ASSET MANAGEMENT PLAN 2016-2020

Foreword

Oxford City Council has had significant success in implementing the strategy outlined in the previous Asset Management Plans 2011-2015 with 100% delivery against 'key objectives'

- Income Growth
- Improved portfolio returns
- Rationalisation of accommodation.
- Regeneration & Improvement of the City including development schemes at Westgate, Northway and Barton and construction of 113 new affordable homes.

This success demonstrates the benefits of an active Asset Management Strategy, flowing from the Council's leadership and vision, aimed at delivering a 'World Class City for everyone'.

This new Asset Management Plan for 2016-2020 builds on the success of the previous plan and responds to the changes and influences that are likely to affect Oxford over the next five years.

It is a challenging environment with on-going budgetary pressures across the public sector together with major changes and developments in the City Centre (new Westgate Shopping Centre due to open in 2017) and the delivery of Barton, Rosehill and Blackbird Leys regeneration.

Delivery of a successful Asset Management Plan is a key component in enabling Oxford to grow and prosper.

Jane Winfield
Regeneration and Major Projects Service Manager

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Introduction

This is Oxford City Council's Asset Management Plan which supersedes the previous full Asset Management Plan 2011-2014 adopted October 2012 and the single year refresh for 2015 adopted October 2014.The new Asset Management Plan covers the period 2016-2020.

The Council's property assets are held in two portfolios: the Housing Revenue Account (council social housing and related land and buildings) and General Fund (all other Council land and buildings)

This Plan covers the Council's General Fund assets only with those within the HRA covered by a separate Housing Asset Management Plan (adopted separately).

This Plan forms part of the effective control and governance of assets which is essential if the Council is to meet its objectives. It also:

- Provides a clear statement of direction for other external stakeholders
- Identifies to the public the way the Council will deal with its land and property

Asset Management – The Oxford Way

The Council's Corporate Plan provides the leadership and vision of building on its strengths to become a 'World Class City for everyone'.

This vision and direction is at the core of the Asset Management Plan and it flows through to create a series of Property Objectives, Action Plans, Risk Management Strategies and Performance Targets to drive property portfolio delivery.

The Plan has been developed through extensive consultation with Members, Service Heads and Senior Council Managers alongside a review of market, economic and budgetary impacts on Oxford.

Consideration has been given not just to how the Council can manage its property assets but how these can be used to influence the wider environment and economy for the benefit of all the citizens of the City.

Oxford will over the coming five years see progress with a number of major real estate projects and its asset management strategies need to be framed in the context of these developments and their potential impacts. These developments include:

- Redevelopment of Westgate Shopping Centre.
- Major infrastructure programmes such as new railway station, central area road schemes such as Frideswide Square, and proposals for extended pedestrianisation.
- Development of 850 homes at Barton Park against a background of continuing high demand and pressures on housing.
- Potential refurbishment and development plans for Templars Square, Cowley.
- Improvement and development at Oxpens.
- Proposals for development of Northern Gateway.

The Plan must also address how property can be used to benefit the community and provide support to the wider health, leisure, education, social, environmental and economic agendas in which the Council is a stakeholder and partner and will use the Public Services (Social Value) Act 2012 and supporting guidance as a framework for quantifying Social Value where appropriate.

A key underlying principle in the Plan is a focus on creating sustainable income growth and value to underpin the delivery of services against an austerity background driven by government policy and its changing agenda.

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The AMP is not a fixed document but flexible to ensure that it evolves during it's life in the light of the ever-changing local government environment. The embedded strategy within the Plan is a Plan-Do-Review approach via annual reviews and analysis of the portfolio performance to generate revised Action Plans, Risk Management Strategies and Performance Targets.

It is essential that through the process the Council is able to become more flexible, agile, responsive and innovative whether through direct action, joint ventures, private companies, partnerships and other innovative solutions.

The Asset Management Plan is arranged as follows:

- **Section 1 Review of Previous Asset Management Plans 2011-15**
- **Section 2 Portfolio Overview**: A summary of the Council's property holdings
- **Section 3 Portfolio Objectives**: defines the Council's strategic objectives for property asset ownership and their linkages to the Corporate Plan
- **Section 4 Performance Measurement**: defines Critical Success Factors and potential indicators
- **Section 5 Action Plans**: defines the strategy policy and future actions on individual Asset Groups and types of activity
- **Section 6 Capital Programme:** outlines governance and control and budgeted spend on the property portfolio
- **Section 7 Asset Condition/Planned Maintenance**: Defines the Council's strategy for the condition and maintenance of its property and budgeted spend.
- **Section 8 Running Costs**: Details the approach to budget management across the spectrum of property costs including environmental and energy, maintenance and delivery as well as other property costs.
- **Appendix 1 General Fund Property Data**
- **Appendix 2 Corporate Property Asset Management Protocols**
- **Appendix 3 Risk Register**
- **Appendix 4 References**

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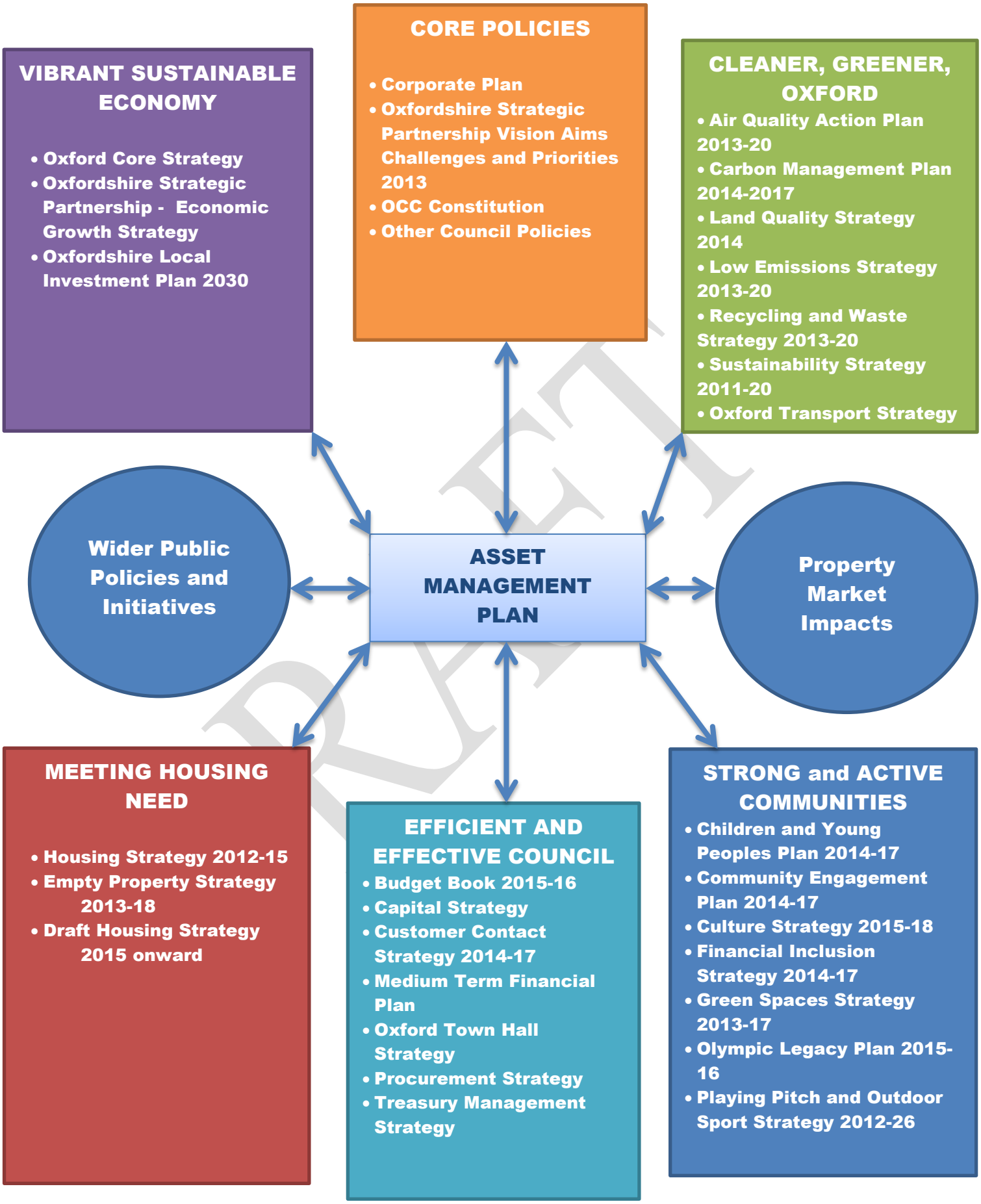

The relationship of the Asset Management Plan to the Corporate Plan, other strategies and influences.

1.0 Review of Asset Management Plans 2011-2015

1.1 How We Performed

The previous Plans covering the period 2011-2015 set out a number of key actions and milestones and a summary of progress against the core goals and targets is outlined below.

The scope and breadth of delivery was both stretching and ambitious but almost all objectives were exceeded or met during the plan period. This is a substantial success which has put the City in an excellent position from which to respond to the significant change and challenges faced.

Throughout the plan period there has been a process of continuous learning, where outcomes where reviewed and lessons learnt, applied to improve performance and delivery and changes and modifications to plans and targets made in response to such learning, external change, and the changing requirements of the Council and the City.

This process will be continued through the new plan period.

1.2 Summary of Performance

Deliverable	Target	Commentary
Improved Occupancy Standards **– Driving reduced cost and efficient operation**	• Office Space -2% • Occupancy 10m^2 / person • Depots -50% No./-18% area	• Office Space - 19.69% reduction • Occupancy - 8.05m^2 per person • Depot reduction - achieved
Carbon Reduction **-Improving the environment**	• Carbon Reduction 3% pa increased to 5% pa 2012 • Renewable Heat Generation installed	• Achieved • Biomass boiler installed at Blackbird Leys Pool
ImprovedRepair and Maintenance **- Improving the quality of our property**	• All Property 75% in category A & B • Community Centres 50% in Cat A & B	• Achieved • Backlog remains
Regeneration and Development **-Delivering a World Class City for everyone**	• Westgate Development on site. • 113 Affordable homes Constructed • Oxpens Car Park constructed	• Development Contract Unconditional Feb 2015 • All homes delivered • Completed on target
Improved Investment Portfolio Performance **- Supporting the Councils delivery of services**	• Rental Income + 2.5% pa • Arrears < 5% of rent Roll • Rate of Return >4% • Capital Value >£89m	• Income +6.6% pa achieved • Arrears 3% achieved • Rate of Return 5.58% • Capital Value £95M

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2.0 Portfolio Overview

In total the Council has some 704 General Fund Properties (the majority held freehold).

Freehold Assets	• **Properties 675** • **Rent Income £11.83m** • **Capital Value £262m** • **Site Area: 1249 Hectares (3086 Acres)** • **Floor Area: 337,000 m^2 (3,627,000 Sq Ft)**
Leased In Assets	• **Properties 29** • **Rent Paid £430,000** • **Rent Income £290,000** • **Capital Value: £14m** • **Site Area: 39 Hectares (96 Acres)** • **Floor Area: 6,804 m^2 (73,000 Sq Ft)**

The Property Portfolio includes:

2.1 Investment Property

The Investment portfolio comprises some 234 properties in three primary groupings the first substantially city centre and retail biased, the second retail shops serving the City's housing estates and the third agricultural and land assets primarily just outside the city boundary, alongside a smaller number of other property types and locations. The portfolio is in its entirety Oxford focussed.

Investments Assets are held and managed primarily for financial return, both capital and revenue, and the Council monitors and reports upon their performance on an Annual basis.

Notwithstanding the focus on financial return many properties do have a socio economic component to them, such as The Covered Market, which alongside its financial returns is a key landmark and significant heritage asset which also generates significant social value. In considering its portfolio the Council will have regard to the social benefit also generated by its assets.

The portfolio generates income in excess of £11m pa which provides significant and substantial support to the delivery of service by the Council.

2.2 Non-Investment Property

These can be broken down into Operational and Socio Economic property i.e. those properties held and used specifically for service delivery and accommodating staff (Operational) and those held for the benefit of the community such as Community Centres, Allotments, Sports and Recreation Facilities, Parks and Amenity Land (Socio Economic).

2.2.1 Operational Property This has been significantly rationalised in to a smaller number of properties (this was one of the principle successes in the previous Plan) (See Section 1) This part of the portfolio now comprises three major sites including two depots and a single office building together with nine other smaller sites. The Town Hall has been rationalised by letting of offices at

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No1 St Aldates and is now mainly an events facility and separate profit centre operating under its own business Plan. This lean and efficient operation has reduced operational cost and reduced the Council's carbon footprint.

The Council will continue to review its operational assets to ensure fit with requirements and to explore new opportunities that may be driven by revised working methods and technology and will release space where viable and sustainable rationalisation is possible.

2.2.2 Socio-Economic Property Comprise some 453 properties in two primary groupings. The first, 380 properties is a mix between those held for statutory purposes such as allotments to assets held for the direct delivery of, or supporting the Council's policies arising from its Corporate Plan and other initiatives.

These include amenity land, car parks, cemeteries, community centres, countryside and nature assets, heritage buildings and assets, infrastructure such as bridges roads and pathways, recreation sporting and leisure facilities, and public conveniences.

The second grouping comprises some 73 social partnership properties which are properties largely let where the Council recognises the social value of the occupant/ use or facilities delivered; this includes Citywide Garages (2328 units) as single asset.

The social benefit and value/financial status of all such properties will continue to be reviewed to ensure that all assets are managed towards maximising these benefits.

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3.0 Portfolio Objectives

The Council's Corporate Plan 2015 – 2019 (Building a World Class City for Every-one) has identified the following corporate priorities which directly address the needs of our City:

- **A vibrant and sustainable economy**: our ambition: a strong local economy, supported by effective education and training.
- **Meeting housing needs:** our ambition: more affordable high quality housing in Oxford.
- **Strong and active communities:** our ambition: communities that are socially cohesive and safe, and citizens who are actively engaged in pursuing their own well-being and that of their communities.
- **Cleaner greener Oxford:** our ambition: a cleaner, greener Oxford: in the city centre, in our neighbourhoods and in all public spaces.
- **An efficient and effective council:** our ambition: a flexible and accessible organisation, delivering high-quality, value-for-money services.

It reaffirms the Council's ambition to make Oxford a 'World class city for all its citizens'. It aims to achieve this by:

- Managing austerity
- Investing for growth
- Shaping the future of our city
- Shaping our neighbourhoods
    - Building more affordable homes
    - Providing high quality community facilities
    - Investing in our young people
    - Preparing people for work
    - Protecting the quality of our neighbourhoods
    - Improving community engagement
- Providing high quality community facilities
- Promoting the growth of enterprise
- Improving Oxford's infrastructure
- Growing a low-carbon economy
- Supporting local businesses
- Increasing availability of land for commercial development

This all shapes the asset management strategy and objectives and alongside the feedback and commentary obtained from our consultation, and review of the risks and change occurring to Oxford have been drawn into five core asset management objectives which direct and build our ambitions and priorities.

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Asset Management Objective 1	**All property to be well-managed and efficient**	• **Maximising income and capital receipts** • **Optimal and effective usage of property** • **Value for money provided by our property services (risk & return optimisation)**
Corporate Plan Linkages **Vibrant, sustainable economy** -Managing austerity -Investing for growth -Shaping the future of our city -Shaping our neighbourhoods -Providing high quality community facilities -Promoting the growth of enterprise -Improving Oxford's infrastructure -Growing a low-carbon economy -Supporting local businesses -Increasing availability of land for commercial development	**Efficient, Effective Council** -Strong financial management -Customer first programme -Improving our processes -Better procurement and contract management -Trading and business development Organisational development	
Asset Management Objective 2	**Working to address the Housing Crisis in Oxford**	• **Adding to housing stock** • **Development opportunities** • **Promoting affordable housing opportunities**
Corporate Plan Linkages **Vibrant, sustainable economy** -Managing austerity -Investing for Growth -Shaping the future of our City -Shaping our neighbourhoods	**Meeting housing needs** - More high quality affordable housing - Increased housing for sale and rent - Tackling empty properties - General fund borrowing to invest	

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Asset Management Objective 3	**Working in partnership with others and as One Council**	• **Maximise synergies with others** • **Use property jointly with partners** • **Improved access to customer services** • **Support communities** • **Safeguard heritage**
Corporate Plan Linkages **Vibrant, sustainable economy** -Working with LEP -Influencing City Deal opportunities -Improving Infrastructure -Improving Oxford's City centre -Supporting local businesses -Increasing availability of land for commercial development	**Strong, Active Communities** -Engaging with communities -Consultation and other forms of community engagement -Area forums and community partnerships -Supporting the community and voluntary sectors	
Asset Management Objective 4	**Reduce carbon footprint and improve sustainability**	• **Cleaner, Greener** • **Work alongside Environmental Services** • **Exploration of funding** • **Influencing policies**
Corporate Plan Linkages **Cleaner greener Oxford:** -Reduce market waste -Reduce carbon footprint (Council & city) -Transport strategies -Economic, Development & Growth Strategy	**Vibrant, sustainable economies** -Growing a low carbon economy -Promote through leasing	

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Asset Management Objective 5	Promote growth and regeneration	• Promote/ undertake development • Consider borrow to invest • Influence other land owners
Corporate Plan Linkages **vibrant and sustainable economy**: -Shaping future of city through Westgate, Oxpens, Barton, Northern Gateway -Greater Estates -Priority Regeneration areas -Place making **Meeting housing needs** -More high quality affordable housing - Increased housing for sale and rent - Tackling empty properties - General fund borrowing to invest **An efficient and effective council:** -Innovative solutions -Consider alternate delivery models	**Strong and active communities** -Design excellence -Consultation -Invest in new facilities -Health wellbeing and education **Cleaner greener Oxford:** -Design standards -Promote through leasing	

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4.0 Performance Measurement

The section above defines the core Property Objectives but it is essential that critical success factors and associated performance indicators with relevant measures are developed and regularly monitored throughout the life of the Plan.

An initial proposal for appropriate and specific measures is outlined below but will be developed further and revised within the annual budget and Medium Term Financial Strategy development to respond and reflect service and financial need and achievability.

The measures have been divided into Core Performance Indicators which are limited in number and measurable and form the primary focus of delivery with a range of secondary indicators and actions many of which do not have measurable outcomes but provide an overall indication of success.

Such measures will form part of an Annual Portfolio Report capturing progress in delivery and performance of the portfolio including income, value and return on investment. It is essential to ensure that the portfolio is future-proofed by forward projections of portfolio performance.

	Critical Success Factor	Core Performance Indicators	Supplementary Indicators
Asset Management Objective 1 *All property to be well managed and efficient*	• Reduced portfolio running costs (Value for Money) • Growth of sustainable financial contribution, income and value • Optimal and effective usage of property	• Running cost reduced to < 8% of Investment Income by 2020 • Income +6% by 2020 • Value +6% by 2020 • Arrears <3% by 2020 • Return >6% by 2020 • Office utilisation <10%/FTE	• Below CIPFA Benchmarking or similar • >2 pa development initiatives • Implementation of Office for Future 3 • Depot rationalisation reviewed • Sustainable Maintenance Programme in place
Asset Management Objective 2 *Working to address the housing crisis in Oxford*	• Add to housing stock through General Fund activity • Bringing forward residential development opportunities • Consider establishment of Housing Company and other innovative delivery solutions.	• To be developed and confirmed once changes in government policy and funding position is known. Significant impacts flowing from need to sell high value HRA properties to fund Housing Association RTB and 1% rent deflator announced by chancellor.	• Delivery of Barton Park • >2 pa successful interventions under Empty Homes Strategy
Asset Management Objective 3 *Working in partnership with others and as One Council*	• Maximise synergies with other providers and landowners • Use property jointly with partners • Improve access to services • Support communities • Safeguard heritage		• Working with LEP, Universities, major land owners • Influencing City Deal opportunities • Improving Infrastructure • Improving Oxford's City centre • Supporting local businesses • Increasing availability of land for commercial development • Community engagement
Asset Management Objective 4 *Reduce carbon footprint and improve sustainability*	• Sustainability and carbon reduction in development projects • Use of Salix funding • Greener portfolio	• 3%pa water reduction • 40% carbon reduction by 2020 • Zero F/G EPC rated properties by 2020 • New Construction to BREEAM outstanding or excellent	• Consider utilising green lease arrangements on renewals and new lettings where appropriate and possible. • PV installation maximised • Smart metering installed • Consider ISO14001 accreditation
Asset Management Objective 5 *Promote growth and regeneration*	• Great Estates & Priority areas: Rose Hill, Blackbird Leys & Barton projects • Growth & regeneration including Westgate, Oxpens, Northern Gateway and Barton • Improve transport • Create growth & employment opportunities • Improve health wellbeing and education		• Improved Town Centre trading ranking and indices • Successful delivery of Barton Rose Hill and Blackbird Leys Regeneration • Successful delivery of The Westgate development • Expansion of Seacourt Park and Ride

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5.0 Asset Plans

Having set the overall strategy for the Council's properties aligned to the Council's priorities and defined the core and supplementary performance measures, these principles have then been distilled down to develop more detailed Action Plans at a property type level which will focus and drive day to day work activity.

The property types can be summarised into the following:

Investment

- Commercial
- Agricultural
- Markets
- Estate Shops

Operational

- Council Offices
- Council Depots

Leisure

- Community Centres
- Sports Facilities
- Parks
- Countryside

Amenity

- Amenity /Open Space
- Car Parks
- Cemeteries
- Allotments
- Heritage
- Garages
- Bus Station

In addition we have developed Action Plans for five other areas which are not property specific but apply across the portfolio as follows:

- Surplus Property
- Regeneration and Development
- Carbon Management and Sustainability
- Property Data Management
- Property Health and Safety

The detailed Action Plans along with potential risks are outlined below:

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5.1 Investment

239 properties in four property groups

- Commercial Property;
- Agricultural Property;
- Markets; and
- Estate shops.

Annual rental £10.37m - Capital value £161m - Return on Investment 6.45%

Held primarily for financial return (income or capital). Performance has exceeded target rates set by the Council's Treasury Management function.

The Council will continue to review and drive performance of its investments through the new Plan period to achieve performance targets and to provide long term sustainable income to support the Council's service delivery.

To further this focus it is necessary to develop an improved understanding of Portfolio and Property Risk and the development of future looking performance measurement in order to further consider and develop property categorisation into Core, Core + and Dispose which will inform future investment decisions.

Core Properties are those where long term retention is envisaged and are performing well with the priority being to maintain income stream with the minimum level of investment required.

Core + are properties as per Core but where there are potential investment opportunities whether physical (refurbishment/re-development) or through positive management (new lettings/restructure of leases/change of use)

Disposal properties are those that are performing below required levels, are high risk, do not support the long term aim of sustainable income or where disposal may be considered to generate value or release funds for investment elsewhere in the portfolio to enhance income, value, returns, or manage portfolio risk more effectively.

Should funds be raised by disposal it may be appropriate to consider re-investment in direct or indirect property investments (Unit Trusts and other funds) as part of the overall risk management approach agreed with the Head of Finance.

Currently the General Fund operates with zero borrowing but against a background of low interest rates and potentially positive economic outlook the Council will through the Plan period consider whether it is appropriate to borrow for investment to achieve growth and future sustainable increased revenues.

The Council does not intend to broaden its investment base but focus on incremental growth within the existing portfolio or through acquisition of adjacent/ nearby properties where additional synergies may be possible.

There is potential within the portfolio to create capital funding opportunities through securitisation or gearing of assets or creation of other financial products but given the Council's current known funding position and risk appetite it is not considered appropriate to develop or consider such opportunities.

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Action

- Review portfolio performance annually through Plan period;
- Develop improved models of portfolio risk and future performance;
- Categorise portfolio into Core, Core+ and Dispose; and
- Develop business Plans for investment within the portfolio

5.1.1 Commercial Property

153 Properties including 97 retail (including shops, restaurants, public houses and shopping centres), 4 industrial, 18 offices, 11 residential and 23 other.

Capital Value £144.63m - Income £8.48m pa - Floor Area 210,567 m^2

The Council's Investment in Commercial Property is completely Oxford centric and retail city centre biased with nearly three quarters of value in this category.

This has proved advantageous to the Council through the previous Plan period which has seen substantive uplifts in both rental and capital values.

In the longer term though this is a potential risk as the market responds to impacts of the Westgate Centre development.

Initially this has been seen through shifts out of the existing centre boosting rents in Queen Street and this growth should be consolidated by the pull of the centre moving the prime pitch south west.

In the medium term period there is the possibility of threats to values in Cornmarket as multiple retailers vacate and reposition. Other streets such as George Street which has a high dominance from restaurant and leisure sector and Broad Street focussed on the tourist market are less likely to be impacted although there will be competition from the restaurant and cinema provision in Westgate.

Longer term there is expected to be an expansion of the Oxford retail market with an increased and more varied offering but the Council needs to continuously review and consider how Council properties may be used to manage or influence the change in ways to provide wider strategic benefits to the city centre.

The Council will also where possible attempt to influence landlords and property owners of vacant commercial property in the city centre to bring these back into use and to consider temporary uses such as 'pop up shops' etc so as to assist in maintaining the vitality of the centre notwithstanding the relatively low level of vacancies in Oxford City centre.

The Council will need to continue to review its holdings through the Plan period to ensure the risk profile is managed in line with the Council's appetite for risk balancing this with the need to achieve required financial returns and sustainable income.

Action

- Monitor and review portfolio risk profile and actively and efficiently manage;
- Develop strategy for how the City Council's property can be used to deliver greater diversity and vitality to the city's wider retail offer.
- Drive increase in sustainable income and values.

5.1.2 Agricultural Property

364 Hectares / acres including 4 Farms, long leased farmland, short term grazing land, seasonal lettings and vacant land

Capital Value £3.71M – Income £0.12m

Held as a property investment but with the holdings being small and fragmented they do not compare favourably with the market.

They do though hold potential as "land bank" to develop land for housing or other purposes (subject to Planning consents) or to influence development by others.

A review was undertaken in the previous Plan period and assets classified into 'Hold', 'Dispose' and 'Potential Development'.

Hold properties are those providing a secure income stream and where long term opportunities may arise.

Dispose properties are those which are poorly performing, where there is no long term opportunity or where potential liabilities on the council for repair or otherwise can be mitigated through early disposal.

Potential Development properties are those where there may be opportunities in the short to medium term.

Management of the portfolio has been improved with a more consistent and commercial approach being adopted. This will continue to be the focus during the period of the new Asset Management Plan period.

New legislation amending the repair provisions Model Clauses has come into force clarifying responsibilities and adding additional responsibilities to the Landlord and the Council will review its strategy in the light of these implications.

Value added opportunities are long term and are currently constrained by Green Belt policies and in many cases not deliverable unless with agreement from other adjoining land owners.

Action

- Continue to manage in accordance with the previous Agricultural Review implementation Plan subject to further review of impact of new Model clauses;
- Continue management regime improvements;
- On lease renewals or lettings of agricultural land consider the appropriateness of exploring wider options for use including revenue generating opportunities or added social value

5.1.3 Markets

The Council operates a permanent Market (trading seven days a week) within 'The Covered Market and a weekly casual market trading on Wednesday, Thursday and Saturdays in Gloucester Green.

■ **Covered Market**

120 trading units – 57 tenants – 2,323 m^2 trading area

Income - £1.2M - Capital Value £6.3M

One of the most important individual assets within the Investment Property portfolio.

Although the asset is highly valuable in property investment terms, the rationale for ownership extends beyond this providing value to the wider Community, retail and tourist offerings to the City and protection of a heritage building.

A visioning review by external consultants was undertaken during the previous Plan period and implementation of strategies arising is being undertaken in consultation with stakeholders.

A dedicated Markets Manager has been appointed and a Leasing Strategy for the market has been adopted, which provides 'A framework for regulating the tenant mix and locations of each unit for the market to ensure the future commercial success and vibrancy of the market.'

The Council will continue to apply this document to all future leasing decisions and applications for change of use.
In order to further drive improvement to the market and collective activity by all traders and the Council a 'Tenants Handbook – Operational Standards to Maximise Customer Satisfaction' has been prepared and will continue to be developed alongside hands on management activity and building good and effective relationships with the traders.

A significant proportion of leases within the market are aligned in terms of lease renewal dates with these next due in March 2017.

All commercial activities will take into account the wider benefits of the market to the City and the Council will seek solutions to minimise conflict and engender a consensual approach for the benefit of the City, the Council, the Traders and to build a thriving and vibrant market for the benefit of its customers and to ensure the continuing success of this Heritage Property.

Costs of maintaining and running this historic building are high and the Council will review to ensure efficient management commensurate with protecting the heritage and operating an efficient and effective market.

Capital investment will also be considered to enhance and improve the market with each aspect undertaken in consultation with all the markets stakeholders.

Action

- On-going implementation of the Covered Market Leasing Strategy;
- Continue visioning implementation;
- On-going development and updating of 'Tenant Handbook'
- Development of strategy for Lease renewals March 2017;
- Review cost and service delivery; and
- Develop investment Plan.

Gloucester Green:

A large mixed use development situated off of George street in the heart of the city centre. Constructed in the 1980's providing a bus station, underground car park, retail, office and residential accommodation around an enclosed public space which is utilised for a casual market on Wednesdays, Thursdays and Saturdays with up to 70+ stall holders per day.

During the previous Plan period the management of the market was tendered and new arrangements put in place for new investment in market stalls and to drive improvement of the market. This has revitalised the market, extended its offering and created a sustainable delivery model for the Council.

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Action

- On-going improvement to market offering; and
- Improvement to public realm management.

5.1.4 Estate Shops

67 lock up shops across the Council's Housing Estates
Income £600k – Capital Value £5M

Transferred from the Housing Revenue Account to General Fund in 2014 and now forms part of the wider Investment Portfolio.

Whilst this suggests a switch to a more financially driven management regime, the social benefits of local shops within the Housing Estates are identified as significant and the Council will continue to consider this to ensure that the portfolio supports the Council's wider social initiatives where relevant and appropriate.

The Council will seek to support an appropriate tenant mix in each parade, to promote viable businesses and provide appropriate facilities to the community they serve and focus on a healthy offering, quality products and provision of some fresh produce where possible.

Action

- Continue effective management
- Have regard to social benefits and
- Drive improvements to offer where possible

Investment Portfolio Risks

- Oxford and retail centric portfolio adversely impacted by market change and development.
- Covered Market lease renewals protracted and creating unfavourable publicity.
- Government policy change resulting in detrimental impacts to Council's budgets and funding provision

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5.2 Operational

5.2.1 Council Offices

4 Properties plus additional space in Horspath depot
Floor Space: 6410 m^2 – Staff: 623 – Occupancy: 10.2 m^2/Person

Space occupancy reduced and consolidated through the previous Plan period under Offices for the Future 2 programme. Staff now primarily at St Aldate's Chambers and within its Direct Services Depot operation at Horspath, limited accommodation within the Town Hall, an outlying customer service centre in Cowley and proposed parking operations facility at Oxpens.

Space released has allowed subletting of some 6000 sq. ft. within the Town Hall to a third party Serviced Office operator alongside the continuing growth of its events activities. The Serviced Offices have proved extremely successful since opening in 2014 and add to the success of the business model for the Town Hall.

The Council will continue to explore all opportunities for continued space efficiencies, value enhancements, revenue cost savings and future flexibility: for example recently it acquired the former leasehold interests of St Aldate's Chambers and Horspath resulting in additional revenue savings of over £400,000 pa.

The Council will continue to drive this agenda in pursuant of flexible and imaginative use of office accommodation space especially given the growth in technology and its impact upon the work-force for service delivery.

Changes in working practices including technology likely to result in improvement in space utilisation. Opportunities for sharing and combining spaces with other partners will be explored where these can deliver improved service, working environment or synergies of operation promoting the 'One Council' ethos of working.

Action

- Implementation of Office for the Future 3 delivery programme;
- Further rationalisation of non-city centre offices and depot ancillary offices;
- Oxford Town Hall business Plan and programme; and
- Review Business Continuity Plan recovery.

5.2.2 Council Depots and Workshops

2 Major sites, 3 parks depots, 5 minor assets - meeting location and site specific needs

Floor space: 12,542 m^2 – Capital Value: £6m

Depots were substantially rationalised through the previous Plan period with a number of site disposals. The previous Plan identified a need to consider potential for rationalisation/ relocation of the two primary Depots but feasibility studies undertaken did not identify a financially viable business case.

The Council will continue to review its depot operation and will undertake a detailed bottom up review from first principles to identify precise requirements that arise from the needs of service delivery and the Direct Services market focus to identify whether there is scope to develop a viable business case.

Action

- Review depot operation and develop business case for rationalisation/relocation.

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Operational Property Risks

- Concentration onto reduced number of sites increases Business Continuity Risks.
- Impact of technology change and changed working practices adversely impacts fitness for purpose of accommodation.

5.3 LEISURE

5.3.1 Community Centres

18 Centres on 0.96 Hectares providing 12122 m^2 of floor space

Capital Value £13.6M

A Community Centre Strategy Review is being undertaken in 2015 and will contain a review of needs and catchment areas and criteria for offering leases.

A repair and maintenance shortfall of £1.6M has been identified and will be addressed through the Plan period.

The Council will continue to review identify and promote opportunities to increase the social benefits delivered from its community centre properties.

Action

- Community Centre Strategy Review to be completed and implemented;
- Leasing arrangements to be put in place as per strategy criteria; and
- Maintenance shortfall to be addressed to deliver fit for purpose portfolio.

5.3.2 Sports Facilities, Recreation Grounds and Play areas

9 Primary Assets on 6 sites including 4 Swimming pools (three indoor and one outdoor), 1 Ice Rink, 3 Leisure Centres and 1 Athletics Ground providing some 11,334 m^2 of floor space on 24 Hectares / acres

75 other recreation facilities including sports pitches (grass and all weather), tennis courts, bowls pitches, street sports areas, play areas and playgrounds with some 3066 m^2 of floor space on 97 Hectares /acres. In total there are 87 Playgrounds across all city sites including parks.

Capital Value £25.1M

A Draft Leisure and Wellbeing Strategy is to be adopted during 2015.

The broad thrust of this is to enhance and improve facilities and participation levels alongside reducing user subsidies to zero in the Plan period.

No new development is envisaged but a number of sites will see investment and expansion and provision of new facilities.

Ferry Leisure Centre adjoins Diamond Place for which the council has issued a Supplementary Planning document to promote re-development of the area on a mixed use basis. This provides for potential improvement/ expansion of the leisure facilities possibly in conjunction with new community facilities, entrance and Health Centre.

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Delivery of services at the primary facilities is through a partnership contract with Fusion Lifestyle which has been extended to 2024. Under this arrangement the Council leases facilities to the company who deliver the services.

No change to these arrangements is envisaged in the Plan period.

Sports and Playing Pitch provision will be managed and delivered in accord with the 2012-2026 Playing Pitch Strategy. Here again this is largely about improving and modernising facilities including completion of a major pavilions investment programme.

Carbon usage of facilities such as the Ice Rink and Outdoor Pool are high and initiatives will be pursued to reduce and manage energy more effectively.

The Council will continue to review identify and promote opportunities within the sports and Leisure portfolio to increase the social benefits delivered.

Action

- Leisure and Well Being Strategy implemented;
- Playing Pitch Strategy implemented including completion of pavilions investment;
- Carbon reduction and management delivered; and
- Pavilion model lease to be developed and implemented.

5.3.3 Parks, nature reserves, countryside areas, amenity land and open space

178 assets totalling 616 Hectares / acres including 7 large city parks, 26 local parks, 22 neighbourhood parks, 28 countryside and nature reserve properties including Shotover Country Park east of the City and Port Meadow in north Oxford and other smaller areas of open space and amenity land including riverside and mooring assets, towpaths and gardens.

The Council acknowledges the significant value to the community generated by its Parks, Nature Reserves and Countryside areas.

These areas are largely held by the Council as public assets for the benefit of the community alongside the protection of sites of scientific interest, conservation/ preservation of wildlife, natural habitat and flora/fauna of the area together with protection of the setting and environment of Oxford.

These are a valuable resource which the Council will continue to maintain in an effective and efficient manner seeking opportunities to enhance wherever possible.

The Council will also continue to work with other landowners and influential bodies such as Natural England, Oxford Preservation Trust, and Environment Agency for the benefit of the wider Oxford community together with community groups who assist in managing the areas.

The Council will continue to adopt a flexible management approach wherever possible to maximise the social benefits generated.

Action:

- Work with partners; and
- Consider opportunities in the parks portfolio to increase the social benefits generated.

Leisure Portfolio Risks

- Community centre strategy review not completed or implementation not delivered
- Failure to work appropriately with partners
- Potential opportunities not exploited
- Quality of holdings deteriorate

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5.4 Amenity

5.4.1 Allotments

29 Open allotments, 27 Freehold & 2 Leased in

Provision > one plot per 125 head of population

The Council's current operational model has devolved responsibility to Allotment Associations, who administer and take responsibility for letting individual plots to members. This has created an efficient management structure with a community focus and ensures the Council is able to deliver its core responsibilities and statutory duties.

The Council acknowledges the substantial benefits of Allotment provision in terms of sustainability, health and well-being.

During 2015 the Council implemented and agreed reviews of the rentals charged to Allotment Associations in accordance with the lease terms to achieve a more consistent approach between sites.

Continued review will be undertaken during the Plan period to ensure on-going fitness for purpose and where appropriate consideration of alternative and innovative delivery models.

The Council will continue to adopt a flexible management approach wherever possible to maximise the social benefits generated.

Action

- Review of operating model to ensure fitness for purpose during the period of the AMP; and
- Consider opportunities in the allotments portfolio to increase the social surplus generated.

5.4.2 Car Parks

14 public car parks including 3 Park and Rides, 1 decked, 1 underground and 9 surface car parks (excluding car parking in parks)

4296 public spaces including 702 City Centre and 3023 Park & ride Spaces

Gross Revenue >£7.1M

The car parking offer of the city is evolving and changing in response to development proposals and activities and car usage.

1300 spaces were lost to accommodate Westgate redevelopment. Partially compensated by additional deck at Oxpens (January 2015) providing 200 spaces.

Former Coach Parking provision at Oxpens relocated to Redbridge Park and Ride to support the maintenance of parking provision during the Westgate development. During the adoption of this AMP period a new underground car park within the new Westgate Shopping Scheme will open (due late 2017).

The Council's second multi storey car park at Barns Road adjacent to the Templar's Square shopping centre was held leasehold and was surrendered to the landlord during 2015 as part of wider plans by the landlord for development at Templar's Square and reflecting the low usage and over provision of car parking around the centre.

Adequate vehicle parking provision in the city is one of the components of the wider transport issues of the city which often results in severe congestion on all routes into the

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city at peak times forming excessive strain on the infrastructure and roads.

As a result a new 'Oxfordshire Transport Strategy' is being developed by Oxfordshire County Council: Oxford City Council issued its Oxford Transportation Strategy Consultation Response in April 2015.

Key directions of travel indicate an increasing modal shift towards cycling and walking, improvements to park-and-ride facilities either on existing sites or via new site provisions, reduced and 'low traffic' city centre, increased pedestrianisation, consolidation and reduction in city centre parking with charging structures to reflect these policies which will deter long term parking schemes and promote alternate modes of travel.

The Council in managing its car park holdings will need to be agile and proactive in order to respond to the changes proposed. Where there are potential commercial opportunities within the portfolio the Council will explore these opportunities in pursuit of its Corporate priorities for housing and regeneration, provided that this is consistent with the broader objectives for the car park portfolio and the wider transport strategy.

Actions

- Expansion of Seacourt Park-and-Ride capacity and facilities;
- Investment in city centre and non-city centre car parks; and
- Consider all commercial opportunities to advance the Council's corporate priorities.

5.4.3 Cemeteries

4 Cemeteries on 15.49 Hectares (acres) with 465 m^2 (XX sf) of buildings including chapels of rest and other buildings

Only the cemeteries at Wolvercote and Botley are open for new burials but they are predicted to be closed for new burials between 2018/21 and 2021/24 respectively.

The Council will review its current policies for grave re-use and fees and charges to protect its ability to continue to make provision of this service.

Additionally the Council is committed to finding new provision(s) of Cemetery space to meet demand and requirements for the future and is currently investigating a number of potential sites within the AMP period both within and outside of its current portfolio and land holdings.

Given land constraints within the City provision may well need to be outside the current City boundaries and there will be a need to work together with adjoining Council's with regard to any development proposals.

Consideration may be given to use of Compulsory Purchase powers to secure land if this is not possible by negotiation.

Action

- Review policies for grave re-use and charging; and
- Identify and develop new cemetery site to meet requirements.

5.4.4 Garages

2328 garages and car spaces - Income >£900k pa - Value £9.4M

27,871 m^2 (XXsf.) of floor space on approx. 4.86 Hectares (XX acres) of land

The Council will continue to provide essential garage and car parking spaces for the benefit of its council house tenants. However it is considered that there may be opportunities to introduce a more commercial approach to the letting of garages/car

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spaces and provision for increased income has been provided for within budget setting. It is also appropriate to explore potential development opportunities especially residential schemes to maximise benefit from these sites.

Actions

- A review of rents charged and alignment of rents charged to non-council tenants with the prevailing market levels; and
- A review of garage sites to promote opportunities for development.

5.4.5 Heritage and Environment

Heritage Buildings

The Council has significant land and building holdings in key parts of the City Centre and elsewhere in the City. In some cases this property not only supports the Council in delivering its services or supporting its budgets but also it contributes to the historic and/or environmental fabric of the City.

In managing and reviewing its property holdings the Council will be mindful of this and where it considers that the historic or environmental fabric of the City may be prejudiced unless it continues its ownership, it will retain and invest in its ownership.

The Council has five heritage assets including parts of the historic city wall and the historic Carfax Tower which remains the highest building in the city centre and in addition maintains a number of other monuments across the city without necessarily land ownership.
The Council will continue to actively maintain and manage its heritage assets for the benefit of the community.

Action

- Consider heritage implications in all property activities; and
- Manage and maintain heritage buildings effectively.

Heritage Assets

In addition to buildings the council holds an extensive range of other heritage assets including the Council's Plate Room Silver along with the Ceremonial Mace, Antique Furniture, Civic Regalia, Antique Firearms and Pictures, Drawings and Artwork.

These are primarily displayed or available to view in the Town Hall and have been professionally valued at over £2m.

The Council will continue to ensure their security and maintenance as appropriate to secure their long term future and acknowledges their value to the community as part of the heritage and history of the City.

Action

- Ensure security and maintenance to ensure long term future of assets.

Risks Amenity Portfolio

- Inappropriate and inefficient allotment model.
- Car parking provision insufficient to support city needs.
- Disagreement/inappropriate transport policies impacting on the Council's Plans and assets.
- Suitable site for Cemetery not available.
- Heritage buildings and assets not suitably maintained.

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5.5 SURPLUS PROPERTY

The council has been very successful in minimising its surplus property stock either by disposal or by letting and currently has only seven assets falling into this category: less than one third of one per cent of the Council's stock.

Of these seven sites three are subject to restrictive covenants with Oxford Preservation Trust preventing alternative use, two are subject to conditional development agreements with third parties, one is subject to on-going negotiations and only one is vacant.

Action

- Continue to proactively manage surplus property to minimise and mitigate cost impacts at earliest opportunity.

5.6 DEVELOPMENT and REGENERATION ASSETS

The council has almost 700 assets covering over 1214 Hectares of land within the General Fund together with a further approx. 7500 council dwelling and other assets in the HRA and involvement through a joint venture with Grosvenor with the development of some 850 homes and other facilities at Barton.

These substantial assets give the council scope and opportunity to identify and bring forward direct schemes to enhance value or contribute to wider regeneration initiatives or to use its assets to leverage other land and asset owners to unlock potential developments to support delivery of corporate priorities.

A number of schemes are currently at various stages of fruition and developments are outlined below but implementation will deliver substantially against the Council's corporate priorities and provide significant regeneration within the City.

Current initiatives include:

- Barton – housing led redevelopment delivered through a public / private Joint Venture vehicle
- Northway – housing and community facilities delivered through private sector
- development
- Cowley - housing and community facilities delivered through private sector development
- Westgate Shopping Centre Redevelopment – City Centre retail and leisure extension and redevelopment to the shopping centre providing in excess of £500m of private sector investment;
- Blackbird Leys – regeneration of central and public realm areas and provision of much needed affordable housing;

Rosehill – regeneration of central and public realm areas and provision of much needed affordable housing;

- Barton – regeneration of central and public realm areas and provision of much needed
  affordable housing;
- Oxpens – Commercial and residential mixed use regeneration project to the edge of the City Centre.
- Northern Gateway
- Diamond Place
- Gloucester Green
- Templars Square
- Land for affordable home development

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The Council will look at the potential for General Fund borrowing in order to invest in its existing portfolio or adjacent/ nearby properties where additional synergies may be possible to bring forward development initiatives to drive , sustainable value and income, economic growth, job creation, housing provision, and social benefit. Use of innovative delivery structures, separate companies, partnerships, joint ventures or direct investment may be appropriate.

Consideration will be given to the potential to leverage or influence third parties, though use of the Council's property portfolio to bring about wider development and regeneration.

The scope for such activity and areas for investment are not limited and could include consideration of building houses for sale and for rent as part of initiatives to improve tenure mix within the City or maximisation of returns to support the Council's wider corporate priorities.

Action

- Delivery of Barton;
- Delivery of Westgate;
- Blackbird Leys regeneration strategy;
- Rosehill completion;
- React to externally produced regeneration and change;
- Work closely with partners for influencing regeneration although not necessarily utilising property assets:
- Review and explore potential for borrowing for investment in existing portfolio; and
- Implement programme, if viable and appropriate.

Development and Regeneration Risks

- Capability and resource insufficient to deliver.
- Funding and capital availability insufficient to deliver.
- Partners ineffective in delivery.
- Government policy and funding changes impacting ability to deliver.

5.7 CARBON MANAGEMENT and SUSTAINABILITY

The Council is fully committed to reducing carbon and improving sustainability across its property portfolio and corporately has set challenging targets which have been incorporated into the performance measures in this Plan.

For its operational portfolio and new build and other construction projects the Council will implement appropriate measures to drive this commitment and will draw on Salix funding where business cases can be built.

It is though more difficult to achieve change and improvement in its investment portfolio where much of the control is with the leasehold tenants under the terms of their leases. The council will though, where it undertakes works, consider the viability of including appropriate measures within the projects where this is justified given the investment strategy for the property.

The Council will also attempt to influence and leverage tenants to improve Carbon Management and Sustainability through its Landlord relationship with them. This potential may be enhanced by introducing 'Green Leases' when undertaking new lettings but there is a need to investigate the viability and benefits of such a solution.

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Energy Performance Certification ranks properties from A (the best) to G(the poorest) and is required on all disposals or letting of property to inform and assist the buyer/occupant.

In 2018 changes to the regulations may lead to properties in the lowest two ratings (F&G) not being lettable.

The Council will review the viability of undertaking EPC surveys across the lettable portfolio in order to identify the scale/quantum of any shortfall in ratings and plan improvements where appropriate given the investment strategy for the property.

Such activity would not only drive improved Carbon Management and Sustainability but could provide leadership to others in Oxford through the Low Carbon Oxford Partnership. It may also position the Council to take advantage of non-domestic Green Deal if and when this is bought forward by the government.

Further areas to be reviewed and considered include:

- Provision of Heat Networks
- Maximisation of PV and other renewable energy systems within the Council's property stock
- All development to BREAM Outstanding or Excellent
- Installation of Smart Metering
- Early consideration of energy/carbon impacts/Salix potential in all projects
- Water reduction targets for operational buildings
- Improved energy bill and payment processes
- Procurement of building energy – gas, electricity, woodchip and water from 2017 when the market is liberalised
- Generation of on-site energy through renewable energy technology
- Maximising benefit through use of Salix/Salix plus energy efficiency revolving loan funds
- Use of whole-life costing in any decisions that impact Council energy and water cost.

Action

- Implement Carbon Management and Sustainability initiatives in all projects where viable business case
- Consider utilising green lease arrangements on renewals and new lettings where appropriate and possible
- Investigate and review viability of undertaking EPC surveys on let portfolio
- Review and investigate the further areas and measures outlined

5.8 PROPERTY DATA MANAGEMENT

Effective data management is essential in order to manage the portfolio and the Council is fully committed to investing and maintaining appropriate data systems in this regard.

Extensive data checking and validation has been undertaken during the previous Plan period to ensure accuracy and quality and the next steps in development are to expand and improve data in the areas of maintenance and insurance and reports from the system in order to further enhance the efficiency of Asset Management delivery and management.

The council is further fully committed to government initiatives on Transparency and its

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E-Pims system which provide for portfolio data to be publically available and relevant information will be available on the Council's website.

Action

- Develop increased functionality relating to Maintenance ,insurance, vacant space and use
- Improve reporting capability
- Deliver requirements for Transparency and E-Pims

5.9 PROPERTY HEALTH AND SAFETY

The Council is fully committed to meeting its statutory obligations and requirements in relation to Property Health and Safety in its General Fund portfolio. This is underpinned by regular inspection of property to identify issues, defects and potential risks to Health and Safety and programmes of maintenance and repair alongside certification of gas, electric and fire safety risk assessment where responsibilities fall to theC.

The Council further reminds third party tenants of their responsibilities and requests information and documentation to substantiate compliance.

The Council as Landlord cannot enforce provision of such data or compliance but through this mechanism can identify High Risk properties and cases where non-compliance may exist and adjust its own activities appropriately where possible.

Action

- Regular inspection and maintenance regime in place
- Continuing review of tenant compliance

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6.0 Capital Programme

The management and planning of the Council's capital programme is undertaken by the Corporate Asset Management and Capital Board (CAMAB). This Board oversees capital funding, capital expenditure, disposal programmes, prudential borrowing and funding strategy together with oversight of the capital bidding and business case development processes.

To ensure a consistent and structured approach and an appropriate level of project management is applied to drive timescales delivery and cost the council has introduced a 'Gateway' process which helps the management of and is mandatory for all projects over £100k.

This has resulted in a much improved oversight and control through a series of approval gateways at inception, feasibility, procurement, implementation and completion and parallel financial reporting and monitoring.

The Capital Budget currently allocates some £35m of expenditure over the four year period 2015/16 to 2018/19 within the General Fund which is funded from existing resources and incomes with no borrowing.

	2015/16	2016/17	2017/18	2018/19
General Fund	£17,907,999.00	£7,592,330.00	£5,371,000.00	£4,413,500.00

In the event that viable business plans for investment in excess of these levels the Council will need to consider whether this is funded from increased revenues, disposals, borrowing or other financial instruments.

7.0 Asset Condition / Planned Maintenance

The previous Plan ranked the condition of operational assets under four headings Good, Satisfactory, Poor and Bad and set targets to achieve 50% of properties within Good and Satisfactory.

Significant progress with addressing a back log of maintenance has been achieved as a result of the additional funding allocated through the previous Plan period and on-going rationalisation and disposal of surplus space so that the operational portfolio is now 100% within the target categories.

The survey and ranking process has now been extended to the whole portfolio and current status is as shown in the table below.

Assets Ranked by Condition

Designation	Definition	Floor Area (m^2)	No of Assets	%
Good	Properties performing as intended and operating efficiently	**49,788**	**172**	**19**
Satisfactory	Properties performing as intended but showing minor deterioration	**186,049**	**641**	**71**
Poor	Properties showing major defects and or not operating as intended	**26,204**	**90**	**10**
Bad	Life expired and or serious risk of imminent failure.	**0**	**0**	**0**

The Council's Maintenance strategy during the Plan period will be

1. Operational properties that will be required for the foreseeable future and running costs are at acceptable levels will be maintained on a planned basis to achieve and maintain a good rating alongside consideration to improvement works to reduce revenue costs, carbon management and sustainability.
2. Operational properties that will be required for the foreseeable future but where running costs are above acceptable levels will be maintained on a planned basis to maintain a Satisfactory rating alongside consideration to improvement and works to reduce revenue costs of the building where a viable business case can be made to reduce these to within acceptable figures.
3. Operational properties that do not meet future defined requirements but where revenue costs are acceptable for short term retention will be maintained at minimum maintenance levels (i.e. health and safety/wind and watertight, legislative and contractual requirements).
4. Operational properties not required for the future, shall, if temporarily occupied by the Council, be maintained at minimum maintenance levels consistent with their expected life, or, where vacant, to meet legal requirements and to preserve value, if appropriate.
5. Investment properties will be classified into Hold, Invest and Dispose and maintenance strategy as follows:

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Hold - maintained at a minimum of satisfactory rating commensurate with maximising income and value and tenant retention where appropriate.

Dispose - maintained at a minimum of satisfactory and to preserve value.
Invest – maintained to good rating commensurate with maximising income and value and tenant retention where appropriate and consider improvements that are value enhancing or improve carbon management or sustainability.

To align with this strategy funding has been included in the capital and revenue budgets as follows and providing some £3.5m over four years

2015/16	2016/17	2017/18	2018/19
£1,403,060	£750,060	£674,060	£674,064

8.0 Running Costs

The Council's Environmental and Sustainability Team is capturing data on core environmental running costs and has clear targets for reduction in CO^2 emissions, energy, water consumption and waste disposal which are under the oversight of the Council's Cleaner Greener Board.

There is scope and opportunity to integrate this environmental data with other property running costs alongside staff and operational costs in managing the portfolio to profile and understand total costs on a property by property basis. In order to better inform decisions on hold, dispose, invest strategies and establish true return on investment and to drive improvement and efficiencies through targeted investment.

This is not a simple or easy process and few organisations have achieved full transparency and understanding of costs and development will be undertaken on a slow step by step approach so as not to overstretch or burden existing resource levels.

Appendix 1 General Fund Property Data

Appendix 2 Risk Register

Appendix 2 Action Plan

Appendix 3 References

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Freehold Portfolio

	Investment Assets		Non-Investment Assets		Total
	Short Lease out	Long Lease Out	Operational	Socio Economic	
No.	181	57	11	426	675
Site Area	389 Hectares	21 Hectares	5 Hectares	834 Hectares	1249 Hectares
Floor Area	35,314 m^2	185,596 m^2	19,169 m^2	97,030 m^2	337,108 m^2
Value	£85.92M	£71.86M	£11.98M	£91.91M	£261.67M
Income	£6.81M	£3.22M	£81.5K	£1.72M	£11.83M
Yield	7.9%				

Leasehold Portfolio

	Investment Assets		Non-Investment Assets		Total
	Short Lease out	Long Lease Out	Operational	Socio Economic	
No.	1		3	25	29
Site Area	0.19 Hectares		0.18 Hectares	38.48 Hectares	38.85 Hectares
Floor Area	1,843 m^2		4,198 m^2	763 m^2	6,804 m^2
Value	£3.12m		£8.3M	£2.64M	£14.07M
Income	£0.29M		-	£0.5k	£0.29M
Rent Paid	£0.4k		£34k	£393k	£427k

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INVESTMENT PORTFOLIO							
Category	**Type**	**No.**	**Site Area (Ha)**	**Floor Area (m^2)**	**Value**	**Income**	**YIELD**
Prime	**Retail** (City Centre)	62	5.47	31,788	£56.3m	£3.39m	**6.87%**
Secondary	**Retail** (Other)	11	0.51	2303	£1.65m	£0.102 m	**9.55%**
Tertiary	**Retail** (Estates)	67	0.96	5807	£5.06m	£0.59m	**11.66%**
Prime	**Shopping Centres**[1]	3	7.18	117,150	£58.94m	£3.56m	**6.04%**
Prime	**Restaurants/ PH** (City Centre)	19	0.38	6,378	£13.68m	£1.12m	**7.44%**
Prime/ Secondary	**Restaurants/ PH** (Other)	3	0.59	603	£0.6m	£0.05m	**10.64%**
Tertiary	**Restaurants/ PH** (Estates)	1	0.3	471	£0.04m	£0.001 m	**-**
Secondary	**Offices** (City Centre)	14	2.05	28,478	£5.81m	£0.5m	**8.67%**
Secondary	**Offices** (Other)	4	6.27	11,862	£2.59m	£0.14m	**7.02%**
Secondary	**Industrial**	5	0.32	1,564	£0.84m	£0.077 m	**9.13%**
Secondary	**Leisure**	3	0.49	1,159	£0.39m	£0.032 m	**8.2%**
Prime/ Secondary	**Hotels**	2	0.06	764	£1.46m	£0.1m	**7.26%**
Prime	**Arts** (Theatre/ Cinema/)	2	0.26	3,166	£3.28m	£0.25m	**7.63%**
Secondary	**Agriculture**	15	364.4	2,732	£3.71m	£0.12m	**3.1%**
Prime	**Residential**	11	0.6	3,858	£3.95m	£0.22m	**6.19%**
Prime/ Secondary	**Other**	17	19.59	4,672	£2.59m	£0.12m	**4.55%**
	TOTAL	**239**	**409.43**	**222,755**	**£160.89m**	**£10.37m**	**6.45%**

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NON INVESTMENT PORTFOLIO - OPERATIONAL							
Category	**Type**	**No.**	**Site Area (Ha)**	**Floor Area (m^2)**	**Value**	**Income**	**Rent Paid**
Prime/ Secondary	**Offices[2]**	4	0.56	10,834	£14.3m	£0.08m	£0.02m
Prime/ Secondary	**Depots/Workshops**	10	4.42	12533	£5.98m	-	£0.01m
	Total	**14**	**4.98**	**23,367**	**£20.28**	**£0.08m**	**£0.03m**

NON INVESTMENT PORTFOLIO – SOCIO ECONOMIC							
	Type	**No.**	**Site Area (Ha)**	**Floor Area (m^2)**	**Value**	**Income**	**Rent Paid**
	Allotments	31	69.27	481	£0.16m	£0.01m	£0.001m
	Cemeteries	4	15.53	470	£0.46m	-	-
	Community Centres	18	2.37	12,122	£13.66m	£0.02m	-
	Car Parks[3]	16	14.18	304	£21.36m	£0.16m	£0.39m
	Heritage Buildings[4]	5	0.08	299	£1.03m	0.002	-
	Heritage Assets[5]	5	-	-	£2.39m	-	-
	Infrastructure[6]	17	2.59	-	£0.11m	-	-
	Land and Open Spaces	144	249.14	-	£0.25m	£0.06m	£0.03m
	Parks, Nature Reserves and Countryside	34	367	1,260	£1.04m	-	-
	Public Conveniences	17	0.13	545	£1.04m	-	-
	Recreation Grounds and Play Areas	75	97.72	3123	£2.81m	-	£0.001m
	Social Partnership[7]	72	25.19	67,227	£21.97m	£1.47m	£0.001m
	Sports and Leisure Facilities	6	24.31	11,371	£26.65m	£0.001m	-
	Surplus[8]	7	4.67	1733	£1.64m	-	-
	Total	**451**	**872.18**	**98,935**	**£94.57m**	**£1.72m**	**£0.42m**

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Notes:

1. Recognises three shopping centres Westgate, Templars Square and Covered Market
2. Includes Town Hall with a gross area of 6689 m^2. but of this:
   - 155 m^2 is occupied offices
   - 572 m^2 is let offices
   - remainder is meeting rooms, a museum and a café. All operate under their own business plan and as a profit centre rather than as a fully operational area.
3. Includes Gloucester Green Bus station and licence fee income from Bus companies. Income quoted does not include income from public parking charges.
4. Excludes St Giles War Memorial and St Michaels Marston War Memorial both maintained by Council but on sites where the Council does not have registered ownership. Excludes income from Carfax Tower which is operated and managed by a third party on behalf of the council.
5. Five asset groups covering the Council's Plate Room Silver including the Ceremonial Mace, Antique Furniture, Civic Regalia, Antique Firearms and Pictures, Drawings and Artwork owned by the Council and principally displayed in the Town Hall
6. Includes bridges, footpaths and roads owned and maintained by the Council
7. Largely let properties where the Council recognises the Social Value of the occupant, use or facilities delivered. Includes Citywide Garages (2328 units) as single asset.
8. Of the seven sites, three are subject to restrictive covenants with Oxford Preservation Trust preventing alternative use, two are subject to conditional development agreements with third parties, one is subject to on-going negotiations and one is vacant.

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Corporate Property Asset Management Protocols

1.0 Introduction
2.0 Purpose of asset management protocols
3.0 Links to corporate priorities
4.0 The Council's role as a property owner
5.0 Acquisitions, Investment and Capital spend
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7.0 Development/regeneration
8.0 Letting and tenant mix strategy (excluding Covered Market "Leasing Strategy")
9.0 Covered Market Leasing Strategy
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1.0 Introduction

1.1 The purpose of the Asset Management Plan 2015/2020 is to provide a framework for the strategic management of the Council's General Fund assets as a Corporate Resource. Its aim is to set out the Council's vision, aspirations and objectives for its portfolio, and outlines an Action Plan for how it aims to achieve these outcomes.

2.0 Purpose of Asset Management Protocols

2.1 The Asset Management Protocols will provide a consistent framework of values to determine and shape how the Council implements the Asset Management Plan 2015/2020.

2.2 These Asset Management Protocols will define detailed areas of asset management activity, which will provide an insight into the corporate approach adopted in the management of the council property portfolio.

3.0 Links to Corporate Priorities

3.1 The Asset Management Protocols will consist of generic objectives and practices that are aligned to a private sector "institutional" or corporate owner and occupier of property assets. However in addition, the protocols will reflect the historic legacy, local circumstances, the community and social role of the council and the corporate priorities of the council.

3.2 The Asset Management Protocols also reflect wider trends and central government policy. These will evolve and be reflected in refinements to the Asset Management Protocols over time. The key external influences that have been reflected in this policy area:

- Promotion of access to public services
- Value For Money
- Good governance principles
- The Capital and Investment Strategy – Prudential Accounting
- The E Government agenda
- The efficiency savings requirements
- Support of partnering, collaboration, third sector and multi-agency approaches across various services
- Promotion of overall socio-economic well-being
- Regeneration, renaissance and growth
- Welfare change
- Funding pressures
- City Deal

4.0 The Council's Role as a Property Owner

4.1 Beyond its scale and cost, the Council's property portfolio is significant also in the impact it makes on the City's economy and environment. The quality and condition of Council properties makes an important impact on the environment.

4.2 Under-used or vacant property represents an actual as well as opportunity cost to the Council. Also, by under-exploiting a scarce land asset, under-used or vacant property often prevents another more beneficial use or form of development from taking place.

4.3 The Council recognises the importance of indirect as well as direct costs of holding under-used property assets and is committed to a continuous process of property review to monitor and promote opportunities for identifying and releasing surplus property.

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4.4 The requirement for property as a resource does not necessitate its ownership and the Council should similarly consider alternative tenure options within the context of its corporate financing strategy.

5.0 Acquisition, Investment and Capital Spend

5.1 Operational and Service Requirement

Land and property interests will only be considered for acquisition if, after consultation, the following circumstances apply:

- The acquisition will make a positive contribution to the current delivery of Council services.
- All other methods for the delivery of this service have been investigated and a full Property Options Appraisal has been undertaken which highlights this acquisition route as the most economically advantageous and efficient method of service delivery.

In addition to the above, the following circumstances may apply:

- The acquisition of the interest has potential for future strategic regeneration and/or redevelopment purposes in pursuit of the Community Strategy or Council Strategic aims and priorities.
- No other available land and property asset can provide a more cost effective and/or efficient point of service delivery.
- There is an adopted Council Plan/policy/strategy, with resources identified, which will bring the land or property into beneficial use in the foreseeable future.
- There is potential for advantageous shared use.
- The investment in land and buildings is used as a part of a wider treasury management function for the allocation of capital to provide an investment/revenue return to support front line services. Any investment decision would meet target hurdle rates of return appraised using discounted cash flow/internal rates of return methodology.

5.2 Compulsory Purchase

The Council has powers to acquire land and property by use of Compulsory Purchase Powers in order to carry out a function which parliament has decided is in the public interest. Commonly the powers are used to support development of land or to resolve issues with empty property with a view to bringing them back into use. Because of their nature in depriving people of their assets albeit with compensation the Council will not proceed without having considered all other alternatives and obtaining executive board approval in all cases before issuing orders.

Properties acquired under such a process will normally be intended for re-sale either before or after value added activity to achieve the specific goals of the Council unless a viable and credible business case exists otherwise and appropriate funding is available.

The Council will establish and maintain a rolling budget to undertake such activity.

5.3 Investment/Capital Spending

Where the council is considering capital spend or investment the following criteria shall apply:

- Direct investment into new property acquisition for investment return which display the following characteristics:
    - Low risk of tenant default and therefore robust income profile
    - Adequate liquidity of investment
    - Strategic opportunity which complements an existing City Council holding
    - Would protect the income from and value of an existing City council property holding
    - Enhances or contributes to long term revenue of the City Council
    - Forecast Return on Investment (ROI) of more than 4%
    - The prospect of materially enhanced returns – above a ROI of 4% through active asset management

- Direct investment into existing stock held by the City Council where a credible business case exists to add value through:-
    - Incremental Town Planning validation and or
    - Refurbishment and or
    - Redevelopment

- Direct investment into land or property for development or refurbishment
    - Where a credible business case exists to add value and/ or,
    - Appropriate for delivery of other corporate objectives; or
    - Appropriate to achieve long term strategic planning

- Planned Maintenance

  The Council has undertaken a baseline Condition Survey to underpin future planning of its maintenance programmes. This is reviewed and budgeted on an elemental basis to develop a prioritised approach to work.

  Using this as a base the Council will develop annual programmes of work and will on cyclical basis refresh the condition surveys to maintain an on-going and prioritised five year programme having regard to the buildings significance and the legal statutory and contractual significance and the impact on Health and Safety

  The survey programme will ensure adequate information is available each year to inform and populate budgets and ensure appropriate funding.

  The portfolio will be categorised on the following criteria

  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

6.0 Disposals

6.1 Land and property will be considered to be surplus or under-used if, following consultation, any of the following statements apply.

That the interest:

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- No longer makes a positive contribution to the current delivery of Council services.
- Has no potential for future strategic regeneration and/or redevelopment purposes in pursuit of the Corporate Plan aims and objectives.
- An alternative site can provide a more cost effective and/or efficient point of service delivery.
- The income from the site is below that which could be achieved from:
  - An alternative/more intensive use.
  - Investment of the capital receipt (i.e. uneconomically let)
- Has no potential to re-gear, or otherwise manage the lease in a more economically and advantageous way.
- There is no adopted Council Plan/policy/strategy, with resources identified, which will bring the site into beneficial use in the foreseeable future.
- There is no potential for advantageous shared use.

6.2 Disposals will be managed by Corporate Property as part of a programme to deliver capital receipts targets. These targets will be driven by the Council's wider needs and the potential to release surplus capital inherent in the portfolio. This may lead to the Council's targets being exceeded.

6.3 The Council will, as a matter of general policy, seek to achieve best consideration in all property disposals other than where specific cases can be sustained for sales at less than best consideration. Transfers for community use will normally include the imposition of "community lock out clauses" to ensure the enduring use is for the wider community.

7.0 Development/Regeneration

a. In certain cases the Council will hold property interests in anticipation of some wider benefit to be secured through re-development, sometimes for long periods.

b. These property interests will be maintained in a secure and safe condition. Where possible, holding costs will be defrayed by securing temporary rental or licence fees.

7.1 The continued holding of these properties usually has an opportunity cost and this is not generally justified where the redevelopment potential is small or remote. Continued justification will need to be substantiated on the basis of specific development proposals and estimated timescales, holding cost and return assumptions

7.2 In pursuance of the Council's Regeneration Strategy it will be appropriate for a Planning brief to be prepared for any land capable of redevelopment to identify the most advantageous use and nature of the redevelopment, and should have the objective of stimulating further regeneration in the locality.

7.3 An evaluation should be carried out in each case, as appropriate, to identify whether additional land should be acquired to enhance the impact and viability of any redevelopment.

7.4 Where the land forms or could form part of a larger redevelopment scheme in private ownership the property can be offered to the owner by private treaty at an appropriate price reflecting beneficial value and subject to positive planning covenants producing additional

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benefits for the Regeneration Strategy. Alternatively it may be appropriate in certain circumstances for various forms of joint ventures or joint promotion agreements to be considered.

7.5 The Council seeks to achieve regeneration and beneficial change by leadership of redevelopment and stimulation of diversity and quality in employment, service and residential accommodation, to be accomplished through a combination of land ownership and planning powers and processes.

8.0 Letting and Tenant Mix Strategy (excluding the "Covered Market)

8.1 The Council will pursue a commercial letting policy designed to promote efficient management and maintain or enhance asset values and grow income flow, in accordance with the Portfolio Business Plan.

8.2 The Council will promote diversity in the retail estate so as to maximise retail opportunities to local residents and visitors, and encourage economic prosperity and vibrancy of the city.

8.3 The Council recognises that the prime goal of shops or other retained assets on housing estates and in residential neighbourhoods will often be to provide facilities for residents and because of the significant poverty and deprivation that is present the Council acknowledges that maintaining access to such service provision is important.

This though only one of a number of key drivers impacting these properties including access to the best pricing, creation of employment, improving health, enhancing the local economy and creating vitality and the council will consider all of these in achieving an appropriate tenant mix and these considerations will take precedence over maximisation of tenant income.

8.4 The Council will comply with the Government's '*A Code of Practice for Commercial Leases in England and Wales"* which is designed to offer potential tenants a varied range of tenure options, subject to the principles of good estate management.

8.5 The Council will ensure that commercial units are available also to all people in accordance with the Council's equality and diversity policies. The Council will also provide documentation in a format that is accessible to people with disabilities.

9.0 Covered Market Leasing Strategy

The Council will develop and publish regularly a 'Leasing Strategy' for the covered market and all new lettings and applications for consent will be considered in accordance with the adopted 'Leasing strategy' document.

10.0 Community Lettings

10.1 The Council's policy is to adopt the principles advocated in the RICS report '*Whose Property Is It Anyway?* and the findings of the Quirk review. This policy will be supplemented by the contents and principles established by the Localism Act.

10.2 The Council recognises the importance of providing support to voluntary organisations that provide services to the community compatible with the Council's wider objectives and the Community Strategy. Traditionally this support has taken the form of "soft" rental terms on Council properties.

10.3 This traditional approach is seen as damaging from three perspectives. First, it promotes under-management by voluntary organisations of important resource costs. Secondly, it

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makes it more difficult to perform day to day property management decisions sensibly, for example enforcing repairing covenants. Thirdly, a suppressed rent not only reduces the income receivable but also damages the underlying asset value base of the Council, and the performance analysis and understanding thereof.

10.4 The Council's preference will be to let properties on proper commercial lease terms and open market rents on an "arm's length basis", and where appropriate, to replace the hidden rental subsidy with an overt grant subsidy, with appropriate fully offsetting adjustments to budgets. This will also make the Council's overall support to the voluntary sector as a whole more visible and transparent.

10.5 Notwithstanding this preference the Council acknowledges a need to be flexible and innovative in terms of leasing and ownership options so as to provide solutions best fitted to individual needs.

10.6 The Council will maintain a record of all community and social lettings to ensure transparency

11.0 Environmental Impact

11.1 The Council seeks to own and occupy property in an environmentally responsible way with a commitment to reduce carbon emissions in accordance with corporate targets

11.2 New buildings should aim to achieve a Building Research Establishment Environmental Assessment Method (BREEAM) assessment of at least "Very Good" and ideally "Excellent", subject to commercial considerations of capital and life cycle cost. All new technologies for new build and retrofit will be considered and where possible prioritised for General Fund assets.

11.3 Where buildings are directly managed by the Council all property services i.e. repair and maintenance activity will have due regard to environmental and sustainability considerations and life cycle costing in the design, specification and implementation.

11.4 The Council will implement and comply with the Heat Network Regulations 2014 (As amended 2015) in relation to its property assets

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11.5 The Council will comply with regulations relating to Energy Performance Certificates in relation to its property assets

12.0 Restrictive Covenants

12.1 The Council will not seek to breach covenants placed by third parties on its land where still enforceable but will seek to negotiate its modification or removal where appropriate to do so.

12.2 In relation to covenants the Council has imposed, it will seek to enforce such covenants where it is rational, sensible and proportional to do so, or, where no longer required, seek payment for its release or partial release where lawful to do so and in accordance with policy and fee/ charging schedules to be prepared and agreed.

12.3 The principles of such fee and charging schedules are as follows:

- Right to Buy Covenants – Administration Fee
- Qualified Covenants for extensions and minor alterations – Small fixed charge plus Administration Fee
- Qualified Covenants for separate units of accommodation – Enhanced fixed charge plus Administration Fee
- Absolute Covenants for extensions and minor alterations – Small fixed charge plus Administration Fee
- Absolute Covenants for separate units of accommodation – Charge based on up to 50% of increased value

13.0 Landlord's consent

13.1 All requests for consent from the Council should be submitted in writing with supporting information to the Head of Housing & Property.

13.2 Requests will be dealt with in a reasonable time period and replied to in writing confirming if consent will be granted, or alternatively stating grounds for refusal of consent. Consent will not be granted until the completion of a formal licence where required.

13.3 The Council will outline scale fees if applicable for providing consent and the process of providing formal consent.

13.4 The Council will have regard to principles of good estate management practice in considering any application, and will consider financial, non-financial matters and the impact on the remainder of the Council's landholdings, existing and adjacent tenants, and or impact on the Community and economic prosperity of the area

14.0 Service Charge

14.1 Where ever practicable, the Council will endeavour to re-charge "landlords outgoings" in running buildings let to occupying tenants

14.2 The basis of the recharge will be subject to an agreed formula, and will be administered by the Council's Regeneration and Major Projects area.

14.3 Service charge accounts will be levied on the basis of "on account" payments, half yearly, or annual re-charges, and or reconciliations running between March and February or such other period as appropriate for the efficient management and collection of service charges. Full reconciliations will be provided where possible within three months of closing the account for the year.

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14.4 The Council will where possible comply with the RICS Service Charge Code of Practice.

15 .0 Insurance

15.1 The Council will endeavour where permitted to re-charge insurance premiums to tenants where they are insured under the terms of the Council block policy.

15.2 The Council will insure on the basis of an “All Risks” commercial insurance policy, which where possible will include Terrorism insurance where this is commercially available in the insurance market.

15.3 A copy of the insurance schedule will be provided to the tenant if requested.

15.4 All re-charges of insurance premiums will be administered annually in advance and to align with the insured period under the Council’s block policy.

15.5 Where responsibility for insurance rests with the tenant, the tenant will be required to evidence this insurance to the Council upon reasonable notice period.

16 .0 Health and Safety

16.1 Where premises are let the Council will ensure that all and any common facilities are compliant with relevant Health and Safety Legislation

16.2 Tenants may be required from time to time to evidence upon request statutory compliance with health and safety legislation including but not limited to Gas, Electric, Asbestos and Fire Risk relating to their leased accommodation. In receiving such information the Council does not accept any responsibility or liability for compliance or any breach of statutory requirements by the tenant.

17 .0 Rent Arrears

17.1 The Council will act promptly and diligently in recovering rent arrears in order to protect revenues for front line services.

17.2 Rent is deemed to be in arrears if on the day it becomes due the Council is not in receipt of cleared funds.

17.3 The Council will use whatever means are available or appropriate to recover arrears of rent, including distrait, legal proceedings, Bankruptcy, Winding up Orders or referral to debt recovery specialists.

17.4 It is advised that any tenants who are experiencing problems should make contact with the Regeneration and Major Project area of the Council as soon as is practicable.

18.0 Repair and Maintenance

18.1 The Council will display a preference to let property on a full repairing and insuring basis, and therefore the tenant will be responsible for repair and maintenance of the assets in accordance with the express provisions of the lease/license, and requirements under statute.

18.2 The Council will undertake to comply with all covenants

18.3 The Council will ensure that its properties are maintained in accordance with corporate standards. A poor physical condition can contribute to an atmosphere of decay in the

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immediate area whereas properties that are well maintained and secure can sustain or elevate the tone of the neighbourhood. The Council recognises that responsible ownership and occupation of property includes acting as a good neighbour by maintaining it in a good condition. It also recognises that insufficient expenditure on maintenance and management is normally reflected in a proportionately greater erosion of value.

19.0 Rent Reviews and Lease Renewals

19.1 This area of professional activity will be co-ordinated by the Council's Regeneration and Major Projects Area, in conjunction with the Council's Legal department. The activity may be instigated in-house or may be undertaken by appropriately qualified external professional advisers.

19.2 Where the council implements rent reviews and lease renewals, it will seek to establish the highest market rental value supported by comparable evidence, to preserve the capital value and income flow of the portfolio.

19.3 Where the Council implements lease renewals it will seek to impose terms that are commensurate with market practice, RICS guidance, and that preserve the value and income flow from the portfolio.

19.4 In accordance with the Letting/Tenant Mix Strategy, the council in all new leases will consider providing tenants with priced options in relation to monthly/quarterly in advance rents, upwards and downwards reviews, and all other reasonable requests. The council is required to secure best consideration in rent review and lease renewals activity.

20.0 Dilapidations

20.1 The council will undertake interim and terminal dilapidations schedules where appropriate to do so. The costs of preparation and service will be advised at the time of preparation and will be recovered where it is permitted to under the terms of the lease/license.

20.2 The Council will comply with the *Dilapidations Protocol 2012 of Property Litigation Association,* and will use its best endeavours to mitigate any claim for damages and costs.

21.0 Tenant Associations

21.1 The Council will promote and encourage the adoption of Tenancy Associations or member of Tenant Bodies etc.

21.2 All such Associations will have their primary relationship with the Regeneration and Major Projects area of the Council.

22.0 Commercialisation opportunities

22.1 The Council will explore all opportunities to generate additional income from its portfolio of Land and Buildings, although not limited to these will include:

- Telecoms/way leaves etc.
- Wind turbines
- Advertising
- Kiosks
- Promotional displays/events
- Markets/street trading
- Pop up shops

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22.2 In all instances the Council will have regard to the impact of the activity on neighbouring owners, tenants and the community and neighbourhood.

23.0 Valuation

23.1 Professional property valuation services will be undertaken by the Regeneration and Major Project area of the Council. These will be undertaken by RICS qualified members of staff for a range of purposes across both commercial and residential sectors. Alternatively, the Regeneration and Major Projects area will be responsible for commissioning external valuation advice from appropriately qualified professionals.

23.2 An internal system of Quality Assurance is observed.

23.3 All valuations comply with Chartered Institute of Public Finance and Accountancy requirements in relation to valuation and asset register requirements of the end of year accounts.

23.4 The Council will outline scale fees, for undertaking valuations if appropriate.

24.0 Property Subsidisation

24.1 The Council is empowered, in certain circumstances, to grant interests in property at less than best consideration. However, this often disguises the actual costs of property in any particular project. All consideration is taken to ensure that valuations reflect any such subsidies when setting rental levels.

25.0 Equalities and Diversity

25.1 The Council has a Diversity and Equalities Action Plan and it will ensure that all actions taken under the AMP support this Action Plan. In the delivery of projects Equality / Diversity Impact Assessments are undertaken as necessary.

25.2 The Council will continue its work on Disability Discrimination Act access to public buildings. All of our buildings have had accessibility surveys and have accessibility Plans in place.

25.3 Wherever appropriate the Council will also support equalities initiatives in property management and construction.

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Appendix

Asset Management Plan Risk Register

No.	Risk Description	Gross Risk		Cause of Risk	Consequence	Mitigation	Current Risk		Further Management of Risk: Transfer/Accept/Reduce/Avoid	Monitoring Effectiveness	Residual Risk	
		Risk Score **Impact Score**: 1 = Insignificant; 2 = Minor; 3 = Moderate; 4 = Major; 5 = Catastrophic **Probability Score:** 1 = Rare; 2 = Unlikely; 3 = Possible; 4 = Likely; 5 = Almost Certain										
		I	P				I	P			I	P
1	No up to date AMP	4	4	Plan not prepared or not adopted	Ineffective management of property assets, loss of income, missed opportunities	Up to date Plan prepared and adopted	3	3	Accept	Effective	2	1
2	Inappropriate AMP	4	4	Plan not fit for purpose	Ineffective management of property assets, loss of income, missed opportunities	Professional preparation and input. Effective consultation across all stakeholders	3	3	Reduce - Annual Plan reviews and stakeholder consultation, performance measurement, benchmarking and CAMAC Board oversight.	Effective	2	1
3	AMP actions not undertaken	4	4	Lack of resource, lack of funds, no stakeholder buy in	Ineffective management of property assets, loss of income, missed opportunities	Effective and agreed resource, capital and revenue Plans to support Plans	3	3	Reduce – Annual Plan reviews and stakeholder consultation, performance measurement, benchmarking and CAMAC Board oversight.	Effective	3	2
4	Speed of delivery insufficient	3	4	Ineffective cumbersome or slow delivery and decision processes, lack of resourcing	Ineffective management of property assets, loss of income, missed opportunities	Effective processes, ISO + IIP systems in place, appropriate delegated authorities	2	3	Reduce – Empowered and motivated staff	Ineffective	2	2

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5	Inability to Recruit	3	3	Terms and conditions, staff availability, working conditions not suitable	Loss of or failure to retain staff or to recruit to meet requirements	Flexible HR and recruitment policies	3	3	Reduce – Effective appraisal and development systems	Effective	2	2
6	Market	4	3	Adverse market conditions	Adverse impact on values, receipts and income, capital receipts and spend	Market intelligence, professional staff, responsive decision making	3	3	Reduce – Clarity and understanding of portfolio and property risk, performance measurement	Ineffective	3	3
7	Lack of supporting policy framework	3	3	Corporate policies not available, out of date	Ineffective management of property assets, adverse cost and revenue impacts	Corporate Leadership, Policies reviewed and updated on timely basis	3	2	Reduce – Annual Plan reviews and stakeholder consultation, performance measurement, benchmarking and CAMAC Board oversight.	Effective	2	2
8	Development activity	3	4	Development of new Westgate Shopping Centre, Oxpens, Templars Square, Northern Gateway	Change to values and rents in the city, changes to occupancy and voids	Market intelligence, professional staff, responsive decision making	3	3	Reduce – Clarity and understanding of portfolio and property risk, performance measurement	Ineffective	3	3
9	Infrastructure changes	3	4	Implementation of major road schemes, redevelopment of railway station, pedestrianisation , congestion charging, car parking changes, transportation changes	Changes to values and rents, occupancy and voids	Market intelligence, professional staff, responsive decision making	3	3	Reduce – Clarity and understanding of portfolio and property risk, performance measurement	Ineffective	3	3
10	Planning Change	3	4	Changes to zoning, green belt, statutory framework and legislation	Impact on values rents and opportunities	Market intelligence, professional staff, responsive decision making	3	3	Reduce – Portfolio and property knowledge and property strategies in place	Ineffective	3	3

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11	Reduced Council funding	4	4	Change to Council'sCouncil's income from reduced Central Government funding and other statutory change	Inability to fund schemes, provide resource	Grow property income and value sufficiently to reduce need for funding	3	3	Reduce – Consideration of alternative delivery models	Ineffective	3	3
12	Failure to maintain properties and assets	3	3	Lack of awareness, funding or resource or ineffective processes and systems	Deterioration of properties and assets, loss of value and income, damage to heritage, health and safety risk	Portfolio knowledge, sufficient funding, effective processes and systems	2	3	Reduce – Performance measurement Benchmarking	Effective	2	2
13	Failure to understand Social Value of properties and assets	3	3	Lack of awareness, failure to quantify social value	Inappropriate decisions	Portfolio knowledge, stakeholder consultation, development of social value models	2	2	Reduce – Benchmarking, awareness of best practice	Ineffective	2	1
14	Failure to effectively use premises	3	3	Failure to review space, implement best working practices, invest, upgrade technology	Excess space retained, higher costs	Performance measurement, space standards, benchmarking	2	2	Reduce – Stakeholder consultation	Effective	2	1
15	Failure to identify opportunities	4	3	Lack of awareness, funding or resource or ineffective processes and systems	Missed opportunities, failure to grow income and value	Portfolio knowledge, sufficient funding, effective processes and systems	3	3	Reduce – Performance measurement Benchmarking	Ineffective	3	2
16	Failure to manage sustainability and energy consumption	3	3	Lack of awareness, failure to quantify sustainability issues, failure to understand energy consumption	Inappropriate decisions, increased costs, environmental impact	Performance measurement, energy targets and standards,	2	2	Reduce- Benchmarking, awareness of best practice	Effective	2	1

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17	Failure to innovate	3	4	Culture, processes and systems not supporting behaviour	Missed opportunities, inappropriate decisions	Corporate leadership and vision, flexible and supportive systems, culture of innovation embedded, corporate risk appetite understood	3	3	Reduce – Effective risk management Performance appraisal	Ineffective	3	2
18	Failure to work with partners	3	3	Failure to communicate and liaise with third parties	Synergies and opportunities from shared activity and partnerships missed	Regular liaison and communication with third parties, ethos of shared and maximised community value	3	2	Reduce – Awareness of best practice	Ineffective	2	2
19	Oxford Centric Portfolio	4	4	Impact of a locationaly limited investment portfolio	Excessive sensitivity to local regional changes and impacts	Market knowledge Performance measurement and projection, effective and rapid decision making	3	3	Reduce – Consider non oxford investment	Ineffective	3	2
20	Retail Centric Portfolio	4	4	Impact of predominantly retail investment portfolio	Excessive sensitivity to local and regional changes to retail market	Market knowledge Performance measurement and projection, effective and rapid decision making	3	3	Reduce – Consider change to Investment mix of portfolio	Ineffective	3	2
21	Adverse publicity/ public opinion	3	3	Inappropriate decisions, inadequate stakeholder consultation	Unfavourable Press and media outputs	Effective stakeholder consultation, awareness of impacts of decisions	3	2	Accept	Ineffective	2	2
22	Business Continuity	4	3	Loss of space and property due to risk event	Impacts/failure to deliver operational business, loss of income	Effective business continuity Plans in place	3	3	Accept	Ineffective	3	3
23	Technology change	3	3	Accommodation unfit for purpose	Inefficient delivery, excess space use, higher costs	Market knowledge	3	2	Accept	Ineffective	3	2

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24	Community facilities unfit for purpose	3	3	Failure to complete Community Centre Review or failure to implement	Incorrect space and facilities delivered, cost impacts	Complete effective Community Centre Strategy Review and implement	2	2	Reduce – Performance measurement Benchmarking	Ineffective	2	1
25	Changes to leisure management model	4	3	Failure of current management contracts	Changed requirements, cost and value	Performance measurement, Contract management and review, financial monitoring	3	3			2	3
26	Ineffective management and delivery of allotments	3	3	Inappropriate delivery model	Cost ,income and social value impacts	Review delivery model	2	2	Reduce – Market knowledge. Best practice awareness	Ineffective	2	1
27	Car parking provision in city insufficient	4	3	Insufficient car parking, loss of facilities	Loss of income, poorer city image, deterrent to public visits, tourism, employment	Market knowledge, effective and timely decisions, clarity and implementation of strategy	3	3	Accept	Ineffective	2	2
28	Cemetery provision insufficient	3	3	Existing facilities full/end of life failure to obtain/develop new facilities	Loss of facility, public discontent	Clarity of requirements, Identify potential sites and negotiate acquisition on timely basis	2	3	Accept	Effective	2	2
29	Data Management	3	3	Failure to maintain accurate data and records	Loss of income, poor management	Quarterly data checks, change control process	2	3	Accept	Effective	2	2
30	Health and Safety	3	3	Failure to ensure Property Health and Safety	Injury to people/ loss of property, income. Claims against council	Regular property inspections and maintenance programmes, Tenant assurance programme	3	2	Accept	Effective	2	2

Risks identified have been assessed on the basis of Impact (**I**) and Probability (**P**) in worst case scenario (Gross Risk) and position after mitigation actions are taken (Residual Risk) together with assessment of Current Risk with actions and mitigations currently in place

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OCC's Constitution
Audit Commission website: Total Place / One Council Use of Resources criteria

Making Assets Work – the Quirk Review of community management & ownership of public assets.

Building Research Establishment Environmental Assessment Method (BREEAM)

Local Government Act 1972 s.123

RICS Property Asset Management: Public Sector Asset Management Guidelines
Jan 2008

IESE (Improvement & Efficiency South East)

CIPFA best practice notes and recommendations for Asset Management Plans

OCC Corporate Plan

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