



Borough of Tamworth

Marmion House,
Lichfield Street, Tamworth,
Staffordshire B79 7BZ.

Enquiries: 01827 709 709
Facsimile: 01827 709 271

CORPORATE SCRUTINY COMMITTEE

30 November 2022

Dear Councillor

A Meeting of the Corporate Scrutiny Committee will be held in **Town Hall, Market Street, Tamworth on Thursday, 8th December, 2022 at 6.00 pm**. Members of the Committee are requested to attend.

Yours faithfully

A handwritten signature in black ink, consisting of a stylized 'A' followed by a long horizontal line that tapers to a point.

Chief Executive

A G E N D A

NON CONFIDENTIAL

- 1 Apologies for Absence**
- 2 Minutes of the Previous Meeting (Pages 5 - 12)**
- 3 Declarations of Interest**

To receive any declarations of Members' interests (personal and/or personal and prejudicial) in any matters which are to be considered at this meeting.

When Members are declaring a personal interest or personal and prejudicial interest in respect of which they have dispensation, they should specify the nature of such interest. Members should leave the room if they have a personal and prejudicial interest in respect of which they do not have a dispensation.

4 Chair's Update

5 Responses to Reports of the Corporate Scrutiny Committee

6 Consideration of Matters referred to the Corporate Scrutiny Committee from Cabinet / Council

7 Asset Management Strategy (Pages 13 - 68)

(Report of the Assistant Director, Assets)

8 Working Group Updates

9 Forward Plan

Discussion item – Link to the Forward Plan is below:

[Browse plans - Cabinet, 2022 :: Tamworth Borough Council](#)

10 Corporate Scrutiny Committee Work Plan & Action Log (Pages 69 - 72)

To review and discuss the Work Plan and Action Log

Access arrangements

If you have any particular access requirements when attending the meeting, please contact Democratic Services on 01827 709267 or e-mail democratic-services@tamworth.gov.uk. We can then endeavour to ensure that any particular requirements you may have are catered for.

Filming of Meetings

The public part of this meeting may be filmed and broadcast. Please refer to the Council's Protocol on Filming, Videoing, Photography and Audio Recording at Council meetings which can be found [here](#) for further information.

If a member of the public is particularly concerned about accidental filming, please contact a member of Democratic Services before selecting a seat.

FAQs

For further information about the Council's Committee arrangements please see the FAQ page [here](#)

To Councillors: T Jay, D Cook, M Cook, C Cooke, A Cooper, S Goodall, J Harper,
S People and S Smith

This page is intentionally left blank



MINUTES OF A MEETING OF THE CORPORATE SCRUTINY COMMITTEE HELD ON 17th NOVEMBER 2022

PRESENT: Councillor T Jay (Chair), Councillors D Cook, M Cook, A Cooper, J Harper, S Peale, S Smith and R Ford

CABINET Councillor Jeremy Oates
Councillor Alex Farrell

GUEST Mick Warner (Consultant)

The following officers were present: Tina Mustafa (Assistant Director Neighbourhoods), Zoe Wolicki (Assistant Director People), Lee Birch (Head of Neighbourhood Services) and Jo Hutchison (Senior Scrutiny and Democratic Services Officer)

43 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor S Goodall and Councillor R Ford attended as substitute. Apologies for absence were also received from Councillor C Cooke.

44 MINUTES OF THE PREVIOUS MEETING

The minutes of the meeting held on 6 October 2022 were approved as a correct record

(Moved by Councillor D Cook and seconded by Councillor A Cooper)

45 DECLARATIONS OF INTEREST

There were no declarations of interest.

46 CHAIR'S UPDATE

The Chair highlighted that he proposed to change the agenda order such that the Forward Plan was considered later in the agenda, ahead of the Work Plan and

Action Log item, and the Update on Assure Project was considered prior to the Social Housing (Regulation) Bill preparedness item.

47 RESPONSES TO REPORTS OF THE CORPORATE SCRUTINY COMMITTEE

The Chair reported that he had presented the Committee's recommendations regarding Programme Board membership to the Cabinet meeting on 20th October 2022.

The Chair further reported that he had presented the Committee's recommendation to instigate a focussed review of the market strategy as a result of the changes in business conditions to the Cabinet meeting on 20 October 2022. Cabinet agreed to look at this, whilst noting that this Committee could also undertake a deep dive into this.

48 CONSIDERATION OF MATTERS REFERRED TO THE CORPORATE SCRUTINY COMMITTEE FROM CABINET / COUNCIL

None.

49 QUARTER TWO 2022/23 PERFORMANCE REPORT

Report of the Leader of the Council to provide the Committee with an overview of Council performance update, risk and financial health-check towards achieving the strategic priorities detailed within the Corporate Plan and Medium-Term Financial Strategy. The information contained within the report covered performance for the second quarter of the financial year i.e., July to September 2022. Cabinet would consider the report on 1 December 2022.

Councillor S People joined the meeting at 6.08pm.

The Leader introduced the Report and highlighted to the Committee that:

1. There had been some changes to the format and structure of the report, which was in 10 sections.
2. Recovery and Reset Programme updates provided. The Leader reported that given the opportunities available through the Government announcement of the Levelling Up Fund (LUF), the programme had been paused in part whilst the outcome of the Levelling Up Fund bids which had been approved by Council were awaited. The Government's decision on this had been delayed until December 2022. However, decisions on the rationalisation of Marmion House had been taken by Cabinet to limit occupation to the ground floor.
3. Corporation Street (Gateway project) was reported as amber as a full review of the project was required.
4. In terms of the Medium Term Financial Strategy and the monitoring of that the report showed the updated forecast at October 2022, which in the General Fund had improved from the position forecast in February 2022, however the Leader highlighted that these figures did not include any policy proposals under discussion nor any projected energy cost increases.

The Committee commented and sought clarifications in the following areas:

1. Whether current rent arrears as a proportion of expected rent were increasing, where it was reported that these were increasing at a higher rate and the Council was working to mitigate that.
2. What the average rent arrears were where it was reported that these were between 5 to 8 weeks of rent. The Assistant Director highlighted the importance of any tenants discussing with the Council any issues over payment of rent, so that early intervention and support and signposting to partnership agencies could be provided.
3. Whether any consideration had been given to moving the front desk facilities from the Assembly Rooms to Marmion House given the consolidation into the Ground Floor of Marmion House. The Leader reported that private one-2-one appointments were still available to be booked. The Assistant Director, People reported that the number of visits to the Assembly Rooms had been monitored over the last 12 months and the nature of the enquiries raised. These showed on average 24 visits per month focussed mainly on council tax queries and the team at the Assembly Rooms had dealt with or sign posted the enquiries. In comparison, prior to COVID, the front desk at Marmion House had received around 50,000 visits per year. The Assistant Director, People reported that to re-open a front desk at Marmion House would require more staff which would have a significant cost to the Council.
4. The importance of delivering the services which the Council was obliged to deliver.

The Committee thanked the Officers for preparing the Report.

RESOLVED that the Report be endorsed.

(Moved by Councillor D Cook and seconded by Councillor J Harper)

50 UPDATE ON ASSURE PROJECT

The Chair invited the Assistant Director, People to provide an update on the Assure Project.

The Assistant Director reported that Assure was a product which was an upgrade to our current M3 system which was our Planning, Environmental Health and Land Charges system which provided a back-office process to deliver these services. This new product would be browser based. Once all processes had been moved over it would enable more flexibility in terms of access and for staff and would support the over arching ICT strategy to move to cloud based services where appropriate.

It was reported that this product would be provided by NEC (previously Northgate). It was expected that NEC would be shortly issuing a 12-month de-support notice for M3 platform. As such it would be necessary to upgrade to the new platform. However, it should be noted that in the interim NEC remained committed to supporting the system.

It was reported that a project team had been set up to deliver the project comprising of the Assistant Director, People and the Assistant Director, Growth &

Regeneration, as well as Heads of Service from ICT, Planning and Environmental Health and support staff from all of the teams including Customer Services and Housing. Staff training was required on the document production system and this had been delayed due to an issue within the test system, from NEC's side. This training had been booked for July but was cancelled at short notice and the Head of ICT was in regular contact to seek a resolution however, this was still not resolved. Although NEC were committed to resolving this within the timeframe to enable the Council to complete the project by the end of the de-commissioning period.

Internally, the Planning team continued to work to convert letter templates however the final process moves could not be completed until training had been completed.

In terms of the Environmental Health team there were two areas to the system, in terms of document production, the same issues were faced by the Environmental Team as by the Planning Team. The second side related to licensing, where the project team were currently assessing the options between the licensing options within Assure or the options within the myTamworth portal provided by Civica and which were the best fit for the organisation in terms of cost, customer accessibility, and alignment with the ICT strategy.

The Committee sought and received the following clarifications:

1. The current risk rating for this project, where the Assistant Director, People reported that currently this would be a low risk, however, it could move to a medium risk when the Council received the de-support notice for M3.
2. Whether the preparation work within the Environmental Health team had been progressed, where it was reported that a Licensing Officer had been tasked with this project.
3. The option to use myTamworth portal for licensing activities where it was reported that work continued to investigate which solution would provide the best fit for the organisation.

RESOLVED that a further written briefing be provided to the Committee setting out the status of the project and the risks posed.

(Moved by Councillor D Cook and seconded by Councillor M Cook)

51 SOCIAL HOUSING (REGULATION) BILL PREPAREDNESS'

The Chair welcomed the Portfolio Holder for Homelessness Prevention and Social Housing, Councillor A Farrell, the Assistant Director, Neighbourhoods, Tina Mustafa, the Head of Housing Management and Neighbourhood Resilience, Lee Birch and Mr Mick Warner (Consultant) for this item.

The Portfolio Holder reported that the Neighbourhoods team had undertaken, with the support of the Consultant, a self-assessment of the Council's preparedness for the Social Housing (Regulation) Bill, which would be explained further in this item.

The Assistant Director, Neighbourhoods reported that the Bill represented a fundamental shift in the way Council housing was regulated and managed and was expected to lead to a much more proactive inspection regime. The team had started preparations for this over the last year.

The Consultant explained the review undertaken and the more proactive approach from the regulator which was expected.

It was reported that the exact approach the regulator would take and how the ratings / judgements would be applied by the regulator was unclear as yet, however for the self-assessment, four possible ratings were considered, the top two where compliant and the bottom two, where non-compliant.

In terms of the current assessment undertaken, this was undertaken against four Consumer standards:

- Homes Standard
- Tenancy Standard
- Neighbourhood and community Standard; and
- Tenant Involvement and Empowerment Standard

The assessment identified that for the first 3 standards above the Council met the expected compliance ratings, and it was only in the Tenant Involvement and Empowerment Standard that the expected rating was not achieved, however, it was noted that there was no evidence that the serious detriment threshold had been breached.

The Committee was invited to provide feedback on the Improvement Plan.

The Committee sought and received clarifications in the following areas:

1. In terms of the methodology used in the self-assessment, which councillors had been engaged and how had involved tenants been engaged in the review. Whilst there had been dialogue with the Homelessness Prevention and Social Housing Sub-Committee, in terms of the self-assessment it was Cabinet members who were engaged, as well as members of the Tenants Consultative Group and those on the active database. It was further reported that the self-assessment was an initial process and that there would be a full exercise concurrent to the legislative timetable on the Improvement Plan. The initial work was undertaken to ensure that the organisation had a clear picture of the current position and to enable the submission of tenant satisfaction measures from April 2023.
2. The nature of the self assessment undertaken where it was reported that the approach taken was a reasonable approach which would be expected to be consistent with how the regulator could approach such assessments in future.
3. The nature of the sanctions which could be applied for non-compliance, where it was reported that the precise sanctions were not yet known, however, it was expected that the regulator would look to work with any provider to return to compliance, and that there would also be some reputational risk for any provider if there was non-compliance, and the potential for possible Government intervention. There was also an

expectation from the Housing Ombudsman and the regulator that the Council would have a performance improvement plan in place and the requisite governance in place to deliver it.

4. The work to recognise the diversity of our tenants and it was reported that there was a piece of work required for the Council to understand our tenant base and our demographic so that services could be tailored appropriately and so that there could be improved engagement.
5. The Committee noted that there was significant information in the Action Plan, and that detailed scrutiny was required. It was reported that the activity described in the improvement plan would go to the heart of many council services and needed to be delivered well.
6. The expected cost implications of delivering the improvement plan, noting that the main area appeared to be on tenant engagement. It was reported that there were policy changes over the next two years costing around £100,000 which reflected the costs of delivery around this piece of work, but this figure did not include any repairs / estates improvement work which would become clearer over time.

Councillor M Cook left the meeting at 7.31pm.

7. This self-assessment exercise which had been undertaken by the Council through independent feedback against a set of standards was welcomed by the Committee.
8. The choices which the Council could face with any budget limitations in the HRA business plan which it was reported would be starting a consultation process shortly.

It was agreed that this item would remain on the Committee's work plan for consideration at the February 2023 meeting.

The Committee thanked the Portfolio Holder, Officers, and the Consultant for their report and attendance. The Officers and Consultant then left the meeting.

52 WORKING GROUP UPDATES

The Chair reported that an approach had been proposed to the working group for the Quarterly Performance Review item, following which it was expected that the item would be brought forward onto the February 2023 meeting agenda.

Councillor D Cook reported that he had compiled some questions related to the Leaseholder Charges working group item which would be forwarded to Officers and the Portfolio Holder shortly.

53 FORWARD PLAN

No further items were identified.

54 CORPORATE SCRUTINY COMMITTEE WORK PLAN & ACTION LOG

The Committee considered and updated the Work Plan as set out below.

Corporate Scrutiny Work Plan

Work Plan		
TARGET MEETING DATE	SUBJECT	MEETING WHEN ITEM ADDED TO WORK PLAN
8 December 2022	Draft Asset Management Strategy	June 2022
8 February 2023	Quarter 3 2022/23 Performance Report	
8 February 2023	Working group feedback - Review of Quarterly Performance Report	
8 February 2023	Regulation Social housing for the Council's own stock	October 2022
Dates to be agreed		
TBC	Update on corporate prioritisation	August 2020
TBC (February / March 2023)	Update on Assure Project (Environmental Health)	September/ November 2022
Bi-annual updates (March & September)	Solway Trading Company Update	December 2019
TBC (September 2023)	Joint Waste contract update	June 2021
TBC	Gungate Masterplan	January 2020
TBC	Reset & Recovery Workstreams	November 2021
TBC	Staffordshire Leaders Board	February 2022
TBC	Corporation Street (Gateway project) – review	September 2022

Working Groups		
Aiming for 8 February 2023– which meeting Working Group to report back to	Review of Quarterly Performance Report to align with new Corporate Plan 2022-2025 Members: Cllrs T Jay, D Cook, C Cooke, A Cooper	June 2022
TBC – which meeting Working Group to report back to	Review of Leaseholder Charges Communications following referral from full council meeting on	October 2022

	27.09.2022 meeting Members: Cllrs D Cook, M Cook, C Cooke, S Goodall, J Harper, S People	
--	---	--

Upcoming Corporate Scrutiny Committee Meetings
Meeting dates: 8 December 2022 8 February 2023 9 March 2023

The Committee noted and agreed the Action Plan.

Chair

Thursday, 8 December 2022

Report of the Portfolio Holder for Finance, Risk and Customer Services / Assistant Director - Neighbourhoods

Asset Management Strategy

Exempt Information

Not exempt

Purpose

This report presents the updated Asset Management Strategy relating to Council owned operational, investment and, housing built assets.

Included within the updated strategy are documents covering acquisitions, disposals and the framework for the development of Asset Management Plans.

It is anticipated that, subject to any amendments arising from this committee, this document will be presented to Cabinet in January 2023 for approval and implementation.

Recommendations

It is recommended that:

1. Committee reviews the content of the Asset Management Strategy and accompanying documents.
2. Approve the Asset Management Strategy and accompanying documents for presentation to Cabinet.
3. Propose any amendments prior to presentation to Cabinet.

Executive Summary

The Council owns a number of built assets for a variety of purposes. It is considered good practice and financially prudent to have a formal Asset Management Strategy that clearly sets out the Council's reasons for holding built assets and how the Council will manage those assets in a financially responsible manner.

The Corporate Capital Strategy (approved by Council in February 2022) has recognised the need for the review and development of the Asset Management Plan and associated actions – in order to develop an approach to long term asset planning to improve the way strategic property objectives can be delivered. This will enable the development of a longer term plan for the management and maintenance of assets, whilst identifying the funding ambition gap to maximise inward investment opportunities for funding from Partners.

The draft Asset Management Strategy document along with accompanying documents replaces the documents that were produced and that were being largely observed but never formally approved or implemented.

The strategy documents build on work previously completed in this area and take account of the various costed condition surveys that have been completed since 2018.

External support has been used to provide a critique of the previous strategy documents and their practical implementation. The feedback from this review has been used to guide the new strategy documents.

It is anticipated that the revised strategy will assist the Council in meeting its obligations as a property owner and will be manageable within the existing resources available.

Included alongside the strategy document are updated disposals and acquisitions policies that will assist the decision-making process when acquiring or disposing of built assets.

In addition to these documents a detailed Asset Management Plan will be developed for each property or where appropriate groups of properties, this will take account of income, investment requirements and demand.

The draft documents have been reviewed and agreed by members of the Asset Strategy Steering Group and it is anticipated that this group will also review the Asset Management Plans as they are produced.

Options Considered

No other options were considered as this report relates to the production of a strategy document.

Resource Implications

No specific resources are identified as a direct result of the strategy. The various Asset Management Plans and condition data will guide future budget setting, acquisitions, and disposals.

Legal/Risk Implications Background

No specific legal matters or risks arising from this strategy document.

Equalities Implications

As this relates to property there are no specific equalities issues arising as a direct result.

Environment and Sustainability Implications (including climate change)

No specific environmental or sustainability matters arising as a result of the strategy, it is however recognised that matters relating to climate change will need to be addressed in the Asset Management Plans and associated budget setting.

Background Information

None

Report Author

Paul Weston – Assistant Director Assets

List of Background Papers

None

Appendices

Appendix A – Draft Asset Management Strategy

This page is intentionally left blank

Asset Management Strategy 2022 – 2027

Foreword

Effective asset management is essential in enabling the Council to meet its statutory obligations, to servicing the public and in achieving its vision.

The framework of this asset management strategy sets the structure for managing our property portfolio effectively over the next 5 years. It will guide our future strategic property decisions to make sure we manage our property portfolio sustainably and efficiently, so that it can remain fit for the future and support frontline delivery. It will support asset-led transformation and innovation, giving clear direction and instruction to service areas in respect of how our assets and estate can help them achieve and exceed their objectives.

The Council assets exist: -

- to provide suitable accommodation for Council services so that they can deliver services to the citizens of Tamworth.
- to generate income
- to provide affordable housing
- to attract visitors to Tamworth
- to stimulate economic growth

Portfolio Holder comments

Contents

Foreword.....	1
Contents.....	Error! Bookmark not defined.
Introduction.....	3
Corporate Priorities.....	3
Property Categorisation.....	4
Income Generation	4
Housing	5
Portfolio Overview	6
Key Challenges	6
Asset Management Plans.....	7
Reset and Recovery.....	8
Use of Data.....	8
Repairs & Investment.....	9
Disposals Policy	10
Funding Opportunities	10
Strategic Partnerships.....	11
KPIs and Monitoring.....	11
Risks	12
The Asset Management Team	14
Monitoring and Review.....	15
Governance	15
Linked Strategies.....	16
Appendices.....	16

Introduction

Property is the Council's most valuable asset in respect of financial value, as well as being essential for effective service delivery. A clear asset management strategy is essential to enable property decisions to be made in the best interests of those that we serve – the people and communities of Tamworth. These property decisions need to be transparent, and subject to robust challenge. They need to be consistent and reflect the flexibility that individual services require. They need to be effective at both operational and strategic level. The Asset Management Strategy provides a framework that sets out how and why these property decisions will be made, and how we lead and co-ordinate a process that involves service areas, portfolio holders, members, local businesses and the community. All of this is in a context of statutory compliance, best practice, sustainability, and innovation.

The Corporate Capital Strategy (approved by Council in February 2022) has recognised the need for the review and development of the Asset Management Plan and associated actions – in order to develop an approach to long term asset planning to improve the way strategic property objectives can be delivered. This will enable the development of a longer term plan for the management and maintenance of assets, whilst identifying the funding ambition gap to maximise inward investment opportunities for funding from Partners.

Corporate Priorities

Tamworth - celebrating our heritage, creating a better future.'

OUR PRIORITIES	IMPACT OF ASSET MANAGEMENT STRATEGY
1. The Environment	<ul style="list-style-type: none">• Supporting the Net Zero Carbon Strategy through property.
2. The Economy	<ul style="list-style-type: none">• Providing high quality affordable commercial property to support businesses and employment opportunities.
3. Infrastructure	<ul style="list-style-type: none">• Providing on and off-road parking on housing estates.• Making use of surplus land to enable regeneration.
4. Living in Tamworth	<ul style="list-style-type: none">• Providing high quality, affordable, social housing.• Identification of housing regeneration opportunities.
5. Town Centre	<ul style="list-style-type: none">• Providing rental opportunities for retail units.• Fulfilling obligations as custodian of heritage assets.

Property Categorisation

The Council owns a range of property types for different purposes; key to successful asset management is understanding the purpose for which the Council owns property. So far as possible the asset management strategy will use the Chartered Institute of Public Finance and Accountancy (CIPFA) property categorisations, these being:

Operational – operational property consists of those properties used by the Council directly to deliver services to the citizens of Tamworth; these properties need to be fit for purpose and of a suitable size and in a suitable location to allow for efficient delivery of services.

Heritage/Leisure – Tamworth enjoys a rich heritage which attracts visitors to the town, the Council has a responsibility as custodian to manage and maintain these buildings for current and future generations.

Investment – the Council holds a number of building assets for investment purposes, not only do these properties generate revenue for the Council they also provide places for businesses to grow and create employment opportunities.

Disposal – from time-to-time land and buildings will be identified for disposal, this could be for financial reasons, to support housing developments or to support regeneration projects.

Housing – the Council has a retained housing stock that exists to provide high quality affordable housing.

Income Generation

Like most Councils there is a need increase revenues to support wider activities, typically the investment property portfolio has seen annual revenues in the region of £1.7m per annum, if this income is to continue to support wider council activities a long-term investment and divestment programme will be required. The capital receipts from the disposal of poorly performing land and property can be reinvested in development and regeneration projects with the aim of showing an improved return on investment.

Changes to the way in which the Council operates will also see a reduction in the amount of space it needs for operational purposes; this will present an opportunity to make savings through reduced building occupation and offer the opportunity to use land and building assets to regenerate the town.

The investment portfolio exists of land and property being held by the Council solely for the purpose of generating an income; they key objectives for this portfolio will be:-

- Increased revenue income
- Reduced costs and overheads
- Targeted investment
- Targeted divestment

The investment portfolio fits into two key categories:-

- Ground rents – the Council owns the land but not the buildings; these generate an income but generally would not incur any expenditure.

- Commercial lettings – the Council owns a number of small industrial units, town centre and local centre shops. These are let on a commercial basis on a variety of lease types.

Key to increasing revenue and reducing costs will be effective day to day operational management combined with a detailed understanding of stock condition:-

- Rent reviews – most leases will make provision for rent reviews at set periods. Undertaking rent reviews is a time-consuming process and in a stagnant market results in minimal returns. Resources will be made available to accurately identify and record all rent review dates with priority being given to those rent reviews likely to yield the greatest returns.
- Enforce tenancy conditions – tenant obligations vary from lease to lease, greater emphasis is to be placed on inspection of properties and the enforcement of tenancy conditions in relation to repairs so as to reduce future investment needs.
- Individual asset management plans – low level asset management plans to be developed for individual or groups of properties to assess performance and viability, to be used to determine investment and divestment.

Housing

As a stock retaining local authority the Council's key objective is to help improve the quality and condition of the stock and to maintain the Government's Decent Homes Standard. This objective requires a carefully planned programme of re-investment, as illustrated within the 30-year HRA Business Plan particularly against the backdrop of Government policy including rental reductions. This Strategy establishes the framework within which asset management operations will be provided. It highlights the component parts of the asset management function and their inter-relationship.

The housing stock represents the Council's highest value asset and its repair and maintenance its largest liability. The property owned is worth many millions of pounds, either as capital assets or as revenue generating assets; therefore, planning for its sustainable future is important.

The Asset Management Strategy fundamentally needs to balance assets and needs. In the context of social housing, Tamworth cannot charge open market rents and must therefore operate with a Business Plan that delivers good quality housing and services in a cost-effective way; although care is needed to ensure that a balance of these factors is maintained to ensure sustainability.

The Council has determined the current position regarding the housing stock and through business planning processes has also determined its long-term objectives, core business drivers and a vision for the future of the stock. These directional components have resulted in a number of initiatives and administrative processes, aimed at achieving the 'vision'.

The Council owns a wide range of property archetypes, there is generally demand for all property types although this demand can fluctuate.

The Council will maintain Decent Homes by developing works programmes in 5-year bands in line with the MTFS planning process. An amount of non-decency may therefore be

experienced within any 5-year period, although zero non-decency will be delivered at the end of each programme period. In this way Tamworth can maintain logical programme of work that afford economies of scale and value for money and avoid the need to ‘pepper-pot’ works year on year to meet this theoretical standard.

It is anticipated that changes to the requirements around Decent Homes, the need to reduce carbon emissions and the introduction of the Building Safety Act combined with increased regulation of the sector will add to the overall investment requirements.

There are likely to be additional pressures on the 30-year HRA arising from the effects of rent increases being capped at below inflation levels whilst at the same time the cost of delivering construction based activities are anticipated to increase at levels in excess of general inflation. It is likely that some critical investment decisions will need to be made and future capital programmes may need to be refocussed.

Portfolio Overview

The Council’s General Fund assets portfolio is valued at £28.3m with an income from investment lettings of £1.7m per annum and an expenditure on repairs, maintenance and operations of £400k per annum.

Type	Number	Value (Mar 22)	Income ²	Revenue Expenditure	Required Investment
Heritage Leisure	12	£3.7m	Nil	BRF	£34k ¹
Land & Building	132	£23.5m	£8.9m	BRF	£850k
Disposal	1	£1.2m	Nil	nil	nil
Housing	4361 1315(garages)	£241m	£19.8m	£31.9m	£22.6m
Assets under construction	24	£3.9m			

¹ excludes works already underway at Castle

² rental income only

³ includes income from garages

The above table sets out the portfolio values at March 31st 2022 along with the planned income, annual expenditure and future investment needs as set out in the Stock Condition Survey data and relate to a 5-year period.

Key Challenges

There are a number of challenges facing the Council in relation to asset management with human and financial resources being the primary challenges.

In order to successfully deliver an asset management strategy on the ground it requires a strong team with clear direction and leadership. It will be the role of the Corporate Asset Strategy Group to take on the overall leadership role for Asset Management with team under the Assistant Director of Assets delivering the operational elements of the Asset Management Strategy. It is recognised that recruitment and retention into key professional roles can be challenging, and that external resource may be required to support. The cost of recruitment and use of external support will need to be factored into any future cost modelling to ensure that the monies expended on resources show a return on investment.

The changing face of business post-covid presents both opportunities and challenges. Through different ways of working the Council will be able to reduce its property related expenses by occupying less space, the same however will apply to the business operated by our tenants and it is anticipated that retail in particular will see further decline and this will have to be considered in our local asset management plans through viability modelling.

Climate change is high on the Government’s agenda with a Climate Emergency having been declared in Staffordshire. The Council has already committed to achieving Zero Carbo across its own activities which will require investment in operational, heritage and leisure premises as well as common parts of housing properties. It is anticipated that housing standards will change with further emphasis on energy efficiency and there will be demand for energy efficient business premises. The challenge here will be that in most cases there will be very limited, if any, return on investment. Funding opportunities are likely to be available for social housing, but the Council will need to develop mechanisms to support local businesses, and in particular business tenants in applying for energy efficiency grants. Funding for operational properties will need to be modelled against projected savings to ensure that there is a return on investment.

Asset Management Plans

An Asset Management Plan will be developed for all properties; these will take account of the reason for holding a property, its financial performance and any operational or strategic importance. The Asset Management Plans will consider the assessed value of the property, the income for the property, current and future expenditure, anticipated remaining life and demands data. This assessment will take the form of a Viability Model with properties being categorised as:-

- Green – performing well; financially viable and in demand
- Amber – in demand and could perform well with investment and would show a return on investment
- Red – poorly performing, not likely to show a return on investment, no demand

The Asset Strategy Steering Group will review the Asset Management Plans with a view to agreeing a course of action for each property or grouping of properties. Where the viability model indicates properties in Amber or Red a detailed proposal will be produced for consideration by the Asset Strategy Steering Group.

Category	Purpose	Performance Assessment
Operational premises	Service delivery	<ul style="list-style-type: none"> • Efficient and effective use • Minimising cost of occupation • Improved utilisation • Maximising building energy efficiency
Heritage Leisure	<ul style="list-style-type: none"> • Visitor offer • Health and wellbeing 	<ul style="list-style-type: none"> • Must be protected because • of historic, heritage value • Social value assessment

Investment	<ul style="list-style-type: none"> • Revenue generation • Employment opportunity • Strategic influence 	<ul style="list-style-type: none"> • Return on investment • Stimulate growth • Stimulate regeneration
Disposal	<ul style="list-style-type: none"> • Generate capital receipt • Growth 	<ul style="list-style-type: none"> • Surplus land and buildings, that do not fit into any of the categories above • Identified for strategic growth
Housing	<ul style="list-style-type: none"> • Affordable social housing • Health & wellbeing 	<ul style="list-style-type: none"> • Return on investment • Decency

Reset and Recovery

The Council has already embarked on its post-covid Reset and Recovery programme with the Smart Working element having had a considerable impact on the amount of office space needed by the Council to conduct its operational business. The project also includes elements that will see the Council move premises to reduce space, occupancy, and cost. This will then lead to the disposal of the Marmion House site for regeneration purposes.

It is anticipated that many other businesses will be undertaking similar reviews of their operations and this may result in reduced demand for our investment property. The impact of this will need to be considered in any modelling; in particular retail is likely to continue to see a decline and consideration will need to be given to the future income potential of our retail premises.

Use of Data

Access to accurate and up to date information is crucial to the successful management of assets.

- Stock Condition Data – our housing property was last surveyed in 2018 with approx. 20% of properties being physically inspected and the remainder being cloned to give an accuracy of between 91% & 99%. Operational and Investment properties were surveyed in 2021. Separate detailed surveys were completed on the Castle and the Assembly Rooms was recently fully refurbished. Additional fire safety and structural surveys have been carried out to the high-rise blocks and the Council's non-traditional housing properties.
- IT Systems – The Orchard system is used to hold information on all buildings owned by the Council. All repairs and investment works are recorded in Orchard and the system also holds stock condition data for the housing property portfolio. Separate databases are held for condition data for non-housing property. Further systems hold data on compliance testing across housing and non-housing property
- Energy Assessments – investment is needed in the development of an energy assessment database that will be used to identify targeted investment across the property portfolio.

- Income – income information is held within the eFinancials financial system, this information can be readily extracted for use in any viability modelling.
- Viability modelling – a simple viability modelling tool is available to use, the model considers factors such as useful remaining life, demand, value, investment requirements and income.

It is considered good practice to update condition data on no more than a five-year cycle; there is provision within the HRA budget; provision will need to be made with the General Fund budgets for the non-housing property.

Repairs & Investment

The Council has a detailed repairs and investment programme and associated budget for the HRA property portfolio based on the outputs from the stock condition survey. A similarly detailed programme is essential for the delivery of repairs and investment to the Council's non-housing property portfolio.

The objective of the Council is to undertake a higher proportion of property-based investment on a planned as opposed to reactive based with the target being in excess of 75% of work by value being completed on a planned basis.

Greater emphasis is to be placed on enforcing tenant repairing obligations across all property types, for housing tenants and leaseholders in HRA properties this means greater use of recharges and service charges. For commercial tenants' resource will need to be allocated to property inspection and the enforcement of any tenant repairing obligations under the lease.

Responsibility for Asset Management across all property types sits within a single team ensuring a consistent approach and availability of resourcing. In April 2020 new 10-year contracts were awarded for Repairs & Investment with the same contractors now delivering across all property types. This has given us greater availability of resources, improved value for money and has reduced the administrative costs associated with contractor management.

The strategy will set in motion the need for a focused repairs and maintenance strategy for the non-housing portfolio similar to that already in place for the housing property portfolio. Maintenance will become planned and proactive to ease the burden of expensive reactive maintenance. Investment and improvement will be targeted appropriately and measured to match the both the capital and revenue monies available within the MTFS.

Condition Surveys and Condition Programme – This strategy will promote and engender visibility across a five-year programme of condition surveys. The Council will become intelligence led in terms of financial deployment. The condition data will be coherent, transparent, accessible and dynamic to all areas to allow fast and effective decision making.

Coherent – consistent cost-effective survey programme providing compatible data with the Council's ICT property management system. It is likely that this will be delivered through external consultancies.

Transparent – data will be accurate, and quality checked to ensure evidence-based decisions can be taken when setting short- and long-term maintenance programmes.

Accessible – data will be available to all officers through the property management system.

Planned Maintenance Programmes – This strategy recognises the tension between the financial budgetary pressure and planned maintenance. Through achieving a critical mass in terms of the quantum of the Council’s estate this strategy endorses the fundamental importance of a Planned Maintenance programme. This is sometimes referred to as planned and preventative maintenance or PPM, is the scheduled maintenance of an asset to prevent failure or deterioration and the key target in the corporate plan is to reduce any risks associated with health and safety or major failure leading to financial and reputational damage.

A rolling 5 year planned maintenance programme is developed using information gathered from condition and suitability surveys, fire risk and access assessments, service objectives, in accordance with the need/requirement set out by its categorisation and any determined required intervention. Extensive property data enables programmes of work can be developed that meet service needs, corporate objectives, and can address the highest priorities. Any planned maintenance programme needs to take account of the Council’s Zero Carbon Strategy.

The planned maintenance programme is managed by the Assets Team and monitored through the Strategic Asset Steering Group. The programme needs to be flexible enough to meet changing priorities and corporate objectives, as well as external factors such as responding to the challenges of the climate emergency.

Reduce Reactive Maintenance – This strategy proposes an approach to reduce reactive maintenance to 25%, promoting a move towards planned maintenance reflected within the identified budgets.

Disposals Policy

The Council currently has a disposals policy that deals with *ad-hoc* disposal, usually of small plots of land. Larger disposals generally result from corporate or regeneration projects. An overarching disposals policy is needed to ensure consistency in approach and to ensure that there is sound financial reasoning and rationale for any disposals.

In addition to the viability model a disposal toolkit is needed to properly record and assess the purpose of any disposal. Any toolkit will need to consider how capital receipts will be used.

The same approach can be used for the repurposing of assets.

Consideration will also need to be given to growth through acquisition of land and property, including growth outside the geographic boundaries of the Borough.

Funding Opportunities

Asset Management and investment in property already forms a key element of the 30-year HRA business plan, this considers income, management costs and required expenditure. Condition data and investment plans will continue to feed the HRA business plan.

The condition data and viability modelling will be used to identify investment requirements in the non-housing portfolio.

The Council will explore funding opportunities that become available to support the Asset Management Strategy.

It is anticipated that in the short to medium term there are likely to be significant financial challenges to be faced through reductions in planned revenue and increased costs resulting from higher than anticipated market inflation.

Strategic Partnerships

It is recognised that the Council may need to work with strategic partners to deliver services, to take advantage of specialist expertise and to leverage funding opportunities.

This is an area that will require further specific exploration and is likely to be looked at on a project by project basis as available funding and partners are likely to vary dependant upon the nature, location and scale of a project.

KPIs and Monitoring

A suite of Key Performance Indicators will be developed and monitored by the Asset Strategy Steering Group. The KPIs will consider strategic issues alongside operational performance issues.

The Council will seek to engage in benchmarking with similar organisations.

KPI	Target	Assessment
Through effective service asset management planning the Council will retain fit for purpose assets which strongly align to service delivery.	Quarterly review/KPI monitor	Monitored by Asset Strategy Steering Group
Fit for purpose operational accommodation of reduced size to meet future needs and align with R&R project	April 2023 [aligned with R&R]	Monitored by Asset Strategy Steering Group and the R&R Project Board
Optimising the estate to reduce the volume of repairs and maintenance and reducing operating costs.	Quarterly review/KPI monitor	Monitored by Asset Strategy Steering Group
% of buildings with FRAs	100%	Monthly compliance reporting to ELT
% of buildings with condition survey no older than 5 years	100%	Monitored by Asset Strategy Steering Group
% of buildings with viability no older than 5 years	100%	Monitored by Asset Strategy Steering Group
% of buildings with urgent and essential category work outstanding	10%	Monitored by Asset Strategy Steering Group
% of buildings with Energy Performance Rating below	5%	Monitored by Asset Strategy Steering Group

national target		
% of commercial rent collected	95%	Monitored by Asset Strategy Steering Group & through monthly budget reporting
No of vacant investment units as % of total portfolio	10%	Monitored by Asset Strategy Steering Group
Average time taken to lease a unit	90days	Monitored by Asset Strategy Steering Group
% Tenant Turnover Rate	10%	Monitored by Asset Strategy Steering Group
% of Asset Valuations completed by due date	100%	Monitored by Asset Strategy Steering Group
% of rent reviews overdue	15%	Monitored by Asset Strategy Steering Group

Risks

There are a number of risks that will impact on the deliverability of the Asset Management Strategy, not all risks will be in the control of the Council and many external and unpredictable factors are likely to have an effect on the highly volatile property markets.

Risk	Impact	Mitigation
Lack of single source of data	<ul style="list-style-type: none"> - Inconsistency in planning - Spending twice - Missed properties 	<ul style="list-style-type: none"> - Ensure that data is held in a consistent manner in a single location. - Separate databases can be held for Housing and non-Housing
Lack of financial resource	<ul style="list-style-type: none"> - Properties become unfit for occupation - Loss of income - Increased future spend. 	<ul style="list-style-type: none"> - Use data and information to plan budgets and ensure that budgets are available or impacts fully understood.
Contracts not delivering VFM	<ul style="list-style-type: none"> - Spend on maintenance exceeds allocated budgets. - Repairs/investment goes unactioned. 	<ul style="list-style-type: none"> - Long-term contracts already in place. - Ability to procure if needed.
Changes in space demands	<ul style="list-style-type: none"> - Insufficient space to undertake operational activity. - Underoccupancy results in unnecessary costs. 	<ul style="list-style-type: none"> - Regular review of space needs. - Design accommodation to allow for scalability. - Review working practices to limit space needs.
Changes in regulation	<ul style="list-style-type: none"> - Unplanned spend on property. - Less money to spend on repairs and investment 	<ul style="list-style-type: none"> - Regular review of upcoming regulation changes. - Identification of costs associated, revisit of viability models and reprofiling of budgets.

	<ul style="list-style-type: none"> - Properties no longer financial viable. - Properties no longer lettable or fit for occupation. 	
Tax & NNDR changes	<ul style="list-style-type: none"> - Unplanned spend on property. - Less money to spend on repairs and investment - Properties no longer financially viable. 	<ul style="list-style-type: none"> - Regular review of upcoming regulation changes. Identification of costs associated, revisit of viability models and reprofiling of budgets.
Failure to allocate staff resource	<ul style="list-style-type: none"> - Inability to manage programmes resulting in properties becoming unfit or increasing costs. - Inability to undertake rent reviews resulting in loss of income. - Inability to manage tenancies resulting in increase spend on repairs and maintenance 	<ul style="list-style-type: none"> - Ensure sufficient capacity in team. - Prioritise allocation of resource to maximise return on investment. - Procurement of external resource to support where needed.
Failure to collect and update data	<ul style="list-style-type: none"> - Inconsistency in planning - Spending twice - Resources allocated to the wrong places - Properties become non-compliant. 	<ul style="list-style-type: none"> - Forward planning for condition surveys. - Forward allocation of budgets for updating condition data. - Ensure that data is held in a consistent manner in a single location. - Separate databases can be held for Housing and non-Housing
Data corruption	<ul style="list-style-type: none"> - Inconsistency in planning - Spending twice - Resources allocated to the wrong places - Properties become non-compliant. - Repairs & investment history not understood. 	<ul style="list-style-type: none"> - All data held in corporate systems that are backed up on a regular basis. - Monitoring of any externally held data to ensure that it is properly backed up and available for restore. - Reinstatement requirements identified in Business Continuity Plans.
Investment needs exceed available budget	<ul style="list-style-type: none"> - Properties become unfit for occupation - Loss of income 	<ul style="list-style-type: none"> - Use data and information to plan budgets and ensure

	<ul style="list-style-type: none"> - Increased future spend. 	<p>that budgets are available or impacts fully understood.</p> <ul style="list-style-type: none"> - Planned disposals of poorest performing property.
Unplanned expenditure demands	<ul style="list-style-type: none"> - Less money to spend on repairs and investment - Properties no longer financially viable. - Resources no longer available when and where needed. 	<ul style="list-style-type: none"> - Move towards a planned preventative model with an allocation of unplanned budget to deal with <i>ad-hoc</i> type works.
Unplanned reduction in income.	<ul style="list-style-type: none"> - Less money to spend on repairs and investment - Properties no longer financially viable. - Resources no longer available when and where needed. 	<ul style="list-style-type: none"> - Move towards a planned preventative model with an allocation of unplanned budget to deal with <i>ad-hoc</i> type works. - Seek to turnaround property as quickly as possible to increase income levels.
Exposure to market.	<ul style="list-style-type: none"> - A significant proportion of the annual income from investment properties comes from a single tenant. Failure of this tenant would impact on both investment opportunities and the wider Council budget position. 	<ul style="list-style-type: none"> - Monitor tenant's financial performance and stability. Raise early warnings of any known issues. - Where possible diversify and avoid single high income lettings.

The Asset Management Team

The Asset Strategy Steering Group will have overall responsibility for overseeing the implementation of the Asset Management Strategy.

Meeting quarterly the group will: -

- monitor performance against the strategy and plans
- review the KPIs
- review viability models
- agree return on investment threshold
- review major disposal
- consider larger regeneration projects

The Group will have a mandate to agree standards and establish logical programmes of work designed to meet the requirement of the corporate stock, based on the recommendations of

the Assistant Director of Assets. Requirements should go beyond those that are purely technical and thus should take into account other factors that contribute to effective asset management. The Group are kept informed through accurate data sources, including the Asset Management Database, and through these make informed business planning decisions, subject to budgetary availability. Care needs to be taken not to re-invest in poor performing areas at the expense of all others, nor should high-risk re-investment occur without due consideration, option appraisal and piloting. Condition related needs may not always be the root cause of the poor performance.

Monitoring and Review

The Council has identified the need to ensure that, as a portfolio of projects is undertaken, there are suitable monitoring and review processes in place so that the outcome of a particular initiative is closely monitored, and the achievement of business objectives realised.

The process will review the actual deliverables and outcomes of a project and compare these against the objectives as set out in the implementation plan. These processes will be instigated both during and at the completion of the project through regular progress reports, meetings, feedback to key stakeholders and the Asset Strategy Steering Group, and through the pre-defined project process established by the Council.

As part of the monitoring and implementation plans, there will also be risk mitigation and contingency plans in place so that when problems occur their impact on the overall delivery of an initiative is minimised. The lessons learnt from such instances will be fed back into the Asset Strategy Steering Group to reduce the likelihood of their occurrence in future projects.

It is essential to the long-term success of the Asset Management Strategy that such lessons learnt, and other information is regularly communicated between all the key stakeholder groups and that feedback from users, including residents, is considered and incorporated into future plans.

Governance

It is anticipated that there will a variety of governance arrangements in relation to Asset Management given the broad scope of assets in question.

The current Financial Standing Orders and Scheme of Delegation sets out the parameters for the majority of operational activities.

There will be a number of operational stakeholders such as: -

- Budget Holder(s)
- Premises Manager(s)
- Asset Strategy Steering Group
- Portfolio Holder(s)
- Internal & External Audit

For strategic and/or potentially contentious issues or for issues involving significant expenditure or income governance is likely to be through a more formal mechanism involving:-

- Asset Strategy Steering Group

- Housing & Homelessness Committee for HRA
- Scrutiny
- Cabinet

Linked Strategies

Capital Asset Strategy
Net Zero Carbon Strategy
Housing Revenue Account Business Plan
Commercialisation Strategy
Local Development Plan
Economic Growth & Regeneration Strategy
Corporate Workforce Strategy
Heritage Strategy
Arts & Leisure Strategy
Compliance policies

Appendices

Stock Condition Data
Asset Valuations
Viability Model

LAND & BUILDING ASSETS ACQUISITION POLICY

Document Status: Draft

Document Ref: AssetAcquPolicy

Originator: Assistant Director, Assets

Updated:

Owner: Assistant Director, Assets

Version: draft

Date: 01/06/2022

For consideration and approval by Asset Strategy Steering Group

Classification: SECO Public Domain

Document Location

Land & Building Assets Acquisition Policy

This document is held by the Assets Team of Tamworth Borough Council, and the document owner is the Assistant Director, Assets.

Printed documents may be obsolete; an electronic copy will be available on Tamworth Borough Councils Intranet. Please check for current version before using.

Revision History

Revision Date	Version Control	Summary of changes
01/06/22	draft	Draft for comment

Next Revision

Review Type	Date

Approvals

Name	Title	Approved
	Asset Strategy Steering Group	
	Executive Leadership Team	
	Cabinet	

Document Review Plans

This document is subject to a scheduled annual review. Updates shall be made in accordance with business requirements and changes and will be with agreement with the document owner.

Distribution

The document will be publicly available on the Tamworth Borough Council website.

Security Classification

This document is classified as 'SEC0 Public Domain' and will be published on the Tamworth Borough Council website.

Contents

Introduction 5

Background..... 5

Approach..... 5

Roles & Responsibilities 8

Governance 9

Reference Documents 9

Net Zero Carbon Assessment 9

Community Impact Assessment..... 9

Introduction

This policy relates to the acquisition of land and building assets by the Council.

Background

Tamworth Borough Council owns and manages a diverse portfolio of Assets which include property and land for a range of reasons including: -

- Operational property for the purposes of undertaking its business activities.
- Investment property for the purpose of generating income.
- Assets for community benefit including historic assets.
- Amenity and leisure land for public use.

This policy is directly linked to the Council's Asset Management Strategy which aims to define the purpose for which property is held, how its performance is assessed and how growth, retention, adaptation or disposal are considered.

The purpose of this policy is to provide a framework for the acquisition of land and building assets as a means of maximising income and meeting the changing demands of the Council and the residents of Tamworth.

The policy aims to provide a transparent methodology on the process for the acquisition of land and building assets.

The local authority is free to acquire land and building assets as it sees fit provided any acquisition is conducted on a sound financial basis and meets the strategic aims and objectives of the Council.

Approach

Definitions

Freehold – the acquisition of the Freehold interest in an asset through payment of a single premium. The asset could be land, building or both.

Leasehold – a registerable lease in excess of seven years, could be land, building or both. Will generally comprise of the payment of an initial premium with an ongoing rental payment.

Lease – a short-term lease of not more than seven years, could be land, building or both and will generally involved the payment of an ongoing rent and possible service charges.

General principles for acquisition

The stages of preparation leading to *any* acquisition should include the following: -

- *Asset Management Strategy* – The Asset Management Strategy makes allowance for growth through investment and reinvestment. This growth could be achieved through the acquisition of assets.
- *HRA Business Plan* – The Housing Revenue Account Business plan relies on an element of growth and the replacement of property lost through the Right To Buy process. This growth can be achieved through development or acquisition or a mixture of both.
- *Financial Consultation* – at an early-stage advice is to be sought from the Assistant Director, Finance on any proposed acquisitions to determine budget availability.
- *Legal Consultation* – at an early-stage legal advice will be needed to ensure that the Council is able to make the acquisition and to develop a detailed understanding of asset to be acquired.
- *Inspection, valuation and potential future use* – before entering into any negotiations an inspection is to take place to consider condition, value, and potential and to identify any other issues which may affect the decision to acquire.
- *Valuations* - Valuations will generally be conducted using the RICS Red Book methodology and in line with CIPFA guidelines.

Acquisition Methods

It is likely that any acquisitions that have been identified will be progressed through one of the following routes: -

Negotiation

In most cases it is likely that the Council will express an interest acquiring an asset from the current owner and will seek to enter into direct commercial negotiations with the owner.

Tender

Some assets are sold through either a formal or informal tender process whereby expressions are made by way of a sealed bid.

Auction

It is not uncommon for land in particular to be disposed of through an auction process, it is more common for poorly performing buildings to disposed of through auction.

Partnership

There may be occasions when a land owner seeks to work in partnership with the Council on the delivery of a project that will involve the Council acquiring part or all of the arising asset.

Routine Operational

Occasionally the Council will need to acquire either the Freehold or a long lease interest in an asset for operational purposes such as to enable access to maintain an asset already in Council ownership. Any such acquisitions will be identified by the relevant Directorate who will set out the reason for the acquisition and any identified budgets. The negotiation process will be completed by the Assets Team with input from external legal and valuation providers.

Strategic Regeneration

Members, The Regeneration Board or Asset Strategy Steering Group may from time to time identify land or building assets that will need to be acquired for the purposed of delivering a regeneration or growth project.

Governance for such disposals must form part of the governance arrangements specific to the project.

Housing

There is a requirement for the housing stock portfolio to be replaced as and when existing properties are sold through the Right To Buy Process. Funding is available through the housing 1-4-1 capital receipts pool and changes to the way in this can be spend has placed an emphasis on additionality as opposed to recycling of property. This means that growth will need to be weighted more towards in-house development as opposed to open-market acquisition.

There remains a proportion of the 1-4-1 receipts that can spend on acquiring property on the open market; there may also be the need to acquire land on which to build housing property.

For all housing acquisitions there will be consultation with the Landlord Services Team which in conjunction with the Asset Management Strategy will determine the type and location of properties to be acquired. The budgets for housing acquisitions will be set based on the need to spend 1-4-1 receipts; this in turn will determine the scale of any acquisitions programme. An upper limit on purchase price for existing properties will be agreed and this will be reviewed regularly in line with market conditions. A detailed 50-year whole-life costing plan will be produced for all acquisitions and only those properties showing a break-even or payback at 50-years will be considered for acquisition. The acquisition process will be conducted by negotiation with offers being based on the valuation of an RICS valuer; all legal work will be carried out by an external conveyancing specialist.

For new-build projects that require the acquisition of land the financial and viability and return on investment modelling will factor in the land acquisition and remediation costs.

All negotiation for the acquisition of land and or property will be carried out on a 'Subject to Contract' basis.

The Council may from time to time exercise its Compulsory Purchase Order powers in order to carry out a growth or regeneration project. The decision to make use of these powers must be made by Cabinet and the statutory process must be followed.

Extinguishing of Leases

There may be occasions where for strategic reasons the Council needs to extinguish leases before they expire; this type of action will have to be done through a process of negotiation and is likely to result in compensation having to be paid to the tenant. Before commencing with negotiations legal advice must be sought and potential cost implications factored into the planning of any projects that rely on the lease being extinguished.

Roles & Responsibilities

The Council's Scheme Of Delegation sets out the delegated authorities in relation to the acquisition of assets and the entering into of lease agreements.

Overall responsibility for the management of Assets including the disposal, acquisition and leasing in or out of assets is with the Assets Team.

Key Roles

Asset Strategy Steering Group – oversight and approval of the Asset Management Strategy. Approval of assets of assets required for regeneration purposes.

Regeneration Board – identification of assets that need to be acquired in order to facilitate and deliver regeneration projects and for advising on the most appropriate route for delivering regeneration projects (from an assets perspective)

Assistant Director, Assets – overall accountability for the development and delivery of the Asset Management Strategy and responsibility for the services undertaking disposals. Responsible for the acquisition of replacement housing property.

Property Services Officer – responsible for undertaking negotiations and valuations in relation to operational acquisitions and for overseeing external valuation and legal services for other acquisitions with the exception of housing and regeneration.

Valuations – the services of external RICS certified valuers should be sought to provide valuations for the acquisition of assets.

Legal – legal matters will be dealt with through the shared service arrangement with South Staffordshire District Council. The lead officer for the

Land & Building Assets Acquisition Policy
shared service at SSDC will determine whether or not to outsource the legal work to a more specialist legal firm.

Governance

Cabinet will be responsible for approving the Asset Management Strategy and the Acquisitions Policy.

The Council's Scheme of Delegation sets out the nature and financial limits on the acquisition of assets.

Budgets associated with the acquisition of assets should be identified through the normal budget setting process for approval at Full Council.

The Asset Strategy Steering Group will approve the Asset Management Strategy, including the identification of any potential assets that would need to be acquired in order to deliver housing or regeneration projects.

The Regeneration Board will be responsible for identifying assets that would need to be acquired for regeneration purposes.

Reference Documents

Asset Management Strategy

Net Zero Carbon Assessment

It is anticipated that any properties acquired by the Council would have a suitable energy performance rating; however, this policy may not directly contribute towards Net Zero Carbon.

Community Impact Assessment

Part 1 – Details	
What Policy/ Procedure/ Strategy/Project/Service is being assessed?	Acquisition of land and building assets
Date Conducted	01/06/2022
Name of Lead Officer and Service Area	Paul Weston, Assistant Director, Assets
Commissioning Team (if applicable)	Asset Strategy Group
Director Responsible for project/service area	Rob Barnes, Executive Director, Communities

Land & Building Assets Acquisition Policy

Who are the main stakeholders	Residents of Tamworth Businesses in Tamworth	
Describe what consultation has been undertaken. Who was involved and what was the outcome	This forms part of the wider Asset Management Strategy which has been considered by the Asset Strategy Steering Group	
Outline the wider research that has taken place (E.G. commissioners, partners, other providers etc)	An acquisitions policy is considered to be good practice as part of active asset management. There are provisions within the Local Government Act to deal with disposal of land and property assets by Local Authorities.	
What are you assessing? Indicate with an 'x' which applies	A decision to review or change a service	X
	A Strategy/Policy/Procedure	X
	A function, service or project	<input type="checkbox"/>
What kind of assessment is it? Indicate with an 'x' which applies	New	<input type="checkbox"/>
	Existing	<input type="checkbox"/>
	Being reviewed	X
	Being reviewed as a result of budget constraints / End of Contract	<input type="checkbox"/>

Part 2 – Summary of Assessment

Give a summary of your proposal and set out the aims/ objectives/ purposes/ and outcomes of the area you are impact assessing.

This relates to the acquisition of land and building assets by the Council.

Who will be affected and how?

This is most likely to impact on residents and businesses of Tamworth and those looking to dispose of or who hold land and/or property in Tamworth.

This policy sets out the criteria, process and governance surrounding the acquisition of land and building assets.

Are there any other functions, policies or services linked to this impact assessment?

Yes X No

If you answered 'Yes', please indicate what they are?

Asset Management Strategy
Disposals Policy

Part 3 – Impact on the Community

Thinking about each of the Areas below, does or could the Policy function, or service have a direct impact on them?

Impact Area	Yes	No	Reason (provide brief explanation)
Age	<input type="checkbox"/>	X	Opportunity to dispose of land and/or property open to this group.
Disability	<input type="checkbox"/>	X	Opportunity to dispose of land and/or property open to this group.
Gender Reassignment	<input type="checkbox"/>	X	Opportunity to dispose of land and/or property open to this group.
Marriage & Civil Partnership	<input type="checkbox"/>	X	Opportunity to dispose of land and/or property open to this group.
Pregnancy & Maternity	<input type="checkbox"/>	X	Opportunity to dispose of land and/or property open to this group.
Race	<input type="checkbox"/>	X	Opportunity to dispose of land and/or property open to this group.
Religion or belief	<input type="checkbox"/>	X	Opportunity to dispose of land and/or property open to this group.
Sexual orientation	<input type="checkbox"/>	X	Opportunity to dispose of land and/or property open to this group.
Sex	<input type="checkbox"/>	X	Opportunity to dispose of land and/or property open to this group..
Gypsy/Travelling Community	<input type="checkbox"/>	X	Opportunity to dispose of land and/or property open to this group.
Those with Caring/Dependent responsibilities	<input type="checkbox"/>	X	Opportunity to dispose of land and/or property open to this group.
Those having an offending past	X	<input type="checkbox"/>	Opportunity to dispose of land and/or property would generally be open to this group; however some people convicted of financial related crimes may be excluded.
Children	X	<input type="checkbox"/>	Persons under the age of 18 would not be able to enter into a legal agreement to dispose of land or property.
Vulnerable Adults	<input type="checkbox"/>	X	Opportunity to dispose of land and/or property open to this group.
Families	<input type="checkbox"/>	X	Opportunity to dispose of land and/or property open to this group.
Those who are homeless	<input type="checkbox"/>	X	Opportunity to dispose of land and/or property open to this group. (it should be recognised that if this group holds land and/or property it may impact on their homeless status)
Those on low income	X	<input type="checkbox"/>	Opportunity to dispose of land and/or property open to this group.
Those with Drug or Alcohol problems	<input type="checkbox"/>	X	Opportunity to dispose of land and/or property open to this group.
Those with Mental Health issues	X	<input type="checkbox"/>	Opportunity to dispose of land and/or property open to this group subject to them having the capacity to enter into a legal agreement.

Land & Building Assets Acquisition Policy

Those with Physical Health issues	<input type="checkbox"/>	X	Opportunity to dispose of land and/or property open to this group.
Other (Please Detail)	<input type="checkbox"/>	<input type="checkbox"/>	

Part 4 – Risk Assessment

From evidence given from previous question, please detail what measures or changes will be put in place to mitigate adverse implications

Impact Area	Details of the Impact	Action to reduce risk
Children	Persons under the age of 18 are not able to enter into legal contracts to dispose of land/property or to enter into a lease.	None – this is a matter outside of our control.
Those having an offending past	It is possible that someone convicted of financial crimes would be excluded from entering into a legal agreement to dispose of land/building assets.	None – this is a matter outside of our control.
Those with Mental Health Issues	Certain people may not have the capacity to enter into legal agreements for land/property.	Where a person is legally deemed not to have capacity this would be outside of our control. As with any other potential purchaser/tenant they would be advised to seek financial and legal advice before entering into agreements.

Part 5 - Action Plan and Review

Detail in the plan below, actions that you have identified in your CIA, which will eliminate discrimination, advance equality of opportunity and/or foster good relations.

If you are unable to eliminate or reduce negative impact on any of the impact areas, you should explain why

Impact (positive or negative) identified	Action	Person(s) responsible	Target date	Required outcome
Children	No action as this is outside of our control.	N/A	N/A	N/A
Others	No action required. Provided people have the financial means and capacity to enter into a legally binding agreement the policy is open to them.	Paul Weston	N/A	N/A

Date of Review (If applicable)

This page is intentionally left blank

LAND & BUILDING ASSETS DISPOSAL POLICY

Document Status: Draft

Document Ref: AssetDispPolicy

Originator: Assistant Director, Assets

Updated:

Owner: Assistant Director, Assets

Version: draft

Date: 01/06/2022

For consideration and approval by Asset Strategy Steering Group

Classification: SECO Public Domain

Document Location

Land & Building Assets Disposal Policy

This document is held by the Assets Team of Tamworth Borough Council, and the document owner is the Assistant Director, Assets.

Printed documents may be obsolete; an electronic copy will be available on Tamworth Borough Councils Intranet. Please check for current version before using.

Revision History

Revision Date	Version Control	Summary of changes
01/06/22	draft	Draft for comment

Next Revision

Review Type	Date

Approvals

Name	Title	Approved
	Asset Strategy Steering Group	
	Executive Leadership Team	
	Cabinet	

Document Review Plans

This document is subject to a scheduled annual review. Updates shall be made in accordance with business requirements and changes and will be with agreement with the document owner.

Distribution

The document will be publicly available on the Tamworth Borough Council website.

Security Classification

This document is classified as 'SEC0 Public Domain' and will be published on the Tamworth Borough Council website.

Contents

Introduction	5
Background.....	5
Approach.....	6
Definitions	6
General principles for disposal	6
Disposal Methods	7
Negotiated.....	7
Sealed Bids.....	7
Formal Tender.....	8
Auction.....	8
Partnership.....	8
Routine Operational.....	8
Strategic Regeneration	9
Surplus	9
Housing	9
Other	10
Open Space.....	10
Release of covenant.....	10
Adverse Possession.....	10
Assets of Community Value	11
Spontaneous Offer.....	11
CPO or Statutory Acquisition	11
Leasehold Extensions.....	11
Leasehold Reversion.....	11
Residential Leasehold (former Council Housing.....	12
Roles & Responsibilities	12
Key Roles.....	12
Governance	13
Reference Documents	13
Net Zero Carbon Assessment	13
Community Impact Assessment.....	13

Introduction

This policy relates to the disposal of council owned land and property through sale of the freehold interest, granting of a long lease, granting of a short lease, granting of a license, or granting of a 'tenancy at will'.

The policy also addresses disposal by way of a statutory forced disposal, adverse possession, and the removal of restrictive covenants.

There are a number of reasons why the Council may consider disposing of land and property including: -

- Income generation
- Regeneration (Strategic)
- Community benefit
- Surplus to requirement (strategic)
- Changing operational demands
- Removal of a liability

This policy does not include disposal of council housing assets under the 'Right To Buy' legislation nor does it address the disposal of any other asset which would be dealt with through Financial Guidance documents.

Background

Tamworth Borough Council owns and manages a diverse portfolio of Assets which include property and land for a range of reasons including: -

- Operational property for the purposes of undertaking its business activities.
- Investment property for the purpose of generating income.
- Assets for community benefit including historic assets.
- Amenity and leisure land for public use.

This policy is directly linked to the Council's Asset Management Strategy which aims to define the purpose for which property is held, how its performance is assessed and how retention, adaptation or disposal are considered.

The purpose of this policy is to provide a framework for the disposal of land and building assets as a means of maximising income, limiting liability and meeting the changing demands of the Council and the residents of Tamworth. The policy aims to provide a transparent methodology on the process for land and building asset disposals.

Local authorities are subject to certain constraints when disposing of land and building assets in their ownership. Some of these constraints are enshrined in law; others arise because of a general expectation that local authorities should be seen to act fairly when disposing of land.

Under s123 of the Local Government Act 1972 local authorities have powers to dispose of property in any manner they wish, subject to certain constraints which may include a requirement to obtain the consent of the Secretary of State.

The Local Government Act 1972 s123 details the requirement for Councils not to sell land for a consideration less than the best consideration reasonably obtainable unless the Secretary of State's consent was obtained. There are however some exceptions; under the General Disposal Consent (England) 2003 this requirement for specific approval no longer applies provided any undervalue does not exceed £2 million and the transaction is considered by the local authority to help secure the promotion or improvement of the economic, social or environmental well-being of its area. Any disposals at such an undervalue will need Cabinet approval. All valuations will need to be carried out in accordance with the requirements of the Order. There are additional requirements under the Localism Act in relation to Assets of Community Interest.

Approach

Definitions

Under the guidance of the s123 Local Government Act 1972 disposal is considered to be one of the following: -

- A freehold transfer
- A grant of a term exceeding seven years
- The assignment of a term which, at the date of the assignment, has more than seven years to run.
- A grant of an easement/right of way over land/property

General principles for disposal

The stages of preparation leading to *any* disposal should include the following: -

- *Asset Management Strategy* – So far as possible any surplus or underperforming assets will be identified through the Asset Management Strategy and considered for disposal by the Asset Strategy Steering Group. Assets identified for disposal to facilitate regeneration projects will be brought to the Asset Strategy Steering Group by the Regeneration Board for consideration.
- *Internal Consultation Process* - Relevant Directorates are to be consulted and given an opportunity to comment on proposed disposals. Consideration is to be given to any comments and/or proposals for alternatives to disposal.

- *Legal Consultation* – at an early stage legal advice on title and any rights or obligations which might affect the asset is to be sought. If it is intended to include covenants or other restrictions in the disposal, legal advice should be obtained prior to negotiations. Any potential obligation under the *Crichel Down Rules* to offer the land back to a former owner will also be considered as part of this process.
- *Inspection, valuation and potential future use* – before entering into any negotiations an inspection is to take place to consider condition, value, and development potential and to identify any other issues which is likely to compromise the disposal or impact on the value of the asset.
- *Identification Of Development Potential* – Any asset identified as having the potential for development should be considered by the Regeneration Team before progressing any negotiations for disposal. Consideration should be given to the Council's strategic aims and professional advice is to be sought on the best approach for disposal so as to achieve the best outcome.
- *Valuations* - Valuations will generally be conducted using the RICS Red Book methodology and in line with CIPFA guidelines. For larger disposals consideration will be given to matters such as 'hope value' and overage.
- *Method of disposal* – The method of disposal and process for obtaining approval will vary based on the nature and value of the disposal and is set out in more detail in the section of *roles & responsibilities*.
- *Fees* – The approach to the apportionment of fees will vary based on the nature of the disposal. For routine operation disposal, lease extensions, leasehold reversions and any forced sales the Council should look to recover all fees from the other party. For all other disposals fees should be considered on a commercial basis and take account of external legal and professional advice.

Disposal Methods

There are a variety of options that can be considered for the disposal of assets; the method adopted should be that considered to be most suited to the nature of the disposal.

Negotiated

This approach is most likely to be used for the disposal of small parcels of land where there is a single party with legitimate interest, usually the owner of the property adjoining the land in question. Negotiation can only be used for disposals of land with a value of £10,000 or less. Formal valuations are to be undertaken and legal advice will be sought.

Sealed Bids

The use of a 'sealed bid' process whilst permissible is not advisable and with the use of technology in tendering has become less relevant. It is most appropriate for use on the sale of smaller plots of lower value but where there is potentially more than one party who could claim to have legitimate interest and where those parties are largely residential as opposed to commercial interests.

Formal Tender

This approach is likely to apply where assets have been identified as being surplus to requirement or have been identified for regeneration purposes not being delivered by the Council.

Formal tender should be used for all assets with a value in excess of £10,000 making use of the In-Tend system but which have no agreed development or regeneration plan attached to them.

Where the disposal of an asset relates to a site that has a development brief or regeneration plan attached to it external advice is to be sought on the most appropriate and advantageous method of disposal.

Auction

Where an asset has been identified as being surplus to requirement but is not considered to be suitable for development or regeneration disposal through auction should be considered. This is likely to apply to assets that have been identified as surplus because they are underperforming or have become derelict.

Partnership

It is likely that some disposals will take place by way of partnership working with external bodies. This type of disposal will need to be subject to a detailed options and financial appraisal process.

Routine Operational

A routine operation disposal will in most cases arise by way of an application received from the adjacent owner(s) to purchase the freehold or leasehold interest (in excess of 7 years) of a small area of land or property with no strategic objective. Where it has been assessed that there is no development value or open market opportunity and the asset has an open market value of less than £10,000, 'confined' negotiations with the adjacent owner(s) can commence with a view to achieving the most advantageous financial outcome.

In cases where there is more than one other contiguous land holding consideration should be given to alternative disposal strategies (e.g. sealed informal tenders) to obtain the best consideration.

The Council holds numerous small parcels of land across the borough, many of which are only a few square metres in area, which are sought after by local residents. This is usually to increase their own garden space, to accommodate an extension to their property, or to give access to land suitable for development, not owned by the Council. As a rule, disposal of this type of land should not be considered, unless it satisfies one of the following criteria:

- The asset is desolate and derelict
- There is significant financial benefit to the Council through removal of further liability for maintenance or liability for the asset.

If one of the above apply, and after consulting with the list of consultees, a price suitable for the proposed use of the land will be agreed by the Assets Team, with the prospective purchaser, and the proposal to sell will be reported to Cabinet for approval prior to any formal agreement being given. If the land value exceeds £10,000 a formal and open disposal process must be used.

Strategic Regeneration

Members, The Regeneration Board or Asset Strategy Steering Group may from time to time identify land or building assets for use in wider strategic regeneration projects to be delivered by the Council, external agencies or through partnerships.

Disposal for strategic regeneration purposes is generally excluded from this policy and as such the most appropriate method of disposal should be given proper consideration as part of the project delivery plan. However due consideration must be given to the prevailing legislation relating to the disposal of assets.

Governance for such disposals must form part of the governance arrangements specific to the project.

Surplus

Surplus assets will be identified through the Asset Management Strategy but will generally consist of assets that are no longer required due to operational changes, assets that are underperforming either physically or financially or assets that have been identified as a means of generating a capital receipt.

The recommendation for disposal will be made by the Asset Strategy Steering Group for consideration by Cabinet. Where disposal is approved specialist property advice is to be sought on valuations and on the most appropriate mechanism for the disposal process.

Housing

This policy excludes the sale of council housing through the Right To Buy process which is covered by legislation.

Sales of other council housing assets will be identified through the Asset Management Strategy and will generally consist of assets that are underperforming either physically or financially, assets that no longer meet the needs of the residents or assets that require investment that would not deliver a reasonable return on investment.

Other housing assets such as garage or parking areas may be considered for disposal if they are surplus to requirement and would not show a return on investment.

Where disposal is approved specialist property advice is to be sought on valuations and on the most appropriate mechanism for the disposal process.

Other

Open Space

Land identified as being public open space should only be considered for disposal as a means of releasing land for strategic development and regeneration purposes. Any disposal of public open space will be subject to consultation with appropriate Elected Members and the wider community. Any disposal of public open space must be approved by Cabinet.

Release of covenant

From time to time the Council will be approached by a land or property owner requesting the release of a restrictive covenant. Each request is to be considered on its merits with consideration being given to why the restrictive covenant exists and whether its intended purpose still applies. Legal advice is to be obtained in all instances.

Where there is no reason for the restrictive covenant to be in place and where the legal advice supports it the covenant should be removed. All costs associated with the removal of a restrictive covenant should be met by the person(s) seeking removal.

Where the intended purpose of the restrictive covenant remains, it should not be removed.

Consideration must be given as to whether or not there is any financial value to be realised from the release of a covenant. The primary consideration must be the intended purpose of the covenant, however where the financial return outweighs the other benefit of the covenant negotiations can commence once approved by the Assistant Director, Assets

Adverse Possession/Appropriation

From time-to-time Land Registry will notify the Council of an adverse possession claim relating to an asset registered to or believed to be in the title of the Council.

Upon receipt of any such notifications consultation with the legal team and appropriate directorate are to commence with a view to establishing a defence against the claim. It is essential that the information is gathered, and defence submitted within the required timescales. The Assistant Director, Assets is to be informed of any notices for adverse possession claims.

Where Council owned assets appear to have been appropriated by third parties contact shall be made by the Assets team demanding that the appropriated asset is returned to its original state. Should the third party not

comply with the demand the matter shall be passed to the legal team for formal action to be taken.

Assets of Community Value

A separate policy exists in relation to Assets of Community Value as set out in the Localism Act 2011. Any Council owned assets identified as Assets of Community Value being considered for disposal must follow this process.

Spontaneous Offer

The Council will occasionally receive a spontaneous offer for an asset that has not previously been identified as being either surplus or for regeneration purposes. The approach take in relation to spontaneous offers will depend on the nature of the asset and its estimated value. Where there is only likely to be a single interested party and the land is valued at less than £20,000 the 'Routine Operational' approach can be taken. Where there are potentially multiple interested parties and/or the asset value exceeds £20,000 the 'Surplus' approach is to be applied.

CPO or Statutory Acquisition

The Council may receive an application for some form of statutory asset acquisition; this will normally be in relation to a major infrastructure or civil engineering project. Upon receipt of any such notice the Assistant Director, Assets must be informed. Cabinet and Ward Members are to be notified and suitable legal and valuation advisers are to be appointed to protect the financial and reputational interests of the Council.

The Council, through its specialist advisers will work to achieve the most favourable financial and physical outcomes for the Council and its residents.

Leasehold Extensions

There is provision in law for long leases to be extended. Any tenant with a long lease must apply for a lease extension using the formal approach. The Council will appoint a specialist valuer and legal advisor to undertake the valuation of the lease extension and advise on the legal provisions around any such lease extension.

A lease extension must be granted within a reasonably timeframe with the premium being paid being calculated in line with current valuation methods. All valuation and legal fees are to be met by the purchaser.

Leasehold Reversion

The Council currently owns a number of residential properties that were sold on a leasehold basis. There is a provision in law for leaseholders to acquire the Freehold interest in their property subject to the payment of a premium. Leaseholders must apply for a Leasehold Reversion using the formal approach. The Council will appoint a specialist valuer and legal advisor to undertake the valuation of the reversion and advise on the legal provisions and deal with any Land Registry documentation.

The reversion must be granted within a reasonably timeframe with the premium being paid being calculated in line with current valuation methods. All valuation and legal fees are to be met by the purchaser.

Residential Leasehold (former Council Housing)

There is provision for Leaseholders in a residential block to take over management of the block or to acquire the Commonhold or Freehold interest in the block. Disposal through this route is governed by separate legislation which will be applied when considering such disposal requests.

Roles & Responsibilities

The Council's Scheme Of Delegation sets out the delegated authorities in relation to the disposal of assets and the granting of leases and licenses along with the setting of investment rents.

Overall responsibility for the management of Assets including the disposal, acquisition and leasing of investment property is with the Assets Team.

Key Roles

Asset Strategy Steering Group – oversight and approval of the Asset Management Strategy. Approval of assets identified as surplus, and approval of assets identified for regeneration purposes.

Regeneration Board – identification of assets suitable for inclusion in regeneration projects and for advising on the most appropriate route for delivering regeneration projects (from an assets perspective)

Assistant Director, Assets – overall accountability for the development and delivery of the Asset Management Strategy and responsibility for the services undertaking disposals.

Property Services Officer – responsible for undertaking negotiations and valuations in relation to operational disposals and for overseeing external valuation and legal services for other disposals.

Street Scene Operations Manager – key consultee in applications for the acquisition of small plots of land.

Valuations – for operational disposals valuations will be carried out by the Property Services Officer. For other disposals external specialist will be procured to provide valuation services.

Legal – legal matters will be dealt with through the shared service arrangement with South Staffordshire District Council. The lead officer for the shared service at SSDC will determine whether or not to outsource the legal work to a more specialist legal firm.

Governance

Cabinet will be responsible for approving the Asset Management Strategy and the Disposals Policy.

The Council's Scheme of Delegation sets out the nature and financial limits on the disposal of assets.

The Asset Strategy Steering Group will approve the Asset Management Strategy, including the identification of surplus and regeneration properties before final approval by Cabinet. The Asset Strategy Steering Group will also be responsible for the ongoing review of Surplus and Regeneration assets.

The Regeneration Board will be responsible for identifying assets to be considered for regeneration purposes.

Operational Disposals of low value will be reported by way of a Scheme of Delegation report through the ModGov system. Larger value, strategic and regeneration disposals will be reported through the Cabinet process.

Reference Documents

Local Government Act 1972 (s123)

Localism Act 2011

Asset Management Strategy

General Disposal Consent (England) 2003

Net Zero Carbon Assessment

It is not anticipated that this policy will have a direct impact on the Council's Net Zero Carbon targets, however poorly performing property is more likely to be identified for disposal through the Asset Management Strategy and Asset Management Plans.

Community Impact Assessment

Part 1 – Details	
What Policy/ Procedure/ Strategy/Project/Service is being assessed?	Disposal of land and building assets
Date Conducted	01/06/2022
Name of Lead Officer and	Paul Weston, Assistant Director, Assets

Land & Building Assets Disposal Policy

Service Area		
Commissioning Team (if applicable)	Asset Strategy Group	
Director Responsible for project/service area	Rob Barnes, Executive Director, Communities	
Who are the main stakeholders	Residents of Tamworth Businesses in Tamworth	
Describe what consultation has been undertaken. Who was involved and what was the outcome	This forms part of the wider Asset Management Strategy which has been considered by the Asset Strategy Steering Group	
Outline the wider research that has taken place (E.G. commissioners, partners, other providers etc)	A disposals policy is considered to be good practice as part of active asset management. There are provisions within the Local Government Act to deal with disposal of land and property assets by Local Authorities.	
What are you assessing? Indicate with an 'x' which applies	A decision to review or change a service	X
	A Strategy/Policy/Procedure	X
	A function, service or project	<input type="checkbox"/>
What kind of assessment is it? Indicate with an 'x' which applies	New	<input type="checkbox"/>
	Existing	<input type="checkbox"/>
	Being reviewed	X
	Being reviewed as a result of budget constraints / End of Contract	<input type="checkbox"/>

Part 2 – Summary of Assessment

Give a summary of your proposal and set out the aims/ objectives/ purposes/ and outcomes of the area you are impact assessing.

This relates to the disposal of land and building assets in the ownership of the Council. Disposal may be by way of sale of Freehold, granting of long leases, granting of short leases, granting of licenses or transfer to other parties.

Excluded from this is disposal through the Right To Buy process which is a statutory process.

Who will be affected and how?

This is most likely to impact on residents and businesses of Tamworth and those looking to acquire land and/or property in Tamworth.

This policy sets out the criteria, process and governance surrounding the disposal of land and building assets.

Are there any other functions, policies or services linked to this impact assessment?

Land & Building Assets Disposal Policy

Yes	X	No	<input type="checkbox"/>
If you answered 'Yes', please indicate what they are?			
Asset Management Strategy			
Acquisitions Policy			

Part 3 – Impact on the Community
Thinking about each of the Areas below, does or could the Policy function, or service have a direct impact on them?

Impact Area	Yes	No	Reason (provide brief explanation)
Age	<input type="checkbox"/>	X	Opportunity to acquire land and/or property open to this group.
Disability	<input type="checkbox"/>	X	Opportunity to acquire land and/or property open to this group.
Gender Reassignment	<input type="checkbox"/>	X	Opportunity to acquire land and/or property open to this group.
Marriage & Civil Partnership	<input type="checkbox"/>	X	Opportunity to acquire land and/or property open to this group.
Pregnancy & Maternity	<input type="checkbox"/>	X	Opportunity to acquire land and/or property open to this group.
Race	<input type="checkbox"/>	X	Opportunity to acquire land and/or property open to this group.
Religion or belief	<input type="checkbox"/>	X	Opportunity to acquire land and/or property open to this group.
Sexual orientation	<input type="checkbox"/>	X	Opportunity to acquire land and/or property open to this group.
Sex	<input type="checkbox"/>	X	Opportunity to acquire land and/or property open to this group.
Gypsy/Travelling Community	<input type="checkbox"/>	X	Opportunity to acquire land and/or property open to this group.
Those with Caring/Dependent responsibilities	<input type="checkbox"/>	X	Opportunity to acquire land and/or property open to this group.
Those having an offending past	<input type="checkbox"/>	X	Opportunity to acquire land and/or property open to this group.
Children	X	<input type="checkbox"/>	Persons under the age of 18 would not be able to enter into a legal agreement to acquire land or property.
Vulnerable Adults	<input type="checkbox"/>	X	Opportunity to acquire land and/or property open to this group.
Families	<input type="checkbox"/>	X	Opportunity to acquire land and/or property open to this group.
Those who are homeless	<input type="checkbox"/>	X	Opportunity to acquire land and/or property open to this group.
Those on low income	X	<input type="checkbox"/>	Opportunity to acquire land and/or property open to this group subject to them being able to meet the financial commitments associated with any acquisition.

Land & Building Assets Disposal Policy

Those with Drug or Alcohol problems	<input type="checkbox"/>	X	Opportunity to acquire land and/or property open to this group.
Those with Mental Health issues	X	<input type="checkbox"/>	Opportunity to acquire land and/or property open to this group subject to them having the capacity to enter into a legal agreement.
Those with Physical Health issues	<input type="checkbox"/>	X	Opportunity to acquire land and/or property open to this group.
Other (Please Detail)	<input type="checkbox"/>	<input type="checkbox"/>	

Part 4 – Risk Assessment

From evidence given from previous question, please detail what measures or changes will be put in place to mitigate adverse implications

Impact Area	Details of the Impact	Action to reduce risk
Children	Persons under the age of 18 are not able to enter into legal contracts to acquire land/property or to enter into a lease.	None – this is a matter outside of our control.
Those on low income	Persons on low income may not be in a position to acquire land/property or to lease property.	Limited – people will need to demonstrate that they have the financial means to meet the commitment of acquisition/lease. People will be advised to seek financial and legal advice before entering into agreements.
Those with Mental Health Issues	Certain people may not have the capacity to enter into legal agreements for land/property.	Where a person is legally deemed not to have capacity this would be outside of our control. As with any other potential purchaser/tenant they would be advised to seek financial and legal advice before entering into agreements.

Part 5 - Action Plan and Review

Detail in the plan below, actions that you have identified in your CIA, which will eliminate discrimination, advance equality of opportunity and/or foster good relations.

If you are unable to eliminate or reduce negative impact on any of the impact areas, you should explain why

Impact (positive or negative) identified	Action	Person(s) responsible	Target date	Required outcome
Children	No action as this is outside of our control.	N/A	N/A	N/A
Others	No action required. Provided people have the financial means and capacity to enter into a legally binding agreement the policy is open to them.	Paul Weston	N/A	N/A

Date of Review (If applicable)

This page is intentionally left blank

Asset Management Plans

Contents

Asset Management Plans.....	1
Context.....	2
Process Map.....	2
Data Inputs.....	2
Viability Modelling	3
Outputs	3
Review Process.....	3
Outcomes.....	3
Other considerations	4

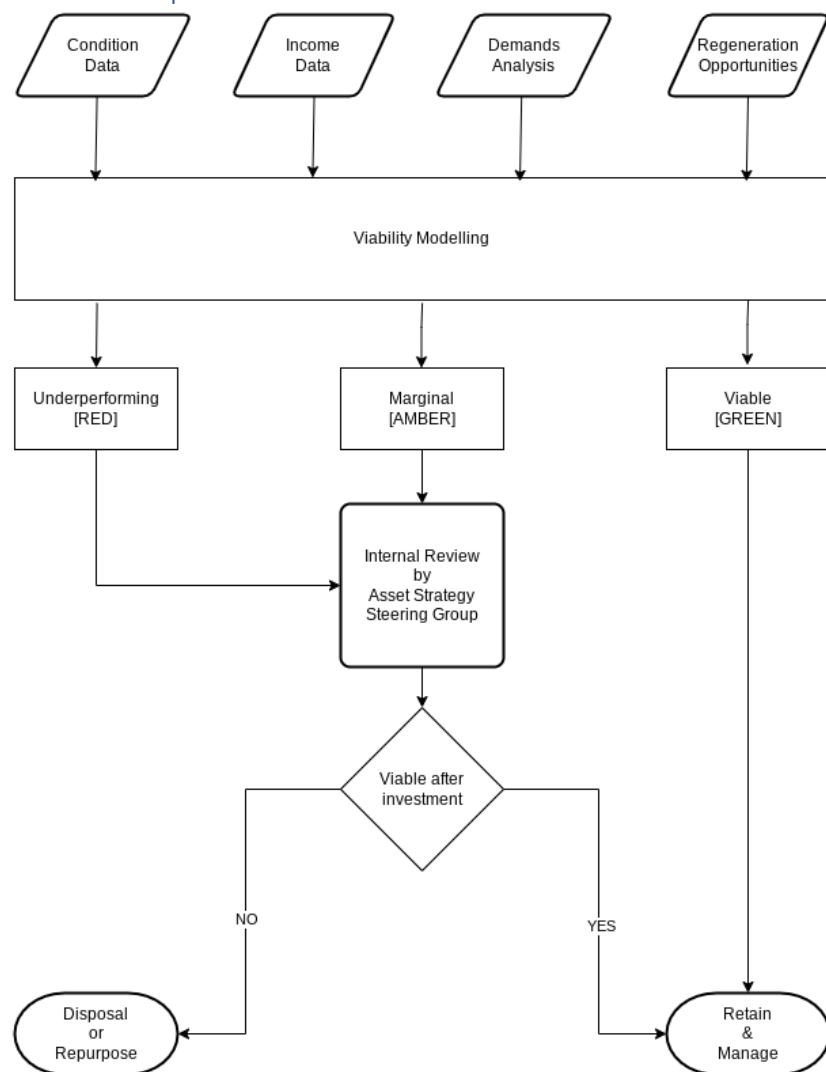
Context

The development of Asset Management Plans for Council owned land and building assets is referenced in the Asset Management Strategy, its primary purpose being to act as a toolkit to aid the decision-making process in relation to the future of a given asset.

An Asset Management Plan will be developed for each asset or where appropriate group of assets. Asset Management Plans will make use of a variety of data sources which will result in a recommended course of action.

It will be the role of the Asset Strategy Steering Group to review the Asset Management Plans and to make recommendations on the course of action to be taken.

Process Map



Data Inputs

- Condition Data – Information on condition will be collected for all built assets. This data will be used to determine the investment requirements for the asset over a 30-year period.

Condition data should be refreshed on a 5-year cycle to ensure that Asset Management Plans are being reviewed using current data. Included within condition data will be information on the planned and reactive expenditure required to maintain the property fit for use.

- Income Data – Income data is to be collected for all Housing properties and those assets held for investment purposes.
- Demands Analysis – The demands analysis process will make use of a number of data sources. Information on void rates, void periods, churn and known waiting lists will be considered. Subjective demands data will be collected from those involved in operational management of assets. Suitability data will be considered under this data source.
- Regeneration Opportunities – Consideration will be given to wider Council aspirations for regeneration. The Regeneration Board will feed into the process by identifying assets that may be needed to facilitate regeneration projects.

Viability Modelling

The collated data will be fed into a software-based viability modelling tool. The tool will consider income vs expenditure, Net Present Values and needs/demands. The Asset Strategy Steering Group will set the thresholds that need to be met for the various outputs.

Generally, the financial viability modelling will consider a period of 30 years, however for some assets the Asset Strategy Steering Group may agree a different period.

Outputs

- RED – properties that significantly fail to make a return on investment and are proven to have little to no demand and are unlikely to be in demand. Properties that don't pass the suitability test and would be difficult to make suitable.
- AMBER – properties that are in high demand but fail to make a return on investment or properties that make a return on investment but are considered to be generally in low demand or properties that barely break-even financially. Properties that don't pass the suitability test but that could be made suitable.
- GREEN – properties that show a return on investment, are in demand and pass the suitability test.

Review Process

The Asset Strategy Steering Group will review all categories of output. There will be a 'reality check' of the categorisations. A review of all AMBER assets will be carried out with a view to moving them into either the RED or GREEN categories; this is likely to be a subjective process based on knowledge of the asset and a forecast of likely future performance.

Each asset in the RED category will be reviewed individually and a decision made on the most appropriate course of action to be taken.

Outcomes

- Disposal – it is likely that the most appropriate course of action for those assets in the RED category will be disposal. The method of disposal will be in line with the Disposals Policy.
- Repurpose – assets falling into either the RED or AMBER categories may be suitable for retention through a process of repurposing. Any proposed repurposing would need to be run through the viability modelling process to ensure that the repurposed asset would be suited to retention.

- Retain – assets falling into the GREEN category will generally be retained and managed in line with the data collected at the input stages. Assets identified for repurposing will fall into the retention category upon completion of the repurposing process.

Other considerations

Budgets – despite an asset being considered viable it is possible that the expenditure required is not available within the MTFS. Consideration will need to be given as to how to fund the retention of such assets. There may also be a need to dispose of assets as a means of generating a capital receipt for reinvestment purposes. The Asset Management Strategy and Asset Management Plans will be used in the annual budget setting process.

Regeneration – the Council may wish to use its assets as part of a regeneration project. Any project that makes use of existing assets and/or that will result in new or repurposed assets will need to take account of the viability modelling process so that its impacts on assets and budgets are fully understood.

Assets out of scope – some properties are likely to fall outside the scope of the Asset Management Plans. Assets held for community benefit or assets of historic nature are unlikely to present themselves as being viable, however the Council has a stewardship responsibility for these assets and will need to make provision for their retention and upkeep.

Corporate Scrutiny Work Plan

Work Plan		
TARGET MEETING DATE	SUBJECT	MEETING WHEN ITEM ADDED TO WORK PLAN
Dates to be agreed		
8 December 2022	Draft Asset Management Strategy	June 2022
8 February 2023	Quarter 3 2022/23 Performance Report	
8 February 2023	Working group feedback - Review of Quarterly Performance Report	
8 February 2023	Regulation Social housing for the Council's own stock	October 2022
Dates to be agreed		
TBC	Update on corporate prioritisation	August 2020
TBC (February / March 2023)	Update on Assure Project (Environmental Health)	September/ November 2022
Bi-annual updates (March & September)	Solway Trading Company Update	December 2019
TBC (September 2023)	Joint Waste contract update	June 2021
TBC	Gungate Masterplan	January 2020
TBC	Reset & Recovery Workstreams	November 2021
TBC	Staffordshire Leaders Board	February 2022
TBC	Corporation Street (Gateway project) – review	September 2022

Working Groups

<p>Aiming for 8 February 2023– which meeting Working Group to report back to</p>	<p>Review of Quarterly Performance Report to align with new Corporate Plan 2022-2025</p> <p>Members: Cllrs T Jay, D Cook, C Cooke, A Cooper</p>	<p style="text-align: center;">June 2022</p>
<p>TBC – which meeting Working Group to report back to</p>	<p>Review of Leaseholder Charges Communications following referral from full council meeting on 27.09.2022 meeting</p> <p>Members: Cllrs D Cook, M Cook, C Cooke, S Goodall, J Harper, S Peaple</p>	<p style="text-align: center;">October 2022</p>

Upcoming Corporate Scrutiny Committee Meetings

Meeting dates:
 8 December 2022
 8 February 2023
 9 March 2023

ACTION LOG – CORPORATE SCRUTINY COMMITTEE - RESPONSE DOCUMENT

MEETING MINUTE NO.	ACTION	RESPONSE	COMPLETED?
1	20. Street Market Update	Agreed to ask the Leader of Council to write formally to the County Council to resolve the issues with the bollards on George Street and Market Street	Action superceded and completed.

ACTION LOG – CORPORATE SCRUTINY COMMITTEE - RESPONSE DOCUMENT

MEETING MINUTE NO.	ACTION	RESPONSE	COMPLETED?
2	50 – Update on Assure Project	Written Briefing to be provided setting out status of the project and risks posed.	