

## Central Bedfordshire Council

### Asset Management Strategy

#### Foreword

#### Draft

Cllr Richard Wenham

*Executive Member for Corporate Resources*

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It gives us great pleasure to present Central Bedfordshire Council's Asset Management Strategy.

This Strategy document sets out how we, as a Council, will manage, develop and utilise our property and land assets portfolio to ensure that it makes an increasingly significant contribution to the successful delivery of the Council's strategic priorities, vision and values over the next four years.

The Council has made considerable progress towards establishing a solid and sustainable foundation for the management of our land and property assets, however, we acknowledge that we are only part way through the journey towards excellence. This strategy sets out how we will continue on this path.

Our Asset Management Strategy recognises the benefits that can be achieved by looking holistically at our asset portfolio and embeds this approach across four defined geographical quadrants of Central

Bedfordshire (based upon Bedfordshire Clinical Commissioning Group Localities). This approach has been used to promote collaboration, both internally between Services, and externally with other stakeholders, to improve the effectiveness and efficiency of service delivery. This quadrant approach will be articulated in greater detail via a series of specific quadrant assets plans and a specific plan for the Council's farms estate.

This strategy is framed in an increasingly challenging financial context that demands we achieve more from the assets we own. During the Strategy implementation period the Council has assumed capital receipts of £33.5 million within the Medium Term Financial Strategy (or the benefit in kind) and it expects to deliver a major schools re-provision and replacement programme requiring capital investment of some £93 million.

Finally, the Council has begun the process to rationalise its office accommodation to reflect changing requirements; a rationalisation enabled by the promotion of new, more flexible ways of working and delivery of frontline services. This work will continue and will deliver a more efficient and effective operational portfolio.



**Councillor Richard Wenham**  
**Executive Member for Corporate Resources**

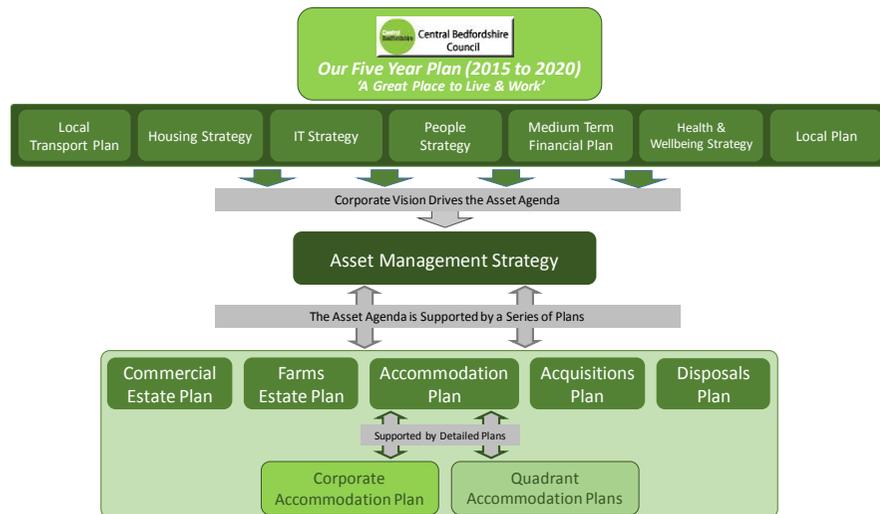


**Councillor Steve Dixon**  
**Deputy Portfolio Holder**

## Introduction

This document, Central Bedfordshire’s Asset Management Strategy (AMS), is part of a new suite of documents developed by Central Bedfordshire Council (the Council), to establish and articulate its holistic approach to asset management.

The purpose of this AMS, and supporting documents, is to establish how the Council’s asset portfolio will become better aligned to support the delivery of our corporate aims and objectives, whilst ensuring that land and building assets are structured to support the best interests of the organisation.



The AMS is laid out in five sections as described below:

- **Context and Purpose** – Laying out the Council’s approach to asset management

- **Central Bedfordshire – Five Year Plan** – Setting the AMS in context
- **The Asset Management Strategy** – Establishing the aim, purpose and objectives of the AMS
- **The Council’s Property Portfolio** – Details the Council’s property portfolio and relevant strategies and policies
- **Summary** – Details the review process for the plan
- **Appendix A – Governance and Review**



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## 1. Context and Purpose

### Overall Aim

- 1.1. Central Bedfordshire's Asset Management Strategy (AMS) establishes the high-level strategic framework for the effective management of the Council's assets portfolio for the next five years. It will guide future strategic property decisions to ensure the Council's property portfolio is managed efficiently and sustainably, whilst providing suitable flexibility for it to adapt to future demands.
- 1.2. Further, as the financial environment becomes increasingly challenging, innovative and better use of Council assets assumes greater importance for funding service responsibility and Council ambition.
- 1.3. The AMS sets out how the Council's mixed portfolio of assets and property will support the delivery of the organisation's key strategic objectives as reflected in the Council's **Five Year Plan (2015 to 2020)**, the financial challenges presented in the **Medium Term Financial Plan (MTFP)** and the demands of other associated Business and Service Strategies. The obligation is reflected in the following aim

*'To promote the best use of the council's assets for service delivery, deliver an optimum return from our commercial and agricultural investments, and facilitate regeneration and development'*

- 1.4. The scope of the AMS extends across all of the Council's owned or leased (with management accountability) land and property assets, other than Council housing and highways which are addressed in their own dedicated strategies.
- 1.5. The Council's property and asset portfolio is likely to change significantly in the coming years as the organisation responds to changes in its sector, its own size, demand for its services and the way by which services are delivered. These changes will impact the size, composition, use and the cost of running and maintaining the portfolio. The principles set out in the AMS form the basis on which implementation plans will be developed and progressed into delivery.
- 1.6. The AMS cannot be static but is instead a "live" and interactive document that will be reviewed annually to coincide with budget setting and a continued drive to enhance the management of the Council's corporate assets.

## 2. Central Bedfordshire – Five Year Plan

- 2.1. This section provides the background to the region, the Council’s corporate objectives, as set out in the Five Year Plan (2015 to 2020), and how these impact on the priorities for the Council’s assets.

### About Central Bedfordshire

- 2.2. Lying within the East of England region and with a population of 250,000, Central Bedfordshire is located on the northern fringe of London and borders other regional groupings such as East Midlands, South East and Eastern Regions. Recent population growth has put pressure on the existing transport infrastructure and there is an increasing demographic profile of elderly and very elderly residents.
- 2.3. There is an international airport at Luton and excellent North to South road and rail links. East to West travel is more difficult, with an ongoing concern of the Council, and its residents, that the area is seen as a place to travel through or commute from, rather than to stay and work in.
- 2.4. The Council has an emerging local plan supported by local Masterplans and Development Briefs to highlight and inform future development in the region.
- 2.5. Central Bedfordshire Council has statutory and other obligations to deliver various functions and services within the council area. These include education, transport, planning, social care, libraries, waste management, refuse collection, Council Tax collections and

housing. How the property portfolio will play a vital role in the provision of these services is the key output of the AMS.

### Five Year Plan 2015 to 2020

- 2.6. The Council’s vision, priorities and values set out what it wants to achieve as a Local Authority over the period to 2020 and how it aims to accomplish its key aspirations. Together, they capture the long term aspiration for the authority and drive the work of the entire Council.

### *The Council’s Vision*

- 2.7. The Council’s vision states its overall desire for the type of place it wants Central Bedfordshire to be:

### *“A Great Place to Live and Work”*

- 2.8. This vision encompasses all members of the resident and business community regardless of age and extends to the role of the Council as a decision maker and enabler. By the year 2020, Central Bedfordshire will be a place offering opportunity for all and where people help each other and themselves. Residents of all ages will aspire to build successful lives to create strong and self-sustaining communities.

### *The Council’s Priorities and Programmes*

- 2.9. The Council’s priorities and programmes drive how the organisation will focus its efforts to ensure that the vision is

achieved. These priorities are fully articulated in the five-year plan

A Great Place to Live and Work					
Enhancing Central Bedfordshire	Delivering Great Residents' Services	Improving Education and Skills	Protecting the vulnerable, promoting well being	Creating stronger communities	An efficient and responsive Council

2.10. It is clear that the Council's asset portfolio has a major role in the delivery of each one.

*The Council's Values*

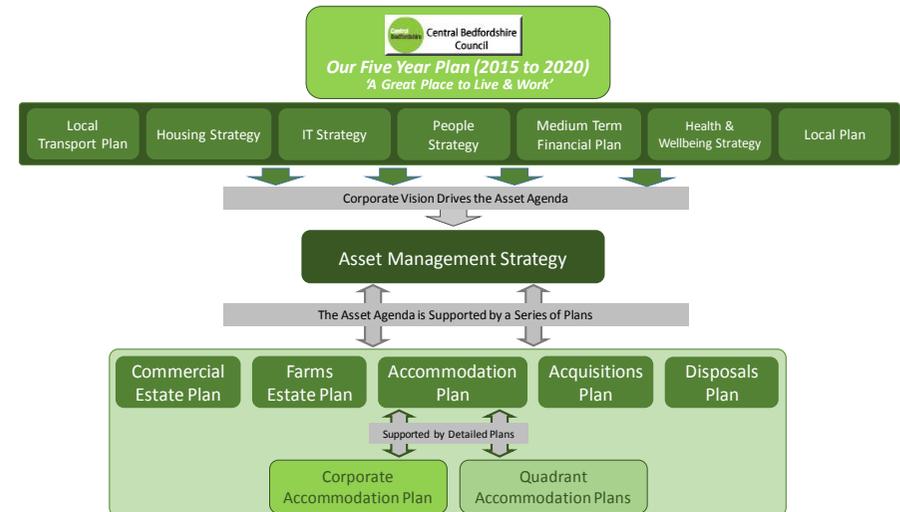
2.11. The Council's values describe the type of organisation it aspires to be and the principles that will guide it to achieve the vision and priorities and make clear how the Council will work and interact with customers, members and each other.

2.12. The Council's values are:

- **respect and empowerment** – all people will be treated as individuals who matter to the Council;
- **stewardship and efficiency** – making best use of the resources available;
- **results focused** – focused on delivering the outcomes that make a tangible difference to people's lives; and
- **collaboration** – work closely with colleagues, partners and customers to deliver on these outcomes.

*Key Plans and Strategies*

2.13. These priorities are being driven forward across the five year period through a series of strategies, as demonstrated in the diagram below.



2.14. The Council's asset base needs be an effective tool in driving forward the Council's Five Year Plan and all of the strategies that interpret this, as such the following strategies interact strongly with this document

- People Strategy;
- Local Transport Plan;
- Housing Strategy;
- IT Strategy;
- Health and Wellbeing Strategy;

- Local Plan; and
- Medium Term Financial Plan.

#### Financial Expectations

- 2.15. The Council's Medium Term Financial Plan (MTFP) sets out the financial framework for the next four years and underpins the implementation of all of these strategies. It has a direct influence on the objectives and delivery of core services, and as a result the assets required to facilitate service delivery.
- 2.16. The Council has an ambitious capital programme and seeks to generate significant capital receipts through the identification and disposal (or remodelling) of assets and properties which are not fit for purpose, central to service delivery or are under or sub-optimally utilised.
- 2.17. Significant revenue savings are also sought from the continued rationalisation of accommodation, reduced lease and maintenance costs, improved financial returns from commercial properties and increased rental income.
- 2.18. The Council's capital programme budget is £248m over the next four years. Of this total, £121m will be funded by the Council itself through a combination of receipts generated from the sales of Council assets and increased Council borrowing. In the financial year 2016/17 it is assumed that the Council will generate £10.5m from capital receipts and increase borrowing by £26.5m.
- 2.19. The Council's capital programme creates a financial pressure for its revenue budget, not just as a result of the cost of repairing and maintaining assets but also the financing cost of loans/debt taken to invest into the asset portfolio. In 2016/17, 7.3% of the Council's revenue budget goes towards financing the capital programme. This is expected to grow to 10% by 2019/20.

### 3. The Asset Management Strategy

Why produce an Asset Management Strategy?

- 3.1. An AMS is a key document of relevance to all employees, partners and stakeholders of the Council, including Members, the general public, and other relevant public sector and partner organisations.
- 3.2. It is a reference point for and to be used by all stakeholders to support, inform and underpin all future decisions related to the Council's assets.
- 3.3. Property and land are expensive to procure, run and maintain. As such, careful management is required to ensure best value is achieved with regards use, maintenance and financial return, especially when budgets are under ever increasing pressure.
- 3.4. Effective asset management, whilst a desired outcome per se, is a key enabler for the delivery of the Council's strategic, service and financial objectives. Further, it helps to make certain that the Council's property assets are both fit for purpose and meet the needs of Council staff, service users and all that use them or rely on them.

What is the purpose of the Asset Management Strategy?

- 3.5. The primary purpose of an AMS is to enable the alignment of the Council's land and property portfolio with its core strategic and service objectives. The AMS also ensures that the portfolio is

structured in the best interest of the Council, whilst remaining compliant with legislative requirements.

- 3.6. An AMS provides the template and framework for how the Council will seek to utilise and manage its land and property assets as a corporate resource.

The Asset Management Strategy Objectives

- 3.7. As previously stated above, the Council's overriding aim for its asset base is:

*'To promote the best use of the Council's assets for service delivery, deliver an optimum return from our commercial and agricultural investments, and facilitate regeneration and development'*

- 3.8. Eight asset management objectives reflect this aim:

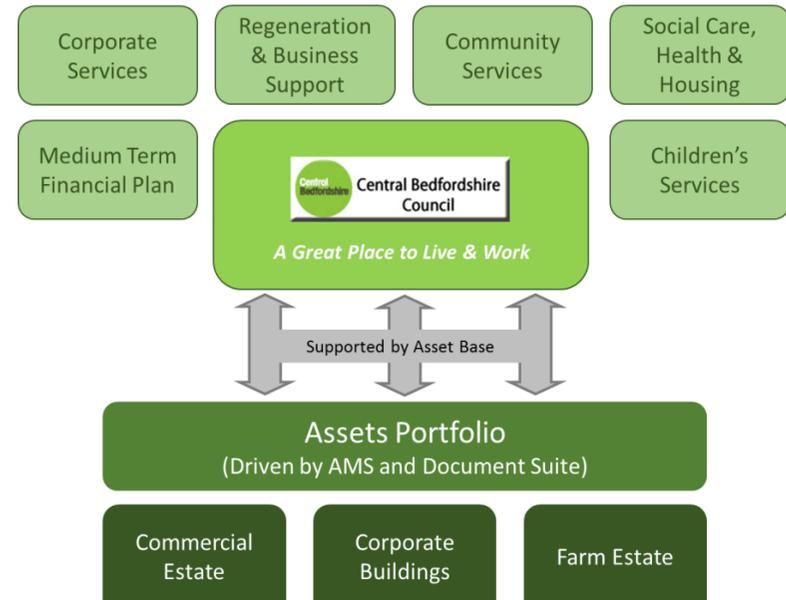
1. Develop a five-year vision and strategic approach to managing the Council's property assets that supports the Council's Corporate Plan;
2. Review and revise the Council's operational estate to optimise ways of working, optimise operational space, achieve revenue savings and focus on service provision;
3. Ensure that operational properties are appropriately located, fit for purpose, provide flexible accommodation, in good

condition, within an efficient cost envelope that is appropriately accessible to customers;

4. Deliver cost effective and efficient acquisition, disposal and management of property and land to meet safe service delivery, community benefit and investment needs;
5. Maximise the delivery of capital returns from the disposal of property and land to support the Council’s capital programme (this may include the Council acting as a promoter and/or developer of its sites in order to maximise receipts and income);
6. Where appropriate utilise assets to kick start, enhance or underpin economic regeneration;
7. Actively consider and implement innovative use of assets to address specific financial, housing, service and development challenges. Building on innovative models being developed across the local government sector; and
8. Maximise revenue income from the rents, leases and ‘traded’ services.

The Council’s approach to managing its assets

- 3.9. The AMS communicates a framework for a strategic approach that will secure the operational and financial benefits of an effective property estate, support the provision of services using industry best practice and secure the maximum benefit for the local economy. This is further illustrated in the diagram below.



How can the Council’s assets help to deliver its strategic and asset management objectives?

- 3.10. The Council’s strategic objectives, set out in part above, will mean that the scope of the Council’s property assets and how they are used will need to change. The Council owns an extensive estate and this is a key resource in driving the financial resilience and stability of the Council. Assets also retain the potential to be a key catalyst in delivering required change in the constantly evolving local government sector. Through more effective, innovative and efficient use of these assets the Council can

achieve change and deliver financial benefit from making the more of what it owns.

- 3.11. The benefit of an effective AMS is that it minimises the Council’s exposure to inappropriate land and property costs, thereby enhancing the overall financial position of the Council and enabling retention and improvement of the services provided to the local community.
- 3.12. It also provides the ability to exploit opportunities for specific service delivery benefits delivered through assets and by applying the AMS. These include:
- **Corporate Approach** – Property assets must be treated as a corporate and community resource and their future planned with the Council’s partners;
  - **Better alignment of accommodation needs** with service need and service plans through focusing on asset fitness for purpose, availability and cost;
  - **Flexibility provided by the assets** in terms of the working environment, layout and ‘sweating’ available space;
  - **Space that enables balanced and efficient use of resources** in both operation and maintenance of the assets;
  - **Exploited opportunities to co-locate agencies/stakeholders** with like service provision or customer base; and
  - **An integrated programme management approach to service delivery** ensuring holistic decision making, identifying

interdependencies and optimising opportunities for joint delivery and collaboration.

- 3.13. In addition to the service delivery benefits, a number of key financial benefits will also accrue as a result of applying the AMS:
- **Targeted disposals** – the realisation of capital receipts from unsuitable/surplus property;
  - **Lease terminations** – cessation of leases where the associated assets, accommodation or land is no longer required, relieving pressure on revenue budgets;
  - **More efficient building use** – better space planning and co-location opportunities will also result in both per capita and actual cost savings through the “*Working Smarter*” programme;
  - **Efficient capital expenditure** – a closer link between proposed premises usage in the medium to long term and capital investment in property. This allows scarce corporate resources to be better targeted to meet objectively prioritised service needs;
  - **Reduced running costs** – A reduction in the overall property running costs resulting from rationalisation of the estate. Better procurement of maintenance costs and cost increase amelioration arising from carbon reduction programme;
  - **Service Changes** – As service needs adapt we may be able to realise property efficiencies and capital receipts;

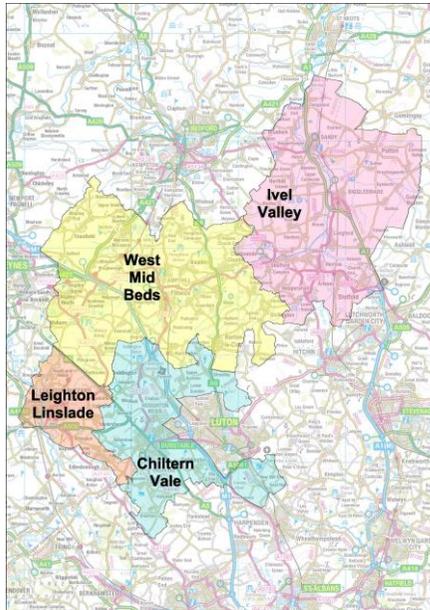
- **Community Self-help** – Encouraging self-help through joint and community use of assets, to expand community resilience through transfer of assets to community groups or town / parish council; and
- **Reduced construction costs** – Better development of design briefs, more closely aligned to needs and objectives, coupled with partnering procurement arrangements.

#### Asset Management Framework

- 3.14. Given the size, scale and complexity of the Assets Portfolio, the Council has developed a framework for the AMS in relation to its core service areas, cross service activities and the Council’s Farms Estate.
- 3.15. In order to consider our assets in a reasonable scale and scope the AMS will focus on the importance of closer integration and partnership working with health providers, the AMS will focus on four “Quadrants” or regions based on BCCG Localities:
- Ivel Valley (Biggleswade and the A1 corridor);
  - West Mid Beds (Flitwick & Ampthill);
  - Chiltern Vale (Dunstable area) and
  - Leighton Buzzard
- 3.16. This AMS sets out the Council’s approach to developing the aligned programme of actions for each year and capturing this within Quadrant based asset plans, and a separate but

complementary Farms Estate Plan. By considering all of its land and assets collectively within a defined geographic area, the Council is implementing a discreet and manageable solution for managing its portfolio. This solution will help to ensure effective and efficient use of the portfolio, and that it remains fit for purpose and fully aligned to both the needs and priorities of Council services and those of the Council’s partners.

- 3.17. However, there is a risk that by splitting portfolio management by geography that sub-optimal actions are taken on the basis that they best suit that area regardless on their impact elsewhere. As such, the Assets Team will assume a “One Council” oversight responsibility to ensure this risk is suitably mitigated.
- 3.18. These will be delivered through Quadrant Accommodation Plans (QAPs). These are illustrated in the map below on page 11.



3.19. In addition, two further plans will be developed specifically addressing the following areas:

- Corporate Accommodation Plan;
- Commercial Estate Plan; and
- The Farms Estate.

3.20. An Assets Group has been established within the Council that carries operational responsibility for the development and implementation of the AMS and the plans that hang off it. This group is tasked to ensure that the Council's portfolio of assets is managed in a controlled and consistent way and that it delivers

the Council's aim and priorities effectively as a Corporate landlord.

- 3.21. Service specific objectives will define asset needs, allowing the Assets Group to deliver exactly what is required; assets that are fit for purpose, optimised within quadrants against service and customer needs.
- 3.22. Each of these plan documents are key documents that are derived from the AMS and will feed into its iterations on an ongoing basis.
- 3.23. This is a significant change for the Council as assets historically have been managed at a local service level. By bringing the responsibility for assets together it enables the Council to take a more consistent strategic approach across its asset base to drive a more efficient and effective service.
- 3.24. The Council has previously agreed to adapt to this *Corporate Landlord* model – but to evolve into this model over time. With the adoption of the AMS the time is right to drive this agenda forward.
- 3.25. This Approach creates focused expertise by asset type to maximise the effectiveness and efficiency of the physical assets and sits within the wider Council's operating model, interfacing appropriately with other directorates and having clearly defined accountabilities and responsibilities. Furthermore, it provides a regional focus to optimise the delivery of asset activity, ensuring coordination of procurement and local delivery of these asset services.

## 4. The Council's Property Portfolio

### Overview

- 4.1. As of April 2016 the Council's property estate comprised approximately 1,600 assets, of which in the region of 430 are buildings and the remainder being land holdings (3,631 hectares in total). These are valued in the Council's accounts at £1bn.
- 4.2. The main property types are as follows:
- Secondary schools;
  - Day centres;
  - Primary schools;
  - Highway depots;
  - Special schools;
  - Staff houses;
  - Offices;
  - Children's centres;
  - Waste recycling centres;
  - Homes for older people;
  - Libraries;
  - Leisure Centres;
  - Farms; and
  - Commercial / industrial units.
- 4.3. The five-year maintenance backlog liabilities on the Portfolio amounts to £140m and the net running costs of the Portfolio (excluding Schools and Council Housing) are £12m per annum.
- 4.4. The investment Portfolio comprises Commercial property (shops, offices, industrial) and Farms providing a net income in the order of £1.75m per annum.
- 4.5. The Corporate Landlord model assumes that the Council's land and property assets (excluding Council Housing and Academy

Schools) are managed by the Council's Assets Group, reporting to the Director of Community Services.

### Council Accommodation Plans

#### *Corporate Accommodation Plan*

- 4.6. As a consequence of reducing headcount, changing working practices and modern customer interaction methods together with budgetary pressures, the Council is undertaking a review of its corporate accommodation requirements.
- 4.7. The Corporate Accommodation Plan (CAP) considers the various options available to the Council to transition from its existing configuration of Priory House in Chicksands and Watling House in Dunstable into a better suited arrangement. Each option is appraised against a set of bespoke criteria including cost, economic impact and alternative use and the preferred solution described.

#### *Quadrants Accommodation Plans*

- 4.8. The Quadrant Accommodation Plans (QAP) are key documents that take the strategic objectives and priorities from this AMS and drive through their implementation. The QAPs seek to bring together the Council service requirements across Directorates and also with relevant partners to work collaboratively and creatively across the Public Sector.
- 4.9. The QAPs will complement the CAP and relevant local masterplans to ensure a joined up approach in each quadrant.

Achieving this will require targeted investment by the Council in the quality of the local environment and maximising the potential of its own land and property assets in each quadrant.

- 4.10. A strong partnership with the private sector and other public agencies will also be required to ensure an effective approach is developed that does not cease at the boundary of where the Council interacts with other agencies.

The key objectives of the Quadrant Accommodation Plans are to achieve the following:

- An improved offer for residents with them receiving more cohesive and joined up services. In part through reducing silo working and the potential for duplication of services;
- Council's assets and services are delivered in a more efficient manner working across Directorates and other partners;
- Support the successful implementation of the Town Centre Masterplans;
- Developing Community Hubs to bring together services and meeting spaces for customers and the public, incorporating a variety of uses and enabling good service delivery; and
- Bringing together health and social care services incorporating GPs, Social workers and Community clinics.

#### *Working Smarter Programme*

- 4.11. The Council has commenced a major programme to examine the way in which it works and uses its space to support the delivery of its services. This programme, '*Working Smarter*', seeks to develop and implement a corporate approach to agile working in order to provide clarity on the potential size of the Council in the future and how changes in work styles and practices will adapt its office requirements.
- 4.12. The outcomes of this programme will be key inputs into the medium to long term vision for the corporate estate and those offices that are retained or disposed of. The main purposes of '*Working Smarter*' are articulated as follows:
- Review and develop policies and protocols that support new ways of working and cultural change;
  - Deliver essential technology solutions that enable modern workplaces, mobile working and smarter working across the CBC estate;
  - Make more effective use of the Council's staff accommodation to create modern workplaces that are fit for purpose and will enable cultural change; and
  - Facilitate the optimisation of existing CBC assets to create capacity to support property rationalisation activities and delivery of services in localities.
- 4.13. The Council has already commenced a pilot in Priory House of the '*Working Smarter*' programme, having adapted a floor of the

building to a new office environment, in order to support these new working practices. The findings of this exercise will be used to shape the future roll out of the programme.

- 4.14. In order for a programme such as *‘Working Smarter’* to be implemented successfully it requires a step change in the way that the employees of the Council behave. In order to achieve this, it is crucial that three factors are put in place;
- **Senior Sponsorship** – Dynamic leadership from the top of the organisation is crucial to ensure the right tone is set from the outset and driven through the Council;
  - **Communication** – All levels of the organisation need to understand what is happening, why it is happening and when. Managing expectations is key to success; and
  - **Engagement** – All stakeholders need to be recruited into the programme and need to be, and feel, engaged in the process of changing how they work. Officers and members are much more likely to accept new technology, workspace sharing and flexible working, if they have been engaged in the process of creating the “Working Smarter” solution.
- 4.15. The review reports to the Senior Management Team within the “Making it Happen” programme, and seeks to provide a set of solutions which reflect the Council’s needs in the changing world of local government over the next five years.

Disposals Plan

- 4.16. The Council is committed to using its land and property assets in a corporate manner which realises their optimum benefit to the community and represents value for money. This requires proactive good practice management of the existing portfolio, a commercial approach to the development of new assets and the disposal of assets no longer required.
- 4.17. Where property assets are not meeting the Council’s objectives, as articulated within the AMS, then a process of rationalisation and disposal for surplus/under-performing property will be adopted. These terms are defined further below.
- 4.18. The adoption of this protocol will demonstrate that the Council is rationalising or disposing of surplus or under-performing assets, subject to market conditions and possible community use that may affect any such decision. The specific objectives that drive this disposal approach are as follows:
- To achieve priorities in the Council’s Medium Term Plan;
  - To optimise capital receipts for the benefit of the Council and its community;
  - To reduce overheads and running costs;
  - To deliver community benefits;
  - To provide resources for service partners; and
  - To meet statutory requirements.

*Surplus Property*

4.19. Land and property assets can be declared surplus to requirements if the asset meets the following criteria:

- It makes no contribution to delivery of the Council’s services, either directly or indirectly;
- It does not generate sufficient income;
- It has no potential for future service delivery or regeneration purposes; and
- It is not fit for purpose.

4.20. A site could be considered surplus if an alternative site has been identified which would achieve more cost effective service delivery and the existing site has no potential for future alternative service delivery or regeneration.

4.21. A site may also be considered surplus if a community body can more effectively deliver the objectives for managing the land and provide a sustainable Business Case to support the objectives.

*Under Performing Property*

4.22. Corporate property can be deemed to be under-performing if the following criteria are met:

- Part of the property is vacant and likely to remain vacant for some time; and

- The beneficial use, including any joint uses or financial return generated from the property is below that which could be achieved from an alternative use, a disposal or an alternative investment opportunity.

4.23. The Council may also dispose of property that is not formally classified as surplus or under-performing: to developers for regeneration schemes; to nominated registered housing associations for the development of affordable housing or local communities as part of its aims to benefit the community. The council will consider the balance between capital receipts and delivery of specific council objectives.

4.24. Some property disposals are also driven by statute rather than the identification of surplus assets, the most significant being the right to buy provisions in the Housing Acts and the transfer of the whole of the housing stock and transfers under the Schools Standards and Framework Act 1998 and subsequent legislation such as the Academies Act 2010.

4.25. In general, the Council is required to achieve the ‘best consideration reasonably obtainable’ when it is disposing of land or buildings under s.123 Local Government Act 1972. If it seeks to dispose of land or buildings below the market value, it must obtain the consent of the Secretary of State for Communities and Local Government.

#### Acquisitions and Enhancements Plan

- 4.26. The Council will consider acquiring land and property from external parties provided the acquisitions further the objectives of the AMS and, more specifically to enable the Council to:
- Achieve its priorities in the Medium Term Financial Plan;
  - Deliver its Service objectives;
  - Provide suitable corporate office accommodation;
  - Action larger development schemes for community benefit; and
  - Maintain and replenish its farm land holding.

#### Farms Estate Plan

- 4.27. The Farms Estate Plan outlines how the Council will effectively and efficiently manage and develop its farms estate over the Plan period and beyond. Its scope extends to all the building and land assets owned or leased by the Council in the performance of its role as a smallholdings authority.
- 4.28. The Council's Farms Estate has a current asset value of circa £69.75 million. It comprises circa 2,500 ha (6,200 acres) of land and supports 67 full time farm tenancies and a further 50 tenancies for minerals, grazing, sporting, allotments etc. and generates an annual rent roll of circa £550k.

4.29. Farms owned and managed by Local Authorities are an important strategic and national asset. These farms can assist Local Authorities in meeting wider regional economic, countryside and environmental objectives and provide an essential route into farming for new entrants.

4.30. The Council's approach to managing its farms estate takes account of:

- The provision of farms to enable new entrants into agriculture and amalgamate holdings to create more viable farm lettings;
- Statutory requirement;
- Income generation;
- Capital receipts generation and commercial management;
- Leisure and Community facilities for Central Bedfordshire; and
- Environmental responsibilities.

#### *Statutory Requirement*

4.31. The history to the 'accumulation' of a farm estate stems from the Smallholdings and Allotments Acts 1907 and 1908. As a consequence, all Councils had a duty to meet the demand of applications by young persons to enter into farming. Later the Agriculture Acts had a similar influence and it appears as the years passed and estates have been reviewed, landholdings have

been amalgamated to form the larger farms we are more used to today.

- 4.32. As a result of the economic difficulties of 2009 onwards, a number of smallholdings authorities have decided to sell off significant numbers of their farms after obtaining Counsel Opinion that there is no statutory duty. In conclusion whilst CBC is not barred from disposing of our farms per se, it should take account of the 'general aim' under s.39 of the 1970 Act.

#### *Income Generation & Capital Receipts*

- 4.33. The Farm Estate provides a substantial income via its agricultural rental and mineral royalty (circa £550k per annum). Following a period of reduction in farm rents in the early 2000s the agricultural rental market is now very robust and with a realistic investment in farm buildings the return on capital is predicted to increase.

#### *Environmental Responsibilities*

- 4.34. The Council's Farm Estate also demonstrates the Council's commitment to the environment. Under the Natural Environment and Rural Communities Act (2006), all public authorities have to have regard to conserving biodiversity, for example by creating ecological networks, and buffering biodiversity sites. The Council take this responsibility seriously and its commitment to the Farms Estate evidences this

#### *Commercial Portfolio Plan*

- 4.35. The investment Portfolio comprises commercial property (shops, offices, industrial) and farms, and provides a net income in the order of £1.75m per annum.

- 4.36. The Council will continue to seek opportunities for capital investment in surplus / investment property on the basis that they provide an income stream, subject to a robust business case in our role as steward of the land, and our ability to have some measure of control over development, making CBC a great place to live and work.

- 4.37. In support of this policy the Council will be willing to hold a longer-term vision for use of capital funding.

- 4.38. In addition, the Council will seek to maximise revenue returns from its existing portfolio of land and buildings, having regards to the residents of the area and services the Council delivers.

#### *Development and Regeneration*

- 4.39. In certain cases, the Council will hold land and property assets, sometimes for long periods, in anticipation of some wider benefit to be secured through a wider regeneration proposal.

- 4.40. Where appropriate, the Council will use its surplus land and property assets to contribute towards corporate objectives for regeneration across the region and where opportunities arise.

- 4.41. The Council will pursue public/private property initiatives, where there is a robust business case for doing so and where the

scheme will contribute significantly to corporate objectives for regeneration in a particular locality.

#### *Improving Linkages with Public Sector Partners*

- 4.42. Working in partnership across the breadth of the public sector operating within the region is a key theme of the AMS. Indeed, the foundation of this document, and the quadrant approach to assets, is predicated on working with the Council's partners in health, who established the quadrant approach, and ensures the Council aligns its approach to services, and therefore assets, to the broader public estate.
- 4.43. The Council is actively seeking opportunities for more efficient and effective collective use of the wider public sector estate through ongoing liaison with the Council partners in health, the police and fire services and central government and this will continue to be a key objective across the plan period.

#### *Community Asset Transfer*

- 4.44. The Council is committed to localism and, where they are compatible with the Council's wider objectives, to supporting voluntary organisations that serve the community.
- 4.45. In accordance with the Community Right to Bid provisions of the Localism Act the Council will consider the disposal of land and property assets to community groups where they develop a proposal and raise capital to bid for an "asset of community interest" when it comes to the open market.

## 5. Summary

- 5.1. This Asset Management Strategy establishes a framework by which the Council will manage its assets portfolio for the next five years.
- 5.2. Effective asset management, whilst a desired outcome per se, is a key enabler for the delivery of the Council's key strategic, service and financial objectives, as outlined in the Council's Five Year Plan, its Medium Term Financial Plan and in other associated Business and Service Strategies.
- 5.3. This document is an important point of reference for elected Members, employees, the public and other key stakeholders of the Council as it supports, informs and underpins all future decisions related to the Council's assets.
- 5.4. Property assets are expensive to procure, run and maintain and as such, they require careful management to ensure best value is achieved with regards use, maintenance and financial return, especially when budgets are under ever increasing pressure. The AMS has set out eight asset management objectives, which through their achievement will ensure best value is achieved. These objectives are:
  1. Develop a five-year vision and strategic approach to managing the Council's property assets that supports the Council's Corporate Plan;
  2. Review and revise the Council's operational estate to optimise ways of working, optimise operational space, achieve revenue savings and focus on service provision;
  3. Ensure that operational properties are appropriately located, fit for purpose, provide flexible accommodation, in good condition, within an efficient cost envelope that is appropriately accessible to customers;
  4. Deliver cost effective and efficient acquisition, disposal and management of property and land to meet safe service delivery, community benefit and investment needs;
  5. Maximise the delivery of capital returns from the disposal of property and land to support the Council's capital programme (this may include the Council acting as a promoter and/or developer of its sites in order to maximise receipts and income);
  6. Where appropriate utilise assets to kick start, enhance or underpin economic regeneration;
  7. Actively consider and implement innovative use of assets to address specific financial, housing, service and development challenges. Building on innovative models being developed across the local government sector; and
  8. Maximise revenue income from the rents, leases and 'traded' services.

- 5.5. These objectives are appropriate for now but will change as the Council's requirements morph over time. The AMS is designed to be a live document that adapts to meet the changing priorities of the Council. Accordingly, the objectives will be reviewed annually to coincide with budget setting and a continued drive to enhance the management of the Council's asset portfolio.

## Appendix A – Governance and Review

### *Governance and Risk Management*

In relation to the delivery and implementation of the Plan, specific roles, accountabilities and responsibilities have been assigned to a number of Council bodies and these are listed below.

- **Council’s Executive Committee (Executive):** Asset management matters will be reported to the Executive on a regular basis by the Portfolio Holder for Corporate Resources. Formal reporting will also be supplemented by regular informal member briefings. The Executive will be accountable for approving the Plan and associated Capital Programme for recommendation to Council as part of the normal budget setting process;
- **Portfolio Holder for Corporate Resources (PHCR)** is accountable for signing off the Building Capital Programme related to the Plan. He will also be consulted on all disposal and acquisition matters within the delegated limits set out in the Council’s Constitution and Property Disposal Protocol. Finally, the PHCR will be responsible for reporting progress on the Plan to the Executive on a quarterly basis as part of the programmed Quarterly Performance Monitoring, as well as to the Overview and Scrutiny Committee;
- **Director of Community Services** is accountable for developing, implementing, driving and leading appropriate Asset Management behaviour and practice throughout the organisation to deliver identified, and asset related benefits aligned to the Council and this Plan. To meet this aim, the Director of Community Services will ensure the Plan is developed against good practice and is:
  - Communicated and made available to all those people whose roles and responsibilities are directed by the Plan;

- Reviewed annually, or as appropriate, to ensure constant alignment with our 7 stars; and
- Amended and continually improved to maintain the ability to deliver the Asset Management Strategy, Objectives and overarching Council priorities.

- **Strategic Growth Board** is chaired by the Chief Executive. The overall aim of the Board is to deliver Sustainable Economic Growth across Central Bedfordshire enabling the area to grow and develop as a place where people want to live, work, do business and invest.

Asset Risk Management is a key discipline to be embedded within the approach to Asset Management for the Council and in the future will form an integral part of many elements of the end to end process as well as being recognised as a process in its own right.

### *Review and Improvement*

It is essential that the Council continues to develop its Asset Management resource capacity and capability in order to ensure the full benefits from this Plan are delivered effectively and efficiently.

This on-going development will include the following:

- Reviewing the team resource capability, capacity and team structure in order to deliver the short to medium term aspirations;
- Developing and deploying a communication strategy to embed the Asset Management Vision and Plan both within the team and across the services;

- Establishing clear governance and accountability lines within and around Asset Management, via the formation of various strategic groups, such as the Strategic Growth Board (SGB);
- Creating detailed programmes (i.e. the Quadrant Accommodation Plans) for each region and our farms estate, with clear objectives, milestones, accountabilities and activities;
- Undertaking detailed asset contingency planning and risk assessment (with associated registers) to enable the Council to quickly adapt to changes in external influences and pressures, such as funding and grant reductions, changes in legislation, resource capability and capacity, programme slippage, etc.; and
- Carrying out a detailed and engaging Stakeholder mapping and impact exercise, both internally and externally.

The accountability for enabling and driving this development lies with the Director of Community Services.

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