



Asset Management Framework

2016 to 2026



Contents

- Asset Management Introduction..... 3
- Asset Management Policy 10
- Asset Management Strategy..... 14
- Asset Management Action Plan 2016 - 201925

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Asset Management Introduction

1 AMP Framework

The Council has adopted a new Asset Management Framework from 2016 which is intended to last us through the next 10 years. This new framework replaces our Corporate Property Strategy 2007-2012. The new framework comprises four separate elements as follows:

- Asset Management Introduction
- Asset Management Policy
- Asset Management Strategy
- Asset Management Action Plan

The benefit of adopting such a structure is that many areas relating to the general approach to asset management are likely to remain constant for a number of years, and by having four separate elements, with different 'lives' the Council can cut down the need to keep rewriting elements every year that do not need rewriting.

It also aids clarity for elected members, senior managers and property staff by separating what are our policy principles, what is the overall strategic direction that everyone is working towards and the short to medium terms actions that the Council will be working on.

The framework is a suite of living documents for convenience divided into four parts. Not all parts of it will need to be updated at the same time for it to remain fresh as a whole. Accordingly readers are advised to ensure that they have all the most up to date parts and the parts should always be read together as a whole to ensure that they have the correct context.

2 The Asset Management Introduction

This Asset Management Introduction describes the context within which the Council has adopted its asset management policy and asset management strategy. It outlines the current financial pressure the Council is under and how this is being addressed. It also provides an overview of the District of East Lindsey and outlines the nature of the property asset portfolio that the Council owns.

3 East Lindsey Profile

Extending over 1,762 square kilometres, East Lindsey is the third largest district in the UK. It is also one of the most sparsely populated, with its 137,623 population spread among some 200 settlements.

The District does not have a single dominating urban centre. Instead, its distinctive widespread settlement pattern is a

legacy of a history of small farming communities with local markets.

The District is home to a greater number of older people than the national norm and its coastal towns and villages are popular retirement destinations.

The District is a safe and healthy place to live with low crime rates and very little noise, air, light, or water pollution. Many residents have migrated to the District for the quality of life.

There are pockets of social deprivation and unemployment is slightly higher than the national mean, average earnings are relatively low and dependence on benefits is high, particularly along the coast where seasonal and temporary employment is common.

Four settlements (Louth, Horncastle, Alford and Spilsby) have built on their historic market town roles to grow and serve wider rural hinterlands. On the coast, Mablethorpe and Skegness have grown to serve both a local rural hinterland and a vibrant but seasonal tourism market. These two different groups of settlements have contrasting characters. The former have attractive town centres, with market squares, streets typified by red brick buildings with pantile or slate roofs. The latter have a much more mixed visual character.

The Lincolnshire Wolds is the only Area of Outstanding Natural Beauty in the East Midlands region and covers one third of the District's area.

The holiday coast between Mablethorpe and Skegness is characterised by lively seaside resort activity. Caravan parks along the coastal plain, accommodating upward of 32,000 static vans, are a popular feature. In addition, this area contains pockets of wild coast and now encompasses a coastal country park.

Farming remains the dominant land use across the District. Farm diversification is increasing with more farm based tourism activities becoming a growing feature in the countryside.

The District's relative isolation, dispersed settlements, and thinly spread public transport services all add to a high level of car dependency.

4 Financial Context

The District Council faces Government funding reductions of at least a further £6,000,000 over the next four years – a third of the Council's net revenue budget. The net revenue budget is the amount left once you subtract the Council's direct income from total expenditure and that has to be funded from Council Tax, Business Rates, Government Grant and locally raised revenue.

The Council has launched its Transformation Programme that focuses on addressing this issue, whilst also ensuring the Council is able to deliver its statutory services. The Council will also continue to support the most vulnerable people living in East Lindsey and maintain a focus on growth and economic development activity.

The Council has no choice in reducing its net revenue budget by £6,000,000 and will do so through a combination of savings and increased income. Setting a balanced budget is a legal requirement placed upon all Councils and East Lindsey District Council must achieve this each year.

To give some idea of the scale of the challenge in 2010/11 the Council had a net revenue budget of £22,683,000. In 2015/16 that budget is £18,242,000. Around £4,500,000 less.

This is how the net revenue budget is made up for the financial year ending 31st March 2016:

Government's Revenue Support Grant	£4,355,447	14.07%
Business Rates	£6,267,669	20.35%
Government's New Homes Bonus	£1,984,834	6.41%
Council Tax	£5,035,004	16.26%
Other grants and collection fund	£73,103	0.02%
Locally raised revenue	£13,248,000	42.89%

Although there have been some changes to services over the past five years, the budget deficit has largely been addressed by doing more with less or investing in services using capital resources to enable the Council to deliver a service more efficiently, therefore reducing running costs. Whilst there will be a continued drive to be as efficient as possible in all that the Council does, this approach can no

longer be relied upon in order to deliver a balanced budget each year. As such the Programme is more radical in its approach to making the savings/increasing income and it does mean the Council will need to stop doing some things and provide some services in a very different way.

A key part of the Programme is the Council's work with partner organisations, including Town and Parish Councils, and how our Councils can work together to provide services to local people in the future.

The Programme covers the following themes:

- Asset Management – managing the Council's assets for the benefit of the community and in a cost effective way for taxpayers.
- Boost the economy and job creation – focusing any resources that are available on supporting economic growth.
- Partnerships – partnership working with other Councils, private, public and voluntary sector organisations across a range of areas of work.
- Service Modernisation – better use of technologies.
- Increased income –how the Council invests money and the money generated through services.

5 Property Portfolio Summary

The Council's property portfolio extends to over 300 separately listed assets with a current aggregate book value of over £80m. Whilst this is not necessarily the value of the assets should they be sold, it nevertheless represents the value of property assets to the organisation.

This is a valuable resource and one which should be managed in an efficient and effective way. If the resource is not managed correctly there is potential for wasting revenue and capital on keeping assets that are either unnecessary or inefficient. Equally there is capital value locked into each of the assets which, if the asset is no longer required, could perhaps be realised through disposal. Where assets are still required then the wrong asset in the wrong location can make a big difference to the efficiency of front line services and impact negatively on customer access to services. If property assets are not well maintained this affects the customer experience and can impact negatively on the Council's reputation in its community.

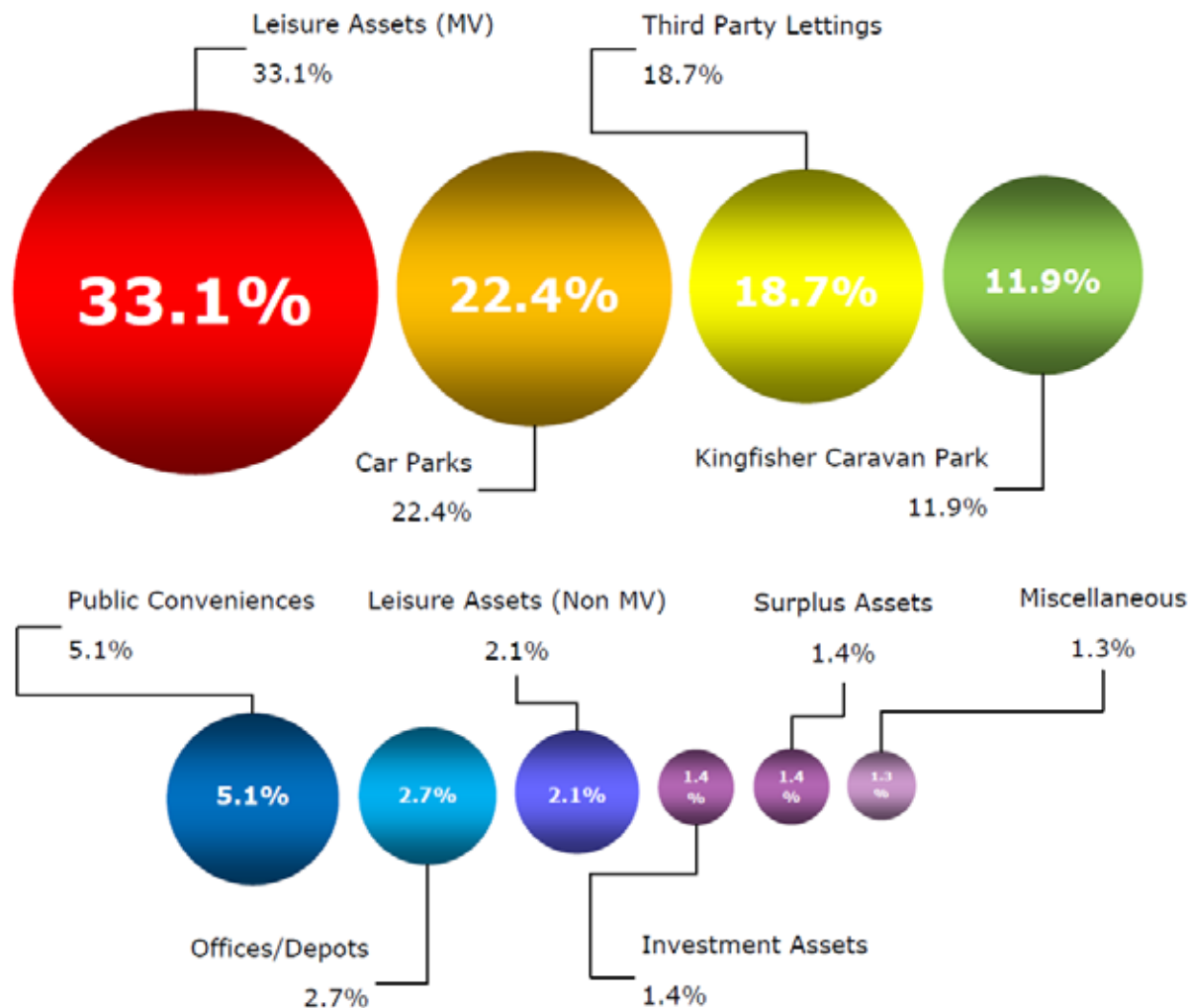
There is a wide range of assets within the current portfolio. It comprises car parks, public conveniences, leisure facilities, offices, depots, assets leased to the third sector as well as a number of commercial investment properties. The purpose of holding these assets varies from asset to asset and consequently how each asset is expected to perform will vary also. Performance of each asset is linked to its strategic purpose for holding it.

6 Asset Profile

The Council's property assets have a book value of just over £80.3m as at 31st March 2016. Whilst this is not necessarily the sum that would be achieved from a sale of the assets, it is clear that this is a considerable resource and one which demands to be managed efficiently and effectively to further the Council's corporate objectives and support local communities.

The following table demonstrates the nature and value of the Council's property holding, across the principal asset groups.

Asset Group	Number of assets	Approximate Book Value (as at 31st March 2016)
Car Parks	54	£18m
Kingfisher Caravan Park	1	£9.6m
Investments	6	£1.1m
Public Conveniences	27	£4m
Sports / Leisure / Culture	58	£28.2m
Third Party Lettings (non-investment)	108	£14.9m
Offices and Depots	9	£2.2m
Surplus	30	£1.1m
Other operational and miscellaneous	40	£1.2m



Many of these assets provide front line services, whilst others are used for indirect service delivery or for supporting local communities. The Council does not hold assets for their own sake, and each retained asset should have a defined purpose and outcome. Some of the assets the Council owns are a legacy from previous acquisitions, donations or local government reorganisation. Our asset challenge process means that we will be reviewing each asset 'group' on a rolling basis to ensure that we only retain those assets that we need.

Whilst all these assets carry an 'asset value' for balance sheet purposes, their continued ownership for the vast majority of assets is not driven by finance but by what is required to deliver services and support our communities. That said, expenditure on assets is an important aspect and we strive to ensure that retained assets are as efficient as possible. Where assets appear to be costly or inefficient we have a duty to challenge the continued retention of that asset and to explore alternatives,

whether that be a non-asset solution or a more efficient asset based solution – either through re-provision or shared use with other organisations.

We are active members of the One Public Estate programme and are working closely with other public sector organisations across greater Lincolnshire to explore opportunities to reduce premises costs and make assets work better for our shared communities and customers.

In other areas some key opportunities for the Council lay in measuring the community contribution that our assets do and can make, including impact on the local business economy, housing and on supporting tourism offerings. Even assets that do not generate a positive financial contribution can nevertheless contribute significantly to these key areas.

We are not dogmatic about asset retention and we are open to considering whatever option of asset ownership will deliver the best outcomes. If there are assets we own where the community would benefit significantly from a different model in partnership with the private sector then we will consider it. If this involves passing ownership to the private sector in a way that will deliver those benefits, and in a way that safeguards those benefits for future generations then we will have no hesitation in exploring it.

We recognise also that there is no such thing as a 'one size' approach to asset provision or ownership models and that what works in and for one community might not work elsewhere. We are keen on establishing the right assets and

model for each community, which respects the differences between communities, and their respective demographics and needs.

We are also keen to constantly challenge the status quo. Where long standing practices are in place we do not see this as a reason to allow them to continue unchallenged, even if on the face of it they appear to be working well. We have a duty to those that contribute to local taxation and who take an interest in how we use our resources to demonstrate probity and prudence. Whether it is a case of Council assets supporting local small businesses or local community activities, we must constantly review what we are doing and why, consider whether it appears to be working and look at how it could be improved. With the current financial constraints on local government, which is unlikely to improve in the foreseeable future, we have to ensure that where business or community activities have become reliant upon Council support – either directly financial or through favourable occupational terms of assets – that this 'reliance' is tested to satisfy ourselves that it is healthy, sustainable and in the long term best interests of the Council and those that we are supporting.

Whilst we have described in this section the need to challenge the use of assets and asset groups, and whilst to a certain extent this has to be programmed to make it a manageable exercise, we regard challenge as being a 'constant'. Our challenge will not necessarily be at fixed points in time but will remain flexible to adapt to changing circumstances. It should be treated as integral to proper

business planning and not seen as an adjunct to the corporate business planning processes.

Our challenge processes are not necessarily driven towards reducing the property holding. Where strategic property acquisition will deliver for us and our communities then this will certainly be considered. If we do acquire property assets they could be for the longer term or they could be for the short term as an 'enabler' for economic development in partnership with the private sector, who might ultimately end up as the asset owner. For us it will depend on what model works best and what provides the best overall return on investment, whether financial, social or economic or a combination of the three.

7 Property policies

- Acquisition Protocol
- Property Disposal Protocol
- Community Asset Transfer Protocol
- The Council's Property Disposal Protocol has been updated as part of the review of the Asset Management Plan. Generally the Council seeks to achieve 'best consideration' in disposing of assets, via a sale subject to competition. In certain circumstances it may be for less than best consideration normally where the disposal will contribute to the achievement of the promotion or improvement of the economic, social or

environmental well-being of the whole or part of the area. On occasions a sale may be negotiated direct with one party, for example a sale to a sitting tenant or a purchaser with a special interest. Any deviation of the principle of best consideration needs to be reported in accordance with the Council's Constitution.

- Where the Council identifies potential surplus assets it makes sure that all reasonable options for the future continued ownership of an asset are considered prior to any decision to sell.
- The Council has implemented a small number of community asset transfers in recent years and our Protocol allows for the identification by the Council of suitable assets for community transfer as well as community groups approaching the Council with a request for an asset transfer. Transfers completed in recent years are:-
 - Church Farm Museum, Skegness (2012)
 - Town Hall, Louth (2012)
 - Corn Exchange, Alford (2014)



Asset Management Policy

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The benefit of adopting such a structure is that many areas relating to the general approach to asset management are likely to remain constant for a number of years, and by having three separate elements, with different 'lives' the Council can cut down the need to keep rewriting elements every year that do not need rewriting.

It also aids clarity for elected members, senior managers and property staff by separating what are our policy principles, what is the overall strategic direction that everyone is working towards and the short to medium terms actions that the Council will be working on.

The framework is a suite of living documents for convenience divided into four parts. Not all parts of it will need to be updated at the same time for it to remain fresh as a whole. Accordingly readers are advised to ensure that they have all the most up to date parts and the parts should always be read together as a whole to ensure that they have the correct context.

2 The Asset Management Policy

This Asset Management Policy is deliberately intended to be a short and concise document that describes the Council's principles adopted in applying asset management to achieve the authority's strategic objectives.

It describes the Council's commitment to property asset management and has been endorsed at a senior level, having been approved by Council in December 2016.

It demonstrates to the public and all stakeholders, including senior decision makers, elected members, practitioners and service providers, how asset management supports the Council's corporate policies. It also provides a visible commitment to achieving the benefits that can be delivered through asset management.

Our Corporate Strategy focusses on three themes:

- Proud of our people
- Proud of our places
- Proud of our performance

A key element of achieving our goals is how we use all our resources, including our property resources. This asset management policy establishes some clear policy principles by which we will manage the property resource and will remain in place for up to 10 years, being revised as necessary before that should the Corporate Strategy be revised or updated.

3 Key Policy Principles

In developing strategy and delivering actions and activities relating to our property portfolio, we will ensure that our portfolio meets certain agreed goals. These are not in any particular list of priority and it is accepted that there will be occasions where some of these elements appear to be in conflict. The key challenge for the Council is ensuring that we maintain an appropriate balance between all these elements as decisions around property assets are taken during their lifecycle:

- Operates as a corporate resource, seeking the best overall outcome for the district as a whole
- Ensures that service demands can be met

- Supports local business needs and encourages new business to the area
- Supports community capacity and well-being, including health, leisure, sport and culture and is socially inclusive
- Contributes positively to a sustainable East Lindsey in terms of housing and employment infrastructure
- Provides an “invest to save” opportunity backed by a sound business case.
- Contributes positively to the visitor economy
- Takes advantage of partnership working and collaboration with other public and private sector organisations as appropriate
- Optimises financial return and commercial opportunities
- Remains adaptive, innovative and flexible

4 Key Asset Management Principles

In addition to the above key policy principles, we will also work to key management principles for the property portfolio. Agreeing these management principles is one thing but there will be work taking place over the coming months to bring clarity of definition to them, so that everyone inside and outside the organisation knows what is

meant by them. This will be vital as we take asset decisions in the future and set ourselves performance or outcome targets. Crucially, all of these principles are subject to the availability of budgets to meet the agreed principles. Our asset management principles are to ensure that assets are:

- Acquired and retained only when needed for a specific identified purpose
- Maintained in good condition
- Fit for their intended purpose
- Kept clean, tidy, presentable and well sign posted
- Well located and accessible to those that need them
- Legally compliant, with clarity around liabilities that are retained and liabilities that have passed to third parties
- Resilient to physical, economic and social change
- Demonstrate good value for money for all financial spending, not just in the short term but considering the impact on future generations and future budgets
- Managed in accordance with our range of specific property policies (see Section 7 of the Introduction document).



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2 Asset Management Strategy

The Asset Management Strategy is a clear and concise high level document setting out how property asset management is delivered for the Council to meet our long term corporate goals and objectives.

It sets out how the long term objectives for managing the property portfolio are met, including statutory obligations, stakeholder needs and the overall performance of property assets, within the context of any constraints, such as funding.

This Strategy is expected to remain in place for up to 10 years, but will be revised as necessary before that should the Corporate Strategy or Asset Management Policy be revised or updated.

3 Foreword

East Lindsey District Council's property estate is a key asset and is needed for all of our service delivery activities. Therefore it is vital that the decisions we make about the level of investment in the property we own and/or occupy not only consider costs but also how well it is suited to the services we are seeking to deliver now and in the future..

In addition, we need to have an effective mechanism in place that allows us to plan for future property requirements and to provide the framework to make decisions about both investment and disposal. Our focus is on achievements in terms of outputs and outcomes rather than processes and procedures.

We are wholly committed to deliver the aims and ambitions that we have set-out in the Council's Corporate Strategy and the Asset Management Strategy can assist in that delivery by ensuring that we are well organised and have the key information needed to make the strategic property decisions which will deliver against those priorities.

This is a strategy and therefore it does not address detailed issues concerning individual assets. It provides a framework within which those types of issues can be considered at a strategic level. It is supported at an operational level by an Action Plan that covers a rolling 3 year period and is monitored by the Corporate Asset Manager and the Council's governance arrangements for Asset Management.

4 Other Relevant Council Policies and Strategies

The Council's property assets cannot be managed in isolation to other Council policies and strategies, as they are closely linked to the achievement of our strategic priorities. These priorities are summarised in our Corporate Strategy which focusses on three themes:

- Proud of our people
- Proud of our places
- Proud of our performance

A key element of achieving our goals is how we use all our resources, including our property resources in achieving these objectives.

Sitting alongside the Corporate Strategy are three other core key strategies, the Economic Development Strategy 2006 – 2020, the Housing Strategy 2013 – 2018 and the Capital Strategy 2016 – 2021. We are also a member of the Greater Lincolnshire Partnership One Public Estate. It is important for our asset management strategy to align with these other important strategies.

Economic Development Strategy Baseline 2016

At East Lindsey District Council, we will support the delivery of the Strategic Economic Plan for Greater Lincolnshire by working to:

- Set out a vision and a framework for the future development of the area that is consistent with national policy and aligned to local needs and opportunities – as well as safeguarding the environment, adapting to climate change and securing good design;
- Simplify and strengthen the support that is available for local business growth through the Business Lincolnshire Growth Hub;
- Develop the skills base of our key employment sectors and encourage greater employer engagement in apprenticeships and workforce development;
- Strengthen the quality of the visitor offer experience and the performance of associated businesses as part of a year round visitor economy;
- Better understand and provide the specific information which businesses, visitors and employees need to inform their location and investment decisions;
- Celebrate where local businesses are operating successfully in East Lindsey, and promote these strong messages to visitors, investors and the media;
- Identify and seek increased investment towards improvements in physical infrastructure, utility

provision and digital technology which will accelerate economic growth in the right locations;

- Secure long term flood risk management through the sustainable development of our coastal communities;
- Maintain a strategic asset portfolio and capital investment programme which contributes to the vibrancy of our market towns and coastal resorts and unlocks private sector investment on key housing and employment sites.

As with the Asset Management Strategy, the Economic Development Strategy also has an Action Plan (East Lindsey Economic Action Plan) and this contains a programme that sets out major work and investments that are underway and on the horizon for the District. The District Council will coordinate, monitor and manage that programme through the rolling 5 year action plan.

Housing Strategy 2013 - 2018

The Council has historically invested significant amounts of its resources into the development of affordable housing within the District. Whilst housing continues to be an issue, the council's limited resources now need to be focussed on other areas (such as economic development). For this reason new ways of securing investment in affordable housing will need to be developed.

The Council has identified the following four priorities for its housing services:

- Enable the delivery of more affordable homes by working in partnership with housing providers and other key stakeholders
- Improve the quality of housing
- The prevention of homelessness
- Provide support for vulnerable residents in the District.

The Council transferred their housing stock to New Linx Housing Trust in 1999 which means that they now manage and maintain the majority of the social housing stock across the District. There are also 9 other Registered Providers who own stock in the District.

East Lindsey have been utilising their land assets to enable the delivery of affordable housing through their Housing Capital for a number of years. A key concern is the limited availability of development land still in the ownership of the Council and the cost to a Housing Association of purchasing this land. The Council would like to work closely with the County Council to utilise public sector owned land in their ownership. To date this has been challenging but we will continue to look at available land as part of the One Public Estate initiative.

The key housing issues facing East Lindsey residents are:

- Affordability
- Housing demand
- Access to facilities and services and support networks
- Flood risk
- Increasing elderly population
- Fuel poverty

34% of the population in the District is aged over 60, which is above average for the East Midlands. The number of older people wanting to retire to the District is constantly increasing. In particular, retirees are targeting the coast as a destination, combined with the flood risk issues there is a concern around how suitable accommodation can be provided to meet their future needs. The District has the highest proportion of residents aged over 65 and the lowest proportion of residents aged under 25 in Lincolnshire.

In 2012 Ark Housing Consultancy (ARK) carried out a Gypsy and Traveller Accommodation Assessment (GTAA) for East Lindsey. This assessment looked at the housing needs of Gypsies, Travellers and Show people. The GTAA highlighted that East Lindsey has an existing shortfall and needs to consider the provision in the next 5 years to meet our requirements.

Capital Strategy 2016 - 2021

Our capital strategy has four core principles, three of which impact directly on property assets, and the decisions we make around those assets. These are:

- Ensuring capital investment decisions do not place unnecessary additional pressure on Council Tax or our Medium Term Financial Strategy,
- Taking investment decisions that generate a commercial rate of return for the Council, and
- Promote capital investment which allows invest to save outcomes and which contribute to the transformation programme

These core principles will drive us to:

- Dispose of surplus property assets and use the proceeds to reinvest
- Develop projects that fully support the transformation programme
- Carefully consider value for money and efficiency of every project
- Make sure our assets perform at an optimum level through effective ongoing asset management, consistent with levels of investment

Historically the disposal of property assets has been an important element of the Council's annual capital programme. The Council does hold a number of potentially

high value assets that could be sold. However, the Council will consider all appropriate options for any surplus assets. It will need to fully understand what can be achieved from holding an asset before a decision is made to dispose of it. If the Council's existing capital receipts are spent in line with current plans and no significant surplus assets are sold there will be limited receipts available after 2016/17 for funding the capital programme.

The Council also has an ongoing requirement to maintain its existing assets (property and vehicles). As such expenditure pressures are similarly identified where assets need replacing.

The council will also consider those opportunities which would enable the Council to invest in new and needed assets which will generate income e.g. new car parks. This would only be done where need is proven and a suitable business case supports that investment. It is our aim to invest in assets that generate a revenue income in excess of that which could be earned by leaving the capital on deposit. The significant resources applied to capital expenditure require the adopted principles of Value For Money (VFM) to be at the heart of our capital strategy and returns on investment are one aspect of VFM.

VALUE FOR MONEY

In all significant respects the Council has proper arrangements to ensure it takes sound informed decisions and deploys resources to achieve planned and sustainable outcomes for taxpayers and local people.

The integration of our capital strategy with those who we seek to work with may be necessary to deliver the shared visions we hold. Given the opportunities of Localism and working with local communities and the voluntary sector, looking at joint asset use will be increasingly important.

There are circumstances whereby assets may be better held at a more local level i.e. Town or Parish Council level rather than by the District Council. We are already working with a number of Town and Parish Councils exploring the possibility of asset transfers and we will be looking to extend this work where it is mutually beneficial to do so.

There are no current plans to borrow. However, the Council will consider borrowing where there is a business case that will support the financial repayments of such borrowing and/or where there is a commercial and social return that supports a scheme. The Council will need to be mindful of the revenue implications of any borrowing that it undertakes.

The Greater Lincolnshire Partnership One Public Estate (OPE)

The partnership has been established to coordinate the use of public assets to enable the better delivery of public services, economic regeneration, housing and to help deliver revenue savings. The Government's OPE programme is led by the Cabinet Office and provides funding to kick start the OPE concept in a locality.

- **Create economic growth** – enabling released land and property to be used to stimulate economic growth, regeneration, new housing and jobs.

- **Generate capital receipts** – through the release of land and property.
- **Deliver more integrated and customer focused services** – encouraging publicly funded services to co-locate, to demonstrate service efficiencies and to work towards a more customer focused service delivery.
- **Reduce running costs** – of central and local government assets.

Transformation Programme

In addition to the strategies mentioned above, the Council is going through significant transformational change and by the financial year 2020/21 will be working within a £12M annual budget down from the current (2016/17) £18M. A Transformation Board has been established to oversee the securing of the necessary financial efficiencies to close the gap on this projected deficit. A range of initiatives have been discussed and are being planned as part of this process and this impacts upon the Council's property assets in a number of ways.

This includes passing some assets to parish councils to manage, making use of more shared services which impacts on accommodation requirements, reduction of customer access points and enhancing the Council's website to increase digital transactions and enquiries, service reviews which could impact on need for current property assets, introduction of charges and acquisition of new income producing property assets.

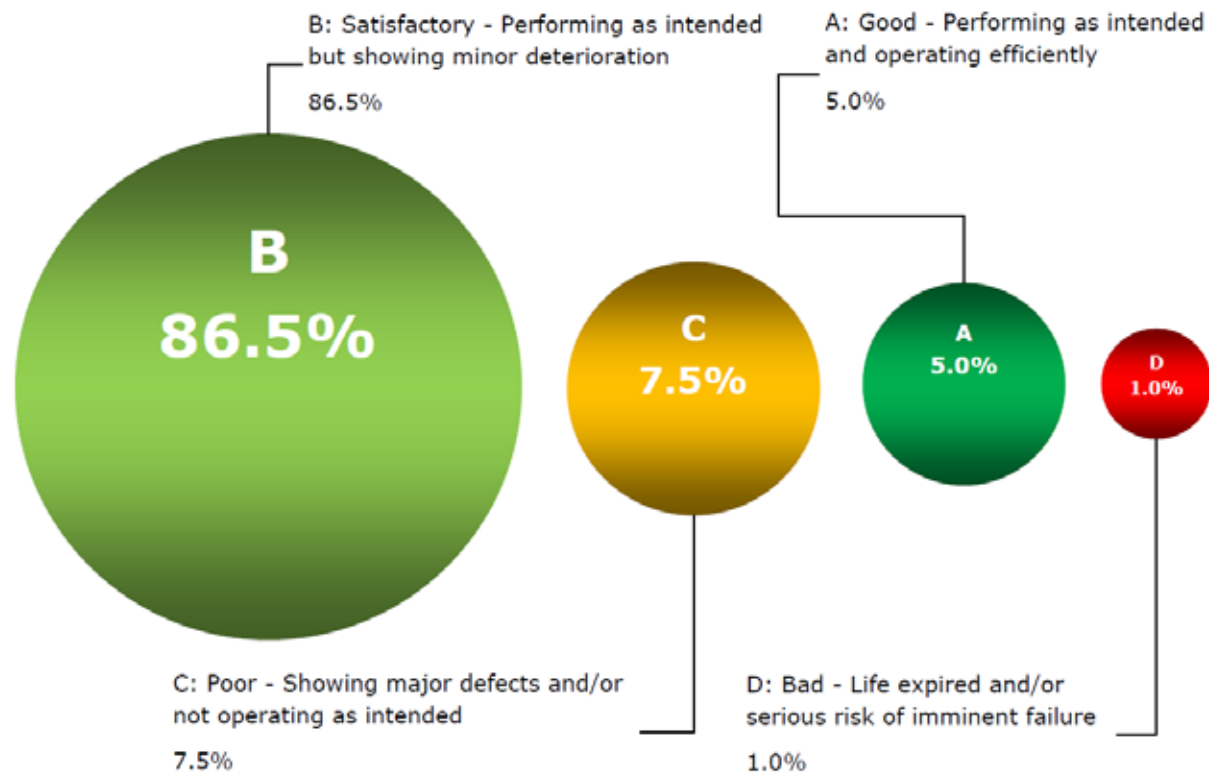
5 Delivering the Key Policy and Asset Management Principles

The Council has not undertaken routine measurement of property performance for some time and any property performance statistics that we currently have are now considerably out of date. We need to embark on a new programme of performance data gathering. However, whilst in the past this may have been focussed on what might be termed property-specific data, such as condition, running costs, carbon emissions etc., our aim is to focus on wider matrices in terms of outcomes.

That is not to say that some premises related data is not important. The condition of our assets for example is of vital importance and is one of our underlying asset management principles. Our survey data needs to be subjected to greater analysis. And analysis is important as we seek to quantify not just the immediate maintenance requirements but our longer term liabilities so that our capital planning can be better informed.

Stock condition surveys of our assets are carried out on a rolling 5 year basis with the asset being given an overall rating of A to D based on the following agreed CIPFA definitions:-

- A: **GOOD** – Performing as intended and operating efficiently
- B: **SATISFACTORY** – Performing as intended but showing minor deterioration
- C: **POOR** – Showing major defects and/or not operating as intended
- D: **BAD** – Life expired and/or serious risk of imminent failure



As we do not currently hold performance data we are not able to undertake performance forecasting or targets, but in future iterations of this strategy we will be able to do this and also be able to report on gaps between target performance and actual performance.

As a first stage in this performance appraisal there is a need to establish the purpose for which each asset is held. At the present time any analysis could only be done by 'property type' and this is not currently sufficient for our purposes. The reason for retention and use of an asset is not governed by the property type but by the outcomes expected of it. Take for example the 54 car parks that the Council owns. Some of these might be held to alleviate parking in town centres, some might be for income generation and some might be to encourage visitors to a specific area. The purpose for holding the asset will drive how we should expect it to perform, which in turn will govern our assessment of its return on investment, whether financial, social or economic.

Throughout the life of the Strategy we will actively seek new opportunities for inward investment that contribute to corporate aims and objectives including the economic development of the district.

The required reclassification and categorisation of the portfolio and the associated goal setting is a key plank of this new asset management strategy.

Key strategy outcomes are set out in the table set out below. These are long term aspirations which we are intent on delivering over the 10 year life of this strategy. Our Asset Management Action Plan describes the activities that will be taking place over the coming 3 years to help deliver these strategic aspirations.

Number	Strategy outcome
1	By 31st of March 2017 to have in place robust asset management governance arrangements
2	By 30th June 2017 to have compiled the appropriate range of resources and skills to deliver our long term objectives
3	By 31st of March 2018 to have undertaken asset challenge analysis of the entire property portfolio
4	By 31st of March 2022 to have aligned the property portfolio to deliver on the asset challenge programme findings
5	By 31st March 2026 to have all property assets at minimum condition grade 'B'
6	By 31st of March 2022 to have actively contributed to the successful delivery of at least one 'One Public Estate' project within the district if appropriate.
7	To ensure that our assets fully contribute to the Transformation Programme both in terms of reducing costs and increasing income.
8	By 30th September 2017 to have an agreed Housing Investment Policy in place.

Number	Strategy outcome
9	By 31st of March 2022 to have no surplus assets that have remained surplus for longer than 2 years
10	By 31st March 2026 to have reduced energy consumption on property assets in line with energy audit recommendations.
11	To have the Economic Action Plan adopted by all Lead Partners by the 31st of March 2017.
12	That our assets fully contribute to the delivery of the Local Plan in terms of housing, tourism, employment and growth and the wellbeing of our residents



Asset Management Action Plan 2016 - 2019

Introduction

1. This Asset Management Action Plan sets out the Council's proposed asset management activities that it will be undertaking and projects it will be delivering over the next 3 years.
2. The Action Plan is divided into three separate tables, as follows:
 - a. Organisational arrangements
 - b. Policy development
 - c. Property specific

Organisational arrangements

3. The activities in part A of the Action Plan relate to actions the Council is taking to ensure that its organisational and governance relating to asset management are as robust as possible so that decisions are made in a transparent manner, and also that the Council has the necessary skills in place to deliver its Asset Management Strategy.

Policy development

4. The activities in part B of the Action Plan relate to areas where the Council needs to strengthen its policy approach to asset management, such as investment strategy.

Property specific

5. The activities in part C of the Action Plan relate to specific actions around specific property assets, such as disposals, acquisitions, refurbishment and investment.
6. This Action Plan not only sets out what we are intending to do but will also act as a monitor to report progress and achievement. The Action Plan is intended to operate on a rolling 3 years basis and as items on the Action Plan are achieved, so new activities and actions will come into the Action Plan. The intention is that this rolling approach will continue until the Asset Management Policy and Asset Management Strategy are revised in 2026.

A. ACTION PLAN MONITOR: ORGANISATIONAL ARRANGEMENTS

No.	Activity Description	Key Policy & Asset Management Principles	SMART Outcome from Asset Management Strategy	Key Milestones			Accountable Person	Resource Implications
				2016/17	2017/18	2018/19		
A1	Review responsibilities for asset management	Property assets operate as a corporate resource	By 31st March 2017 to have in place robust asset management governance arrangements that also encompasses capital planning	<p>Determine role, nature and attendance for a corporate capital/asset management group (CAMG)</p> <p>Establish new CAMG</p> <p>Develop clear terms of reference and reporting responsibilities</p> <p>Develop clear roles for service managers in asset management planning</p>			Executive Board	Internal Resources

A. ACTION PLAN MONITOR: ORGANISATIONAL ARRANGEMENTS

No.	Activity Description	Key Policy & Asset Management Principles	SMART Outcome from Asset Management Strategy	Key Milestones			Accountable Person	Resource Implications
				2016/17	2017/18	2018/19		
A2	Integrate asset management planning	<p>Property assets operate as a corporate resource</p> <p>Ensure that service demands can be met</p> <p>Takes full advantage of partnerships</p> <p>Well located and accessible</p> <p>Demonstrate VFM</p>	By 31st March 2017 to have in place robust asset management governance arrangements	<p>Review current service business planning arrangements</p> <p>Develop integration of asset management planning with service planning cycle</p>			John Medler Gary Sargeant	Internal Resources
A3	Review skills and resources required to deliver the asset management strategy	<p>Optimises financial return and commercial opportunities</p> <p>Takes full advantage of partnerships</p>	By 30th June 2017 to have compiled the appropriate range of resources and skills to deliver our long term objectives	<p>Review resource requirements to deliver asset management strategy</p> <p>Undertake resource and skills audit</p> <p>Identify resource and skills gaps</p>	Fill resource and skills gaps		Gary Sargeant HR	Internal Resources

A. ACTION PLAN MONITOR: ORGANISATIONAL ARRANGEMENTS

No.	Activity Description	Key Policy & Asset Management Principles	SMART Outcome from Asset Management Strategy	Key Milestones			Accountable Person	Resource Implications
				2016/17	2017/18	2018/19		
A4	Establish asset challenge programme	<p>Property assets operate as a corporate resource</p> <p>Ensures service demands can be met</p> <p>Takes advantage of partnership working as appropriate</p> <p>Optimises financial return and commercial opportunities</p> <p>Acquired and retained only when needed</p> <p>Fit for their intended purpose</p> <p>Well located and accessible</p> <p>Demonstrate VFM</p>	<p>By 31st March 2018 to have undertaken asset challenge analysis of the entire property portfolio</p> <p>By 31st March 2022 to have aligned the property portfolio to deliver on the asset challenge programme findings</p>	Develop asset challenge programme linked to B1 below			Portfolio Holder	Internal Resources

B. ACTION PLAN MONITOR: POLICY DEVELOPMENT

No.	Activity Description	Key Policy & Asset Management Principles	SMART Outcome from Asset Management Strategy	Key Milestones			Accountable Person	Resource Implications
				2016/17	2017/18	2018/19		
B1	Establish current return on investment of property assets	Property assets operate as a corporate resource Takes advantage of partnership working as appropriate Fit for their intended purpose	By 31st March 2018 to have undertaken asset challenge analysis of the entire property portfolio By 31st March 2022 to have aligned the property portfolio to deliver on the asset challenge programme findings	Identify key asset groups by outcome characteristics and purpose Determine outcome measures for each asset group	Undertake performance analysis of each asset group and specific assets, as appropriate Undertake gap analysis and map available options Develop performance measurement matrices Gather performance data, both financial and non-financial		Jane Crosby Gary Sargeant	Internal Resources
B2	Car Parking Policy Review	Property assets operate as a corporate resource Takes advantage of partnership working as appropriate Fit for their intended purpose	By 31st March 2018 to have undertaken asset challenge analysis of the entire property portfolio	Consultation Period ends – Sept. 2016 Report to Executive Board Nov. 2016 Report to Council Dec. 2016			Jon Burgess	Internal Resources plus external consultant

C. ACTION PLAN MONITOR: PROPERTY SPECIFIC

No.	Activity Description	Key Policy & Asset Management Principles	SMART Outcome from Asset Management Strategy	Key Milestones			Accountable Person	Resource Implications
				2016/17	2017/18	2018/19		
C1	Continue to collaborate with 'One Public Estate' programme	Property assets operate as a corporate resource Takes advantage of partnership working as appropriate Well located and accessible Demonstrate good VFM	By 31st March 2022 to have actively contributed to the successful delivery of at least one 'One Public Estate' project if appropriate	Bid for feasibility funding for Skegness Town Hall	Feed in results of the Asset Challenge Review into One Public Estate Programme		Gary Sargeant	Internal Resources plus external feasibility funding
C2	Footway Lighting	Maintained in good condition	To ensure that our assets fully contribute to the Transformation Programme both in terms of reducing costs and increasing income	Full Council decision regarding the future provision and funding of footway lighting across the district Implementation of the Full Council decision.	Implementation of the Full Council decision	Implementation of the Full Council decision	Gary Sargeant	Combination of Capital Reserves and external borrowing

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No.	Activity Description	Key Policy & Asset Management Principles	SMART Outcome from Asset Management Strategy	Key Milestones			Accountable Person	Resource Implications
				2016/17	2017/18	2018/19		
C3	Transformation Programme Public Toilets (TP5)	Retained only when needed for a specific purpose	To ensure that our assets fully contribute to the Transformation Programme both in terms of reducing costs and increasing income		Identified facilities either closed or transferred to Town/Parish Councils Option to introduce charging at retained facilities		Victoria Burgess	£200K per annum revenue saving
C4	Transformation Programme Town & Parish liaison/asset transfer (TP39)	Retained only when needed for a specific purpose	To ensure that our assets fully contribute to the Transformation Programme both in terms of reducing costs and increasing income		Identified facilities either closed, redeveloped or transferred to Town Councils		Victoria Burgess Gary Sargeant	£200K per annum revenue saving

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No.	Activity Description	Key Policy & Asset Management Principles	SMART Outcome from Asset Management Strategy	Key Milestones			Accountable Person	Resource Implications
				2016/17	2017/18	2018/19		
C5	Transformation Programme Housing Capital Investments (TP2)	Contributes positively to a sustainable East Lindsey in terms of Housing	That our assets fully contribute to the delivery of the Local Plan in terms of housing, tourism, employment and growth and the wellbeing of our residents	Cease to invest in the building of new homes owned by RSLs using the Council's capital funds, and investigate alternative ways to support new housing developments	Agreed Policy on Housing Capital Investment in place.		Gary Sargeant	Internal Resources
C6	Transformation Programme Customer access points (CAPS)	Retained only when needed for a specific purpose	To ensure that our assets fully contribute to the Transformation Programme both in terms of reducing costs and increasing income	Undertake a review of CAPS provision and implement required changes			Alison Penn/ James Gilbert	£165K per annum revenue saving

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No.	Activity Description	Key Policy & Asset Management Principles	SMART Outcome from Asset Management Strategy	Key Milestones			Accountable Person	Resource Implications
				2016/17	2017/18	2018/19		
C7	Undertake consultation exercise on the future opportunities for the Skegness Foreshore assets owned by the Council	Optimises financial return and commercial opportunities	That our assets fully contribute to the delivery of the Local Plan in terms of housing, tourism, employment and growth and the wellbeing of our residents		Consultation undertaken with key stakeholders and Foreshore occupiers and residents via a "planning for real" exercise Action Plan agreed and implementation commenced		Portfolio Holder Gary Sargeant	Internal Resources
C8	Review surplus assets	Takes advantage of partnership working as appropriate Demonstrate good VFM	By 31st March 2022 to have no surplus assets that have remained surplus for longer than 2 years	Identify surplus assets that should be disposed of	Commence disposal of surplus assets		Edward Cox Gary Sargeant	Internal Resources

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No.	Activity Description	Key Policy & Asset Management Principles	SMART Outcome from Asset Management Strategy	Key Milestones			Accountable Person	Resource Implications
				2016/17	2017/18	2018/19		
C9	Review investment property	Optimises financial return and commercial opportunities Demonstrate good VFM	By 31st March 2018 to have undertaken asset challenge analysis of the entire property portfolio By 31st March 2022 to have rationalised the property portfolio to deliver on the asset challenge programme findings	Develop rate of return matrices as part of Council's Treasury Management activities Measure rate of return and benchmark against Property Fund investments Determine desired risk exposure in investment property	Dispose of or redevelop underperforming assets Acquire new investment property as appropriate		Gary Sargeant	Internal Resources
C10	Review energy efficiency of the property portfolio	Takes advantage of partnership working as appropriate Demonstrate good VFM	By 31st March 2026 to have reduced consumption on property assets in line with audit recommendations	Review current performance Identify spend to save initiatives	Deliver spend to save projects		Sam Robbens	

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No.	Activity Description	Key Policy & Asset Management Principles	SMART Outcome from Asset Management Strategy	Key Milestones			Accountable Person	Resource Implications
				2016/17	2017/18	2018/19		
C11	Complete sale of Pier Field, Skegness	Optimises financial return and commercial opportunities	That our assets fully contribute to the delivery of the Local Plan in terms of housing, tourism, employment and growth and the wellbeing of our residents	Land sale complete upon granting of planning permission	Completion of hotel development		Gary Sargeant	Capital Receipt
C12	Sale of Louth Livestock Market site for redevelopment	Optimises financial return and commercial opportunities	That our assets fully contribute to the delivery of the Local Plan in terms of housing, tourism, employment and growth and the wellbeing of our residents	Council decision to sell site Conditional contract entered into with selected developer	Planning permission obtained for redevelopment Vacant possession given	Site developed out	Gary Sargeant	Capital Receipt
C13	New Louth Livestock Facility provided	Property assets operate as a corporate resource	By 31st March 2026 to have all property assets at minimum condition grade 'B'	Council decision to develop new facility Conditional Agreement for Lease entered into with operator	Planning permission obtained Site developed out		Gary Sargeant	Revenue generation

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No.	Activity Description	Key Policy & Asset Management Principles	SMART Outcome from Asset Management Strategy	Key Milestones			Accountable Person	Resource Implications
				2016/17	2017/18	2018/19		
C14	Community Hall/Inter Agency Building, Stanley Avenue, Mablethorpe	Takes advantage of partnership working as appropriate Optimises financial return and commercial opportunities	By 31st March 2022 to have no surplus assets that have remained surplus for longer than 2 years	Executive Board decision to transfer ownership to Town Council Transfer Completed			Edward Cox	£1
C15	The Pavilion, Tower Gardens, Skegness	Takes advantage of partnership working as appropriate Contributes positively to the visitor economy	By 31st March 2022 to have no surplus assets that have remained surplus for longer than 2 years	Executive Board decision to transfer ownership to Town Council	Transfer completed		Gary Sargeant	£1
C16	Beach Chalets, Mablethorpe and Sutton on Sea	Takes advantage of partnership working as appropriate Contributes positively to the visitor economy	By 31st March 2026 to have all property assets at minimum condition grade 'B'	Executive Board decision regarding the future provision of the chalet stock Implementation of the Executive Board decision.	Implementation of accrued repair work	Capital investment at Sutton on Sea	Gary Sargeant	Capital and revenue expenditure

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No.	Activity Description	Key Policy & Asset Management Principles	SMART Outcome from Asset Management Strategy	Key Milestones			Accountable Person	Resource Implications
				2016/17	2017/18	2018/19		
C17	Town Hall, North Parade, Skegness	Property assets operate as a corporate resource	By 31st March 2022 to have actively contributed to the successful delivery of at least one 'One Public Estate' project within the district if appropriate.	Feasibility study to investigate redevelopment opportunities			Gary Sargeant	External funding for feasibility study
C18	Exemplar Holiday Accommodation Project	Contributes positively to the visitor economy	That our assets fully contribute to the delivery of the Local Plan in terms of housing, tourism, employment and growth and the wellbeing of our residents	Scoping of project	Design works / site investigations / funding bid	Planning Permission / Start on site	Jon Burgess	Capital Receipt and/or revenue generation
C19	Sites for Gypsies and Travellers	Property assets operate as a corporate resource	That our assets fully contribute to the delivery of the Local Plan in terms of housing, tourism, employment and growth and the wellbeing of our residents	Consultation on potential sites	Negotiate purchase of preferred sites	Undertake site works	Anne Shorland Gary Sargeant	Capital Expenditure (source to be determined)

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No.	Activity Description	Key Policy & Asset Management Principles	SMART Outcome from Asset Management Strategy	Key Milestones			Accountable Person	Resource Implications
				2016/17	2017/18	2018/19		
C20	Depot provision in Skegness	Property assets operate as a corporate resource	By 31st March 2026 to have all property assets at minimum condition grade 'B'	Undertake design work with costings on enlarged depot facility in Skegness Obtain Member approval for project	Undertake required works		Malcolm Abbott	Capital Expenditure (Reserves)
C21	Skegness Foreshore Enhancements	Invest to Save scheme	To ensure that our assets fully contribute to the Transformation Programme both in terms of reducing costs and increasing income	Undertake agreed scheme of works			Sam Robbens	£125K in Capital Programme
C22	Pumping Works, Skegness Foreshore	Contributes positively to the visitor economy	By 31st March 2026 to have all property assets at minimum condition grade 'B'		New pumps installed on Skegness Foreshore		Sam Robbens	£175K in Capital Programme
C23	Disposal of the Dunes FEC, Mablethorpe	Retained only when needed for a specific purpose	By 31st March 2022 to have no surplus assets that have remained surplus for longer than 2 years	Obtain Executive Board approval to disposal Complete sale			Edward Cox	Capital Receipt

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No.	Activity Description	Key Policy & Asset Management Principles	SMART Outcome from Asset Management Strategy	Key Milestones			Accountable Person	Resource Implications
				2016/17	2017/18	2018/19		
C24	Extension to Fairfield Industrial Estate, Louth	Sustainable East Lindsey in terms of housing and employment infrastructure	That our assets fully contribute to the delivery of the Local Plan in terms of housing, tourism, employment and growth and the wellbeing of our residents	Initial scoping work completed	Design works/ site investigation	Seeking of funding bids/ planning permission	Jon Burgess	Combination of Capital Reserves and external funding



Asset Management Strategy 2016 to 2026

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