Corporate Asset Management Plan
2014-2017
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SUMMARY

Welcome to the Elmbridge Borough Council Asset Management Plan 2014 - 2017. This document details the Council’s plans in relation to its corporate property portfolio of operational and non-operational holdings for the next three years.

The document will outline how the AMP fits into the Council’s framework of policies, what the Council has achieved in the past three years and going forward its plans and strategies for the Borough’s property portfolio, that currently includes seven centres for the community, two leisure centres, a Civic Centre, seven public toilets, twenty car parks, forty non-operational sites, plus some miscellaneous small land holdings retained for strategic or community reasons.

The land and property holdings have a total ‘net book value’ of approximately £66.7 million, excluding the value of community assets such as commons, recreational open space and cemeteries (Community Assets are recorded in the accounts at a nominal value).

1 - INTRODUCTION

The Asset Management Plan (AMP) is a strategic document forming part of the Council’s Policy Framework, which provides Member and Officer guidance on the management of the Council’s land and property portfolio. It aims to optimise the contribution that property makes to the Council’s provision of quality services and to support the Council’s objectives through effective asset management and ensure all assets comply with statutory obligations in respect of health and safety issues.

The Plan supports the Council’s principal aims and objectives as set out in the Corporate Plan and reflected in the Community Strategy.

The last AMP was formulated by the Council’s Corporate Property Group and was updated in 2011. Approved by Cabinet the last AMP formed part of the Council’s Policy Framework and was valid until July 2014. Once approved this revised Plan will be refreshed in April 2017.

1.01 - AMPS Highlights 2011-2014

Since the last AMP the Council has been active in the management of the Council’s portfolio and major highlights include:

The Walton Playhouse was refurbished at a cost of £325,000 in 2011. This has revitalised the Playhouse for all the users and community to benefit from.

Walton Centre for the Community has been refurbished and extended at a cost of £300,000 which has enabled the development of a Wellbeing Centre, which was funded by Surrey County Council with the refurbishment cost being met through a legacy left to the Elmbridge Trust for Older People.
The former Walton Library was refurbished at a cost of £800,000 to provide a community hub for the voluntary sector including the Citizens Advice Bureau, Counselling Partnership, Surrey Independent Living, Surrey Healthwatch and Surrey Police.

Surrey Police have moved their neighbourhood team into the ground floor of the Civic Centre following the closure of the police stations in the Borough. This has improved partnership working with the Police and provided additional income to the Council.

To free up the space required for the Police move involved moving a number of officers and refurbishing the space to the Police’s requirements.

The Council has purchased four property investments;
- 26-38a High Street, Cobham
- Consort House, Weybridge
- Albany House, Esher
- 81 High Street, Esher

The total cost all four investments is £14,800,000 which includes costs with a current rental income of £0.9m

The Council continues to be active in the investment market and is actively seeking investment opportunities in the Borough.

The reception at the Civic Centre has been refurbished at a cost of £220,000 this has not only improved the customer experience but has allowed us to move all the satellite receptions into one place therefore freeing up valuable office space around the building.

Mole Hall has been refurbished at a cost of £400,000 to provide a Centre for the Community as well as an enhanced public hall. This followed the closure of Radnor House which was where the Molesey Centre was previously located and the Radnor House building now forms part of a 100% affordable housing scheme, and EBC are working in partnership with Paragon to provide this scheme.

The former Walton Pool site was sold following a Village Green enquiry for £4,400,000. Linden Homes have now developed the site, that includes 50% affordable housing.

Outline Planning Permission has been obtained on the site adjoining the Xcel at Waterside Drive. The permission allows for the provision of a Sports Hub to include a large sports pavilion to house Walton Athletics Club, Walton and Hersham F.C and Walton Casuals FC, an 8 lane running track, STP and 9 junior and training football pitches. In addition there will be outdoor leisure facilities flowing around the Sports Hub.

Outline Planning permission has also been obtained at Stompond Lane Sports Ground for a mixed use scheme to include residential, care home, offices, doctors surgery and a nursery.
Terms have been agreed between EBC and WHFC and WAC to allow vacant possession of Stompond Lane Sports Ground and therefore the development once the reserved matters have been extinguished.

Condition Surveys have been carried out on all our operational property and priority one works will have been completed by April 2014.

Since 2011 the energy performance of the Civic Centre has been improved significantly; electricity usage has been reduced by 8.66% (year-end figures 13/14 projected). This equals to over £9K a year based on current energy market costs. Measures to achieve this includes replacement of the building transformer with an energy efficient low loss unit, LED lighting installed in the Car park and other areas throughout the building, further timers. Gas usage is better controlled now with improved building management system and new zones throughout the building. This improvement has been reflected on the Display Energy Certificate for the building and a C75 rating has been achieved (from a D97 in 2011).

All the lighting in the Council Chamber has been replaced with LED lighting. This will have a lower the cost of lighting the area and reduce the maintenance costs going forward.

As the reader can see the Council has been very active over the past three years and going forward the Council will continue to improve the built environment bearing in mind the key objectives of the Council.

The Asset Management Plan has been updated to run through to 2017. The Plan now has a revised format that refers to the relevant strategies in Appendices A-E.

1.02 - The Aims of the Asset Management Plan

The primary aims of the Asset Management Plan are to:-

- Ensure that assets are managed to meet all statutory requirements are fit for the purpose that are being used and in a condition to enable uninterrupted services to be provided in an environment that is comfortable for customers, staff and tenants;

- Manage assets in the most cost effective way, where possible reducing costs and in line with the financial strategy;

- Protect and optimise the value of the Council’s assets whether operational or non-operational;

- Ensure that assets contribute to the process of service improvement;

- Provide a co-ordinated approach to asset management across the authority reflecting service needs;

- Identify where possible improved methods of managing assets;
• Provide flexible spaces that can be economically adapted to adjust to service needs, including sharing with partner agencies and encourage partnership working with other agencies;

• Identify all opportunities to contribute to the provision of affordable housing in the Borough;

• Ensures assets are retained by EBC that assist in service delivery, generate a suitable level of income and/or have the potential in future to deliver significant increased income or capital receipt;

• With these aims in mind the Council’s key property objectives for 2014-2017 are:

• EBC will manage the assets to give due consideration to increased revenue income or reducing revenue costs;

• Assets will be maintained in accordance with current statutory legislation and reflect the condition surveys in place;

• EBC will continue to challenge asset utilisation, retention, locality and sustainability;

• Identify and develop opportunities for joint working with partners;

• Continue to review the performance indicators and, where necessary and appropriate, create new indicators which will assist in the management of EBC’s assets;

• All opportunities for assets to be used for affordable housing provision in the Borough will be actively pursued;

• The Council’s key targets in relation to property and the above objectives are;

• To ensure all tenants are complying with the terms of their occupational agreements;

• To continue to manage in accordance with good estate management practices;

• To continue to increase revenue income from the investment portfolio through new purchases, rent reviews and lease renewals;

• Implement the recommendations of the accommodation strategy as agreed;

• To deliver a sports hub on Waterside Drive, Walton on Thames;

• To implement the planning permission obtained at Stompond Lane Sports ground, Walton on Thames;
To acquire further investment property in the Borough to increase revenue income;

Property forms part the Council’s resource and supports the delivery of all of the Council’s objectives by:

Providing accommodation for the delivery of a wide range of services;

Meeting the needs of the local community through the provision of facilities for recreation and social interaction, including parks, open spaces, indoor leisure, centres for the community, etc; car parking facilities also assist the local economy by sustaining the vitality of town centres and villages;

Providing a financial return through a non-operational investment portfolio and disposal of surplus assets, where appropriate;

Facilitating strategic economic development through partnerships,

To work in partnership with local community organisations to ensure the provision of local outlets for services. An example of this is the refurbishment of the former Walton Library to provide a community hub, housing Citizens Advice Bureau, The Counselling Partnership, Surrey Police, and SILC.

2 - THE COUNCIL’S CORPORATE PROPERTY PORTFOLIO

This section details the current property portfolio and how the Council strategically manages its holdings, its procedures and other policies and strategies it relates to.
2.01 - A Breakdown of the Portfolio

Property assets are broadly divided into operational property (used to deliver services) or non-operational property (used to generate income or support the local community or both).

<table>
<thead>
<tr>
<th>Portfolio of Assets</th>
<th>Nominal Book Value (£’m)</th>
<th>2014/2015 Estimated Income (£)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Civic Centre</td>
<td>9.1m</td>
<td>173,000</td>
</tr>
<tr>
<td>Centres</td>
<td>3.6m</td>
<td>111,500</td>
</tr>
<tr>
<td>Public Halls*</td>
<td>3.3m</td>
<td>7,940</td>
</tr>
<tr>
<td>Recreational Land</td>
<td>Community Asset</td>
<td>38,560</td>
</tr>
<tr>
<td>Commons</td>
<td>Community Asset</td>
<td>3,590</td>
</tr>
<tr>
<td>Allotments</td>
<td>Community Asset</td>
<td>1,810</td>
</tr>
<tr>
<td>Stompond Lane</td>
<td>0.7m</td>
<td>12,510</td>
</tr>
<tr>
<td>Cemetery Properties</td>
<td>1.1m</td>
<td>7,160</td>
</tr>
<tr>
<td>Heritage Assets</td>
<td>1.3m</td>
<td>-</td>
</tr>
<tr>
<td>Mill Road Depot</td>
<td>1.7m</td>
<td>203,450</td>
</tr>
<tr>
<td>Walton Town Centre</td>
<td>2m</td>
<td>185,000</td>
</tr>
<tr>
<td>Elm Grove, Walton</td>
<td>1.6m</td>
<td>20,000</td>
</tr>
<tr>
<td>Esher CAB</td>
<td>0.1m</td>
<td>7,500</td>
</tr>
<tr>
<td>Community Hub</td>
<td>0.7m</td>
<td>27,000</td>
</tr>
<tr>
<td>Car Parks</td>
<td>10.1m</td>
<td>2,553,060**</td>
</tr>
<tr>
<td>Other De Minimis Properties</td>
<td>De Minimis</td>
<td>38,980</td>
</tr>
<tr>
<td>Investment Property</td>
<td></td>
<td></td>
</tr>
<tr>
<td>26-38a High Street, Cobham</td>
<td>6.8m</td>
<td>392,140</td>
</tr>
<tr>
<td>Consort House, Weybridge</td>
<td>4.1m</td>
<td>315,000</td>
</tr>
<tr>
<td>Albany House, Esher</td>
<td>1.6m</td>
<td>18,400</td>
</tr>
<tr>
<td>81 High Street, Esher</td>
<td>2.1m</td>
<td>94,700</td>
</tr>
<tr>
<td>North Weylands Industrial Estate</td>
<td>1.0m</td>
<td>85,780</td>
</tr>
<tr>
<td>River Mole Business Park</td>
<td>1.4m</td>
<td>72,400</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>4,369,480</td>
</tr>
</tbody>
</table>

* D C Leisure in accordance with the Management Agreement effective from August 2006 for 15 years manage all the Public Halls. All the income from the public halls goes to D C Leisure.

** Income from Fees & Charges and enforcement.

Income shown above is for long term miscellaneous rentals on land, flat and a retail shop owned by Elmbridge Borough Council.

The overall aim for operational property management is to hold the minimum number of buildings and sites that will support service delivery and to ensure that the assets operate safely and efficiently. Operational property will be maintained in a state that is fit-for-purpose and wherever practical located in the best
possible location. The main objectives for non-operational property is to manage the property portfolio so that the financial return to the Council is optimised and support the local community in line with the Council’s priorities.

National Non Domestic Rates (NNDR)

The Council’s outgoings with regard to the NNDR liability on the portfolio, where EBC are liable, for 2014/2015 is £825,500.

Maintenance and repair

The Council’s planned and reactive maintenance budgets following the condition surveys carried out in 2012, for the 2014/15 year are as follows;

| PROGRAMMED MAINTENANCE | £143,500 |
| CONDITIONS SURVEY WORK | £145,000 |
| REACTIVE REPAIRS | £139,400 |
| **Total** | **£427,900** |

2.02 - The Portfolio Overview and Corporate Property Strategy

As part of our ongoing review of our assets, we continue to review the portfolio with a view to dispose of assets that are surplus to our operational requirements
and, wherever suitable, make a contribution to the delivery of affordable housing in the borough. With regard to our non-operational portfolio our scope for disposal is somewhat limited, after we embarked on a disposal programme in the early 1990s.

Condition surveys were carried out on all our properties during 2012, the works identified are currently being undertaken and will be completed over a three year time period dependent on their priority.

2.03 - Indoor and External Leisure Properties

There are numerous sports/leisure facilities within the Borough, consisting mainly of recreational open space with ancillary pavilions, clubhouses and the like. Some are let to individual clubs, such as cricket, bowls, rugby, etc; rental levels are low reflecting their recreational use.

AMPS works in partnership with its Leisure colleagues to maintain and improve the Boroughs leisure facilities, include maintaining their car parks and pavilions and managing the sports clubs.

The Xcel leisure complex and Hurst Pool, continue to offer superb facilities to the community, with the addition of the synthetic turf pitch and pavilion at Xcel the facilities offered by the Council are unrivalled in the Borough. These facilities are maintained by DC Leisure Management under a 15 year contract which commenced in August 2006.

As described earlier in this document we have obtained outlining planning permission on two of our leisure sites, Stompond Lane Sports Ground and Waterside Drive adjacent to the Xcel. Over the next three years we will be complying with all the reserved matters within the planning permissions to allow us to develop a sports hub at Waterside Drive to include football, athletics and outdoor leisure. Stompond Lane will be then released to be developed, not only will it provide a capital receipt but also much need affordable housing and GP services in the Borough.

Officers continue to educate clubs as to the importance of pursuing commercial opportunities in order to raise revenues and ensure medium/long term affordability in terms of rental. Dual use is encouraged in sports facility buildings, nursery education being a particularly attractive option where respective hours of use dovetail easily. ‘User’ clauses within leases maintain Council control and ensure that suitable complementary uses are achieved. This has been put to great use at Claygate Recreation Ground where in partnership with the Claygate Recreation Ground Trustees a new pavilion has been developed on the recreation ground that now houses cricket, football and a café.

The Council endeavours to achieve self-management of sports facilities wherever possible and appropriate. In many cases, minimising costs incurred on grounds maintenance is more important than maximising rental income in negotiations for tenancy agreements. Self-management is achieved with varying degrees of success; much depends on the status of the club. Examples of successful self-management and leases are Allotments, Bowls clubs and scout huts.
<table>
<thead>
<tr>
<th>Service Area / Function</th>
<th>Current Position</th>
</tr>
</thead>
</table>
| Public Halls/ Community Facilities | The Council’s Corporate Plan is committed to providing a leisure facilities service which is accessible, socially inclusive and environmentally sustainable.  

The Council owns six public halls, DC Leisure continue to manage these buildings. All these are available for public hire. Hourly rates are set and reviewed annually by the Council in line with general reviews of fees and charges.  

The Council have recently refurbished Mole Hall and extended Walton Centre for the Community. These two buildings now deliver much improved services to their community.  

Ansell Hall and the land it stands on forms part of the final phase of the redevelopment by Paragon Housing of the Oakbank Avenue area. A planning application has been submitted for 33 Affordable housing units. EBC have worked in partnership with Paragon to provide the land that Ansell Hall stood on and maintain the hall facility once developed. |
| Centres for the Community     | The Council has freehold ownership with respect to the seven centres for the Community. Centres offer a wide range of services and activities managed by a staff team and supported by over 700 volunteers assisting both in the Centres and the seven day a week Meals on Wheels Service.  

In addition, Claygate and Thames Ditton Intergenerational Centre directly run Surestart Children Centres and offer a location base at Cobham Centre in partnership with Surrey County Council.  

Centres are open between 2 and 7 days a week. There is a large number of regular and one off hirers during core opening hours, as well as evenings and weekends. We have also worked in partnership with Surrey County Council to refurbish the Churchfields Pavilion in Weybridge to offer a location for the Weybridge Children’s Centre.  

The opening of our Thames Ditton Centre has demonstrated the successful development of bringing together services to support older people, a Surestart Children’s Centre and a very well used community building under one roof. Molesey Centre for the Community will also deliver these aspirations.  

The refurbishment of Mole Hall has enabled a second centre to provide both a Centre for the Community and opportunities for hiring. Since refurbishment this has already generated additional hiring enquiries and new services and activities are being developed within the Centre itself as space now allows for this  

All hiring is directly managed by Community Support Services with all hiring income received by the Council and contributes towards the Community Support Services budget. |
| Car Parks                     | The Council operates 27 pay and display car parks. Cabinet resolved on 16 October 2013 that a report be produced by AMPS as to the alternative uses of the under-utilised space at the Halfway, Torrington Lodge and Walton park. |
Also that the four car parks in Esher be investigated in 2014/15 and the costs of be investigated. The results are due in June 2014.

Investigations are underway into the repairing obligations at Drewitts Court car park the likely costs are likely to be between £250,000 - £500,000.

**Council Owned Residential Property**
The Council owns 6 residential properties let on occupational assured shorthold tenancies. The large flat at Weybridge Hall has become vacant and we are looking at refurbishing and consolidating the space into three residential units, thus maximising the available space for the Councils needs.

**Civic Centre**
The Civic Centre, owned freehold by EBC and built in 1992, offers 63,650 square feet of open plan accommodation. Parts of the building have been let to Surrey County Council, Surrey Police Authority and Elly's Catering.

Officers continue to investigate opportunities to increase rental income, through effective utilisation of the space available, through downsizing desk space and relocating teams within the building to release lettable office accommodation.

**Investment Property**

<table>
<thead>
<tr>
<th>Property</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Walton Town Centre</td>
<td>The Council are the freehold owners of The Heart, Walton, and work closely with O&amp;H Walton, who run and manage the Centre.</td>
</tr>
<tr>
<td>North Weylands Industrial Estate</td>
<td>EBC own units 12, 13 and 14. EBC has no short to medium term plans for these buildings.</td>
</tr>
<tr>
<td>Mill Road Depot/River Mole Business Park</td>
<td>A depot used for the storage of road grit and waste management services.</td>
</tr>
<tr>
<td></td>
<td>Adjacent is the River Mole Business Park that comprises six industrial unit. The Business Park has struggled to attract occupational tenants due to its close proximity to a low railway bridge and its restricted operating hours. The site it stands on has been allocated for a affordable housing site or Gypsy and Traveller site as outlined in the Local Development Framework.</td>
</tr>
<tr>
<td>Elm Grove</td>
<td>The Elm Grove site has a number of buildings and uses on the site. The main building is a former Magistrates Court. The Grade II building is currently let on a short-term basis to an educational establishment at a market rent and is in need of considerable refurbishment.</td>
</tr>
<tr>
<td></td>
<td>EBC will obtain vacant possession in 2015 and work in partnership with Surrey County Council, who also own land holdings on Elm Grove, to achieve a deliverable redevelopment option.</td>
</tr>
<tr>
<td>Consort House</td>
<td>A stand-alone office building on Princes Road, Weybridge. Currently fully let to Glass’s Guide on a lease expiring in 2019. We have no plans for the building other than to continue to manage and receive income from the investment.</td>
</tr>
<tr>
<td>Location</td>
<td>Description</td>
</tr>
<tr>
<td>----------</td>
<td>-------------</td>
</tr>
<tr>
<td>26-38a High Street, Cobham and associated Land</td>
<td>A parade of shops with two residential flats above. Fully let to various tenants including Costa Coffee, Crew Clothing and Mint Velvet. There is also a block of garages to the rear along with land adjacent. We are looking at the potential for an affordable housing development of 3-5 flats on this land.</td>
</tr>
<tr>
<td>Albany House, Claremont Road, Esher</td>
<td>A detached modern office building currently let to Royalton on leases expiring May 2014. Royalton will be vacating in May 2014 and new tenants will be moving in shortly after.</td>
</tr>
<tr>
<td>81 High Street, Esher</td>
<td>A mixed use office and estate agency property currently let to Knight Frank and AD Communications. We will continue to hold and strategically manage the above two properties.</td>
</tr>
<tr>
<td>Council Owned Residential Property</td>
<td></td>
</tr>
<tr>
<td>Long Ditton Cemetery</td>
<td>A detached residential property held under a service tenancy agreement in connection with cemetery upkeep/custody.</td>
</tr>
<tr>
<td>Burvale Cemetery</td>
<td>A detached residential property held under a service tenancy agreement in connection with cemetery upkeep/custody.</td>
</tr>
<tr>
<td>Elm Grove Cottage</td>
<td>A vacant detached house, the garden is being used by Stage Coach for nursery education. This will be incorporated in the Elm Grove master plan.</td>
</tr>
<tr>
<td>Surplus/Vacant Property</td>
<td></td>
</tr>
<tr>
<td>Molessey (former) Sewage Works</td>
<td>This 16-acre site comprises open land with part (8 acres) identified within the Local Plan for housing. There is serious land contamination (including methane), detailed reports need to be prepared by specialist engineers and the cost is prohibitive and the problems complex. The matter is on hold.</td>
</tr>
<tr>
<td>Pleasant Place Bungalow</td>
<td>Vacant residential property and horticultural land. The property has been deemed surplus to Council requirements and we are looking at various options for the site.</td>
</tr>
<tr>
<td>Walton Public Conveniences</td>
<td>The Walton Public Conveniences have been declared surplus to operational requirements and disposal for affordable housing is being considered.</td>
</tr>
<tr>
<td>32 Church Street, Weybridge</td>
<td>A large residential flat that is currently vacant. The Council is looking at refurbishment options for the space, subject to a capital bid.</td>
</tr>
<tr>
<td>Council Owned Land Available for Development</td>
<td>Following consideration of the service delivery needs of the Council and the need to make best use of our assets and maximise resources it is proposed that the following properties be released over the next 10 years for redevelopment to alternative uses. Consultation has taken place on alternative uses for these sites as part of the development of the Council’s Local Plan. However, further consultation and agreement, either through the allocation of a site in the Local Plan or as part of a planning application, will be required to determine the most appropriate uses for these sites.</td>
</tr>
</tbody>
</table>
### Former Molesey Sewage Works
- As per comments above

### Stompond Lane
- Outline planning permission has been granted for a mixed use residential and commercial development. This site is coupled with the development at Waterside Drive.

### Elm Grove
- Site will be considered once Stompond Lane and Waterside drive progressed further.

### Molesey Centre for the Community
- The site has been sold to EHT as part of their redevelopment of Radnor house.

### River Mole Business Park
- Potential for Affordable housing site or Gypsy Traveller site.

### Torrington Lodge
- Potential development site.

### Ansell Hall
- Ansell Hall and the land it stands on forms part of the final phase of the redevelopment by Paragon Housing of the Oakbank Avenue area. A planning application has been submitted for 33 Affordable housing units. EBC have worked in partnership with Paragon to provide the land that Ansell Hall stood on and maintain the hall facility once developed.

### Halfway car park
- Potential development site

### Walton Park car park
- Potential development site

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### 2.04 - How the Council Strategically Manages its Portfolio

- The Council’s portfolio is managed to a ‘fit for purpose’ standard every opportunity will be taken to improve the financial performance of the portfolio.

- General property targets identified for 2014-2017;

- To continue to implement all rent reviews to Market Rental Value.

- To continue to ensure tenants are complying with the terms of lease and/or provisions of grant.

- To modernise and streamline leases upon expiry and protect councils position by using the commercial lease code.

- Reduce the revenue cost of operational property and ensure that they are fit for their operational purpose.

- To continue to increase revenue income from the investment portfolio.

- To continue to implement the office accommodation policy to free up space within the Civic Centre for other Partners;

- To complete condition survey works by financial year-end 2015.

- To continue to update the property database and purchase appropriate software.
2.05 - Specific Property Targets for 2014-2017

- Develop Waterside Drive & Stompond Lane
- Outline planning permission has been obtained on both sites and each permission is linked with the other.
- The preliminary investigations have been implemented on the Waterside Drive sports hub development. Once the development is completed the sports clubs can be moved from Stompond Lane into the hub.
- Purchase further investment property
- Continue the search within the Borough for suitable investment property to add to the Council’s four recent purchases.
- Esher car parks strategy
- Following the report on the four Esher car parks prepare a strategy for the future use of these car parks.
- Redevelop garages to the rear of 26-38 High Street, Cobham
- The site to the rear of the Council owned investment would be suitable subject to planning permission for four residential flats, therefore, dispose of the garages as an affordable housing site.
- Develop a strategy for Elm Grove site
- Stagecoach will be vacating the property to take a prelet of the offices at Stompond Lane also CAB have vacated to the Walton Hub.
- EBC will work in partnership with SCC who have property holdings on the site to develop a strategy for redeveloping the site.
- Roll out the Public Hall / Centre for the Community Model
  Following the successful refurbishment of Mole hall and the redevelopment and the relocation of Molesey Centre for the Community into Mole Hall, the Council are looking at other opportunities within the portfolio to do the same.”.

Whilst these are referred as targets identified for the period 2014-2017 the detailed targets which are specific and SMART will be delivered through the Asset Management and Property Services Annual Service Delivery Plan.

2.06 - The Procedures in Place to Manage Our Assets

The highest management of Council property assets is through the Corporate Property Group, which is accountable to the Council Management Board.
The Head of Asset Management and Property Services chairs the Corporate Property Group with responsibility for property assets. The group also comprises of representatives from all services with land and property interests, e.g. Leisure, Community Services and Environmental Services along with other departments which influence or are involved with property management, e.g. Finance and Legal.

The Corporate Property Group meets on a bi-monthly basis and discusses the direction of the property portfolio, monitors property performance and takes reports on key property projects.

The Chair of the Corporate Property Group makes appropriate representation to the development of the Local Development Framework in order that the Council’s property interests are fairly represented along with all other stakeholders.

The Chair of the Corporate Property Group also discusses key property management and strategic issues with the Member with responsibility for Resources and the Council Management Board.

Council Management Board also ensures that property management activities comply with the requirements of corporate governance as set down by the Local Government Act 1999.

2.07 - General Management of Property

Officers within both the Services and Resources Directorate manage both the non-operational and operational estate on a daily basis. Most departments will from time to time be directly involved with specific initiatives and projects pertaining to EBC land and property that they occupy. However, the majority of the Council’s responsibilities are managed at a corporate level by the Asset Management and Property Services Team.

Where additional resource or expertise is needed with regard to either a non-operational asset or operational asset external consultants will be employed to assist as appropriate.

2.08 - The Corporate Property Strategy and Plan

Elmbridge Borough Council’s Property Strategy and Plan takes into account many other influences both from inside the Council and from outside, e.g. key stakeholders such as Surrey County Council, Police, CCG, Elmbridge Housing Trust, etc.

Other Elmbridge Borough Council strategies, policies and regulations influencing the approach to asset Strategy and Planning are primarily:

- Corporate Strategy and Plan;
- Medium Term Financial Strategy;
• Local development framework and core strategies;
• Elmbridge Community Strategy;
• Sustainable Elmbridge Strategy;
• Elmbridge Housing and Homelessness Strategy
• Equalities Strategy;
• Procurement Strategy;
• Service Plans.

2.09 - Key Property Management Criteria

All property will be managed in support of the Council’s Corporate Strategy and Plan. Heads of Service will account for how assets are used to enhance service delivery.

Comprehensive, independent, property reviews (usually employing an external professional to introduce additional challenge to the process) will be undertaken approximately every five years

Partnering organisations will be encouraged to co-locate and provide improved and efficient service delivery to the community and / or share in the operating costs of the building. This has been achieved at the Community Hub, Walton.

All property leased to any party will be leased in compliance with the commercial lease code. Any subsidy deemed appropriate by the Council will be managed in accordance with the Council’s financial criteria or priorities for grant aid funding.

All investment Strategy and Planning will take into account whole life cycle costing. Capital and revenue programmes will make provision for appropriate and sustainable levels of investment.

Property performance will be monitored through agreed key performance indicators. Property users have responsibility for minimising property running costs and building occupancy.

Heads of Service and property users will take all reasonable actions to ensure that the Council’s properties meet all appropriate statutory requirements.

All Heads of Service will ensure that their future property accommodation needs are identified in their Service Plans.

All strategic property decisions will be made in accordance with the Council’s constitution.

2.10 - Property Reviews for both Operational and Non-Operational Property

Property performance is assessed twice yearly. Each Head of Service, occupying or managing Council property, will be required to consider the following:

• Is the property appropriate for current and future service needs?
• Is property meeting financial and or community goals?
• Can the property be better utilised in an alternative way?
• Does the property require major investment?
• Should the property be held for long-term development?
• Is the property surplus to requirements?
• Should any acquisition of any land or asset be considered to enhance value?

2.11 - Condition Surveys

All properties non-operational and operational will have a full maintenance and condition survey carried out every five years, subject to lease conditions and access.

All non-operational property will be assessed and surveyed with regard to the tenants’ compliance with the terms of the lease on a regular basis.

All operational properties will be assessed with regard to the future maintenance (budgetary) needs on an annual basis.

In addition to the regular condition surveys various specialist surveys will be commissioned from time to time in order to identify specific problems, e.g. structural, water hygiene, etc.

2.12 - Surrey Collaboration Project

Elmbridge Borough Council is part of the Surrey Collaboration Project, which aims are to improve procurement of contractor services within the Borough. Other partners include Surrey County Council, Surrey Police and other Surrey Districts.

2.13 - Cross Service, Shared Use and Co-Location

The Council has sought to maximise use of its property assets through cross-service use, shared use and co-location. This has included, for example, the letting of surplus accommodation at the Civic Centre to Surrey County Council and Surrey Police. The Council has developed a Business Continuity Plan, within which operations currently undertaken at the Civic Centre could be transferred to other property within the Council’s ownership in the event that the Civic Centre was unavailable for use. Cobham and Claygate Centres have been developed as emergency second sites, including cabling at Cobham. Some provision has also been made within the Xcel Leisure Complex.

2.14 - Partnership and Community Working

EBC is developing a strategic approach to working with others e.g. community groups, and to identify opportunities for shared use of assets along with alternative options for management and ownerships of assets to derive better
value for money and wider community benefits. The Voluntary Community Asset Transfer Strategy attached to this document covers this in greater detail.

The Community Hub has been a success story, a building owned and refurbished by EBC and let to four third sector organisations plus Surrey Police.

Surrey Police have been tenants within the Civic Centre since May 2012 and this has not only increased revenue income but has also seen positive cross partnership working between the Police and EBC.

2.15 - Property Related Adopted Council Policies

The Councils Corporate Property Strategy also references several other Council Policies that were adopted prior to the 2011-2014 AMP these are listed below and contained in the relevant appendix as detailed.

Appendix A – Asset Transfer to the Voluntary Sector

Appendix B – Acquisition and Disposal Policy

Appendix C – Tree Strategy

Appendix D – Accommodation Strategy (renamed Civic Centre Accommodation Strategy)

2.16 - Sustainable Energy

In April 2008 a 4 year Sustainable Energy Work plan focusing on energy reduction was developed to: help the Council understand its energy consumption; reduce the Council’s environmental impact and help tackle climate change and; ensure compliance with requirements and recommendations comprised within the Climate Change agenda.

Since then, the Council has reduced CO2 emissions by approximately 10%. Most of this decrease has been achieved by reducing energy in Council buildings. Electricity consumption has been reduced by 18.4% and gas by 4.7% since the base year (12/13 levels vs 08/09).

Some of the measures identified and implemented since 2008 and to date in Council buildings are:

- Installation of smart metering solutions to better understand electricity and gas usage in buildings
- Analysis of consumption patterns against building use
- Installation of 7 day timers and lighting timers and movement sensors
- LED lighting (ie Civic Centre underground car park, reception areas)
- Low loss transformer installed at the Civic Centre
- Solar thermal panels installed at the Civic Centre
• Insulation improvement plan developed and implemented in Community Centres
• Boiler replacement and installation of BMS and control panel upgrades

Most of these measures have been funded via the Council’s capital programme and revenue allocation.

In 2012 the Council entered into a four years framework agreement with LASER for the supply of electricity and gas in Council buildings. 70% of the electricity used in Council buildings is consumed at the Civic Centre; the electricity contract for this supply is a green arrangement and electricity is provided from renewable sources.

With effect from 1 October 2008 all public buildings with a floor area in excess of 1,000 square meters were required to have Display Energy Certificates (DECs) and since January 2013, all the buildings in excess of 500 square meters. The Council has one DEC over 1000m2 for the Civic Centre; in 2008 the rating achieved was F149 and in 2013 C75 (G being the worst, A being the best). This improvement has been achieved by reducing energy usage in the building. The Council has five DECs for buildings between 500 – 1000 m.

2.18 - Data and Performance Management

Performance management allows for the continual maintenance and improvement of the work carried out. This is measured, monitored and managed in several ways including:

2.19 - Data Management

We are currently investigating an appropriate software package that will include a property and facilities management package plus valuation software.

Other databases (embracing core data for all Council property) include the following:

The Asset Valuation Register is held within both the Asset Management and Finance Service Areas. This includes details of property use, floor area, site area, tenure, valuation basis, capital value, rental income and depreciation period. A further data base detailing property, occupier, current rents payable, leasehold details (including rent review dates and repairing liability) is also held within the Asset Management Section;

The GIS web application, known as Bridge-IT’s Atlas, is available on the Elmbridge Borough Council intranet to over 250 users within the Council; AMPS are working within this framework to ensure our assets are registered and visible to other officers.

A significant number of data sets have been captured e.g. land use, providing seamless categorisation of land use according to the 51 National Land Use Database Categories;
Recent mapping exercise of other public sector assets in Elmbridge has been completed and the information loaded onto the Council’s GIS. This has captured the majority of other public sector assets including those of Surrey County Council, Elmbridge Housing Trust, Police, etc. This information will assist in developing a more holistic approach in relation to the Council’s area based property review proposals;

Desktop GIS software has been installed for specific applications where direct use of the GIS is required. These users are the LLPG Project Team (GIS is fundamental for the creation and maintenance of the Gazetteer), Building Control (for the efficient production of street numbering and naming mapping), Environmental Health (for contaminated land), Asset Management and Property Services (land terrier) and Environmental Care (survey and data capture for garden sites);
2.20 - How do Officers Comply with the Constitution

The Constitution sets out how the Council operates, how decisions are made and the procedures which are followed to ensure that they are efficient, transparent and accountable to local people. The Cabinet, which is made up of the Leader and nine other councillors, are responsible for most day-to-day decisions. The decision making process for the Asset Management and Property Services Division is detailed below:

Members
Full Council, Cabinet, Overview & Scrutiny

Council Management Board

Corporate Property Group:
Comprising: Corporate Property Officer and representatives from the following Teams –
Finance
Asset Management and Property Services
Community Support Services
Housing Services
Leisure & Cultural Services
Environmental Care
Legal
Internal Audit

Responsible for: Strategic Asset Management Planning
Operational Asset Management Planning
Property/Asset Review
Data collection/analysis
Maintenance programme

Consultation
The Community, Stakeholders, Partners & Ward Councillors
2.21 - Corporate Management

The Council has an appointed Cabinet Member for ‘Resources’ with the following included within his portfolio:

Sound management of the Council’s property assets and asset management processes;

Participation in the development of the Corporate Plan and Community Strategy;

Individual Cabinet Member Decision Making within certain limits in relation to property issues.

The Corporate Property Officer (CPO) contributes to the work of corporate business planning through:

chairing the Corporate Property Group;

reporting regularly to the Cabinet Member responsible for ‘Resources’;

attending and providing advice at Cabinet meetings;

participation in project steering groups, e.g. in relation to the DDA requirements; and;

Advising the Council Management Board and the Leadership Group on the Asset Management Plan (AMP) and associated planning processes, and receiving feedback on how corporate objectives can be built into the AMP.

2.22 - Corporate Property Group

The Corporate Property Group (CPG) comprises Service Heads drawn from across the Council, each having a specific interest in, and service responsibility for, various aspects of property management, value for money, performance management and sustainability. The Group meets bi-monthly. Reports and recommendations from the CPG are directed to the Council Management Board and (as appropriate) on to the Cabinet. The CPG membership consists of the Head of Asset Management and Property Services, Head of Finance, Head of Leisure and Cultural Services, Head of Environmental Services, Head of Building Control, Head of Community Support Services, Head of Housing Services and the Senior Surveyor. Internal Audit will attend the group on an ad hoc basis.

The Objectives of the Corporate Property Group are to:

- Develop a corporate strategy for the Council’s property assets;
- Ensure that the Asset Management Plan is informed and supported by key corporate objectives and service plans;
- Identify and provide data required to manage the performance of the Council’s property portfolio;

- Recommend a programme for property review;

- Recommend an assets disposals programme;

- Monitor progress of capital programme projects and evaluate projects post-completion;

- Recommend an annual programme of works in accordance with needs and requirements identified by the property condition survey;

- Report annually on the performance of the Council’s property portfolio;

- Progress and update annually the Asset Management Plan for approval by the Council.

2.23 - Corporate Property Officer

The Council’s Corporate Property Officer (CPO) is the Head of Asset Management and Property Services, who has the following roles and responsibilities, these having been agreed by full Council.

Roles & Responsibilities

- Chair the Corporate Property Group

- Lead in the formulation of the Asset Management Plan and identify a strategy for property assets

- Assist service heads in a programme of property review and in the identification of property requirements, having regard to the aims and objectives of the Council

- Consider property implications of the Value for Money process, Community Strategy and Corporate Plan and report accordingly

- Develop and maintain data and performance management systems through the Asset Management Plan process

- Advise Members (Council, Cabinet, and Overview and Scrutiny Committee) and officers on all property related matters in particular the portfolio holder for resources

- Manage the Council’s property/estates portfolio, including lease renewals, rent reviews, new lettings, acquisition and disposal of land and property, property appraisals and asset valuations

- Public and private sector liaison in order to achieve partnership working
The roles and responsibilities of the CPO have been considered and agreed by the Corporate Property Group (CPG) and CPG members have briefed their staff where appropriate. The role of the CPO has also been introduced in the Council’s partnership dealings and user group dialogue.

The CPO reports to and is accountable to the:

- Corporate Property Group;
- Cabinet Portfolio Holder for Resources;
- Council Management Board (CMB), as appropriate;
- Cabinet and Council, as appropriate.

**Corporate Objectives and Interaction with Property**

In order to meet corporate objectives, the Council’s operational property portfolio must meet certain basic requirements, which include being:

Maintained in good condition to ensure that service provision is delivered from a sound environment for both staff and customers, and thereby conveying a positive image of the Council;

Sited in appropriate locations;

Of sufficient and suitable size and layout (including ensuring access by people with disabilities);

Flexible, to the extent that it can be adapted economically to adjust to changing service needs and accommodate partners in service delivery;

Able to demonstrate ‘Value for Money’ in terms of a balance between efficiency, effectiveness and economy in operation, running costs and sustainability.

In relation to non-operational assets, these must:

Be able to make an appropriate contribution to revenue budgets in terms of rental income; or alternatively;

Make a positive contribution to the social wellbeing of the community or be of strategic importance.
2.24 - Asset Management and Property Services

This Service Area is now responsible for the overall management of the Council’s property portfolio. This division provides professional advice relating to all property related matters affecting the Council’s Land and Assets along with ensuring the portfolio is energy efficient. The Head of this Service reports directly to the Strategic Director – Resources and Deputy Chief Executive.

The Structure of Asset Management and Property Services is shown below;

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Head of Asset Management & Property Services

| Estates | Sustainability | Facilities Services | Building Services |
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Property Services

The Property Services Section reports to the Head of Asset Management and Property Services and ensures an efficient, cost effective and energy efficient corporate estate, which makes best use of and extracts optimum value from these assets, also provide effective, professional and timely valuation and estates advice and services in the management and development of the Council’s corporate property/estate.

Building Services

The Building Services Section reports to the Head of Asset Management and Property Services. The Section is responsible for ensuring that an up-to-date property condition survey is in place, managing and co-ordinating associated works resulting from this survey and, in liaison with the respective service Divisional Heads, ensuring that buildings within the portfolio are maintained within the available budgets to maximise their use and value and comply with relevant legislation.

Building Services provides the following:

- Advice to Members (Council, Cabinet, and Overview and Scrutiny Committee) and Officers on all surveying related matters;
- Effective provision and supervision of specific projects relating to planned programmes and major works for the Council’s buildings, estate and ancillary properties;
- Initiation, co-ordination, execution and supervision of repair and replacement works as appropriate;
- Ensuring that surveying functions are delivered in accordance with Council policy and relevant legislative requirements;
• Client side function;

• Managing the expenditure of the projects against budgets.

• Within this Service Area sits the Facilities Management function, which deals with the day to day running and maintenance of the Civic Centre.
APPENDICES

Appendix A – Asset Transfer to the Voluntary Sector - No changes since 2011

Appendix B – Acquisition and Disposal Policy - No Changes since 2011

Appendix C – Property Acquisition & Investment Strategy – Approved in July 2012

Appendix D – Tree Strategy - No Changes since 2011

Appendix E – Accommodation Strategy (renamed Civic Centre Accommodation Strategy) – There have been some changes since 2011 as there have been a number of department moves around the building plus partnership working with the Police and Surrey CC.
APPENDIX A - Asset Transfers to the Voluntary Sector

The Voluntary and Community Sector Strategy

Definition

The voluntary and community sector (VCS) is the collective name for all voluntary and community organisations, including charities, community associations and social enterprises. Voluntary organisations are non-profit driven, non-statutory, autonomous and run by people who do not get paid for running the organisation (although voluntary management committees/trustees may employ paid staff). Such organisations are sometimes also referred to as the Voluntary Community and Faith Sector (VCFS) or Third Sector.

Purpose of the Strategy

This strategy describes the Elmbridge Borough Council’s approach to Voluntary and Community Sector in respect of Asset Transfer and is in accordance with the recommendations made by the Overview and Scrutiny Task Group Reviewing the Councils approach to providing and managing community facilities.

The term ‘community asset transfer’ relates primarily to long-leasehold or freehold arrangements at less than best consideration to voluntary/community sector (VCS).

It is essential that EBC views the community and voluntary sector asset transfer positively for the following reasons:

Benefits to the Local Community

It is a tangible response to Big Society and devolving power to neighbourhoods in an effort to enable citizen involvement and community action. It can contribute towards the regeneration of communities and can act as a catalyst for social, environmental and economic regeneration (including the development of community enterprise).

Changing ownership or management offers opportunities to extend the use of a building or the piece of land, increasing its value in relation to the number of people benefiting and the range of opportunities it offers. It can stimulate the involvement of local people in shaping and regenerating their communities, and can be a catalyst for local volunteering and increasing community cohesion.

The process of community and voluntary sector asset transfer can build confidence and capacity amongst the individuals involved, and can support the creation of community leaders, and inspire others to improve their community.
Benefits to EBC and other Public Service Providers

The activities that are stimulated or safeguarded by community asset transfer almost always contribute towards our objectives. Working in partnership with VCS can help EBC to achieve its outcomes set out in key place shaping strategies, including: the Sustainable Community Strategy, Corporate Plan, Local Development Framework, Local Area Agreement, etc.

It can contribute towards efficiency savings (e.g. achieving revenue savings by releasing surplus property), and drive the diversification of public services in an era of austerity spending settlements for local government.

It can contribute to the EBCs objective to rationalise its estate and facilitate more effective and efficient use of its asset base, where the focus is on better services and community outcomes as a result of strategic asset management.

It can be a stimulus for partnership working between VCS, EBC and other partners and can improve the provision and accountability of services within communities (e.g. clustering service providers in community owned hubs for example Thames Intergenerational Centre).

Benefits to the Voluntary & Community Sector

It has potential to create stronger, more sustainable VCS, which can create a wide range of benefits for the communities they serve. An asset can provide a VCS with financial security, recognition, and management capacity.

It can result in the creation of a new organisations (and potentially Council/VCS joint ventures) with the ability to lever in additional resources, which would be unavailable to the Council acting independently.

EBC recognises the multiple benefits of Community and Voluntary Sector Asset Transfer and EBC will try to be proactive in using asset transfer as one of the tools at its disposal, both to support the VCS and resilient and empowered communities and help meet the strategic objectives of EBC; in particular in terms of service transformation and realising efficiencies. EBC, therefore, aims to create a transparent, positive and proactive framework to enable asset transfer from the Council (and its partners) to VCS to happen and be successful in the long-term.

Background

Up to 2010 much of the policy environment for asset transfer had been underpinned by the last Government’s vision for ‘Sustainable Communities’ and empowerment.

The Quirk Report highlighted the need for community management and ownership of public assets’. Having considered the opportunities, risks and multiple benefits, the Quirk review concluded strongly in favour of local ownership and management of public assets, a position which was subsequently supported by the then Government through a number of new initiatives, including the establishment of the Asset Transfer Unit.
Whilst the Quirk review remains a legitimate touchstone for the agenda, the current operating context has changed dramatically. Reconciling a very challenging spending settlement for the Council with the Coalition Government’s pronouncements on the ‘Big Society’ and devolving power to neighbourhoods means that the Council may increasingly need to consider asset transfer as an enabler to achieving its forthcoming corporate aims.

**Links to EBC Strategies**

The operation of this strategy will need to have regard to the desired outcomes in EBCs strategies. In addition, all proposals for transfer must make a clear contribution to the EBCs priorities as expressed in the following:

- Sustainable Community Strategy
- Corporate Plan
- Local Development Framework
- Corporate Asset Management Plan
- Capital Strategy

**How to Underpin the Asset Transfer Policy**

The Community and Voluntary Sector Asset Transfer Policy will be underpinned by the following principles:

**Commitment to a Thriving Civil Society**

That the Voluntary Sector Support Team from EBC will be involved from the start of the process, beginning with expressions of interest, working in partnership with surveying services to assist the voluntary, community and faith sector who are considering or submitting a business plan for an asset transfer taking into consideration those voluntary, community or faith sector organisations that may be receiving either core funding or funding through the Small and Medium Grants.

Below are those organisations who operate from an EBC property, receive core funding and are having their service level agreement renewed this year (for 2 years);

Walton Weybridge and Hersham CAB receiving £107,843
Esher CAB receiving £78,517
Rentstart receiving £20,500

Organisations need renewing next year;
Relate receiving £6,750

The other revenue funded organisations are either situated within the Civic Centre or do not receive accommodation support from EBC.
In implementing its asset transfer strategy, the Council recognises that, with appropriate support, community led solutions can achieve better outcomes than central initiatives.

EBC recognises that asset transfer plays a central role in realising opportunities associated with Big Society (and the Government’s forthcoming Localism Bill).

EBC will use asset transfer as a catalyst to greater community empowerment, to build the capacity of local citizens, and inspire others to create locally responsive solutions to community needs.

EBC will use asset transfer as a means of enabling VCSs to become sustainable on a long-term basis.

To be successful, community asset transfer requires a long term partnership commitment on the part of the Council and the VCS and we recognise that this is the best way of minimising the risk of failure.

EBC recognises the advantage of long and flexible terms of tenure (with appropriate and proportionate safeguards) to enable VCS to adapt and change over time, in response to community needs, and to achieve long term sustainability.

That EBC, in the interests of ensuring the transfer is a success, will explore ways of aligning local commissioning and procurement processes towards that aim (and as part of a wider localism agenda).

The EBC will proactively explore community asset transfer, including supporting the creation of new community owned organisations or community/council joint ventures.

**Pro-Active and Strategic Asset Management Intent**

- That community asset transfer will become integrated within EBC Asset Management Plan and the Acquisition and Disposal Policy, and be used as one of the options appraisal tools for dealing with under-utilised or surplus property assets.
- Community asset transfer and the creation of Council/Community Joint Ventures will be proactively explored as a mechanism to encourage community ownership.
- That the EBC will seek to extend its approach to community asset transfer and positively promote it to other public bodies and service providers (especially when considering property rationalisation and co-location of service provision.
- That a transfer process may be triggered by the identification of under-utilised or surplus assets by EBC or by an approach to the Council by the community or a VCS about a Council property or service;
- That the Council will regularly and proactively review the transfer potential of its assets.
Clarity and Transparency in Decision-Making

- That a single gateway approach is taken, which provides a clear point of contact for VCSs with asset transfer enquiries and will act as a conduit and a source of information and support (with a named person, clear stages, indicative timescales for assessment, rights of appeal, etc).
- EBC will raise awareness through outreach, support and appropriate publicity, with partners, to encourage VCSs to consider taking on an asset.
- VCSs will not be encouraged to undertake substantial and expensive feasibility or business planning work until an ‘in principle’ decision has been taken by the Council and members, that the asset could be made available for transfer.
- Policy Statements on Asset Transfer and the Particular Circumstances when Transfer is Undertaken
  - In assessing proposals for asset transfer, the Council will consider the relative benefits and risks of the following options in order to justify its decision:
    - Doing nothing.
    - Expenditure on other services made possible as a result of a ‘commercial’ disposal.
    - The benefits generated by the transfer of the asset to a VCS and local communities more widely.
    - Opportunity costs
  - The ground rules against which prospective transfers are identified, supported, assessed and taken forward are as follows:
    - An Expression of Interest document will be produced by any interested voluntary organisation with the support of the Head of Community Support Services and the Voluntary Sector Support Officer.
    - Any proposed asset transfer must support the aims and policies of EBC and aim to create the widest public value.
    - Assets will include both land and buildings.
    - Assets will be declared surplus to requirements (unless the transfer is part of a strategic decision to use asset transfer as a method of achieving wider regeneration objectives or community ownership of new services centres or hubs).
    - VCSs will need to be incorporated, constituted for social benefit, and wherever possible, within their legal structure, through restrictive covenants to demonstrate to ensure that the asset is retained for community benefit.
    - The Council will provide legal agreements which will enable VCSs to manage and develop the property as an asset in the long term while ensuring that the use of the building as a community asset is retained.
    - The Council will generally pursue long-leasehold arrangements when considering asset transfer (e.g. 99 year lease).
VCSs will need to demonstrate community support for their proposals, a robust business plan in support of the transfer and a high level of organisational capacity (relevant to the scale and scope of the asset and enterprise).

EBC will only consider asset transfer where the VCS has demonstrated the capacity to manage the building appropriately (EBC recognise that organisations may be able to develop this capacity and will be given the opportunity to do so if commitment and potential can be demonstrated).

Levels of discount of market value will be set on a case by case basis based on the nature of the property, a robust assessment of the VCSs business plan, financial viability and the extent of community benefit to be derived.

Transfer recipients will be expected to produce a statement of community benefit on a 6 monthly or annual basis (although these will not constitute a Service Level Agreement).

EBC will consider investment in an asset prior to transfer to ensure that the building is fit for purpose (although preference will be given to VCSs that can lever in external investment).

EBC will provide ongoing organisational support to the VCS post transfer (subject to resources) and recognises that the partnership extends beyond the point of transfer.

When there are a number of interested parties in an asset that has been made available for transfer, EBC will aim to encourage collaboration. However, when this is not possible a competitive process will be used to decide the outcome and the successful organisation will become the Councils preferred partner in the transfer process.

Assets transfers to VCSs will aim to create the widest public value and will be judged on the following criteria:

- What community benefits will be realised by the transfer;
- How the interests of local people will be better served, including community involvement and capacity building of community members;
- Building the capacity of VCSs and encouraging greater organisational sustainability;
- The business plan and financial viability of the VCSs plans for the premises;
- Regeneration – social, environmental, economic (including the development of community enterprise activity);
- Improvements to, safeguarding or creating new local services/activities;
- Supporting Council efficiency gains and co-location of service providers.

The decision to transfer an asset will not be considered as setting a precedent. Each asset transfer will be judged on its own merits and the detail of the transfer arrangements will be arrived at through individual negotiation.

The process for any asset transfer will be considered by CMB, Cabinet and full Council.
Procedures for Assessing Asset Transfer Proposals

Expression of Interest
A one page summary sheet will be produced by the voluntary organisation with the Head of Community Support Services and the Voluntary Sector Support Officer. This document will outline the key components of the project before the business plan is drawn up.

By producing an Expression of Interest, it will enable the Council to have a high level summary of the robustness of the business case in advance of a more detailed business being developed.

Elements of a Business Case
The business case made to EBC by the VCS is the single most important document to inform the decision about whether to proceed with the transfer. Any business plan presented to the Council at a minimum must contain the following (although VCSs should feel free to structure the business plan in any way that they see fit):

<table>
<thead>
<tr>
<th>Business Plan Element</th>
<th>Detail</th>
</tr>
</thead>
<tbody>
<tr>
<td>Summary</td>
<td>Who you are, what you want to do, how you intend to do it, (usually written last)</td>
</tr>
<tr>
<td>About your organisation</td>
<td>Track record, current plans, partnerships and people, governance, legal structure</td>
</tr>
<tr>
<td>Summary of the project</td>
<td>Project Objectives, Proposed programme for delivery, Proposed impact/benefits of the project, Proposals for management and operation of the asset (staff, volunteers) and the capital construction phase when relevant</td>
</tr>
<tr>
<td>Market</td>
<td>Need – what local needs will the project be responding to (who will be the beneficiaries)? How many will benefit within a year (e.g. community groups, local people)? Supply – who else is delivering similar activities in the same area? Is this potential for collaboration or competition and how will you respond to this? Demand – who will purchase the services/products that you provide? Pricing – what is the rationale for pricing (for services, renting space etc)?</td>
</tr>
<tr>
<td>Promotion</td>
<td>What is your marketing strategy? What methods will you choose (online, direct to customer etc) and who will you target? Who will do it (in house or external)?</td>
</tr>
<tr>
<td>Resources</td>
<td>Financial projections, Should include cashflow for first year, Should include budget program, Should include examination of profit and loss and capital expenditure (if capital is required to redevelop the building sources secured or identified should be stated)</td>
</tr>
<tr>
<td>Explanatory notes – explaining rational for projections and assumptions made. This should include assumptions about timings and level of commitment for both income and expenditure</td>
<td></td>
</tr>
<tr>
<td>Risk assessment/ management/ mitigation</td>
<td>Identification of the different risks associated with the project and a description of the implications of those risks occurring. Risks should be evaluated in two ways – the likelihood that the risk item will occur and the level of impact if the risk item does occur. A description of what the organisations strategy will be to prevent the risk items from occurring, or coping with them if they do, should also be provided</td>
</tr>
</tbody>
</table>
The organisation will also be expected to submit copies of governing documents, any evidence of external advice provided, expressions of support from partners/customers, copies of accounts (where available).

**Localism Act 2011**

As well as the Asset Transfer to the Voluntary Sector policy which forms part of the Asset Management Plan. Legislation known as the Localism Act 2011 came into force on 21 September 2012, bringing in another major piece of legislation around community empowerment.

**Background**

This legislation was introduced as part of the Government’s policy to assist local community groups in preserving those buildings or land, which they consider to be important to their community’s social well being. It aims to give those in the local community early warning of the intention to sell such assets and to enable them to delay sales by six months to provide time for them to put together a bid to buy the asset. The proposals do not require the landowner to dispose of the asset to a community group nor force any sale, but are intended to facilitate the transfer into community ownership of property assets felt to have local social value.

Part 5 of Chapter 3 of the Localism Act 2011 give local groups a right to nominate a building or other land for listing by the local authority as an asset of community value. The land can be listed if a principal use of the asset furthers the social wellbeing or social interests of the local community and is likely to do so in the future. The Act does not place any restriction on what an owner can do with their property, once listed, so long as it remains in their ownership. Listing will not, for instance, prevent the lawful implementation of a planning permission – but it will provide community groups with the reasonable opportunity of bidding to buy the land on the open market if the owner wishes to sell.

**Listing**

The regulations define what is a local connection, and the bodies that may make nominations. A public or local authority other than the parish council may not be a voluntary or community body and so may not make a nomination. Community nominations have to comply with certain requirements: they must describe the authority, the ownership details the nominator has and the nominator’s reasons for thinking that the responsible authority should conclude that the land is of community value, as well as evidence that the nominator is entitled to make a community nomination. Upon receiving such a nomination the council has eight weeks to decide whether or not the land should be included in the list. If the decision is to not list the land, the community group could challenge that decision through judicial review. This requires a second process to be put in place, appointing the reviewing officer and setting up the hearing process. If the owner is not satisfied by the review, they can also appeal to the First Tier Tribunal against the local authority’s decision on a listing review. As listing can
also lead to a claim against the council for compensation, records must be kept of the decisions at each stage and the reasoning behind them.

**Effect of Listing**
The impact of land being listed is felt when the owner wishes to dispose of the land (by either a sale of the freehold or a lease of over 25 years), when they must inform the local authority of their intention to do so. They are then not able to dispose of the land until the interim six-week moratorium period has ended without any community interest group making a written request to be treated as a potential bidder in relation to the land. Where such a request is made within the six-week period, the owner is prohibited from disposing of the land (save in certain specific circumstances) for a further six months. Any disposal by an owner during this period (apart from a few exceptions listed in s.95 (5) is ineffective.

It should be noted that the local authority is under no duty to participate in any discussion between the community and the landowners, or to facilitate attempts by the community group or parish council to obtain the land. The Government is providing plenty of support and encouragement by itself.

**Compensation**
The provisions in the Act that have the greatest impact upon councils relate to compensation. Private owners may claim for loss and expense incurred through the asset being listed or previously listed. The regulations specifically provide that this will include a claim arising from a period of delay in entering into a binding agreement to sell which is wholly caused by the interim or full moratorium period; or for legal expenses incurred in a successful appeal to the Tribunal.

Claims for compensation must be made to the council within 13 weeks of the loss or expense being incurred. They must state the amount of compensation claimed with supporting evidence. The council is required to give the claimant written reasons for its decisions. Our processes outline in bold below point 3 outlines the EBC process for dealing with compensation. As with the listing process, a claimant may ask for a review by the local authority of the compensation decision both in respect of whether the compensation should be paid and if so the amount payable and, once again, an officer of appropriate seniority who did not take any part in making the decision to be reviewed must carry out the review.

There are strict timescales for decision-making under the Act, and the Council requires senior officers to carry out listing reviews. As part of this process the Council has put in place a delegated scheme for the purposes of maintaining the list and dealing with nominations and appeals. These relevant executive functions to officers are agreed by Council and are listed as Points 1-3 below:-
Point 1

The Strategic Director and Deputy Chief Executive be delegated authority, in consultation with the Portfolio Holder for Resources, to decide whether land is appropriate for inclusion in the list of assets of community value, and to determine community nominations in that respect, in accordance with sections 87-108 of the Act and The Assets of Community Value (England) Regulations 2012 (“the Regulations”);

Point 2

The Strategic Director and Deputy Chief Executive be delegated authority to make all relevant notifications under the Act and to determine compensation payable to owners pursuant to regulations 14 and 15 of the Regulations; and

Point 3

The Chief Executive be authorised to act as the senior officer responsible for reviews of listing and compensation decisions made under the Act and the Regulations, including the administration of procedures for review set out in schedule 2 to the Regulations.
APPENDIX B - Acquisition and Disposal Policy

Policy for Disposal of Surplus or Under Used Council Owned Property or Land and the Achievement of Affordable Housing

Introduction

This policy statement sets out the approach and procedure to be adopted in connection with the disposal of all surplus/under-utilised property and land, including open space land within the Council’s ownership.

This policy statement re-affirms the Council’s commitment to enabling the provision of additional affordable housing through the disposal of its land and assets for this purpose and confirms the general presumption that all surplus sites which are considered suitable in planning terms for residential use will be made available for 100% affordable housing, unless agreed by exception.

The term “affordable housing” includes not only social rented accommodation, but also includes intermediate tenures, such as shared-ownership and shared-equity and sub-market rent, aimed at working households (such as key workers) who are unable to afford to buy or rent on the open market locally. As such affordable housing can provide for a range of household types and income groups.

Definition of Surplus/Under-utilised property or land

- A site/property/piece of land will be deemed surplus to the Council’s requirements if:

- It makes no contribution to the delivery of the Council’s services nor generates any income, and it has limited potential for future service delivery or strategic or regeneration/redevelopment purposes; or

- An alternative site has been identified which would achieve a more cost effective service delivery and the existing site has no potential for future alternative service delivery or strategic or regeneration/redevelopment purposes; or

- Disposal will enable the Council to achieve its corporate objectives, one of the most important being the promotion of Affordable Housing or

- If an area of open space was developed there would be no deficit of this type of open space in that particular area of the Borough (i.e. it is covered by the catchment of another area of open space of the same designation or an open space of another designation, also in the same catchment area, can supply a similar function (i.e. a park and garden that has an informal kick about area can also provide an amenity green space function).
A site is deemed to be under-used if either:

- The income being generated from the site is below that which could be achieved from one or more of the following:
  - An alternative use
  - Disposing of the site and investing the income
  - Intensifying the existing use or

Part of the site is vacant and is likely to remain vacant for the foreseeable future.

NB where an under-used asset is generating an income, a cost/benefit analysis will be needed to be undertaken in consultation with the Strategic Director of Resources and the Head of Finance to establish the feasibility of the proposed project.

Decision Making and consultation with relevant Committees/Boards

All decisions relating to disposals should be properly made, in accordance with this policy or, where agreed, by exception to it by reference to the reasons for departure from it.

Decisions are likely in three stages, as follows.

Stage 1: In-principle approval to dispose

A disposal recommendation will usually originate from the Corporate Property Group and will initially be considered by the Council’s Corporate Management Board (CMB). In the event of these recommendations being agreed by CMB and following consultation with local ward councillors, a report will be prepared to Cabinet, ICMDM or relevant Committee is appropriate to seek either Council authority to dispose of the site/asset or Council approval to proceed in-principle with the disposal. In some cases the disposal can be dealt with by way of delegated authority. If disposals fall within the delegation powers and it is deemed not appropriate to refer the matter to Committee then the relevant consultations will be carried out in accordance with the delegation.

Stage 2: Pre-tender preparations

Where the Cabinet or relevant decision-making body has agreed in-principle to dispose of a site for affordable housing and assuming that the site is suitable for disposal via a comprehensive tendering route, officers will then draw up a development brief and evaluation framework to form part of an invitation to tender. The Affordable Housing Member Panel will be asked to consider both the brief and framework and make recommendations to Cabinet about both. The recommendations of the Affordable Housing Member Panel will be incorporated into any subsequent report to Cabinet, ICMDM or relevant Committee is required to agree-in-principle to proceed with the disposal.
Stage 3: Evaluation and final approval to dispose

Any tender submissions received for affordable housing schemes will be assessed against the evaluation criteria agreed beforehand and which had been included in the invitation to tender. This evaluation will be undertaken by the relevant Officers or through a Member Officer Group set up for this purpose.

Upon completion of the evaluation stage, a report will be prepared seeking approval to dispose of the site to the successful tenderer. Depending on the Council’s standing orders and financial regulations, authority to agree to the recommendations within the report will either be delegated to Officers or will rest with Cabinet or full Council.

Site Identification

Sites for possible disposal may be identified in the following ways, through:

- strategic asset realisation work undertaken by the Corporate Property Officer and Corporate Property Group;
- Local Plan designation; and
- Directors/Services Heads declaring sites being surplus to requirements.
- identifying previously unidentified surplus land from the Land Registry Searches and audits (i.e. open space audit) and regular property reviews.

Site assessment and potential use

Once potential surplus site/land/property has been identified the Corporate Property Officer will consult with all departments (legal, planning, environmental health etc) to ascertain whether there are any constraints which may impact on future use or on disposal for example to identify contaminated land or restrictive covenants.

Consultation with the Highways authority may also be necessary.

Unless a site is already designated for a specific use in the Local Development Framework, advice will be sought from the Town Planning Division as to which of the following land uses would be appropriate to the site, in accordance with planning policy:

- Residential
- Commercial
- Leisure/Community
- A combination of the above (i.e. mixed-use)

In addition, informal advice should be sought on the development potential of the site, including the scale, capacity and density of development that could planning constraints and opportunities relating to the site, the key policies that apply to the site and what indicative capacity and density of development could be accommodated.

This may involve liaising with Members and/or the community as appropriate for the most appropriate type of development for the site.
Disposals for Residential Use

In accordance with the Council’s 5 Year Vision for the years 2013-18 it is vitally important that the Council maximises the provision of affordable housing in all its disposals. Unless otherwise agreed there will be a presumption that any sites deemed suitable for residential use will be made available, wholly (100%), for affordable housing.

Disposals for Residential Use with less than 100% affordable housing

There may be sites or instances, where, following careful consideration, a lesser proportion of affordable housing is justified, for one or more of the following reasons:

- Poor proximity to transport routes, local services and local amenities
- Unusual site conditions
- It is not financially viable for a Registered Provider, or other developer, to deliver a 100% affordable housing scheme due to site constraints, planning, contamination etc
- The Council has previously formally identified the site for another purpose
- There is a pre-established minimum receipt requirement applies to the site and it is considered that this level of receipt cannot be delivered through a 100% affordable housing scheme
- On larger sites, the Council, in wishing to foster, sustainable communities, may wish to support the development of mixed-tenure schemes, comprising both market and affordable housing. That said, 100% affordable housing schemes, can, by providing a mix of social rented and intermediate tenures and property sizes, meet the needs of different income groups and household types and provide a balanced community.

In all instances the achievement of an alternative key objective would be required to justify a departure from the 100% presumption and in all cases the % of affordable homes to be developed should be maximised as far as possible.

Where a departure occurs from the 100% presumption for reasons other than the need to generate a minimum receipt, a proportion of the net receipt will be paid into the Council’s Affordable Housing Fund. Such a payment could be in direct proportion to the proportion of market housing developed on the site for residential development.

As a minimum, where a site is not to be disposed of wholly (100%) for affordable housing, any residential redevelopment of the site is still likely to be required to make a contribution towards affordable housing, in accordance with policy “CS 21 – Affordable Housing”, as set out in the draft Core Strategy. Specifically, any residential scheme developed on publicly owned land would be required to deliver 50% affordable housing, unless it is demonstrated that it is not viable to do so.
**Disposal process – Tendering process**

In most cases, sites will be disposed of through a tender process. Either a detailed development brief will be prepared which will assist the tendering process prior to any bids being invited or less detailed marketing information will be prepared containing guidance as to the local authority’s expectations around the future use of the site. The need to develop a detailed development brief will be considered on a case-by-case basis, but are only likely to be produced for sites where either the site's size, value, development potential or strategic importance warrants it. The following additional information will be provided in all cases:

In respect of affordable housing, a guide as to the preferred proportion of each type and size of affordable dwellings are required on the site and the preferred tenure mix (To be derived from the Housing Needs Register, the latest Strategic Housing Market Assessment and any other information deemed relevant by Housing Services)

In respect of affordable housing, details on the likely availability or otherwise of public subsidy

An outline of the evaluation framework which sets out the factors to be taken into account by the Council in assessing the tenders. This will illustrate the relative weighting to be attached to each factor in the assessment process.

**Value/Price**

In some cases where a disposal is going to deliver much needed affordable housing, this may require a site to be disposed at nil value, for a discounted market value or via an exchange of land in accordance with Voluntary Community Asset Transfer (VCS) attached as a strategy document. The results of this assessment will need to be considered against the requirements of Section 123 of the Local Government Act 1972 (see below).

In other cases, a minimum receipt may be required from the disposal. This will provide additional assurance of the site’s value (though provision should be made in the terms of the contract for a share in any development value uplift should the purchaser secure planning permission for a more valuable scheme) which is generally known as ‘overage’. ‘Overage’ clauses would not generally be included in contracts relating to sites being disposed of for 100% affordable housing.

Where the disposal of a major or complex site is being considered, independent valuation advice will be sought.
Section 123 Local Government Act

In the case of public open space land, once the use has been ascertained, the Council will need to advertise for 2 weeks in the local newspapers to ascertain whether or not there is public objection and dependent on the outcome of the advertisement it may be necessary to hold public consultation so that officers/members can fully explain the extent of the scheme etc.

A proposal to dispose of land or property at a price below open market value, for example, the purpose of affordable housing, may require the consent of the Secretary of State under the provisions of section 123 of the Local Government Act 1972, although such land disposals will usually be exempt if they fall within “General Consents” rules applying to any land disposal to a housing association. In order to fall within the General Consent, the difference between the unrestricted value of the land to be disposed of and the consideration for the disposal must not exceed £2 million or as amended by the Government.

Before agreeing to proceed with any disposal for affordable housing, officers and Council will consider whether best consideration will be achieved and if not, whether a general consent applies or whether a consent needs to be applied for, in accordance with the Circular 06/03.

Method of Disposal

Residential including 100% Affordable housing

The following procedure will be used on all sites for disposal, (other than those that are too small for residential, if there is a special purchaser or if the site is deemed unsuitable for housing), on a comprehensive tender basis to the Council’s Preferred Partner Housing Associations (and any others agreed by Cabinet beforehand).

Preparation of an invitation to tender and evaluation framework (to cover factors such as price, quality, value for money, feasibility and strategic fit) in conjunction with the Affordable Housing Member Panel:

- Set a timetable and agree a decision making process
- Send out packs to housing association partners
- Evaluate bids against the framework and consult as necessary and make decision in accordance with the process agreed.

The scope of the evaluation will be influenced by the characteristics of the site and officers will seek to ensure that the amount of information sought and the evaluation framework used is proportionate to the site.

Where invitations to tender are restricted to housing associations for the purposes of providing 100% affordable housing and do not attract an acceptable offer, then the site may be offered to other parties, with the restriction of achieving 100% affordable housing having been lifted.
Non-residential

For sites or assets which are not to be disposed for housing, the Corporate Property Officer and Corporate Property Group will recommend a marketing strategy (produced either in house, or in conjunction with estate agents, commercial agents etc). This will ensure maximum exposure to the market and that the Council obtains Best Value. All costs (including legal, marketing, consultants, works required to site) are to be included in a completion statement at the end.

This method will be followed when a site is considered to be unsuitable for disposal for housing, but where such a disposal will accord with the Council’s key corporate objectives. The Corporate Property Officer with advice from the Corporate Property Group will recommend the appropriate method of disposal (e.g. Auction, Private Treaty etc) dependant on the asset in question.

The site or asset will be exposed to the market for a reasonable length of time and any potential purchasers will be given an opportunity to tender/submit an offer. Any offers received will be scrutinised by the Finance Division to ensure that the offer achieved reflects our and our advisors view of the open market value.

Where the disposal is by way of a long lease, advice from the Strategic Director – Resources will be sought with regard to VAT, Capital Controls and Treasury Management.

Timing

The timing of any marketing/disposal will need to take into account:-

- Current market conditions
- The Council’s budgetary requirements
- Key Corporate Objectives
- The demand for affordable housing
- Funding availability
- Potential for the site value to increase in the future
- Local planning policy
- S106 payments and community infrastructure levy

Negotiations

For non-affordable housing sites, the return from any disposal is to be maximised unless there are overriding factors. The Corporate Property Officer will deal with all negotiations regarding the sale but if the offers come in at a price below open market value the matter will be referred to Directors for further consideration.
Instructions

Once a purchaser has been identified and all terms of the disposal agreed Legal Services will be instructed to prepare the legal documents complying with any statutory provisions that are required. Instructions to legal will identify any special conditions on which the disposal has been agreed and these will be incorporated within the legal documents in the appropriate form (for example restrictive covenants) to protect the interest of the Council.

Completion

Once the disposal has completed Members will be informed and notification to the public of the disposal through press releases, as appropriate.

Method of Acquisition of Land and Property

Introduction

This statement sets out the procedure to be adopted in connection with the acquisition of land and property.

Council’s objectives for the Purchase of Land or Property

Unless there are exceptional circumstances the Council will only acquire land or property for the following reasons:

- Its contribution towards the provision of the Council’s Services (eg possible Section 106 adoption of community building).
- Economic development
- Income generation
- Strategic acquisition for development purposes

This meets with the Council’s commitment to value for money i.e. ensuring an efficient and cost effective corporate estate making best use of assets.

Market Research

Once a need to acquire property has been identified, market research will be carried out by the relevant services and the Corporate Property Officer will establish whether suitable land or property is available on the market to fulfil this need.

Where a number of potentially suitable properties exist in the marketplace robust comparisons will need to be made to establish which is the most suitable for the Council’s needs. Criteria against which such decisions will be made include:

- Price
- Condition of property. A full survey will be required prior to completion.
- Availability (in terms of timing)
- Nature of tenure being offered
• Locational advantages (where a strategic acquisition is under consideration)
• Return on investment (where a revenue generating asset is being considered).
• Costs of purchase.

Financial Appraisal

Where a suitable property has been identified, a suitable financial appraisal will be carried out to establish the budgetary/financial implications of acquiring property at the quoted asking price. The advice of the Strategic Director of Resources will be sought throughout the process. The financial appraisal will take into account the following issues:

• Capital cost of the acquisition
• Any revenue or potential revenue generated from the property in the short and long term
• Availability of external funding
• Possibility of a joint venture
• The cost in asset management terms including: maintenance, refurbishment, demolition costs if appropriate, ongoing maintenance, life cycle costings, national non domestic rates, insurance
• Overall effect of the expenditure on the Council’s budgetary position.

Independent Valuation

Where acquisition of a major property or site is considered complex, independent valuation advice will be sought.

Property Appraisal Group

Officers will meet with group leaders to discuss any potential purchases with a view to obtaining their approval to negotiate an in principal purchase prior to corporate approval.

Negotiations

Once the principle of the acquisition has been agreed negotiations will commence or continue with the Vendor.

Cabinet

A report will go forward to the Cabinet, once a purchase is under offer subject to contract and corporate approval, followed by Full Council.

Instructions

Once approval is received and surveys undertaken Legal will be instructed to complete the documentation associated with the acquisition.
Completion

Once the acquisition has been completed Members will be informed as appropriate.
PROPERTY ACQUISITION AND INVESTMENT STRATEGY

1 Introduction

Today there is increasing pressure being applied on the public sector to strategically manage and operate their property assets and to think corporately about property investment decisions. At the same time, there is continuing pressure to provide better local services and raise standards whilst operating under budgetary constraints. Strategic Asset Management is at the heart of achieving and delivering efficiency in the public sector whilst also meeting performance targets.

Asset management is a key part of business planning that connects strategic level decisions within organisations business, the deployment of its assets and its future investment requirements.

The purpose of this strategy is to set out the following:

- The Council’s objectives for acquiring property assets,
- Commentary on the economic climate, the property market, and property acquisition including possible risks for the Council,
- The existing strategic framework into which asset acquisition fits,
- Criteria for asset acquisition, and
- The acquisition process.

2 The Council’s Objectives for Property Acquisition

The Council currently receives £4.4 million by way of Central Government funding which accounts for a quarter of its net expenditure budget. With the ever decreasing Grant funding, and uncertainties about future funding levels it is the Council’s aspiration to become more financially resilient so that EBC is less dependent on funding from Central Government. It is the intention to try to achieve a target of being independent of Government Grant by 2020, by property acquisitions or developments and other income sources.

The Council has stated its desire to acquire property for the long-term, which reflects the Council’s objective to acquire property for increased financial resilience and the overall economic wellbeing of the borough. It is also recommended to grow its portfolio slowly and incrementally, with a variety of assets in order to spread sector risk, in line with its overall relatively low risk approach to acquisition. This is considered to be the best way of securing longer-term stability for service delivery.
3 Purpose of an Acquisition Strategy

To ensure that there is a consistency of approach involving appropriately qualified officers, it is appropriate that the Council develops and implements a formal Acquisition Strategy in addition to the Asset Management Plan.

3.1 Definition of an Acquisition

This strategy will apply to all acquisitions of land and property and for the purpose of this strategy; an acquisition is defined as acquiring a legal interest in land and property the taking of a freehold, leasehold or license in land and property for investment purposes.

3.2 Statutory Powers for an Acquisition

The Local Government Act 1972 allows the Council powers to acquire any property or rights which facilitates, or is conducive or incidental to, the discharge of any of its functions.

Property Acquisition for the Council

The Council has an existing non-operational portfolio of predominately industrial properties and these are valued for the asset register at £5.2 million (although it should be noted that this may not the realisable value as Assets are valued on a five year rolling basis). However, it is pragmatic to look at the Council’s overall exposure to commercial property and to consider the decisions that increase or decrease that exposure, and those surrounding the management of those assets, together. It is likely that synergies may come from acquiring assets, which have physical proximity to existing assets, or perhaps from the marriage value of merging legal interests, and certainly from the positive management of the entire portfolio. Acquiring property can also have a regeneration investment effect and support areas of decline.

4.1 Possible Risks for the Council

- Acquisition Risk – the property market is in recession, with less institutional activity, but has signs of increased competitive activity from smaller property companies. This means it is highly likely that the Council will be one of several bidders for any good-quality assets available in the Borough. This means it is highly like that the Council will be an unsuccessful bidder on a number of occasions during the implementation of its acquisition programme. The Council, both councillors and officers need to be aware of this possible outcome.
- Due to the nature of the property market, decisions may need to be taken quickly in order to put offers forward. Of course, offers can be subject to conditions and due diligence before proceeding to instructing legal advisors.
- Cost Risk – Abortive costs, including legal costs, survey fees, officer time, all may be incurred in abortive transactions including costs for initial feasibility investigations.
- Lack of suitable sites/buildings – Elmbridge’s property market is restricted and is dominated by secondary or tertiary assets that may not be of the quality the Council would acquire. There may therefore be a shortage of suitable stock in the Borough.
- Property market risk – property is an inherently riskier asset than other asset classes because of its physical characteristics, which need to be managed and maintained. This is ideally compensated by increased returns. However, the property market is not a certain market and the Council may not achieve its target returns if market conditions significantly worsen.
- Many investment transactions happen prior to ever coming to the market. Information is key and getting to know about properties for sale is important, this can be done through contacting property owners and agents in the Borough proactively.
- A thorough legal and practical due diligence process will help to mitigate these and other, property-specific, risks. The Council must robustly evaluate risks of acquisition on each occasion in order to act in the best interests of its Council taxpayers.

4.2 Strategic Framework for Acquiring Assets

To provide a foundation for the Council’s firm resolve to acquire property its approach must obviously accord with the existing strategic framework and be within the Council’s statutory powers.

4.3 Existing Holdings

The Councils land and property holdings currently include operational assets comprising 7 centres for the community (this includes the Thames Ditton Centre), 2 leisure centres, 1 Civic Centre, 7 public toilets, 27 car parks and 40 non-operational sites, plus some miscellaneous small land holdings retained for strategic or community reasons.

The land and property holdings have a total ‘net book value’ of approximately £60 million, excluding the value of community assets such as commons, recreational open space and cemeteries (land).

4.4 Purpose of acquiring property

The principal reasons for acquisition are to secure the economic wellbeing of the Borough. Acquisition of property assets is a direct way of influencing regeneration and potentially the economic development of an area. While it can be undertaken to extend service delivery and improve the “reach” into the community, acquisition of assets can also have a financial ‘future-proofing’ effect, underpinning financial security for the Council by providing an income independent of Government funding or Council Tax revenues to fund activities.

4.5 The Council’s existing strategic framework

One of the key objectives of the Medium Term Financial Strategy will be:
• To generate additional capital and revenue income to support the objectives of the Corporate Strategy.

The Strategy’s key principles include “To adequately maintain and, where possible, enhance the Borough’s capital assets, guided through capital and asset management strategies.”

The Sustainable Community Strategy for Elmbridge Borough includes “Promoting Elmbridge Borough Council’s Economy” as a key priority, to which property acquisition contributes. In particular, contribution to economic development and town centres is recognised as important. In selecting assets for acquisition, the Council may chose to focus on those that would generate a regular revenue stream, increasing employment or encouraging redevelopment within the Borough.

Asset acquisition is referred to within the Asset Management Plan. This includes information from the Medium Term Financial Strategy mentioned above. Assets bought as part of this strategy will be counted as ‘capital expenditure’ for accounting purposes and as a result of that, disposals will need to be accounted for as capital receipts.

The relaxation of the Capital Finance Regulations in 2004 to allow Prudential Borrowing provides a wide range of potential options for funding and delivery including: straightforward debt finance through the Public Works Loan Board (PWLB) or commercially from the market; developer lease finance or more complex structures including PFI, PPP, specialist structure finance and packaged solutions such as Local Asset Backed Vehicles (LABV).

**The Acquisition Criteria**

**5.1 Setting up funds for the acquisition of assets**

It is recommended that an earmarked reserve (Asset Acquisition Fund) of up to £3m be created from the unallocated sums of New Homes Bonus received and from the sums to be received over the next few years so that any financing and one-off costs of Acquisitions can be funded. Proposals need to be developed on the basis of borrowing for capital acquisitions which promote or improve either the economic, social or environmental well-being of an area and for which there is a suitable commercial case, including being self-funding in the long term, and a risk assessment.

The Asset Acquisition Fund can meet the borrowing costs until a sustainable income stream from the asset is achieved.

The following criteria will be used to make decisions as to the use of the acquisition Fund:

• Acquisition will enable the Council to be pro-active in the property market to assist in strengthening the Borough’s economy;
• There are measurable benefits (in addition to financial) within a maximum period of 15/20 years;
- Effective intervention will expedite agreed key strategies for the Borough including the Corporate Strategy and the Sustainable Community Strategy.
- Acquisition involves partnering arrangements;
- Acquisition will consolidate the Council’s existing land holding portfolio to facilitate larger developments;
- Acquisition will assist in the modernisation of the Borough’s business infrastructure and/or encouraging inward investment, re-location and business start-up within the Borough;
- Acquisition is not in conflict with strategic planning policies
- Financial benefits whereby future income or sales are used to replenish the Reserve to achieve a “Revolving” Fund;
- Acquisition will not increase the Council’s on-going revenue costs in the longer term;
- Acquisition type; Good quality commercial property in traditional sectors, ie retail, office and industrial;
- Return of at least 2% above borrowing costs bearing in mind there will be exceptions depending on future potential;
- Security; Medium to long-term strategy – Acquisitions should normally be pre-let to tenants of good covenant on fully repairing and insuring terms, with an unexpired term of at least 5 years;
- Each investment will have to be looked at on its own merit
- Strategic value; Where a property has strategic value to the Council, some of the above criteria may be relaxed eg land capable of development or required to enable development.

The Process of Acquiring Assets

The Council’s present approach involves actively looking for acquisition opportunities and investigating opportunities presented by selling agents who bring potentially suitable properties to the Council’s attention. There are inadequate resources in-house for investigating in detail the acquisition of suitable properties and the Council will appoint external advisers to assist in this process through its usual procurement procedures.

6.1 Procedure

In all cases where the acquisition of an interest in land and property is being considered by the Council that will materially affect the Council’s Asset base, then the acquisition must be carried out and negotiated by the Asset Management Team. All valuations must be carried out or verified by a fully qualified member of the Royal Institution of Chartered Surveyors with sufficient current local knowledge of the particular market, and the skills and understanding necessary to undertake/verify the valuation competently.

6.2 Acquisition Process

All acquisitions will be carried out in accordance with rules laid down by the relevant professional bodies, Statute and Case Law. In addition, each element of the acquisition must be carried out in strict compliance with all relevant Public
Sector and Local Government Legislation, Statutory Instruments, Government Circulars, and existing Council procedures, policies and the Constitution.

To ensure that good investments are not lost through delays in the process, it is recommended that a Property Appraisal Group (PAG) which will consist of members and officers is set up to consider any recommendations put forward by Head of AMPS and Corporate Management Board. The PAG will be chaired by the Portfolio Holder for Resources and consist of Group Leaders, Chair of the O&S Committee, Corporate Management Board and officers from Asset Management. A quorum of at least four members will be required to conduct business.

When a property is identified as a potential investment, the Acquisition Protocol as outlined in Appendix B will be followed. Asset Management and Property Services (AMPS) will discuss details with the Corporate Management Board and conduct an acquisition appraisal for the property. Following the appraisal recommendations will be made to the Property Appraisal Group for their consideration. In the meantime Asset Management will negotiate terms and conditions for an acquisition and liaise with the PAG throughout the process. Once agreement has been reached Asset Management will prepare a report for Cabinet to obtain authority to proceed. If Cabinet /Council approval is obtained then Asset Management will instruct Legal Services to proceed with formalising the acquisition. Instructions will include all necessary plans and details of any special arrangements necessary. Asset Management will assist Legal Services throughout the process until completion.

It should be recognised that in some instances officers will have to state an expression of interest or make a conditional offer on acquisitions where time is limited. This will be after consultation with the Portfolio Holder for Resources and in line with the agreed principles. Any final offers will be subject to approval from PAG and ultimately the Council.

7 Data Collection

In all cases where an acquisition occurs, arrangements will be made to ensure that details are recorded in the Council’s Asset Management records and financial records. Where appropriate a review of the Council’s Business Rates liabilities and insurance requirements are also to be instigated.
ACQUISITION PROTOCOL

Property identified as a potential investment by Asset Management and Property Services.

AMPS discuss details with Council Management Board

Acquisition Appraisal conducted

Recommendation referred to the Property Appraisal Group (chaired by the Portfolio Holder for Resources)
  - Group Leaders
  - Chair of the O&S Committee
  - Council Management Board
  - Head of AMPS
  - Estates & Property Officer

Inform relevant Ward Councillors

Consultation and opportunity for final comment from Property Appraisal Group

Proposal for approval with report to Cabinet/Council
APPENDIX D - Tree Strategy

Introduction

Elmbridge Borough has a high density of tree cover (15% against a national average of 8%). Elmbridge is also the most densely populated of all the Surrey Boroughs. Consequently, the Council’s land holding contains a large number of trees in close proximity to people, property and transport infrastructure. Elmbridge Borough Council has responsibility for land that is accessible to the public or which in many areas is adjacent to public rights of way.

HSE data* considers the risk of a tree failing and causing fatal injury in the order of 1: 10 000 000 for those trees in, or adjacent to areas of high public use. Therefore the risk is classed as “broadly acceptable” according to the ‘tolerability of risk’ triangle published in the HSE’s ‘Reducing Risks Protecting People.’ However, there is often a higher level of risk perceived by the public, particularly following a tree related incident.

The Occupiers Liability Act 1957 and 1984 imposes a ‘duty of care’ on the landowner to do what is reasonably practicable to prevent foreseeable harm from trees under the occupiers’ ownership or management. This duty also extends to uninvited visitors to land if there is a known danger present on the occupiers land.

HSE guidance* states that:

“doing all that is reasonably practicable does not mean that all trees have to be examined on a regular basis”

“A decision has to be taken on what is reasonable in the circumstances and this will include consideration of the risks to which people may be exposed.”

Therefore a proactive system of tree inspection for specific zones of varying levels of risk as recommended by the HSE* should enable the Council to comply with the above legislation. This document sets out how that system will operate in Elmbridge.

The approach set out takes account of the Health and Safety at Work etc Act 1974 – Management of Health and Safety at Work Regulations 1999 – Occupier Liability Acts (1957 and 1984), as well as strategies developed by other Local Authorities, industry guidance, and relevant case law. (Appendix A).

In the unfortunate situation of a claim or case being made against the Council as a result of tree failure, this document, together with survey records, will explain the authority’s position and approach in respect of management of hazards posed by its tree stock. An annual reassessment of this document is required to be undertaken.

*See ‘Management of the risk from falling trees’ HSE SIM 01/2007/05
Objectives

The Elmbridge landscape is highly valued and is characterised by extensive tree cover. Much of the land controlled by Elmbridge Borough Council (EBC) contains many trees in the form of more ornamental plantings in parks, cemeteries and other amenity areas, more extensive woodlands, both naturally generated over time and planted ones, semi-wooded heath areas, shelter-belts adjacent to car parks etc., and individual trees within grounds of properties. The nature of land use is such that access by people is locally high. The management of trees should therefore embrace a number of objectives which, for example, may relate to amenity, wildlife conservation, heath land restoration, shelter and the control of hazards. In the case of risk management, it is necessary to take steps to identify trees which represent a significant risk to people or property and to deal with them accordingly. This should, however, be done in a way which minimises the loss of value for people and wildlife.

To this end, a number of objectives relevant to risk management are listed as follows, to:

- manage and minimise risks to people or property;
- avoid the unnecessary removal or disfigurement of amenity trees or of trees with high wildlife value;
- conserve habitats that are provided by trees, including those that are old and decaying.

Principles of Tree Risk Assessment

Whether trees are managed for landscape, habitat, commercial or multi-purpose objectives, the legal obligation to ensure the reasonable safety of others remains the same. The law recognises that there is a balance to be struck between the risks and benefits of trees. EBC, as owner and occupier of land, is required to consider the level of risk associated with a tree and whether it is reasonable to protect against that risk. The duty is to identify apparent sources of danger and to make land safe, as far as is reasonably practicable. Liability is determined on the basis of whether a danger posed by a tree could have been foreseen and whether reasonable remedies could have been undertaken, which would have reduced the risks to an acceptable level.

To meet legal requirements, it is crucial that EBC manages risks and can be seen to do so and is able to provide evidence that this has been done. To manage risk effectively, the hazard must first be identified and ranked according to severity, then prioritised for action.

No tree is entirely safe, given the possibility that an exceptionally strong wind could damage or uproot even a mechanically ‘perfect’ specimen. It is therefore usually accepted that hazards should only be identified from distinct defects or from other failure prone characteristics of the tree or of the site, which can be recognised during inspections. (see APPENDIX B - General tree features to look out for when inspecting trees)
Which Trees to Inspect and When

Subject to specific exceptions, the Council will only take responsibility for trees on land where it has a strict occupier’s liability. There are a few minor exceptions to that approach, the details of which are set out in Appendix C.

The need for a particular tree or group of trees to be inspected, depends on the usage of the area within their potential falling distance. Inspection is unquestionably necessary within zones where people, or high value items of property, are continuously or frequently present close to trees which are capable of being hazardous. Clearly, however, there are remote areas where tree failures are very unlikely to cause injury or damage, even though the risk of such an outcome cannot be entirely disregarded. Even at a more heavily used site, it could be that the risk is currently very low by virtue of the size and species of the trees present.

There cannot, therefore, be a hard and fast distinction between sites or part of sites where inspection is essential and where it is entirely unnecessary. The key consideration is foreseeability; if it can be reasonably foreseen that anyone could be at risk, the occupier has a duty of care to reduce that risk within reason.

Target Zones

Target zones classify areas according to target value and frequency of use and provide a notional range of risk from high to low. If a site has a significant number of trees with a variety of targets, the use of target zoning can aid decisions on the nature and priority of inspections. Zone classifications are not absolute values that can be compared from one site to another, but provide information to help determine the need for, and priority of, inspection relevant to a particular site. As the nature of site usage may change, it will be necessary to review these zones periodically.

All the Council’s land holdings have been assigned either High, Medium or Low zones.

Level and Frequency of Inspection

Recent case law (Payne v Guildford Borough Council 2006) found that inspection should take place every 2 years in residential areas or where there is a similar risk of damage, injury or fatality. This timescale forms the basis of determining the frequency of inspection for the high frequency Inspection Zones identified.

**HIGH RISK** – Inspect every two years
Zones identified as having the highest likelihood of a significant tree failure involving persons or property, due to their high frequency of use. In addition, there is a need for inspections of particular High Risk areas after severe weather events.

**MEDIUM RISK** – Inspect every four years
Zones identified as having a lower likelihood of a significant tree failure involving persons or property, than the high frequency zones. However, due to their often-
intermittent frequency of use, there is still a requirement for formal tree inspection, but on a lower frequency.

**LOW RISK** – No proactive inspection required
The likelihood of a significant tree failure, involving persons or property identified within these zones, is identified as low enough that there is no requirement for a formal tree inspection frequency. Any works required would be included in a management plan that considers the whole group/area e.g. a silvicultural operation.

**Prioritising Inspections**

Most of the issues discussed in the previous sections are brought together in the following chart:-
# Target and Inspection Level Chart

<table>
<thead>
<tr>
<th>Target Zone</th>
<th>Colouring on Map</th>
<th>Examples of Target Area Trees in or adjacent To:</th>
<th>Level of Inspection</th>
<th>Frequency of Assessment</th>
<th>Inspector Level of Competence (See Appendix A)</th>
</tr>
</thead>
<tbody>
<tr>
<td>High Risk (Zone 1)</td>
<td>Red</td>
<td>Well used areas; most playgrounds, car parks and frequently occupied buildings, land adjacent to railways, heavily used roads or junctions, occupied property.</td>
<td>Detailed</td>
<td>Every two years and after severe weather</td>
<td>Advanced</td>
</tr>
<tr>
<td>Medium Risk (Zone 2)</td>
<td>Green</td>
<td>Well frequented open woodland areas abutting residential areas; open space, cemeteries, parks and recreation grounds, gardens, footpaths and bridleways with moderate use, occasionally used buildings and car parks, access routes to other properties, sports pitches.</td>
<td>Formal</td>
<td>Every four years and after extreme weather</td>
<td>Basic</td>
</tr>
<tr>
<td>Low Risk (Zone 3)</td>
<td>Blue</td>
<td>Open parkland, woodland heathland, fields, paths, lanes and bridleways with occasional use and no other high value or vulnerable targets</td>
<td>Informal</td>
<td>During normal routine visits by site managers.</td>
<td>No specialist knowledge required</td>
</tr>
</tbody>
</table>
Types of Inspection and Levels of Expertise

Detailed Inspections

The need for detailed inspection typically only applies to individual, high value trees giving high priority concern in well-used zones. Given that most trees pose an extremely low risk, it is unreasonable to expect that every tree in a given area should receive a detailed inspection; to do so would be grossly disproportionate to the benefit gained in risk reduction. Detailed inspections are therefore unusual, typically reserved for trees valued for their heritage, amenity or habitat and which are suspected of posing a high level of risk, as already identified through owner interest or a previous formal or informal assessment. The detailed inspection will normally be prioritised according to the level of safety concern, and will usually entail an initial ground level, visual assessment by a competent specialist looking at the exterior of the tree for signs of structural failure. In a few special cases, further detailed investigations may be required, involving soil and root condition assessments, aerial inspections of upper trunk and crown, or other procedures to evaluate the nature of suspected decay and defects, including using specialist diagnostic tools.

Who Can Undertake a Detailed Inspection

Detailed inspections require an appropriately competent person, experienced in the field of investigation that is to be carried out and who holds the industry recognised Professional Tree Inspection qualification (LANTRA). The inspector should be able to consider a wide range of issues. For example; if the rooting environment is identified to be a likely problem the inspector might be required to demonstrate competence in soil assessment; similarly with a tree inspector concerned with structural stability and their ability to demonstrate sound arboriculture competence and experience and knowledge in tree risk management, as with biodiversity etc. Whoever is commissioning the detailed inspection should satisfy themselves as to the suitability of the inspector’s qualifications and experience. A specialist involved in conducting a detailed tree inspection should be able to demonstrate the reasonable basis for allocating risks according to priority, and identify cost effective ways of managing those tree related risks.

Formal Inspections

In a formal inspection, someone visits the tree with the specific purpose of performing an inspection, which is not incidental to other activities. The spectrum of formal inspection ranges from survey work for tree inventories, to health and condition assessments. These may be carried out through ‘drive-by’ and ‘walk-over’ inspections, ground-based visual checks, aerial assessment or device-based investigation. Drive-by and walk-over inspections are accepted types of reasonable risk assessment depending on the circumstances. Drive-by inspections are a reasonably practicable means of tree safety assessment for tree-lined roads and other high use areas with vehicle access. Drive-by inspections can assist in deciding where tree management, walk-over or detailed inspection might be appropriate. Walk-over inspections may not identify hidden features, such as fungal fruiting bodies tucked in the roots of the tree. Simple formal inspection through ground level visual checks in the course of walk-over surveys provides a useful,
cost effective means of identifying clear and present signs of imminent instability. This is an important means of identifying when pressing action is needed, including further specialist inspection.

Who can Undertake a Formal Inspection?

Formal inspections do not necessarily require specific qualifications however it is recommended that inspector hold the industry recognised Basic Tree Survey and Inspection qualification (LANTRA). Inspectors will require general tree knowledge and the ability to recognise normal and anomalous appearance and growth for the locality. Inspectors need the capacity to assess approximate tree height and falling distance from the tree to the area of use. They also need an ability to recognise obviously visible signs of serious ill health or likely short-term significant structural problems, such as substantial fractured branches or a rocking root plate which, were they to cause tree failure, could result in serious harm.

Informal Inspections

Informal Inspection happen on an ad-hoc basis when areas are being visited as part of day-to-day activities. This form of inspection is incidental to other activities.

Who Can Undertake an Informal Inspection

People with a common-sense connection with their environment and local familiarity with trees are suited to carrying out informal inspections. Typically this does not require a specialist with knowledge of trees, but rather those closely associated with a property, such as the owner, gardener, other staff or agent, who understand the way the property is used (areas most and least frequented) and the extent of the danger, should a tree be found that is unstable. However reports of problems by staff or members of the public are also an integral part of informal inspections and can be acted upon.

NB. The most important aspect of any inspection is for the inspector to understand when to contact the specialist arboriculturist to investigate defects that require further detailed inspection.

What to Record and How

Inspection records should include inspection dates, name of inspector, weather conditions and presence of factors obscuring potential defects (such as ivy growth). The areas of trees inspected should be clearly marked on accompanying maps. It is important to record inspections, even if only briefly, to be able to demonstrate that this element of duty of care has been fulfilled.

A master datasheet identifying all of the Council’s land holdings and what risk zone they fall into has been prepared. This document is used to coordinate inspection schedules and record the outcomes of inspections.

Records of Inspections and Outcomes Must Be Entered onto the Tree Risk Master Datasheet.
It is not necessary to plot every individual tree on a map but rather make note only of those trees that require maintenance within a particular inspected area. The record of inspection of an area shown on the master datasheet with the recommended works and date completed is enough to demonstrate that the Council has fulfilled its obligation.

Where individual trees have been highlighted for maintenance then specifications for the works, dates of completion, should also be recorded on the master datasheet. Records provide the basis for safety management reviews and can, over time, build a valuable historical record of site-specific tree failure or non-failure patterns. Once hazards have been assessed or work completed, re-inspection times should be assigned or reviewed and then recorded.
APPENDIX E - Accommodation Strategy

Introduction

Property assets are a major resource and a major cost to the operation of the Council. The effective use of Council office accommodation is critical in delivering efficient services.

Wherever possible the accommodation strategy should support service initiatives.

The accommodation strategy will be closely linked to the Council’s human resources (HR) objectives, in particular as they relate to flexible working.

Practical accommodation planning will be closely allied to the information technology (IT) infrastructure and the future possibilities that IT services can offer with regard to working practices.

The Council has circa 84,000 sqft of office space throughout the borough and 63,500 sqft of this is located at the Civic Centre.

The Civic Centre office is the primary civic centre for both administration and political functions.

The current strategy is based upon the assumption that Council will continue to use the Civic Centre as its main civic base for the foreseeable future.

Through this strategy Elmbridge Borough Council aims to deliver an effective working environment that supports efficient working practices, which are compliant with statutory requirements.

The Council’s accommodation strategy actively supports collaborative working with both the public and the private sectors where such initiatives produce a benefit to the Council’s operations by co-working and / or financially.

The key objectives of the accommodation strategy are:

- provision of suitable accommodation for customer service delivery
- provision of suitable furniture
- is linked with human resources and information technology objectives

The Strategy will need to be a dynamic document and be formally reviewed and updated annually.

The Strategic approach to accommodation use will ensure that the following criteria are observed:

- ensure health and safety (including fire safety) issues are addressed.
- adopt a planned and structured approach to determining its future office accommodation needs.
• influence the property strategy so that there is appropriate planning for maintenance, repair and upgrading of office accommodation.

• match the quantity and disposition of the Council’s office accommodation against its likely future needs and financial position.

• ensure that environmental sustainability factors are addressed in the Strategy wherever practicable to do so.

• set acceptable reasonable “housekeeping” standards for office premises.

• achieve efficient space usage.

• have in place effective maintenance contracts and programmes for planned maintenance to avoid disruption to service delivery.

• adapt accommodation assets to meet the needs of the Council services in occupation and those of tenants and partners.

**Condition of Accommodation and Investment Needs**

The Civic Centre, High Street, Esher, Surrey KT10 9SD was built in 1990/91. The last condition survey was completed in 2012 and the building was generally found to be in a reasonable condition. The main accommodation issue is high office temperatures during the summer months. Air Conditioning is limited to the Council Chamber and Committee rooms 1, 2 and 3, and does not extend to general office areas. Consideration has been given to installing comfort cooling to office areas, but the high capital cost has always been prohibitive.

The upgrades to the mechanical and electrical plant in 2010 has had significant impact on the reduction of energy consumption.

Meeting rooms are well catered for and in general room utilisation is below 100%, this is also reflected in the reduction of anticipated catering hospitality income. However, there is arguably a demand for less formal breakout areas where team meeting or project discussions can take place away from the workface. This is currently being reviewed together with any changes required as a result of the let to Surrey Police.

**Furniture**

The furniture currently used by the Council is of mixed size and manufacturer.

A new approach has been agreed so that all furniture purchased will be from a single supplier and of a type that meets modern needs and space efficiency. All furniture for the Council’s office needs will be purchased centrally, thus enabling the best possible procurement arrangements to be put in place.

The Council has recently introduced the use of rectangular style desks of 1400 mm x 800 mm to meet with current working practices. The benefits of this style of desk
also include a reduced floor space “foot print”. The aim is to consider a further role out of this style of desk as the business needs develops.

Space Standards

General Office Accommodation

In December 2008 Landmark FM (the full report can be provided upon request) were commissioned to undertake a study of the use of space within the Civic Centre. This study concluded that an overall space standard target of 12 square metres per desk, net internal area, including circulation, should be adopted. Furthermore, that if that space standard were adopted throughout the building a space saving of circa 1,376 square metres. This equates to approximately 24% of the available NIFA of the Civic Centre or approximately 2 wings of the building.

Chief Executive

Current Standards is 41 square metres, excluding the Chief Executive’s meeting room.

The Executive and Member Services wing has recently seen the addition of the Electoral Services Section. This section has adopted the rectangular style desks.

Human resources be relocated into this wing by the end of January, 2014.

Directors

Current Standards is 41 square metres per post.

The directors offices are now glazed allowing a more open feel.

Heads of Service

Current Standards is a minimum of 12 square metres.

In order to maximise floor space within the Civic Centre Heads of Services will not have their own offices.

Members’ Facilities

Current Standard totals 95.7 square metres including the Mayor’s Parlour.

There is no change proposed to the Members’ accommodation facilities.

General Meeting Areas

As and when possible new informal meeting and or break out facilities should be accommodated on operational floors. These will typically be open plan and approximate to the following sizes.

4 – 6 people spaces = 6.5 square metres
6 – 8 people spaces = 10 square metres

**Access to Council Services**

The main reception was refurbished in 2013 to replace the four satellite receptions within the Civic Centre. Customers will now access Council services in one place.

**Archival Document Storage**

There is approximately 321 square metres of archival storage available for the storage of material. These areas are located in the roofs and the ‘bomb’ store basement. Much of this space is at maximum capacity by use of bespoke filing systems, which enable a high percentage of the space to be fully used.

The affect of EDRM will be monitored to see what impact it has on archival space demand.

**Restaurant Provision**

In March 2013 the area adjacent to the former restaurant space was refurbished to provide a new restaurant area and has been let to Ellies Kitchen who has been providing hot and cold refreshments to the users of the building.

The old restaurant is approximately 173 square metres. We have been marketing the space since summer 2013 and have been unable to attract a new tenant for the space. This area is currently under review and any changes to this area would be considered by CMB.

**Sharing Civic Accommodation**

Currently Surrey County Council occupy approximately 699 square metres of office accommodation from EBC.

The Council has let part of ground floor wing A to Surrey Police who have relocated the area neighbourhood team into the Civic Centre following the closure of the Boroughs police stations.

**Council’s Risk Management Strategy**

The Council’s Risk Management Strategy requires the Corporate Strategic Risk Register to be reviewed on an annual basis. The Register contains details of major identified risks, which could affect the Council’s ability to achieve its priorities during the financial year.

The Register gives a description of each major risk and shows its link to the Council’s Top Priorities and Strategic Objectives. An impact score is given to each risk, assessed in accordance with good risk management practice.

The Register also shows controls that need to be in place, actions required for risk control purposes; with the ownership column identifying those persons who are considered to have the greatest degree of impact in reducing or controlling risk exposure.
A "5 x 5" matrix is standard practice for Local Authorities, and is used to assess the risks facing the organisation. The result of the analysis gives a relative order for the risks to be managed. Please see table below:
## RISK REGISTER

<table>
<thead>
<tr>
<th>Risk Category</th>
<th>Details of Risk</th>
<th>Probability</th>
<th>Impact</th>
<th>Impact Score</th>
<th>Mitigating Actions</th>
<th>Progress on putting in place mitigating actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial</td>
<td>Unrealistic cost assumptions</td>
<td>2</td>
<td>3</td>
<td>6</td>
<td>Detailed cost checks, appointment of cost/project manager, build in budget contingencies</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Delays in securing receipts</td>
<td>3</td>
<td>3</td>
<td>9</td>
<td>Ensure adequate interim financial resource to fund cashflow and monitor on a regular basis</td>
<td></td>
</tr>
<tr>
<td>Political / Consultation</td>
<td>Community groups / residents oppose elements of any schemes proposed for redevelopment etc</td>
<td>4</td>
<td>3</td>
<td>12</td>
<td>Regular meetings and consultation with Ward members and residents</td>
<td></td>
</tr>
<tr>
<td>Property and Construction Sector</td>
<td>Double dip in property market reduces valuations of land and property flagged for disposal</td>
<td>3</td>
<td>5</td>
<td>15</td>
<td>Constant monitoring of market conditions and advise on timing of taking assets to market</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Construction cost inflation</td>
<td>4</td>
<td>4</td>
<td>16</td>
<td>Constant monitoring of trends in costs</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Council signs up to contracts for construction/refurbishment that generates low margins for contractors who then win more profitable work and lower the priority of our work</td>
<td>3</td>
<td>4</td>
<td>12</td>
<td>Penalty clauses built into contracts</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Failure to secure tenants/developers for schemes proposed</td>
<td>3</td>
<td>3</td>
<td>9</td>
<td>Soft market testing at an early stage, may need to incentivise</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Disposals fail to materialise</td>
<td>3</td>
<td>4</td>
<td>12</td>
<td>Review alternative funding options until market improves</td>
<td></td>
</tr>
<tr>
<td>Risk Category</td>
<td>Details of Risk</td>
<td>Probability</td>
<td>Impact</td>
<td>Impact Score</td>
<td>Mitigating Actions</td>
<td></td>
</tr>
<tr>
<td>----------------------</td>
<td>---------------------------------------------------------------------------------</td>
<td>-------------</td>
<td>--------</td>
<td>--------------</td>
<td>------------------------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>Procurement and Design</td>
<td>Challenged on procurement route</td>
<td>2</td>
<td>3</td>
<td>6</td>
<td>Detailed written brief</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Major obstacles revealed through further surveys/specification which drives cost up</td>
<td>3</td>
<td>4</td>
<td>12</td>
<td>Commission surveys and ascertain costs at an early stage</td>
<td></td>
</tr>
<tr>
<td>Planning</td>
<td>Delay in processing application</td>
<td>3</td>
<td>4</td>
<td>12</td>
<td>Good communication</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Planning permission and/or listed building consent is refused</td>
<td>3</td>
<td>4</td>
<td>12</td>
<td>Ensure scheme adequately addresses all issues raised during consultation</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Project not properly resourced with staff and consultants</td>
<td>4</td>
<td>4</td>
<td>16</td>
<td>Resource planning and review</td>
<td></td>
</tr>
<tr>
<td>Legal</td>
<td>Issues over title</td>
<td>3</td>
<td>4</td>
<td>12</td>
<td>Legal opinion and insurance taken if necessary</td>
<td></td>
</tr>
<tr>
<td>Environmental</td>
<td>Contamination issues</td>
<td>4</td>
<td>4</td>
<td>16</td>
<td>Surveys done and remediation carried out</td>
<td></td>
</tr>
<tr>
<td>Sustainability</td>
<td>Sustainability issues in development too costly and not viable as payback is minimal</td>
<td>3</td>
<td>3</td>
<td>9</td>
<td>Appropriate studies done beforehand</td>
<td></td>
</tr>
</tbody>
</table>