

# CORPORATE ASSET STRATEGY

2021 - 2031

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# 1. INTRODUCTION

Local Authorities across the UK hold large property portfolios (assets made up of buildings and land) which have been acquired, gifted or inherited over many years. Oxford is no exception.

Property assets are an important resource in delivering efficient and effective services to our communities. But ownership, occupation and operation of property assets are not an end in itself and each asset class should have a clear rationale and purpose.

The Council is clear that operational, social and commercial investment property assets should pay their way and make a positive contribution either to direct service delivery or to other socio-economic objectives of the Council, over and above the costs of ownership.

A key element of achieving our goals is how the Council uses all our resources, and this includes our land and buildings. To support this, the Council has adopted this new Corporate Asset Strategy which will set our direction for the next decade.

This strategy does not cover Council dwellings, the strategy for which, around meeting housing needs and delivery of

capital replacement programmes, is covered in a separate strategy.

## 2. EXECUTIVE SUMMARY

- This document outlines the principles of our Corporate Asset Strategy, the scope and size of our estate and our approach to management in the context of the Council's wider vision and policies
- This has been placed in the context of the market and wider economic and social impacts and trends to draw out eleven strategic elements which focus the strategy.
- These comprise five core cross portfolio themes:
  - Agile Spaces
  - Asset Condition
  - Biodiversity
  - Carbon Reduction
  - City Centre
- And Six property focussed areas:
  - Car Parks and Park & Rides
  - District Shop Portfolio
  - Housing developments
  - Investment Portfolio
  - Parks Open Spaces and Waterways
  - Leisure and Community Facilities
- In doing so it is both inward focussed on the existing portfolio and the change and direction of travel required and outward focussed as to its place in supporting the wider requirements of the Council in delivering a World Class City for All
- This is challenging given impacts on rent roll flowing from the pandemic and long term market shifts particularly in the retail sphere
- This Strategy is though just the front end of a flexible and dynamic approach that will drive a wide range of work packages and projects through the associated Asset Management Action Plan (AMAP)
- The AMAP to be initially completed three months after adoption of the Strategy will create clear measurable and performance targets through which the success in delivering the Strategy can be judged
- It will be a live document that is continuously updated and modified throughout the strategy period as new work packages and projects are proposed and developed against a background of continuous change.

### 3. CORPORATE ASSET STRATEGY ROLE

The process of developing this strategy fosters a long-term perspective that enables capital and operational sustainability and efficiency. It seeks to achieve the following outcomes:

- **Commitment and Consistency:** Committing the City to support the implementation of asset management methods that are consistent with the organisation in order to implement the goals and objectives of our Council Plan informed by the Council's priorities.
- **Transparency and Accountability:** Provide transparency and accountability as expected and set out within the recent Social Housing White Paper, delivered in November 2020 and to demonstrate to customers and stakeholders the legitimacy of decision-making processes which combine strategic plans, budgets, service provision and risks
- **Stakeholder Communication:** Communicate the endorsed management principles and

approach to stakeholders our customers – placing them within the Council's decision making framework

- **Strategic Framework:** Provide a framework for implementing asset management to enable a consistent and strategic approach while developing an asset management culture at all levels of the organisation
- **Service Sustainability & Affordability:** Embed asset management principles for a sustainable approach to service delivery that delivers optimal value for our stakeholders while maintaining affordability and equality, diversity and inclusion principles

Our Corporate Asset Strategy is a clear statement of the intent of the Council in the management of its property assets to:

- Support the delivery of corporate objectives, through sustainable service delivery
- Operate and make decisions proactively, not reactively, within a clear strategic direction
- Take decisions based on overall best corporate outcome
- Articulate clear vision and ambition for the property portfolio

- Provide a flexible framework within which policies and strategies are developed
- Support a collaborative environment with our partners
- Prioritise tackling inequality through our services, investments and policy-making so that they are all designed to address the social and financial inequalities across Oxford.
- Value diversity and seek to build community cohesion to ensure all Oxford's citizens have fair opportunities and a real share in the city's future
- Explore innovative management models for the property portfolio
- Future proof the property portfolio for service, social equity, environmental and economic change
- Support the Council's Net Zero carbon ambition by 2030 for the property portfolio where the Council pays the utility bills, and 2040 for the commercial investment property portfolio as part of a wider Zero Carbon Oxford target

## 4. OUR PROPERTY ESTATE

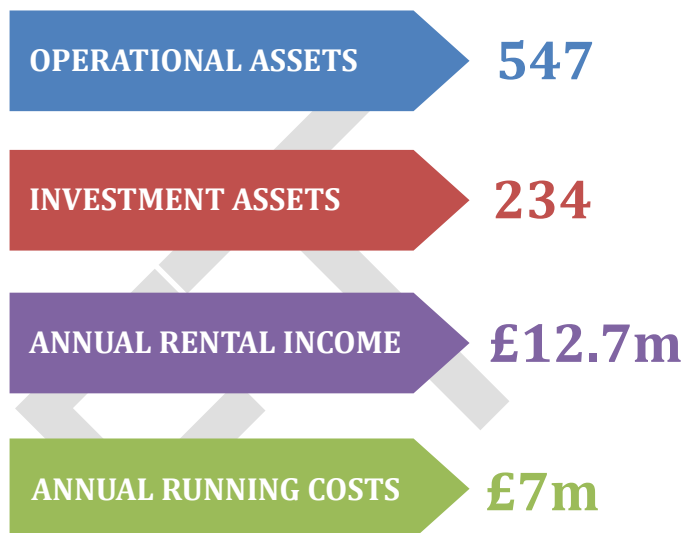
Our operational and investment property portfolio (excluding Council dwellings and infrastructure) are valued and held in the 2019/2020 Statement of Accounts at around £300m (not including the Council's interest in Westgate Shopping Centre). This is the 'book' value of the assets, in most cases assuming continued use by the Council and does not necessarily represent the value that might be secured from disposal.

Nevertheless, this is a considerable balance sheet value which demonstrates the importance of property assets to the Council and why it is essential to manage the resource effectively, and ensure that assets are both needed and also pay their way.

The principal property assets owned by the Council include:

- Administrative offices
- Council dwellings
- Leisure Centres
- Community centres
- City Centre retail and hospitality investments
- Car Parks and Park & Ride sites
- Parks and open spaces
- District retail parades

- Mixed tenure housing developments
- Covered Market



## 5. OUR ASSET MANAGEMENT APPROACH

This Corporate Asset Strategy incorporates (within Section 8) our Corporate Asset Policy which sets out our key management principles and the governance arrangements which includes our corporate landlord model.

An accompanying document to this Strategy – our new Asset Management Action Plan - is a programme monitoring tool which will track progress of all our property related projects, programmes and initiatives supporting this strategy. This will be a constantly moving picture of acquisition, disposal, refurbishment regeneration and other capital investment, as well as new policy developments and resource planning. This will be continuously reviewed through the Council's agreed governance processes as set out within Section 8.

This Corporate Asset Strategy 'suite' in effect replaces our previous Asset Management Plan 2016 - 2020. The progress that the Council has made since adopting the previous Asset Management Plan is set out in Appendix A to this document.

This strategy and the incorporated Asset Policy has been approved by Full Council on [to be inserted].



## 6. POLICY CONTEXT

This Corporate Asset Strategy sits within a wider corporate context.

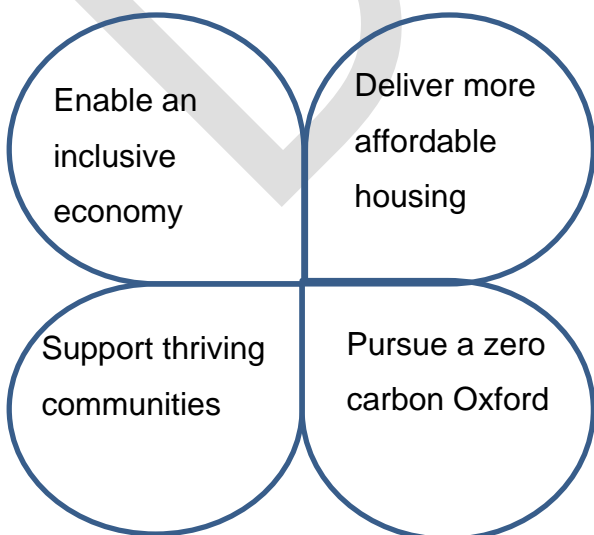
This section sets out the strategic policy and strategy context within which the Corporate Asset Strategy sits and operates.

### 6.1 THE COUNCIL'S VISION

The Council's vision, as set out in the new Council Strategy, is "Building a world-class city for everyone."

By creating successful places in which to live and work, supporting our communities and addressing the climate emergency, the Council will build a fairer, greener city in which everyone can thrive.

Within that broad vision, the Council has four distinct aims, which are set out in the following diagram.



The Council works on a "customer-first" approach, which means that:

- **Working innovatively and efficiently:** flexible and customer-focused teams offering high quality services that meet people's needs.
- **Prioritise tackling inequality:** The Council's services, investments and policy-making are designed to address the social and financial inequalities across Oxford. The Council values diversity and seeks to build community cohesion, ensure all Oxford's citizens, including those who are harder to reach, have fair opportunities and a real share in the city's future.
- **Working in partnership:** The Council works with other councils, business, communities, voluntary sector, universities, Government and other public sector bodies to ensure the way services are shaped and investments directed, is joined-up with others.
- **Using commercial assets for the benefit of local people:** The Council's wholly owned companies and properties create jobs, support the local economy and provide additional funds that support the delivery of public services. This is called the Oxford Model.

- A campaigning organisation: The Council works actively to engage and influence others to help achieve its aims.

These four aims have been used in developing the vision and strategic direction for our property portfolio.

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## 6.2 KEY ORGANISATIONAL POLICIES AND STRATEGIES

This Corporate Asset Strategy fits within a wide range of policies and strategies covering key service areas and overarching activities.

Examples of complementary policies and strategies include:

- Council Strategy 2020 - 2024
- Oxford Vision 2050
- Oxford Economic Growth Strategy
- Capital and Treasury Management Strategies
- Medium Term Financial Plan
- Green Spaces Strategy 2013 – 2027
- Zero Carbon Oxford Partnership Carbon Management Plan 2021 - 2030
- OxLEP Environmental Strategy
- Air Quality Action Plan 2021 – 2025
- Sustainability Framework Recycling and Waste Strategy 2021

This is by no means an exhaustive list but demonstrates that there is a very extensive range of policies that is constantly evolving and developing and therefore requires a flexible and dynamic approach

## 7. STRATEGIC CONTEXT

This new Corporate Asset Strategy has been developed during an unprecedented period of change in local government, as it responds to the Covid-19 health crisis, and the associated economic recession.

This has placed additional layers of challenge over and above challenges that existed prior to the current emergency, which included:

- a decade of austerity which has had a devastating impact on local government budgets
- rising homelessness and shortage of housing provision
- a climate emergency which threatens the way people live on our planet
- deteriorating air quality in UK towns and cities
- The rising popularity of internet shopping, impacting on high street vitality

These challenges together represent the backdrop to this Corporate Asset Strategy, which must be flexible and adaptable. There is much about the immediate future that remains uncertain. This strategy has been developed in a

manner that will help the Council respond to that uncertainty as the future unfolds.

The financial impact of Covid-19 is that the Council faces an inevitable financial shortfall which it will need to manage going forward. This includes reductions in income from commercial property holdings and car parks, as well as increased expenditure in the Covid response. The Council has acted quickly to mitigate the financial impacts, including a number of interim cost constraints.

Capital programme items are subject to review and reporting of progress through the Council's agreed governance arrangements.

The cost is not simply financial. The current health and economic crisis serves to emphasise health and economic inequality in our communities.

Not everything is negative however. There have been some positive developments which have forced a step change in the way the Council delivers services in some areas. There has been closer working with community and voluntary groups. Many positives have come out of this, which will need to be embedded in how the Council does things in the future.

The Covid experience has shifted working practices and thinking in our Council, as well as bringing about changes in how the Council works for and interacts with our communities. This will inevitably result in a review of how much office space will be needed in the future, as well as where is the best place for those offices to be located.

Despite the obvious negative impact on the lives of citizens and businesses, the Council recognises that change has happened. Some of these changes may be temporary and some may be permanent.

There have been some positives, and there have been some learning lessons for us all.

In the development of this Strategy, 10 key strategic challenges have been identified that will influence thinking over the coming decade.

These challenges will impact on decisions that will need to be made over the life of this strategy.

It may not be known at this stage what those decisions will be, but there is a need for clarity of strategic direction, so that

robust and sustainable decisions may be made.

This enables us to provide clarity of purpose for our land and buildings, as well as forward shaping our decision making. This Strategy does not seek to make our decisions, but to shape our decisions, placing them within a corporate strategic context.

In highlighting these challenges, this Strategy provides a clear strategic direction for our land and buildings.

The strategic elements set out in this section are not intended to fetter future decision making, but to inform it and to help shape it.

- Agile Spaces
- Asset Condition
- Biodiversity
- Carbon Reduction
- Car Parks and Park & Ride
- City Centre
- District Shop Portfolio
- Housing Developments
- Investment Portfolio
- Parks, Open Spaces & Waterways
- Leisure and Community Facilities

## 7.1 AGILE SPACES

The Council has been an advocate of agile and mobile working for some years, and has introduced the principles in the main Council HQ at St Aldates Chambers (SAC). The Council have installed a hot desking zoning system, meaning that individual staff members do not have a fixed and specific workstation within the building.

The Covid pandemic has accelerated change that was already happening in our office environments. The Council will see an increasing number of people spending more of their working time either at home or at other remote locations.

Our staff have embraced this new way of working. The Council is conscious that it does not suit all jobs and some people simply lack adequate working facilities in their home environment.

The use and occupation of SAC will not be the same as it was prior to the Covid pandemic.

For that reason, there will be a need to create or expand offices, and the associated IT infrastructure, so that there is a choice of working environments for staff to choose from.

There is a need for pastoral and development programmes alongside to make sure that support is in place for these new environments.

This will potentially see a move to hub approach, for example using our community centre network.

Our customers and communities have become far more familiar with digital access to services during the Covid pandemic. As a result, it is likely that more Council services will move online, which will reduce the demand for personal visits to Council buildings.

During the life of this strategy, it is unlikely there will be a need for the total removal of a centrally located Council building that customers will visit. But in the very long term this may well be the case and the Council needs to continually review to ensure quality of service and efficiency.

## 7.2 ASSET CONDITION

The Council has commenced a programme of condition surveys, which has been prioritised into project phases based on perceived risk.

This will provide us with comprehensive data on the overall condition of our property portfolio.

The data will enable us to develop a long term costed and evidence based maintenance strategy, feeding through to our new Asset Management Action Plan so that strategic and balanced decisions on the retention, redevelopment, potential disposal and maintenance of specific assets can be made.

Decisions on levels of maintenance and refurbishment on individual property assets, whilst informed strategically by our condition data, will not be entirely based on a technical condition need.

Other factors such as operating models, cost, social and environmental impact will be balanced alongside technical need.

## 7.3 BIODIVERSITY

As a public authority the Council has a duty to have regard to conserving biodiversity as part of our policy or decision making. Conserving biodiversity can include restoring or enhancing a population or habitat.

The Council should be able to demonstrate its duty to have regard for conserving biodiversity by integrating biodiversity when:

- developing policies and strategies and put them into practice

- managing:
  - our land and buildings
  - woodlands and nature reserves
  - gardens, parks and public open space
  - community amenities e.g., sports grounds and cemeteries
  - waste and pollution
  - energy and water
  - wood and plant products
- developing infrastructure, such as roads, buildings or flood defences
- making decisions about procurement
- implementing economic, environmental and social programmes

Oxford's biodiversity is supported by a range of sites, including:

- 1 European site for nature conservation (177 hectares)
- 12 Sites of Special Scientific Interest (278 hectares)
- 3 Local Nature Reserves (7 hectares)
- 14 county Local Wildlife Sites (125 hectares)
- 50 Sites of Local Importance for Nature Conservation (202 hectares)

## 7.4 CARBON REDUCTION

Buildings are by far the largest emission source of in-scope underlying emissions for Oxford City Council - as they are for the wider city.

The Council currently spends approximately £1.6m per year on electricity, gas and water across its buildings and estate.

Leisure centre buildings are the Council's biggest underlying emission sources accounting for over 44% of building related Green House Gas (GHG) emissions, followed by our offices, depots and sheltered housing blocks.

Emissions from electricity have steadily reduced over recent years, due to the Council's investment in solar PV, improvements to energy efficiency, a reduction in electricity demand, and procurement of low carbon electricity.

Gas combustion accounts for 43% of the Council's emissions. Emissions have increased due to the addition of extra properties on our estate carbon footprint and through increased usage in our leisure centres.

The Council's strategic response to these challenges are not to be seen as 'nice to

have' but as 'must have' if it is to deliver on our carbon goals for our operational property assets, as set out in our Carbon Management Plan. This will sit alongside carbon management initiatives set out in our Housing Strategy.

As part of such goals the Council will work towards the phasing out of gas within its non domestic properties over the medium to long term although how this can be achieved at what pace will be dependant on government policy and funding decisions

Decisions made in future around operational land and buildings will fully integrate carbon management goals and targets. This will demand looking at carbon management in entirely new ways than previously.

Solutions may not yet be clear but the Council has committed to a Zero Carbon Target for its operational stock by 2030 and will develop work packages and projects within the AMAP to achieve.

Wider targets such as a Zero Carbon Oxford by 2040 are much harder to deliver as will require partnership with others and are not solely dependent on the Council but detailed action will be developed through the AMAP on a timely basis.



## 7.5 CAR PARKS AND PARK & RIDE

The Council owns and operates 16 car parks, which are mostly in central locations. These are a combination of surface and multi storey car parks. In addition, the Council has some influence over parking policy at the Westgate Centre as consultee.

Access by private car into the city centre will change significantly over the life of this strategy as the Oxford Transport Strategy is implemented. The asset response needs to be aligned to the reality that will then exist on the ground. In the longer term access to some of our city centre car parks will not be possible by private car without other charges.

The first relevant intervention will be the Oxford Zero Emission Zone. Oxfordshire County Council and Oxford City Council are introducing a Zero Emission Zone (ZEZ) in Oxford to improve air quality, cut carbon emissions, and move towards zero emission travel in the city.

This will be introduced in two phases. In Autumn 2021 a pilot phase is planned covering a small area to test how the scheme will work before expanding it to a wider area. The second phase will see a

larger zone covering most of Oxford city centre. This will mean most vehicles will need to pay a daily charge depending on their emissions

This is a key part of the Oxford Transport Strategy, part of Oxfordshire County Council's wider Local Transport Plan and Oxford City Council's Local Plan.

The ZEZ will operate alongside other Council proposals, including Connecting Oxford, the Active Travel programme and the Councils' air quality strategies, including Oxford City Council's Air Quality Action Plan.

Connecting Oxford which is being progressed jointly by the City and County Councils will see additional traffic filters introduced in the city reducing the ability to access the city centre by car. This will mean that congestion in the city centre is reduced allowing for the reprioritisation of road space for public transport, cycling, pedestrians and other activity. Park and Rides will continue to play a vital role in allowing car users to park and complete the final leg of the journey by sustainable modes of transport.

City Centre car parks will need to be repurposed for other uses or the business model will need to shift to support parking for other types of transport or a

combination of these. This has started to happen with Oxpens Car Park being allocated for mixed use redevelopment.

The balanced decisions that will need to be made in respect of the City Centre as described in the previous section, will inevitably come into play with our car park holdings.

Consumer sentiment has been moving away from 'clone towns' towards interesting, authentic and local retail formats and a shared need for greater community, leisure and living at the heart of our towns and cities.

## 7.6 CITY CENTRE

The City Centre area has a variety of overall characters and functions which from a retail, leisure and living viewpoint need to be taken holistically. This will be required to develop an approach which is truly effective and long lasting.

Even at the height of its success, Oxford city centre has faced challenges in terms of congestion, air quality, over-crowding at key times, limited space within the public realm, accessibility and inclusivity, and these will need to be managed alongside changes happening around how the high street and economy is changing.

It is clear that the city centre economy needs to evolve and broaden the offer to be more resilient to change. A need for flexibility and change was apparent and already acknowledged in other City Council strategies, including the Oxford Vision 2050 and Oxford Local Plan 2036, which have a key focus on seeking to manage competing interests in the city centre in ways that sustain the city's cultural, economic and social prosperity.

This included a strategy to incorporate an increased flexibility in terms of uses, including encouraging residential development within the city centre to bolster its footfall and overall vibrancy. It also identified the need to rebalance the space within streets from vehicles to pedestrians, and to identify opportunities for public spaces where people can stop and dwell in its streets.

The Council is a major property owner in the City and has made strategic use of its holdings to bring forward developments that add to the vibrancy and choice for visitors to the city centre.

Many of these commercial property assets have provided valuable revenue income for the Council, supplementing other revenue sources.

Within the central area is Westgate Centre, Queen Street, Cornmarket Street, Clarendon Centre and the western end of the High Street, characterised by a dominance of national multiple retail brands which are largely corporate in nature, occupying premises which are either purpose built or repurposed for retail occupancy.

Outside of the central area is a collection of streets, lanes and thoroughfares which are smaller and mixed use in nature, historic in character with often non-corporate occupiers. The Covered Market sits just off the prime core.

The Council anticipates a gradually increasing role of the independent trader within the City Centre. Alongside this we will seek more diversity of uses including residential, leisure and hospitality. We will encourage the growth of more economic sectors, including science, tech and creative, helping to attract and retain more talent to work in the city centre. We will examine the creation of new civic spaces, so people can meet, dwell, and relax together, whilst at the same time celebrating our heritage assets.

All this will go hand in hand with improvements to transport infrastructure

and choices, which will see improved air quality, feeling of safety and a shift from the domination of national multiples to one where local and independent traders come into greater prominence.

The Council is seeking to re-balance its commercial property holdings, which are currently dominated by city centre retail. This will also allow us to support the wider strategies and help curate a city centre that is more resilient in the future, whilst ensuring a portfolio that continues to provide important revenue for the council to fund local services.

Recent changes to local government borrowing rules through the Public Works Loan Board mean that any rebalancing through acquisition will need to be regeneration based, rather than acquisitions primarily or purely for yield.

## 7.7 DISTRICT SHOP PORTFOLIO

The Council owns a number of parades of shop units in residential areas around the City. These parades were established several decades ago, at a time before the arrival of supermarket chains and home shopping deliveries. Their original purpose was to ensure the local provision

of shopping facilities in the newly developed residential areas.

The retail landscape has now changed significantly and there is a need to decide on the future strategy for these parades moving forward.

As investment properties they do not perform well, with very little rental growth in recent years, likely to be impacted further by the Covid pandemic.

Where the shop units still contain traditional grocery and provisions shopping facilities, the lack of buying power of the shop owner can often mean that prices to the consumer are higher than larger supermarket chains and these units can in many cases be located in areas of higher deprivation, where communities are more sensitive to pricing.

As demand for traditional local shop units has changed, the types of tenant has often changed to food take-away units. The Council has in the past operated a policy of not allowing additional food take-aways, being conscious of the health impact on the communities which these units serve. The Council has never taken this policy further by looking to replace take-away operators with more traditional shop keepers. In any case such a policy

might well be unlawful under the Competition Act.

Many of the estate shops have performed better than expected over the past year with lockdown, where people have often been more inclined to shop locally. This has supported theories that people enjoy a better quality of life when amenities are within 15 minutes walking or cycling distance from their home.

So with these contradictory themes this leaves us at a key crossroads in the future of these parades, and the need for us to consider the options available to us and determine our preferred strategic direction.

## 7.8 HOUSING DEVELOPMENTS

Oxford is regularly listed as being the least affordable place to buy a house in the country.

As at October 2020 there were 2,355 families on the waiting list to receive social housing in Oxford. Around 60% of the households on the register were under the age of 44, and half had dependent children.

According to the Office for National Statistics (ONS), in 2019 the median house price was £395,000 – 12.55 times median gross earnings (£31,472) in the city. For England as a whole, the median house price is 7.83 times median earnings. The cost of housing in Oxford puts home ownership out of the reach of people in occupations like teaching, nursing, transport and retail.

Half (49.3%) of homes in Oxford are now in the private rented sector, where the ONS reports a median private rent of £1,500 a month for a three-bedroom home. The equivalent amount for England as a whole is £795.

Many of Oxford’s most important workers cannot afford to live in the city.

The ‘triple challenge’ is bringing sites forward for affordable housing development, in a way that minimises as far as possible the impact on air quality, biodiversity and carbon footprint, whilst at the same time ensuring that all developments are viable financially and provide sufficient return for the risk taken. This is no easy task.

All land and buildings that can be developed for residential will have a carefully managed balance between

building regulations, design and innovation options, affordability, carbon reduction and financial viability, whilst also contributing to our place making agenda. In financial terms it is important that all schemes have a minimum ‘hurdle’ rate when making investment decisions.

## 7.9 INVESTMENT PORTFOLIO

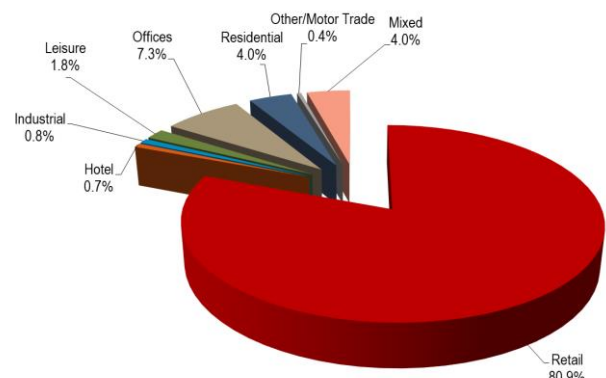
The Council holds a significant property investment portfolio, which is dominated by retail and food & beverage uses, and in particular City Centre retail.

The rental income from the portfolio has a gross rental income of circa £12m per annum (pre Covid).

The weighting of the commercial investment portfolio in favour of retail market is shown in the diagram below:

### Portfolio: Capital Value Distribution

Sector spread



Source: JLL Strategic Investment Advice (October 2019)

This potentially highlights a potential risk to the Council through its exposure to the rapidly changing retail environment which was highlighted by advice from the respected Real Estate consultancy JLL which the Council commissioned in 2019.

Additionally the impact of the Covid 19 pandemic has had both significant short term impacts on rent roll and a longer term impact perhaps as much as a £2m pa reduction on current modelling as a result of a downward market shift and potential rise in voids, vacant space and changing demand within the portfolio.

Such forecasting has a high degree of uncertainty given the unprecedented impacts of the Covid 19 pandemic and continuous review of projected income streams will be essential to drive the effective management of the portfolio.

It is also essential to proactively address the risk imbalance in the portfolio, grow income and consider how the portfolio can assist in regeneration of the city and more broadly development of strategies to mitigate any risks.

## 7.10 LEISURE AND COMMUNITY FACILITIES

The Council has 19 Community Centres managed by community Associations. Community leases are granted to tenants who's work is aligned to supporting the delivery of the Council's Corporate Plan. These tenants do not generally pay a market rent instead a reduction from market is calculated to reflect the value of the services provided by the organisation concerned to the community.

The Council has an extensive range of Leisure Facilities including 3 purpose built Leisure Centres two with swimming pools one outdoor pool and an Ice Rink facility alongside tennis courts bowls rinks an Athletics stadium, rugby, football, cricket and other sports facilities

All these various facilities are constantly under review to ensure fitness for purpose and delivery against corporate goals.

## 7.11 PARKS, OPEN SPACES & WATERWAYS

Oxford has an abundance of superb green spaces which provide places where people of all ages can relax, play, enjoy nature and take part in recreation or sport and they incorporate important historic landscapes, enhance Oxford's world-



famous cityscape and include nature reserves, woodland and meadows.

These green spaces support the local economy having a significant impact on the economic life of an urban centre. They greatly add to people's satisfaction with their local area and help to bring communities together.

They act as the city's lungs and are crucial for maintaining and improving people's health and well-being.

Add to this the positive impact of exposure to nature and green space on stress and mental health and the full picture in relation to health and well-being can start to be understood.

The recent Covid-19 pandemic has brought this into even sharper focus.

Outside the boundaries of the Council's parks and open spaces, there is also a network of footpaths and cycleways that provide an important infrastructure for health and well-being.

The importance of this infrastructure has been highlighted during the current pandemic, and there is a need to ensure this network is both safe and appealing.

Oxford is built on waterways – the River Thames, Oxford Canal and numerous streams and backwaters. These waterways are assets to the city, providing benefits through amenity use, environmental value, active travel, homes for those living afloat, and also supporting tourism and the wider local economy.

The Council is one of the largest owners of land alongside the waterways which brings both opportunities but also particular liabilities and responsibilities.

Areas of forthcoming major regeneration and development in the city include Oxpens and Osney Mead, both alongside the waterway so creating opportunities to make the most of their waterside locations.

Unregistered land adjacent to waterways in the city creates unmanaged spaces. Maintenance costs often fall to the Council regardless.

## 7.11 POSITIVE COVID IMPACT

- A step change in the way the Council delivers services in some areas.

- Closer working with community and minority voluntary groups, with an improved scope to develop collaborative and more inclusive relationships when developing shared premises opportunities.
- Staff embracing working from home which will shape our future office space requirements.
- Encouraged us to look critically at our assets in terms of how they will best serve the Council and our customers.
- Our customers have adapted to different forms of interaction and communication with us.
- Improved engagement with our business tenants.
- Air quality improvements in the City Centre.
- Opportunity to link the Asset Strategy and Asset Management Action Plan with the City Centre Vision and Action Plan and also the Economic Recovery Plan



## 7.12 COVID LESSONS

### LEARNED

- The Council has been able to move quickly to mitigate some of the financial impacts, including a number of cost constraints.
- The Council was able to temporarily pause elements of the capital programme to maintain financial sustainability.
- The pandemic has emphasised health, social and economic inequality in our communities, which the Council needs to address.
- The Council has learned more about how health and well-being are linked and can impact home workers, and the importance of the working environment.
- There has been a timely reminder of the community value of our parks and open spaces, as people sought refuge from lockdown rules.
- There is renewed appreciation of the impact that working patterns have on the leisure and hospitality industry in the city.
- There is a renewed appreciation of the importance of the vitality and viability of the City Centre, and its reliance upon visitor and student economy alongside retail shoppers.
- The transition from high streets dominated by national multiple's to a greater proportion of local traders, has been accentuated and accelerated.
- There has been a timely reminder that the commercial property relationships between the Council and its retail tenants is one of mutual benefit and partnership.

Our property estate, and how decisions around that estate are made will need to adapt. Property assets are often cumbersome, difficult to change and adapt at short notice. Developing a Corporate Asset Strategy that is truly strategic, whilst at the same time retaining flexibility through the adoption of changing responses will not be easy. This strategy is inevitably dominated by our response to the current health, economic and climate change crises.

As the Council responds to its changing world over the life of this strategy, not everything will necessarily go to plan. Decisions will be made based on the evidence, but as the sands of certainty shift, some of those decisions will, almost certainly, need to be tweaked or reversed. That is the nature of the challenge of preparing a Corporate Asset Strategy in such an uncertain environment.

## 8. GOVERNANCE

This Strategy is expected to provide the Council with a robust direction for the next decade. In order to achieve the aspirations of this Strategy, it is critical that the Council has in place appropriate governance arrangements, so that all property related decisions are taken with a strategic view.

There are three principal elements of governance.

Firstly, a new Corporate Property Policy that sets out the overall management principles for our property portfolio. Secondly, our new Corporate Landlord Model which is clear on how and where property decisions get taken. Thirdly, our new process for monitoring and reporting progress in achieving this Strategy.

The main oversight of the Corporate Asset Strategy will be through the Council's Development Board, which takes responsibility for the strategic alignment of all Council developments, the strategic management of Council assets and to ensure resources are in place to achieve this.

There are three working groups that report into the Development Board, each with

specific functional responsibilities, as follows:

**Asset Review Group** which has oversight and provides decisions on the use, compliance, renewal and revenue matters associated with the Council's general fund assets.

**Development Review Group** which monitors successful delivery of the Council's capital programme.

**Housing Supply Group** which has oversight of housing needs and provides decisions on meeting housing supply.

All three of these working groups routinely report into the Development Board.

### 8.1 STRATEGY MONITORING

Progress in delivery against this Strategy will be through the monitoring of detailed projects and programmes set out in the Council's Asset Management Action Plan (AMAP) which will be produced once this strategy is adopted.

The AMAP will comprise a series of specific and individual projects, programmes and initiatives that together deliver outcomes to achieve this Strategy.

Monitoring of this Strategy will take place through regular quarterly exception reports to the Development Board.

During the life of the individual projects, programmes or initiatives, the Development Board will agree variations as necessary to project timescales and deliverables.

On a monthly basis the Council's Asset Review Group will monitor progress against the AMAP to ensure it maintains strategic alignment, assess and consider changes that might be needed to the AMAP and the escalation of matters to the Development Board.

## 8.2 STRATEGY REVIEW

The overall direction set out in this Strategy will be monitored against the Council's constantly shifting political, economic, environmental and social landscape, and will be subject to a bi-annual affirmation process by the Development Board to ensure that the strategic direction for the Council's land and buildings remains sustainable and continues to align to our overall corporate vision.

Should significant changes occur to the organisational or performance arrangements of the Council, or other

significant changes occur that either restrict funding or result in changes to corporate objectives, this Strategy will be revised ahead of the 10 year timeframe.

## 8.3 CORPORATE LANDLORD MODEL

The Council has developed its own bespoke corporate landlord model, which strikes a balance between allowing appropriate freedoms to service users, whilst ensuring that our property assets are regarded and treated as a strategic corporate resource.

At the centre of our corporate landlord model is the Council's Development Board which has responsibility for the general strategic oversight of the Council's assets and projects.

It will enable us to:

- Prioritise property decisions
- Be clear about service needs
- Avoid silo mentality when making asset-based decisions
- Make decisions collectively with sight across all Council priorities
- Work towards building greater "corporate grip" on property related decisions

Central to the corporate landlord model is the Council's Asset Review Group. This

forum is where all property related policies, projects, programmes and initiatives are initially examined, and where advice and guidance is offered before recommendations are made to the Development Board.

The Asset Review Group takes oversight and provides decisions on:

- Revenue
- Renewal
- Compliance
- Use of General Fund assets (land, buildings and structures)

Through exception reporting, ARG reports on a monthly basis to the Development Board.

## **8.4 CORPORATE ASSET POLICY**

The Corporate Asset Policy is outlined below and details how our assets are to be managed over a 10-year planning horizon to maintain excellent social and corporate service delivery. It is a key element of this Strategy, which is to be monitored and reviewed at the Asset Review Group and Development Board.

This Corporate Asset Policy establishes some clear management principles by which management of land and buildings

will happen. It will remain in place for the next ten years but will be reviewed annually to ensure it is still relevant to and aligned with intended outcomes.

**1. To plan and manage property as a corporate resource in accordance with the Council's priorities.**

**2. To provide the right property, fit for purpose, in the right place, to meet current service needs and to plan for the future wherever possible.**

**3. To minimise the environmental impact of our property portfolio, and reaching net zero carbon City by 2040.**

**4. To ensure an appropriate risk balance in the Council's property investment activity.**

**5. To use land and buildings to stimulate development, regeneration and growth.**

**6. To strive for and embed a culture of innovation and best practice.**

**7. To monitor and review property staff resource, capacity and**

capability against the Council's asset base to ensure it can be managed efficiently and effectively.

8. **To deliver property related services in a customer focused way, working collaboratively with all services areas and relevant stakeholders on relevant projects.**
9. **Prioritise tackling inequality in our services, investments and policy-making to ensure they are all designed to address the social and financial inequalities across Oxford**

Alongside these strategic asset policies, the Council will be developing a series of more detailed property policies, which will be brought forward for approval to Cabinet commencing 2022.

## 9. OUR ASSET VISION

Our Corporate Asset Strategy 2021 is built around 7 key vision themes. This section identifies and summarises these 7 key vision themes.

These are important as they provide a valuable point of reference for our decision making, as well as foundation for the strategic direction for our land and buildings.

There are a number of links between this Corporate Asset Strategy and our transformation agenda. Property related projects will of course evolve and expand over the life of this Strategy.

At the time of writing, the key transformation projects that link to this Strategy and which are monitored by the Transformation Board include:

- Systems in Planning and Assets
- Internal Directorates Review
- Leisure portfolio review
- Asset Management Plan
- Facilities and operating model
- Commercial property acquisition and regeneration strategy
- Advice Centres review
- Service Integration

## 9.1 CORPORATE ASSET VISION

The vision for the Council's property assets sits under and supports the corporate aims of:

- Enable an inclusive economy
- Deliver more, affordable housing
- Support thriving communities
- Pursue a zero carbon Oxford

The corporate aims are naturally framed wider than simply property assets, and shape wider organisational decisions, projects and programmes.

Taking the corporate aims as a foundation, the Council has developed a set of seven key asset vision themes for our property portfolio that can be expressed as our priorities for the period of this strategy.

The first four of these relate directly to the corporate aims, as follows:

**Economic Vibrancy:** using our property assets to bring forward developments and regeneration that support an inclusive economy.

**Housing Supply:** Bringing forward housing development to meet housing

needs, including higher proportions of affordable housing.

**Community facilities:** Developing and providing good quality community facilities that support our communities to thrive.

### **Environmental Future Proofing:**

Transitioning the property estate so that it makes a positive contribution to the net zero targets, and using property assets to influence travel modes.

In addition to these four themes, the Council has adopted **three additional asset vision themes** relating to the financial, operational, and resourcing foundations needed to enable deliver of the first four themes. These three additional themes are:

- **Financial Sustainability**
- **Agile Spaces**
- **Resources and capacity to deliver**

These seven vision themes together drive the overall strategic direction for our land and buildings, and support the corporate aims.

The vision themes are important in order to determine how property assets are expected to perform, and how progress

against achievement of our corporate priorities can be measured.

Set out below are the key areas that form the structure of each of these seven vision themes.

Targets and milestones will be developed as the Asset Management Action Plan is progressed, to firm up strategic ambitions.





## 9.2 ECONOMIC VIBRANCY

ECONOMIC VIBRANCY
Projects already underway
<p>Use of land holdings to bring forward redevelopment that works to deliver a better mix of uses to support city centre resilience, including commercial, residential development and hospitality. This includes The Oxpens Innovation District, refurbishment of 1-3 George Street, development of the former Boswells site for a new Hotel and improvements to the Covered Market</p>
<p>Expediting infrastructure developments on Council land that unlock economic opportunities wherever possible. Including promotion of Northern Gateway, supporting flood relief schemes and reviewing park and ride sites</p>
<p>Implement a range of recovery activities and initiatives to maintain and grow City Centre footfall and spend, for example taking a more active role in curating the occupancy mix to ensure there is variety, changing uses at former Boswells Dept Store.</p>
<p>OxWED will be at the forefront of the new West End Innovation District, a link between the city and the railway station, mixed use housing and potential Innovation District responding to the trend of Life Science move away from business parks into Cities.</p>
<p>If Oxford is to embrace this movement then this will demand a different approach to property marketing and commercial tenant management than previously. At the time of drafting this Strategy a City Centre Action Plan is also being drafted.</p>
<p>The Council is also currently drafting a new Economic Strategy which will take a broad view on economic success in mind and use a Triple Bottom Line framework to ensure</p>

## ECONOMIC VIBRANCY

### Projects already underway

that social and environmental outcomes are given equal credence to economic outcomes.

Working with landowners to bring forward the re-purposing Oxpens and Worcester St car parks into mixed use developments.

The Council is providing affordable managed workspace in suitable locations around the City, for example the building refurbishment of 1-3 George Street and also at Cave Street.

## ECONOMIC VIBRANCY

### Future proposed activity

The Council will be developing procurement and supply chain initiatives around our property projects that provide support for social enterprise, local SME's & Co-ops, and support the Oxford Living Wage

The Council will be developing a leasing strategy for our city centre stock, that achieves overall best value by:

- Exploring of alternative uses for City Centre commercial space including meanwhile uses.
- Adopting of rent protocols to increase commercial tenant retention.
- Implementing of Oxford City Centre Action Plan.
- Delivering affordable workspace that supports local businesses and organisations.

To ensure traders attract increased footfall, the Council will be implementing a new Covered Market strategy with four key elements; Leasing Strategy; Operational Strategy; Marketing Plan; and Action Plan. The aim of the Leasing Strategy is to set out the Council's direction and ambition for the leasing activity and tenant mix management for the Oxford Covered Market over the next 5 years.

The Covered Market masterplan will also promote a range of meanwhile uses and grant supported projects that will together encourage independent retailers. This will in turn attract shoppers back into City Centre and increase dwell times.

The Council will implement a programme of strategic property acquisitions that will support the local economy through regeneration developments, re-balance the risk of the investment portfolio, whilst increasing rental income. A separate strategy will be

## ECONOMIC VIBRANCY

### Future proposed activity

developed and consulted on, to prioritise areas for investment, identify funding sources and set acquisition criteria.

The Council will rebalance the car park portfolio to adapt to social and environmental change to transport infrastructure, including disposal and mixed use development of some remaining parts of the car park portfolio.

The Council will be collaborating closely with Oxfordshire County Council in the development of a Park & Ride Strategy to broaden the choice of travel modes including a review of the business model and approach following the pandemic.

The Council will increase the level of social value secured through our contracts, promote the Oxford Living Wage and encourage more local small businesses, charities, co-operatives and social enterprises to bid for contracts.

The Council will pursue opportunities for the redevelopment of the former Boswells department store to create a new 4\* hotel in the city centre.

## 9.3 COMMUNITY FACILITIES

COMMUNITY FACILITIES
Projects already underway
<p>Adapting community facilities to post pandemic world, including:</p> <ul style="list-style-type: none"><li>▪ New socially distanced service access arrangements (e.g., video booth at Rose Hill Community Centre).</li><li>▪ Enabling customers to meet Council officers virtually, in the comfort of their own home through digital devices or through video booths.</li></ul>
<p>The Council is progressing mixed retail / housing projects at Blackbird Leys and Underhill Circus Barton which might form a template for future projects on other district shopping parades. The Council has recognised the importance of treating each site based on local needs and considerations. Rather than applying a ‘one size fits all’ model, local engagement, diversity and inclusion are at the core of all proposals and projects.</p>
<p>Renovation of the existing East Oxford Community Centre, including the creation of new social housing development within the site.</p>
<p>Replacement of the current Bullingdon and Blackbird Leys Community Centres, and supporting displaced users.</p>

## COMMUNITY FACILITIES

### Future proposed activity

The Council will undertake a review of parks and open spaces across the City to explore means to improve quality and accessibility of spaces, as well as opportunities to improve facilities (commercial and non-commercial), and optimise usage.

The Council will review the way we manage and maintain our parks and spaces, including departmental responsibilities and budget arrangements, to ensure this is efficient and transparent.

The Council will undertake a review in order to identify new burial land to deal with pressure on existing sites.

The Council will undertake a review of District Shops to clarify their purpose, and agree a future strategy. The Council will actively promote district centres, linked to health and well-being policy initiatives, promoting healthy and nutritious food choices and including our sugar smart campaign. This could potentially involve a partnership arrangement with a community land trust or other provider.

There will be a review of the business case development process to ensure equality, diversity and inclusion is a key element of property decision making.

The Council will develop a clear policy that provides strategic and transparent governance arrangements within which decisions are made as to when the circumstances are appropriate to empower our communities to take control of Council assets. This will integrate with the Council's Inspired Spaces project, which will link up community groups with facility availability, in order to optimise facility usage.

## COMMUNITY FACILITIES

### Future proposed activity

Where such asset transfers happen, there will need to be a clear and compelling business case that will have a positive impact on the provision of community led service delivery that is underpinned with principles of equity and inclusivity.

The compelling business case for asset transfer will need to take account of heritage, service delivery experience and community needs, alongside legal compliance, asset protection, financial sustainability, social impact, as well as capacity and capability, service continuity, reliability and quality.

The Council will work with citizens to understand their needs and extend our practice to better involve them in design and decision-making in regard to Council services and facilities, and simplify the way they can engage with us.

The Council will modernise our community assets and explore innovative approaches for their operation which encourages engagement and a sense of community ownership.

## 9.4 HOUSING SUPPLY

<b>HOUSING SUPPLY</b>
<b>Projects already underway</b>
<p>The City Council set up Oxford City Housing Ltd as one of its responses to the city's acute housing crisis. The main aims of the housing company are to increase the supply of new housing and social housing, and to provide a financial return to the City Council to help protect front-line services.</p> <p>Through this wholly owned housing company, there has already been success in identifying and bringing forward new housing sites for development. The activities of the company sit alongside and complement the Council's Housing Strategy and 30 year business plan.</p>
<p>We have increased the supply of high quality, energy efficient housing with a balanced mix of homes for sale and to rent at different price points.</p>
<p>With other councils we have an agreed countywide approach to meeting housing need.</p>
<p>Developed the evidence base for a new Housing, Homelessness and Rough Sleeping Strategy, with the launch of a new visioning consultation. Currently emerging priorities are: building more, affordable housing; great homes for all; housing for a zero carbon future; preventing homelessness and adopting a rapid rehousing response; and, ending rough sleeping.</p>



## HOUSING SUPPLY

### Future proposed activity

The Council will seek to create housing new housing supply through new developments (e.g., at Cumberlege Close, Elsfeld Way, Abingdon Road, Meadow Lane and Church Way) within environmental sustainability thresholds.

The Council will develop a new Housing and Homelessness Strategy focused on increasing the supply of good quality affordable homes in the city, preventing homelessness and ending rough sleeping.

The Council will actively explore opportunities for new housing development sites so that there is a pipeline of an appropriate range of development schemes.

The Council will be actively seeking opportunities for residential conversion within the City.

The Council will actively pursue the re-purposing existing brownfield sites for new housing developments.

The Council will work with neighbouring councils to address housing need across Oxford's functional economic area to house people close to where they work and in places that enhance a sense of community and wellbeing.

## 9.5 ENVIRONMENTAL FUTURE PROOFING

ENVIRONMENTAL FUTURE PROOFING
Projects already underway
<p>Supporting and encouraging local businesses (including commercial tenants) to become more environmentally and socially responsible.</p>
<p>Supporting supply chains to become more environmentally and socially responsible, both in terms of activities and materials.</p>
<p>Developing a strategy that secures infrastructure funding to meet new demand for electric vehicle charging, through a combination of the installation of increased numbers of charging points in existing car park locations, and the development of new car park charging stations, such as at the Council's Park &amp; Ride sites.</p>
<p>Formulating a City EV strategy that creates a roadmap for what types of EV infrastructure are needed, when and where across Oxford City to support EV migration and Net Zero targets. This will be much wider than simply within our car park network, and will have to be broader, as it takes into account new residential developments, and will evolve as the County-wide strategy evolves.</p>
<p>In 2020, a Biodiversity Review was completed which set out all the great work already done to support biodiversity in our green spaces in recent years. This identified a wide range of further habitat improvement projects and environmental initiatives for the next five years. This is a live document, and will be updated as funding opportunities and projects develop.</p> <p>Our recent Biodiversity Review is seeking to maximise the potential of vital urban habitats and work towards more sustainable grounds maintenance practices.</p>

# ENVIRONMENTAL FUTURE PROOFING

## Projects already underway

Our existing Green Space Strategy establishes a clear intent to provide world-class parks and open spaces to enhance the quality of life of everyone living, visiting or working in Oxford. This includes:

- Protecting and improving Oxford's accessible parks and open spaces
- Providing clear objectives and direction for the planning and management of parks and open spaces.
- Providing the Council with a robust basis for making development decisions and negotiating planning gain.
- Identifying ways in which parks and open spaces can be improved in a coordinated way whilst providing value for money.

Implementation of the new Urban Forest Strategy which is cross cutting and extends beyond the City Council boundaries.

The Council has decided to take the following strategic approach to reducing net greenhouse gas emissions across its non-domestic building stock:

- Reduce demand.
- Improve energy efficiency.
- Improve energy and water consumption monitoring.
- Decarbonising heating systems.
- Staff Carbon Awareness and action.
- Increasing renewable energy generation.
- Purchase of electricity from renewable (REGO) sources.

## ENVIRONMENTAL FUTURE PROOFING

### Projects already underway

The Council has set a target of net zero emissions from its own operational property estate and operations by 2030. UK Government has set in law net zero emissions by 2050. The regulatory backdrop includes Minimum Energy Efficiency Standards and the Council has undertaken assessments across the whole of its let portfolio and is implementing work packages to upgrade those premises accounting for less than 10% of portfolio that fall in F or G ratings and which cannot be let post 2023.

## ENVIRONMENTAL FUTURE PROOFING

### Future proposed activity

The Council will be reviewing and costing the carbon footprint of the Council's property portfolio and considering the steps that would be necessary to increase the MEES threshold from E to B as the government is proposing

The Council will undertake climate change risk profiling and development of a climate resilience strategy for Council buildings, supported by the appointment of an independent climate change scientific advisor to be commissioned .

The Council will encourage lower carbon access to the City Centre (e.g., free parking at P&R sites, Seacourt P&R site extension).

The Council will implement congestion reduction schemes and pedestrianisation to improve air quality.

## ENVIRONMENTAL FUTURE PROOFING

### Future proposed activity

To support modal shift in sustainable transport the Council will use a package of measures, for example seeking external funding sources and use its influence to bring about an increase in cycling facilities (for example cycle storage and showers) in Council operated and leased out buildings.

Where there is a compelling business case, the Council will deliver retro-fit schemes in existing operational and commercial buildings as they become vacant or as opportunities arise.

The Council will join other local authorities in welcoming UK100's goal of reaching net zero area-wide emissions by 2045 at the latest.

To achieve Zero Carbon 2030 for all OCC occupational assets, where OCC pays the utility bills and wherever possible the Council will seek to future proof the remainder of the property portfolio in accordance with the Council's ambition to achieve a Zero Carbon Oxford by 2040.

Given the impact of Gas emissions to the Council's carbon footprint to review and consider steps required for the phasing out of gas usage as appropriate technologies develop.

The Council will implement congestion reduction schemes and pedestrianisation to improve air quality with a view to going beyond legal targets and take urgent action to improve Oxford's air quality in the UK's first ever city-wide Air Quality Action Plan 2021-25.

# ENVIRONMENTAL FUTURE PROOFING

## Future proposed activity

The Council will look to increase and improve wildlife habitat in parks, which will be balanced against the desire to:

- Maintain recreational opportunities for all.
- Maintain sightlines so that our parks remain safe.
- Ensure changes are future-proofed in the light of proposed housing and population growth.

The Council's future strategic direction in meeting biodiversity aspirations for our property portfolio will include a review all of our capital projects to identify actual or potential biodiversity gains as appropriate. This will form an element of the business case approval process for all capital schemes.

In respect of the operational properties the Council will:

- undertake a review of the energy efficiency of its non-domestic stock, including community and sports facilities as well as its commercial portfolio, and develop a plan on how to bring these in line with the Council's goal for the City to be carbon-neutral by 2030 as appropriate and feasible. There will need to be collaboration with customers and communities.
- Setting a basic standard of measurement appropriate for new build and refurbishment projects.
- Adopt a working assumption that future new builds will achieve at least the "nearly zero" requirements of Building Regulation 25b.
- The Council's internal business case for all major capital projects will consider and cost for zero carbon (shadow cost) to allow it to make informed investment decisions and to go beyond policy and building regulations where possible and where budget is available.

# ENVIRONMENTAL FUTURE PROOFING

## Future proposed activity

- Where zero-carbon is not possible the working assumption is that future proofing all new builds will take place to ensure they are capable of becoming net zero in the future.
- Business Cases for building refurbishments will include a similar shadow pricing to that for new builds to achieve as close to zero carbon as possible, and at the very least must consider all future proofing opportunities.

In respect of the Council's commercial tenanted property stock, it will:

- Undertake post-occupancy energy evaluations, taking the opportunity to assess the energy efficiency of our assets as they become vacant and as appropriate, in order to future proof properties in line with the carbon zero agenda.
- Explore the principles of 'Green Leases' on all new lettings and secure agency advice regarding new lettings in respect of sustainable energy. This will include an assessment of when it is possible to direct tenants to use sustainable solutions without an equal loss of income.
- Provide 'commercial lease welcome packs' for all new tenants signposting them to renewable energy sources.
- Obtain specialist commercial advice on future portfolio operating models and leasing approaches of commercial assets to inform whether additional costs could be passed onto tenants and/or use of Salix.
- Encourage tenants wanting to make improvements to their properties to reflect the Zero Carbon agenda.
- Seek opportunities to ensure future proofing is included in advance of the 2023 date and plan repairs and maintenance projects in a joined- up collaborative manner.

## ENVIRONMENTAL FUTURE PROOFING

### Future proposed activity

Key areas of focus for the Council's approach to the management and improvement of waterways will include a combination of:

- Improving the waterways as a tourism offer and improving disability access options .
- New sites for net gain tree planting.
- Improving waterway services, such as water access, refuse disposal and sewage disposal.
- Creation of a waterways strategy.
- Clean bathing water status project.
- Review of management arrangements of OCC moorings, including health & safety.

The Council will reduce Oxford City Council's carbon footprint from its own activities to zero where we pay the bill – including our buildings and fleet.

The Council will review its people strategy, ways of working and use of technology to reduce our overall travel to work impact on the environment.



## 9.6 FINANCIAL SUSTAINABILITY

FINANCIAL SUSTAINABILITY
Projects already underway
Stock condition surveys to develop effective property maintenance strategy & financial planning.
Reviewing depot facilities and support to ODS to be an effective and financially sustainable company.
Maximisation of income generation and rates of return from our property investment portfolio, within acceptable risk tolerances.
<p>The Council has been developing plans to diversify property investments so that there is a more balanced investment spread. The roll out of this initiative was curtailed to a large degree because of the Covid pandemic, but still remains our overall strategy.</p> <p>The Council favours retaining influence over the City Centre through property ownership. Our holdings allow significant placemaking opportunities now and in the future.</p>

## FINANCIAL SUSTAINABILITY

### Future proposed activity

The Council will actively seek opportunities for sharing premises with third parties where either a positive financial or service outcome is expected, and there is a compelling business case.

The Council will review property outgoings to minimise operating costs and improve efficiency.

The Council will undertake a process of re-balancing of risk within the investment portfolio, whilst delivering regeneration outcomes.

The Council will establish a disposal programme where assets do not have a positive impact on any of the key themes within this Strategy.

The Council will be reviewing Leisure facilities against service need.

The Council will be looking to a reduction in the core office base used for staff and administrative purposes.

The Council will develop a programme of regeneration property acquisition in sectors other than retail, for example warehousing and distribution, offices, business parks, industrial etc.

The Council will be selective in its acquisition and will ensure that risks are robustly managed, and that all acquisitions are in full compliance with, and within the spirit of, both the CIPFA Prudential Code and the UK Government borrowing rules.

## FINANCIAL SUSTAINABILITY

### Future proposed activity

All such investments will have a minimum 'hurdle' rate when making investment decisions. The Council will regularly revisit its criteria for acquisition to ensure the correct balance of income, regeneration and carbon reduction.

The Council will develop a new corporate property maintenance strategy for General Fund assets. The strategy will incorporate a mixed response depending on the nature, use and priority of each asset. Generally, there are three broad options:

- Manage decline: Continue status quo, with inadequate maintenance budgets, managing decline and risk of asset failure. Many buildings are currently let on full repairing leases where the tenant takes responsibility for property repairs.
- Resource increase: Accept size of asset base and increase financial resources to bring assets to acceptable state of repair, within a maintenance strategy, developing a programme to reduce risk.
- Liability reduction: Reduce the size of the asset base to align with available resources.

In practice, our strategy will involve a combination of all three of these responses, on a property by property basis, but within a strategic plan that integrates knowledge on the condition of the portfolio, with other performance aspects, such as energy, running costs, suitability, carbon etc.

The Council will review its current premises compliance arrangements of our operational property portfolio. This will set out timed actions for improving our approaches so that there is assurance on a corporate basis, that premises are safe.

## FINANCIAL SUSTAINABILITY

### Future proposed activity

The Council will undertake a review of premises compliance in commercially tenanted buildings, to provide assurance that our tenants, their staff and visitors are occupying and using safe environments.

The Council will review health & safety arrangements surrounding capital construction and refurbishment projects, to ensure both legal compliance and safety assurance.

The Council will consider the merits of building a 'library' of biodiversity gains, which can be used as an off-set for property developments, either developments the Council undertakes directly – such as new housing developments – or developments by third parties.

## 9.7 AGILE SPACES

AGILE SPACES
Projects already underway
Review Covid-19 experience and develop new office working model and strategy.
Input into One Public Estate initiatives as appropriate.

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## AGILE SPACES

### Future proposed activity

The Council will develop a business case on future of St Aldates and the Town Hall, with a new facilities and operation model.

The Council will explore the integration of Covid-19 response centres into ways of working strategy, adopting a 'hub' based approach to supporting our communities.

The Council will integrate agile office working within the ICT strategy.

The Council will explore opportunities for wider collaboration through partnership working and shared facilities.

The Council will devise and implement a new office accommodation strategy, which includes:

- Short term: Adapt and implement a new way of working that will meet changing Covid 19 demands and allow greater collaboration through 'Agile Spaces'. This will employ learning about different work styles and requirements for a base, as well as considering the opportunity cost of SAC compared to other City Centre buildings and intensified use of Town Hall. There is a need to get a true understanding of business need / workstyles to allow a longer term strategy to be developed.
- Medium term: Transition phase until the options for the longer term model have been fully assessed and a preferred option is achievable.
- Longer term: Explore options for a longer term 'Agile Spaces' model tailored to our business need. To be supported by data from staff surveys, available assets, new builds and rented accommodation.

## 9.8 RESOURCES AND CAPACITY

RESOURCES AND CAPACITY
Projects already underway
Adoption of new property related governance arrangements (corporate landlord).
Realignment of property functions to support new governance arrangements.
Expansion of the property and assets team to properly resource property related projects, programmes and initiatives within the Asset Management Action Plan.

## RESOURCES AND CAPACITY

### Future proposed activity

The Council will seek to align and integrate all asset related data management systems .

The Council will adapt digital systems in supporting new ways of working.

The Council will develop and enhance the approach to property performance measurement.

The Council will undertake a skills and capabilities assessment across the property functions and beyond, to ensure that key skills in delivering this Strategy are available, including the areas of strategy development, premises compliance, and environmental sustainability.

The Council will pursue grant funding to increase the impact of Council funding for property and infrastructure projects.

Enhance our staff resources and expertise for the management of our commercial property investments.

Enhance our capacity and capability for the delivery of our capital programme.

Enhance our skillset and capacity in managing the process of transforming our property estate to net zero carbon.



# APPENDIX A: progress against the Council's previous Asset

## Management Plan

The previous Asset Management Plan set out five key objectives and performance targets and a summary of progress against the core goals and targets is outlined in the tables below.

The scope and breadth of delivery was both stretching and ambitious but almost all objectives were fully met or exceeded during the plan period.

This is a substantial success which has put the City Council in an excellent position from which to respond to the significant change and challenges now before us with substantive impacts from Covid 19 and a changing retail market.

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

### Objective 1: All Property to be well managed

#### Achievements and activity during the previous plan period

- Investment Property rents +9.46% v Target +6%
- Investment Portfolio Value +5.98% v Target +6%
- Council occupied office utilisation 9.63 sq. m/ FTE v Target <10 sq. m/ FTE

### Objective 2: Working to address the Housing Crisis in Oxford main outputs

#### Achievements and activity during the previous plan period

- Bringing forward development sites at Ashurst Way, Rose Hill Community Centre and Lucy Faithful House
- Support to Barton Park delivery
- Supporting potential development of residential sites
- Delivery of Valuation advice in support of Housing Company/Empty Homes Strategy
- Land sales to OCHL for Housing development

### **Objective 3: Working in Partnership with Others and as One Council**

#### Achievements and activity during the previous plan period

- Support and input to Growth Strategy
- Support and Input to Development proposals for 1-3 George Street & Standingford House to secure LEP funding
- Working with City centre manager to develop initiatives to support City Centre
- Working with Housing Company in the development of Housing delivery
- Working with ODS to support their service delivery
- Working with other landowners to support growth and regeneration, including a joint venture with Nuffield College to bring forward the Oxpens Site
- Joint Venture with Catalyst to support regeneration proposals for Blackbird Leys
- Use of Council asset for creation of Homeless Centre in Floyds Row operated in partnership with St Mungo's

**Objective 4: Reduce Carbon Footprint and improve sustainability main outputs**

Achievements and activity during the previous plan period

- Water usage where the Council pays the utility bill >3% reduction achieved v target of 3% reduction
- Carbon Reduction >40% over plan period compared with >40% reduction target.
- All commercially let assets surveyed for EPC and all works completed to F/G Rated properties within the 7 year payback period.
- All new Construction was developed to BREEM Excellent or Outstanding – Rose Hill Community Centre constructed to BREEAM Excellent.

## Objective 5: Promote Growth and Regeneration main outputs

### Achievements and activity during the previous plan period

- Ongoing Successful delivery of Barton Park, and ongoing projects at Blackbird Leys and Underhill Circus
- Agreement of Oxpens JV to facilitate major development scheme
- Expansion of Seacourt Park and Ride through scheme development with construction due to complete in 2021
- Successful progress towards taking forward development opportunities at 1-3 George Street and Standingford House/ Enterprise House, Cave St
- Improved community facilities at East Oxford and Bullingdon Community Centres are being taken forward
- Input and support to Growth Strategy

## APPENDIX B: Key areas of responsibility of the Asset Review Group

- Strategic alignment of all General Fund property asset matters.
- Support delivery of corporate priorities.
- Responsible for Health and Safety and CDM compliance for General fund assets
- Point of decision for all additions and changes of use to General Fund assets
- Escalation point for exceptions reporting up to the Development Board
- Monitor progress on both reactive and planned maintenance programmes
- Monitor progress on condition survey and agree proposed repairs strategy before presentation to finance
- Agreement of development site briefs for OCHL on General Fund assets.
- Responsible for the development and delivery of Asset Management and provides an overview of the Plan, why needed, good practice and how it fits with the Council's corporate priorities.
- Review progress on new AMP and on key deliverables in any existing plan
- Define what a Corporate Landlord approach could mean for the Council.
- Engagement with Services in order to understand their business needs and how property assets can support this operationally.
- Assess opportunities in relation to the investment strategy and income flows, meanwhile uses, social enterprises and place making agenda .
- Review and advise on the impacts of Council strategies on the portfolio e.g., carbon neutral/ MEEs / Climate Emergency
- Oversee any OPE proposals
- Sponsor the development of data centre / data management system for Council assets
- Provide input to the Council's MTFP process with regard to GF investment needs

This is a broad range of responsibilities, which ensures that where any property related matters are being progressed anywhere across the Council, or where any changes to operating models that might impact on property assets are being considered, then a wider view of the property implications can be taken. In that way, the ARG provides corporate assurance that all such matters can be properly aligned, opportunities are not missed and potential conflicts or duplication of effort avoided.

## APPENDIX C: ASSET MANAGEMENT ACTION PLAN

This section to contain a draft format for the Asset Management Action Plan.

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## APPENDIX D: RISK REGISTER

This section to contain the Risk Register for the project.

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