have been undertaken on all of the Council's properties. The incidence of asbestos

containing materials and the remedial measures taken are recorded in the Asbestos Register maintained by the Procurement and Projects team. This is updated to ensure that works to affected buildings are undertaken in accordance with approved procedures.

Legionella

Property owners and managers have a duty under statute² to control the incidence of Legionella contamination in water systems. The Council's buildings are monitored and maintained under the facilities management contract with ISS Coflex.

Fire Risk Assessments

Fire risk assessments (FRAs) replaced the old system of fire certificates in October 2006³. FRAs and a fire management plan are required in all non-domestic premises, common parts of flats and houses in multiple occupation. The Procurement and Projects team is responsible for undertaking FRAs and implementing any necessary fire safety measures in Council properties.

Sustainability and Energy Strategy

One of the Council's Key Priorities is '**promoting sustainability and tackling issues of climate change**'.

This is consistent with Central Government policy as enunciated in 'Strong and Prosperous Communities - The Local Government White Paper' (CLG 2006) and subsequent guidance which stresses the need for local authorities to develop sustainable communities while rigorously pursuing best value for money.

Sustainability in the context of asset management focuses mainly on buildings in use (i.e. post construction) and on the environmental impact of

² 'Control of Legionella bacteria in water systems'. (Health and Safety Executive, 2001)

³ Regulatory Reform (Fire Safety) Order 2005

- energy use
- water consumption
- waste management
- mode of travel and distance to the building.

Sustainability also embraces values such as accessibility, visual impact, flexibility and efficiency/suitability as well as energy and climate considerations. In the main these criteria will be applied in managing the existing asset base but it also makes sense for them to be employed in the procurement process so that new buildings are well designed, energy efficient and flexible.

Over the lifetime of this Plan we will extend data collection to encompass more of these values. This information will be used to challenge whether assets are performing efficiently and provide value for money, and if not whether there is a case for new investment or disposal.

Appendix 11 provides a summary of progress which has been made in this area to date.

Accessibility

The Disability Discrimination Act 1995 (DDA) requires all providers of goods, facilities and services to take reasonable steps to avoid discriminating against disabled people. In the property context this usually entails altering or improving accessibility to buildings either by changing management methods or by physical alteration. DDA access audits are used to assess what measures are needed.

The effectiveness of the Council's accessibility strategy is assessed against two performance indicators:

- The first, BVPI 156, measures the percentage of local authority buildings which are open to the public in which all public areas are suitable for and

accessible to disabled people, as defined in Approved Document Part M of the Building Regulations.

- The second, PMI 4 of the National Property Performance Management Indicators (NaPPMI), monitors progress in providing access to all operational buildings for disabled people by measuring the number of buildings for which a DDA access audit has been undertaken and for which an accessibility plan is in place in overall terms and by percentage of gross internal area.

Appendix 12 shows Council buildings to which the public have access where access audits have been completed and accessibility plans are in place. The Town Hall has been subject to audit but is not yet fully compliant. Nonsuch Mansion House will be subject to full audit in due course but measures have been taken to ensure that public areas are compliant.

4. Measuring Performance

'Gap' Analysis, Suitability and Sufficiency

Does the Council's property ownership reflect its existing requirements and future needs? Many of the factors already described contribute to an assessment of how well the portfolio meets current objectives: repair, energy consumption etc. In addition it is also necessary to maintain a strategy for adapting and, where necessary, restructuring of the property portfolio to ensure that it is suitable and sufficient to meet future requirements . These are articulated at a strategic level in the Council's Key Objectives and Core Values. Within this framework operational needs are set out in individual service delivery plans and reports.

This 'gap' between existing provision and current or future needs is quantified partly by using the standard performance indicators which are described elsewhere. These provide an impartial measure against commonly recognised benchmarks. In addition we are commencing an assessment of operational property against the following criteria:

- Tenure (including, if leasehold, rent and other liabilities)
- Location
- Use type, proportion in operational/non operational use
- Floor Area (Gross/Net)
- Accessibility
- Vacancy level/space utilisation
- Layout/efficiency
- Scope for alternative use/expansion

Most of these values can be objectively measured but the last two are a subjective opinion of the building design, age and location agreed by the Estates and Procurement teams in conjunction with the service 'owner'.

This data will help to determine whether a building is suitable and sufficient to meet service needs and contribute to the process of deciding whether it

should be retained, adapted or sold.

Different criteria are applied to non-operational or investment property. These may have been acquired and held for historic reasons, some of which are no longer relevant to current objectives. The decision of whether to retain ownership is determined by the evidence of expected capital growth and /or revenue streams which can be used to support Council services. The alternative is to disinvest and deploy the funds directly elsewhere. The CPO will undertake a rolling review of the investment portfolio during 2009/2010 and beyond to establish whether asset performance is satisfactory or whether it is necessary to recommend a sale or other action.

Property Performance Indicators

As one means of gauging the effectiveness of the asset strategy from 2010/2011 we will be using National Property Performance Indicators, ('NaPPMI'), an independent measure of performance against recognised benchmarks, to check the performance of property assets in terms of condition, maintenance costs, energy and accessibility. These were originally formulated for local authority use by a group including all the main professional property organisations and are now administered by CIPFA under the National Best Value Benchmarking Scheme. The system has been adopted by more than 130 local authorities.

Annual returns are compiled in a standard format which allows progress to be checked year to year and a comparison of performance against a benchmark derived from the performance returns of other peer authorities. The basic indicators cover condition, backlog maintenance and energy consumption but have gradually been extended to encompass accessibility (already covered by BVPI 156), costs on building projects and other matters.

The compilation of the necessary data depends on an accurate record of building areas and occupations and therefore its development will be closely linked to the updating of the asset register. The standard format is shown in Appendix 13.

5. Risk Analysis

The adverse economic conditions which will prevail during the currency of this AMP will present a challenge to all aspects of its implementation. This is most obvious from the risk of restricted or reduced funding and the inherent unpredictability of the economic cycle but is also indirectly manifested in the potential inefficiencies which can result from inadequate resources. This places even greater emphasis on the need to identify and assess the nature of the Council's property estate and ensure that it is fully deployed to meet its objectives. A summary of property-specific risks follows:

Risk: The asset register is not updated and maintained.

Result:

- Property data and tenancy information is inaccurate.
- Buildings are not used to maximum efficiency.
- Opportunities for revenue generation are missed.
- Ownership may be questioned and lost.

Action: Ensure that the necessary property and financial data are identified and recorded in an accessible format.

Risk: Building income and costs are not effectively recorded and charged.

Result:

Revenue is not maximised and avoidable outgoings are incurred.

Financial targets are not met.

Shortfall in funding means that risks of disrepair and other management objectives are not met.

Action: Maintain an accurate property accounting system and ensure that lease events (rent reviews etc) are promptly implemented.

Risk: The estate is allowed to fall into disrepair.

Result:

- Building efficiency and sustainability are reduced.
- Disrepair will eventually present a threat to health and safety.
- Dilapidated property detracts from the environment and attracts anti-social behaviour.
- Investment value will be damaged.

Action: Maintain regular condition surveys and implement essential repairs in accordance with the maintenance programme.

Risk: Energy efficiency measures are not implemented.

Result:

- Energy costs increase.
- Carbon reduction targets are not met.
- Funds are diverted from other priorities.
- Increased carbon emissions and adverse impact on climate change.
- Attraction on sale and letting is reduced.

Action: Monitor energy use and ensure that current energy reduction targets are achieved.

Risk: Accessibility audits and compliance are not pursued.

Result:

- Building flexibility is impaired.
- User satisfaction is reduced.
- Equality policy is undermined.
- Exposure to civil and statutory action.

Action: Continue to extend DDA compliance by management and physical improvements.

Risk: Fire risk and health and safety assessments are not maintained.

Result:

- Buildings fabric is at risk.
- Insurance cover may be reduced or withdrawn.
- Threat to user safety.
- Threat of civil or statutory proceedings.

Action: Ensure that all risk assessments are reviewed and improvement measures are implemented.

Risk: Reviews of space utilisation and gap analysis are not undertaken.

Result:

- Property is not fully utilised and running costs are uncontrolled.
- User satisfaction is reduced.
- Opportunities for increased revenue may be lost.
- Long term impact on sustainability and partnership strategies.

Action: Complete space survey of existing portfolio and staff satisfaction.

6. Conclusion

There are two distinct arms to asset management⁴. One deals with process: the articulation of strategy, the setting of property specific objectives, planning and delivery. This AMP is designed to address those issues. The second arm is the development of a culture, structure and resource base which are able to ensure that the principles of good asset management are applied at all stages of the management process as a 'whole organisation' activity. During the life of this AMP it is expected that further progress will be made towards this goal so that the principles of good asset management will become a fundamental aspect of all strategic thinking.

• ⁴ Public Sector Asset Management Guidelines (RICS 2006)

Appendices

1. **Strategic Framework**
2. **Management Structure**
3. **Sharing and Partnerships**
4. **Acquisitions and Disposals**
5. **Delegation of Functions – Property**
6. **Property Specific Objectives**
7. **Council’s Property Ownership at March 2010**
8. **Investment Properties and Lettings (Confidential)**
9. **Property Data Management Systems**
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12. **Accessibility**
13. **NaPPMi Indicators**

Appendix 1

Strategic Framework

The Corporate Plan 2007-2011 sets out the Council's Ambition, Key Priorities and Core Values. The Council's Ambition is:

*“to maintain and develop those **distinctive characteristics** that make living and working in Epsom and Ewell a matter of conscious choice and **in conjunction with others** provide **quality and innovative services** that are based on the identified **priorities of our residents.**”*

Property is one of the four resources ('Finance, Property, People and Information') which are central to delivery of the Corporate Plan objectives. The composition, condition and deployment of these resources are described in four service plans: the Medium Term Financial Strategy, the AMP, the Team Strategy and the ICT Strategy respectively. These service plans, together with the annual Key Service Priorities and annual cost centre targets, each contribute to an integrated vision of how resources will be deployed to meet the Key Priorities.

Core Values are central to delivery of the Key Priorities and all Council services. They are:

- Providing value for money
- Investing in Employees
- Focusing on our Customers
- Improving continuously
- Performing with integrity, openness and honesty

The Corporate Plan identifies how the Core Values are linked to the various supporting plans and strategies.

Links with the Financial Plan (2008-2012), Medium Term Financial Strategy and the Capital Programme

The Medium Term Financial Strategy sets out the approach which the Council has agreed to manage its finances between 1 April 2008 and 31 March 2012, to ensure that the Council Tax policy is maintained whilst the Council fulfils other ambitions in the People and Performance Corporate Plan.

The Financial Plan assumes that a £250,000 per annum improvement is required to the budget forecast through extra income generation, service cost reduction and efficiency savings. Three reviews have been agreed as part of the Medium Term Financial Strategy:

- Fees and Charges
- Property
- Value for Money

The property review component of the Medium Term Financial Strategy encompasses a rolling review of the Council's property assets to generate additional funds for investment, 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 is sold.

The Council's Capital Programme is in the second year of a four year cycle (2008-2012). It is reviewed and updated annually to take account of changes resulting from the release of funds from disposal and other sources.

The AMP is tasked with assisting in these objectives by

- Undertaking a review of all property assets
- Prioritisation of the planned maintenance base budget of £200,000
- Identifying surplus property for disposal
- Achieving increased rent income of £50,000 per year
- Creation of an energy management plan for all Council owned buildings.

Team Strategy

The Council's Team Strategy supports the Corporate Plan and Medium Term Financial Strategy by maintaining a focus on the contribution of both Councillors and Staff to local services through

- Developing leadership capacity
- Organisation
- Workforce skills
- Recruiting and retaining good employees
- Modernising pay and rewards to support performance

ICT Strategy

The ICT Strategy is designed to set the direction of ICT in support of the Corporate Plan objectives by:

- Delivery of high quality services
- Improved access to services
- Cost effective and efficient service delivery
- Sound ICT governance.

Asset Management has a major role to play in support of these goals by ensuring that property assets are suitable, well located and in good repair so as to afford a safe, convenient and pleasant environment for the provision of Council services. Conversely, an effective and informed workforce supported by an efficient ICT framework underpins the AMP objectives by providing

- The necessary skills and knowledge for consistent and effective decision making
- A responsive and focused property management regime
- The data handling facilities required to create and maintain a comprehensive asset register
- A comprehensive information storage and recovery system which supports

the financial and legal aspects of property ownership

Sharing and Partnerships

The Council has been implementing a policy of shared use of its property assets in a wide range of contexts for a number of years, in pursuit of its ambition to work **'in conjunction with others'**. It has also been engaged in joint working arrangements on procurement and sustainability with Elmbridge Borough Council for several years.

We will continue to seek similar opportunities wherever possible and this will be a standard criterion to be applied in the review of the estate.

A summary of all current sharing and partnership arrangements is provided in Appendix 3 .

Community Asset Transfers

Complementary to sharing and partnerships is the principle of Community Asset Transfers (CATs), as described in *Making Assets Work - The Quirk Review of community management and ownership of public assets*. This states that

'local government needs to focus more on the overall welfare of its communities: their cohesion and harmony and the capacity for self-management...'

The benefits of this approach may be summarised as

- bringing people together
- enhancing the local environment
- giving residents a bigger stake
- delivering more responsible community services ⁵

• ⁵ Public Sector Asset Management Guidelines. (RICS 2009)

As part of our disposal policy and strategy of challenging ownership we will consider whether there are opportunities for transfer of assets, and if so the most appropriate legal structure to use - for example a short lease or licence, a longer term lease or an outright sale or transfer for market value or other consideration.

Appendix 2

Management Structure

Committee Structure

The Strategy and Resources Committee is responsible for the Council's property assets, asset planning and review and for approving strategic estates and property policy. It receives and authorises all key financial and property related papers. The Committee meets five times per year.

The four policy committees which control the provision of Council services utilise and manage operational property on a day to day basis to facilitate service provision. They are responsible for identifying Key Service Priorities and the need for new investment driven by service requirements via the Capital Programme and by way of the provision of individual reports and business cases to the Strategy and Resources Committee.

Direction and execution of asset strategy is therefore a product of the changing needs and aspirations of the respective service providers within the limitations set by the Capital Programme and Financial Plan.

The Financial Policy Panel (FPP) advises the Strategy and Resources Committee on property issues and oversees service expenditure reviews and performance management.

The Capital Member Group, composed of Council Members, liaises with the FPP on review and development of the Capital Programme.

Officer Structure

There are two officer groups which are integral to asset strategy and decision making. Each group provides advice at the appropriate level and the means for creation and implementation of asset management strategy.

The Corporate Management Board comprises the Chief Executive and the three departmental directors. It has first line responsibility to the Council for policy implementation and governance and oversees the work of the Capital Management Group.

The Capital Management Group is composed of those service heads with a specific financial and property remit, the CPO and the Senior Accountant, together with input from other directors and heads of service from time to time as circumstances require. This group engages in detailed assessment of property issues and objectives and ensures that these are considered in the wider context of the Council's Key Priorities and other policy objectives.

Broadly speaking this division of roles reflects the executive and professional/advisory functions respectively.

Corporate Property Officer

The role of Corporate Property Officer (CPO) is undertaken by the Property and Estate Manager. The CPO's main responsibilities are

- To lead on the creation, implementation and review of the AMP
- To assist service heads via the Capital Management Group in their property decisions and the identification of future requirements
- Compilation and maintenance of the property asset register and the preparation or commissioning of asset valuations
- Negotiation of sales, acquisitions and other transactions
- Reporting and advising on general property policy and decisions
- Management of the Council's non-operational land and property holdings
- Overseeing the planned maintenance programme and other property expenditure
- Performance measurement and review
- Main point of contact for advice on asset management standards in Council property

Procurement and Projects

The Procurement and Projects Team is responsible for capital projects, the maintenance of operational property and for some other managed buildings in mixed occupation, construction and building services, contract and project management and the Council's energy management and accessibility strategies. It also administers the external facilities management and planned property maintenance (FMPPM) contract under which the Council's properties are cleaned and day to day maintenance is carried out. It ensures that all contracts are awarded and managed in accordance with the Council's approved procedures.

All of these activities are important components of the property management function and the CPO liaises closely with the team to ensure that they are performed and funded within the terms of the AMP's objectives.

Appendix 3

Sharing and Partnerships

Property	Partner	Comments
Bourne Hall	Surrey County Council	Library and shared facilities
	Epsom & St Helier Hospitals	Lease of health centre
	Friends of Bourne Hall	Licence for museum space
Cox Lane Community Centre	East Elmbridge and Mid-Surrey PCT	Lease of doctors' surgery
Ebbisham Centre	Surrey County Council	Sublease of library and shared facilities management
Ewell Court House	Surrey County Council	Lease of library
	Girl Guides Association	Lease of store
	Ewell Court House Organisation (ECHO)	Representation on Management Committee
Horton Country Park	Surrey County Council/Lower Mole Valley Project	Lease of offices and shared use of workshops, parking and stores
	Girl Guides Association	Licence for use of Little Acres Campsite
Horton Footpath	Boy Scouts Association	Lease of Scout Hut
London Road, Ewell	Boy Scouts Association	Lease of Scout Hall
Scotts Farm Road, Longmead	Boy Scouts Association	Lease of Scout Hut
Nonsuch Park and Mansion House	LB of Sutton	Joint head-lease of park and buildings

Property	Partner	Comments
Nonsuch Park and Mansion House	Friends of Nonsuch Park	Consultation and representation on Joint Management Committee Management of Nonsuch Museum
Town Hall	Surrey County Council	Sublease of second floor
	Surrey Chamber of Commerce	Funded lease of office
	Age Concern	Use of offices
	Central Surrey Council for Voluntary Services	Use of offices
	Citizens' Advice Bureau	Use of offices
	Surrey Carers	Use of offices
	Victim Support	Use of offices

Appendix 4

Acquisitions and Disposals

A significant part of the Council's property review strategy is driven by the theme of questioning the need for continued holding of assets which, if sold, could release capital and assist in closing the gap between existing ownership and future needs. Recently this has become more difficult to achieve because as a result of previous reviews many of the most saleable properties - those which are better located and easily convertible to residential or business use, say - have already been sold.

When combined with a more challenging economic environment it is obvious that the disposal of surplus property in future is likely to be more uncertain. In this harsher climate opportunities for sale may still arise but it seems probable in the short to medium term that greater emphasis will be placed on good management of existing holdings to ensure that they are maintained and ready for disposal when circumstances are more favourable. This will entail an adequate repair regime, careful management of short term lease provisions and further development of gap analysis and suitability tests.

There are no active acquisition requirements at present and all immediate service needs are likely to be satisfied by utilising spare capacity within the current property portfolio. We will, however, keep under review the need to acquire new property and will identify suitable opportunities which can be justified on the grounds of exceptional value for money and as supportive of strategic objectives. We will employ the most appropriate method of acquisition for the case, e.g. via Section 106 agreements, compulsory powers or by private treaty.

The following tables summarise the main steps in deciding on acquisitions and disposals:

Acquisition Criteria

- Property requirements are identified by the Capital Management Group in compliance with the Capital Strategy.
- A business case is prepared, including a whole life costing exercise and a review of existing holdings to determine whether the need can be met from the current portfolio.
- A briefing note including location, size, specification and other relevant requirements is produced and agreed. At this stage, based on funding and other constraints a decision is made on the appropriate interest to be acquired (freehold, long lease etc.).
- The CPO, in liaison with the service head or other nominee as necessary, leads in the search and acquisition process, instructing external agents where appropriate, through the negotiation of terms, reporting and final approval by Strategy and Resources Committee.
- Strategy and Resources Committee must approve the terms of all acquisitions.

Disposal Criteria

- The property is declared surplus to requirements by the relevant service department, after concluding that operational life cannot be extended by repair, adaptation or other measures.
- An option appraisal is carried out to determine alternative operational use or other reason to retain the property. This exercise would encompass potential for income generation with or without further investment and whether it is possible to improve efficiency by a part disposal.
- Is there scope for a Community Asset Transfer or sharing option?
- If there is no potential for alternative use or transfer the preferred option should be a sale but this should be governed by an assessment of current market conditions and a review of longer term operational requirements.
- The Strategy and Resources Committee determines the best means of disposal - sale, long lease or short term lease/licence based on advice from the CPO or external agent. All disposals are governed by the obligation to secure the best consideration which can reasonably be obtained pursuant to Section 123 of the Local Government Act 1972.
- In the case of development land or property for refurbishment the requirement for an overage provision ('claw back') should be considered
- The Strategy and Resources Committee must approve the method and terms of all sales and of other disposals where a decision has not been delegated to Officers

Appendix 5

Delegation of Functions - Property

All sales, acquisitions and major contract commitments are subject to a full process of reporting and decision by the relevant Council Committee. The basic decision making matrix is summarised below together with a brief summary of the functions and powers which must be exercised by the Council or Committee. Functions which are not listed may be exercised by officers as specified under delegated authority but subject to the obligation to consult and inform Members and others as set out in the Constitution.

The following functions must be exercised by the Strategy and Resources Committee or referred to Council as appropriate. Functions not listed or transactions whose value falls below the levels specified may be exercised by officers (see below). In all cases officers may refer to Strategy and Resources Committee for decision where it is considered that there is political or public interest or if it is unclear whether a function is delegated. Officers have a duty to report progress of all projects which have been subject to Committee approval at suitable intervals.

- All acquisitions
- All sales
- The grant of rights to a third party for a fixed term in excess of ten years over Council property
- Any grant or disposal for a once and for all consideration in excess of £10,000
- Lease renewals, whether to or by the Council, for a term exceeding five years, unless the term granted is controlled by statute
- Rents and licence fees, excluding rent reviews and lease renewals, with a value exceeding £25,000 per annum, payable to or by the Council
- Any proposed change of use, development, demolition or redevelopment of Council property

Officers' Delegated Functions

Any of the delegated functions may be exercised by the CPO **or** the Principal Solicitor subject to obtaining suitable external advice and subject to consultation with the relevant service head or director where appropriate. For the avoidance of doubt the following functions may be exercised by officers under delegated authority:

- The grant of any variation, consent or licence under an existing lease where consent as landlord is required by any clauses contained in leases of the Council's properties which does not require a fine or cash payment as a consideration to or by the Council and has no negative impact on the value of the asset.
- Licences for use or occupation of land or buildings of any duration which are terminable at any time without penalty on up to three months notice.
- To make and settle proposals in respect of the rateable value of any Council property.
- To submit applications for planning permission and listed building consents on properties owned by the Council.

Appendix 6

Property Specific Objectives 2010/2011

Property	Objective
The Ashley Centre	Review head-rent provisions and basis of calculation
The Ashley Centre Car Park	Continue phased maintenance regime.
Depot Road, The Old Mortuary	Vacant. Assess requirement for repairs and potential for reletting
Ebbisham Centre	Review existing space useage and service provision and identify economies
Ewell Court House	Conclude lease for plant nursery tea-room Establish accurate recovery of utility costs Undertake audit of power consumption of new installations
Gibraltar Recreation Ground	Completion of DDA compliance works Assess building structure and programme repairs.
High Street, Unit 2, The Clock Tower	Vacant. Prepare new advertising and invite offers for new lease
Hollymoor Lane	Development of new housing and retail scheme dependent on funding situation Investigate feasibility of short term use pending redevelopment
Hook Road Car Park	Continue to monitor structure and undertake repairs as necessary

Property	Objective
Horton Chapel	Creation of new community facility. Investigate creation of Community Development Trust and other structures for refurbishment and future management
Horton Country Park	Future use of existing buildings in the event of relocation of GM/Rangers' office Prepare analysis of current building useage and potential for conversion Review of lease/licensing structures
Longmead Industrial Estate	Modernisation and restructuring of ground-leases Open negotiations with lessees as opportunity arises Completion of outstanding rent reviews
Nonsuch Park	Implement Management Plan objectives and secure funding for compliance with Maintenance Plan Mansion House, First Floor. Vacant. Prepare new advertising and invite offers for new lease Nursery Lodge. Vacant. Prepare new advertising and invite offers for new lease.
Town Hall	Review use of areas by partners and explore potential for efficiencies and other partnering opportunities.
Upper High Street Car Park	Establish a clear brief in liaison with planning and agree strategy for development.

Appendix 7

Council's Property Ownership as at 1 April 2009

Key:

CA: Community Asset

IP: Non-operational / Investment Property

OLB: Operational / Other Land and Buildings

Appendix 8 (Confidential)

Investment Properties and Lettings

This category, also known as Tenanted Non-Residential Property (TNRP), covers non-operational assets let to third parties other than housing e.g. retail, industrial and other commercial concerns.

The properties are let under a wide variety of lease and rental structures. These reflect changing estate and fiscal policies over the years and to some extent the great variety of property types which are to be found in an area with large amounts of open space and specialised property related to local activities such as horse racing and training. Many properties are subject to long term leases, up to 150 years, at a nominal ground rent or peppercorn, although a significant number also incorporate rent reviews at five yearly or greater intervals. Typical examples are those in the Longmead and Nonsuch Industrial Estates.

In current market conditions the prospects for rental growth in all sectors are limited and it is likely that this will continue for some years to come. In these circumstances, to achieve the targets set out in the Capital Programme it will be necessary to add value by reviewing existing lease terms and structures and seek opportunities for re-gearing by changing rent review intervals, offering longer lease terms and identifying new letting opportunities in under-used and surplus operational property. The CPO will be undertaking an assessment of existing lease terms in the asset review which is currently in preparation.

Appendix 9

Property Data Management Systems

- An electronic GIS (Geographic Information System) mapping service covers the entire borough. This enables identification of any property by way of a Unique Property Reference Number (UPRN) and also records highways, planning and other information.
- The Procurement and Projects team maintains records on condition and repair, asbestos audits and fire risk assessments, partly as paper based condition surveys and in spreadsheet form.
- A complete archive of deeds, plans and other documents is maintained by Legal Services. These are catalogued and regularly updated by the Legal Secretary.
- Financial Services maintain the Asset Register, copies of valuation certificates and supporting data. This is regularly reviewed and updated in liaison with the CPO and external valuers.
- Financial Services manage all accounting information in relation to property to ensure accurate and timely invoicing, payment and collection of charges. Updated and amended information on lease dates and rents is provided by the CPO and Legal Services.
- The Council's principal property management database is 'UNI-form, Estate Management' (formerly known as 'CAPS'). UNI-form has the capacity to provide a complete record of ownership, leases and other property data. It is also a management and diary system for events such as acquisitions, sales, lettings, rent reviews and lease renewals. A considerable amount of data has been compiled since the system was first commissioned and all of the Council's major property holdings are recorded. That information is being now reviewed against the deeds record and updated by the CPO to ensure its current accuracy. In the next one to two years we will also be extending the information coverage to other areas such as energy management and maintenance.

Appendix 10

Repairs and Maintenance

The Financial Plan includes the following funding sources for maintenance and repair:

Policy Committee Budgets – Service Cost Centres

- Reactive repairs
- Planned routine maintenance

Strategy and Resources Committee Budget – Corporate Programme

- Backlog repairs and maintenance
- Emergency Works (funded from Property Maintenance Reserve)

Capital Programme

- Major projects

Routine maintenance and repairs are a mixture of planned and reactive works which are met from the revenue budget. Minor day to day repairs are covered under the facilities management contract.

Backlog maintenance works are currently categorised in three levels of priority. Priority 1 works (i.e. those which present significant health and safety concerns, risks to services or an immediate cost liability) are completed as soon as possible but funding constraints mean that it is unlikely that all Priority 1 works for the year can be completed in accordance with the programme. Lower priority works are kept under review and dealt with as funds become available or as their priority increases. There may also be wider asset management objectives for a property which override the immediate requirement for work to be done.

A report is prepared for approval by Strategy and Resources Committee at the beginning of the financial year. This identifies the significant maintenance items for the year with estimates of cost. Following a review of progress a mid year report is submitted to account for adjustments to the original estimates and newly arising priorities. The CPO is given delegated authority to vary the programme within overall budget limits.

Approval for major works and improvements is obtained via a departmental bidding process and subsequently by formal report on a project by project basis. Any monies which are approved but not spent during the current year are subject to a further report to Committee to allow carrying over to the following year.

In 2008/2009 the cost of backlog maintenance carried out totalled £142,000. Significant works completed included continued energy conservation measures in high consumption buildings and renewal of decking surfaces at Hook Road Car Park. The total cost of the FMPPM contract in 2008/9 was £851,000 on planned maintenance and £150,000 on reactive maintenance (i.e. unscheduled call outs and works not covered as 'planned').

The current budget for backlog maintenance and repairs (2009/2010) is £250,000, £200,000 of which is allocated to programmed works and £50,000 for emergency repairs. Major commitments include DDA compliance works at Gibraltar Recreation Ground Pavilion, further energy conservation measures, replacement of the alarm system at Epsom Playhouse and of the Town Hall building management system.

Appendix 11

Sustainability and Energy Strategy

Since the Council completed its Best Value Review on Sustainability in 2005 significant steps have been taken to promote energy efficiency and the eradication of waste, and to minimise CO2 emissions in all Council properties.

Energy audits have been completed on all operational or mixed occupation buildings. These include recommendations for improvements to metering and service installations and for more efficient energy management. Implementation is recorded by an 'Energy Efficiency Actions' schedule which identifies the action required and the extent to which it has been completed. Many of these improvements are straightforward, such as the use of low energy lamps, improved insulation to pipes etc., but the introduction of more sophisticated equipment like smart meters, which is currently in progress in all major buildings, allows the Council to monitor energy consumption remotely and identify areas where efficiencies can be achieved.

Twenty seven smart meters have been installed to date and it is now possible to monitor approximately 80% of the overall energy consumption in the Council's properties. The smart meters measure consumption of gas and electricity every half hour and transmit the reading to a central, protected website. The resultant data is used to ensure that the run time of heating and other appliances is kept to a minimum. This has also led to the installation of more sophisticated timing devices in a number of locations to provide improved time control and has enabled the Council to set further energy reduction targets.

With effect from 1 October 2008 all public buildings with a floor area in excess of 1,000 square metres were required to have Display Energy Certificates (DECs). The four Council buildings (the Town Hall, Bourne Hall, the Ebbisham Centre and the Playhouse) which fall in that category have all been assessed and now exhibit DECs. There are proposals, still subject to consultation, for the scheme to be extended to buildings in excess of 250 square metres by

the end of 2010. If approved these will form part of the Council's future sustainability strategy.

Similarly, following a phased introduction commencing in April 2008, since October 2008 all non-residential buildings, subject to minor exceptions, must have an Energy Performance Certificate (EPC) on construction, sale, letting or when certain modifications are made. Responsibility for the EPC rests with the developer, seller or lessor and accordingly the Council has commissioned EPCs as appropriate on new lettings since that date (eg Nonsuch Mansion House).

Appendix 12

Accessibility – Buildings Open to the Public: BVPI 156

Building	Compliant with Approved Document M?
Alexandra Park Pavilion	✓
Ashley Centre Car Park	✓
Auriol Park Pavilion	✓
Bourne Hall	✓
Cemetery Chapel	✓
Cox Lane Community Centre	✓
Court Recreation Ground Pavilion	✓
Ebbisham Centre	✓
Ewell Court House	✓
Gibraltar Recreation Ground Pavilion	x
Hook Road Multi-storey Car Park	✓
Horton Country Park Community Hall	✓
Horton Country Park Information Centre	✓
Longmead Community Centre	✓
Nonsuch Mansion House	x
Playhouse	✓
Poole Road Recreation Ground Pavilion	✓

Building	Compliant with Approved Document M?
Rainbow Centre	✓
Town Hall	✓
Wells Social Centre	✓
Total no. of compliant buildings	18/20
BVPI 156 compliance	90%

Definition: BVPI 156 is the percentage of local authority buildings open to the public in which all public areas are suitable for and accessible to disabled people as defined in Approved Document M of the Building Regulations.

Appendix 13

NaPPMi Indicators