

Ashford Borough Council

Property Strategy

2006/2007 – 2008/2009



Ashford Borough Council - "Listening, Learning, Leading" - "Working for A Better Community"



ASHFORD
BOROUGH COUNCIL



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Mission Statement

“To enhance Ashford’s public services through effective property management”

Context



Aims and Objectives

1. To ensure Ashford Borough Council's service needs have an effective property solution by:
 - 1.1 Having capacity to manage buildings and related activities,
 - 1.2 Managing procurement of property solutions effectively,
 - 1.3 Ensuring buildings are suitable, accessible and maintained to the required standard,
 - 1.4 Ensuring that no new buildings are constructed or acquired unless they are sustainable and affordable for the whole life of the building.

2. To raise awareness of property as an asset providing clear decision making for its management and use by:
 - 2.1 Setting standards for design, care and use of buildings,
 - 2.2 Monitoring portfolio compliance with legal obligations (eg Disability Discrimination Act),
 - 2.3 Continuing the monthly meetings of the Asset and Project Management Group and reporting to members quarterly on asset management and property related issues.

3. To manage delivery of property services to demonstrate continuous performance improvement by:
 - 3.1 Reviewing processes and policies to ensure effective estate, contract and project management,
 - 3.2 Demonstrating choice and competition in property services,
 - 3.3 Setting performance targets for activities,
 - 3.4 Improving energy efficiency and reducing greenhouse gas emissions through the adoption and implementation of an energy use policy.

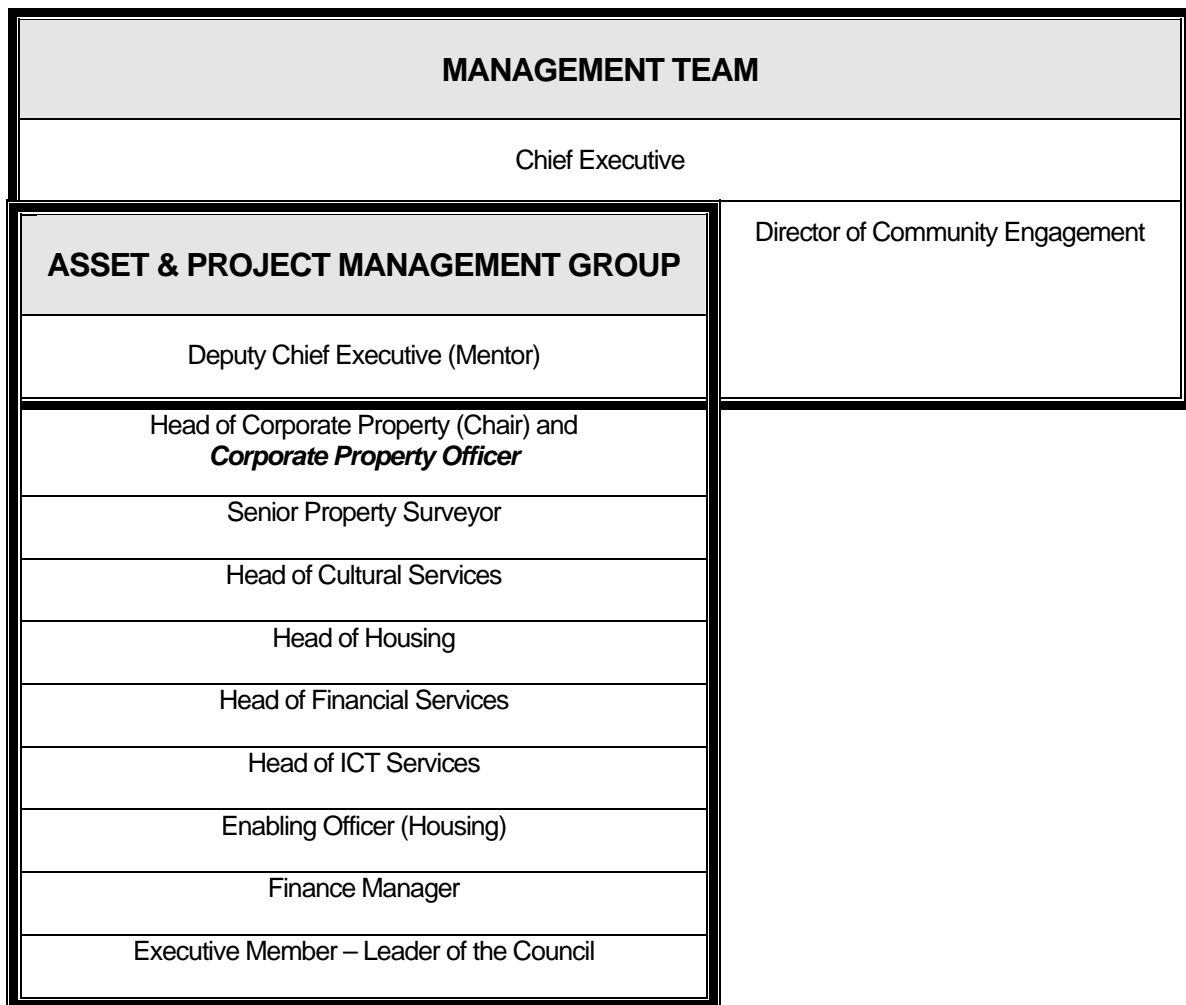
4. To release value from property holdings by minimising running costs and releasing space by:
 - 4.1 Challenging the need for ownership/retention of property,
 - 4.2 Reviewing property to identify sites for release,
 - 4.3 Seeking opportunities for the sharing of property with partners,
 - 4.4 Monitoring running costs to target potential savings.

Asset Management Plan

1. ORGANISATIONAL ARRANGEMENTS FOR CORPORATE ASSET MANAGEMENT

1.1 Structure Plan

1.1.1 The diagram below explains the relationship between the Council's corporate management team and the Asset and Project Management Group (APMG):



1.1.2 The terms of reference of the Corporate Property Officer are:

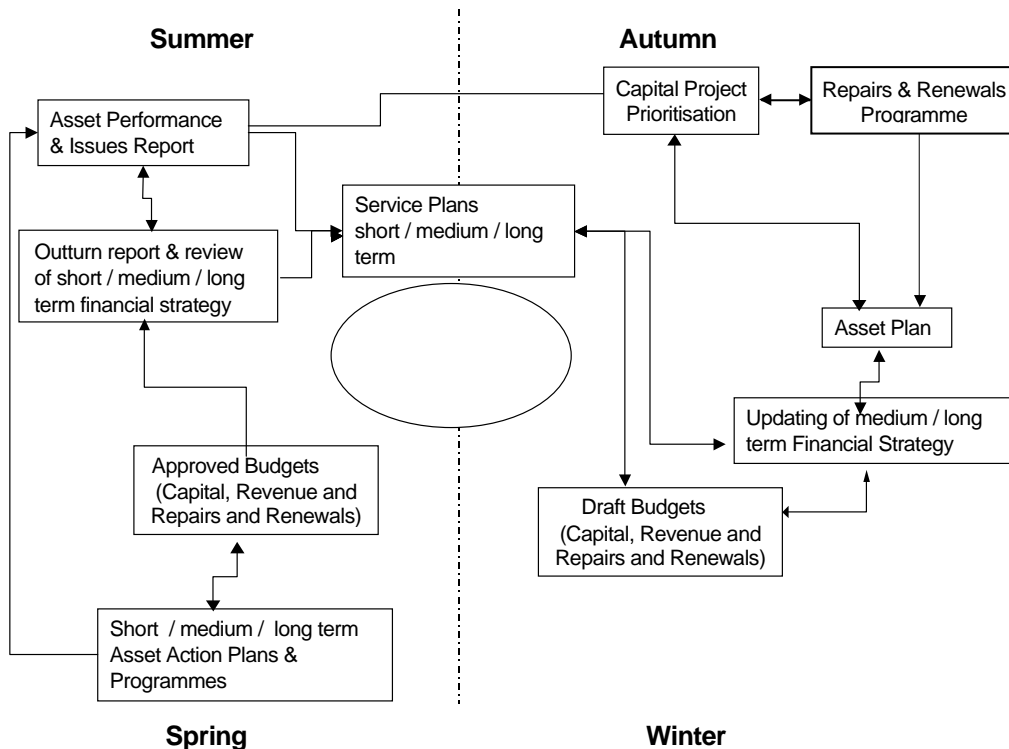
- To be the Chair of the Asset and Project Management Group,
- To be responsible for strategic asset management within the Authority,
- To report to the Executive as necessary but no less than once a year on corporate property issues,
- To act as the consultation and contact point for the advancement of improved asset management in the Authority,

- To contribute to the work of other relevant corporate and business planning groups and the preparation of the Capital Strategy.

1.1.3 The APMG is one of several corporate officer/member working groups and the roles and responsibilities of the Groups, including the terms of reference of the CPO, have been communicated throughout the Authority by the Chief Executive. The Group meets on the third Wednesday of every month and minutes are circulated, with action items, within 5 working days of the meeting. Quarterly reports are presented to the Executive on the progress of the Group.

1.2 Links between Financial and Asset Planning

1.2.1 The following diagram illustrates how asset management interlinks with financial planning.



1.3 Shared use of property

1.3.1 The Council is committed to maximising opportunities for the shared use of property assets. Some examples of shared use already taking place are:

- ❖ The occupation by Kent County Council Social Services of approximately 15% of the floor area of the Civic Centre,
- ❖ Tenterden Museum, which opens to the public between April and October, is occupied for a few weeks leading up to Christmas, by a charity selling Christmas cards.
- ❖ Part of Bockhanger Community Centre is occupied by the County Council and used as a library.
- ❖ The Council's Tourist Information Centre in Tenterden is operated from Tenterden Town Hall which is owned by Tenterden Town Council,

- ❖ The property 18 The Churchyard in the centre of Ashford is occupied jointly between the Tourist Information Centre and the Ashford Museum Society,

1.3.2 As part of a wider Innovations agenda, a study is due to take place into the delivery of public sector services in Tenterden to assess whether there is scope of shared delivery and/or occupancy of premises. Included in this study will be the need to address the future of the sub office and the Tourist Information Centre.

1.4 Community and Leisure trusts

1.4.1 The Council is currently carrying out a programme to improve its asset management through the use of charitable trusts. The advantages of transferring the buildings to a trust are:

- ❖ No business rates are payable resulting in a saving to the revenue budget,
- ❖ Community involvement is enhanced as local people are represented through the trustees,
- ❖ Greater opportunities for fund raising are available to a trust than to a local authority.

1.4.2 The following properties are now being managed by community or leisure trusts:

- ❖ Tenterden Leisure Centre
- ❖ Stour Centre
- ❖ Bockhanger Community Centre
- ❖ Park Farm Recreation Centre
- ❖ Goat Lees Community Centre
- ❖ Willesborough windmill
- ❖ Woodchurch windmill
- ❖ Tenterden museum
- ❖ Ashford museum
- ❖ Hothfield Village Hall
- ❖ Swan Centre

2. PERFORMANCE MANAGEMENT AND MONITORING

2.1 CPA Use of Resources

2.1.1 The following table demonstrates the measures taken to comply with the requirements within Key Line of Enquiry 2.3 – The Council manages its asset base.

Criteria for Level 2 8/8 MUST HAVE'S	Achieved Yes/No	Evidence Base/Action required
The council has an up to date corporate capital strategy linked to its corporate objectives and medium-term financial strategy.	Yes	Capital Strategy Medium Term Financial Plan Capital Strategy to be updated
The council has an up to date asset management plan that details existing asset management arrangements and outcomes, and planned action to improve corporate asset use.	Yes	Property Strategy incorporates Asset Management Plan. Council was awarded Beacon Status for Asset Management in 2005/06. Update Property Strategy
The council maintains an up to date asset register.	Yes	Asset Register
The council has a designated corporate property function.	Yes	Responsibility of the Head of Corporate Property (also the Council's Corporate Property Officer)
The council's arrangements for reporting to members are sufficient to ensure that they fulfil	Yes	Asset and Management Project Group quarterly report to Executive

their responsibility in relation to the council's land and buildings portfolio at both a strategic and service level.		Capital Strategy Asset Management Plan.
The council has an annual programme of planned maintenance based on a rolling programme of property surveys.	Yes	Condition surveys carried out. Planned maintenance being carried out. Completed summary programme to be incorporated in updated Property Strategy
The council has assessed the level of backlog maintenance.	Yes	Completed summary programme to be incorporated in updated Property Strategy.
The council's capital programme gives priority to potential capital projects based on a formal, objective approval process.	Yes	Capital Appraisal process established by Asset and Project Management Group.
Criteria for Level 3 2/4 MUST HAVE'S	Achieved Yes/No	Evidence Base
A member has been allocated portfolio responsibility for the council's fixed asset <i>management</i> .	Yes	Councillor Bartlett is PH for Resources and Councillor Clokie is member of APMG.
Members are aware of There is a plan in place to reduce the level of backlog maintenance and this has been approved by members. have approved a plan to address it as appropriate	Yes	Repairs and Renewals reserve established with 3-year programme of expenditure. Backlog maintenance reported to members 21/11/06 with plan to address it.
The council has developed a set of local performance measures in relation to assets that link <i>evaluate</i> asset use <i>in relation</i> to corporate objectives.	Yes	Local Performance Indicators in place.
The council makes investment and disposal decisions based on thorough option appraisal and whole life costing.	Yes	Investment appraisal process established by APMG. Disposals now subject to option appraisals.
Criteria for Level 4 0/3 MUST HAVE'S	Achieved Yes/No	Evidence Base
Performance measures and benchmarking are being used to describe and evaluate how the council's asset base contributes to the achievement of corporate and service objectives, including improvement priorities.	No	
The results of performance measurement and benchmarking are communicated to stakeholders where relevant.	No	
The council has developed an approach for the co-ordination of asset management information and its integration with relevant organisational financial information.	Yes	APMG and reports to Executive

2.2 Local performance indicators (see Appendix 7)

2.2.1 The following local performance indicators are routinely collected and, until recently, were reported to members annually:

- ❖ Rent collected on industrial properties as a percentage of the rent due for that year
- ❖ Rent collected on commercial properties as a percentage of the rent due for that year

- ❖ Potential income achieved against maximum – industrial
- ❖ Potential income achieved against maximum – commercial
- ❖ Amount of arrears – industrial
- ❖ Amount of arrears – commercial
- ❖ Percentage of floor space let on Ellingham Industrial Estate
- ❖ Average number of void properties on Ellingham Industrial Estate

2.2.2 Following a review of local performance indicators, in which members requested that they receive a fewer number of indicators, the following will now be collected:

- ❖ Rent collected as a percentage rent of invoiced (industrial and retail properties combined)
- ❖ Percentage of floor space let on Ellingham Industrial Estate
- ❖ Average number of void properties on Ellingham Industrial Estate
- ❖ Rate of return (IRR) for industrial properties
- ❖ Rate of return (IRR) for retail properties

2.2.3 Information on these indicators is included at Appendix 7.

2.3 National performance indicators

2.3.1 The following BVPI related to asset management is reported to members:

- ❖ BV 156 - The percentage of local authority buildings open to the public in which all public areas are suitable for and accessible to disabled people.

2.3.2 The following new indicators (NaPPMI) developed by the COPROP Performance Management Initiative are being collected as from 2006/07:

❖ **PMI 1 – Required maintenance**

A: Percentage gross internal floor space in condition categories A – D

B: Required maintenance by cost expressed:

- (i) as total cost in priority levels 1 – 3,
- (ii) as a percentage in priority levels 1 – 3,
- (iii) overall cost per square metre GIA

C: Annual percentage change to required maintenance figure over previous year

- D:
- (i) total spend on maintenance in previous financial year
 - (ii) total spend on maintenance per square metre GIA
 - (iii) percentage split of total spend on maintenance between planned and reactive maintenance

❖ **PMI 2 – Environmental property indicators**

A: Energy costs/consumption – to be reported by property category in £ spend per square metre GIA and by kwh per square metre GIA

B: Water costs/consumption – to be reported by property category in £ spend per square metre GIA and by volume per cubic metre per square metre GIA

C: CO₂ emissions – to be reported by property category in tonnes of CO₂ per square metre GIA

❖ **PMI 3 – Suitability surveys**

A: Percentage of portfolio by GIA per square metre for which a suitability survey has been undertaken over the last 5 years

B: Number of properties for which a suitability survey has been undertaken over the last 5 years

❖ **PMI 4 – Building Accessibility surveys**

A: Percentage of portfolio by square metre GIA for which an access audit has been undertaken by a competent person

B: Number of properties for which an access audit has been carried out by a competent person

C: Percentage of portfolio by square metre GIA for which there is an accessibility plan in place

D: Number of properties for which there is an accessibility plan in place

❖ **PMI 5 – Sufficiency**

A1 a) Operational office property as a percentage of the total portfolio and
b) office space per head of population

A2 Office space as a percentage of total floor space in operational office buildings using NOS to NIA

A3 a) The number of office or operational buildings shared with other public agencies.
b) The percentage of office or operational buildings shared with public agencies.

B1: Average office floor space per number of staff in office based teams (NIA per FTE)

B2: Average floor space per workstation (not FTE)

B3: Annual property cost per workstation (not FTE)

❖ **PMI 6 – Spend**

A: Gross Property Costs of the operational estate as a % of the Gross Revenue Budget

B: Gross Property Costs per m2 GIA by CIPFA Categories / Types

❖ **PMI 7 – Time and Cost Predictability**

A: Time Predictability, Design: The percentage of projects where the actual time between Commit to Design and Commit to Construct is within, or not more than 5% above, the time predicted at Commit to Design.

B: Time Predictability, Post-Contract: The percentage of projects where the actual time between Commit to Construct and Available for Use is within, or not more than 5% above, the time predicted at Commit to Construct.

C: Cost Predictability, Design: The percentage of projects where the actual cost at Commit to Construct is within +/- 5% of the cost predicted at Commit to Design.

D: Cost Predictability, Post-Contract: The percentage of projects where the actual cost at Available for Use is within +/- 5% of the cost predicted at Commit to Construct.

2.3.3 The results for 2006/07 will be presented to members in due course and included in an updated version of this document.

2.4 Suitability Assessments

2.4.1 As part of a property review in 2002, questionnaires were sent to occupiers and users of the Council's operational assets portfolio. The questionnaire covered space requirements, suitability of location and quality, standard of maintenance, running costs, vandalism and suggestions for improvements. The results

of the consultation have been used, in conjunction with the condition survey information, to establish a prioritised action plan dealing with the following issues:

- ❖ Establishing a programme of prioritised feasibility studies looking at refurbishment and/or major alterations to be incorporated into future capital programmes,
- ❖ Establishing a programme of energy saving and/or running cost reduction measures in operational buildings,
- ❖ Identifying potential for disposal of surplus or under-used assets.

2.4.2 Following on from the 2002 review, a more detailed suitability assessment has now been carried out to the Council's operational portfolio. Examples of good practice in other authorities have been used to prepare a suitably detailed but easily understood and analysed questionnaire. The questions cover location, accessibility, environment, space, safety and security, fixtures and fittings and image. The suitability assessment pro-forma can be found in Appendix 9.

2.4.3 The relevant stakeholders for each property have been established to ensure that the assessment is informed by all relevant views and comments. The method of obtaining the information is also varied to suit the individual consultee and may involve face-to-face consultation, email or telephone contact. The results of the assessments will be used to inform the programme of repairs and renewals, the disposals programme, the capital strategy, the asset management plan and relevant service delivery plans.

3. PROGRAMME AND PLAN DEVELOPMENT AND IMPLEMENTATION

3.1 Capital Programme Performance

- 3.1.1 The capital programme is monitored on a monthly basis by the Asset and Project Management Group (APMG). Where necessary, project managers are invited to attend to answer perceived problems with programme delivery. The group reports regularly to both committee/management team and in exceptional circumstances by project officers on issues relating to programme delivery.
- 3.1.2 The Council's Capital Programme continues to be developed over a rolling three-year period to ensure that the projects contained within the programme comply with the Capital Strategy and the Council's corporate objectives as set out in the Corporate Plan.
- 3.1.3 The council's capital programme totals £7m over three years. Each project has undertaken a process of review, including planning, implementation, costing and delivery objectives before the project is included within the programme. A budget of £100,000 has been set up in order to undertake feasibility studies, before projects are formally submitted to the Asset and Project Management Group for consideration. Project initiation documents for these feasibility studies have been submitted and prioritised against the corporate objectives. These have included cross cutting issues, which have straddled both the Housing Revenue Account and the General fund as well as being creative and innovative, these projects demonstrate the joined up approach being undertaken by the corporate working group.

3.2 Acquisition and Disposal of Assets

- 3.2.1 In the 2001 submission of the Asset Management Plan, it was reported that the Disposals and Acquisitions Group had been set up as a sub-group to the Asset and Project Management Group to deal with all matters relating to the disposal or acquisition of assets. The terms of reference and membership of the Group were reported.
- 3.2.2 Since then, a review of the outcomes of the Group has been carried out and, as a result of the review, the Group has been disbanded. As some of the original terms of reference are still valid and relevant, the following action is being taken to ensure that the important work of the group is still being carried out:

- ❖ A policy statement was prepared and formally adopted in April 2001. This sets out the procedures to be followed in considering a site for disposal. It can be found at Appendix 1.
 - ❖ Realisation of capital receipts through the disposal of surplus and/or under-used assets, in accordance with Best Value principles, is on-going. Further details can be found in 5.2.3 below.
- 3.2.3 A schedule of surplus and/or under-used assets was provided as part of the 2001 Asset Management Plan. The following progress has been made:
- ❖ The sale of 4 industrial freehold interests, let out on 99-year ground leases, has been completed for £200,000,
 - ❖ A fire-damaged former Community Centre has been sold for £125,000 for conversion to a supermarket,
 - ❖ The now unused Depot, formerly occupied by the Direct Labour Organisation and then by the Council's waste management contractor, is being sold for redevelopment, subject to completion of the decontamination work,
 - ❖ The site of a former doctor's surgery in Bethersden has been sold for residential development, subject to contract and planning permission,
 - ❖ A former allotment site at Hopkins Field has been sold for the development of a 40 bed extra care sheltered scheme,

Land identification working group

- 3.2.4 In 2006/07 the Land Identification cross-service working group was set up. The terms of reference of the group can be found in Appendix
- 3.2.5 The terms of reference sets out the aims and objectives of the project, the names and roles of the Group members, the key milestones and outcomes and the proposed timescale for the completion of the database.
- 3.2.6 It is intended that the database will contain the following information:
- ❖ Unique reference number for land parcel
 - ❖ Value of land (where applicable – for asset register purposes)
 - ❖ Date of discussion and conclusion of working group
 - ❖ Any relevant site specific information (eg. flood plain, conservation area, etc.)
 - ❖ Further action required (where applicable) and responsible person
 - ❖ Follow up
- 3.2.7 Any follow up work identified by the Group (for example, detailed option appraisals of potential development sites) will be taken forward as a separate piece of work through the APMG in order for funding to be allocated from the feasibility studies budget and appropriate staff resources identified.

3.3 Project Management methodology

- 3.3.1 In April 2005, the Project Office was formed, bringing together Project Management professionals from across the authority. Amongst its roles is the development of Project Management best practice across the Council, undertaking the management of projects by arrangement with Client Services (usually the larger or more complex projects) and the Programme Management of the Councils Capital and Repairs and Renewals programmes.
- 3.3.2 The Council has adopted a Project and Programme Collaboration tool called Work. Together. This piece of software allows the collation and sharing of project progress information, high level financial data and key documentation relating to the project. The system is also used in the production of monthly monitoring reports to the Council's Asset and Project Management Group.

3.3.3 The Council's 'Project Toolkit' is currently being revised. This will take into account best practice from the Association of Project Management, and will include information relating to:

- ❖ Project management concepts
- ❖ Working in project teams
- ❖ Initiating a project
- ❖ Planning techniques
- ❖ Project controls and reports

3.3.4 The toolkit, and associated training, will be rolled out to Project Managers in March 2007. In the meantime, the Project Office offers advice and assistance to Project Managers across the authority upon request.

3.4 Option appraisal and corporate prioritising

3.4.1 The capital project appraisal process detailed in the previous Asset Management Plan had been in place for a number of years and required reviewing. As a result of this review, some changes have been made to the process and these are incorporated within the new project toolkit outlined above. The following sample pro-formas can be found in Appendix 4:

- ❖ New project proposal
- ❖ Project Brief
- ❖ Repairs and Renewals – fast track project brief
- ❖ Post Project Evaluation pro-forma

3.4.2 The toolkit guidance document is in the process of being finalised by the Project Office and will be available in an updated version of this document in due course.

3.5 Funding of the capital programme

Financing Of Capital Expenditure	2006/2007	2007/2008	2008/2009	2009/2010
	£	£	£	£
Capital Receipts	2,175,100	3,213,080	188,000	188,000
Annual Capital Bids	400,000	400,000	400,000	400,000
Contribution to the Repairs and Renewals Reserve	300,000	300,000	300,000	300,000
Total Capital Receipts Applied	2,875,100	3,913,080	888,000	888,000
Ring Fenced Capital Receipts	300,000	2,000,000	1,208,578	0
Borrowing	4,000,000			
Other - Reserves, Grants and external contributions	1,474,506	192,000	192,000	192,000
Capital Receipts				
Opening Balance	5,223,620	6,733,520	3,585,440	3,197,440
Receipts	4,385,000	765,000	500,000	500,000
Capital Expenditure	-2,875,100	-3,913,080	-888,000	-888,000
Closing Balance	6,733,520	3,585,440	3,197,440	2,809,440
Reserved Capital Receipts				
Opening Balance	3,081,400	3,250,150	1,250,150	41,570
Receipts	468,750			
Capital Expenditure	-300,000	-2,000,000	-1,208,580	
Closing Balance	3,250,150	1,250,150	41,570	41,570

	2006/2007	2007/2008	2008/2009	2009/2010
GENERAL FUND	7,949,606	5,405,080	1,588,580	380,000
HOUSING REVENUE ACCOUNT	5,101,000	4,797,000	4,840,000	4,730,000
	13,050,606	10,202,080	6,428,580	5,110,000

FINANCING	-	-	-	-
Capital Receipts	2,175,100	3,213,080	188,000	188,000
Ring Fenced Capital Receipts	300,000	2,000,000	1,208,580	0
Borrowing	4,000,000			
Other - Reserves, Grants and external contributions	1,474,510	192,000	192,000	192,000
Housing Revenue Account	1,200,000	707,000	715,000	721,000
Major Repairs Allowance	3,901,000	4,090,000	4,125,000	4,009,000
	13,050,610	10,202,080	6,428,580	5,110,000

Energy Policy

1. Declaration of Commitment

- 1.1 Ashford Borough Council has an obligation to manage the use and procurement of energy effectively. The Council should also aim to reach the UK's reduction targets for greenhouse gas emissions and Climate Change programme.
- 1.2 The adoption of this Energy Policy demonstrates the Authority's commitment to the principles of responsible energy management.
- 1.3 The Council will aim to improve its energy efficiency and reduce its energy consumption in line with the targets set out in this policy.

2. History of past performance

- 2.1 A Civic Centre Five Year Energy Efficiency Plan was launched in 1992 with the target set of a 15% energy saving over the 5-year period. The following initiatives were implemented.

- ❖ Maintaining Civic Centre temperatures at max of 19 deg C in accordance with statutory requirements
- ❖ Modifications to Civic Suite heating controls
- ❖ New technology to improve warm up times and create a better convective action
- ❖ External doors kept closed – automatic doors fitted to front entrance
- ❖ Phased introduction of energy efficient lighting (not completed in all areas)
- ❖ External consultants approached to give free advice but could find no further recommendations to suggest
- ❖ Paladin bin collections per week reduced from 15 to 10
- ❖ Installation of Power Factor Correction equipment
- ❖ Negotiation of electricity and gas supply agreements to secure the most beneficial tariff

- 2.2 Energy savings (costs) achieved by 1992 were 48% on gas and 30% on electricity.
- 2.3 Waterless urinals were installed in 1998 and achieved a saving of water consumption (units) of at least 35% per annum.

3. Recent initiatives

- 3.1 The Council has been using a renewable electricity supply since November 2002 thus reducing CO₂ emissions for the building and removing the obligation to pay the Climate Change levy. It is therefore not possible to reduce CO₂ emissions further in the Civic Centre.
- 3.2 Since the office refurbishment in 2004, energy efficient lighting is now installed throughout the building, with the exception of the toilets.
- 3.3 It should be noted that in July 2002 Ashford Monitoring Centre came on site with a lot of electrical equipment and in July 2004 an additional 140 KCC staff came in to the building which would noticeably increase energy consumption. Also the energy market costs for the current year have increased by an average of 35%.
- 3.4 The Council's Building Facilities Officer has overall responsibility for energy management and a cross-service Energy Efficiency Working Group has been set up and meets every two months.

3.5 The Council has commissioned a Carbon Management Consultancy Service by the Energy Saving Trust and work on this will commence early in 2007. A Carbon Management Action Plan will be produced which will focus on 5 areas of carbon management:

- ❖ Private sector housing,
- ❖ The Council's own estate
- ❖ The wider community
- ❖ Social housing
- ❖ Transport

4. Long term goals

- To commit Ashford Borough Council to responsible energy management,
- To give high priority to energy efficiency investments,
- To promote energy efficiency throughout operations,
- To do everything economically feasible to reduce consumption,
- To minimise CO₂ emissions,
- To minimise environmental impact,
- To promote the use of sustainable energy resources,
- To use renewable energy wherever possible.

5. Medium term objectives

- To strive to adopt best practice in managing the facilities in all the Council buildings and to optimise both energy and water consumption, whilst providing a safe and comfortable working environment,
- To aim to reduce energy consumption by 5% over a 5-year period with a base year of 2004/5,
- To introduce and maintain a system for monitoring costs, consumption and CO₂ emissions in all Council buildings and develop a methodology for analysis reporting and feedback monthly to Members and staff,
- To review the Energy Policy annually,
- To increase awareness of energy efficiency among staff,
- To experiment with energy saving ideas, eg. monitoring meter readings to see if switching off water boilers at night makes a saving,
- To identify and promote the use of cost effective renewable and environmentally conscious energy sources and technologies within all Council properties,
- To ensure energy efficiency is a consideration within the design, construction, procurement and maintenance of the Council's property portfolio by moving to a culture of 'whole life costing',
- To procure energy and water at the most economic rates.

6. Development and Implementation of the Energy Policy

The Energy Policy needs to be fully integrated with all other policies and strategies within the Council. It should have the full support of Members and Senior Management in all service areas and furthermore should be recognised corporately in the Ashford Borough Council Corporate Plan.

DISPOSALS & ACQUISITIONS - POLICY STATEMENT/PROCEDURE NOTE

METHOD OF DISPOSAL OF SURPLUS/UNDER-USED COUNCIL OWNED PROPERTY

Introduction

This is the Policy Statement referred to in the Head of Corporate Property's Delegation 13.11.

This part of the statement sets out, in sequence, the procedure to be adopted in connection with the disposal of surplus/under-used property (excluding Right to Buy and land adjoining Council houses and former Council houses), and complies with current Office of the Deputy Prime Minister (ODPM) Guidelines on Asset Management and Best Value.

1. Definition of Surplus/Under-used property

A site is deemed to be surplus to the Council's requirements if:

- (a) it makes no contribution to the delivery of the Council's services nor generates any income, and it has no potential for future service delivery or strategic or regeneration/redevelopment purposes, or
- (b) an alternative site has been identified which would achieve a more cost effective service delivery and the existing site has no potential for future alternative service delivery or strategic or regeneration/redevelopment purposes.

A site is deemed to be under-used if either:

- (a) the income being generated from the site is below that which could be achieved from:
 - (i) an alternative use
 - (ii) disposing of the site and investing the income
 - (iii) intensifying the existing use, or
- (b) part of the site is vacant and is likely to remain vacant for the foreseeable future.

2. Site Identification

Sites for possible disposal may be identified in the following ways:

- a) Through Local Plan designation
- b) Through the Asset Realisation work being undertaken by the Estates Surveyor
- c) Through Service Units declaring specific sites as being surplus to requirements*
- d) Through identifying previously unidentified surplus land from the Land Tenures or Land Registry searches

(*where an **under-used** asset is generating an income, a Cost/Benefit analysis should be carried out, in consultation with the Financial Services Manager, to establish whether it is in the Council's best interests to dispose of the site)

3. Site investigations

Once a potential site has been identified, Property Services will consult with the Statutory Authorities, as well as Legal Services/Planning Policy/Development Implementation/Economic Development/Highways & Transportation, Leisure Services and Housing Services, to establish whether there are any development constraints on the site.

Ground investigation works, and desk studies into previous land use history, will also be carried out where appropriate.

4. Land Use

Unless a site is already designated for a specific use in the Local Plan, the above consultations will indicate the preferred type of development for the site. This will be either:

- a) Housing - Social
- b) Housing - Private
- c) Industrial/Commercial
- d) Leisure/Community

If a site is identified for (a), then it will be referred to the Head of Housing for further consideration. If a site is identified for (d), then further consultations should be undertaken with the Head of Cultural Services. If any other use is identified, the possibility of development by the Council is to be considered first. If development by the Council is not required for investment purposes or social provision, then the site may be brought forward for disposal.

At this point the relevant Ward Member will be advised of any proposals.

5. Independent Valuation

Where the disposal of a major or complex site is being considered, independent valuation advice will be sought, either from the District Valuer or from a suitably qualified surveyor.

6. Method of Disposal

The Estates Surveyor will recommend a method of disposal e.g. Auction, Private Treaty etc., for acceptance by the Asset & Project Management Group and the Head of Internal Audit.

Unless a “special purchaser” has been identified i.e. one who is prepared to pay a premium for the site (over and above market value), all potential purchasers are to be given an opportunity to tender/submit an offer.

Where the disposal is to be by way of a long lease, the Financial Services Manager will be consulted to assess the implications regarding VAT, Capital Controls and Treasury Management.

7. Marketing Strategy

The Estates Surveyor will recommend a marketing strategy, either in-house or through the Council’s retained agents, for acceptance by the Asset & Project Management Group. All staff costs, legal costs, marketing costs, consultants costs etc. associated with any potential disposal of an asset (even where such costs do not lead to an actual disposal) are to be re-charged to the cost centre where the Capital Receipt is, or would be, placed.

8. Timing

The timing of any marketing/disposals will need to be considered against the background of the Council’s budgetary requirements, together with the current state of the market. Before recommending that a disposal is to proceed, the following factors are to be taken into consideration:

- Has Management Team advised of an immediate need to raise capital receipts?
- Current market conditions
- Potential for the site value to increase in the future
- Regional Planning Guidance and the Local Plan process - this will influence decisions on the disposal (and acquisition) of land, as well as the future use of individual sites.

9. Asset & Project Management Group

A full report on the disposal of any sites is then to be presented to the Asset & Project Management Group (A&PM Group) for recommendation to Management Team

10. Executive approval

If the A&PMG approves a disposal, the Property Services Manager and/or other relevant Service Manager will prepare a report for the next Executive cycle unless the disposal can be dealt with under delegated authority. If the disposal falls within the delegations, and it is deemed appropriate **not** to refer the matter to the Executive, the relevant consultations will be carried out, as set out in the delegations.

11. Marketing

If no objections are received, the marketing strategy is to be commenced, with a view to identifying a purchaser.

12. Negotiations

The return from any disposal is to be maximised unless there are over-riding factors identified in the Corporate Plan which take precedence over the receipt of capital.

Where the Asset & Project Management Group has recommended that a site is sold at a price below open market value, the matter is to be reported to the Executive for approval, prior to the disposal. A sale of land at a price below open market value may require the consent of the Secretary of State under the provisions of the Local Government Act 1972.

13. Instructions

Once a purchaser has been identified and all the terms of the disposal have been agreed (or earlier if appropriate), the Legal and Democratic Services Manager will be instructed to prepare a draft contract for sale.

14. Completion

Once the disposal has been completed, Members will be informed as appropriate.

METHOD OF ACQUISITION OF LAND AND PROPERTY

Introduction

This part of the statement sets out, in sequence, the procedure to be adopted in connection with the acquisition of land and property.

1. Reasons for the Purchase of Land or Property

Unless there are exceptional circumstances, the Council will only acquire land or property for the following reasons:

- 1.1. its contribution towards the provision of the Council's services
- 1.2. Economic Development
- 1.3. revenue income generation
- 1.4. strategic acquisition for redevelopment purposes

2. Market Research

Once a need to acquire property has been identified, market research will be carried out by the relevant Service Unit to establish whether suitable land or property is available on the market to fulfil this need.

Where a number of potentially suitable properties exist in the marketplace, robust comparisons will be made to establish which is the most suitable for the Council's needs. Criteria against which such decisions will be made include:-

- a) price
- b) condition of property
- c) availability (in terms of timing)
- d) nature of tenure being offered (freehold or leasehold)
- e) locational advantages (where a strategic acquisition is under consideration)
- f) return on investment (where a revenue generating asset is being considered)

3. Financial Appraisal

When a suitable property has been identified, a financial appraisal will be carried out to establish the financial/budgetary implications of acquiring the property at the quoted asking price. The advice of the Financial Services Manager will be sought regarding current rates of interest on capital invested, to enable the opportunity cost of the acquisition to be fully assessed. The financial appraisal will take into account the following matters:

- 3.1. the capital cost of acquisition
- 3.2. any revenue, or potential revenue, generated from the property, both short and long term
- 3.3. availability of external funding sources
- 3.4. possibility of joint ventures
- 3.5. the cost, in Asset Management terms, of owning the property, including:-
 - 3.5.1. immediate maintenance/refurbishment requirements
 - 3.5.2. demolition costs, if appropriate
 - 3.5.3. ongoing maintenance/life cycle costings
 - 3.5.4. national non-domestic rates
 - 3.5.5. insurance
- 3.6. the overall effect of the expenditure on the Council's budgetary position.

4. Independent Valuation

Independent valuation advice will then be sought, either from the District Valuer or from a suitably qualified surveyor. Where such advice suggests that the true Open Market Value of the property is below the asking price, (or where the amount of expenditure is likely to exceed that set aside in the Medium Term Financial Plan for strategic land acquisition), and there are overriding factors which justify the purchase, a report shall be prepared for the Executive seeking approval to continue with the proposed acquisition.

Where the acquisition is to be by way of a long lease, the Financial Services Manager will be consulted to assess the implications regarding VAT, Capital Controls and Treasury Management.

5. Asset & Project Management Group

Once the financial appraisal has been undertaken, a report will be prepared for consideration by the APMG who will make a recommendation to Management Team, in consultation with the Leader and Deputy Leader.

6. Negotiation

Once the principle of the acquisition has been agreed, negotiations will be commenced with the vendor. Where the sale is by auction or tender, bids will need to be formulated as appropriate.

7. Executive Approval

Any offer to the vendor will be made “subject to contract, Executive approval and, where appropriate, survey” and a report will be prepared for the next Executive, recommending acceptance of the acquisition.

Where circumstances dictate that an urgent decision is required (and where resources have not been set aside and the principle of the acquisition has not already been agreed) the Leader and the Chief Executive will be consulted as to whether the use of the Chief Executive’s delegated powers is possible/appropriate after taking advice on the financial and any legal implications arising. Any decisions made in accordance with this condition will be ‘Key Decisions’ and must be reported in accordance with the relevant procedures.

8. Instructions

Once Executive approval has been received, and any surveys satisfactorily carried out (or earlier if appropriate), the Legal and Democratic Services Manager will be instructed to complete the documentation associated with the acquisition.

9. Completion

Once the acquisition has been completed, Members will be informed as appropriate.

CORPORATE PROPERTY SERVICES

MANAGEMENT OF OPERATIONAL PROPERTY

PROCEDURE NOTE – January 2004 (revised December 2006)

Introduction

1. The follow up audit of Asset Management by the Audit Commission in September 2003 identified a lack of formal procedures for the management and maintenance of the Council's operational property. This procedure note is intended to address that weakness and sets out the division of roles and responsibilities between the Property Services Unit and the unit responsible for the service delivery.
2. The list of properties to which this procedure note applies are shown in Appendix 1 together with the name of the budget holder/client.

Premises Maintenance budgets

3. A centralised budget for premises maintenance was set up in 2002/03. This has brought together all existing maintenance budgets within service areas to enable corporate prioritising of repairs and maintenance and centralised monitoring of expenditure. Expenditure is monitored on a monthly basis by the Head of Corporate Property using monitoring reports produced by Finance.
4. At the end of each financial year expenditure against each property is re-charged back to the Service budget as a "below the line" cost.

Procedure for administration of repairs and maintenance

5. With the exception of the following properties, all administration is carried out by the Property Services Unit:
 - ❖ Public conveniences – administered by Contracts and Administration Unit
 - ❖ Julie Rose Stadium – some works administered by Stour Leisure in consultation with Property Services Unit
 - ❖ Stour Centre – all repairs and maintenance are administered by Stour Leisure and funded from a capital allocation
 - ❖ Football in the Community – minor repairs administered by Cultural Services Unit in consultation with Property Services Unit
 - ❖ Car Parks – administered by the Highways and Transportation Unit
 - ❖ Housing stock – administered by the Housing Unit
 - ❖ Chilmington Caravan Site – administered by the Housing Unit
6. Requests for repairs and maintenance to be carried out should be made to John Murray (x268) or John Leach (x510).
7. All repairs and maintenance will be classified as either "planned" or "reactive". A different subjective code is used to identify whether the repair is planned, reactive or malicious damage.
8. If considered necessary, an inspection will be carried out and a report provided giving recommendations and an estimated cost of the work.
9. An order will be placed with an appropriate contractor and the work will be monitored by Property Services through to completion and payment.
10. In the event of unexpected delays, regular progress reports will be provided. Property Services are responsible for ensuring that value for money is achieved and that the work is carried out to an appropriate standard of workmanship.

MANAGEMENT OF NON-OPERATIONAL PROPERTY PORTFOLIO

PROCEDURE NOTE

This procedure note deals with the administration of the Council's non-operational property portfolio, consisting of industrial units, shops and miscellaneous properties, and is divided into the following elements for each of the 3 property types:

- (1) Letting, (2) Management, (3) Dilapidations (4) Maintenance (5) Other

1. ELLINGHAM INDUSTRIAL ESTATE

1.1 LETTING

- 1.1.1 On Ellingham Industrial Estate (with the exception of Units 94-99 which are let out on 125-year lease) new lettings are usually offered on 3-year leases. These leases include a right for the tenant, after six months, to serve 3 months' notice to break the lease. The lease agreements are effectively on full-repairing terms i.e. the tenant is responsible for all internal and external repairs. Occasionally we may consider granting a new tenant a six month licence if, for any reason, we believe that it is in the Council's best interests to review the letting after 6 months - this would be discussed in advance with the Head of Legal & Democratic Services (HLDS) and the Head of Financial Services (HFS).
- 1.1.2 In addition to rent and National non-Domestic Rates, tenants pay a **monthly** contribution towards the Buildings Insurance, and an **annual** contribution towards the Estate Maintenance Service Charge. This Service Charge covers grass cutting, road sweeping & litter picking (which are the responsibility of the Contracts and Grounds Maintenance units) and updating the Tenants' name board at the entrance to the estate. Tenants are responsible for arranging any other insurances they may require, such as contents insurance and public liability etc.
- 1.1.3 New tenants are required to pay a rent deposit, equal to 2 months rent in advance, upon signing their lease. They will be required to enter into a separate rent deposit agreement. This money is held on account and is returned to the tenant when they vacate the unit. No interest accrues on this sum. The Council may use all, or part, of the deposit to repay any monies owed by the tenant, such as unpaid rent or the cost of any dilapidation works not carried out by the tenant upon vacating the unit.
- 1.1.4 The units on Ellingham Industrial Estate are marketed by external agents, currently Taylor Riley (TR) (contact Michael Taylor or Christine Hogg on 01233-500848). As soon as a tenant serves notice terminating his lease, or a unit becomes vacant as a result of a tenant leaving without serving notice, or becoming bankrupt, Taylor Riley should be advised by telephone, or email, in order that they can begin marketing the unit. Email details are - mtaylor@taylorriley.co.uk, chogg@taylorriley.co.uk, or wgeering@taylorriley.co.uk.
- 1.1.5 They should be advised of:
- a) Unit number
 - b) Size of the unit (although they keep such details on file)
 - c) Due date of vacation (if not already vacant)
 - d) Condition of unit (**see later under Dilapidations**)
 - e) Current use of the unit and whether a Planning change of use has been obtained
 - f) Whether the tenant is intending to leave, or has left, any tenants' fixtures, such as an office, partitioning etc that might suit a particular type of new business.
- 1.1.6 Details of vacant units should also be given to the Economic Development Manager to put on the Council's web site under Commercial Property Register.
- 1.1.7 Unit keys should (if convenient) be delivered to TR or they should be left with the Customer Contact Centre for collection by TR, in order that they can show prospective tenants around the units.

- 1.1.8 TR will then commence the marketing of the unit. Once they have identified an interested party they will write to them setting out heads of terms for a 3-year lease. TR should send a copy of the agreed heads of terms to Corporate Property Services, which should be copied and given to the HLDS. The HoT should set out:
- ❖ The name, address and telephone number of the proposed tenant
 - ❖ Whether the lease is to be taken out in an individual's name or company name
 - ❖ The proposed use of the unit (**note** – this should be discussed at an early stage with TR, as certain uses may not be desirable on the estate. Such uses include, but are not limited to, (a) motor vehicle-related uses, which are likely to lead to car parking problems, (b) uses which may cause annoyance/inconvenience to other tenants e.g. uses which generate lots of noise, noxious odours etc, (c) uses which may cause inconvenience to local residents, such as those which involve overnight working and (d) uses which may require working outside of the hours permitted under the planning permission for a particular phase of the estate
 - ❖ Proposed monthly rent
 - ❖ Any rent-free periods (this should be discussed in advance with TR and will depend on the current market demand for units, the existing condition of the unit and/or any proposed works that the incoming tenant needs to carry out as part of their business – **see under Dilapidations**)
 - ❖ The monthly Buildings Insurance premium
 - ❖ An indication of the annual Estate Service Charge premium
 - ❖ Details of any references being sought
- 1.1.9 Occasionally a new tenant will seek a rent-free period, either because they need to carry out extensive alterations in the unit to make it fit for their purposes or because the unit has been left in a poor condition for some reason, by the previous occupier. This will be for the Senior Property Surveyor (SPS) to agree and will usually be between one and three months depending on the circumstances.
- 1.1.10 Whether the tenant is an existing business or a new business will determine what references will be required. This should be discussed with the HLDS and the HFS. Where appropriate, a bank reference, a landlord's reference, an accountant's reference and/or 2 trade references will be required - TR will obtain these. Where the proposed tenant cannot supply such references, for instance in the case of a new company, it may be deemed appropriate to accept a payment of rent in advance, normally between 3 and 6 months, and this should be discussed and agreed with the HLDS and the FSM.
- 1.1.11 Where the proposed tenant is a limited company, or is from outside the Borough, a Deed of Guarantee (DoG) may be required, on the advice of the HLDS & HFS. They may also advise, in certain cases, that a Deed of Guarantee is sought where the tenant is an individual. The HLDS will carry out a bankruptcy search and registered office search where appropriate.
- 1.1.12 The SPS, HFS or HLDS may, in exceptional circumstances, decide that a 6-month licence is preferable to a lease, in which case this will be offered to the applicant. One advantage of this to the tenant is that the Legal fees on a licence are currently £120 as opposed to £240 for a lease. However, we do currently incorporate a 6-month break clause in all 3-year leases, to encourage tenants to sign up to a lease, without them having to worry that they will be tied in to a 3-year agreement. Leases are to be preferred, if possible, to keep administrative arrangements to a minimum.
- 1.1.13 Once all references have been received and forwarded to the SPS by TR, copies are passed to HLDS & HFS for comments/approval.
- 1.1.14 Once the references are approved or, alternatively, a suitable amount of rent in advance/DoG has been agreed, the HLDS is instructed to prepare a draft agreement for the tenant's approval. Details of any specific or unusual requirements, such as agreed rent-free periods, must be given to the HLDS. The HLDS will request a certain number of plans for incorporation into the agreement and Corporate Property Services will produce these.
- 1.1.15 Once the tenant has approved the draft lease, the HLDS will send a final agreement to the tenant for signature, along with a statement of how much money they have to pay upon completion of the agreement, which will consist of legal fees, building insurance contribution, rent deposit and any rent in advance. The HLDS will also liaise with the tenant and Corporate Property Services to agree a mutually convenient date for the unit to be handed over to the tenant.

- 1.1.16 It is a requirement within all leases (and, where granted, licences) that rent is paid by Standing Order.
- 1.1.17 The tenant will then sign and return the agreement together with a cheque for the amount owed or, alternatively, where the tenant is keen to enter the unit as soon as possible, it is sometimes agreed that the tenant may give the signed agreement and the cheque to the SPS, or other representative, at the time the unit is handed over to them.
- 1.1.18 At the appointed time, the SPS will meet the tenant at the unit, take an internal and external photographic record of condition of the unit, prepare a written schedule of condition of the unit using a pro-forma document, take readings of any electricity and water meters in the unit and hand over the keys to the tenant.
- 1.1.19 Any existing defects in the unit are noted and it is agreed with the tenant the extent of any previously unforeseen works that ABC will immediately put in hand to bring the unit up to a lettable standard. Alternatively, it may be deemed more appropriate to agree a rent-free period with the tenant in return for them carrying out the works. If this is the case, the HFS and HLDS are advised accordingly.
- 1.1.20 At this point the tenant is reminded that under their lease agreement (or licence) they are responsible for all internal and external repairs to the unit, with the possible exception of any unforeseen problems which may occur within a short time of the tenant taking possession, in which case discretion is used by Corporate Property Services as to whether the Council should assume responsibility for any such items.
- 1.1.21 The condition photographs are then downloaded and stored on computer (if using a digital camera). A new folder must be set up in: U:/Corporate Property Services/EIE/Cond Surveys/Handover Photos/Year/Unit No. and sent to the print room to print 2 copies. These are then given to the HLDS to bind into the lease/licence agreement. One copy of the agreement is kept with the Deeds and the other is sent to the tenant.
- 1.1.22 The HLDS then advises Corporate Property Services, Finance and Revs & Bens (Business Rates) of the completion of the agreement so that they can all update their records.
- 1.1.23 TR are then advised that the tenant has taken occupation and they then arrange for an invoice to be submitted to cover their agreed fees.
- 1.1.24 Corporate Property Services Admin are then instructed to place an order (usually with Medash Signs) to amend the Tenants' name board at the entrance to the estate with the new tenant's name.

Other considerations

- 1.1.25 Sometimes an approach is received from an existing tenant to rent an additional unit which may have become vacant. In such circumstances it is often not necessary to involve TR, although they should be instructed to remove the unit from their marketing schedule. In deciding whether to agree to this additional letting, the following factors should be considered:
- ❖ How many units does the tenant currently rent from the Council at Ellingham? (Only in exceptional circumstances should a tenant be allowed to have more than 3 units).
 - ❖ How long have they been a tenant at Ellingham?
 - ❖ Is their rent currently up to date and is their record of rent payments good?
 - ❖ How long has the unit remained empty?
 - ❖ How many units are currently empty on the estate and what is the current level of demand?
 - ❖ Is a new bank reference required for the additional outgoings that the tenant will have to meet e.g. rent and business rates – **this should be discussed with the HFS.**
 - ❖ Whether a discount should be offered when a tenant takes on more than one unit. This is a matter for discretion and will depend on a number of factors such as:-
 - How long the company has been a tenant on the estate
 - How many units are currently vacant
 - The current level of demand for units

- 1.1.26 Over the years it has become customary to offer a discount on a second unit, equating to 10% of the full open market rent of two units. The HFS & HLDS should be consulted before making a decision in such circumstances.
- 1.1.27 Where 2 units are let under one agreement, and a rent discount is agreed, it is normally on the understanding that, if the tenant subsequently gives up one unit, the rent on the remaining unit reverts to full market value.

1.2 MANAGEMENT

Breaches of Lease

- 1.2.1 Where a tenant is found to be in breach of their lease the SPS will usually discuss the matter with the HLDS before either telephoning or visiting the tenant to discuss the breach. This will usually be followed up by a letter from the SPS or the HLDS, depending on the seriousness of the breach. If the breach is of a nature that cannot be permitted, the tenant should be advised to take whatever action is required to remedy the breach. It may be necessary to take legal action if the tenant persists with the breach.
- 1.2.2 If the breach is of a nature that would be permissible but merely requires formal consent, such as an alteration to the property, the tenant should be advised of the procedures, costs etc involved in obtaining a formal licence consenting to the works – this may require Planning consent and/or Building Regs approval. The HLDS would then be instructed to prepare a suitable licence of consent or the SPS may document consent by a simple side letter to be signed by both parties.

Rent Arrears

- 1.2.3 Although all new leases require tenants to pay their rent by standing order, and some existing tenants now also pay by standing order, there are a number of existing tenants who do not. The rent invoicing procedure is as follows:
- ❖ Invoices are issued approx 3 weeks before the due date (at Ellingham the due date is the 1st of the month, except for the few tenants who are invoiced quarterly in advance on the usual quarter days)
 - ❖ If the rent is not received within **7** days of the due date, the system automatically produces a “reminder” letter.
 - ❖ If the rent is not received within **14** days from the date of the “reminder” letter, a “**7 day**” letter is generated. This gives the tenant 7 days to pay otherwise the Council will consider issuing legal proceedings.
 - ❖ If the rent is still not received within 7 days, the FSM advises the SPS of the details.
 - ❖ The SPS will phone/visit the tenant, advising them that unless payment is received by the date which is 7 days after the due date in 3 above, the Council will instruct Bailiffs to levy Distress to recover the debt.
 - ❖ In cases of persistent non-payment, re-possession of the unit should be considered, in consultation with HLDS and HFS.

Vandalism/Break-ins

- 1.2.4 When a tenant reports that his unit has been damaged as a result of vandalism or an attempted break-in, the extent of the damage should be ascertained, either from a verbal report by the tenant or by inspecting the unit. The tenant should be asked whether the police are aware of the incident and whether there is a crime incident number. The Council's Insurance Officer should be notified immediately and they will advise whether a loss adjuster will need to be appointed.
- 1.2.5 The main priority will be to ensure that the unit is secure. The tenant may have already carried out a temporary or permanent repair and, where necessary, the Council should appoint a contractor to carry out any permanent works required to repair any damage and reinstate the unit. A Rechargeable Works Order should be raised for any such work.
- 1.2.6 Any such damage will be covered by the Council's building insurance policy, although there is an excess of £2,500 for any claim. The Council will bear this excess.

Neighbour Disputes

- 1.2.7 These are rare, but they can happen. The nature of any dispute will dictate what action is taken. If one tenant complains about the activities or actions of another tenant, this should be investigated. If the complaint seems justified, the lease of the tenant being complained about should be checked to see whether his actions or activities are in breach of the terms of his lease. If it appears that he is in breach, the SPS should speak to him accordingly. If the breach is not remedied, the HLDS should be instructed to write to the tenant, requesting that they cease the breach and outlining any further action that may be taken against them if the breach continues.

Request for Additional Units

- 1.2.8 Tenants sometimes ask whether the Council has a larger unit, or an additional/adjoining unit, available to let. All such requests should be recorded on the Excel spreadsheet which is stored under U/Corporate Property Services/Non Op Prop/EIE/General/Enquiries for Land. As units become vacant, this schedule should be checked to see if the vacant unit would suit any existing tenant. Larger (1000 sq ft) units should be allocated to existing tenants on a first come, first served basis. **(See also comments under “Other Considerations” above)**

Rating

- 1.2.9 Where a tenant occupies more than one unit, he may be entitled to apply to have both units assessed as one hereditament, to benefit from a smaller rateable value assessment. He will either have to speak to Revenues & Benefits or apply direct to the District Valuer. Similarly, Revenues & Benefits will be able to advise any new business whether they are entitled to Small Business rate relief.

Assignments/Sub-lettings

- 1.2.10 Requests from tenants to assign or sub-let their leases should be referred to the HLDS. Under the terms of the leases at Ellingham, consent cannot be unreasonably withheld. The HLDS and the HFS will advise on the suitability of the proposed assignee or sub-lessee and what references, if any, should be obtained. The tenant will need to enter into a Licence to Assign or Sub-let, which will be completed by HLDS and for which legal fees will be charged.

1.3 DILAPIDATIONS

Decoration

- 1.3.1 When a tenant serves notice terminating their lease/licence they should immediately be advised of their obligations under the terms of their agreement as regards the condition in which they are expected to return the unit. The HLDS will ordinarily advise the tenant to contact the SPS to arrange an inspection and agree the extent of any works that need to be carried out. The tenant's obligations may vary, depending on a number of factors, including:
- ❖ Whether they have a lease or licence agreement
 - ❖ How long they have been in occupation
 - ❖ What works/alterations they have carried out in the unit
 - ❖ The condition of the unit when they took occupation, as evidenced by the photographs attached to the lease and the schedule of condition pro-forma.
 - ❖ Whether a rent-free period was initially granted to reflect the poor condition of the unit and to enable the tenant to carry out any redecoration works, rather than the Council undertaking them prior to handing over the unit
 - ❖ Whether a new tenant has been found who wishes to take occupation of the unit as soon as possible
- 1.3.2 In most cases it will simply be a matter of looking at the lease agreement. The obligations under a **Licence** are to.....”keep the premisesin good and substantial repair order and condition and so deliver up the same at the end or sooner determination of the Licence Period....” Therefore, the obligation on the licensee is to return the unit in no worse condition than that in which it existed at the start of the licence, as evidenced by the condition photographs attached to the agreement.

- 1.3.3 In the case of a **Lease**, the obligations are identical, with the additional obligation to... “decorate those parts of the interior and exterior of the premises which have been previously so decorated.....in the last year of the tenancy.... or in the year preceding any surrender of it.....except where the tenant can evidence that he has redecorated the demised premises less than two years prior to the expiry of the term any such decoration to be to the reasonable satisfaction of the Head of Corporate Property”.
- 1.3.4 In all cases, where a tenant is obliged to carry out redecorating works, these should ideally be completed prior to the date of vacation, or as soon as possible thereafter, to minimise any delays in re-letting the premises.
- 1.3.5 Sometimes a new tenant will be keen to take occupation of the unit as soon as possible and may agree with the outgoing tenant to take over the unit in its existing condition. This may be permissible as long as they are made aware that they will be responsible for all dilapidations if, and when, they eventually vacate the unit.
- 1.3.6 Where an outgoing tenant has previously been granted a rent-free period in recognition of the poor condition of the unit at the start of the lease, it is to be assumed that the tenant has put the unit into good condition and it should therefore be returned in a similar condition.

Alterations

- 1.3.7 It is a requirement in all leases that a tenant may not make any alterations to the premises without first obtaining landlord's consent. Where a tenant wishes to carry out internal or external alterations to a unit, they will have to apply for a Licence for Alterations, submitting full details/drawings etc for consideration.
- 1.3.8 It should be made a requirement of any such consent that the tenant, upon termination of the lease, must reinstate any alterations and return the unit to its original condition, if so desired by the Council. It will be for the SPS to decide at the time whether this requirement should be enforced. It may benefit the tenant to leave any alterations in place, rather than have to incur expenditure in reinstating them. It may also benefit the Council, if the alterations improve the unit and make it more lettable. As long as the tenant is not seeking a payment for any such works, and it is considered likely that the works will help to make the unit more readily lettable, it may be deemed appropriate to allow the tenant to leave the works in-situ. **(See notes above under Dilapidations).**
- 1.3.9 Depending on the nature and extent of the alterations, landlord's consent will be granted either by a formal Licence for Alterations, prepared by the HLDS, or by a simple side letter **(this should be discussed in advance with the HLDS)**. The impact of the proposed alterations on the fabric of the building will need to be considered
- 1.3.10 The tenant should also be advised whether consent under the Building Regulations, and/or planning permission, will need to be obtained in respect of any proposed works. Where there is any doubt, the Building Control and Development Control units should be consulted.
- 1.3.11 Sometimes an ingoing tenant will have agreed with an outgoing tenant to purchase certain tenant's fixtures and fittings. This is acceptable as long as the ingoing tenant is made aware that they will be responsible for removing them at the end of the lease, if so requested by the Council.

1.4 MAINTENANCE

- 1.4.1 Under the terms of current leases and licences, the tenants are responsible for all internal and external repairs to the units.
- 1.4.2 Where problems develop within a short period of any new tenant taking occupation, for instance if a water heater stops working, judgement must be exercised as to whether the Council should remedy the situation.
- 1.4.3 The Council has historically undertaken works where it could be argued that it is inequitable to make tenants responsible, such as repairs to “communal” roof areas, and occasionally to roller shutter doors. Currently, there is no way of recovering the cost of this work from the tenants and the Council has looked into whether new leases could be re-worded such that, eventually, the Council can carry out all such works

and re-charge the tenants through a service charge mechanism. It is unlikely that this will happen in the short to medium term due to the legal complexities involved.

- 1.4.4 In all situations where the Council carries out any works, it will be necessary to follow the procedures set out in the Standing Orders with regard to any requirement to obtain quotations from a number of contractors.

Common areas at Ellingham Industrial Estate

- 1.4.5 The Council is responsible for maintaining the common areas around the estate, including grass cutting, road sweeping and litter clearance. Tenants pay for this through an annual service charge and the contracts are managed by the Contracts and Grounds Maintenance units.

1.5 OTHER CONSIDERATIONS

Forfeiture

- 1.5.1 Sometimes a unit will become vacant as a result of a tenant disappearing, or as a result of bankruptcy etc (this latter case would be subject to the lease being disclaimed by the Official Receiver). If it appears that there will be little chance of the tenant carrying out any dilapidations, or reinstating any alterations, a decision will need to be made as to whether the Council should carry out these works, to help with the marketing of the unit. Where no new tenant has yet been identified for the unit, it might be prudent for the Council to carry out the works. Where there is a potential interest (either from an existing tenant or through TR) and that person wishes to take occupation quickly, it may be more appropriate to agree that the incoming tenant carries out the works in return for a suitable rent-free period.
- 1.5.2 In all situations where the Council carries out any works, it will be necessary to follow the procedures set out in the Standing Orders with regard to any requirement to obtain quotations from a number of contractors.
- 1.5.3 The Head of Corporate Property should be consulted prior to the Council undertaking any works to ensure that the cost of the works can be met from the current maintenance budget.

Change of Use

- 1.5.4 Where an application is received for a change of the use permitted under the lease, the potential impact on the adjoining tenants and the surrounding estate will need to be considered. A Deed of Variation may be required and an application for a change of use under the Town & Country Planning Act may also need to be made by the tenant. In all cases, the SPS and the HLDS should discuss the matter. The HLDS should be instructed to prepare a Deed of Variation where appropriate.

2. RETAIL UNITS

2.1 LETTING

- 2.1.1 The Council currently owns 3 shopping parades – Stanhope Square, Bockhanger Court and Brookfield Court. At Bockhanger and Brookfield all of the shops are let on 20-year Full Repairing & Insuring (FRI) leases, protected by the security of tenure provisions of the Landlord & Tenant Act 1954. There is, therefore, only a very small turnover of tenants on these two parades and, where this occurs, it is usually as a result of a tenant assigning their lease.
- 2.1.2 If, for any reason, a shop unit should become vacant, Taylor Riley would again be instructed to market the unit and the same procedures would apply as for Ellingham Industrial Estate – see above. **File ref 07/11/01 (Enquiries For Land) and 07/07 (Shops) - should also be scanned to see whether anyone has written-in to the Council seeking to rent a shop unit.**
- 2.1.3 When deciding upon the length of term that should be granted under a new lease, the expiry date of the existing leases on the parade should be borne in mind, to ensure that any possible future long-term

redevelopment plans for the parade are not prejudiced by granting a lease which expires sometime after the existing leases expire.

- 2.1.4 Due to the future redevelopment of Stanhope Square under the PFI process, all new lettings on this estate are on a short-term basis only, with appropriate break clauses, in consultation with HLDS. The length of term to be granted should be agreed in advance with the Strategic Housing Initiatives Manager.

2.2 MANAGEMENT

- 2.2.1 The comments under Ellingham Industrial Estate relating to Breaches of Lease, Rent Arrears, Assignments/Sub-lettings, Vandalism/Break-ins, Neighbour Disputes, and Rating all apply to the Council's retail units.

- 2.2.2 Request for Additional Units are rare but they would be filed under 07/07.

- 2.2.3 All repairs, both internal and external, are the responsibility of the lessees.

2.3 DILAPIDATIONS

- 2.3.1 When a lease of a retail unit comes to an end, and the tenant does not wish to renew the lease, the terms of the lease will specify the condition in which the property is to be returned to the Council, and thereby the scope of any dilapidations required. The tenant should be advised of this at an early stage so that the works can be carried out prior to, or immediately after, vacation of the property.

- 2.3.2 The procedures set out above regarding Decoration and Alterations to the industrial units at Ellingham will equally apply to retail units.

2.4 MAINTENANCE

- 2.4.1 At Bockhanger and Brookfield all of the shops are let on 20-year Full Repairing & Insuring (FRI) leases, protected by the security of tenure provisions of the Landlord & Tenant Act 1954. The tenants are therefore responsible for all internal and external maintenance of the properties.

- 2.4.2 At Stanhope Square, the shops are let out on a mixture of 20-year leases, 6-month licences and short-term leases (due to the Stanhope PFI project). However, technically, they are all on "FRI" terms and so the tenants are responsible for all internal and external maintenance of the properties.

- 2.4.3 Common Areas – the Council is responsible for maintaining any Common Areas around the shops and any works that are noticed during routine inspections, or which are notified to the Council by tenants or members of the public, should be attended to as soon as possible, following the procedures set out above regarding compliance with Standing Orders.

2.5 OTHER

- 2.5.1 The procedures and comments set out above relating to Forfeiture and Change of Use at Ellingham will apply to shops.

3. MISCELLANEOUS COMMERCIAL PROPERTY

3.1 LETTING

- 3.1.1 The lease terms offered on any other vacant miscellaneous commercial properties will be dependent upon the particular property concerned and the nature of the tenant and will be subject to negotiation. Again, external agents will ordinarily be used to market the property, although file ref 07/11/01 – Enquiries For Land - should again be scanned to see whether anyone has written-in seeking to rent a particular type of property. The same procedures as set out under Ellingham Industrial Estate would apply.

- 3.1.2 Details of vacant units should also be given to the Economic Development Manager to put on the Council's web site under Commercial Property Register.

- 3.1.3 In situations where a property has become vacant and it is unlikely that a new tenant will be found, an options appraisal should be carried out to establish whether the sale/redevelopment of the property is a more suitable option.

3.2 MANAGEMENT

- 3.2.1 The comments under Ellingham Industrial Estate relating to Breaches of Lease, Rent Arrears, Assignments/Sub-lettings, Vandalism/Break-ins, Neighbour Disputes, and Rating all apply to the Council's miscellaneous commercial units.
- 3.2.2 Requests for additional units are not relevant but general enquiries for Council property are filed under 07/11/01.
- 3.2.3 Responsibility for repairs will depend upon the type of property involved, who the tenant is etc. The lease/tenancy documents should be examined to establish who is responsible, with advice from HLDS if necessary.

3.3 DILAPIDATIONS

- 3.3.1 The procedures set out above relating to Decoration and Alterations at Ellingham Industrial Estate will apply to miscellaneous properties.

3.4 MAINTENANCE

- 3.4.1 The leases of individual miscellaneous properties will specify the maintenance obligations of each tenant. Where responsibility rests with the tenant, they should be advised accordingly. Where the Council is responsible, the laid-down procedures for appointing contractors should be followed.

3.5 OTHER

- 3.5.1 The procedures and comments set out above relating to Forfeiture and Change of Use at Ellingham will apply to shops.

ASSET AND PROJECT MANAGEMENT GROUP

Terms of reference (May 2006)

Aims of the Group

1. To ensure that best use is made of the Council's assets by:
 - ❖ treating property as a strategic resource and funding its maintenance from a corporate repairs and renewals reserve,
 - ❖ reviewing operational property assets to ensure that they meet Services' current and future requirements and helping them maximise their performance in delivering Service Plans,
 - ❖ reviewing other assets including IT, equipment, play areas, CCTV, etc. to ensure that they meet Services' current and future requirements and helping them maximise their performance in delivering Service Plans,
 - ❖ challenging the effectiveness of non-operational land and property assets to generate income and/or support economic or social development, developing clear objectives and recommending disposals or acquisitions as appropriate,
 - ❖ carrying out condition surveys and preparing long term programmes for the future maintenance of assets,
 - ❖ ensuring that all relevant reports to the Executive have fully addressed the property implications of any proposal,
 - ❖ overseeing any Section 106 agreements (developer contributions) which involve the acquisition, management or maintenance of land or property by the Council,
 - ❖ striving to ensure that sufficient funds are made available so that assets can perform to their maximum potential and are maintained in the most cost effective manner.
2. To periodically review the methodology for the prioritising of capital expenditure based upon the Council's corporate objectives, and taking account of cross-cutting issues, Best Value and ongoing revenue implications,
3. To develop and implement a methodology for the prioritising of expenditure out of the corporate repairs and renewals reserve, based upon the Council's corporate objectives, and taking account of cross-cutting issues, Best Value and ongoing revenue implications,
4. To develop and implement a methodology for the review of all projects upon completion which evaluates the success of the project,
5. To effectively monitor the planning and management of projects and take action as appropriate to ensure that they are managed and controlled in such a way that ensures value for money and timely delivery and that the outcome matches that predicted at the feasibility stage,
6. To ensure that all appropriate actions are taken to comply with the requirements of the Comprehensive Performance Assessment relating to capital expenditure and asset management,
7. To prepare a Property Strategy that sets out the Council's aims and objectives for its operational and non-operational property, demonstrates the links to the Council's corporate priorities and describes how the aims and objectives will be achieved through management strategies and processes.

Composition of the Group and Resources

Anne Adams	Head of Corporate Property (Chair)
Paul Naylor	Deputy Chief Executive (Mentor)
Ben Lockwood	Senior Accountant
David Jeffrey	Enabling Officer – Housing Services
Mark Carty	Head of Cultural Services
Graham Harris	Head of Project Office
Ian Barnes	Senior Property Surveyor
Rob Neil	Head of ICT Services
Tracey Kerly	Head of Housing Services
Pauline Adams	Head of Financial Services
Councillor Clokie	Leader of the Council

The Group will meet monthly or at other periods determined by the Chair. However the Group will meet at least twice in any three-month period. In the event that a Group member is unable to attend a meeting they should be represented by a substitute.

The amount of time each officer will have to allocate to the work of the Group will vary. For most officers it will be around 10-15 days work per year. The amount of time for Anne Adams and Ben Lockwood is likely to be 30-45 days per year.

Key Milestones

- ❖ Ensure that all project managers are adequately trained and have the resources necessary to deliver the project,
- ❖ Preparation of quarterly reports to MT and to the Executive as appropriate,
- ❖ Contribute towards the achievement of a Level 3 score for the financial management section of the CPA Use of Resources (2.3 management of assets),
- ❖ Establishment of a methodology for post project evaluation and receipt of completed reviews from project managers,
- ❖ Post project evaluation of key projects,
- ❖ Preparation and updating of a Property Strategy in accordance with the recommendations of the Audit Commission,
- ❖ Clarification of the roles and responsibilities of service units in the management and maintenance of property through the adoption of a formal procedure note,
- ❖ Completion of management review of non-operational property.

Key Outcomes

- ❖ Capital expenditure directly related to service delivery and the Council's corporate objectives,
- ❖ Continuous improvement in the delivery of the capital programme,
- ❖ Greater member and officer awareness of the property implications of all decisions,
- ❖ Better use and management of property assets,
- ❖ Realisation of capital receipts through the disposal of surplus and/or underused assets,
- ❖ Greater efficiency in the use of staff resources through effective data management,
- ❖ Enhanced corporate and strategic working,
- ❖ Opportunities for increasing income and/or reducing expenditure in the management of non-operational property are maximised,
- ❖ Clearer links between the aims and objectives of the property portfolio and the Council's key corporate priorities.

Officer and Member Reporting Arrangements

Minutes of the meetings, with action items, will be circulated within 5 working days to all group members.

The Group will report to Management Team quarterly or more frequently if a serious problem arises with an important or sensitive project requiring action at MT level.

Reports will be submitted to the Executive on a regular basis but at least quarterly.

Review Arrangements

Reviews will be carried out six-monthly.

New Project Proposal

Project Title	
Affected Wards	
Originating Service Unit	
Project Sponsor	
Please describe what the project is (as if talking to a child)	
What will the end product be?	
What would be the singularly most important benefit realised from doing this project?	
What would be the consequences of not doing this project?	
What financial contribution will you be anticipating from ABC?	
Total start up costs £	
Annual revenue £	
Portfolio Holder Signature	Date

Project Brief

Project Title	
Project Sponsor	
Project Manager	
Client (if external)	
Please describe the project (as if talking to a child)?	
What is the end product?	
Why have you chosen this option and what other options have been considered?	

In the table below, please spell out what the benefits will be and how success will be measured?		
Benefit	What and how are corporate key themes being addressed?	What target will you use to measure success?
E.g. Social and Health	Project will reduce anti social behaviour in Stanhope	25% reduction amongst 12 – 20 year olds.
Social and Health		
Corporate (financial)		
Corporate (non financial)		
Environmental		

Transport		
Innovation/ Public relations		
Which is the most important benefit to be realised from this project?		

Critical Success Factors

Time: What are the target start and finish dates for completing the following stages of the project?

	Start	Finish
Outline Business Case		
Detailed Business Case		
Tender		
Implementation		

Performance: State how you will measure the performance or quality of the end product?

Costs:

What is the estimated lifetime of the end product?

Years

	£
Total start up capital costs	
ABC Contribution	

Funding Strategy: Set out where all capital will come from and rate the chance of obtaining these funds

Source	Amount	(£)	Chances of Obtaining			Justification of Rating
			High	Med	Low	
ABC						

Total						

During the lifetime of the project is there likely to be a need for further capital investment, if so please state what this will be needed for and estimate the total value.

What for	How much (£)

Operational: Please set out the estimated annual running costs for the project:

Annual running costs:	£
ABC contribution:	£

How will any shortfall be met?

Project Success: Please identify the relative importance of the following success factors.

	Very Important	Fairly Important	Not Very Important
Performance of end product			
Time (within time)			
Cost (within budget)			
Realising benefits			

Risks: What are the major risks to delivering this project? (think financial, legal, technical)

Risk	Probability			Potential Impact on Project	Describe plan B
	High	Med	Low		

Resource Requirements: Please estimate the level of resources required to deliver this project.

Resource	Project Days	Fees
Project Sponsor		
Project Manager		
Project Office		
Legal		
Planning		
Finance		
Other		

Repair and Renewals
Fast track Project Brief

Title	
Originating Service Unit	
What will the expenditure be used for?	
What will be consequences of not doing the repair/renewal?	
What will be the consequences of postponing the repair/renewal for:	
12 months?	
2 years?	
3 – 5 years?	
What other options have been considered?	
How much is needed? £	
Portfolio holder signature	Date

ASHFORD BOROUGH COUNCIL
Post Project Evaluation

Project title	
Project Manager	
Project Client	
Original budget at commit to invest	£
Revised budget	£
Final outturn	£
Fee cost – internal	£
Fee cost – external	£
Estimated duration of project at commit to invest (weeks)	
Actual duration of project (weeks)	
Project objectives and desired outcomes (as stated at commit to invest)	
Summary of major achievements / benefits	
Reasons for difference between original budget and final outturn	
How valid was the original option appraisal? (Were the right options identified and assessed?)	
How valid was the risk analysis?	
How robust was the affordability analysis?	
What were the unexpected problems / risks?	
How effective were the change control procedures?	
Were there any undesirable outcomes? If yes, what were they?	
What would have happened in the absence of the project?	
Did the project meet all of the desired outcomes? If not, what was the expectation gap?	
Please provide details of feedback from users/occupiers/sponsors	
Lessons learnt report and recommendations for future projects	
Person completing evaluation	
Date	

INTERNAL RATE OF RETURN (IRR) – COMMERCIAL PROPERTIES

	04/05	05/06	Comments
Ellingham Industrial Estate	9.3	11.48	Improved IRR reflects increased passing rents, increased Full Rental Value and reduced costs
Stanhope Square	3.77	14.33	Increased FRV and reduced expenditure (due to excluding CCTV costs previously included erroneously) has resulted in improved IRR
Brookfield Court	12.57	7.75	2 vacant units has lead to a reduction in IRR
Bockhanger Court	4.84	10.89	Increase in FRV has lead to improved IRR

OCCUPANCY OF INDUSTRIAL UNITS

Date	% of floorspace let at Ellingham	Average number of void properties at Ellingham	Date	% of floorspace let at Ellingham	Average number of void properties at Ellingham
Jan 2004	93	9	Jan 2006	98	3
Feb 2004	94	8	Feb 2006	98	3
Mar 2004	95	7	Mar 2006	99	1
Apr 2004	96	5	Apr 2006	99	1
May 2004	97	4	May 2006	98	2
Jun 2004	95	7	Jun 2006	99	1
Jul 2004	92	9	Jul 2006	98	2
Aug 2004	96	5	Aug 2006	96	5
Sept 2004	96	5	Sept 2006	96	5
Oct 2004	92	7	Oct 2006	98	2
Nov 2004	95	6	Nov 2006	98	2
Dec 2004	95	6	Dec 2006	98	2
Jan 2005	97	4	Jan 2007		
Feb 2005	98	3	Feb 2007		
Mar 2005	95	5	Mar 2007		
Apr 2005	93	8	Apr 2007		
May 2005	96	4	May 2007		
Jun 2005	95	5	Jun 2007		
Jul 2005	95	5	Jul 2007		
Aug 2005	94	7	Aug 2007		
Sept 2005	92	9	Sept 2007		
Oct 2005	94	7	Oct 2007		
Nov 2005	95	5	Nov 2007		
Dec 2005	97	4	Dec 2007		

WATER COSTS IN OPERATIONAL PROPERTIES						
	2003/04		2004/05		2005/06	
	Mid Kent	Southern	Mid Kent	Southern	Mid Kent	Southern
CIVIC CENTRE	£1,883.17	£2,770.81	£2,000.00	£2,400.00	£2,486.82	£3,073.29
STOUR CENTRE	£5,484.48	No records	£6,030	£428.35	£3,935.92	£-428.35
TENTERDEN OFFICE	£66.12	£93.24	£60.16	£86.43	£62.20	£93.88
JULIE ROSE STADIUM	£1,307.60	£4,730.46	£1,340	£6,870	£1,616.55	£12,058.20
CHART LEACON DEPOT	£1,231.73	£2,375.52	£1,961.45	£1,993.17	£2,114.47	£1,627.93
VICTORIA PARK PAVILION	£20.78	£0.00	£2,103.00	£27.00	£342.85	£19.41
SPEARPOINT PAVILION	£670.42	£826.81	£822.00	£587.00	£568.87	£738.38
HYTHEROAD PAVILION	£42.19	£59.24	£55.08	£40.00	£64.06	£11.09
TOURIST INFO CENTRE	£153.00	£186.08	£157.29	£194.67	£177.57	£224.72
PUBLIC TOILETS	£3,338.82	£4,951.51	£3,672.99	£4,485.55	£4,533.86	£4,828.73
Bank Street, APC					£135.87	£182.94
Ashford Road, Charing					£92.92	£129.69
Church Road, APC					£66.26	£52.49
High Street, Biddenden					£200.85	£291.60
Maidstone Road, Hothfield					£146.54	£199.76
New Rents, Ashford					£522.93	£722.87
North /Park Street APC					£352.20	£69.58
St Johns Lane, Ashford					£639.17	£837.02
Tenterden Rec					£605.37	£791.27
Station Road, Tenterden					£611.35	£797.71
St Michaels					£69.98	£97.62
Taylor's Hill, Chilham					£273.69	£364.57
The Street, Appledore					£611.35	£96.58
The Green, Woodchurch					£66.06	£92.67
Churchfield Way, Wye					£139.32	£102.36

GAS AND ELECTRICITY COSTS IN OPERATIONAL PROPERTIES						
	GAS			ELECTRICITY		
	2003/04	2004/05	2005/06	2003/04	2004/05	2005/06
CIVIC CENTRE	£15,428.95	£16,261.00	£16,362.62	£27,427.15	£33,747.00	£37,784.05
STOUR CENTRE	£53,446.18	£44,171.95	£39,980.11	£39,345.87	£36,615.60	£38,266.94
TENTERDEN OFFICE	No gas			£412.23	£506.00	£705.74
CHART LEACON DEPOT	No gas			£7,207.00	£11,534.00	£13,926.35
JULIE ROSE STADIUM	£3,743.74	£3,602.57	£4,695.53	£16,077.06	£14,500.00	£15,505.37
VICTORIA PARK PAVILION	No gas			£981.99	£900.00	£1,528.44
SPEARPOINT PAVILION	£376.66	£641.00	£404.72	£151.12	£120.00	£393.16
HYPHE ROAD PAVILION	No gas			£90.15	£120.00	£53.18
TOURIST INFO CENTRE	No gas			£453.82	£500.00	£682.64
TOTAL PUBLIC TOILETS	No gas			£4,951.51	£2,462.00	£4,983.01
Bank Street, APC						£367.12
Ashford Road, Charing						£85.19
Church Road, APC						£325.52
High Street, Biddenden						£387.55
Maidstone Road, Hothfield						£196.32
New Rents, Ashford						£458.14
North /Park Street APC						£111.11
St Johns Lane, Ashford						£212.17
Tenterden Rec						£1,488.54
Station Road, Tenterden						£573.13
St Michaels						£193.39
Taylor's Hill, Chilham						£358.28
The Street, Appledore						£39.33
The Green, Woodchurch						£82.74
Churchfield Way, Wye						£104.48

Service Area	Name	Use	Gross Internal Floor Area (m2)	Balance Sheet Value 31.03.06.	Maintenance liability	Comments
OPERATIONAL						
Corporate	Civic Centre	Offices	6993	4123334.21	ABC	
	Tenterden Sub Office	Offices	84	£0	ABC	Leased for 9 years
	Ashford Tourist Information Centre	Tourist Information Centre	39	61458	ABC	
	Tenterden Tourist Information Centre	Tourist Information Centre	0	£0	TTC	Owned by Town Council – occupied under licence
Leisure	Stour Centre	Leisure Centre	7,850	9241400	Part ABC, Part ALT	
	Tenterden Leisure Centre	Leisure Centre	4,056	6564773	Part ABC, Part Serco	Managed by contractor
	Julie Rose Stadium	Leisure Centre	1,370	3380376	Part ABC, Part ALT	Leased to Trustees
	South Park Pavilion (Sk8side)	Youth One Stop Shop	101	89153.35	Part ABC, Part KCC	
	Spearpoint Pavilion	Sports Pavilion	365	226005	ABC	Feasibility study completed.
	"Techpro" Sports and Social Pavilion	Community Centre	438	34735.36	Part ABC, Part Parish	
	Christchurch Mini Soccer School	Sports Changing Room	144	43415	ABC	New facility constructed 2001 using grant from Football Association
	Victoria Park Pavilion	Sports Pavilion	207	237377	ABC	
	Netball Centre			£0	ABC	New facility constructed 2006 by KCC and leased back

Service Area	Name	Use	Gross Internal Floor Area (m2)	Balance Sheet Value 31.03.06.	Maintenance liability	Comments
	Tenterden Museum	Museum	241	£8,134	Part ABC, Part Museum Association	Leased to trustees
	Ashford Museum	Museum	120	£0	Part Trust, Part Museum Association	Leased to trustees
Community	Tenterden Cemetery Mess	Cemetery Mess	23	£10,660	ABC	
	Willesborough Cemetery Mess	Cemetery Mess	45	£15,288	ABC	
	Bybrook Cemetery Mess	Cemetery Mess	33	£37,436	ABC	
	Public Conveniences	12 No public conveniences	502	£845,001	ABC	A rolling refurbishment programme including provision of disabled facilities and general improvements is nearing completion
Development	20 No Surface Car Parks	Car Parks		£4,666,428	ABC	Excluded from PI
	1 No Multi Storey Car Park	Car Park	7,550	£298,139	Part ABC, Part Landlord	Refurbishment project completed July 2001
<u>NON OPERATIONAL</u>						
Leisure	Park Farm Recreation Centre	Community Centre	625	£0	Part ABC, Part ALT	Acquired under a developers section 106 agreement and leased to trustees
	Goat Lees Community Centre	Community Centre	146	£0	Part ABC, Part Trust	Acquired under a developers section 106 agreement and leased to trustees
	Ashford Indoor Bowls Centre, Jemmet Road, TN24 0UX	Indoor Bowls Centre	1,875	£1,101,942	Bowls Club	
	"SWAN" Centre	Community Centre	308	£81,385	Trust	99 year lease to Trustees
Community	Stanhope Community Centre	Premises for boxing club	360	£0	Boxing Club	3 year lease to Ashford & District Amateur Boxing Club

Service Area	Name	Use	Gross Internal Floor Area (m2)	Balance Sheet Value 31.03.06.	Maintenance liability	Comments
	Bockhanger Community Centre	Community Centre	473	£363,090	Part ABC, Part Trust	
	Hothfield Village Hall	Village Hall	453	£0	Parish Council	80 year lease to Trustees
Development	Conybeare Industrial Site	Vacant – Surplus	0	£250,000	ABC	Development potential in conjunction with adjoining allotment site
	Ground leases – Ellingham	6 No Industrial Units	0	£190,000	Tenant	999 year leases
	Industrial Sites – Ellingham	77 No Industrial Units	6,461	£2,720,480	Part ABC, Part tenants	3 year leases. Council has responsibility for common parts.
	Industrial Site – Kingsnorth	1 No Industrial Unit ground lease	0	£12,200	Tenant	999 year lease
	Shops at Stanhope Square	16 No shop units	2,572	£220,000	Part ABC, Part tenants	The shops are included within a PFI bid for the redevelopment of the area of the housing estate upon they are located
	Shops at Bockhanger Court	4 No shop units	264	£226,380	Part ABC, Part tenants	Let on 20 year full repairing leases
	Shops at Brookfield Court	7 No shop units	1,204	£487,060	Part ABC, Part tenants	Let on 20 year full repairing leases. Council has responsibility for common parts. Redevelopment scheme being proposed.
	Shrubcote Stores, Tenterden	Shop	112	£49,000	Part ABC, Part tenants	
	Montgomery House, Brookfield Road	Doctors surgery	124	£93,100	Part ABC, Part tenants	
	Bethersden Surgery site	VACANT	32	£20,800	N/A	Sale pending
	Stanhope Day Centre	Day Care Centre	414	£0	Trust	
	Tenterden Day Centre	Day Care Centre	500	£19,110	Trust	Let on an 80 year full repairing lease at a peppercorn rent
	Chart Leacon Depot	Vacant Industrial Unit	4,775	£960,000	N/A	Sale pending
	Adleys Yard	Vacant Industrial site - surplus	0	£20,000	N/A	Vacant

Service Area	Name	Use	Gross Internal Floor Area (m2)	Balance Sheet Value 31.03.06.	Maintenance liability	Comments
	Industrial site – Gasworks Lane	Vacant industrial - surplus	0	£200,000	N/A	Sale pending
Housing (GF)	Downsview	Vacant	725	£270,417	N/A	Sale pending
	22 Sprotlands Avenue, Willesborough	Vacant	202	£0	ABC	Strategic acquisition to allow planning regularisation work and resale
	Conningbrook Barn and Cottage	Residential lettings	409	£0	ABC	Strategic acquisition pending development at Conningbrook Lake
	Chilmington Gypsy Caravan Site	Caravan Site	136	£85,000	ABC	
COMMUNITY ASSETS						
Leisure	Woodchurch Windmill	Historic building	140	£0	Part ABC, Part Trust	Refurbishment project in progress - part funded by Heritage Lottery Fund
	Willesborough Windmill	Historic building	119	£0	Trust	Compulsorily purchased in 1990 and leased to trustees. External funding being sought to enable remedial work to sails to be carried out in 2001
	St Marys Church Ruin	Historic building	0	£0	ABC	Refurbishment project proposed – part funded by English Heritage
	TOTAL NON-HOUSING PORTFOLIO			£25,275,971		
Housing (HRA)	Council dwellings	Housing Stock		£124,804,000	ABC	
	TOTALS		51,979	£150,079,971		

Not included in this list is land currently classed as Housing land, Open Space land or land used for allotments or grazing

Appendix 7 – PLANNED MAINTENANCE PROGRAMME

Property	Overall condition category (see definitions below)	Required maintenance (see definitions below)			Comments
		Priority 1	Priority 2	Priority 3	
Ellingham Industrial Estate - common parts areas	C	£5,370	£41,855	£198,475	Research currently underway to investigate potential for a joint venture arrangement to fund capital investment
Downsview - exterior only	N/A	£0	£0	£0	Currently vacant – disposal in progress
Edinburgh Road car park	B	£2,100	£24,285	£35,780	Remedial works outstanding from refurbishment project are not included in these figures
Shrubcote Stores - exterior only	B	£1,300	£50	£175	
Montgomery House - exterior only	B	£75	£4,695	£2,455	
Bockhanger Court shops - external areas and car park	B	£1,520	£3,665	£2,235	
Brookfield Court shops – external areas, common parts and car parks	C	£1,425	£755	£0	Bids have been received and are currently being assessed for the disposal of these shops therefore investment beyond priority 2 is not proposed at this stage
Stour Centre - phase 1 (remodelled)	A	£0	£0	£40,000	Contingency allowance as no survey has been conducted on remodelled part of building
Stour Centre - un-modernised part	D		£150,000		Priority 1 work is already included within existing R&R commitments. No allowance has been included beyond priorities 1 and 2 as the future of the un-modernised part is subject to further feasibility work
Julie Rose Stadium - exterior only	A	£9,380	£32,080	£130,980	
Tenterden Leisure Centre - structure and exterior	B	£2,831	£39,142	£11,692	
Tenterden Leisure Centre - mechanical and electrical	B	£30,000	£50,000	£60,000	
Christchurch Mini Soccer Centre and Courtside Netball Centre	A	£2,010	£2,155	£4,875	
Dr Wilks Hall (included in TIC)	B	inc	inc	inc	
Tenterden Museum	C	£1,025	£4,760	£12,996	Works required to comply with Disability Discrimination Act

Appendix 7 – PLANNED MAINTENANCE PROGRAMME

Property	Overall condition category (see definitions below)	Required maintenance (see definitions below)			Comments
		Priority 1	Priority 2	Priority 3	
Tourist Information Centre, Ashford/Dr Wilks Hall	B		£10,510	£5,445	
Bockhanger Community Centre - exterior only	B	£585	£7,684	£50,320	
Sk8side - exterior only	B	£865	£1,475	£4,750	
Techpro - exterior only	B	£935	£3,525	£1,100	
Spearpoint Pavilion	D	£3,685	£1,750	£0	Assumed that building will not remain beyond 2 years
Goat Lees Community Centre - exterior areas and car park only	A	£1,500	£620	£2,360	
Park Farm Recreation Centre	B	£0	£1,650	£3,550	
Swan Centre Football Changing units	C	£3,950	£4,350	£3,100	
6/7 The Fairings, Tenterden	C	£4,050	£190	£15,725	Unlikely to renew lease in the long term - subject to Tenterden Property review work. Does not comply with Disability Discrimination Act.
Civic Centre - exterior	B	£125	£4,855	£9,355	
Civic Centre - interior office areas	B	£7,575	£85,932	£100,320	
Civic Centre - interior civic areas	B	£13,675	£37,845	£29,305	
Tenterden Cemetery Mess	C	£4,300	£430	£1,300	Building no longer in use and could be considered for demolition as an alternative to maintenance
Bybrook Cemetery Mess	C	£400	£430	£1,300	
Conningbrook Barn and Cottage	B	£400	£2,500	£0	Assumed that plans for site redevelopment will be in place within 2 years
Appledore Public Conveniences	C	£2,370	£325	£6,430	This toilet block should be considered for some level of upgrading as well as being checked for subsidence. Not compliant with Disability Discrimination Act.
Biddenden Public Conveniences	B	£1,510	£0	£0	Maintenance responsibility transferred to Parish Council

Appendix 7 – PLANNED MAINTENANCE PROGRAMME

Property	Overall condition category (see definitions below)	Required maintenance (see definitions below)			Comments
		Priority 1	Priority 2	Priority 3	
Charing Public Conveniences	A	£0	£650	£1,250	
Chilham Public Conveniences	A	£125	£30	£2,260	
Hothfield Public Conveniences	B	£180	£2,400	£4,000	
New Rents Public Conveniences	A	£1,000	£725	£85	
Recreation Ground Road, Tenterden Public Conveniences	B	£275	£4,815	£3,600	
St Michaels Public Conveniences	A	£1,105	£1,285	£2,400	
Station Road, Tenterden Public Conveniences	B	£605	£640	£4,220	
Vicarage Lane (St Johns Lane) Public Conveniences	B	£1,010	£1,535	£810	
Wye Public Conveniences	B	£640	£630	£4,850	
Woodchurch Public Conveniences	A	£275	£1,230	£4,395	
TOTALS		£108,666	£531,453	£761,893	
GRAND TOTAL REQUIRED MAINTENANCE WITHIN 5 YEARS		£1,402,012			

Required Maintenance definitions

Priority 1: Urgent works that will prevent immediate closure of premises and/or address an immediate high risk to the health and safety of the occupants and/or remedy a serious breach of legislation

Priority 2: Essential work required within two years that will prevent serious deterioration of the fabric or services and/or address a medium risk to the health and safety of the occupants and/or remedy a minor breach of the legislation.

Priority 3: Desirable work required within 3 to 5 years that will prevent deterioration of the fabric or services and /or address a low risk to the health and safety of the occupants and/or a minor breach of the legislation

Condition category definitions

A: Good – Performing as intended and operating efficiently

B: Satisfactory – Performing as intended but showing minor deterioration

C: Poor – Showing major defects and/or not operating as intended

D: Bad – life expired and/or serious risk of imminent failure

Appendix 8 – PLANNED MAINTENANCE FUNDING**PLANNED MAINTENANCE PROGRAMME FUNDING - SUMMARY**

<u>Repairs and Renewals reserve</u>	2006/07	2007/08	2008/09
Balance on account	£983,446	£1,015,728	£969,728
<u>Income</u>			
Capital receipts	£300,000	£300,000	£300,000
Revenue contribution (Rates savings/Civic Centre income)	£46,000	£110,000	£110,000
Revenue contribution (60% of corporate maintenance budget)		£66,000	£66,000
	£1,329,446	£1,491,728	£1,445,728
<u>R&R Existing commitments</u>			
Feasibility studies	£50,000	£50,000	£50,000
ICT repairs and renewals	£80,000	£80,000	£80,000
Willesborough Windmill - remedial work to sweeps	£18,300		
Willesborough Cemetery Mess - demolition/relocation works	£10,000		
Headstones	£13,918	£10,000	
Tenterden Leisure Centre Lighting columns	£10,000		
Bins	£10,000	£10,000	
Skate park repairs	£30,000		
Civic Centre car park and access road		£62,000	£71,000
Tenterden Leisure Centre - replacement of fascias and soffits	£16,500	£20,000	
Railings & gates to parks & cemeteries			
Stour Centre - maintenance of un-modernised part	£75,000		
Tenterden museum - installation of lift		£40,000	
	£313,718	£272,000	£201,000
Planned maintenance programme - priority 1 (say)		£250,000	
Planned maintenance programme - priority 2 (say)			£390,119
Total expenditure	£313,718	£522,000	£591,119
Balance carried forward	£1,015,728	£969,728	£854,609

Appendix 9 – SUITABILITY ASSESSMENT PRO-FORMA

Property Name:		Database Ref:			
Address:					
<p>A = Suitable B = Not completely suitable but can be improved C = Not completely suitable but cannot be improved D = Unsuitable N/A = Not applicable</p> <p>Please put an X in the appropriate box</p>					
	A	B	C	D	N/A
Section 1 - LOCATION					
Is the property in an appropriate location?					
Is the property conveniently located to a good public transport network?					
Are there bike racks?					
Is the public on-site parking adequate?					
Is the staff on-site parking adequate?					
Is the off-site parking adequate?					
Is the access for service vehicles adequate?					
Any other comments on LOCATION?					
	A	B	C	D	N/A
Section 2 - ACCESSIBILITY					
Is the property easily accessible by people with special needs? <i>(Consider ramp access, automatic doors, designated disabled persons parking, those using prams/buggies)</i>					
Does the internal layout of the property permit ease of movement? <i>(Consider width of doorways and corridors, changes in internal level and lift provision)</i>					
Are there any physical barriers that prevent the service being delivered to disabled people?					
Is the external signage to the property adequate?					
Is the internal signage to the property adequate?					
Any other comments on ACCESSIBILITY?					
	A	B	C	D	N/A
Section 3 - ENVIRONMENT					
Is the building environment comfortable for the delivery of the service?					

Appendix 9 – SUITABILITY ASSESSMENT PRO-FORMA

Are the lighting levels adequate?					
Are the controls to the lighting arrangements acceptable?					
Are the heating levels adequate?					
Are the controls to the heating levels acceptable?					
Is the ventilation adequate?					
Is the control of the ventilation acceptable?					
Does the method of ventilation enhance the service? (<i>Consider fumes, noise, etc.</i>)					
Are the acoustics within the property suitable?					
Is there any scope to improve the building's environmental performance? (<i>Consider thermal insulation and energy efficiency measures</i>)					
Is the internal decoration to a suitable level for the current use?					
Do the floor finishes meet the requirements for current use?					
Any other comments on ENVIRONMENT?					
	A	B	C	D	N/A
Section 4 - SAFETY AND SECURITY					
Does the property provide a safe and secure environment for its occupants?					
Is the property subject to crime?					
Are the control measures in place adequate? (<i>Consider alarm, panic button, bars</i>)					
Any other comments on SAFETY AND SECURITY?					
	A	B	C	D	N/A
Section 5 - SPACE					
Is the total area and layout suitable for the delivery of the service?					
Is the property the right size for the delivery of the service?					
Is the building configuration helpful to the delivery of the service?					
Is the storage space adequate?					
Is the staff/admin area adequate?					
Are the toilet facilities adequate?					
Are the reception facilities suitable for the purpose?					
Are the interview facilities suitable for the purpose?					
Any other comments on SPACE?					
	A	B	C	D	N/A
Section 6 - FIXTURES AND FITTINGS					

Appendix 9 – SUITABILITY ASSESSMENT PRO-FORMA

Is the IT infrastructure adequate?					
Are other fixtures and fittings adequate and suitable? <i>(Consider what is necessary for the delivery of the service)</i>					
Is there adequate supply and distribution of power points?					
Is the property suitable for people with special needs? <i>(Consider visual and sensory aids, induction loop)</i>					
Any other comments on FIXTURES AND FITTINGS?					
	A	B	C	D	N/A
Section 7 - IMAGE					
Is the age of the building appropriate?					
Is the type of construction appropriate?					
Does the access to the property convey the necessary degree of openness? <i>(Consider main entrance doors off an alley or side road, an uninviting type of doorway)</i>					
Does the property look "shabby"?					
Are the lift(s) properly maintained and reliable?					
Is the external landscaping suitable?					
Are public reception areas comfortable and inviting? <i>(Consider whether the reception point is clearly visible, that furniture is suitable)</i>					
Is the cleaning regime suitable for the purpose?					
Any other comments on IMAGE?					
Please add any other comments on the overall suitability of the property					
Name of person completing form:					
In consultation with:					
Date:					

Thank you for completing this form. Please return it to Anne Adams in Property Services.

Appendix 10 – Land Identification Working Group Terms of Reference**LAND IDENTIFICATION WORKING GROUP****Terms of reference (December 2006)****Aims of the Group/Project**

1. To identify opportunities for realising capital receipts and/or generating revenue
2. To compile a comprehensive list of all Council land holdings
3. To meet CPA requirements in connection with the Council's Asset Register
4. To identify opportunities to reduce ongoing maintenance liabilities
5. To identify land that might have potential for social/affordable housing provision
6. To identify any boundary encroachments or anomalies

Composition of the Group, roles and resources

Ian Barnes (Property Services)	Chair and Project Lead
Ian Kirkland (Director of Community Engagement)	Champion/Mentor
John Murray (Property Services)	Assessment of sites
Sue Smith (Legal Services)	Assessment of sites and legal issues
Tina Young (Legal Services)	Assistance with plan preparation/legal issues
John Jackson (Cultural Services)	Preparation of GIS plans
Phil Davies (GIS Manager)	GIS support
Paul McKenner (Strategic Housing Initiatives Manager)	Assessment of sites
Clare Willmore (Property Services)	Minute taking and updating of Database
Relevant Planning Officers	Assessment of sites and planning issues
Relevant Housing Officers	Assessment of sites and housing issues

In addition to the regular group members listed above, relevant officers from Development Control and Housing, who have knowledge of the particular Wards being studied, attend each meeting.

The Group meets at 4–6 week intervals and in the event that a group member is unable to attend a meeting they should be represented by a substitute.

The amount of time each officer will have to allocate to the work of the group will vary. For most officers it will be around 5 days work per year during this initial stage of the project.

Key Milestones

- ❖ Preparation of GIS plans, on a ward by ward basis, showing ABC land ownership and Deed packet reference number.
- ❖ At each meeting, carry out an initial study of the GIS plans of between 3 and 5 wards, starting with the urban wards, to assess the potential of any vacant/under-used land parcels, in accordance with the aims of the group.
- ❖ Agree any further investigations that need to be carried out by the various members of the group to enable the initial study to be completed.
- ❖ Highlight any land parcels which, during the initial study, would appear to have potential for realising significant capital receipts.
- ❖ Highlight any land parcels which, during the initial study, would appear to have a value in excess of £50,000, as these will need to be included on the Asset Register.
- ❖ Produce an Excel Spreadsheet database for recording the wards studied and the outcome of each group meeting (the contents of the database are set out below).
- ❖ Complete initial study of all rural wards and urban areas by July 2008 (subject to a progress review to be carried out in July 2007)

Appendix 10 – Land Identification Working Group Terms of Reference

Contents of Database

- ❖ GIS plan reference number
- ❖ Location/ward/address
- ❖ Deed packet number
- ❖ Description
- ❖ Value of land, where applicable (for Asset Register)
- ❖ Site specific information
- ❖ Date of group meeting
- ❖ Conclusions of group
- ❖ Further action agreed
- ❖ Relevant officer
- ❖ Follow up
- ❖ Other comments

Key Outcomes

- ❖ The compilation of a comprehensive list of all Council land holdings
- ❖ CPA requirements met in connection with the Council's Asset Register
- ❖ Opportunities identified for realising capital receipts and/or generating revenue
- ❖ Opportunities identified to reduce ongoing maintenance liabilities
- ❖ Land that might have potential for social/affordable housing provision identified
- ❖ Boundary encroachments or anomalies identified

Officer and Member Reporting Arrangements

Minutes of the meetings, with action items, will be circulated within 5 working days to all group members.

Consultation with ward members will be carried out as appropriate.

Progress reports will be submitted by the Group to the Policy Advisory Group (Resources and Best Value) every 3 months.

Review Arrangements

Reviews will be carried out six-monthly.