



# Asset Strategy

2014

The Council's vision for its property estate including  
an action plan and resources to achieve it

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## EXECUTIVE SUMMARY

Guildford Borough Council is continually driving forward improved services and better outcomes from its property estate. As owner of a large number and variety of buildings and a large amount of land, the Council needs clear guidance on how to manage its properties efficiently and strategically.

This new Asset Strategy is an essential part of the Council's Corporate Plan "Our Council" theme to improve the way we work. It states how the Council's properties support the delivery of the Corporate Plan and the role and desired outcomes of the estate in relation to the five fundamental themes and strategic priorities.

The Asset Strategy covers the period up to March 2016 in line with the Council's Corporate Plan timeframe focussing on all properties except Council dwellings. This strategy should be read alongside the Asset Management Framework, which sets out the Council's policies for managing and reviewing properties efficiently and strategically.

The Council's estate contributes a major part in the Council's mission to be an efficiently run Council and one that provides first class services. The vision for the Council's property estate supports this and underpins the strategic management of the estate, as follows:

*The vision for our property estate is to own, occupy or use properties that empower the Council to perform excellently in the delivery of its services and Corporate Plan themes on behalf of the borough's residents, businesses and visitors.*

The Asset Strategy sets out the role of property to the Council and the desired outcomes from the property estate with objectives for achieving these and indicators by which to measure performance and success in delivering the desired outcomes.

An action plan and programme for delivering the strategy up to 2016 is included; in particular, to deliver on our strategic priority to ensure our property estate is fit for purpose (page 11 of the Corporate Plan).

The strategy includes:

- 1) Our property estate vision
- 2) Property objectives
- 3) Performance indicators
- 4) Corporate themes and strategic priorities
- 5) Property achievements
- 6) Action plan
- 7) Asset management arrangements

## 1. INTRODUCTION

Property, like finance and staffing, is a corporate resource that crosses over all service functions. This Asset Strategy is an essential part of how Guildford Borough Council manages its property estate as a strategic resource to enable the successful delivery of the Council's Corporate Plan vision and desired outcomes.

The five fundamental themes of the Corporate Plan provide the direction that the Council wishes to take with its property estate. The Asset Strategy sets out how the Council's property estate, excluding Council dwellings, supports the Council's corporate objectives.

Comparisons with other district Council's show that Guildford Borough Council is a major landowner. Comparing the Council's property estate with other English local authorities, the Council is in the top five to ten percent when comparing the estate's net book value:

Property category	Net Book Value	Rank*	Average value
Community Assets	£4 million	In the highest 10%	£2 million
Other Land and Buildings	£164 million	In the highest 5%	£60 million
Investment Properties	£84 million	In the highest 10%	£30 million

\*Source: Capital outturn return published by the Department of Communities and Local Government

As the owner of such a valuable estate, the Council is accountable for the way it manages this for the benefit of the residents, businesses and public organisations living and operating in the borough.

The strategy shows how the Council upholds this responsibility. It sets out the role and desired outcomes from the property estate including its use to support delivery of the Corporate Plan, the efficient use of properties, improved quality of services delivered from them, maximising value and use as a lever to economic growth complete with an action plan to make this happen. Furthermore, the strategy shows how corporate desired outcomes are embedded in the Council's strategic and day-to-day management of the estate.

This strategy complements the Council's Asset Management Framework. When read together with the framework, the two documents provide a complete overview of why the Council owns, occupies and uses its properties and how the Council ensures it gains the best from its estate.

In summary, the Asset Strategy specifies and explains the Council's:

- vision and desired outcomes for the property estate
- property objectives to meet the desired outcomes
- indicators used to measure property performance
- Corporate Plan themes and strategic priorities linked to property
- property related achievements
- priorities for action with targets
- asset management arrangements

## 2. PROPERTY ESTATE VISION

With a total net book value of £271 million excluding Council dwellings, the Council's property estate is a significant strategic resource. The estate plays a major role in the Council's achievement of its mission to be a forward looking, efficiently run Council, working in partnership with others and providing first class services that give the community value for money, now and for the future.

In support of the Council's mission:

*The vision for our property estate is to own, occupy or use properties that empower the Council to perform excellently in the delivery of its services and Corporate Plan themes on behalf of the borough's residents, businesses and visitors.*

The Council owns the majority of the estate on a direct freehold interest basis. Owning the property freehold interest gives the Council the advantage of having full control over its operational property estate from which it delivers services. The Council also holds a significant amount of non-operational property. Whilst an element of control to varying degrees is passed to the tenant, the Council receives other benefits such as rental income and the transfer of risk through contractual lease terms.

Property's role and delivery of the property estate vision is multifunctional falling into two categories: Corporate roles linked to the delivery of corporate priorities, service delivery and finance; and, property specific roles to increase productivity, improve service quality and deliver savings from properties.

These roles are set out below along with desired outcomes from the estate linked to the five fundamental themes of the Corporate Plan:





Property's role and delivery	Corporate Plan Theme	Desired outcome
<b>Corporate related</b>		
Assists in the delivery of the Corporate Plan	All themes	For all properties to support the Council's corporate vision and five fundamental themes and strategic priorities
Operates to full potential in the delivery of services	Society	To own, occupy or use only excellent performing operational properties that fulfil service needs and provide what customers want
Provides financial resilience	Our Council	To strengthen the financial resilience of the Council by being a secure and stable property estate, releasing value through sales when needed

Property's role and delivery	Corporate Plan Theme	Desired outcome
Generates operational income for a service	Our Council	To receive the best income possible from a property either by renting or by charging out for a service
Achieves maximum return from investment property	Our Council	To deliver highest possible financial return from a strong, secure and expanding investment property estate to support our Revenue Account
Acts as a lever to create economic growth	Economy	To have maximised opportunities to supply land for unlocking or generating future economic growth
Property specific		
Provides flexible and efficient work spaces	Our Council	To occupy properties that meet modern working standards and work practices at the least space we need to reduce costs
Contains buildings of high quality and standard	Our Council	For all buildings to be held at a high standard of repair to assure visitors and users that our properties are looked after and well-maintained
Demonstrates value for money	Our Council	To operate from properties that provide the maximum value to the required standard at the least cost within the resources available
Is properly, efficiently and effectively managed	Our Council	For the property estate to be excellently managed by competent staff and proper procedures at good value for money
Is strategically asset managed	Our Council	For the Council to be managing its property estate at a strategic level with proper governance and councillor review
Is statutorily compliant	Our Council	For all properties to be fully compliant with statutory requirements including health and safety and energy regulations
Is environmentally sustainable	Sustainability	To have an estate with plans in place to achieve minimum carbon emissions and energy and water consumption targets

### 3. PROPERTY OBJECTIVES

Key aims and objectives from to meet each desired outcome:







Assists in the delivery of the Corporate Plan		
Desired outcome – For all properties to support the Council’s corporate vision and five fundamental themes and strategic priorities		
Objectives	Achieving	How
Incorporate the Corporate Plan fundamental themes in all property management actions and decisions		Property Review Group and Lead Member approval
Deliver specific Corporate Plan targets relating to property excluding Council dwellings		Executive Head of Dev responsibility to complete actions





Operates to full potential in the delivery of services		
Desired outcome – To own, occupy or use only excellent performing operational properties that fulfil service needs and provide what customers want		
Objectives	Achieving	How
Set clear parameters and processes against which to review performance of properties relevant to the service		Asset Strategy and Asset Management Framework
Routinely and regularly assess existing properties against performance criteria relevant to the service and the property		Asset management plans and customer surveys
Ensure business plans include statement on best use of properties for delivery of the Service	Planned	Future business planning process will include this
Sell or transfer properties that we no longer need and categorise as Surplus assets on the Asset Register		Strategic Property Review and Property Review Group
Invest in properties where necessary to ensure each property remains fit for purpose and improves service capability		Capital schemes and business planning process
Buy new operational properties to improve quality, location or accessibility of a service supported by robust business case	Apply where applicable	Capital schemes and business planning process

Provides financial resilience		
Desired outcome – To strengthen the financial resilience of the Council by being a secure and stable property estate, releasing value through sales when needed		
Objectives	Achieving	How
Be ready and act quickly to release value from the sale of a property when an opportunity or necessity exists	Yes	Asset Development; Finance Scrutiny Group
Use the strength of our property ownership status, its values and its income to secure a strong balance sheet	Yes	Medium term financial strategy and plan
Utilise the property estate to support the Council's medium term financial strategy	Yes	Medium term financial strategy and plan
Ensure property values are maintained through effective property management of the estate	Yes	Asset Development property management skills

Generates operational income for a service		
Desired outcome – To receive the best income possible from a property either by renting or by charging out for a service		
Objectives	Achieving	How
Agree terms and conditions for new property leases that provide the Council with overall best consideration	Yes	Asset Development lead on lease negotiations
Seek opportunities to lease out unused, vacant operational buildings and land	Yes	Heads of Service in consultation with Asset Development
Consider the opportunity cost of owning the property when making decisions on the future use of a property	Yes	Property performance review; asset management plans
Generate full income possible from operational estate investing in facilities to increase revenue	Yes	Heads of Service; business planning process
Buy new properties to increase revenue	Apply where applicable	Business planning; Transformation Programmes



Achieves maximum return from investment property		
Desired outcome – To deliver highest possible financial return from a strong, secure and expanding investment property estate to support our Revenue Account		
Objectives	Achieving	How
Manage the investment properties in line with the Council's Asset Investment Strategy		Property Review Group; Finance Scrutiny Group
Buy £25.7 million of new investment property by March 2016 that meet the Asset Investment Strategy criteria	Underway	Asset Development; Property Review Group
Actively manage and review investment properties to improve the rate of return, reduce risk and enhance the income generated		Asset Development; Property Review Group
Regularly review targets for future investment output to deliver a minimum acceptable financial reward		Head of Financial Services; Property Review Group
Generate the best income possible with terms and conditions for new leases that provide the Council with best overall return		Asset Development lead on lease negotiations
Ensure tenants keep to their obligations within the lease with processes in place to check rent receipts and compliance with lease terms		Asset Development
Invest in investment properties where necessary to ensure properties remain fit for purpose and retain their value		Capital schemes; Asset Development

Acts as a lever to create economic growth		
Desired outcome – To have maximised opportunities to supply land for unlocking or generating future economic growth		
Objectives	Achieving	How
Use Council owned sites for development for economic regeneration		Major Projects Programme Board
Use General Fund property sites where appropriate to assist housing development to meet housing targets		HRA business plan; Major Projects Programme Board
Enter into partnership arrangements for future development of sites		Executive Head of Development; Major Projects Programme
Identify Council owned sites suitable for economic regeneration or development within the Local Plan		Local Plan process; Town Centre Working Group

Provides flexible and efficient work spaces		
Desired outcome – To occupy properties that meet modern working standards and work practices at the least space we need to reduce costs		
Objectives	Achieving	How
Lease out or sell property no longer needed by the Council	Yes	Heads of Services working with Asset Development
Arrange office accommodation that delivers the most efficient floor layouts to minimise total floor space required	Yes	Heads of Services working with Office Services
Share space with other organisations and seek possibilities for collocation	Yes	Heads of Services working with Asset Development
Provide accommodation fit to accommodate and embrace new technologies and work place designs	Yes	Heads of Services working with Business Systems
Reduce work space per employee, where appropriate	Yes	Heads of Services working with Office Services
Be ready to meet changes in alternative work styles, headcount, shared service provision, internal reorganisation and remote working	Apply when required	Corporate Management Team; Office Services

Contains buildings of high quality and standard		
Desired outcome – For all buildings to be held at a high standard of repair to assure visitors and users that our properties are looked after and well-maintained		
Objectives	Achieving	How
Keep our properties in good condition by undertaking regular condition surveys	Yes	Asset Development and Housing Repairs
Link the output of the condition surveys to an identifiable programme of works and match this with the annual repair and maintenance budget	Yes	Asset Development; Executive for financial approval
Keep close control on reactive and planned repairs programme during year to ensure delivery of works within budget	Yes	Asset Development and Housing Repairs

Demonstrates value for money		
Desired outcome – To operate from properties that provide the maximum value to the required standard at the least cost within the resources available		
Objectives	Achieving	How
Undertake cost analysis and option appraisals as part of process for determining whether to fund capital improvements to properties	Yes	Heads of Service via the Capital programme
Keep the level of capital spend on improving properties to a minimum whilst maintaining quality and standards	Yes	Heads of Service via the Capital programme
Ensure robust processes are followed when arranging works to encourage competitive and best value pricing	Yes	Asset Development when arranging works
Sell or transfer high cost and under-utilised properties	Yes	Property Review Group review of asset management plans
Identify efficiencies in costs by collocation of like functions	Yes	Executive Heads of Services; Property Review Group

Is properly, efficiently and effectively managed		
Desired outcome – For the property estate to be excellently managed by competent staff and proper procedures at good value for money		
Objectives	Achieving	How
Run an efficient property services team employing appropriately qualified and trained staff	Yes	Executive Head of Development and Asset Dev Manager
Continually monitor performance of staff through performance reviews and internal communications	Yes	Executive Head of Development and Asset Dev Manager
Improve the service quality, standards and processes by which properties are managed at minimal cost	Yes	Asset Development
Improve the administration of the estate wherever possible improving on data collection, reporting and transparency at minimal cost	Yes	Asset Development Manager

Is strategically asset managed		
Desired outcome – For the Council to be managing its property estate at a strategic level with proper governance and councillor review		
Objectives	Achieving	How
Routinely and consistently challenge the ownership, use, performance and strategy for owning, occupying or using properties	Yes	Strategic property review
Routinely and consistently review the framework for assessing performance and review of properties and property management	Yes	Property Review Group
Routinely report to councillors on the strategic management process, reviews and performance as part of the scrutiny and challenge process	Yes	Asset Development
Adopt a corporate landlord approach to the management of the property estate	Yes	Asset Development working with Heads of Services
Use external benchmarking and trend analysis to understand changes in the outcomes of the estate and set internal targets for improvement	Yes	Property Review Group review of property performance

Is statutorily compliant		
Desired outcome – For all properties to be fully compliant with statutory requirements including health and safety and energy regulations		
Objectives	Achieving	How
Embed processes and procedures to ensure properties are tested for compliance in line with the Council’s health and safety policies	Partly achieved	Asset Development and Mechanical and Engineering Services
Regular compliance checks and monitoring set up and follow up works undertaken within clear parameters on costs	No	Heads of Service and Building Managers
All compliance monitoring records are always up to date and accessible to all staff responsible for monitoring	No	Heads of Service and Building Managers
Staff responsible for compliance have the necessary knowledge and skills to carry out the checks and recognise non-compliance	No	Heads of Service and Building Managers
New landlord and tenant agreements are clear about which party in the contract is responsible for each compliance matter	Yes	Asset Development
Operational properties comply with all carbon and energy related legislation	Yes	Asset Development; Mechanical and Engineering Services

Is environmentally sustainable		
Desired outcome – To have an estate with plans in place to achieve minimum carbon emissions and energy and water consumption targets		
Objectives	Achieving	How
Sustainability Strategy (to be developed) objectives and policies are incorporated into property management actions and decisions	Planned	Property Review Group; Energy Group
Increase the resource efficiency of buildings through insulation, solar panels, rainwater collection and other energy reduction systems	Yes	Property Review Group; Climate Change and Energy
Monitor and report on building performance and respond quickly to consumption anomalies identified in the monitoring process	Yes	Asset Development; Climate Change and Energy teams
Seek opportunities to harvest energy from renewable energy resources from our buildings	Yes	Climate Change and Energy team
For vacant properties, conduct inspections and take action to ensure consumption and Carbon Reduction Commitment costs are minimised	Yes	Asset Development and Building Managers

#### 4. PERFORMANCE INDICATORS

This section sets out how the Council will assess the performance of the property estate against each desired outcome using:

- Target based indicators, where the Council set its own goal to achieve
- Trend analysis indicators, using data to show general changes in the portfolio, for example, on property values
- Benchmark indicators, whereby the Council can compare its performance to others.

The chosen performance indicators for each property role and desired outcome serve as a comprehensive set of measures to report the property estate's contribution to corporate performance and identify any emerging trends and changes.

Indicators marked with a \* will come from the capital outturn return (COR) series, published annually by the Department of Communities and Local Government (DCLG), based on returns supplied by councils. These include profiles on property income, spend and value useful for showing the Council's performance against national trends on capital spending and values and may help to identify potential risks for the Council in its property estate. It also allows the Council to compare spending and values with other councils of the same type, for example, that serve areas that are similar in terms of population and economic factors, or within geographic areas.

Indicators marked with a + will come from the Chartered Institute of Public Finance and Accountancy's (CIPFA) "Property Services Value for Money (VFM) Exercise". Two years ago, CIPFA started a benchmarking exercise of local authority property services, which provides useful information to demonstrate value for money and service effectiveness against a number of service indicators. CIPFA also provides a benchmarking service for Councils to use property performance indicators (PPI) to compare their estates with other local authority property estates.

Indicators marked with a # will come from Council held data.

Corporate Plan indicators	Indicator type	Use	Source
Purpose: To measure how well properties support the Council's corporate vision and five fundamental themes and strategic priorities			
To complete detailed review of investment properties and implement outcomes of review by March 2014	Target (achieved)	To ensure property is fit for purpose	Asset Development team <sup>#</sup>
To develop business case to utilise our financial assets and expand our investment portfolio by Dec 2013	Target (achieved)	To ensure property is fit for purpose	Asset Development team <sup>#</sup>
To complete initial review of Council's office accommodation and consider refurbishment by December 2013	Target (achieved)	To ensure property is fit for purpose	Asset Development team <sup>#</sup>
To increase the annual income from investment properties by £2 million from March 2012 and March 2018	Target	To address funding shortfall	Asset Development team <sup>#</sup>

Service suitability indicators	Indicator type	Use	Source
Purpose: To measure the suitability of operational properties to service delivery with targets to work towards an excellent performing estate			
Percentage of all operational properties that achieve suitability scores of 80 or greater	Target	Improve suitability of our properties	Asset management plans <sup>#</sup>
Percentage of all operational properties that the Council is satisfied are suitable to keep	Target	Work towards 100% Keep	Asset management plans <sup>#</sup>
Percentage of total operational property floor space identified as suitable to keep	Trend	Identify annual changes in suitability	Asset management plans <sup>#</sup>

Financial resilience indicators	Indicator type	Use	Source
Purpose: To measure how the property estate is performing in value terms to provide some certainty whether values are stable for at least the foreseeable future			
Percentage change in (real) capital value of the estate and by category compared to the previous year	Trend	Spot emerging changes in capital value	Asset Management VFM profiles*
Property investment return compared to alternative investments and property market performance	Trend	Shows choice of property as an investment	Financial Services data <sup>#</sup>
Total value of investment estate as a proportion of net spend (total service expenditure) compared with others	Benchmark	Compares importance of investment	Asset Management VFM profiles*

Income indicators	Indicator type	Use	Source
Purpose: To measure whether the Council income from its operational estate is being maintained at previous year's level or above and maximise any opportunities for improvement with targets to increase income			
Total annual rental income from leased operational properties	Target	Work towards a service target	Revenue Account <sup>#</sup>
Total additional annual income from leased operational properties	Target	Work towards a service target	Revenue Account <sup>#</sup>
Percentage annual change in rental income from the operational property estate	Trend	Show annual changes in revenue	Revenue Account <sup>#</sup>

Income indicators	Indicator type	Use	Source
Percentage annual change in additional income from the operational property estate	Trend	Show annual changes in revenue	Revenue Account <sup>#</sup>
Percentage current rent over market rental to identify opportunity cost	Trend	Show changes in lost income opportunities	Revenue Account <sup>#</sup>

Investment property indicators	Indicator type	Use	Source
Purpose: To measure whether the Council's investment property is meeting the target financial return required against alternative investments with targets to improve income			
Total rental income as a proportion of capital value of investment property estate	Target	Achieve Council target or better	Asset Investment Strategy
Percentage of all investment properties that the Council is satisfied are suitable to keep	Target	Work towards 100% Keep	Asset management plans <sup>#</sup>
Percentage annual change in rental income from the investment property estate	Trend	Show annual changes in income levels	Revenue Account <sup>#</sup>
Percentage change in (real) capital value of investment property estate compared to the previous year	See Financial Resilience indicator	Show annual changes in capital value	Asset Management VFM profiles <sup>*</sup>

Economic growth indicators	Indicator type	Use	Source
Purpose: To measure whether the Council is maximising its properties for development or contributing to economic regeneration			
Total number of Council owned properties sold for development or regeneration purposes	Trend	Show annual changes in commitment	Major Projects Prog Board <sup>#</sup>
Total number of properties involved in a development project under contract	Trend	Show annual changes in commitment	Major Projects Prog Board <sup>#</sup>
Total number of properties that form part of a working group regeneration project	Trend	Show annual changes in commitment	Major Projects Prog Board <sup>#</sup>



Work space efficiency indicators	Indicator type	Use	Source
Purpose: To measure improvements in efficient use of office accommodation with target to reduce floor space occupied			
Square metre office floor space occupied per number of Full Time Equivalent employees	Target	Work towards industry standard	Asset Development #
Square metre office accommodation floor space occupied compared to other organisations	Benchmark	Compare performance to others	Property Performance Indicators <sup>+</sup>
Total vacant office floor space	Trend	Show annual changes in efficiencies	Asset Development #

Building performance indicators	Indicator type	Use	Source
Purpose: To measure the condition of Council's buildings and spend on revenue maintenance compared with previous year, with targets to improve performance			
Percentage of floor space in good or satisfactory repair compared to other authorities	Benchmark	Compare performance to others	Property Performance Indicators <sup>+</sup>
Percentage of properties in good or satisfactory repair	Target	Work towards or improve on benchmark	Property Performance Indicators <sup>+</sup>
Proportion of properties in urgent need of repair by number of properties and by amount of floor space	Benchmark	Compare performance to others	Property Performance Indicators <sup>+</sup>
Required maintenance cost at different priority levels compared to other authorities	Benchmark	Compare performance to others	Property Performance Indicators <sup>+</sup>
Total required maintenance cost per square metre compared to other local authorities	Benchmark	Compare performance to others	Property Performance Indicators <sup>+</sup>
Total maintenance spend in previous financial year per square metre compared to other authorities	Benchmark	Compare performance to others	Property Performance Indicators <sup>+</sup>
Total maintenance spend in previous financial year per square metre	Target	Work towards or improve on benchmark	Property Performance Indicators <sup>+</sup>
Proportion of reactive maintenance cost versus planned maintenance cost compared to other authorities	Benchmark	Compare performance to others	Property Performance Indicators <sup>+</sup>

Percentage revenue repairs and maintenance programme delivered on budget	Trend	Show annual changes in efficiencies	Asset Development #
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Value for money indicators	Indicator type	Use	Source
Purpose: Cost over Value measures To operate from properties that provide the maximum value to the required standard at the least cost within the resources available			
Value of operational properties per head of population	Trend	Show worth of estate for each resident	Asset Management VFM profiles*
Value of investment property per head of population	Trend	Show worth of investment for each resident	Asset Management VFM profiles*
Gross property cost of the operational estate as a percentage of gross revenue budget compared to others	Benchmark	Compare cost efficiency with others	Property Performance Indicators <sup>+</sup>
Gross property cost of the operational estate per square metre by category compared to others	Benchmark	Compare cost efficiency with others	Property Performance Indicators <sup>+</sup>

Management efficiency indicators	Indicator type	Use	Source
Purpose: For the property estate to be excellently managed by qualified and competent staff at good value for money			
Average base FTE salaries across all property disciplines compared to other authorities	Benchmark	Compare performance to others	Property services VFM exercise <sup>+</sup>
Total cost spent on strategic asset management activity compared to other authorities	Benchmark	Compare performance to others	Property services VFM exercise <sup>+</sup>
Total staffing cost plus consultancy cost as percentage of capital programme compared to others	Benchmark	Compare performance to others	Property services VFM exercise <sup>+</sup>
Total staffing plus consultancy cost as a percentage of the maintenance budget compared to others	Benchmark	Compare performance to others	Property services VFM exercise <sup>+</sup>
Total staffing plus consultancy cost as a percentage of average investment property income compared to others	Benchmark	Compare performance to others	Property services VFM exercise <sup>+</sup>

Strategic management indicators	Indicator type	Use	Source
Purpose: For the Council to be managing its property estate at a strategic level with proper governance and councillor review			

Percentage of properties for which an asset management plan has been produced over the last five years	Target	Work towards 100%	Asset management plans <sup>#</sup>
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Statutory compliance indicators	Indicator type	Use	Source
Purpose: To monitor progress in providing compliant buildings in line with government regulation and standards, with targets to ensure full compliance			
Percentage of properties for which an access audit has been undertaken	Target	Work towards 100%	Asset Development #
Percentage of properties for which an accessibility plan is in place	Target	Work towards 100%	Asset Development #
Percentage of properties for which a fire risk assessment has been undertaken	Target	Work towards 100%	Asset Development #
Percentage of properties for which a fire risk assessment is in place	Target	Work towards 100%	Asset Development #
Percentage of properties for which an asbestos management plan is in place where one is required	Target	Work towards 100%	Asset Development #

Environmental sustainability indicators	Indicator type	Use	Source
Purpose: To have an estate with plans in place to achieve minimum carbon emissions and improve energy efficiency			
Energy cost per square metre for operational property compared to other authorities	Benchmark	Compare performance to others	Property Performance Indicators <sup>+</sup>
Water cost per square metre for operational property compared to other authorities	Benchmark	Compare performance to others	Property Performance Indicators <sup>+</sup>
Energy consumption per square metre for operational property compared to other authorities	Benchmark	Compare performance to others	Property Performance Indicators <sup>+</sup>
Carbon emissions per square metre from operational property compared to other authorities	Benchmark	Compare performance to others	Property Performance Indicators <sup>+</sup>
To reduce carbon emissions from operational property by 43% by 2019-20 against a 2008-09 baseline	Target	Working towards reduction	Annual Green House Gas Report <sup>#</sup>
All properties requiring an Energy Performance Certificate (EPC) to achieve minimum rating of D by 2018	Target	Improve reputation and reduce costs	Asset Development #

All properties requiring a Display Energy Certificate (DEC) to achieve a minimum rating of D by 2018	Target	Improve reputation and reduce costs	Climate Change and Energy <sup>#</sup>
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## 5. CORPORATE PLAN THEMES AND STRATEGIC PRIORITIES

The Council's Corporate Plan 2013 sets out the vision for the borough and the priorities that the Council will follow to develop future strategies and plans over the next three years.

The Council's vision is for Guildford to be a town and borough:

- with strong infrastructure
- world-class businesses with capacity to expand and deliver growth
- an evolving and vibrant economy
- which creates a progressive and sustainable environment
- for people today and future generations living in an ever improving society

This section shows how the property estate has played and continues to play its part in achieving the Council's five fundamental themes in support of the Council's vision for the borough. The five themes plus the Council's strategic priorities influence the way the Council involves property at a strategic level as well as day-to-day property management activities.

How the property estate is helping to deliver the Council's desired outcomes by 2016 is set out below:

### **Infrastructure**

The Council's strategic priority is to develop effective infrastructure and transport services to support development of the borough's economy and housing needs working closely with Surrey County Council as highways authority and the Highways Agency to facilitate an improved transport network. As a major landowner, the Council will consider the release of its land where appropriate where this would make a significant contribution to improving transport and pedestrian flows and technology connectivity. For example, preparing to release land to create a new link road from Slyfield Industrial Estate to Clay Lane in north Guildford as part of the Slyfield Area Regeneration Project. This major infrastructure project will assist with unlocking value in the Slyfield Industrial Estate.

### **Economy**

Helping the borough's economy to grow is a key theme of the Council's Corporate Plan and the Council's property estate is a major resource to enable this to happen. The Council is working with partners and key stakeholders to unlock the potential development of key sites in Guildford town centre, such as, the recently sold Bellerby Theatre Site to Waitrose where private sector investment will improve the retail offer in the town. Other town centre sites are under consideration and will unlock value in the Council own sites. Sites further out from the town centre include Slyfield Industrial Estate where the Council is working with partners and key stakeholders to regenerate the area to stimulate growth and expand employment generating opportunities and enterprise.

## **Development**

The new Local Plan places the requirement for sustainable development at the heart of meeting the changing needs and future growth in the borough. Council owned property is a key strategic resource to make this happen. Major projects to support its Economy Strategy, Housing Strategies and HRA Business Plan to bring forward new commercial opportunities and add housing to the borough include, for example, the Slyfield area project mentioned above, which will add significant number of new homes, and the recent sale of land at Ripley to A2Dominion Housing providing thirty-seven new affordable homes. For Affinity Sutton in West Clandon, the Council granted easements and exchanged land to enable the development of fourteen affordable homes, which are due for completion in early 2015; and with Riverside ECHG, is entering into an agreement to build flats on Council owned garage land.

The Council is building affordable homes on its own land and recently completed three houses for rent in Normandy. There are a further sixty-two affordable units under construction at Lakeside Close, Ash and New Road, Gomshall, which will complete in 2015, all for affordable rent. The Council is also building five traveller accommodation pitches at Ash Bridge, and hopes to provide further traveller accommodation using Council-owned sites.

The development project at Slyfield mentioned above will bring an old landfill site back into economic use as well as provide new housing.

## **Sustainability**

The Council's theme on sustainability includes priorities to maintain, protect and enhance our natural and built environment and keep the borough a safe, clean and attractive environment. For its own properties, the Council works hard to maintain these standards both on its buildings but also land. Parks and Leisure Services received seven green flag awards in 2014 achieving the recognised national environmental standards for parks and green spaces at Stoke Park, Sutherland Memorial Park, Allen House Grounds, Castle Grounds, Riverside Park and Nature Reserve, Crematorium and Stoke Cemetery.

The Council is also dedicated to reducing energy consumption in its own properties. An Energy Group meets monthly to analyse energy consumption and carbon footprint scrutinising possibilities for further improvement out of the Council's property estate whenever the opportunity arises. The Council is successfully working towards its target to reduce carbon emissions by 43 per cent by 2019-20 against a 2008-09 baseline.

## **Society**

The Council assesses all properties occupied and used by the Council in the provision of public service to ensure they are fit for purpose. This is important to the Council in supporting its strategic priority to improve public health and wellbeing outcomes for residents.

## 6. PROPERTY ACHIEVEMENTS

This section describes recent projects and work undertaken by the Council to demonstrate how property has contributed directly or indirectly towards achieving Corporate Plan targets.

### Fit for purpose achievements:

The Corporate Plan identifies the following property specific actions and targets within its Action Plan to ensure the Council's property estate is fit for purpose. The table below shows the milestones achieved:

Corporate Plan targets	Milestone achieved	Milestones achieved
To complete a detailed review of our investment assets and implement the outcomes of the asset review by March 2014		<p>COMPLETED – Actions taken:</p> <p>The detailed strategic property review was completed. The outcomes from this first phase lead to a second review to complete the Business Case for our investment properties as outlined below.</p> <p>The outcome of the asset review resulted in eighteen garden and grazing parcels identified for sale. Sixteen are agreed with the purchaser, of which eleven are sold.</p>
To develop a business case to utilise our financial assets and expand our investment portfolio by December 2013		<p>COMPLETED – Actions taken:</p> <p>The Executive approved the new Asset Investment Strategy on 2 September 2014.</p> <p>£17 million of new investment assets bought, increasing investment property income by £1.46 million</p>
To complete an initial review of the Council's office accommodation and consider refurbishment and development of the Millmead site by December 2013		<p>COMPLETED – Actions taken:</p> <p>The initial review was completed and presented to the Leader and Councillors in November 2013.</p> <p>Millmead Project Team set up to procure and implement refurbishment of Millmead House Complex with work due to start on site in 2015, with the view to the Council continuing to occupy and operate from this site for next ten years.</p>

## Further achievements

The Council's properties also contribute to other desired outcomes of the Corporate Plan. Achievements towards these are set out in the table below:

Outcomes by 2016	Property related achievements
<b>Transport</b>	
To deliver a new Transport Strategy	The Town Centre Vision Group involves property by identifying land the Council owns along transport corridors and within the town centre that could be used in schemes to improve the transport and economic infrastructure.
To deliver viable long term solutions identified for A3 and gyratory	Working with the Highways Agency and Surrey County Council to identify solutions that could include land owned by the Council.
To improve car parking capacity	Work is ongoing looking at existing car park capacity within Council owned properties as well as utilising land not owned by the Council. For example, the new park and ride in north Guildford where the Council lease in land from Surrey University.
To support the expansion of Superfast Broadband across the borough, particularly in rural areas	The Council continues to enter into a number of arrangements with broadband infrastructure providers to allow access on to Council land and long-term agreements for rights over Council land.
<b>Economy</b>	
To secure a development partner with plans in place for the regeneration of North Street	Negotiations are ongoing with the Council's preferred development partner to secure possible future development and regeneration of this part of the town centre.
To build relationships with a significant number of key employers in the borough	The Council owns a significant proportion of industrial land in the borough and built up a relationship with the tenants and occupiers over a number of years. Through this relationship, the Council has good understanding of the borough's industrial and retail economies.



Outcomes by 2016	Property related achievements
To support a significant number of small and medium sized businesses in their growth plans	Leasing out small industrial units at Slyfield and Ash Vale on short-term leases helps to support fifty small businesses in the borough. The Asset Development team has supported tenants of growing businesses to move to larger premises even if this means moving out of Council owned property. The Council is considering using one of its own buildings to expand its offer to provide incubator units for small office based enterprises.
To protect and enhance the borough's local heritage	<p>As the owner of many heritage and listed buildings, a significant proportion of recently planned maintenance work focussed on repairs to these buildings. The Council has undertaken works to Guildhall, Guildford House and Brew House, Guildford Museum and Wanborough Barns.</p> <p>The castle and museum development project, Guildford Heart of Heritage, is a major scheme that will unite these adjacent sites, transform them into a key cultural, tourist attraction and establish them as the heart of a new heritage quarter in Guildford. The Council is seeking significant funding for the project from the Heritage Lottery Fund (HLF). A first-round application was submitted in November 2014 with a decision by HLF expected March 2015.</p>
<b>Development</b>	
To adopt a new Local Plan	Council owned sites are identified where appropriate for use to deliver part of the Local Plan.
To put in plans to deliver 150 new Council homes with 80 completed	Various Council owned sites are currently under consideration for possible development to provide new Council homes including Guildford Park Car Park. Several Council owned sites are under development delivering sixty-two new affordable homes at Lakeside Close, Ash and New Road, Gomshall in 2015.
To enable more new affordable homes across the borough	Several sites are under development by housing associations. Housing association providers are in contract on several private development sites and are discussing other opportunities.

Outcomes by 2016	Property related achievements
To enable the new pitches and plots for the traveller communities as identified in the Traveller Accommodation Assessment	The Council is reviewing available parcels of Council owned land for possible provision of new traveller sites including Home Farm Effingham and Ash Bridge Caravan Site.
<b>Sustainability</b>	
To reduce the Council's carbon emissions by 43 per cent by 2019-20	<p>Carbon reduction measures at several Council owned properties have reduced carbon emissions by seventeen per cent between 2008-09 and 2013-14. Measures include variable speed motor drives, LED lighting and boiler replacement.</p> <p>As the landlord for a number of non-domestic properties, the Council has a requirement to comply with Section 49 of the Energy Act 2011. This stipulates that a landlord of a non-domestic property that falls below a certain level of energy efficiency may not let the property until they have complied with the obligation to make the relevant energy efficiency improvements provided for by the regulations. The regulations will come into force on 1st April 2018 at the latest and work is underway to improve energy efficiency in leased properties where the Council retains responsibility under the lease.</p>
To see developments that incorporate best practice in low carbon technologies and sustainable living	<p>The Council owns the hydroelectric plant, which uses waterpower from the River Wey to generate electricity.</p> <p>The Council implemented a range of new technologies at the Electric Theatre to reduce its energy consumption to minimum possible levels, for example, LED stage lights.</p> <p>The Council is investigating the possibility of installing water source heat pumps and heat networks that provide centralised heat sources at its properties.</p>
<b>Society</b>	
To improve the health and wellbeing of local residents by promoting participation in sports and leisure activities	New facilities over the past year include the letting of the new boxing club at Park Barn Community Centre and tree top adventure course at Stoke Park. The Council also sold the Rowing Club at Shalford Watermeadows to secure the viability of this activity.

Outcomes by 2016	Property related achievements
Developing Our Council	
To improve the access to Council services and increased customer services and increased customer satisfaction levels	Asset Development regularly liaises with tenants, and recent lettings to two community centre tenants involved meeting with management committees to understand their needs and incorporate these into new property agreements.
To better understand residents needs and prioritised and delivered services that matter most to local communities	Officers are working closely with local residents to progress designs for refurbishing Tyting Farm buildings and communicated plans at two public meetings ready for sale of the site in 2015.
To achieve efficiency savings and service improvements through process changes and fundamental reviews	<p>Reviewing properties through the Council's strategic property review process continues, identifying possible sale of properties to improve efficiencies.</p> <p>Significant savings were achieved by rationalising office floor space at Millmead and leasing out vacant floor space to Surrey Police and Surrey County Council and increasing rental income.</p> <p>An external audit in May 2014 on Asset Development property management work concluded:</p> <p><i>"...the Council can take substantial assurance that the controls upon which the organisation relies to manage this area are suitably designed, consistently applied and effective".</i></p>
To maintain effective financial planning to support future service delivery	In 2013, an external firm of surveyors was appointed to undertake a programme of condition surveys on the Council's properties; this has increased our understanding of the condition of properties and improved budget planning and management.
To increase our income through commercial services and our investment properties	Rent reviews and lease renewals are integrated into the Asset Development's service backed up by automatic diary alarms from the Council's electronic property database to ensure we take every opportunity for increasing rental income from existing investment properties.
To improve our leadership and governance structures	The terms of reference of the Property Review Group are reviewed annually to check and update governance arrangements for this working group.

## 7. ACTION PLAN – TARGETS AND MILESTONES

Actions that the Council will take to deliver the Asset Strategy up to 2016:

Action	Resources	Milestone	Difference action will make
Update the Asset Management Framework to align it with Corporate Plan	Existing resources within Asset Development	Obtain Executive approval by February 2015	Properties will be reviewed and challenged against current corporate objectives
Complete the Millmead Accommodation Project as part of the Transformation Programme	Approved capital budget	Obtain Executive approval by February 2015 and start on site in 2015	Visitors, staff and users will have customer friendly, high quality civic suite, reception and canteen
Complete the asset investment strategy endorsed by the Executive on 2 September 2014	Approved capital budget and additional staff resources	From Sept 2014, invest £25.7 million in new properties to increase annual rent by £1.2 million by March 2016	To address funding shortfall with financial aim of increasing the rental income for the Council
Adopt new property performance indicators, collect data and submit annual report on property performance	Revenue budget to subscribe to benchmarking services	Report to Scrutiny Committee and Executive by October 2015	Council will gain better understanding of how its compares to other authorities
Complete an industrial estate growth strategy	Capital bid submitted for April 2015 to employ external consultant	Report to Executive by December 2015	This will promote direct investment into the estates

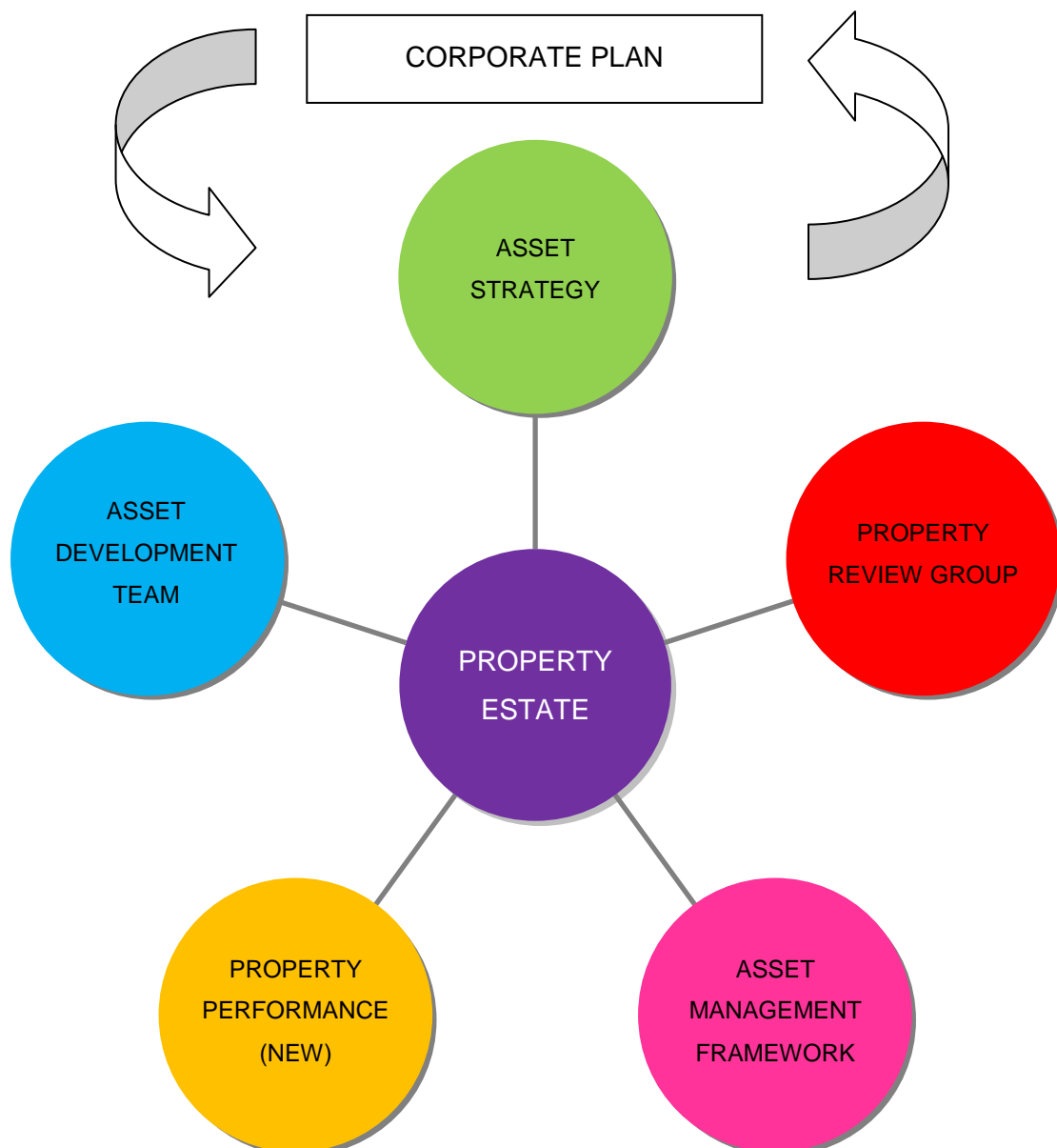
Action	Resources	Milestone	Difference action will make
Include a statement on property needs to support their service in future service business plans	Existing resources within services	Include in Business Planning process for 2015-16	Identify new property needs early in the business planning process
Publish Transparency Agenda property data	Existing resources within services	Data link on website since July 2014	Compliance with the government's agenda
Implement an agreed corporate landlord approach	Existing resources within Asset Development	Set up and convey to services by December 2015	Properties will be managed centrally for repairs, reviews, lettings; The Service occupying or using a property will remain responsible for its operational function as well as day-to-day site management.
Adopt watertight processes and procedures for proper management of statutory compliance of properties in line with the Council's health and safety policies	Additional resources likely for training, plus capital bid submitted for April 2015 for new post in Mechanical and Engineering Services	Adopt and embed processes – March 2016	Reduce risk of non-compliance and clarify roles and responsibilities for staff involved in managing compliance

## 8. ASSET MANAGEMENT ARRANGEMENTS

Proper strategic asset management of the Council's property estate has wide reaching benefits for the Council. It can influence significantly on customer experience and perception for visitors as well as officers, councillors and tenants who use a Council property. A well run property can provide:

- a show of confidence that the Council is professional and capable of running its services
- accessible and fit for purpose buildings, and

The following diagram shows how the Council manages its property estate as a strategic resource underpinning the objectives set out in the Corporate Plan:



The Council manages its property estate as a strategic resource as follows:

1. **The Corporate Plan** – This underpins the whole basis upon which the Council owns, occupies and uses its property estate, its purpose, function, operation and why the Council chooses to make changes as part of future planning.
2. **Asset Strategy** – This Asset Strategy underpins how the property estate will deliver the aims and objectives of the Corporate Plan stating the Council's desired outcomes of the estate, objectives and performance targets, plus an action plan to get there.
3. **Property Review Group** – This working group of officers and councillors provides active governance over property planning and decision making with a watching brief to deliver property outcomes and performance.
4. **Asset Management Framework** – This provides policies on how the Council will actively manage, review and challenge the property estate and the properties within it and whether to keep, improve, sell or transfer properties in context of wider strategic and corporate objectives.
5. **Property Performance** – This is a new arrangement to report annually to the Scrutiny Improvement Committee and the Executive on performance targets, trends and external benchmarks to analyse and explain how the property estate is performing against desired outcomes and comparison with others local authorities.
6. **Asset Development Team** – This team provides in house professional property management skills. Its role is to manage and maintain the property estate, review and update property information on the Asset Manager system, act as corporate landlord on behalf of services and undertake strategic property reviews analysing data on size, use, occupancy, condition, running cost, value and so on.