



NORTHAMPTON BOROUGH COUNCIL



CORPORATE ASSET MANAGEMENT STRATEGY

2010 – 2013

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1.0 INTRODUCTION AND OVERVIEW

1.1 Overview of Asset Management Strategy

1.1.1 Strategic Asset Management is the activity that seeks to align the asset base with the Council's corporate priorities, goals, and objectives. It endeavours to ensure that the corporate property base of this organisation is optimally structured in the best overall interest of the Council. The purpose of this document is to provide a strategy basis for decision making regarding this Council's corporate land and property assets, to achieve the best and most cost effective utilisation of those Assets, whether through working alone or in active collaboration with other partners. The extent of the Council's corporate property that is subject to this strategy is defined in section 3 below. This strategy does not relate to Housing Revenue Account housing ("council housing") owned by the Council.

1.1.2 This strategy is intended to set out the key policy directions and objectives during the period 2010 to 2013, how they relate to the corporate goals of the Council, the governance arrangements for achieving these objectives, the way that performance will be measured and the specific outcomes sought in respect of particular types of property assets.

1.1.3 The key directions and objectives of this Strategy may be summarised as follows:

- To use property in a strategic way and to adopt a flexible property response to organisational and cultural changes within the Council.
- To reduce the overall property holdings of the Council to maximise utilisation of space, manage down maintenance liabilities and limit related overheads.
- To generate capital receipts from property disposals to support corporate objectives and to selectively re-invest in a core group of operational assets that should be fit for purpose, energy efficient and well designed
- Work effectively with public sector and voluntary sector partners to maximise the use of existing public sector property assets in Northampton
- To use Council owned property to help facilitate or enable the development of additional housing, commercial activity and employment in the Town

The key desired outcomes for the Town and its people from pursuing this strategy will be:

- The delivery of high quality public services to local people from suitably located buildings, in good condition, aligned with locally agreed priorities.
- To make Northampton a more attractive commercial and retail centre and improve the overall economic well being of the Town
- To support planned growth in housing and employment opportunities within the Town

- To empower and engage communities within their physical environment and facilitate structured affordable community initiatives that meet corporate priorities
- To cut energy consumption and costs and to help to reduce the Council's carbon footprint
- To reduce overall property related costs of public service delivery in the Town and thereby release money to spend on direct services to the public

- 1.1.4 This strategy is to cover for the period from 2010-2013. Although an Asset Management Strategy should ideally be formulated to apply over a medium to long-term period, it is nevertheless felt appropriate that this new Strategy should apply for a three years period generally consistent with the Council's adopted Corporate Plan. It is recognised that the Council is in a period of significant review of how and why it delivers certain services. It is therefore important that there should be annual reviews of this Strategy, reflecting actual changes and emerging issues that could have a significant bearing on this strategy.
- 1.1.5 This strategy provides a platform for structured and rigorous forward thinking. It should enable consistency of approach for future decision-making both by those concerned specifically with making land and property decisions and by those taking other decisions which have a bearing on the use of the Council's assets.
- 1.1.6 Property assets are essential to the Authority's functions and their best use and management are crucial in the delivery of efficient and effective services. Managing those assets should be a structured process that seeks to ensure best value for money from those assets, and to improve performance in meeting strategic and operational needs.
- 1.1.7 It is important that this strategy is seen to be a working document for all engaged in Asset Management (Councillors and Officers). Asset Management should underpin and contribute to the delivery of the local vision and priorities as set out in the Council's Corporate Plan, which is in turn derived from the Sustainable Community Strategies for Northamptonshire and Northampton and the related Local Area Agreement made between various public sector partners including this Council.

1.2 The Council's Corporate Plan and Priorities

- 1.2.1 The Borough of Northampton covers an area of 8,080 hectares with a population in excess of 200,000, making it the largest district council in the country. Northampton has been traditional market town with a history of shoe making, but there is now a wide diversity across all sectors of employment. The town has increased in population significantly during the last 45 years, and is now due to expand further as part of the Sustainable Communities Plans for the County and the Government's growth agenda for the Town. The Council is to seek City status, as its population is intended to expand by an additional 100,000 by 2031.
- 1.2.2 The Council has endorsed a Corporate Plan for the period from 2010-2013, which sets out our ambitions, challenges, priorities and key targets. This will ensure that we respond effectively to the opportunities and challenges in terms of the local

economy, environment, and infrastructure, as well as to Northampton's diverse communities and neighbourhoods. Many of these issues will require effective working with the public, private, and voluntary sectors.

- 1.2.3 The Corporate Plan derives from the Local Area Agreement for Northamptonshire, which itself focuses on the delivery of services and improvements to communities. There are five priorities and underpinning commitments set out in the Corporate Plan namely: -

Priority 1 - We will help our communities become safer, greener and cleaner.

Priority 2 - We will improve housing and health to enhance the wellbeing of our communities.

Priority 3 – We will promote a confident, ambitious and successful Northampton.

Priority 4 - We will support partnership working and engaging with our communities to deliver better outcomes.

Priority 5 - We will be a well-managed organisation that puts our customers at the heart of what we do.

- 1.2.4 Importantly, in order to become one of the best Councils in terms of the delivery of public service by 2013, the Council has prioritised the following key management aims: -

- Provide excellent customer service
- Engage in meaningful dialogue
- Make best use of our resources
- Be a single effective team
- Support a better Northampton

These aims are central to the delivery of this Asset Management Strategy and form key elements of the annual Asset Management Service Plans effective during the period.

1.3 National & Local Factors

Key National Factors and Drivers for change and improvement

- 1.3.1 Macro economic circumstances will govern the financial environment during the period of this Strategy. It is clear that high public sector borrowing and debt levels and consequential public spending constraints will lead to increasing pressure on Council revenue resources. Increased requirements for efficiency gains in local government and grant support reductions in both real and absolute terms are possible and likely. Revenue and capital resources to address maintenance and improvement requirements will remain sharply constrained. Similarly, the effects of the general recession throughout 2009 and the restrictive nature of the credit markets since 2008 has exacerbated falls in demand for, and values of, all types of

land and property that commenced in 2007. This will mean that opportunities to increase overall revenue income from investment property or from letting parts of operational property will be very limited. Similarly, demand for freehold property is likely to remain subdued and capital values may remain lower than the 2007 peak for the period of this Strategy. Prices obtained for property sold as part of any disposal programme will necessarily reflect these market conditions.

- 1.3.2 The Department for Communities and Local Government introduced in 2008 a framework for Local Authority Asset Management entitled “Building on Strong Foundations”. This identified the need for Asset Management to underpin, and contribute to, delivery of the local priorities as set out in the Sustainable Community Strategy, Local Area Agreement, and the Local Development Framework. It is clear from this document that the Government strongly feels there is a need to raise the profile of Asset Management in considering each local authority’s needs.
- 1.3.3 The Audit Commission published a study in 2009 entitled “Room for Improvement” – which examined the performance of local authorities in relation to use of property and value for money. This study, which this Council made some (acknowledged) contribution to, emphasised the need for local authorities to work collaboratively with other public sector partners to share property information, optimise the use of property assets to deliver efficiency gains and raise their game in a changed financial environment.
- 1.3.4 Strong, effective and strategic asset management will help to contribute to the improvement of the Council’s overall “Use of Resources” judgement made by the Audit Commission under Comprehensive Area Assessment (CAA). The Use of Resources (2009) criteria (3.2), related to land and buildings, place additional challenges upon Councils to demonstrate the ways in which they are improving value for money by rationalising their property holdings to meet strategic asset planning objectives. A key emphasis in achieving this strategic approach is effective partnership and community working.
- 1.3.5 Recent housing legislation and policy direction has highlighted the Government’s desire to quicken the pace of housing delivery. It has emphasised the expectation that Local Authorities will use their Assets to deliver more housing and to support regeneration activity. This remains an important policy driver, notwithstanding the reduction in private sector activity and likely constraints upon public funding to support housing construction activity (whether through registered social landlords or by private sector organisations).
- 1.3.6 Increased use of Community Asset Transfer remains a policy goal of the Department of Communities and Local Government (CLG). Following the findings of the “Quirk Review” in 2007, it is considered that the transfer of public assets to community management and ownership at less than best consideration is a legitimate and potentially beneficial option, that should be considered by Local Authorities and other public sector bodies as part of a strategic approach to Asset Management. This Council’s approach to this subject is set out further at 7 below. It is widely acknowledged by organisations, such as the Asset Management Planning Network (AMP) - part of the Institute of Public Finance (IPF), that there often exists an unresolved tension between this approach and the need to maximise capital receipts in a challenging financial environment.
- 1.3.7 The Royal Institution of Chartered Surveyors (RICS) published “Public Sector Asset Management Guidelines” in 2008, intended for all practitioners in public sector

bodies. CLG also commissioned the RICS to prepare a series of topic based local authority information pamphlets. These provide guidance on a number of areas – one example being “Tenanted Non-Residential Property” and effective Investment Performance Benchmarking.

Key Local Factors and Drivers for change and improvement

- 1.3.8 It is an essential requirement of the Corporate Plan that the Asset Management Strategy of the Council must be linked to the Medium Term Financial Strategy (MTFS) of the Council. The most recent MTFS was adopted in 2009. This Asset Management Strategy is also required to be consistent with the adopted Capital Strategy of this Council, which was approved in early 2010. The intense pressures upon revenue budgets throughout the authority mean that the ability of the Council to support prudential borrowing, to fund any capital projects, has been extremely limited in 2008/9 and 2009/10. This is likely to continue until 2013 and beyond. The linkage to and facilitation of prioritised capital expenditure, by the release and sale of Council Assets, is essential to support both necessary re-investment in retained assets and to fund other corporate priority projects.
- 1.3.9 Annual Service Plans are prepared for each Council service. Whilst these plans have not directly identify specific service requirements for land and property, they do identify changes in service provision that may affect accommodation requirements - whether requiring improvements or additions to existing property or the potential release of certain operational assets from that service. These plans need to be annually reviewed with relevant Service Managers to identify actual and potential asset related effects.
- 1.3.10 The Council agreed in 2008 to undertake a programme of Strategic Business Reviews (SBRs). The Council has resolved to move toward a 'mixed economy' in the provision of services. In pursuance of this approach the Council has embarked upon a programme of “market testing”, identifying scope where services can possibly delivered in different ways. This general approach, taken together with the service specific SBRs commenced in the latter half of 2009, will help to resolve the property needed for direct service delivery requirements in the period of this Strategy and beyond.
- 1.3.11 A key SBR due to be completed in 2010 relates to Asset Management. An important strand of this over-arching review is a thorough examination of the property portfolio itself held by the Council, with this specific work being completed in the first quarter of 2010. This SBR work stream will provide property specific recommendations concerning assets that the Council should continue to hold - whether for operational purposes, investment return or to meet other corporate objectives – and will identify those property assets it should dispose of in a managed way. This approach will help to reduce maintenance liabilities, release capital receipts and release professional staff time to focus on key property priorities.
- 1.3.12 The Council has made a decision to consolidate its office accommodation in 2010, vacating a major office complex at Cliftonville House. The relocation of staff to predominantly other existing Council owned property forms the first stage in achieving a long-term goal - to rationalise the public sector office holdings in Northampton and to strengthen the importance of the Town centre.

- 1.3.13 As part of a Northamptonshire wide Improvement Project, the Council is working in 2009/10 with the Northamptonshire County Council and District Councils to map the respective property holdings of local authorities throughout the County. It is intended to achieve a position where common mapping (GIS) interfaces will be able to be used to identify locations of landholdings and common data sets will be available concerning each property. This work is being carried out under the Project Sponsorship of this Council's Director of Finance & Support. It forms an important strand of the general approach to greater collaborative working between public sector agencies. This subject is dealt with further at 7 below.
- 1.3.14 The Council's Carbon Management Strategy was adopted in 2008. This follows in part from the Council's voluntary commitment in 2006 to the "Nottingham Declaration" of local authorities in the East Midlands to reduce carbon emissions. The Council has set an ambitious target to cut these emissions by 35%, by 2012, from a 2005/6 baseline figure. The Council will be affected by the statutory requirements of the Carbon Reduction Commitment (CRC). During the period of this Strategy, the Council will incur increasing net financial liabilities, if it is unable to make tangible reductions in the emissions from its corporate property. There is a need to identify and undertake specific carbon reduction projects affecting Council property and to consider carbon impact issues when appraising property retention and disposal issues. This subject is considered further at 11 below.
- 1.3.15 Other relevant key strategies and of this Council that will impact upon property priorities and decisions during the life of this strategy include the following:
- Major town planning documents - Local Development Framework (LDF) and the emerging Central Area Action Plan (CAAP) reinforcing the importance of keeping new office, retail and leisure activity focussed within the Town centre
 - Northampton Economic Development Strategy and the focus on creating employment growth in higher skill businesses and promoting the knowledge economy
 - Regeneration proposals and agreements relating to the redevelopment and renaissance of the Town Centre. Most significantly this involves working in partnership with a key private sector partner, delivering the Council's responsibilities under a comprehensive Development Agreement. This will in turn help to bring forward hundreds of millions of pounds of private investment in a major re-modelling and expansion of retail and other commercial activity in the heart of the town centre
 - Housing Strategies (including Private Finance Initiative (PFI) opportunities) focussed both upon the improvement of existing neighbourhoods and the need to meet rising housing demand in line with forecast population growth
 - Parks and Open Spaces Strategy adopted by the Council in 2009, including opportunities connected to under-utilised allotment land

2.0 ORGANISATIONAL STRUCTURE & GOVERNANCE

- 2.1 The Asset Management Section forms part of the Finance & Assets Division. The Head of Service is the Head of Finance & Assets. The Division forms part of the Finance & Support Directorate, headed by the Director of Finance & Support. A chart at Appendix 1 sets out the September 2009 structure of the function.
- 2.2 The principal element of the Asset Management SBR is on how this service can be best provided in the future – to ensure that the Council is supported by a flexible, innovative service that can meet the challenges of multi-faceted change. As noted above, work is being completed in early 2010 establishing what property the Council should hold in the future. This latter work will help to inform the future capacity required in terms of professional property support. Alternative ways of delivering this service are being considered in detail, through a structured process commenced at the end of 2009 and which will be completed in 2010.
- 2.3 The Cabinet is the executive decision-making body within the Council responsible for the majority of key decisions made by the Authority. A key decision is typically one that relates to disposal of property interests with a value of over £50,000 and/or which affects local people in more than one electoral Ward. Many recommendations relating to Asset issues have been routinely referred to the Cabinet in the period 2006 - 2009. This has reflected the Council's past "poor" rating for the Use of Resources and the consequential concern to ensure effective executive oversight. There has been strong transformation of the Council in 2008 and 2009 to one that is judged to be performing adequately and with strong prospects for further improvement. There is thus greater scope in 2010 -2013 for a dedicated corporate property forum to provide asset management direction and therefore less need for individual detailed Cabinet scrutiny of property decisions.
- 2.4 The Council's Cabinet has a Portfolio holder with responsibility for Assets. Property decisions which are not (constitutionally) regarded as 'key' decisions are usually taken by the Portfolio holder. Where necessary and appropriate those decisions may be taken by formal delegated decision. Both Cabinet and Portfolio holder delegated decisions are subject to constitutional 'call-in' rights.
- 2.5 The Corporate Asset Manager is the designated corporate property officer within the Council, with responsibility for directing strategic asset management activities. This officer has constitutional authority to take certain decisions relating to the Council's property assets, including the grant of leases of up to 21 years and the disposal of low value land (frequently in consultation with the Director of Finance and Support).
- 2.6 The proposed re-formation of a Corporate Asset Board (CAB), subject to Cabinet approval, will provide a forum for robust challenge and analysis of significant property proposals – whether regarding investment or disposal decisions. It will provide a dedicated body that can receive recommendations and initiate periodic review of what should continue to be the correct balance of the Council's property holdings. The CAB would provide considered recommendations to Cabinet. The re-establishment by the Council of a CAB, with a strategic purpose, fits with best practice identified by the Asset Management Network, part of the Institute of Public Finance (IPF). It will allow a standing body of senior officers and elected members to develop a detailed knowledge of the Council's asset base and make considered judgements about how the Council can best use them. It will build upon and monitor delivery of the outcomes identified in the completed SBR of Assets.

2.7 The range of responsibilities of the CAB will, subject to Cabinet approval, include:

- Overseeing the periodic review and amendment of the Asset Management Strategy and identifying changes of approach that may be required.
- Making appropriate recommendations on property issues to Cabinet.
- Identifying the future property needs of the Council and ensuring that property objectives are aligned with key corporate agenda priorities – e.g. Town Centre regeneration and supporting growth agenda in housing and employment.
- Treating property as a strategic resource and raising the profile of effective asset management within the Council
- Strategically reviewing the performance of all Assets in a structured way.
- Encouraging the greater exploitation of under-used Assets including promoting the shared public sector use of property and/or where appropriate the community management of assets
- Recommending to Cabinet the disposal of assets as determined by the Property Review process.
- Ensuring effective action is taken to address Key Lines of Enquiry (KLOE) relating to land and property assets under Use of Resources Assessment within Comprehensive Area Assessment (“One Place”)
- Understanding and identifying maintenance and improvement priorities and making recommendations about the prioritisation of corporate resources.
- Support carbon management objectives and sustainability issues in making decisions about property assets.

3.0 WORK UNDERTAKEN BY ASSET MANAGEMENT FUNCTION

The work of the Asset Management function supports the achievement of a wide range of property related outcomes, aligned with the corporate objectives of the organisation. The full extent of roles performed is set out in more detail at Appendix 2, but may be summarised as:

- Developing, implementing and monitoring the Council’s Asset Management Strategy and supporting initiatives to improve collaborative working and use of public property with other partners.
- Ensure property records, land ownership, lease records, asset register, maintenance records and other appropriate data are maintained to a high standard.
- Provide professional valuation expertise and estate management advice on all aspects of property issues, related to a wide spectrum of property held for a diverse range of purposes.

- Ensure the efficient management and maximisation of net returns from the Council's Property Investment Portfolio to help support the Council's revenue budget
- Ensure ongoing structured property reviews of its asset holdings, identifying scope for and managing a disposal programme to maximise capital receipts
- Ensure that planned and responsive maintenance is managed effectively within resource constraints, particularly to ensure robust compliance with statutory and regulatory requirements
- To work with Service functions to identify, prioritise and deliver cost-effective improvements to corporate property to enhance service delivery, through good project management of capital schemes

4.0 DEFINITION OF CORPORATE PROPERTY

- 4.1 A summary of land and property held on the Council's asset register is shown in Appendix 3.
- 4.2 At 31 March 2009, excluding (1) Council dwellings and (2) vehicle plant and equipment, the Council's fixed assets had a net book value of £138,914,000. This value does not represent market value, since these valuations were prepared in accordance with relevant local government accounting regulations, which have themselves been subject to significant amendment in 2009/10 as a result of the introduction of International Financial Reporting Standards (IFRS) requirements.
- 4.3 This strategy encompasses all land and buildings owned or occupied by this Council or for which this Council has legal liabilities, save for the following exceptions:
- Council housing held within the Housing Revenue Account
 - Parks, Cemeteries and Open spaces (but maintenance responsibilities for structures, walls and paths within the same is within the scope of this strategy). The future use of these specific properties is subject to a separate "Parks and Open Spaces Strategy", adopted by the Council in November 2009.
- 4.4 The range of uses of property within the scope of this strategy includes:
- Operational property - offices, depots, sports and leisure centres, museums and art galleries, community centres, bus station, multi-storey and surface car parks, bus station and public conveniences.
 - Investment property (tenanted non- residential property) – shops, workshops, offices, leisure property, agricultural and garden land, a regional theatre complex and miscellaneous property.
 - Non-operational property and non-investment property held to support wider corporate objectives – land and buildings in strategic locations and heritage property.

- Property which is not owned by this Council but for which the Council has statutory maintenance responsibilities - e.g. some disused church graveyards.

5.0 PROPERTY ASSET CATEGORISATION

The Council has resolved that all corporate property owned by the Council must be objectively judged to fit within one or more of the following five categories. If it does not, then prima facie, the presumption is that it should be disposed of at the most opportune time to maximise value for the Council (taking into account holding costs).

5.1 Operational Property

- To deliver direct administrative services with or without public/ voluntary or private sector partners - facilitate face-to-face interaction with customers/ citizens e.g. One Stop Shop.
- To deliver direct services through specialised property - e.g. leisure centres; car parks; cemetery chapels; public conveniences.
- To accommodate public sector/ partner staff who deliver back office functions e.g. customer contact centre, finance and ICT staff.
- To provide rest and co-ordination facilities for public sector/ partner staff delivering physical services e.g. waste collection; grounds maintenance.
- To store records e.g. paper records needed to be kept for legal reasons
- To store plant and equipment used in delivery of services e.g. refuse lorries

5.2 Investment Property

- Investment property from which rental income is derived e.g. shops and industrial units. Rationale for holding is that it produces a good net investment return relative to capital value, compared with that of other investment classes (e.g. stocks and shares, holding money on deposit) and judged against a corporately agreed acceptable level of return.

5.3 Property to support regeneration initiatives

- Land and buildings in strategic locations to facilitate future land assembly and support regeneration and growth agenda – e.g. town centre development schemes; neighbourhood re-vitalisation, employment land and brown field initiatives.

5.4 Property to support housing initiatives

- For direct Council house building
- For building of affordable homes by Registered Social Landlords
- Facilitate conversion of existing NBC non-housing property to residential use to bring forward additional affordable housing
- Support PFI housing proposals and associated neighbourhood improvement
- Support private sector housing growth and land assembly requirements
- For other specialist housing initiatives e.g. supported housing schemes

5.5 Property to support well being in Northampton

- Promoting sport and recreation e.g. parks and changing facilities
- Promoting healthy living e.g. allotments
- Promoting community cohesion e.g. some shops in marginalised communities

- To protect important heritage buildings in the Town, where public ownership is judged most effective means

This categorisation has guided the Assets SBR in 2010 as to what property holdings the Council should retain or dispose of. It will form the rationale, during the period of this strategy, for further periodic review.

5.6 Tenanted Non-Residential Property (TNRP)

It will be noted from the above (5.2) that the Council holds property for non-operational purposes with the intention of generating rental income. This Tenanted Non-Residential Property has its historical origins in a number of objectives. These have included, in addition to generating revenue income, providing community facilities such as neighbourhood shops and 'starter' units for small businesses to promote economic development.

There may be an exceptional case made for the retention of poorly performing investment property, where it is objectively held – following rigorous challenge – that there is a 'regeneration' (5.3 above) rationale or 'well being' rationale (5.5 above) for retention. However, the future over-riding purpose for holding any investment property is to provide an independent, stable and appreciating source of income for the Council that is objectively judged to be an adequately performing asset. With the prospect of reductions in both real and absolute terms of central government funding to local government during the period to 2013, it is important that the Council has alternative sources of income.

The approach to letting of property in previous years has, in common with other local authorities, been sometimes paternalistic in nature with the Council accepting higher levels of risk and liabilities as landlord than would be the norm in the private commercial letting market. The present and future approach is characterised by a re-balancing of risk and reward between landlord and tenant, whilst recognising the responsibilities of the Council to act appropriately and to honour its contractual and statutory obligations. A customer survey of the Council's business tenants at the start of 2010 has identified the areas where the Council needs to improve the way it manages its tenanted Non-Residential Tenanted Estate. Further surveys during the period will monitor the Council's progress in improving how it interacts with and provides services to its commercial occupiers.

In line with recommendations made during the Assets SBR in 2009/10 the size of the TNRP held by the Council will be reduced overall. Retained investment property will continue to be challenged periodically to ensure that it continues to meet minimum rates of return determined by the Director of Finance & Support in consultation with the Corporate Asset Board.

6.0 PROPERTY REVIEW

- 6.1 As noted above, a Strategic Business Review of Assets in 2009/10 has involved a review of all property holdings. A continuing systematic review of 20% of the Council's property holdings per annum will be undertaken, led by the Asset Management function, through the period of this Strategy. This applies to both operational and non-operational property, and includes the need for ad-hoc property reviews as well (whether arising as a result of service delivery changes, investment tenant insolvency or community approaches). This process will be driven by an overarching need to:

- Only retain property that fits into one of the five stated categories set out at 5.1 – 5.5 above - following effective challenge of representations made for retention by service functions
- Consider whether services can be delivered in a more cost effective way, without adverse impact on customer experience, whether from other property (either owned by this Council or any potential partner organisation) or by an alternative means
- Ensure that any investment property (tenanted non-residential property) recommended to be retained either meets or exceeds the required minimum corporate rate of return or will do so within an acceptable timescale
- Actively identify opportunities to reduce the Council's overall maintenance backlog by disposal of properties in poor condition or with limited life expectancy or where there is the likelihood of major repair/ renewal expenditure within short-medium term
- Identify scope for generating capital receipts in the near or medium term from re-development opportunities and establish income generation possibilities vs. holding costs until opportunity to maximise receipt arises
- Reduce carbon emissions of the Council by disposing of property that has low energy efficiency ratings and /or where improvements in energy efficiency are difficult or expensive to achieve
- Consider scope for community asset transfer as a possible alternative disposal route, where likely capital receipt would be low or where community asset transfer/ management could deliver substantial additional local benefits
- Assess whether any possible changes to property ownership/provision are likely to adversely impact on any particular section of the community

6.2 Such property reviews form an integral part of identifying potential disposal receipts to support the Capital Strategy of the Council. As part of an already well established and integrated capital accounting group involving Asset Management staff and Finance staff, an evolving disposal programme and capital receipt forecasting inform effective financial planning.

6.3 Property Review Group Meetings are presently held on a regular 6 weekly basis as a means of allowing detailed discussion about individual properties identified as being potentially available for disposal, development or alternative use. The group also provides an opportunity to review and monitor progress in moving properties through the disposal process from the initial point of recommendation through to completion of transfer. This Group provides a standing forum to involve staff from other key functions, including Finance, Housing, Planning, Regeneration and Legal Services, at a lower 'hands on' level than the Corporate Asset Board (CAB).

6.4 The CAB, subject to Cabinet approval, will provide the forum that will resolve any disputes concerning whether property should be retained or sold, prior to it making its own final recommendations (dependent on value) to either Cabinet or to the Portfolio holder with responsibility for Assets. Prior to the CAB considering disposal proposals, Ward Councillor and community engagement (with known

identified groups having a legitimate interest in the property or service concerned) will be undertaken.

7.0 PARTNERSHIP & COMMUNITY WORKING

7.1 Collaborative working with Public Sector partners

- 7.1.1 The completion and opening of a purpose built shared use property in 2007 ("Far Cotton REC Centre"), using a shared finance model to accommodate a community organisation self-managed community centre, County Council run library and Primary Care Trust run treatment facilities and Borough Council run public toilet facilities provides an effective model of the way in which a new development can meet a range of service delivery needs across the public sector.
- 7.1.2 Previous collaborative work was built upon in 2008, by the establishment of a partnership office in existing Council owned office accommodation (14, Fish Street). This has resulted in the physical co-location and operational integration of Northamptonshire Police staff and Council Community Safety staff as part of the 'Safer Stronger Northampton Partnership'. This Partnership along with allied specialist voluntary agencies (PCT funded and Council financially supported), operating from the same property, has resulted in more effective joint working and reduced overall property costs for the public sector. Further operational and financial benefits for the public sector will be sought in 2010, from the more intensive use of the same property by staff from other related agencies. The Partnership approach has helped the Council to fund the cost efficient alteration of a badly configured building, including the conversion of some space from an under-utilised social club, into better-organised office space.
- 7.1.3 Further work with the Police Service, on a 'sector' basis mirroring the Police's own operational model, has led to firm proposals involving the co-location of Police and frontline council staff in locations in the Town. Detailed work to support this will be undertaken in 2010. It is expected that this collaboration will promote even more effective cross-sector working and maximise use of existing public sector property. It will also assist a central element of the Council's Office accommodation strategy – to vacate a major office complex (Cliftonville House) in 2010.
- 7.1.4 The Council has and continues to be fully engaged with the agendas set by the sub-regional Northamptonshire and Improvement Efficiency Partnership (NIEP) and the East Midlands Regional Improvement and Efficiency and Partnership (RIEP). Senior Officers of Northampton Borough Council, including the Chief Executive and Director of Finance & Support, hold key roles in the delivery of certain projects. Two important projects, with funding provided by the NIEP/RIEP, are focussed on improved collaborative property outcomes.
- 7.1.5 The first RIEP project involves substantial capital monies to support changes to the Council's principal 'face to face' contact point with its customers – the "One Stop Shop" at the Guildhall – to expand the number of partners providing direct interfaces with the public at this location. The Council has accommodated the County Council's Registrar service within the Guildhall for a number of years and there has been an established regular presence, since early 2008, of Northamptonshire Police within the One Stop Shop facility. The facilitation of

access to other additional public/ voluntary sector agencies in the same location is intended to improve the customer experience further.

- 7.1.6 The second project involves creating a hub to allow effective interfaces between existing cartology data held and different Geographical Imaging Systems (GIS) already used by Northamptonshire County Council and Northamptonshire district councils to map their respective property holdings. Access to mapping systems and the agreement of and shared access to common data sets regarding those mapped assets, is intended to enable those planning service delivery changes and those conducting property reviews, to have knowledge of other public sector property ownerships. In this way potential property options that may exist within a given locality can be identified.
- 7.1.7 The Council will continue to collaborate with the County Council's property advisors to also identify opportunities for common disposal and development strategies relating to adjacent and contiguous land holdings within the Borough Council's boundary – to maximise value for the public sector. There are a number of sites already identified where this approach will be effective.
- 7.1.8 The Council continues to work effectively with the West Northamptonshire Development Corporation (WNDC), recognising its changing role, to agree master planning approaches to town centre re-development and to support land assembly processes. The Council has, for example, transferred land in 2009 at a key 'gateway' location (Green Street) to enable comprehensive development proposals to be advanced. The Council will continue to support such property initiatives to revitalise the Town Centre.
- 7.1.9 Similarly the Council will use its landholdings to enable suitable forms of development that will assist in meeting housing and employment growth in the Town. The Council continues to work closely with the Homes & Communities Agency (HCA) regarding respective landholdings, including development of land transferred by the Council in 2004 to HCA's predecessor (English Partnerships) as part of the Joint Brownfield Initiative. The Council will continue to work with HCA to help facilitate re-location of businesses and to enable major re-development schemes. These include supporting new housing developments at Ransome Road and other locations. The Council will also work with HCA to identify new housing opportunities in the Town and to help bring forward community facilities for existing and newly emerging neighbourhoods.
- 7.1.10 The Council will continue to deepen relations with other public sector bodies in the Town, including the Town's University, Colleges, NHS Primary Care Trust and the Northamptonshire Fire & Rescue Service.

7.2 Community Management

- 7.2.1 Assets are used for many different social, community, and public purposes. There is the opportunity for the sale or transfer of public assets to community ownership and management, which can realise social or community benefits without risking wider public interest concerns.
- 7.2.2 The Quirk Review considered that the benefits of such community management and/or ownership of Assets can outweigh the risks, and thus opportunity costs, in appropriate circumstances. It concluded that provided there is thorough

consideration of these issues, there are no substantive impediments to the transfer of Public Assets to communities. The Council acknowledges the benefits that can accrue from such transfers. It also recognises the financial tension this may cause, where there may be scope to generate capital receipts at higher levels than is usually possible under community asset transfer proposals.

- 7.2.3 The Council adopted, in 2007, clear criteria governing the approach the Cabinet of the Council should adopt in considering the sale or letting of property at below full market value. These criteria have been used in 2009 to evaluate, for instance, the letting of property to a prominent local arts group, to promote cultural renaissance in the Town Centre. The Council has therefore already acknowledged, in policy terms, that there may be valid circumstances where it should transfer control of property assets to local organisations.
- 7.2.4 The Council has been an active participant, since 2008, with the County Council and local voluntary and community groups in the Northamptonshire Community Asset Project (NCAP). This organisation, with the support of the Development Trust Association (DTA) has promoted awareness and provided a network for community groups to seek assistance in formulating proposals for community asset transfer.
- 7.2.5 The Council has been actively considering since 2009 the scope for transfer of certain community centre buildings in the town to community organisations. This has involved discussions with community organisations, some of which already have a substantial degree of day-to-day control over some of these buildings, through established local management committee arrangements. The DTA and other local community umbrella groups have been engaged in these discussions. A key consideration is the capacity of the relevant community organisations for the acceptance of financial and other risk under possible transfer arrangements and the robustness of these organisations to take over existing Council liabilities – including repairing obligations and statutory compliance issues.
- 7.2.6 The Council will adopt, where possible, common approaches with the County Council and other public organisations in Northamptonshire in the evaluation of proposals for community asset transfer. This will enable local community organisations to have greater certainty about how to deal with public authorities in Northamptonshire.
- 7.2.7 The Council has directly engaged with community and faith organisations to help guide them as to what the impact and effect of key regulatory requirements are affecting property. Working also with officers from the Fire Service, in accessible forums, straightforward and tailored information has been given about Fire Regulations, Building Regulations and the Planning framework in the context of community use of buildings. Asset Management has used these same forums to engage with community organisations around the community asset transfer agenda and to help guide them in the forms of assistance that exist in capacity building and knowledge transfer around property. The Council will continue to work with community and voluntary organisations in the period of this strategy, to help build capacity and knowledge to enable community and faith groups to make more informed decisions and choices about property occupation and use. At the same time this Council will continue to make clear that, notwithstanding the possibilities that may arise from community asset transfer projects, the Council on its own is not in a position to meet the diverse requirements of local organisations.

8.0 OFFICE ACCOMMODATION STRATEGY

- 8.1 Consistent with the Council's goals of managing assets to provide better value for money and to be transformational in its service delivery, a rationalisation of the Council's office accommodation is being undertaken in 2010. This follows earlier consolidation in 2009 by the closure of two district offices and relocation of services into a core group of office buildings.
- 8.2 The Council has and will make more effective use of the office accommodation it occupies in the short, medium and long term by:
- Supporting, where possible and suitable, greater collaborative working with other public sector partners and minimising the overall requirement for the occupation of office premises by the public sector in Northampton.
 - Increasing density of occupation of office accommodation overall by significant reduction of use of cellular offices; reduction of existing space allowances per employee and by reducing the overall % desk to employee ratio (to more accurately reflect existing and projected desk occupancy rates and patterns of working in different services).
 - Adopting a more modular approach to the provision of accommodation, furniture and IT/telephony provision, allowing future changes to occupation arrangements by different staff/functions without the need (wherever possible) to make physical alterations to buildings or to move furniture, IT or other equipment.
 - Reducing the physical storage of filing within specific work areas, in tandem with enhanced cost effective and practical corporate archiving arrangements.
 - Improving the working environment for staff and the customer experience of buildings providing services to the public.
 - Supporting cultural changes in ways of working e.g. greater use of "hot desks", mobile working and home working and promotion of a greater cross-functional boundary "Team Northampton" approach to space utilisation.
 - The disposal of any resulting surplus assets to generate capital receipts to help fund capital investment in retained or new property or other assets necessary to achieve these objectives.
 - Improving the overall standard of condition, maintenance and facilities management provided to the Council's office accommodation by concentrating existing limited revenue resources on a reduced overall provision (i.e. number of buildings and overall floor space occupied)
 - Improving energy efficiency and reducing the total overall carbon emissions from the Council's office accommodation in line with corporate carbon management objectives. It is also an objective of this strategy, by reducing the number of separate office locations, to reduce the need for business travel between office sites by vehicles.

- Support the Council's Economic and Regeneration strategies by focussing staff re-location strategies around Town Centre office use

- 8.3 A key first element of this process is the closure in 2010 of the large Cliftonville House site at Bedford Road and the re-location of staff based there to other existing Council owned and public sector controlled property. This will cut long-term revenue property overheads, reduce the maintenance backlog and carbon footprint of the Council and significantly improve space utilisation of its other property. It will make available the release of a sizeable, key 'gateway' site to promote regeneration and employment opportunities. In doing so it will also generate a significant capital receipt to support the Capital Strategy of the Council and in particular allow investment to reduce maintenance backlog liabilities in key operational property.
- 8.4 The relocation of staff from Cliftonville House to the Guildhall (St Giles Square) and other locations will necessarily require the implementation of new space and occupancy standards, standardised approaches to storage and archiving and promote more flexible and property efficient ways of working. Due regard to *"Working without Walls – An insight into the transforming government workplace"* (2004) [Allen et al.] and similar later guidance on use of property and associated changes to workplace culture informed the formulation of options for changes to office accommodation. The Council will continue to drive forward these changes to reduce office costs per head, to improve utilisation of space and assist in achieving productivity gains.
- 8.5 The Council will, consistent with the strategy set out at 7 above, continue to actively collaborate with Northamptonshire County Council, Northamptonshire Police, Northampton PCT and other public agencies to reduce further its office accommodation cost overheads where the effect is to support achievement of the objectives set out at 8.2 above.

9.0 MAINTENANCE STRATEGY

- 9.1 The Asset Management function of this Council has responsibility for the maintenance and repair of all non-HRA housing assets of the Council, together with responsibilities for aspects of certain church owned property. With the exception of grounds maintenance issues and leisure equipment, this responsibility includes the maintenance of paths, walls and structures in parks and open spaces. The range of operational property includes the main administrative offices, car parks, leisure centres, museums, community centres, cemeteries and chapels, public conveniences, depots, bus station, changing room facilities and some non-HRA housing property. The Council also has substantial contractual responsibilities for repairs and maintenance issues in relation to investment property owned by the Council and let to third parties.
- 9.2 The Asset Management function acts as a corporate landlord in respect of operational and surplus assets under the direct control of individual services. It works with service functions to address individual building requirements and holds a centralised revenue budget in respect of repair and maintenance works. The Asset Management function has the role of ultimately allocating resources between individual properties, based upon a professional assessment of relative statutory, regulatory and service driven priorities. There are presently no specific direct re-charges of costs of works to individual services.

- 9.3 The Asset Management function works with individual services to prepare and submit capital bids for schemes involving improvements and other valid capital works to existing property. There is close working with the Capital team in the Finance function to ensure that the content of capital schemes do comply with relevant statutory accounting requirements and relevant CIPFA guidance. The prioritisation of bids reflects also renewal and improvement work identified through the completion of conditions surveys, by property type, carried out on a rolling basis.
- 9.4 The essential categorisation of works undertaken property is planned and responsive maintenance (revenue and capital) and renewal & improvement works (predominantly capital projects).
- 9.5 The planned and responsive maintenance may be further characterised as follows:
- Planned Maintenance - (condition based) is used to comply with statutory requirements and for building fabric, structural components and renewal of time expired plant. The aim is to prevent major failure and reduce total maintenance costs over time. Undertaken as a result of an asset's condition and driven by a condition assessment or inspection process. This generally applies to all building structures, fabric, mechanical, electrical services and site infrastructure.
 - Term Maintenance - (Preventative, Cyclical, Servicing or Time Based) is used to comply with statutory or manufacturers requirements and for building services. Undertaken at predetermined time intervals as required by statutory or operational reliability considerations. This may be applied to building structures, fabric, services and site infrastructure but is used predominately for the maintenance of mechanical, electrical services and water systems.
 - Responsive Maintenance - (Corrective, Day-to-Day) is unplanned maintenance used for asset components experiencing breakdown, failure or subject to vandalism.
 - Backlog Maintenance - is maintenance, which has been deferred on a planned or unplanned basis usually due to lack of funds. Backlog maintenance is re-evaluated regularly in terms of priority and considered for inclusion in the Maintenance Backlog Capital Programme as part of the maintenance planning process (where the works can be legitimately classed as capital works).
- 9.6 The safety of staff and customers using corporate property is a primary consideration. The range of legislation related to safe occupation of property is significant and expanding. It includes, amongst others, the following key areas:
- Fire Risk Management
 - Water Hygiene
 - Electricity at Work
 - Asbestos Management
 - Lift & Hoist safety
 - Gas testing

Consequently, the level of revenue expenditure required on compliance with such issues will continue to remain a priority and it will continue to represent a significant element of planned maintenance expenditure during the period of this strategy.

9.7 The Council recognises and will support the objective of actively manage down the overall level of backlog maintenance. This will, amongst other benefits, ensure that its property is fit for purpose and that property condition does not present a barrier to the effective delivery of services. The Council will therefore undertake a three-strand approach to meet these objectives:

- The Council will focus capital investment and revenue expenditure on properties that have been identified as being a long-term part of the Council's holdings. An example of this is the decision of the Council to invest £1.75m, in 2010/11, in undertaking major works to the Grosvenor Centre Car multi-storey car park to extend its useful life. This property will continue to play a major role in bringing forward the expansion of the town centre. Similarly, major physical improvements to the "One Stop Shop" at the Guildhall, a key aspect of the Council's interface with its customers, will be undertaken in 2010/11. This work will be carried out in combination with improving and extending existing collaborative working from that location with partner organisations. In the context of investment property, the Council will meet existing contractual liabilities, but will seek to reduce future liabilities through commercial negotiation with tenants (where properties are retained by the Council).
- The Council will not invest limited resources on properties that are not considered essential to the future delivery of services. In instances where there is not a proven case for the retention of property – consistent with the categorisation at 5 above, that property will be disposed of at the most appropriate time. In this way the overall revenue and capital liabilities of the Council will be reduced. Decisions about the future methodology of delivery of services, for instance through use of partner organisation's buildings, will also take account of existing property condition and costs. In the context of office accommodation, significant maintenance backlog liabilities will be eliminated and ongoing revenue overheads will be saved, through the proposed closure in 2010 of Cliftonville House and the disposal of the Council's interest in it. In making decisions about whether individual investment properties should be retained, the costs of average maintenance liabilities and likely future major costs are taken account of in assessing whether target rates of return are met. The revenue savings from not meeting ongoing repair costs of properties that are disposed of will release revenue resource, to permit more extensive ('discretionary') planned maintenance expenditure on retained 'core' assets.
- Capital receipts released from the disposal of corporate property will be used, in part, to re-invest in renewals and improvements to property considered as 'core' to the delivery of services and /or where capital values will be materially enhanced by such investment. Subject to the ultimate decision of cabinet, a proportion of the receipts arising from asset disposals will generally be applied in this way. This will over, the period of this strategy, reduce overall liabilities and increase the rate at which the remaining capital maintenance backlog is reduced.

10.0 CAPITAL STRATEGY

10.1 The Asset Management function continues to work closely with finance colleagues to ensure alignment between the current Capital Strategy of the Council (last

updated in 2010) and the priorities set out in this asset management strategy. There is an established and effective Capital Accounting User Group that meets regularly, to ensure that this close co-ordination continues.

- 10.2 It is recognised that the capacity of the Council to support, in revenue terms, prudential borrowing will remain restricted. It is similarly acknowledged that a number of core assets do require capital investment to enhance service delivery, maintain capital values, reduce risks of functional obsolescence and extend useful life.
- 10.3 The primary source of new investment is likely to be from disposal receipts. The Council recognises that in rationalising its property holdings there is a need to prioritise a proportion of capital receipts received to re-invest in the Council's asset base. The Capital Strategy of the Council and specifically the consideration of specific annual capital bids will have regard to this position. The recent review of the council's property portfolio, undertaken as part of the wider strategic business review of assets held and the way the service is delivered, has identified a number of properties for disposal. A key early disposal, that should generate a multi-million pound receipt, is the sale of the Cliftonville House site together with ancillary land. Subject to cabinet approval, the process of disposal of this and other property would be undertaken in a programme to maximise value within a structured timetable.
- 10.4 Consistent with the Council's approach to collaborative working, set out above at 7.1, an alternative source of capital investment in existing Council owned property is that brought by partners in co-location initiatives. Recent examples of this include attracting Police and Home Office funding for partnership projects, situated in Council owned property. The Council will continue to seek third party funding, where such opportunities exist. Similarly, the Council will consider making investments in other partner's property, where this would generate greater financial and operational benefit for this Council.
- 10.5 There is a recognition that through the period of this strategy, significant capital projects are likely to continue to be smaller in number than historically. In particular the creation of new facilities, where there would be consequential new revenue liabilities for the Council, are unlikely to be supported. The focus of most capital investments in respect of property assets will be on improving existing buildings. Capital schemes involving new property will only be supported where there are supporting reductions in existing revenue liabilities to offset any new liabilities and where this is the optimum operational solution.

11.0 CARBON MANAGEMENT, SUSTAINABILITY & ENERGY USE

- 11.1 Buildings are associated with pollution, water use and the depletion of finite resources. Their environmental impact can be viewed in terms of all stages of their life cycle from the choice of site location, to construction method, use, management and eventual demolition. In particular, the levels of energy consumption and resultant carbon emissions during use are a key element of the Council's overall carbon footprint.
- 11.2 The goals of the Council in relation to property assets are therefore that the Council should only seek to acquire, procure or hold buildings which:

- Are well designed and where environmental impacts and costs in use, over its life cycle, are properly taken into account in making initial investment decisions
- Either has or is capable of achieving good environmental/ energy performance, especially being low carbon. Retention and disposal decisions regarding existing property will have regard to energy and utility costs and the scope for cost effective improvement in energy efficiency
- Are appropriate in terms of location – i.e. sited for maximum accessibility by all forms of transport but particularly by rail, bus and cycle.

- 11.3 The Council adopted in 2008 a Carbon Management Strategy and has worked with the Carbon Trust to identify ways in which it can reduce its energy use. The adopted strategy has set a very ambitious target of reducing carbon emissions from a base line year of 2005/6 by 35% by 2012. It has a longer-term aspiration to be carbon neutral by 2020. This strategy is led by the Public Protection function of the Council, with two elements of key support from the Asset Management function. The first relates to providing internal co-ordination around data related to utility consumption and costs, working in liaison with any external organisations employed to validate and provide bureau services to the Council. The second is in identifying and project managing physical schemes to reduce carbon emissions from the Council's property assets.
- 11.4 The Council allocated capital for energy efficiency projects in 2008/9 and 2009/10. It has successfully obtained and committed significant additional external match loan funding from the Salix Fund, supported by the Carbon Trust. It has already used this combined funding to complete a number of projects to improve insulation, install energy efficiency lighting, purchase more efficient plant and machinery and upgrade energy management systems. The Council has undertaken reviews of the ways in which it operate from various properties. This has identified (now implemented) opportunities to reduce energy consumption (e.g. by reducing 'out of hours' lighting to multi-storey car parks without compromising community safety objectives). Asset Management will continue to work with colleagues in Public Protection, individual services and any external consultants employed to identify further projects to improve the energy performance of its buildings.
- 11.5 In 2009 nine of the Council's properties were required to have a Display Energy Certificate (DEC). The rating of those properties was generally found to be low. This fact has been taken into account in formulating proposals for energy efficiency improvement schemes and in making strategic decisions about the future use of property.
- 11.6 The Council is an organisation subject to the statutory Carbon Reduction Commitment (CRC) regime. This is in force from April 2010. Consequential financial implications commence in 2011/12 and are anticipated to become more onerous, for poorly performing organisations, as time passes. In preparation for this important legislation, the Council has been a registered participant in 2009/10 in the Public Sector Carbon Trading Scheme. This has allowed Council officers to appreciate the likely trading mechanisms that may exist under the CRC scheme.
- 11.7 The Council commissioned an external impact assessment in 2009 of the likely financial effects of the CRC scheme. This identified measures it can take to reduce any adverse financial consequences. These measures include so called 'early action metrics'. The Council is working with its energy suppliers to achieve

installation of Automated Meter Reading (AMR) for as many properties as possible. This will both allow the Council to benefit under the CRC scheme in its initial period of operation and most importantly allow it to manage better its energy usage. The maintenance of accurate energy data is vital under the CRC and there are heavy penalties for organisations found to have made errors in reporting. The Asset Management section will continue to support Public Protection colleagues and to work with external partners and consultants to minimise the liabilities of the Council under the CRC regime, by ensuring accurate data is held and reported. The Council, through the Asset Management section, has made strong progress in the recording and monitoring of this data in the period since 2007. This will be sustained and built upon during the period of this strategy.

12.0 PERFORMANCE MANAGEMENT FRAMEWORK

12.1 The National Property Performance Management Initiative, (NaPPMI) has completed two phases of work relating to:

- Condition and Required Maintenance
- Environmental property Issues
- Suitability Surveys
- Building Accessibility Surveys
- Sufficiency (Capacity and Utilisation)
- Property Spend
- Time and Cost Predictability

This followed extensive consultation within Local Government and beyond and has been endorsed by various Local Government Property Groups, including the Association of Chief Estates Surveyors in Local Government, (ACES), and the Institute of Public Finance (IPF) Asset Management Network. This Council is a member of both groups and has additionally been a member of the IPF benchmarking club since 2009.

12.2 It is accepted by this Council that these indicators, added to and amended over time, should be regarded as the standard set of measures for Local Authority Property Management in England and Wales. Some of the indicators are identified as “local” (which Authorities may wish to adopt, depending on local priorities), or “national”, which Authorities are strongly advised to adopt. The national indicators 1-4 have been adopted.

12.3 Each one of these four national indicators is summarised in Appendix 4, showing the objectives and purpose of each indicator. The Council will continue to seek to improve its performance against these indicators.

12.4 The former Best Value Performance Indicator 156 (BVPI 156) relating to accessibility of public buildings is no longer a mandatory reporting requirement for local authorities. This Council will nevertheless continue to monitor effectively the accessibility of its buildings to its customers and as part of its commitment to improving its access to services.

13.0 KEY STRATEGY POINTS LINKED TO CORPORATE OBJECTIVES 2010 - 2013

13.1 Objectives of the Corporate Plan

The Corporate Plan has, as noted at 1 above, identified five priorities to be pursued in the context of ensuring that Northampton will be a successful and confident town where everyone who chooses to live here, work here, or visit the town, feels at home. These are considered in turn, together with the relevant related key asset strategy points set out at 1.1.3 at the start of this Strategy.

13.2 Priority 1 – We will help our communities become safer, greener, and cleaner.

The Asset Management Section will:

- Continue to work with community groups to overcome problems in areas where there is ownership of Council commercial property. A recent example has been in 2009 when the Council negotiated the surrender of a long lease of a public house in response to longstanding community and police concerns about anti-social behaviour and risks of criminal activity.
- Support carbon reduction objectives of the Council both through project management of energy efficiency projects to corporate property and by actively considering carbon emissions and energy efficiency issues in making decisions concerning retention, investment and disposal of property.

13.3 Priority 2 - We will improve housing and health to improve the wellbeing of our communities

The Asset Management Section will: -

- Continue a disposal programme of surplus land and property, in order to aid with the achievement of building additional affordable homes, and to support the general demand for private housing in the town. The section have already worked with the Housing Directorate, Regeneration & Growth and Planning functions to identify sites to achieve this target. These sites include areas within existing housing estates and a continuing review of garage blocks across the town. We will be working with colleagues to deliver the transfer and sale of the sites identified for disposal.
- Work with the Housing Directorate and community and voluntary sector partners, to ensure that neighbourhoods are places where people want to live, particularly in the context of the vicinity of retail premises on Council estates.

13.5 Priority 3 - We will promote economic development and growth in Northampton

The Asset Management Section will: -

- Work with the Planning and Regeneration within the Council, and with external companies and public sector partners to ensure that key regeneration projects can be undertaken, to improve the vitality of the town and in particular the commercial renaissance of the Town Centre. This will include, inter alia, key Council controlled sites at Guildhall Road, St. John's, Bedford Road and Dallington Grange.
- Work with other Council officers, particularly in Planning & Regeneration and in Town Centre Operations, to ensure the expansion of the Grosvenor Shopping

Centre and to make Northampton a major retail centre. This will involve close co-operation with other external agencies such as the West Northamptonshire Development Corporation, English Partnerships, East Midlands Development Agency, the Town Centre Partnership, and the owners of the Grosvenor Centre, Legal & General Assurance plc.

- Release land and property owned by the Council to support existing and new businesses and stimulate growth in employment opportunities

13.6 Priority 4 - We will strengthen our commitment to partnership working

The Asset Management Section will: -

- Promote and deepen existing collaborative working with public sector partners, identifying new opportunities to use other partners buildings and to host the combined delivery of shared services where appropriate
- Implement agreed approaches to Community Asset Transfer proposals and engage positively with community organisations and voluntary sector agencies to explore opportunities for the community management of property

13.7 Priority 5 - We will be a well managed organisation that puts our customers at the heart of what we do

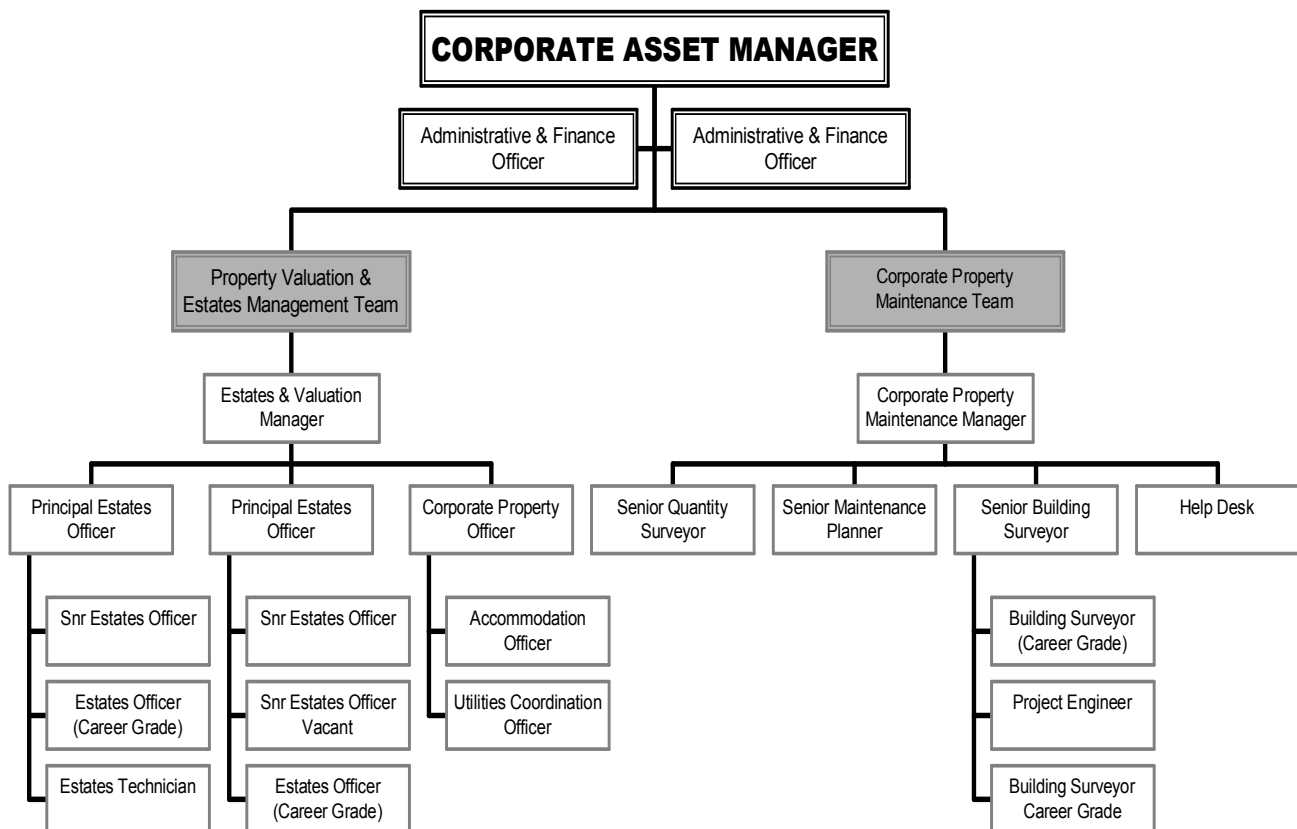
The Asset Management Section will: -

- Continue to improve the management and strategic use and direction of Council Assets, demonstrated by strong performance in Use of Resources assessment under KLOE 3.2 in 2010/11 and further improvement in 2011/12 and 2012/13.
- Reduce the Council's overall property holdings and maximise utilisation of retained property assets, generating better value for money outcomes from its assets
- Support organisational change and continuing improvement within the Council through providing a flexible 'solutions orientated' high quality property service, at a cost consistent with similar services provided to other high performing Councils
- Manage down the overall maintenance liabilities of the Council and improve the condition of property owned, through promoting selective investment of capital in core assets and by a programme of disposals of non core assets
- Ensure that 95% of Council buildings, which are open to the public, are accessible to disabled people. The Section will specifically monitor the achievement of this target within the Property Performance Indicators.

13.8 The tabulated form of the Action Plan is shown in Appendix 5, and indicates the objective of specific schemes, together with the relevant time periods and/or likely trigger and final target dates.

APPENDIX 1

Structure Chart of Asset Management Section



APPENDIX 2

Work undertaken by teams within Asset Management function

A. Estates & Valuation Team

Record keeping and property data management -

- Maintaining a comprehensive property database of NBC land and property ownerships and of any leases, partial disposals, or other agreements affecting each individual unit of property (GVAS Property Manager software system)

Statutory Valuation Work -

- Asset Valuations to meet local government accounting rules.
- Professional work in connection with managing and limiting the business rates (NNDR) liability of the Council.
- Carrying out 'right to buy' valuations for Council Housing.
- Certifying that sales and lettings comply with statutory duty to obtain best value
- Work related to compulsory purchase of land
- Preparation of insurance valuations of NBC property

Property review and Options Appraisal Work

- Systematically reviewing property holdings over 5 year cycle
- Identifying rationale for holding property and identifying opportunities to dispose of property to generate capital receipt or additional revenue.
- Managing a disposal programme, generating capital receipts
- Identifying opportunities for use of NBC land for Regeneration and Housing schemes
- Providing professional support to other functions regarding ad hoc and service driven reviews of property

Supporting other services -

- Providing Estate Management advice to help resolve issues related to operational NBC property e.g. Market Square project; Car parks issues; Bus station issues; dealing with neighbouring owners; protection of NBC position in disputes; acting for the Council where leaseholder; granting/ acquiring wayleaves, easements and rights of way; supporting Facilities staff with lettings/ negotiations of surplus areas of admin buildings e.g. Guildhall, Weston Favell DHO; Kingsthorpe Office; Fish Street
- Space planning and co-ordinating Office Moves
- Co-ordinating accessibility issues and reporting upon compliance with Performance Indicators/ Disability Discrimination Act at operational buildings
- Providing professional support to Regeneration in connection with commercial property matters -Town Centre (e.g. Grosvenor/ Greyfriars; St John's: Becketts Park Marina) and Neighbourhood schemes
- Providing professional support to Housing in connection with development schemes (e.g. 'Places of Change' project for major homeless provision); sale of surplus property HRA property; working to identify opportunities to rationalise land and property holdings in HRA; managing investment property held within HRA (Shops)

- Providing support to Community Development re: Community Centres; advising upon approaches from community groups linked to property requests.
- Providing support to other services on major Heritage projects e.g. Delapre Abbey

Investment Property Work -

- Managing effectively a mixed commercial portfolio of shops; industrial units; leisure property; offices; golf course land; miscellaneous property (inc. major Theatre; League Football Stadium) to generate gross General Fund income of c. £1.7m per annum. Including all associated valuation work, lettings, rent reviews, lease renewals, tenancy management; income monitoring and service charge administration.

Strategic Property Work -

- Asset Management Strategy formulation and implementation
- Office accommodation strategy
- Policy development about how to use NBC property to support corporate objectives e.g. developing community cohesion, assessing scope for Community Asset Transfers.
- Support collaborative working with other public sector partners
- Integration of wider corporate objectives into property decisions - e.g. Equalities work; data quality objectives;

Utility costs/ consumption monitoring and carbon reduction -

- Monitoring spend of Council on energy supplies and liaising with procurement and Sustainability Officer and external partners to identify cost/ consumption reduction.
- Supporting policy work related to Carbon Management and work related to compliance with Carbon Reduction Commitment (statutory scheme related to carbon emissions)

B. Corporate Property Maintenance Team

Record Keeping and property data management -

- Maintaining a comprehensive database of maintenance records of NBC land and property for Corporate Property.
- Records of condition, past maintenance works and expenditure and condition data (GVAS Property Maintenance module) plus maintenance of Asbestos register.

Planned Maintenance - (Revenue and Capital works)

- Professional co-ordination of compliance with statutory requirements related to property ownership and use - e.g. Water hygiene/ Legionella prevention; Asbestos Management; Fire risk mitigation; Electricity at Work Regulations; Lift, escalator and hoist legislation;
- Undertaking cyclical and one off condition surveys and identifying nature of maintenance required to corporate property for give period of years.
- Identifying, co-ordinating and monitoring planned maintenance activity through managing programmes of work - e.g. boiler and ventilation equipment servicing,

electrical testing of emergency lighting, water temperature monitoring and disinfection works;

- Co-ordinating survey works and inspection/ re-inspection regimes for Asbestos management.
- Considering Energy Performance issues
- Selecting, procuring and managing appropriate specialist contractors and suppliers
- Budget monitoring and prioritisation of planned expenditure spend within budgetary constraints

Responsive repairs - (Typically revenue work)

- Providing helpdesk service for co-ordinating repairs
- Assessing works required to address identified defects and breakdowns
- Specifying remedial works required, procuring works and selection of specialist contractors and suppliers, monitoring and managing works on site and signing off completion.
- Budget monitoring and prioritisation of reactive expenditure spend within budgetary constraints

Project Work (Typically capital works)

- Preparation of feasibility plans, and designing schemes to meet client function requirements. Estimation of construction costs. Providing design and cost advice.
- Ensuring scheme design compliance with statutory regulations (e.g. Building regulations and Planning permission) and Health and Safety requirements.
- Selecting and procuring contractors and considering tenders received and cost information and reporting on same
- Appointing contractors and managing schemes on site through to completion, authorising expenditure and project budget management
- Supporting delivery of physical projects forming part of the Carbon Management programme of NBC
- Supporting delivery of physical projects to improve accessibility of NBC property to disabled

Audit Work

- Undertaking sample financial and physical audits of construction works undertaken

Strategy Work

- Preparing Maintenance Strategies for Corporate Property and providing linkage to over arching Asset Management Strategy
- Close working with Estates & Valuation Team to meet corporate objectives and priorities through repair and maintenance, improvement and adaption of property

Support Work to Estates & Valuation Team -

- Preparation of schedules of condition; Schedules of dilapidations; Repairs Notices; Negotiating claims related to repairs issues on behalf of the Council as Landlord and Tenant.

APPENDIX 3 - Analysis of Fixed Assets by Category

Property Portfolio of Northampton Borough Council as at 31 March 2009

31/03/2008		31/03/2009
Number	Operational Assets	Number
12,262	Council Dwellings	12,209
	Other Land and Buildings	
27	Council Houses not used as dwellings	27
95	Shared Ownership Properties	94
3,005	Council Garages	3,002
20	Other Housing Properties	19
67	Operational Shops	67
194	Other Garages	194
1	Guildhall	1
62.88ha	Allotments	62.88ha
4	Sports & Leisure Facilities	5
27	Community Centres	27
2	Museums, Art Galleries	2
1	Open Markets	1
15	Public Conveniences	14
5	Multi-Storey Pay & Display Car Parks	5
4	Local Area Offices	4
4	Central Administrative Offices	4
1	Gypsy Site	1
1	Bus Station	1
17	Surface Pay & Display Car Parks	18
1	Depots	1
15	Sub-Depots	15
1	Golf Course	1
74	Infrastructure	75
164	Vehicles, Plant, Furniture and Equipment	163
	Community Assets	
887.45ha	Parks and Open Spaces	887.45ha
4	Historical Buildings	4
33	Monuments/Memorials/Exhibitions	35
6	Pavilions	6
6	Cemeteries	8
1	Civic/Mayoral Regalia	1
	Non-operational Assets	
284	Commercial Property (Units)	289
65.97ha	Agricultural Land	65.97ha
1	Theatres	1
1	Indoor Market/Arts Venue	1
78	Intangible Assets	70

APPENDIX 4

A. NaPPMI Indicators

Number: PMI.1 - A,B,C & D : CONDITION & REQUIRED MAINTENANCE **(National Indicator)**

OBJECTIVES:

- To maintain the condition of the asset for its current use
- To measure changes in condition
- To measure the annual spend on required maintenance

PURPOSE:

- To show the severity and extent to which maintenance problems affect the portfolio
- To assist in development of detailed information on required maintenance
- To encourage authorities to invest in planned maintenance
- To show year on year changes in required maintenance
- To show the annual spend on repair and maintenance

Number: PMI 2 - A,B & C : ENVIRONMENTAL PROPERTY ISSUES **(National Indicator)**

OBJECTIVE:

To encourage the efficient use of assets over time and year-on-year improvements in energy efficiency.

PURPOSE:

- To reduce environmental impacts on Local Authority operational property
- To highlight areas of poor or mediocre energy and water efficiency / performance and act as a catalyst for improvement
- To complement the process for 'Energy Certificates'
- To support the Local Authority's assessment of property performance together with condition and suitability within the framework of Asset Management Planning

Number: PMI 3 - A & B : SUITABILITY SURVEYS
(National Indicator)

OBJECTIVES:

To encourage Local Authorities to carry out Suitability Surveys enabling them to identify how assets support and contribute to the effectiveness of frontline service delivery, i.e. are they fit for purpose?

PURPOSE:

- To ensure that Local Authorities are undertaking Suitability Surveys
- To enable the Local Authority to understand its Asset Base
- To ensure that the property meets the needs of the user
- To enable key decisions to be made

Number: PMI 4 A,B, C & D : BUILDING ACCESSIBILITY SURVEYS
(National Indicator)

OBJECTIVES:

- To monitor progress in providing access to buildings for people with disabilities.

PURPOSE:

- To monitor the progress at which Local Authorities carry out access audits.
- To enable key decisions to be made

Performance Indicator Title	BVPI 156 – Disabled Access to Public Buildings		
	The percentage of authority buildings open to the public in which all public areas are suitable for, and accessible to, disabled people.		
Definition Detailed definition of what is being measured.	<p>‘Local authority buildings open to the public’ means buildings or parts of buildings from which the authority provides a service, (which for the purposes of BV156 shall EXCLUDE the exercise of democratic functions) to members of the public where the service cannot be provided by alternative means and where the inability to access the service in person would be discriminatory, but excluding public conveniences which are not integral to such buildings and schools and educational establishments.</p> <p>‘Public areas’ means those parts of such buildings where such services are provided, including access to those areas from the public thoroughfare or on-site parking.</p> <p>For a building or part of a building to be ‘open to the public’ individual residents must be able to choose on a day-to-day basis whether to use the services provided within the building.</p> <p>Buildings that are open to the public should include; those used by but not owned by the council; parts of old peoples’ homes which are used to provide a facility usually open to members of the public such as a luncheon club or day centre; buildings used by an authority’s agent delivering a service on behalf of the authority and sports pavilions if they are usually open to members of the public.</p> <p>Buildings to exclude: Schools and similar educational establishments even if used for other purposes as well, registry offices (where the registrar is not a local authority employee), stand-alone public toilets, commercially leased premises, those let to other bodies not providing a service for the authority; and social services establishments in NHS buildings that primarily serve NHS clients.</p> <p>If a building is the joint responsibility of more than one authority then all the relevant authorities should count it.</p> <p>‘Accessible and suitable’ as defined in Approved Document M of the Building Regulations Act 1991 or any later version of Approved Document M. Please state the year of the document used when submitting your final figure.</p>		
Source History Specify links to former performance measures e.g. BV	BV 156	Frequency Frequency of corporate reporting (as defined in Service Plan)	Half Yearly

Calculation / Formula Detail how calculation is done e.g. $N = x/y$; where $x = \dots$ and $y = \dots$	$N = (a / b) \times 100$ Where: a = authority buildings open to the public in which all public areas are suitable for, and accessible to, disabled people. b = all authority buildings open to the public		
Decimal Places e.g. 0, 1, 2	2	Unit e.g. Kg, Tonnes, %, days, per 1000 population	%
Good Performance Is it good to be high or good to be low?	Good to be high		
Data Source System used to obtain information e.g. Agresso, IBS, customer surveys, third party (e.g. police)	Access Standards to approved Document M 199 base line Access audit reports for public buildings Documents on GVAS Property manager/ maintenance databases maintained by Asset Management Shared Information held on IT Server		

APPENDIX 5

ACTION PLAN

Asset Management Tasks	Action Required	Target Date	
NaPPMI Indicators	<p>Benchmark performance</p> <p>Improve standards during financial year 2010/2011.</p> <p>Achieve 'top half' status by 2013</p>	<p>March 2011</p> <p>March 2013</p>	
Establish Corporate Asset Board	<p>Liaise with Members, Chief Executive and Members to establish board</p> <p>Ensure regular two monthly meetings</p>	June 2010	
Develop key Regeneration Projects	Liaise and co-operate with Regeneration to identify target dates for the feasibility and ultimate development of sites.	Ongoing	
Implement Process for Community Asset Transfer proposals	Establish criteria to judge and determine merits of individual properties that may be suitable and formally adopt	September 2010	
Review Operational Asset requirements	Continue to challenge need to hold property as part of service reviews and to reflect other emerging changes to service delivery to the public	Ongoing	
Parks & Open Spaces Strategy – potential surplus land	Examine scope for release of land to support capital receipt generation, provision of additional homes and for re-investment in retained land covered by Parks and Open Spaces strategy	September 2011	
Disposal of land for additional homes	<p>Work with other functions to provide additional affordable homes in Northampton within period 2010 - 2013.</p> <p>Dispose of surplus land for private housing</p>	Ongoing	

Asset Management Tasks	Action Required	Target Date	
Dallington Grange Development	Work with West Northamptonshire Development Corporation, the Spencer Estate, Developers and NBC staff to ensure NBC owned land released for a form of development that meets the priorities of the Corporate Plan	2010 - 2013	
Collaborative Working	Expand data sharing arrangements about public sector owned property with wide range of partners, meet in regular forums with asset colleagues from public sector partners and promote co-location opportunities with others	Ongoing	
Property Programme Review	Review 20% of non-operational property per annum Process ad-hoc enquiries	Annually Ongoing	
Grosvenor re-development and expansion of retail centre	Support Team Northampton approach to delivery of conditions within Development Agreement reached in 2009 – works to Grosvenor multi storey car park	2010 – 2011 consistent with contractual commitments	
Disposal of surplus assets	Deliver programme of property disposals identified from Assets Strategic Business Review and from ongoing property review	September 2010 onwards	