**Chichester District Council**

**Asset Management Plan**

**2025 – 2030**

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1. The Council’s Property Portfolio.

**Foreword**

The Asset Management Plan (AMP), as approved by the Cabinet and full Council, provides the framework and procedures for Chichester District Council when dealing with landed property matters. The AMP takes account of the latest Government initiatives and guidelines for Local Authorities.

The Guidelines and Procedures incorporated in the Asset Management Plan are reflected in Annual Service Plans and approved annually by the Cabinet and/or Council where required by the constitution e.g. major capital projects. Minor changes to the Plan are made under delegated powers.

The AMP is a Strategic Council document, designed to assist both Members and officers when considering land and property in support of delivery of the Council’s objectives and pledges to the community. The AMP should be considered in conjunction with, and informs, the Financial Strategy.

The Chichester District Council asset portfolio (operational and non-operational) is currently (April 2024) valued at £113million, with rental income generated at around £3million per annum, repair and maintenance budget of circa £360,000 per annum and asset replacement programme costing circa £4.4million over the next 5 years. The financial figures are therefore compelling but the need to ensure the portfolio is effectively managed is also predicated on the need to ensure that the Council’s property remains fit for service needs and that investment property delivers an acceptable rate of return. The AMP will be used to co-ordinate the management, maintenance and review of the Property Portfolio to ensure these objectives are met.

**Cllr Adrian Moss (Cabinet member for Regeneration & Property)**

**EXECUTIVE SUMMARY**

**1. Organisational Arrangements**

1.1 General Considerations

1.1.1 The Local Government Act provides local authorities with general powers to look after the social, economic and environmental well-being of its administrative area.

1.1.2 When considering property, the Council has two distinct roles in Chichester:

(a) The ownership of the portfolio as a landlord/landowner.

(b) As a local authority. The Council has a general power of competence contained within the Localism Act 2011 and in addition has specific statutory powers to acquire and hold property. These are:

(i) A present or future operational purpose.

(ii) Proper planning of the District including the prevention of inappropriate development.

(iii) To facilitate strategic planning and appropriate economic development including fostering employment opportunities.

(iv) For the purposes of the prudent management of its financial affairs

1.1.3 This Asset Management Plan (AMP) ensures the Council manages the portfolio to its best advantage.

1.1.4 The implementation of the AMP makes recommendations as required to Cabinet (and Council if required by the constitution) via the Strategic Leadership Team (SLT). The AMP provides a Strategy for the Council’s present and future requirements for property assets. The AMP is dynamic and has and will need to adapt with periodic reviews (normally annually) to reflect the changing needs of the Council and the community.

1.2 The Council’s Property Portfolio

1.2.1 The assets owned by the Council can be categorised into the following types:

\* Property is categorised as an Investment Property if it is held solely for Investment purposes. The Council holds properties that have been let on commercial leases but as these are held for purposes such as economic development, planning and community purposes they are categorised as PPE.

1.2.2 The composition and value of the Council’s Property Portfolio is summarised in Appendix 1.

1.3 Links to Corporate Structure

1.3.1 The Council’s AMP has been developed to better deliver the Council’s objectives that are set out within the Corporate Plan and Service Plans. The Council’s Treasury Management and Investment Strategy interrelates with the AMP. Added guidance and operational application of the Plans and Strategies is contained in internal procedure notes, including for disposals and new lettings.

1.3.2 The Corporate Plan (2022-2026) sets out the Council’s future priorities and objectives, ensuring that resources are managed effectively. The Plan sets out five priority areas:

Homes for All

1.3.3 The Council has several active corporate strategies, which may not all have direct asset references but are nonetheless key in forming an overall plan to consider use of the Council’s assets: -

1.4 Devolution and Local Government Reorganisation

1.4.1 Devolution involves introducing strategic authorities with an elected mayor across England, so that government can hand more powers down from Whitehall. Elected mayors will oversee these authorities and will be handed more power over things such as strategic housing and planning; transport; environment; support, business and research; and public safety. Local government reorganisation is separate to devolution, but links with the government's overall aims. Sussex has been accepted onto the fast-track devolution route with the proposed timeline for the unitary authorities to be ready in shadow form in 2027. The Council has a commitment to devolution and a route map for creating unitary authorities that will deliver the best outcomes for our communities.

1.4.2 Both devolution and Local government reorganisation could have a direct impact on the Council’s property portfolio, and the implications of this will be regularly reviewed as the position develops.

1.5 Service Strategies

1.5.1 Service Strategies/Plans may contain specific property related objectives which, following an options appraisal and prioritisation are included within the annual Service Action Plans (SAP) subject to the availability of resources. SAPs cover key issues such as:

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| --- | --- |
| * Maintenance Standards | * Future Property Needs |
| * Suitability/Sufficiency of Assets | * Surplus Property |

1.6 The Corporate Property Officer (CPO)

1.6.1 The CPO is the Divisional Manager (with responsibility for the estates and building services functions) and has defined responsibilities that collectively enable the Council to implement:

* Strategic Asset Management
* Tactical Asset Management
* Day-to-day Property Management

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| **Role & Responsibilities** |
| Implementation of the AMP |
| Communicate to Members and SLT on progress in delivering the AMP |
| Recommend what action is necessary to ensure the Council’s property continues to contribute to the Council’s objectives and priorities |
| Assist with the preparation and review relevant plans and policies to determine the ability of the Property Portfolio to effectively achieve delivery of the identified property requirements |
| Identify future property requirements and regularly review under-used or void property to ascertain whether they can meet future property needs or should be earmarked for disposal or investment |
| Develop and co-ordinate property reviews |
| Ensure performance indicators remain relevant to measuring the Council’s objectives set for managing and holding property and review as necessary |
| Ensure a Property Management System is maintained to enable the recording and compilation of data |
| Direct the day-to-day management of the Property Portfolio via the Estates Service except where such responsibility is devolved to service managers |
| Co-ordinate necessary training related to Asset Management |
| Submit reports for decision by the Cabinet/Council on all landed property unless the proposal can be dealt with under delegated powers |
| Maintain a strategic understanding of the Council’s property requirements |

1.7 Estates Service Team

1.7.1 In progressing the aims and objectives of the AMP the Council will ensure that it will employ appropriately qualified property professionals (including Registered Valuers) (whether employed internally or via external consultants) to deliver a strategic Asset Management function on behalf of the authority.

1.7.2 The Council will retain up to date internal procedure notes to ensure that it deals with case work in a professional and consistent manner.

**2. Consultation**

2.1 External

2.1.1 The Council’s decision-making process is underpinned by in house resources that are available to colleagues to provide guidance in how to engage with relevant stakeholders and outline the support available to them. The team also maintain a calendar of consultations being undertaken to ensure transparency and avoid consultation fatigue. Consultation methods include User Questionnaires; Formal Consultation; Targeted Consultation; Stakeholder Forums; Community Forums & All Parish meetings and Council Media such as the Initiatives Magazine.

2.2 Internal

2.2.1 Members – the Council’s internal structures are designed to ensure that Members are involved in the formulation, delivery, monitoring and review of the AMP. The scrutiny role is covered by reports to the Overview and Scrutiny Committee on request. In addition, periodic property tours, which brings to life the key aspects of AMP delivery, are provided for Members.

2.2.2 Officers – Divisional Managers inform the CPO of their requirements for operational land and property via their approved Service Plans. These Plans are reviewed annually and will enable progress to be monitored and requirements to be incorporated within related strategies, for example, the Repairs and Maintenance Programme, Acquisition and Disposal Programme and Capital programme. In addition, via the Council’s Corporate Management Team (SLT and Divisional Managers) occasional reports are made to ensure that the asset management message reaches as wide a range of staff within the organisation as possible.

2.2.3 The community may nominate their interest in an asset through the “Community Right to Bid” and the Asset may be listed on the Councils Register of Community Assets. If this is the case, then legislation ensures that the community have up to six months to negotiate purchase of the Asset before the Council could pursue disposal on the open market. The community may also, in response to initial consultation, look to immediately nominate the building which would confer the same right.

2.2.4 In addition, the English Devolution White Paper (2024) set out the government’s vision for decentralising power to local communities. One of its key aims was to strengthen local decision-making by shifting power from central government to regional and local authorities to allow decisions to be made closer to the communities they affect. Community Asset Transfer (CAT) is a tool that can help enable that power shift by allowing community organisations to take over publicly owned land or buildings. CAT allows local authorities to dispose of land and buildings at less than best consideration (i.e. below market value) if it promotes the economic, social or environmental wellbeing of the area.

2.2.5 The Council has an adopted CAT policy that sets the framework for appropriate local bodies to bring service provision closer to their communities by applying for the transfer of community assets where they can demonstrate community benefit and long-term sustainability. As part of the Policy the Council recognises its obligation to meet its statutory and fiduciary obligations, meaning assets pursuant to a statutory function, or those that support the council’s budgets, will not be considered for transfer.

**3. Data Management**

3.1 Background

3.1.1 The Council recognises that to manage the portfolio effectively the availability of appropriate, accurate and up-to-date data is essential. The Council maintains a property database, held on a Property Management System (PMS) that contains both textual and map-based information (known as the “property terrier”). The details of these systems are set out below together with the ways in which the systems are updated and enhanced to enable improved access to the data which will assist officers and Members in the delivery of the AMP.

3.2 Current Software Systems:

3.3 Future Software Systems and Developments

3.3.2 The Council maintains a record of its own land ownership, but sometimes better outcomes can be obtained for the community by considering the public sector estate collectively. As the opportunity arises the Council will consider joining any collective public sector data record to enable such initiatives to be better exploited in the future.

**4. Performance Management and Monitoring**

4.1 Performance Management

4.1.1 The Council will manage and monitor the use of its property resources to ensure that the portfolio continues to meet the objectives set for holding that property and delivers performance improvements linked to corporate and service objectives, monitored through the Pentana system.

4.2 Monitoring

4.2.1 The Council’s Corporate Objectives are reviewed via Corporate Management Team and the Overview & Scrutiny Committee. The CPO will be made aware of the property needs for the various services within the Council via Service Plans.

4.2.2 Reports are provided to Cabinet, via the Financial Strategy, in order that they are up to date regarding the current position in relation to the budget and progress with capital projects. A Project Management Process is used to assist members consideration and approval of capital proposals (see 5.1 below).

4.2.3 In delivering capital projects the Council will follow its own contract standing orders (CSOs), procurement guidelines and statute. These CSOs allow flexibility dependent upon the size and nature of the project.

**5. Programme and Plan Development and Implementation**

5.1 Option Appraisal/Project Appraisal

5.1.1 A Project Proposal Scheme has been established and approved by the Council to enable the prioritisation of all capital projects exceeding £250,000 in value. All project proposals must include an options appraisal, project objectives (incorporating project specific outcomes), links to Corporate and Service Plans and revenue costs analysis (including whole life costs). All property related capital proposals are assessed by the Corporate Policy Team prior to being considered by the SLT, senior members and the Cabinet for inclusion within the Council’s Capital Programme (contained within the Financial Strategy). Should the Initial Project Proposal (IPPD) be approved a Project Implementation Document (PID) is prepared for approval (to identify milestone tasks and risks and ensure effective allocation of resources during project implementation). Following project completion a Post Project Evaluation (PPE) is undertaken to assess whether the project has satisfied the objectives initially set, including budget and time indicators and users’ needs. The Council uses “Pentana” software to coordinate the project planning to monitoring process.

5.1.2 Guidance and training is provided to staff as required and as part of the PPE process any lessons learnt will be disseminated via the appropriate route.

5.2 Property Review and Rationalisation

5.2.1 Divisional Managers are required to advise the CPO of any property requirements in emerging or approved strategies and plans. As part of the CAT policy, a review of all Council assets has identified those that are designated as community assets and as such available for CAT, subject to qualifying applications being made.

5.3 Capital Programme (as contained within the Budget Spending Plans)

5.3.1 The property elements of the current Asset Replacement Programme and other property related investments are included in the Budget Spending Plans approved annually by Council.

5.3.2 The Programme includes all known property requirements over a three-to-five-year horizon via the Council’s Acquisition Programme, Disposal Programme and major works involving capital expenditure via the Asset Replacement Programme (25-year plan). The Programme is reviewed annually and considered by Members to reflect the changing needs for property within the community it serves as reflected in approved Strategies and Service Plans. Prior to inclusion within the Capital Programme proposals will have been appraised, options analysed and opportunities for partnership working and/or re-use of assets explored.

5.4 Repairs and Maintenance Programme

5.4.1 The Council operates a ring-fenced forward-funded Repairs and Maintenance Programme. This practice will continue as it has ensured that occupied properties are maintained to an appropriate condition for their use. Stock condition surveys were carried out of all Council owned built assets in 2022/23 and the outputs of those surveys will help form the programme for future years.

5.5 Acquisition and Property Development Programme

5.5.1 The Council has developed an Investment Protocol that provides guidance when selecting and proceeding with prospective acquisitions. Opportunities to acquire suitable properties have now reduced considerably and although there is no set ‘programme’ for acquisitions officers will consider opportunities either through market information or direct contact from owners/agents.

5.5.2 The Council has also undertaken property development to provide the dual benefits of generating revenue income at an acceptable rate of return and providing economic development benefits or facilities for potential occupiers. Such projects include the Enterprise Centre and Ravenna Point at Terminus Road and St James Industrial Estate at Westhampnett Road in Chichester.

5.5.4 The Council will consider the use of compulsory purchase powers to assist land assembly where there is a clear public interest test that has been met.

5.6 Under-utilisation and Disposal Programme

5.6.1 It is the continued intention and policy of the Council to raise revenue through property rents, or disposal of surplus sites to generate a capital receipt. All property with potential to provide an acceptable return will therefore be retained by the Council. There will also be cases where it is in the interests of the Council to retain ownership for strategic or estates management purposes. For example, at Terminus Road and Quarry Lane the Council is freehold owner of a high proportion of the land and the Council has added control of land use and development through the leases. It would therefore not be in the interests of the Council to sell individual freeholds which would then fall outside of these controls. The Council will not, however retain vacant property in its portfolio without good reason and land suitable for housing development, in particular, will be more suitable for disposal than retention for letting

5.6.2 Any property declared surplus to requirements is placed in the Council’s Property Disposal Programme. Major disposals, beyond the level of delegation of the Director for Growth & Place will be reported individually to the Cabinet for approval.

**Appendix 1**

**The Council’s Property Portfolio**

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| **Property/Asset Type** | **Number** | |
| Foreshores Base | 1 | |
| Contract Services Works Depot | 1 | |
| Leisure Centres | 3 | |
| Car Parks | 30 | |
| Public Conveniences | 22 | |
| Museums | 1 | |
| Heritage Assets/Properties | 12 | |
| Parks & Open Spaces | 47 | |
| Temporary Accommodation (properties) | 2 | |
| Residential Properties (associated with operational property) | 1 | |
| Residential properties (not associated with operational property) | 2 | |
| Industrial Units | 48 | |
| Commercial & Industrial Ground Leases | 70 | |
| Shops | 50 | |
| Offices | 18 | |
| Sports clubs, community and voluntary organisation premises | 9 | |
| Kiosks and concessions (inc Boot Sale) | 6 | |
| City/Town centre commercial access agreements | 32 | |
| Residential vehicular and pedestrian access agreements | 91 | |
| Miscellaneous lettings (inc crematorium, bus station & bus depot) | 8 | |
| **April 2024**   * Income received (before concessions/other allowances) Circa £3,000,000 * Total Asset Value £113,000,000 | |