

## ASSET MANAGEMENT PLAN- ANNUAL REPORT

### Performance & Governance Committee – 18 September 2012

Report of the: Deputy Chief Executive & Director of Corporate Resources

Status: For consideration

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**Executive Summary:** This report details the progress made against the Asset Management Plan, reports the performance of the Council's properties and identifies further improvements to be undertaken in the forthcoming year.

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**This report supports the Key Aim of** Effective Management of Council Resources

**Portfolio Holder** Cllr. Ramsay

**Head of Service** Head of Legal and Democratic Services – Mrs Christine Nuttall

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**Recommendation:** That Members note the contents of this report.

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#### Property Ownership

1. The Council's property can be identified as four groups according to use and impact on the Council's services as follows:

<b>CATEGORY (defined by the CIPFA)</b>	<b>No. OF UNITS</b>	<b>AREA (m<sup>2</sup>)</b>	<b>ASSET VALUE (£)</b>
Depots, Offices & Public Conveniences (property employed to deliver/support services)	34	20,939	8,814,711
Community Buildings (property held for the benefit of the community)	30	1,570	4,334,807
Other Properties (property held for income generation)	27	12,210	1,850,705
Surplus Properties (property no longer required by the council)	5	239	1,671,770
<b>TOTALS</b>	<b>96</b>	<b>34,958</b>	<b>16,671,993</b>

## Property Review

2. Since the last report to Members (27 September 2011) the transfer of the following property has been completed:
  - Chancel Close, West Kingsdown (amenity land to parish) (£nil)
  - Forge Way, Shoreham (amenity land to parish) (£nil)
  - Larkwell Lane, Hartley (Site of scout hut to scouts) (£8,000)
  - Vernon Close, West Kingsdown (amenity land to parish) (£nil)
3. Completion of the following sales and transfers is expected in the near future
  - Small Grains, Fawkham (amenity land to parish)
  - Beldam Haw, Halstead (amenity land to parish)
  - Wellfield, Hartley (allotment land to parish council)
  - Chalk Pit, Otford (scout hut site to local scout group)
  - Public Toilets, Fullers Hill, Westerham (to parish)
  - Public Toilets, Lower St Johns Hill, Sevenoaks (to town)
  - Public Toilets, Ide Hill (to parish)
  - Public Toilets, Kemsing (to parish)
  - Public Toilets, Leigh (to school/KCC) (£11,500)
  - Public Toilets, Swanley (to town) (£17,500)
4. The one remaining tenant of the Cobden Road Centre has now relocated to shared accommodation and a report on the future of the Cobden Road Centre will be presented to the Committee at its November meeting
5. The remaining tenant of Meeting Point, 27-37 High Street, Swanley is considering purchasing the freehold of the premises from the District Council and the outcome of these discussions will be reported separately to Members.
6. The tenant of the Council's only remaining residential property has submitted a Right to Buy application and Members will be informed of the outcome of this matter.
7. A £1.3m government grant funded refurbishment and extension of the accommodation at the Hever Road Travellers site has been completed

although the final completion date was delayed following the discovery of World War 2 ordnance on the site

8. There have been no significant rent reviews due in respect of Council property since the last report to Members although the renewal of existing leases have been agreed in respect of the Outdoor Bowls Club, Sevenoaks, The Lodge, Lullingstone Park Golf Course and Filston Lane car park, Shoreham
9. The Council has provide accommodation within the Council Offices for Kent Police Community Support Unit and the Police Public Office. Twelve desk spaces on the second floor have been leased to Moat Housing and a Police operational office is being constructed within the car park at the Council's expense 9the accommodation will subsequently be leased to the Police. Moat Housing would like to increase their accommodation and Kent Social Services have expressed interest in leasing desk space within the building. These matters form the basis of a detailed report to be considered at this meeting.
10. The Council is currently in discussion with developers in respect of a proposed town centre retail and residential development of the 66 London Road, Sevenoaks (including the Council owned London Road and Pembroke Road car parks). The developers have submitted a planning application and the matter will be reported to Members at a later date although in transactions of this type time may become of the essence especially in the current economic climate and given the standing/desirability of the proposed tenant (Marks & Spencer ) it may not be possible to adhere to the usual reporting routes and constraints of the committee timetable.

### **Property Condition & Condition Surveys**

11. The Council's property holdings are categorised in accordance with the CIPFA Property Category Definitions as listed below:

#### **Condition categories A – D**

- A** – Good, performing as intended and operating efficiently (10.6% of the Council's properties are in this category)
  - B** – Satisfactory, performing as intended but showing minor deterioration (77.1% of the Council's properties are in this category)
  - C** – Poor, showing major defects and/or not operating as intended (12.3% of the Council's properties are in this category)
  - D** – Bad, life expired and/or serious risk of imminent failure (0% of the Council's properties are in this category)
12. The property element of the Council's asset maintenance budget has been reviewed as part of the budget process and the current year £255,800

shows a £62,200 reduction from the 2011/12 budget and a £158,000 overall reduction from the 2010/11 budget.

13. An access audit and priority plan put in place. 81% of Council buildings publicly accessible areas are considered accessible.
14. The Council continues to be retained by Sevenoaks Town Council to manage the maintenance of the Stag Community Arts Centre and Stag Theatre and is retained by Tandridge District Council to manage the maintenance of their leisure buildings generating a combined income of some £27,000 p.a.

### **Performance Indicators**

15. National Property Performance Indicators and are benchmarked against all English and Welsh Councils who are part of the Institute of Public Finance Asset Management Forum. The collection of data by the Institute for 2011/12 has only recently been made. At the last review only some 50 authorities provided comprehensive data and the validity of such a small percentage sample must be in question.
16. Energy and water use across the corporate properties continues to be monitored and the consumption figures are shown below.

2010/11 Electricity 858,013 kwh: Gas 785,270 kwh

2011/12 Electricity 818,153 kwh: Gas 625,081 kwh

17. Water use is shown below

2010/11 3,467<sup>3</sup>

2011/12 3,538m<sup>3</sup>

### **Condition & Suitability Surveys**

18. Appropriate surveys are undertaken with the various service providers as part of the asset maintenance budget review and monitoring process.

### **Corporate Objectives**

#### Green & Healthy Environment

19. The Council purchases energy through a buying consortium, replaces plant with energy efficient alternatives and has developed a Carbon Management Action Plan. Further energy savings initiatives are investigated as part of any plant replacement/renewal programme.

#### Dynamic & Sustainable Economy

20. The Council works with social housing providers to, wherever possible, provide land to enable all ranges of social housing to be constructed especially in rural areas.

### Effective Management of Council Resources

21. The Council continuously reviews its property holdings with a view to reducing the amount of surplus property and promotes the transfer of local amenity land to the local town and parish councils if it is considered that that would provide a more effective local management.

### **The Asset Management Action/Improvement Plan**

22. Appendix attached to this report.

### **Asset Management Plan (AMP)**

23. The AMP held by the District Council is a substantial document drawing information from a number of sources. Members wishing to view the complete plan should contact the Professional Services Manager on Ext. 7209.
24. Following the Audit Commission identifying Sevenoaks District Council as a case study for Good Practice in Strategic Asset Management in 2009, the Department of Communities and Local Government Best Practice Compendium identifies Sevenoaks as an example of good asset rationalisation practices.

### **Key Implications**

#### Financial

25. The implementation of the Asset Management Plan is undertaken within existing staff resources and asset maintenance is funded from a previously agreed annual budget.

#### Legal, Human Rights etc.

26. No legal or human rights issues have been identified.

#### Value For Money & Asset Management

27. The proposals contained in this report will enable the District Council to satisfy the requirements of the Comprehensive Performance Assessment and will aid the achievement of Value for Money in asset management and capital investment.

#### Community Impact & Outcomes

28. No issues have been identified.

#### Resource (non-financial)

29. No issues have been identified.

### Equality Impacts

30. No issues have been identified.

### Sustainability Checklist

31. No issues have been identified.

### Risk Assessment Statement

32. The information and procedures outlined in this asset management plan will enable the Council to assess and compare the performance of its assets and if the Asset Management Plan is not regularly updated and reported the Council will not be able to provide the required information to the appropriate government departments nor make valued judgements in respect of future asset use.

**Sources of Information:** Asset Management Plan, Master Copy

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