

Corporate
Strategy



Asset Management Strategy 2020- 2025



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Section 1

1.1 Introduction

Our ambition is to be one of the leading Public Sector Organisations for development, property and asset management with a proactive approach to driving the best from our asset base and service delivery.

For many years we have demonstrated this ambition and innovation in making the best use of our land and property assets to generate significant revenue to protect front-line services; maximising opportunities to regenerate key areas of the Borough for the benefit of our communities so that they share in the associated environmental, economic and social benefits.

Progress made on delivery so far:

- Delivered a successful Acquisitions Strategy to grow the commercial property portfolio generating a significant annual net surplus to support frontline services.
- Supported delivery of Housing Strategy through our Strategic Housing Partnership with local registered providers, Radian and VIVID and Fareham Borough Council
- Supported delivery of Health and Wellbeing Strategy eg developed Places Leisure, a new modern leisure Centre at Fleming Park, Eastleigh and community centre and surgery at Lowford Centre, Bursledon
- Worked proactively in partnership with public and private sectors to deliver development opportunities eg. Travel lodge and M&S buildings
- Implemented a range of renewable energy installations
- Supporting delivery of Public sector hub in Eastleigh town centre through co-location of public services in Council owned property.

1.2 Asset Management Strategy

The Asset Management Strategy provides an overview of our land and property assets, ensuring focus is maintained on our main priorities for managing, maintaining and developing our assets over the next five years. The strategy informs policies enabling us to develop action plans, agree priorities and make decisions to meet our longer-term objectives.

This strategy is a cornerstone of our financial and service planning and supports delivery of the Medium Term Financial Plan whilst ensuring compliance with our Capital and Investment Strategies.

The Strategy will be reviewed and updated annually to ensure our land and property assets fully support the Council's Corporate Plan, by contributing to our key objectives for property asset management in accordance with our emerging Asset Management Policy:

- Maximise regeneration and growth through effective procurement and linking public sector requirements with regeneration opportunities.
- Embed a culture of innovation that maximises best use of appropriate technologies that support new ways of working and protects the environment; utilising available financing to support implementation and meet the objectives of the Climate Change and Environment Strategy and Action Plan.
- Drive efficiency through the management of our land and property assets, ensuring they provide the right space, in the right place and on the best terms. This also includes income generation and overall social value from the property portfolio through proactive asset management.
- Manage our property portfolio effectively using best practice, project and property management methodologies, adopting clear policies and action plans to meet our strategic goals; developing clear reporting processes to involve and inform Councillors, Service Managers and Project Sponsors in decision making.
- Deliver our services in a customer focused way, working with local suppliers or Small to Medium Enterprises (SME) where possible, who share our values and behaviours.
- Keep our properties safe, dry and secure through the implementation of a well-managed, rigorous compliance regime; repairs and renewals programme with clear maintenance plans and efficient facilities management.

1.3 Our Land and Property

We own a substantial and varied land and property portfolio predominantly located within the Borough. It includes commercial property, leisure facilities, depots, car parks, public conveniences and assets leased to community organisations.

Our commercial investment portfolio generates an annual net surplus of around £12 million for 2020-21 with a book value of circa £220 million (as at 31st March 2019). This is the amount that is included within the authority's accounts and, whilst this is not necessarily the exact amount that we would receive if we sold all our assets, it demonstrates what a considerable resource our land and buildings are, and why they need to be carefully managed.

As the way we deliver services changes, our assets need to adapt to support the Council as it moves forward. We will continue to invest in our assets to ensure we provide services fit for the future and to maximise benefit to the people and businesses in the borough.

In support of maximising value for money, in relation to the maintenance and day-to-day running of our buildings, contributory processes are embedded within the Corporate Landlord. These processes ensure that capital works are prioritised appropriately through our Repairs and Renewals Programme, based on evidence from building condition surveys, and in alignment with

operational priorities of those services in occupation. Additionally, the Asset Challenge process ensures that the future of those buildings not providing best value are reviewed appropriately before financial decisions are made on them.

1.4 Our Money

This strategy supports delivery of the Medium Term Financial Plan whilst ensuring compliance with our Capital and Investment Strategies. It is designed to ensure we prioritise where and how we spend the money to maximise the benefit to our communities and meet the challenges of the next five years in terms of recession proofing and managing in a Brexit landscape.

We have ridden the financial challenges of the last decade and remain committed to supporting the Borough's economic growth; encouraging job creation and investment through our dynamic rolling capital Community Investment and Housing Delivery Programmes. It is important to note that our capital investment provides leadership and attracts further inward investment. This helps the local economy and community to grow and thrive so that every pound invested by the authority generates additional social value (economic, environmental, health and wellbeing) benefits.

We actively support a circular economy and sustainability by working with local businesses or small to medium enterprises within Hampshire or the Solent Local Enterprise Partnership area where possible.

Section 2

2.1 Our Corporate Landlord Approach

The Leader of the Council is the portfolio holder for Property and the Corporate Director for Support Services (Chief Financial Officer) is accountable for the Asset Management Service. This direct involvement at Councillor and Corporate Management level reflects the importance and recognition of making the best use of our physical resources.

The Lead Asset Manager is responsible for the Asset Management Service with a professional, ambitious and dynamic property team, working in partnership with our communities, businesses, building occupiers, landowners, suppliers and partners to optimise asset performance and income in the delivery of our property services and solutions. The way we manage our assets is important. We need to ensure that our land and buildings are managed as corporate resources, the right stakeholders are involved, and decisions are made in the context of the council's priorities and objectives.

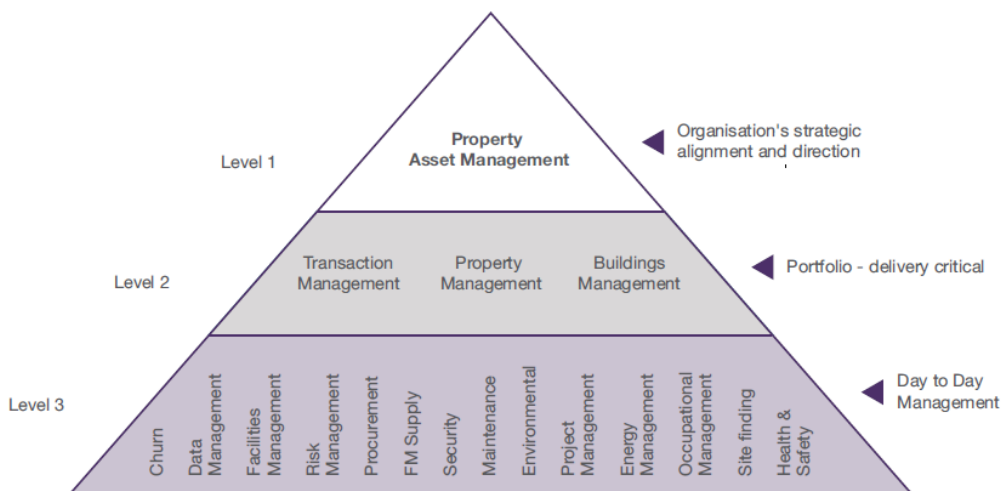
We operate a Corporate Landlord Approach where the ownership of an asset and the responsibility for its management and maintenance is transferred

from service areas into the corporate centre. The service area then becomes a corporate tenant and their priority is to plan and deliver their service to the best of their ability.

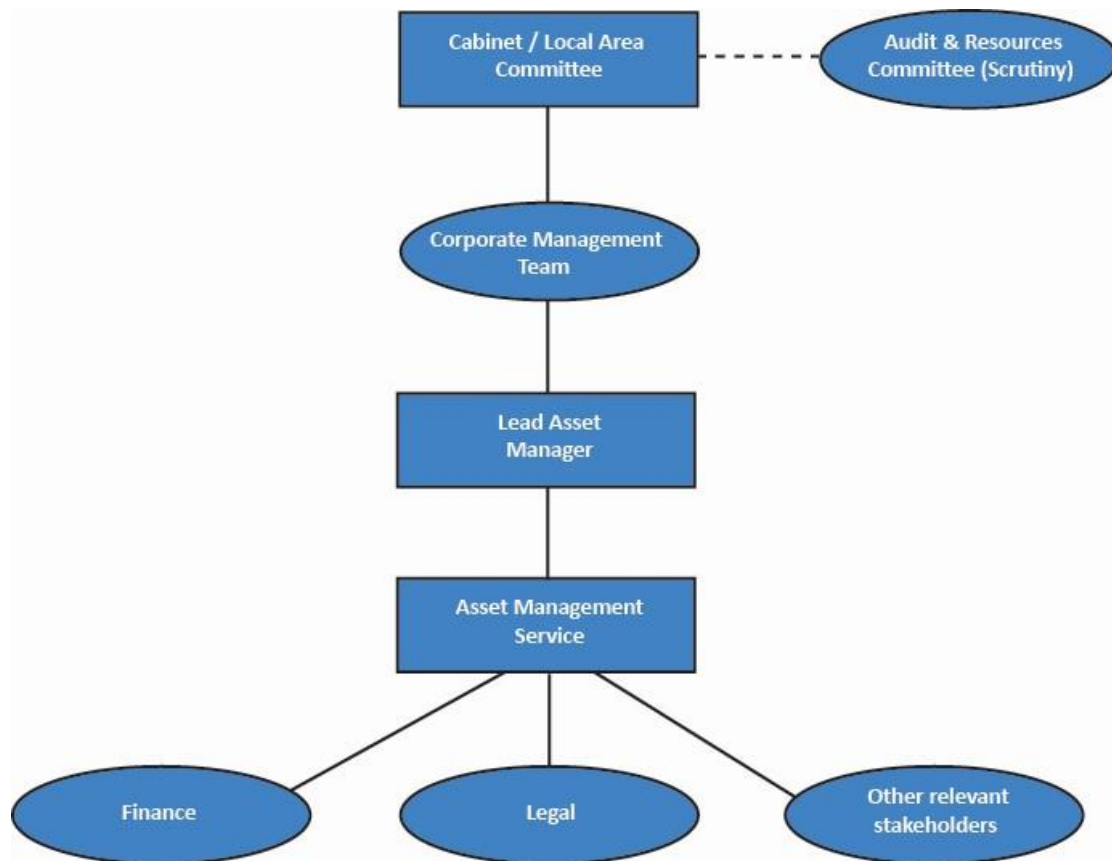
Our Asset Management Service are responsible for the Corporate Landlord function to ensure all services are adequately accommodated and the associated land and property assets are managed and maintained. The Corporate Landlord's responsibility extends further to the acquisition, development and disposal of land and buildings. The Corporate Landlord is responsible for asset planning, review, feasibility and options appraisal accounting for the needs of all service areas, but most importantly, making decisions based on overall corporate priorities.

Our Corporate land and property are managed and maintained to ensure they are Statutory and Industry (RICS) Complaint, adopting RICS best practice guidelines to meet our ambition of being exemplary in our land and property stewardship. Our experienced inhouse specialist teams with support from external suppliers where necessary, always strive to ensure our property portfolio is effective, sustainable and energy efficient. Our Strategic Property Approach is shown in Figure 1 below.

Figure 1. Strategic Property Approach



There is a robust governance structure in place providing direction and transparency of the management of our property portfolio and further assurance that money is spent in the right place.

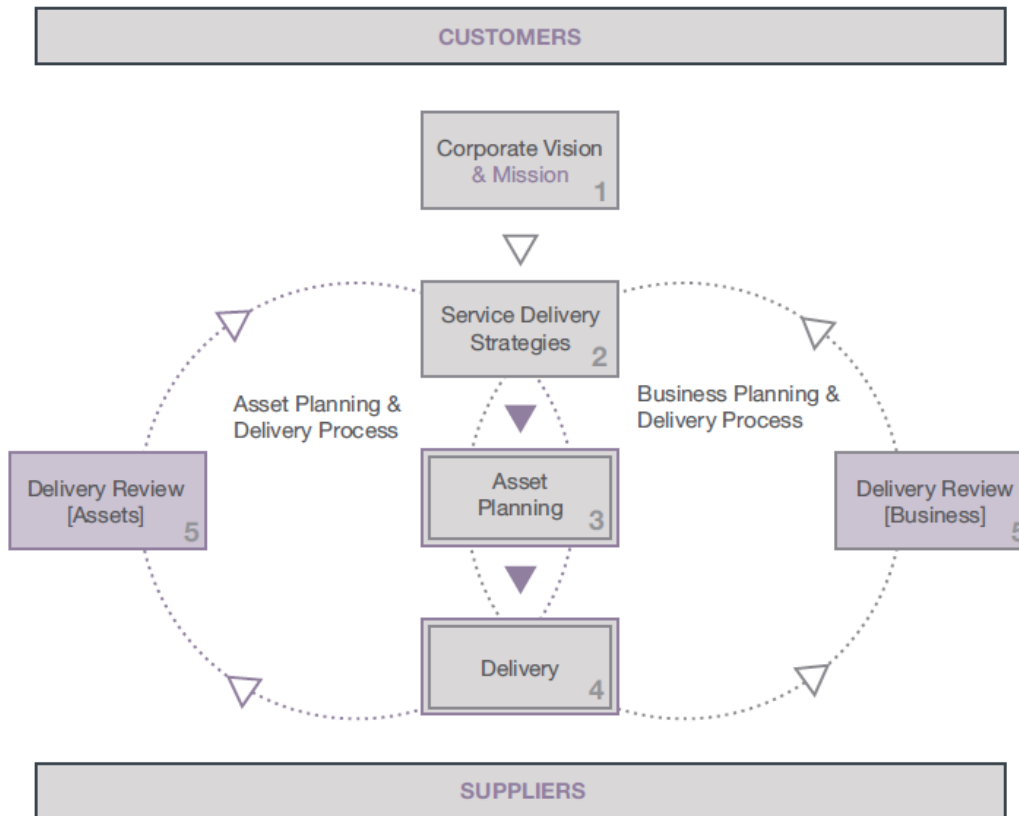


2.2 Measuring our Performance

To manage our assets effectively and efficiently we monitor how they are performing. These performance measures covering utilisation, energy efficiency and performance, cost and income are reported quarterly as part of the Asset Management Service Plan monitoring and feed into the Asset Challenge process.

2.3 Challenging our Assets

Our developing Asset Challenge process (set out in Appendix 1) will consider the climate change and environmental implications; it will become an embedded process, which means that our asset portfolio is reviewed on a continuous rolling programme as part of the Asset and Business Planning process as shown below in Figure 2.



This ensures that only those assets that are needed are retained. The ultimate aims of Asset Challenge are to reduce costs, identify assets that should be retained for use and/or invested in, identify those that are surplus to requirements and therefore can be disposed of. To do this, each asset is assessed using a step-by-step challenge process, ensuring that every asset has been fundamentally tested against a common set of criteria.

2.4 Maintaining our Assets

Our four key aims for Building Maintenance management are:

1. To ensure our buildings are safe and secure for the people who use them
2. To allocate funding to projects that will achieve the maximum positive impact
3. To achieve an efficient balance between planned and reactive maintenance work
4. Achieving maximum efficiencies in the way we procure building maintenance work

We identify our priorities by conducting a rolling programme of condition surveys which aims to understand maintenance requirements over a period of ten years, with aspirations to complete lifecycle condition surveys on selected assets to cover a period of 25 years. We have an agreed five year Repairs and Renewal Programme which enables a better informed decision-making

approach, maximising efficiencies by planning over a longer time horizon, instead of reacting to emergencies as they happen.

2.5 Working with Partners

We are active members of the Hampshire One Public Estate programme, working closely with other public sector organisations across the Borough to explore opportunities to reduce premises costs and make assets work better for our communities and customers. This includes supporting development of community or health and social care hub solutions for our residents and businesses with a focus on Eastleigh and Hedge End town centres during the length of this strategy.

We will continue to explore opportunities for partnership working with both public and private sector bodies and agencies to ensure successful delivery of the Asset Management Strategy.

2.6 Engaging with our Communities

Our policy, and part of the delivery of the localism agenda, is that wherever practical, buildings or land used to support community uses are transferred to the local Community, Parish or Town Council governance to enable local control and determination.

Local people are often best placed to manage community facilities in their area. They already make extensive use of these assets and their local knowledge and hands-on management often results in lower overheads and better value-for-money. Community organisations also use volunteers and take great pride in their local area. Managing these facilities can help to empower local communities and can bring opportunities for greater independence and financial sustainability. We are fully committed to using our assets to form long-term partnerships with suitable community organisations, to create stronger, more cohesive and more sustainable communities.

2.7 Our Forward Plan

This document outlines the key strategic objectives and focus for our land and buildings over the next five years. Our Asset Management Action Plan further describes the specific activities to achieve these objectives, categorised under three headings of:

Regeneration – to support the environment, health and wellbeing, housing delivery and the economy through regeneration

- Enhance sustainability, reduce water consumption, cut waste and improve energy efficiency in our new developments and refit/refurbishment projects

- Delivery of development projects including the Former Post Office site; marketing of The Green office development in Eastleigh and the regeneration of the former Budgens site in Hedge End
- Ongoing Strategic Acquisition Programme to support future placemaking and regeneration in Eastleigh town centre and Local District Centres
- Review of our property assets to consider the Climate change and environmental implications; to support delivery of the Climate Change and Environment Strategy; Economy Strategy; Health and Wellbeing Strategy and emerging Cultural Strategy.
- Review Direct Services accommodation to assess need, efficiency, sustainability and develop options for alternative service provision/relocation
- Review Countryside Services accommodation, efficiency, sustainability and develop options for improved service delivery with Service Manager
- One Public Estate – continued partnership working to share assets and explore options for improved service delivery across Public Sector bodies in Hampshire
- Continuous improvement in efficiency of delivery of services, including procurement of services, works and products.

Economy – to improve skills and employment, infrastructure and to reinvigorate town and local centres.

- Review and asset planning of Wessex House Business Centre to ensure it continues to meet market demand, support small businesses and attract inward investment.

Housing Delivery – to increase provision and a more diverse mix of housing

- Ongoing housing delivery through Aspect, joint venture partnership
- Delivery of additional housing on three town centre sites through partnership working with registered provider, Vivid
- Review of Council owned land and buildings to support housing delivery
- Support master planning for a sustainable community at One Horton Heath

The Asset Management Action Plan (Appendix 2) will be managed and updated quarterly to report on progress and achievements. This means that the document will change to reflect achievement of actions and capture new priorities and initiatives as they are identified.

APPENDIX 1 ASSET CHALLENGE PROCESS

