Strategic Asset Management Plan 2024-2029 - DRAFT

BCP COUNCIL

BCP Council Asset Management Plan

Overview of the Council's Assets

BCP (Bournemouth, Christchurch & Poole) Council has a wide-ranging portfolio of property assets inherited from the four legacy authorities in 2019.

On 31 March 2022 the portfolio was valued at a total of circa £2.07bn. This total includes housing (£682.8m attributed to the Housing Revenue Account (HRA), schools, libraries and community centres, specialist centres providing adult day care and residential care and a range of support for children and young people, administrative and civic buildings, cemeteries & crematoriums, the regional mortuary, public conveniences, and maintenance depots.

The Council also has heritage assets such as the Russell Cotes Museum, Highcliffe Castle and Upton Country Park; entertainment venues such as the Bournemouth International Centre (BIC), Pavilion and Poole Lighthouse; sports centres, sports pitches, and pavilions; car parks, investment properties, and a range of seafront assets including beach huts and cafes.

Property assets can become liabilities as they need on-going maintenance and investment to ensure they remain fit for purpose. It is therefore essential that the assets held by the Council are the right ones, efficiently supporting the provision of quality services, helping deliver our strategic aims, and making a positive difference within the community they serve.

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What is an Asset Management Plan and why do we need one?

An Asset Management Plan (AMP) is the foundation to ensuring a portfolio of assets is being managed in the most efficient and effective way. An AMP is a timebound commitment to action that ensures that the Council's property assets are proactively managed to fully meet both its current and future requirements, with an increasing focus on long term financial and climate sustainability.

The Council's Financial Regulations set out the responsibilities of the Corporate Property Officer which include *"establishing an asset management plan that details short-, medium-, and long-term use of assets, and establishes arrangements for monitoring and reporting asset performance".* The inclusion of this section on Asset Management within this Financial Paper helps set the tone for how the Council will take this forward.

The Council has set out its key priorities within the Corporate Plan. Part of the AMP's role is to establish a golden thread, linking the Council's priorities and ambitions through the management of and investment in its assets.

The AMP should also be developed and read in conjunction with other strategies and plans including Regeneration, Housing, Highways, Seafront, and the Transformation Agenda. For noting, the management of the HRA is set out in the annual HRA Budget Papers. The AMP focuses on corporate 'general fund' land and property assets.

The AMP has an important role to play regarding the Council's Budget and Medium-Term Financial Plan (MTFP). For example, surplus assets can contribute to funding the capital programme and in turn capital expenditure can support the provision of new asset requirements identified by services or council priorities. The AMP should also horizon scan, identifying asset requirements that might require capital investment to deliver and maintain them in the future.

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Progress so far

In 2021 the Council commissioned a portfolio review and the development of an estate framework by Avison Young. This work produced several outputs including a better understanding and categorisation of all the assets and types of assets inherited from the legacy authorities. There are 2,620 asset entries on the asset register Avison Young produced, this is a breakdown of Sites and Specific Establishments of which over 80% are freehold assets.

Leading Directorate/ Service	*Asset Count*
Adult Social Care	*42*
Children's Services	*194*
Communities	*51*
Customer & Business Delivery	*44*
Destination & Culture	*650*
Development	*51*
Environment	*922*
Finance	*93*
Housing	*221*
Law and Governance	*1*
Transport & Engineering	*351*

Avison Young's report set out a list of BCP Council Estate Principles to support future decision-making, representing a checklist to assess new estate-related business cases against. So, in the future the BCP Council estate should be:

- **Relevant - in a strategic sense.**
- **Resilient – protecting BCP Operations and our communities.**
- **Fit for purpose / Safe / Compliant – in a technical sense.**
- **Transformation - digitally enabled.**
- **Connected – accessible to customers.**
- **Flexible – to accommodate future changes and targets.**
- **Sustainable – carbon neutral / environmentally.**
- **Sustainable – financially in the medium to longer term.**

Another output included the recommendation for implementing a more centrally controlled organisational structure for all aspects of land and property management. This is now being actioned with the implementation of a Corporate Landlord Model which is detailed more in the section below.

In conclusion, the Framework created by Avison Young set out a series of actions to move the Council towards a strategic (and corporate best practice) approach to estate management, and a more targeted, needs led approach to identifying estate re-alignment and rationalisation opportunities.

The final section of this initial Asset Management Plan summarises some of the key themes as part of a high-level action plan, listing the challenges and opportunities that will have an impact on the management of the Council's assets over the next few years. These all provide context to the shaping of the AMP.

Challenges, Opportunities, and what we need from our assets in the future.

1) Financial climate

The Council's assets have a key role to play regarding responding to the unprecedented financial challenges the Council faces over the next few years. Assets can directly affect both the revenue and capital positions of the Council.

The Council must ensure that its land and property assets deliver value for money in terms of service benefit, operating costs, financial returns, and regeneration. The Council must therefore continually challenge whether its assets are required, fit for purpose, and contribute to the delivery Council services and priorities.

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2) Regeneration / Place Shaping

The Council has committed to revitalising the towns and neighbourhoods across Bournemouth, Christchurch, and Poole, and has several key delivery partners.

The Bournemouth Development Company has been a key player in regenerating Bournemouth Town Centre for the last 12 years. Most recent developments include 'Treetops' in St Stephens Road and 'West Cliff Mansions', both utilising council land formerly used as surface car parks. More efficient multi-storey car provision has been provided to offset the loss of these car parks.

The Boscombe Towns Fund is using £22m as part of the Government's Town Deal programme to turbo charge ambitious regeneration plans for Boscombe.

The identification and redeployment of under-used and surplus assets is an important driver for regeneration, and critical to the success of these endeavours. Equally, there is a need to consider how active land and property management can of itself deliver regenerative benefits ahead of and as a precursor to the development of land and property. Asset Management is also about understanding what future services might look like and the assets required to support services. This valuable information can feed into the place shaping work led by these partners.

3) Transformation

The Council is undertaking an extensive transformation programme which has three elements: how and where we work, how we are organised; and how we support our colleagues through these changes.

Whilst the Council will continue to support customers face to face, a new operating model of investment in technology, digitalisation, and automation of services with 24/7 access will have a significant impact upon the Council's operational estate.

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The Council has already acted delivering Phase 1 of its Estates & Accommodation (E&A) Programme with the reconfiguration of the former Bournemouth Town Hall Complex into the new BCP Civic Centre. Significant work has also been undertaken at Poole Customer Hub & Library and Christchurch Customer Hub & Library to provide more modern and agile environments for both customers and staff. This has facilitated the closure of the other two civic centre sites which can now be considered under the Corporate Landlord Model.

Phase 2 of this E&A programme has now commenced focussing primarily on the administrative buildings out in the conurbation so that the whole office estate is brought in line with our new standards and principles. However, this work is also identifying service opportunities as often buildings are shared spaces.

4) Climate Action

BCP Council declared a climate and ecological emergency in July 2019. This set a commitment as an organisation to become carbon neutral by 2030, and then the conurbation of Bournemouth, Christchurch, and Poole by 2050.

The Council's assets have a significant role to play in us achieving these targets. An AMP that sets out clear direction in terms of which assets are required in the future by each service, can in turn help direct the maintenance of and investment in those assets to improve their energy efficiency and reduce their carbon emissions. The climate impact of each asset needs to be built in as one of the key performance indicators for our portfolio alongside running costs, backlog maintenance and utilisation. Adaption is another area that needs consideration for the portfolio, so future proofing our assets from floods, extreme heat, fire, and wind.

There is an urgent need to consider both the performance of assets from a resource consumption, fabric first and circular economy, perspective; as well as considering how the physical disposition of council and public assets interacts with travel and commuting for both staff and for customers.

When the Council pursues new build or acquisition programmes in the future it will be guided by the framework within the Local Plan. However, the Council may choose to complement this with its own sustainable construction principles

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in the future. This could ensure a consistently high standard across everything it does itself and in collaboration with its partners.

5) **Service need**

Council services are dealing with many challenges from financial, demographic, legislative, to service improvement and this is on top of bringing together 4 legacy authorities and learning to live with worldwide pandemics, such as Covid. Whilst the provision of quality services is front and centre in their thinking, the Council's Estates team, working within the context of a Corporate Landlord Model, will support services to ensure the built estate is considered in that thought and design process, and where possible the most appropriate assets are retained and invested in. Estates will guide and develop individual service strategy's and where necessary by type and locality, this will ensure the ownership of all property assets and the responsibility for their management and maintenance is transferred from the service departments to the Corporate Landlord, which is a centralised function of the Council.

6) **Maintaining the Council's assets, & ensuring they are safe & compliant.**

An asset can quickly become a liability if not repaired, maintained, and managed properly. Like all local authorities, BCP Council has a substantial maintenance backlog to address within its estate. Maintenance budgets are focussed on ensuring inspections are carried out and statutory responsibilities maintained so buildings are safe for staff and visitors.

Buildings are no longer receiving proactive or planned maintenance as they had in the past and for example plant is now being run to the point of failure. However, funding opportunities are being explored to see how buildings can become more efficient and how old plant can be replaced with much more low carbon and sustainable solutions. Ongoing consideration is also being given to which buildings are no longer needed for service deliver and can then be sold or redeveloped. In doing so the resources available to the council can then be spread more effectively over less buildings. The Corporate Landlord Model will have a vital effect on prioritising budgets using a more direct approach to our professional property and asset teams.

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7) Accurate and up to date Property Records

The Council's Property Records Team and ICT are currently working on two projects to bring the legacy land ownership and asset register data into a single IT system and associated mapping system. These are significant pieces of work and essential to having an efficient and up to date data set of the council's ownership records. These records include the core property ownership data and estate management data which includes leases, rent review dates and break & expiry dates.

The Facilities Management team is working on a similar project to bring all their data sets into a single IT system. This data includes building condition, inspections, asbestos, and water management.

This data is critical not only to the safe and efficient day to day running of the estate, but also for supporting regeneration and other transformational activities.

Keeping up to data is vital and we rely on our services and teams to provide on the ground information to our estates teams to fulfil this obligation. In turn the data is required to be publicised to ensure the assets can be viewed across the public domain in line with the Data Transparency Code 2015. Whilst BCP has previously worked with neighbouring Councils to achieve this, BCP are now ensuring a more direct route to this data via its own website.

8) Corporate Landlord Model and current governance arrangements

The Council is in the process of introducing a Corporate Landlord Model (CLM) to the way it manages its land and property assets. The different routes and scenarios are being mapped out and reviewed to ensure a more seamless approach is found that meets the needs and flexibility of our property management systems. It is important that only people trained in property can transact property matters. From Strategic Asset Management, Estate Management, Facilities Management, Compliance, Repairs & Maintenance and Design & Construction. This consolidation of technical and professional resources and budgets will help the Council operate more efficiently. CLM should infuse corporate best practice.

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9) Partnership Working

Across the County of Dorset there is a range of public sector services from Dorset Healthcare University NHS Foundation Trust, Dorset Clinical Commissioning Group (CCG), South West Ambulance Trust, Dorset Police, Dorset & Wiltshire Fire and Rescue Service, The Ministry of Defence (MoD), Dorset Council, and Town and Parish Councils. All these organisations have their own portfolio of assets as well as share those of others.

So, it is incumbent on all partners including BCP Council, to make the best use of these assets and work together delivering services. A Dorset Public Estate Board has recently been set up to ensure a more cohesive approach to the use of assets by these organisations and BCP will play an active role in this group.

It is also important to recognise the role of third parties and community groups. This Council is keen to enable communities more with regards the retention and provision of services.

Approach to developing the Asset Management Plan – next steps.

Accepting the recommendations from Avison Young and the themes highlighted above, its essential that the Council resources and sets out a more detailed asset management plan for the medium to long term. This includes developing:

- A Handbook which sets out the nuts and bolts for how we do asset management, including policies, processes, and procedures.
- A Performance Review – this should include a suite of performance indicators to allow the Council to measure how its assets are performing, and detail the key areas for change that will affect future asset requirements across services; and
- A detailed Asset Strategy and Action Plan which sets out all the asset related activity over the next 3 – 5 years in support of the Council's priorities and services.

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The short-term focus is very much on direct support to the Council's Financial Strategy. In particular:

- bringing forward the disposal of non-strategic assets to help fund current and future years of the Council's capital programme; and
- continuing the fundamental review of buildings occupied by BCP Council with a view to further consolidating the staff in the Civic Centre and considering future options for owned buildings or passing back leasehold properties as soon as practical.
- The extent to which the community would be better placed to manage council assets (An Enabling Council – Strength Based Approach)
- Consideration of the performance and location of assets through the lens of regeneration and climate adaption.

Currently the Council has two Corporate Property Groups (CPG) which meet monthly. The CPG Operations Group focusses on operational matters and trying to find solutions to new asset requirements. It also provides the forum for highlighting an asset that might be under-used or surplus to that service's requirements. The group can then discuss whether there might be alternative operational needs that could be met from that asset, or it could be recommended as surplus. CPG Strategic maintains an overview for how the Council's assets are being managed and approves any changes to how assets are deployed. Essentially, these CPGs act as the conduit for all asset related activity, although it is important to note that asset activity must still comply with the Financial Regulations and Constitution.

The Council will continue to manage the estate on a day-to-day basis with a common-sense approach and to the benefit of the council and services provided.

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