



**Cherwell**

DISTRICT COUNCIL  
NORTH OXFORDSHIRE

**Appendix 1**

# **CHERWELL DISTRICT COUNCIL**

## **Property Asset Management Strategy 2024/25 to 2029/30**

*“Strategic Property Asset Management is the process which aligns business and property asset strategies, ensuring the optimisation of an organisation’s property assets in a way which best supports its key business goals and objectives” – RICS Public Sector Asset Management Guidelines*

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## 1. INTRODUCTION

1.1 Cherwell District Council (CDC) Property Asset Management Strategy outlines the principles and framework underpinning decisions to make best use of property assets. This is the first Property Asset Management Strategy since the Council decoupled from Oxfordshire County Council in 2022.

1.2 Undertaking a strategic asset review, to recognise the potential of the council's property portfolio in meeting its regeneration ambition, formed part of the action plan arising from the 2022 LGA Peer Review.

1.3 The Council has a diverse property portfolio including council offices, leisure centres, car parks, depots, open spaces, housing and commercial property. Some properties such as Graven Hill, Bicester and Crown House, Banbury are held by wholly owned subsidiary companies. Reasons for holding property are primarily service driven.

1.4 The Property Asset Management Strategy will support Council decision making, priorities and service delivery. Buildings and/or land are needed to support much of the Council's service delivery. The Strategy needs to be adaptable and flexible and support decision making about changes in service delivery, budgetary, statutory or regulatory requirements.

1.5 The current national and local context provides several drivers for a review of the Council's estate and how it manages its assets:

### 1.6 Key Drivers

- Financial
- How the Council currently uses property to deliver services
- Service need – future service design/delivery
- Relocation of Council HQ offices to Castle Quay Banbury
- Decarbonisation and sustainability issues, including costs of upgrading properties
- Relocation of depot facilities to a new depot at Graven Hill
- Risk appetite
- Operational costs
- Income generation to support Council activities
- Utilising Council property to support local economy
- Opportunities to transfer ownership to other appropriate organisations
- Grant and funding opportunities available
- Can only sell a property once

1.7 The Property Asset Management Strategy structure is the "industry standard" format endorsed by CIPFA and other bodies and includes:

- **Vision/Policy** – reflecting Council plans and priorities
- **Strategy** – how the Council will use its assets to accommodate service provision, finance and future planning
- **Action Plan** – a detailed strategy or asset management plan for each individual asset or asset type



- 1.8 All property assets should contribute in some way to the Council's service delivery objectives and help to achieve the Council's corporate objectives and priorities as defined in its Business Plan and have regard to other policies, strategies and plans, including the need for income generation to support Council activities.

## **2 STRATEGIC APPROACH**

2.1 Global events including Covid-19, repercussions of ongoing conflicts, inflation, rapid increases in interest rates and uncertainties around government funding have impacted Cherwell's communities, businesses and the Council. In this context, the Council must be prudent with its finances and inventive in finding better ways to deliver services. Property assets have an important role to play in this. For example, the council's investment in the Castle Quay Waterfront helped deliver a much-needed town centre regeneration scheme with a supermarket, multi-screen cinema and restaurants for Banbury. These created many new jobs and are helping secure the town's regional status for years to come. The Council's recent decision to relocate its main offices to Castle Quay will bring additional benefits including greater accessibility for residents, an improved working environment better suited to modern ways of working and bring vacant space back into use.

2.2 The purpose of this strategy is to:

- 2.2.1 set out the approach the Council will take to review the strategic purpose of its property asset portfolio and ensure it is allocating available resources to land and property which best support the Councils Business Plan and the wider vision and ambition for Cherwell;
- 2.2.2 establish a framework to monitor the continuous performance of the property asset portfolio against priorities and test whether it remains fit for purpose and to better plan for a future that looks through a broader and more sustainable lens; and
- 2.2.3 outline the governance arrangements on which property asset management decisions including rationalisation, development, investment and construction can be consistently based.

## **3 VISION AND POLICY**

3.1 The Councils Business Plan sets out four priorities to guide its activities:

- 1. Housing that meets your needs
- 2. Supporting environmental sustainability
- 3. An enterprising economy with strong vibrant local centres
- 4. Healthy, resilient and engaged communities

3.2 The Council's property assets and the way they are managed have the potential to contribute to these ambitions.

3.3 All Council strategies and policies are informed by and flow from the Business Plan. The Property Asset Management Strategy will also be informed by other strategies and policies including but not limited to Medium Term Financial Strategy, Local Plan, Digital Futures Strategy, Capital Strategy and Investment Strategy.



Like any other council resource it is important that land and buildings are effectively managed, key stakeholders are involved in the process and d

3.4 Decisions made are closely aligned to the Council's priorities and core objectives. Within the Council's current financial context it is key that the costs associated with operating and maintaining the estate are minimised whilst supporting optimal service delivery. The Council recognises the importance of working closely with its partners both locally, regionally and nationally to help deliver the Property Asset Management Strategy.

## 4 STRATEGY

4.1 The Property Asset Management Strategy establishes clear principles about how properties are managed and will remain in place for the next 5 years but be reviewed in 2 years to ensure it still reflects the ambitions. The Property Asset Management Strategy sets out eight Aims aligned with the Business Plan.

### 4.2 AIMS

- 4.2.1 Manage property to support Business Plan objectives and priorities
- 4.2.2 Minimise the operational and long-term cost of the Council's property estate
- 4.2.3 Provide Value for Money by using Council resources wisely and having information needed to make robust and informed decisions
- 4.2.4 Support service delivery by providing assets fit for purpose and effective, modern ways of working
- 4.2.5 Consider the impact of sustainability in all decisions, making buildings as sustainable as possible including making positive contributions to decarbonisation
- 4.2.6 Take a dynamic approach to property asset management including retention, investment, repurpose or disposal of those surplus to requirements, and acquisition.
- 4.2.7 Work with partners to maximise opportunities and consider transfer of services/assets to Town and Parish Councils and other appropriate organisations
- 4.2.8 Implement a Corporate Landlord Model

## 5 ESTATE MANAGEMENT APPROACH

5.1 Property assets comprise operational, income producing, housing, community and other types of land and properties including public open space. The assets are managed in-house, with additional external support to meet specific capacity and capability needs.

5.2 Council owned land and building assets have a total book value of c£160m. Whilst this is not necessarily the amount the Council would receive if all assets were sold it demonstrates the considerable resource they provide and why rationalisation, careful management and robust decision making is needed.

5.3 Some properties were not designed or planned for their current use, are no longer fit for modern ways of working and are expensive to maintain. An example is Bodicote House, the Council's main office, a Grade 2 former house set in landscaped gardens.

5.4 Some assets listed below are used for operational purposes, ie housing or a property that is used for both operational service delivery and income generation. Asset types include:

- 5.4.1 **Operational Property Assets** - used for service delivery and include Council offices,



depots, car parks, bus station, leisure centres and public conveniences.

- 5.4.2 **Residential Property Assets** - comprise fewer than 200 residential properties providing affordable housing, not intended to generate a financial return, with a view to preventing homelessness, mitigating poverty and providing greater stability to residents. Most social housing within Cherwell is owned and managed by housing associations.
- 5.4.3 **Community Property Assets** - used for the well-being and social interests of local communities and includes properties such as Village Halls and Community Centres, Scout Huts and allotments. Many are let to community groups providing facilities and services to local residents.
- 5.4.4 **Other Property Assets** - let to 3<sup>rd</sup> parties, helping support the local economy, drive economic development and generating an income to support council activities.
- 5.4.5 **Ancillary Property Assets** includes retained and public open land and other ancillary properties not included in the categories above.

5.5 Historically the Council managed its assets on a reactive basis. In addition there was limited central management of assets, with several services managing their own properties direct. This has resulted in incomplete records and data, ongoing difficulties with budgeting and expenditure, and legacy issues still requiring resolution e.g. adoption of public open space and comprehensive details of management and utility contracts.

5.6 The Council secured funding towards decarbonisation and upgrade of some assets, particularly leisure centres. The Council will continue to pursue these types of funding opportunities when new schemes become available and will consider them when reviewing assets and making recommendations.

5.7 The council has made decisions in the past year about some property assets. These decisions show the commitment of the Council to using its property assets for improved service delivery, economic benefit and town centre vitality. Activity underway includes:

- 5.7.1 Bodicote House sale - approved, subject to negotiation of contract
- 5.7.2 Relocation of Council HQ to vacant space at Castle Quay – approved and project to fit out the space underway
- 5.7.3 New Depot – plot at Graven Hill acquired, project underway for relocation of existing depot facilities
- 5.7.4 Existing Depot/s – following decision to acquire a new depot site at Graven Hill existing depot sites will be reviewed and recommendations made about future options
- 5.7.5 Castle Quay – rebranding as a destination centre rather than “Shopping Centre” in recognition of changing uses and activities to support town centre vitality

## 6 WHAT CHERWELL DISTRICT COUNCIL WILL DO:

The Council will make use of the following to develop and implement action plans for assets and ensure property assets are managed effectively in the future

### 6.1 Baseline Data

- 6.1.1 Information and data about assets is needed to inform robust decision making. Work is underway to complete the following information. Some information and data is not relevant for all assets:
  - Address



- Legal and Title Information
- Occupancy and Tenancy Details
- Rents and Service Charges Details
- Building Plans and Layouts
- Running costs and maintenance contracts
- Maintenance and repair responsibilities
- Compliance Responsibilities
- Condition Surveys
- Mechanical and Electrical Surveys
- Fire Risk Assessments
- Access Surveys

6.1.2 Baseline data is used to develop and populate a database which will be regularly updated and maintained and lead to greater efficiencies and robustness of information when managing assets. This will be supported by the Digital Futures Strategy.

## **6.2 Asset Challenge – Decision Making About Why We Hold Assets**

6.2.1 An Asset Challenge approach will be used to aid decision making and review of assets resulting in a streamlined, fit for purpose and active asset portfolio that is aligned with corporate objectives and service delivery. The aims of Asset Challenge are to reduce costs and identify assets to be retained, invested in, repurposed or which are surplus to requirements and can be disposed, and acquisition.

**The Asset Challenge will consider the following:** (parts of the following will not be relevant for all assets):

### **6.2.2 Strategic Purpose**

- Why do we have the asset?
- What is its strategic purpose?
- Who is accountable for performance of it?
- What do we expect of it?
- Is this financial, non-financial or both?
- How would we know when this is being achieved?

### **6.2.3 Opportunities and Risks**

- Are there any opportunities that could be exploited?
- Are there any known barriers to exploiting these opportunities?
- Are there any risks that could be faced?

### **6.2.4 Performance Appraisal**

- What financial and non-financial outcomes have been delivered?
- Can non-financial benefits be quantified, or are they qualitative?
- What are the management costs?
- Are there any invisible costs?

### **6.2.5 Option Appraisal**

- Balance of performance, opportunities and risks
- What options are available?
- What are the relative costs and benefits of these options?
- Do any options carry increased risks?



## **6.2.6 Pre-implementation Consultation**

- Internal Stakeholders
- External Stakeholders and Partners.

## **6.2.7 Outcome**

- Retained
- Replaced / Remodelled / Re-used
- Disposed
- Open Market or Asset Transfer.

## **6.3 Develop an Effective Property Management Approach**

6.3.1 Without careful management, there is potential to waste money by keeping property assets that are not fit for purpose. Equally, all assets have a value and if they are no longer required, they could have a new purpose or be sold to unlock value which can be reinvested.

6.3.2 As service delivery models change assets will also need to change to support Council activities and priorities. The Council will need to invest in existing assets, acquire or develop other assets to ensure continuing service delivery fit for the future and to maximise the benefit to the people who live, work or visit Cherwell and this cycle of renewal and asset challenge will continue.

6.3.3 Capital works will be prioritised appropriately, based on evidence from building condition surveys and in alignment with operational priorities and service delivery.

6.3.4 There are a wide range of assets within the current property portfolio including offices, open spaces, specialist operational properties and other properties generating an income. The reasons for holding these assets will vary and, as a result, performance may need to be assessed in different ways. Performance of each asset must therefore be linked to the strategic purpose for holding it.

6.3.5 Management and maintenance of property assets including embedding a Corporate Landlord Approach will help drive efficiency through proactive asset management of our land and property and ensure assets are used to their best advantage to provide the right space, in the right place and on the best terms.

6.3.6 This approach to effective property management will ensure best value is achieved from assets, they are performing appropriately and provides assurance that money is spent in the right places and on the right buildings.

## **6.4 Maintain Assets**

6.4.1 Land and property assets will be managed and maintained to ensure they are statutory and industry compliant, adopting appropriate RICS and CIPFA best practice guidelines. In-house property teams with support from external suppliers where necessary, will strive to ensure the property portfolio is effective, sustainable, energy efficient and meets service need.



- 6.4.2 Adopt a comprehensive compliance regime to ensure property assets remain safe for use and occupation.
- 6.4.3 Decisions relating to improvement or maintenance of property assets will consider their contribution to corporate priorities, in particular the reduction of the carbon emissions from buildings.
- 6.4.4 Data from Condition Surveys, Mechanical & Electrical Surveys and Fire Risk Assessments will help develop a planned and costed maintenance plan for property assets. This will help with financial budgeting and enable preparation of accurate service charge estimates for commercial property assets and recharging of costs to council services occupying property. A planned preventative maintenance regime with regular inspections and updated records will inform future budget planning and help ensure where possible works are planned and not reactive. This will contribute to better controlled and lower maintenance costs and better maintained assets.

## **6.5 The Corporate Landlord Approach**

- 6.5.1 The Council will adopt a Corporate Landlord Approach for management of council owned property assets. The Council has begun this process, with the delivery of the new depot at Graven Hill.
- 6.5.2 The Corporate Landlord Approach will move responsibility for managing and operating property assets away from individual service areas into the corporate core and managed by Property. The service area then becomes a corporate tenant. This ensures the Corporate Landlord has oversight and control of all property assets allowing service areas to focus their efforts on service design and delivery. A key function of the Corporate Landlord is ensuring that property requirements of the individual service areas are properly understood and appropriately accommodated. The Corporate Landlord Approach will bring efficiencies to how assets are managed, used and maintained.
- 6.5.3 The following are undertaken or coordinated by the Corporate Landlord:
  - Estate management and valuation.
  - Strategic asset management.
  - Project design and management.
  - Statutory compliance.
  - Energy monitoring.
  - Facilities management.
  - Planned and reactive maintenance
  - Acquisitions and disposals
  - Property development
  - Budgetary management
- 6.5.4 The Corporate Landlord's responsibility includes asset planning, review, feasibility and options appraisal accounting for the needs of all service areas, but most importantly, making recommendations based on overall corporate priorities.
- 6.5.5 Implementation of a Corporate Landlord Approach requires adequate resources for budgets and staffing within the Property Team for a successful implementation and ongoing delivery.

6.6 The maintenance and upkeep of Council owned property assets is an ongoing and essential





activity to ensure that they remain

- Safe and secure.
- Fit for their intended purpose.
- Efficiently operated.
- Maximise the investment.
- Achieve the right balance between reactive and planned works.
- Protect market value.
- Maximise efficiencies through procurement.

6.7 The Council has a duty to manage the risk and assess the impact of statutory regulations on its property assets, for example in relation to asbestos, fixed wiring, legionella and fire regulation compliance. To ensure that the asset portfolio is compliant with statutory requirements, regular inspections and reviews of property are completed. Some 3<sup>rd</sup> parties, such as tenants and leisure centre providers, have responsibility for these compliance activities, with the responsibilities set out in tenancy documentation.

### **6.8 Develop Systems, Processes and Procedures.**

6.8.1 Accurate, reliable and consistent data collection and record keeping is essential to properly manage property assets.

6.8.2 Appropriate systems and processes will assist with workflow, accurate record keeping and ensure all activities are completed and logged and help drive efficiencies. The Council will continue with work already underway to identify what is needed, ensure systems and processes are developed and adopted and that all those needing to make use of them are appropriately trained.

### **6.9 Risk Management**

6.9.1 Risk management is an intrinsic part of property asset management by adding value to activities and increasing the probability of successfully delivering property asset management objectives. Risk management will enable management of uncertainty and embeds a process where unexpected events are minimised.

### **6.10 Communications**

6.10.1 The Asset Management Strategy will recognise that stakeholders and their needs are diverse. What is communicated and the way that is done is important while safeguarding the reputation of the Council and monitoring the success of this engagement.

### **6.11 Develop an Action Plan for Each Asset**

6.11.1 Using the approach outlined above an Action Plan will be developed for delivery of recommendations to determine future of assets at:

- Bodicote House
- Existing Depots - Thorpe Lane and Highfield
- Graven Hill Depot (D8)
- Community Centres (including village and parish halls)
- Housing – various
- Castle Quay



- Other non-operational income generating Assets (includes non-Castle Quay retail units, industrial and others)
- Pioneer Square
- Franklin House
- Car Parks
- Garages
- Open Spaces/Retained Land (including allotments and land CDC lease to Town Councils)
- Leisure Centres
- Miscellaneous (water tower, dovecotes etc.)
- Subsidiary Companies – several hold/own property assets. Review individual Companies narrative to confirm in scope

**Note:** as highlighted earlier decisions have been made in whole or in part for some assets above.

6.11.2 The Outputs will comprise:

- Detailed recommendation and Action Plan for Assets
- Implementation phase of Action Plan/s

## **7 GOVERNANCE ARRANGEMENTS**

7.1 The Councils Strategic Programmes Board will provide oversight of the asset review process with relevant decisions referred on to Corporate Leadership Team and Council Committees.

## **7 PERFORMANCE AND REVIEW**

8.1 A framework to measure improvement and performance of the Council's property estate and the changes to the way the Council manages property will be developed. This will demonstrate performance and help to deliver better outcomes for the Council, its partners and communities.

8.2 Benchmarking is a valuable way of assessing the outcomes and achievements of asset management practice and helps achieve improvement. Relevant and appropriate benchmarking data from a variety of sources including other local authorities, national and local data from Government and other sources and proprietary surveys will be used.

8.3 The nature of property requires a longer-term approach to the realisation of benefits and therefore the strategy is for a period of 5 years. It is important to monitor progress and performance regularly to ensure the direction of travel is being maintained and the objectives of the strategy are being delivered.