



Bristol City Council Corporate Property Strategy 2020–2023



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Foreword by sponsor

Bristol City Council is the owner and occupier of a diverse and valuable estate. Land and buildings are used to support purposes including:

- Delivery of core and non-core council services
- Development including new housing
- Investment to support the revenue budget
- Community resilience and sustainability

Bristol recognises that the effective and efficient use of its extensive property estate is fundamental to delivering exemplary public services and that an effective strategy including detailed asset management planning is key to achieving this in order to preserve its financial and social value for future generations.

This strategy is designed to set out the objectives, policies and process for managing the estate effectively and meeting the council’s corporate objectives.

The strategy emphasises the importance of translating service objectives into asset management plans and sets out the principles for the creation of an overall Corporate Asset Management Plan which sets out the options and objectives around individual properties.

This document sets out the way in which effective asset management planning will be sustained

through the development and adoption of a corporate landlord methodology and the benefits of such an approach. This methodology will support the development of more effective corporate governance for property assets and create a more integrated approach to asset management and partnership working.

The strategy applies to all property except for housing which is part of a separate piece of work by the council’s Housing Service. It does not include Transport operational property (i.e. roads, traffic lights, parking meters, street lights etc.) nor does it include docks infrastructure including moorings, pontoons, harbour walls. It does however cover buildings such as offices, warehousing, etc. that are occupied or traded by these services.

It is expected that once adopted, in the absence of major policy change, the strategy will be reviewed in three years’ time to identify any opportunities to review arrangements or processes.

Councillor Craig Cheney
Designated Deputy Mayor with responsibility for Finance, Governance and Performance





Vision

This strategy sets out our objectives for the way we hold, transact and maintain Bristol City Council’s property estate as custodians for all of the city’s residents and stakeholders. It sets out how we will achieve an efficient and adaptable estate, which will:

- Provide the right property, in the right place, that is fit for purpose and economic to occupy.
- Deliver value for money property services to support service needs whilst meeting the council’s corporate objectives.
- Fully implement a Corporate Landlord model.
- Ensure that the Estate is compliant with statutory and regulatory codes
- Ensure that in developing new properties and maintaining or improving our existing estate that we have regard to their environmental impact.
- To take advantage wherever possible of the opportunities offered by initiatives such as City Leap to support our proposals to be a Carbon Neutral City by 2030.
- Ensure that development or restructuring within our estate is fully compliant with the objectives and requirements of the Local Plan and thereby meets the council’s growth agenda.
- Optimise the value of our investment portfolio.
- Use our assets to support regeneration, to deliver our housing objectives and deliver vibrant and sustainable communities through the opportunities outlined in our Community Asset transfer policy detailed later in this report.
- Work with Public and Third Sector partners to achieve opportunities to deliver “joined up” services from shared buildings.

An efficient and adaptable estate that supports service delivery

WHAT	Fit for Purpose Estate	Value for Money	Supporting service delivery	Supporting City Growth & Communities
WHY	Assets are in the right place, in the right condition and comply with legislation	Costs are minimised and use or return from assets is maximised	Sufficient and suitable assets to deliver services from	To use the estate to deliver BCC corporate objectives
HOW	<p>Understanding service requirements and undertaking regular property reviews.</p> <p>Development of maintenance and property compliance plans.</p> <p>Robust management information</p>	<p>Corporate Landlord approach to provide</p> <ul style="list-style-type: none"> • Centralised management • Clear decision making framework • Corporate process and policies • Uniform standards <p>Understanding of the estate and how it performs</p> <p>Rationalisation of the estate</p>	<p>Working with services through Property Partnering approach to understand requirements</p> <p>Developing service asset management plans</p> <p>Adoption of corporate decisions</p>	<p>Utilising council land to bring forward development in the city</p> <p>Engagement with major projects</p> <p>Working with public sector partners and other stakeholders within the city to identify shared opportunities</p>
KPI	<p>Improved utilisation %</p> <p>Increase in shared buildings</p> <p>Reduce required maintenance</p>	<p>Reduce running costs</p> <p>Reduce size of the estate</p> <p>Increased capital receipts</p>	<p>Improved feedback from services and service users</p> <p>Service asset management plans in place</p>	<p>Successful partnerships with key partners and the community.</p> <p>Use of assets to demonstrate best practice</p>

Executive Summary

This strategy sets out the methodology as to how Bristol City Council will actively review, manage and transact property going forward.

It is written having regard to current statutory and corporate priorities and requirements in order to ensure that all property dealings meet best practice, as described by both the RICS and CIPFA. In this way we will ensure that all transactions comply with current and best practice, and provide the best outcomes for the council and its stakeholders.

The strategy will review the current system of Governance for Property matters and will detail where within the organisation this governance responsibility sits. It will propose revisions to the current process in an effort to speed up, codify and simplify the process going forward. This is illustrated using the revised decision pathway map.

The strategy ensures that the council fully adopts the corporate landlord system of working and strengthens the governance around its implementation. This document provides the mandatory procedures that will be adopted for transacting council owned property.

Finally the report sets out the approach to the preparation of a detailed Asset Management Plan that with the help of service partners will define the Estate in terms of emerging service priorities going forwards.

Outcomes are therefore:

- 1 A fully operational corporate landlord which centralises all property functions
- 2 A revised system of governance that is understood by all and improves the current decision making processes.
- 3 Consolidation of existing policies around property.
- 4 Ensure that all property transactions take account of social value in assessing their impact.
- 5 Ensure that there are clearly defined responsibilities and mechanisms for all property matters.
- 6 A complimentary financial framework which recognises the need for budget centralisation and adjustments to ensure all Property spend is managed by Property and is adequately reflected in appropriate cost centres



Introduction

Bristol City Council's Property Strategy sets out the framework for Review, Management and Transacting a Corporate Estate that excluding housing, transport and docks infrastructure is valued at approaching £1bn⁽¹⁾ and has an annual revenue spend of almost £20m⁽²⁾.

The strategy respects our Strategic Themes and Key Commitments as set out in the Corporate Strategy 2018–2023. These Themes are summarised below and further detail may be found at: www.bristol.gov.uk/policies-plans-strategies/corporate-strategy

Empowering and Caring:

Work with partners to empower communities and individuals, increase independence, support those who need it and give children the best possible start in life.

Fair and Inclusive:

Improve economic and social equality, pursuing economic growth which includes everyone and making sure people have access to good quality learning, decent jobs and homes they can afford.

Well Connected:

Take bold and innovative steps to make Bristol a joined-up city, linking up people with jobs and with each other.

Wellbeing:

Create healthier and more resilient communities where life expectancy is not determined by wealth or background.

One of the six key principles for the council as set out in the Corporate Strategy is that we will *“Use our assets wisely, generating a social and/or financial return. Raise money in a fair but business like way.”*

⁽¹⁾ Total Estate

⁽²⁾ Excludes Housing Properties and Schools.

Other key reference documents are:

Medium Term Financial Plan:

<https://www.bristol.gov.uk/documents/20182/138089/Medium+Term+Financial+Plan.pdf/8c63db70-473c-bfd6-ed07-49a323a71547> and;

Capital Strategy:

<https://democracy.bristol.gov.uk/documents/s27694/Appendix%20A4%20-%20Capital%20Strategy.pdf>

This strategy aligns the council's business and property strategies to support its key goals and inform its spending decisions. It will incorporate and codify several additional policies and strategies where they touch upon, or are touched by property. These existing strategies and policies have been reviewed prior to incorporation. They include:

- The Surplus Property Policy
- The Community Asset Transfer Policy
- The Modern Workplace Programme
- Investment Property Strategy

Bristol City Council recognises that as the largest land-owner in the city it is in a unique position to work with partners to lead and deliver strategic regeneration.

However, in the face of continual financial pressure, the council needs to review the size and efficiency of occupation of the estate and this Strategy sets out a framework for the preparation of a detailed asset management plan, which will give effect to this review and facilitate effective ongoing management of the estate.

The strategy sets out the high level aspirations for an effective property operating model the detail of which will be set out in the asset management plan which will be developed in 2020. An effective Corporate Landlord requires Estates teams to work closely with FM teams, particularly the Building Practice to offer a joined up property service, as well as working closely with service heads and building occupiers to understand their strategic property requirements.

What comes within the ambit of the strategy?

All property related activities are covered by the strategy including but not restricted to:

- Property acquisitions, both leasehold and freehold
- Property disposals (including sub-letting)
- Change of Use
- Accommodation moves and space allocation
- Sharing with, or use by, other users/third parties
- Carrying out alterations or improvements
- Entering into contracts relating to property e.g. telecoms contracts
- Granting Access/Wayleaves or Easements
- Agreeing rent reviews and/or lease renewals
- Asset challenge and property review
- Asset performance standards, including space and design standards
- Asset performance analysis and reporting
- Strategy development
- Supporting service occupiers to identify their strategic asset requirements
- Property will be declared surplus in accordance with the council's surplus property protocol. Once declared surplus the proposal will follow the decision pathway set out below.

The key objectives of this strategy are to ensure that:

- There is a mechanism in place to examine the justification for the retention by the council of each property that forms part of the estate. The council will only retain property that is used to deliver services or for which there is a clearly defined reason to retain, e.g. the investment estate or land held for development. In this case there will be a statement recorded on the property database that will also define a date for review of this reason.

- Unless there is a demonstrable reason for retention (either in its existing use or for re-purposing) then steps will be taken to declare the property surplus and available for disposal in accordance with the surplus property protocol, where viable.
- The estate is an appropriate size from which to deliver services, and is financially sustainable.
- Buildings are in the right place and are affordable to meet the needs of the council and support service delivery in the most efficient way possible.
- The investment portfolio is well managed to provide an adequate and appropriate return on capital employed and minimise voids.
- Where there is clear rationale, to add to the investment portfolio to increase net income in support of the council's revenue account.
- That the Development/Regeneration portfolio is utilised to support corporate priorities, particularly those in relation to increasing the supply of affordable new homes and the aspiration to cut emissions by 65% by 2020 from the 2005 baseline and to run entirely on clean energy by 2050.
- That buildings are fit for purpose, well maintained and the cost of occupation and the environmental footprint is minimised (see below).
- To ensure that council services are readily accessible for their users.
- To work with partners to maximise the efficient occupation of the Public-Sector Estate.
- To ensure that communities are supported with suitable and sufficient property from which to deliver local services, in accordance with the CAT policy.

In order to deliver these objectives, the council will:

- Fully implement a corporate approach to property.
- Raise the profile and reputation of the Property Service within the Corporate Structure.
- Work with services and partners to understand their needs.
- Improve, release, adapt or replace properties to meet council needs and to regularly review as these needs evolve.
- Continue to carry out regular valuations (including those for accounting purposes) of our property assets.
- Ensure consistency of approach by centralising property decision making and budgets and reviewing pathways to ensure that all decisions involving the use of assets are made for the good of the council as a whole and its stakeholders.
- Ensure that there is a strong rationale for the ownership and retention of property and that any disposals achieve best value and have regard to the obligations set out in Section 123 LGA.
- Undertake regular property reviews as part of the asset management planning process to ensure that the portfolio is efficiently used and meets the needs of services.
- Challenge Services and partners to demonstrate the need for the property that they occupy and to work with them to achieve a value for money Public Sector Estate.
- Ensure that decisions fully take account of their environmental impact and wherever possible to take advantage of opportunities offered by initiatives such as City Leap to improve our carbon footprint.
- Achieve the adopted Carbon Neutral target.
- Will take account of Social Value in all of its property dealings by using the nationally recognised Social Value Toolkit that is currently being trialled. This may result in a lower price being secured in certain transactions where the non-financial benefits of the transaction justify this.

Environmental Impact

The environmental impact of everything that we do is becoming more significant as time goes by. There are a multitude of opportunities to reduce this impact when it comes to owning and managing property. The council will do everything that it can to take advantage of these opportunities including;

- A commitment for all our properties to meet applicable Minimum Energy Efficiency Standards
- Offer to actively facilitate discussions between the City Leap Energy Partnership with long-term tenants of our properties with regard to installing renewable energy generation and energy efficiency measures on these sites

- On any new letting of council owned property we will point out to incoming tenants the availability of benefits arising from switching energy supplier to Bristol Energy and of any associated benefits available under the City Leap initiative.

The council will as part of the Asset Management Process, continue to monitor and improve where possible, council owned / occupied buildings environmental impact and it will work with partners including Bristol Energy and the City Leap initiative to ensure the use of the most environmentally friendly systems of energy.



Equalities Impact

Bristol City Council has a **Public Sector Equality Duty** which requires us in the exercise of our functions to have due regard to the need to: eliminate unlawful discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010; advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Implementing a corporate approach to property will increase our oversight of the potential impact of decisions on citizens and staff with protected characteristics, socio-economic inequality, and sources of inequality that are not specifically covered by the Equality Act. This will allow us to embed analysis of equality impact into property policy and strategy development so decisions are made on the basis of the deepest possible understanding of their implications for equality and inclusion.



Background and context

Bristol City Council owns a significant amount of property and, by area, owns approximately 40% of land in the city although a significant part of this is controlled by third parties under long term leasing arrangements. They are therefore not within the direct control of the council but do produce income in support of the revenue account.⁽³⁾ the portfolio, excluding council dwellings and infrastructure, consists of circa 3,840 assets.

The portfolio is divided between Operational and Investment assets:-



Value 539M
2,880 assets
2,637 ha site area



Value 249M
730 assets
Income £13m



Sites not required for service delivery and suitable for development >100ha

The total asset value for the operational properties is mainly based on depreciated replacement cost. It is not an indicator of potential sale value/prices.

⁽³⁾Some community buildings do not provide financial support to the revenue account.

Operational properties comprise:

- 733 buildings
- c. 2,600 hectares of land
- Value c. £540m
- Property types include offices, libraries, schools, museums, parks, depots, crematoria, waste sites, docks, day care, etc.
- This includes 323 operational indirect (within this are c.106 long leases and c 104 Concessions – see note below)
- 410 properties support direct service delivery as shown in the following table.

Property Type	Number
Education (schools, children’s centres)	121 ¹
Residential (inc. service tenancies)	52 ²
Offices	38 ³
Store/Depot/Warehouses/Waste Facilities	42
Community, Youth clubs	11
Sports facilities/Playground	7
Social Care	21
Libraries	27 ⁴
Museums	11
Cemeteries/Church buildings	11
Public Conveniences	22
Children’s Homes	8
Car Parks/Multi-storey	3
Misc.	37

1. Note – Schools are responsible for their own buildings management. However, they may “buy back” some repairs and maintenance services from the council.
2. These are residential properties that do not form part of the normal housing stock. They include caretakers, park keepers and cemetery lodges that are let on service tenancies.
3. A significant piece of work is already underway in the form of the modern workplace programme. The Asset Management Plan work to follow this strategy will take account of and build upon the MW work. A project team comprising officers from both Property and Facilities Management will be established to advance the work detailed in the AMP section.
4. Following community engagement a Library Strategy with pilot projects around the city is in production. Any opportunities to co-locate services will be considered.

Some assets are leased at below commercial rents to voluntary and community organisations and social enterprises (Community Assets). These assets are used by “not for profit organisations” to deliver services and benefits to their local residents, that would in some cases otherwise be provided by the council. Benefits are not necessarily seen as a financial contribution, but rather in terms of social value or indirect savings to council services (see Community Asset Transfer Policy).

Subject to the above, and going forward, unless transactions fall within the Community Asset transfer policy (attached), or there is appropriate Cabinet authority to vary this requirement, then all disposals of property will be at best consideration. (Best price obtainable in the open market).

Investment Property

The information below gives an overview of the investment estate and current management arrangements. The Team dealing with this portfolio are in the course of preparing a separate strategy going forward and this will be presented to Cabinet in due course.

Portfolio summary

The Commercial Property Investment Portfolio (CPIP) is a portfolio of non-operational property held by the council to generate income to support the council’s revenue budget. The estate has been acquired and built up over many years and includes a wide range of property types of varying quality.

The CPIP comprises two main asset groups: long leasehold Investments and standard investments. The portfolio is unusual by comparison to typical UK institutional property investment portfolios for two reasons. Firstly, the majority of the portfolio assets by value and income are long leasehold investments, and secondly the portfolio is limited to land and buildings within the boundary of The City of Bristol.

The CPIP is split within the council finance function into two areas: the majority of assets and income defined as Commercial Trading Estate (CTA) and the balance comprising the City Docks estate. The City Docks estate is currently managed by the property team as property manager, but the income received is remitted to City Docks as a service. Going forward, this service including budgets will be amalgamated into the Corporate Landlord and separate arrangements for recharging management fees will no longer be required.

It should be noted that there are circa 4,000 other property interests on the Uniform Database – for example wayleaves – that are not investment assets and produce only nominal income. This often leads people to assume – incorrectly – that the number of properties capable of generating revenue or capital receipts within the investment estate is much larger than it actually is.



Long Leasehold Investments

Freehold land assets over which long leases (typically >100 years) have been granted to an investor at a percentage (gearing) of the market rent; the investor grants a further lease to an occupier of the land or building at the prevailing market rent.

Description	Value	% of whole investment portfolio
Capital Value	£190m	76%
Gross Annual Rental Income	£9m	70%
Yield	5%	N/A
Average Weighted Unexpired Lease Term (AWULT)	98 years	N/A
Number of Properties	441	70%

Advantages

- ✓ High security of income;
- ✓ Long term income;
- ✓ Capital receipts can be unlocked during the lifetime of the lease.

Disadvantages

- ✗ Income growth can be sporadic, depending on rent review periods, and building age;
- ✗ Long leasehold interests on their own; do not enable the council to exercise a proactive influence over redevelopment activity unless they are able to “buy out” the head tenant and any occupational leases.

Standard Investments

Land or buildings let directly to the occupier of the land or building at the prevailing market rent.

Description	Value	% of whole investment portfolio
Capital Value	£60m	24%
Gross Annual Rental Income	£4m	30%
Yield	7%	N/A
Average Weighted Unexpired Lease Term (AWULT)	7 years	N/A

Advantages

- ✓ Rental growth more immediate (negatives do also apply);
- ✓ Rental growth closely aligned to prevailing market conditions and more easily captured.

Disadvantages

- ✗ Tenant covenant risk – particularly in secondary and tertiary locations;
- ✗ Income security – weak in secondary and tertiary locations (where the council holds the majority of these assets);
- ✗ Management and holding costs high (compared to long leaseholds).

Existing portfolio management approach



KEY OBJECTIVE 1

To grow and improve long-term revenue income

- The council uses the rental income from the portfolio to support its revenue budget.
- The council sets annual revenue income performance targets for the portfolio and these are included in the council's Medium Term Financial Plan (MTFP) which is monitored on a monthly basis with Finance.
- The current MTFP sets a target increase in annual revenue of £0.5m per annum for the period 2018-2022.
- The council's primary means of increasing income is by prioritising and completing all rent reviews, lease renewals and opportunities to re-gear long leases.
- Because the majority of the portfolio is held as long leasehold investments there are no comparable market benchmarks to measure income performance against other similar funds.
- The running yield on the portfolio (net income relative to total capital value invested) is currently +5% which is considered strong performance given the low level of overall portfolio risk.



KEY OBJECTIVE 2

To reduce income risk

- The portfolio is low income risk because the majority of assets are long leasehold, which present no material risk of default (due to lease structure and income cover).
- Long leasehold investments have no risk in terms of liability for building repair and condition.
- The balance of the portfolio, comprising standard investments, has higher income risk in terms of tenant default.
- Standard investments also carry income risk in terms of building condition and repair at the point that leases expire; the long-term approach to managing standard investments is to try and replace as many as possible with a smaller number of high value/quality assets (see Future portfolio management strategy below).

Current limitations on rental growth

Long-term income growth is limited at present by two key factors

- Lack of new capital to enable poorer performing assets to be traded, and
- Lease provisions in some (older) leases may limit rental increases at review.

Future portfolio management strategy

Following recent work, supported by external consultants, a Cabinet Paper will be brought to Cabinet in 2020 (subject to Finance support) requesting a new capital allocation to improve existing CPIP income performance.

The proposal will outline the concept of how new capital can be used to:

- Reposition the portfolio by selling smaller poor quality secondary assets and replacing these with fewer higher quality assets of higher value and
- Support wider city growth (job creation and increased business rates) and increased council revenue income in the medium/long term.

Development Property

The council has a significant on-going development programme with potential for more than an additional 100ha to be brought forward in future years generating many jobs, capital and revenue income receipts.

The council's property estate which includes land and buildings suitable for regeneration is a mix of residential and commercial uses including offices, hotels and retail.

The council's residential development objective is to deliver 2000 new homes by 2020 with 800 being affordable homes.

The property development activities are contributing extensively towards achieving these residential development objectives as well as delivering commercial property development that creates further economic benefits, different types of temporary and permanent jobs, significant levels of revenue and capital income as well as increases to business rate receipts.

The property development strategy is to maximise the long term benefits to the council, Bristol's economy and local communities, thereby enhancing the financial and social benefits from its development property portfolio. To enable this, the council contracts with development partners to ensure its risks are minimised and benefits maximised.

Securing property developments by utilising the council's property estate also delivers wider regeneration opportunities within communities creating additional opportunities for jobs economic prosperity and improved social value. As the Corporate Landlord model is implemented, more surplus property within the council's estate will be identified and from this, further development and regeneration opportunities will arise.

Surplus Assets

When assets are no longer required for service delivery they will be declared surplus to the council's requirements and disposed of or redeveloped for alternative uses eg affordable housing. Details of this process are given at Appendix 1 "The Surplus Property Procedure"

Data systems and managing information

Property Data and Systems

Property data is mainly held in two separate systems. IDOX Uniform is used for core property data (acquisitions and disposals, HMLR registration and ownership, interests including leases and licences etc. [granted and held] and their associated rents), and CIPFA Asset Manager for valuations and capital accounting information, and for some property asset management data including condition survey data, asbestos survey data, and the existence of other surveys (e.g. glazing surveys, legionella surveys, fire risk assessments etc.). In addition to these systems property information is also held in an MS Access database and on a variety of spreadsheets.

Some of the issues associated with data and systems are:

1. The disparate nature of the datasets,
2. The need to obtain data not currently collected and to obtain updated data where necessary.
3. There is some degree of duplication of data-entry as we have two separate systems for our core data and our capital finance data.
4. The lack of integration and the complexity involved in merging data from the two datasets

Current projects impacting this area:

- The award of a single maintenance contract will change the way building maintenance data is stored.
- The recent re-tender of the Asset Manager system for transport assets
- Going forward existing data will be checked and missing data recorded as part of the asset management planning process. It is hoped that eventually a suitable system will be identified so that information currently held in a number of databases will be bought together into a single place.

Data Collection

Bristol City Council holds data on its assets but in some cases this requires updating and there is also data that has not been collected in the past that will be collected as part of the asset management planning process. This piece of work will need to be specified and resourced as we move forward.

Data Type	Status	Action required
General Info on: location, type, service user, tenure, site area, lease info,	Complete	
Cost Information: capital expenditure, repairs and maintenance, annual running costs	Incomplete	This information exists in the BCC Finance system but historically has been difficult to retrieve and link to a specific property. Changes to the Finance system for the 2018/19 year will enable property staff to access this information.
Condition Information: current condition, required maintenance, projected spend requirements	Incomplete	Condition surveys will be required for some of the estate. These should identify current condition and required maintenance together with projected spend over a five year period.
Valuation Information: Capital Value (Book Value), reinstatement value, Market Value	Complete	Book Values (where required) and reinstatement values are complete. Open market values are not available for all of the estate and will be carried out as and when required.
Occupancy information: vacant / occupied and whether surplus to requirements	Complete	This information is complete (for buildings) subject to a review of assets noted as surplus.
Utilisation Information: Hours of use, space used / vacant, type of service delivery undertaken	Incomplete	This information exists for some parts of the portfolio (e.g. schools and offices) but will require collection for parts of the portfolio where it is missing.
Suitability Information	Incomplete	This information exists for some parts of the portfolio (e.g. schools and offices) but will require collection for parts of the portfolio where it is missing.
Statutory Compliance info: Fire, Asbestos, Legionella, Gas safety, Electrical, Safety lighting and glazing etc.	Incomplete	This information is not currently held centrally and an exercise is being undertaken to bring the information into one place and identify and remedy any gaps if they exist.

At this stage it is not intended to propose any new systems for data retention. It is believed that the existing Uniform system can be used to better effect and we will not be able to give an informed opinion as to future requirements until the Asset Management Plan work has been completed.

This work will identify shortfalls in available information, will cleanse existing information to ensure accuracy and will inform the requirements of any new system going forward.

The Estates Service

For 2017/18, there was a level of property-related expenditure on the General Fund portfolio of c.£48.6M. (Including schools) 58% of this spend relates to the FM Service in the Communities Directorate – although it should be noted that a significant sum is re-charged to other Service Areas.

In addition, the three property sectors secured capital receipts and revenue income as follows.

Financial year	2017 / 2018 (£)	2018 / 2019 (£)
Capital Receipts ¹	14,155,000	8,600,000
Revenue Savings ²	556,000	3,893,000

1. Excludes HRA receipts
2. Income reported against MTFs

Barriers to effective estate management

- **Property currently does not feature highly within the council’s still developing, corporate structure.** Responsibility for property functions, excluding Facilities Management, sits within the responsibility of the Executive Director of Growth and Regeneration, whose portfolio is extensive in addition to property. The FM team currently sit within the responsibility of the Executive Director of Resources. Facilities Management covers a large number of services (including Fleet, Print and Mail) as well as repair and maintenance of property. However Repair and Maintenance is primarily a property function and therefore the property elements of the FM service should be bought together into a single Property Function under the supervision of a single Executive Director and Head of Property.
- **The current governance structure for the council’s property function is split across directorates.**
- **Some operational and strategic decision-making on property matters is taking place within directorates and service departments without advice of the property team.**
- **There is insufficient oversight and input from the Property Services teams.** Consequently, there is no single point of responsibility with a strategic role to manage the Corporate Estate i.e. a Head of Property.

This can cause issues that are outlined in the section marked Corporate Landlord.

Currently, the Property Teams fall under the responsibility of the Director of Economy of Place. Below the Director there are teams and managers dealing with three areas of responsibility being:

- Asset Delivery and Strategy
- Property Development
- Property investment

In addition, asset management activity occurs throughout the council within the various teams with responsibility for service delivery.

This strategy proposes to confine property activity solely to the Property and FM teams as set out under the heading “Corporate Landlord”.

There is a wide range of skills sitting within the existing property function; the staff are appropriately qualified to cope with issues that arise. However, the increased workload created by moving all property functions may impact resourcing and this is considered later in the report.

The Property Team will continue to monitor opportunities to secure external funding from Central Government and other initiatives e.g. One Public Estate and City Leap. Suitability of schemes for inclusion in these initiatives will be assessed by the relevant Senior Officers and applications will be submitted promptly to ensure compliance with deadlines. These applications will be project driven to ensure that there is capacity within the teams to deliver the objectives of the grants.



Corporate landlord

What is a Corporate Landlord?

The concept of a Corporate Landlord is that the governance, decision making and budget management around all property assets and the responsibility for their management and maintenance is carried out at a corporate and strategic level, rather than at a service level. Under this model each service department are relieved of the responsibility and accountability for both the strategic and day to day decision making around land and property assets that they occupy or use in delivering their service.

The function of the Corporate Landlord is to ensure that service departments are adequately accommodated, to ensure that the future asset requirements for each service are identified and procured and to maintain and manage the property assets in accordance with corporate strategic priorities and standards and relevant property and health & safety legislation.

Current position

Bristol City Council has recognised the necessity of operating a Corporate Landlord model as this will ensure the most efficient use of property assets and ensure alignment with corporate priorities, strategies and standards. This document moves the council from an aspiration to adopt the Corporate Landlord model, into the implementation phase.

This phase will help to avoid strategic delivery risks, budgets risks, premises maintenance and compliance risks, and reputational risks which are evident from the current arrangements. It will also create and improve opportunities for more shared use assets, both internally and with external partners and avoid the financial and land ownership risks associated with third party use of council premises.

Why a Corporate Landlord

The Corporate Landlord approach is designed to enable a local authority landowner to utilise its assets to deliver better, more efficient services to communities.

Corporate Landlord is the predominant model in larger private sector organisations having significant property holdings due to its efficiency in delivering corporate outcomes. Many Local Authorities have recognised the benefits and already adopted this model.

Corporate Landlord is endorsed by both CIPFA and the RICS.

It is important that only people trained in property can transact property matters for the following reasons:

- 1 There is a myriad of property and health & safety legislation and regulation that needs to be complied with and for which service managers are ill-equipped. It is unfair for them to be asked to carry the burden for legal compliance, when there is expertise elsewhere within the organisation that is better suited to take on this responsibility. This includes.
 - i. Landlord and Tenant Act 1954
 - ii. Various Law of Property Acts
 - iii. Housing Acts where there is a residential element
 - iv. Local Government Act 1972 – S123 and exemptions
 - v. Other duties including best value requirements
 - vi. General Health and Safety legislation, Legionella, fire safety, gas and electricity certification etc. etc.
 - vii. Procurement Regulations, both statutory and internal.
 - viii. The implications of the State Aid and unfair competition rules.
 - ix. Certain property transactions must include a formal valuation undertaken by an RICS qualified Registered Valuer. Several suitably qualified Surveyors form part of the Property Team.
 - x. Similarly CIPFA require valuations for financial reporting (including asset values) to be undertaken by an RICS qualified valuer. – The Property Team will ensure that following any transaction, that it is properly recorded.
 - xi. Social Value Act – The council has to consider how property transactions can secure wider social, economic and environmental benefits.
2. By centralising the responsibility for property, it is possible to see the effect that one property move has on the remainder of the estate and where “gaps” need or can be filled, or where opportunities exist which can only be seen from a corporate perspective.
3. The Corporate Landlord approach can deliver economies of scale in terms of capacity, procurement and opportunities for co-location across an organisation and with other external organisations. This can ultimately lead to rationalisation that can only be achieved by taking a holistic view of property, thus improving value for money.
4. The cost of holding empty or under used property will be greatly reduced as the property team identifies, in close consultation with service managers, sharing opportunities and inefficient occupation and takes steps to dispose of surplus property.
5. There will be a clear focus on the use of land and buildings to deliver corporate priorities and balancing competing demands for land and buildings.

Achieving Corporate Landlord

Commitment – The council will fully commit to commence implementation of the Corporate Landlord with effect from the beginning of the 2020/21 Financial Year.

In taking these steps the council is able:

- To unlock the value of assets, seek efficiencies through joint arrangements with public sector partners and maximise private sector investment.
- To support the delivery of the council's Corporate Plan and other corporate objectives such as the local plan.
- To integrate thinking about property with financial, regeneration and other considerations.
- To manage and reduce risk around property.
- To be seen to act corporately (and rationally) in relation to its property assets, being able to fully justify decisions made involving property.

Governance – First and foremost, the implementation of Corporate Landlord is about Governance. This model has the full support of top tier Executive Directors, Mayoral and Elected Member support and will be implemented accordingly across all services.

The Corporate Leadership team endorse the mechanisms contained in this strategy for transacting or changing any matters or issues, touching upon or involving property. These instructions will be disseminated to the whole of the council in accordance with the Communication Strategy below.

Budgets – Currently the council's budgets that are utilised for property transactions are distributed across both centralised property functions and individual service areas, which allocate money and personnel away from “the day job” to make decisions on property matters.

Service budgets will be jointly analysed by finance business partners and the property team during the next budget setting round and any spending in relation to property provision will be re-allocated to the Corporate Landlord.

The underlying principle of the Corporate Landlord model will be adopted, which is that all maintenance budgets will be transferred to the Facilities Management service who will be responsible for repairs and maintenance of all council owned and occupied buildings. There may be agreed exceptions to this principle where circumstances make this appropriate. However, it is anticipated that the exceptions will be few in number, and only apply where it is more appropriate for these to be undertaken by the occupier, due to specific and local service delivery needs. Service Level Agreements which clearly define responsibilities for property maintenance will be agreed with each service.

Routine issues excluded, moves, lettings, alterations to the fabric of a property will all be the responsibility of the Corporate Landlord, to ensure efficiency in the use of resources and consistency in implementation and application of premises standards.

Any transferred budgets will be ring fenced to support:

- additional resource within property to undertake management of those corporate buildings and;
- the asset management plan process.

The movement of these budgets should not impact on the council's overall net property expenditure. However, the resulting Corporate Landlord budget will need to be re-based as it may prove difficult to identify property expenditure from individual service budgets.

These proposals may result in savings in the medium term as recommendations emanating from the Asset Management Plan are implemented.

Under the Corporate Landlord model individuals and departments will not be able to sanction premises moves, acquisitions, disposals, or repairs and maintenance etc. without the involvement of a member of the property team.

The Corporate Landlord model will establish clear internal links between each service and an identified property business partner, so that there is close working at the earliest stages of the decision-making process.

The role of the property business partners will be strengthened and reinforced to ensure that they work as closely as possible with service managers, to ensure that they:

- Understand the business operating model and key outcomes of the service area, and its overall strategic direction
- Are able to support service areas, so that there is a clear articulation of their property asset requirements, both now and going forward
- Understand where the property assets in use by service areas are falling short of expected performance, both financial and non-financial
- Are able to consider and analyse possible property solutions for service managers, supporting them through option appraisal and business case development.



Decision Making

Overall Governance for the Property Strategy and the shape and implementation of the Corporate Landlord model is the responsibility of the Executive Director of Growth and Regeneration.

The Member sponsor is Cllr Cheney.

Strategic Property Group is the key forum for discussions and decisions on property related matters and this is chaired by the Executive Director of Growth and Regeneration and attended by officers both from within property and from service areas.

The Strategic Property Group is a Strategic Board within Bristol City Council. The purpose of this Group is to drive the strategic review of the council's Property Portfolio and a comprehensive refresh of the Asset Management Plan, enabling effective decision making and ensuring alignment with the wider objectives of the council.

As per the terms of reference for the Strategic Property Group, its role on behalf of the Corporate Leadership Board (CLB) includes:

- To act as the key forum for discussions and decisions relating to the Corporate Landlord function and the council's land and property assets, including all operational, non-operational and commercial land and buildings.
- To oversee governance and property related strategies and policies; including the preparation of a revised Property Strategy to improve the overall efficiency of the estate, deliver financial savings and to support regeneration and growth.
- Ensuring linkages between strategic asset management work and the council's capital and revenue medium term financial plans.
- Ensuring linkages between this Group and the council's Capital governance regime through the Growth and Regeneration Board and Capital Board / CLB.
- To oversee the preparation and delivery of the council's Asset Management Plan through the effective management of a robust corporate Asset Register.

- Through the revised Property Strategy and the Asset Management Plan (AMP), to ensure that the development and management of the council's operational, non-operational and commercial land and buildings is secured in line with the council's corporate plan and that finance and delivery risks are mitigated and managed in line with these plans.
- Where necessary, to provide a steer and direction for physical asset and land related programmes/projects, ensuring integration and alignment with corporative objectives.
- Consideration of, and to provide a steer for matters relating to the West of England Joint Assets Board (JAB), and One Public Estate (OPE).
- To take delegated decisions as required, or refer decisions to the appropriate body.

The Strategic Property Group also governs the Operational Property Group, which was established to tactically manage and advise on the planning and use of the council's Operational Asset Property Portfolio. The group assesses and advises on the use of property and land for the purposes of service delivery, back office functions and to manage property related projects and programmes. A key aim of the Operational Property Group is to promote collaboration and standardisation across service areas and the achievement of best outcomes for the council.

“Non-Property” decisions

There are occasions when reports are prepared that are not necessarily property decisions but where the proposal may have an impact on the estate. For this reason, the Head of Property will now be included as a consultee for all reports entered onto the decision pathway.

Asset Management Plan

Against the backdrop of continuing reductions in Central Government funding, and as Local Government has to make increasingly hard decisions in respect of non-statutory functions, such as the closure of public amenities, it is important to understand:

- The function that each individual asset plays within the corporate agenda;
- How changes within public service delivery may impact upon the need for certain categories of property and in turn, the impact upon the resources required to manage it; and
- Central Government prioritisation of greater collaboration between public bodies and the use of shared space and resources.

Issues such as the “academisation” of schools, the regionalisation of various social services and “back-office” functions, the transfer of service delivery to the VCS and greater collaboration will result in a reduction in the Corporate Estate. This may in the short term reduce the resources required to manage the property estate, thereby releasing additional resources to deliver transformation of the estate and delivery of corporate and service outcomes.

Conversely, the need to increase the commercialisation of remaining services, such as Waste and Street Services, combined with increasing direct income through ownership (rent and service charges) and indirectly (Council Tax, NNDR, New Homes Bonus) and delivering of Central Government objectives such as housing, will result in other areas of the council's portfolio growing and requiring new and additional resources.

The AMP process, from strategic planning to delivery, will need to reflect these changes going forward and ensure that the right level of resource and skill set is available to maximise returns, both financial and non-financial.

In accordance with CIPFA guidance, the asset management plan will provide clear and measurable actions that will be implemented over the short term, say three to five years, as part of delivering the property strategy. It will set out:

- what we need to do to deliver on the strategy
- the specific activities or actions we will be taking.

Once this strategy has been adopted it will enable to council to move forward with the Asset Management process to review the estate and to implement the strategy. The process will involve.

- Information Gather and Review
- Discussion with Services and other stakeholders
- Appraisal of data develop outline AMP recommendations
- Develop an action plan for implementation
- Discuss with all interested parties including Members and Implement recommendations.
- Review service AMPs on an annual basis or when changes in service delivery are proposed.

Information Gather and Review

This will involve categorising properties as described below and prioritising the order of review.

Review individual properties and key documents (such as Title / leases, condition surveys, schedule of expenditure both historic and proposed etc.) to pull out key aims and objectives/deliverables associated with the property for consideration

Opportunities will be sought to increase the occupation of underutilised assets in order to release surplus property for disposal as detailed elsewhere.

The review will identify the following basic information in respect of each property.

- Brief description, size and Location – possibly including a location plan.

- Tenure
- Current use - Occupier, may be department or third party
- Number of users - this may be staff or service users and will inform whether the building is too big or too small for its existing use (Suitability and sufficiency)
- Market value
- General condition – this may be replaced with full condition survey.
- Options for future
- Cost (where relevant / available)
- There may be additional matters to be considered depending on the category of property, see below.

Where appropriate (including where information is currently missing) the information will be recorded on the council's existing database system.

Much of this information will already be known so in some cases, detailed inspection will not be necessary and may be confined to a cursory visit to assess condition. In some cases, however a more thorough assessment will be involved and may require the support of officers in other teams. The information will be used to update that held on the database and to inform the options appraisal for each category of property.

Discussion with Services and other stakeholders

The property review work will be integrated with the development of service asset management plans and will fully involve staff from service departments in order to ensure that retained buildings meet their needs. We will work with services to ascertain whether the property is suitable in terms of location, suitability and sufficiency and where it is not we will work with the service to find a solution. We will challenge services as to the use of the premises that they occupy and any solution must be acceptable in both service and economic terms. It may involve consolidation and / or re-provision with the objective of obtaining the best solution for service delivery while ensuring efficient and effective use of assets.

Property will engage with services at a strategic level to ensure that AMPs are integrated with strategic planning and budgeting. To be successful, a protocol for close working between Asset Strategy Managers in Property and a nominated Service representative will need to be developed. Service representatives will need to be at Strategic Director or Senior Manager level for that service and have authority to develop and support options to enable appropriate decisions to be made. This role will not be delegated without the authority of the Strategic Director and any delegation will be to an individual of equivalent seniority to the person being replaced. This working arrangement will involve regular meetings, minimum three monthly, throughout the year, not just at the start of the planning round and in particular, at the contemplation stage of all new strategies and initiatives so that property matters can be considered early and at the appropriate level in the decision-making process.

Service led Requirements for Property & Related Services

Requests from services for property related work will generally arise through the AMP process and will be subject to the decision pathway.

There will be occasions when requests are made for ad hoc property work / advice and these will be made via a standard request form (to be developed / revised). These will need to be validated by the nominated service representative and by property representatives through the decision pathway. The intention is for all property requirements to be coordinated within Property so services experience a joined up Property Service. (Moving hard FM to within Property will assist with this.)

Appraisal of Data and outline AMP recommendations

By reducing the number of assets there may be opportunities to make revenue savings or to achieve capital receipts. The liability for backlog maintenance may also be reduced, enabling the re-allocation of maintenance budgets to retained assets.

The council will use its estate to promote regeneration either by updating old and dilapidated buildings to make them better fit for purpose and to encourage other nearby occupiers to invest in their own buildings. By occupying buildings, particularly offices, more effectively it will not only reduce costs but also to improve the working environment for staff.

Council owned land and buildings will be used as the catalyst to begin site assembly for larger scale regeneration.

The Asset Management Plan will be based on the following key objectives.

- **Efficiency** – To achieve an efficient estate that is in the right place, of the right size and the right configuration to achieve effective service delivery.

- **Modernisation** – Disposal of some buildings will free up capital and revenue to improve retained property. This will ensure that they are sufficient, fit for purpose, in good repair, and efficiently occupied whilst preserving an environment in which staff are happy to work and stakeholders are happy to visit.
- **Rationalisation** – In its most basic form this means reducing the overall size of the estate so that only those buildings that meet the above objectives are retained. To complete this however, a great deal of work is required to ensure that services remain optimised.
- Consideration will be given to opportunities for sharing with other Public, Private and Third Sector organisations.
- Rationalising will result in reduced overall cost of operation of the estate thereby releasing finances to reduce backlog maintenance and improve the condition of the retained property estate.
- Prioritise and implement a rolling programme of condition surveys. These will be used to assess the backlog maintenance budget, advise the planned maintenance programme and assist in the decisions around property disposal.

This table indicates the priority by which the AMP will be undertaken

Priority 1	Priority 2	Priority 3
<p>Office Accommodation</p> <p>A new review of office space is taking place. (Modern Workplace) An outline business case is currently being prepared.</p>	<p>Community Buildings / Concessionary Tenancies</p> <p>Review of CAT Policy Review to ensure assets are delivering benefit to the community and are in good condition / compliant.</p>	<p>Public Conveniences</p> <p>Public toilets have been reviewed with some closed in association with an increase in provision via the Community Toilet Scheme.</p>
<p>Libraries</p> <p>Opportunities to co-locate or share spaces will be explored as they arise</p>	<p>Residential Service Tenancies</p> <p>Properties occupied by BCC staff in connection with their duties</p>	<p>Parks and Green Spaces</p> <p>Significant amount of green space. Last reviewed in 2010.</p>
<p>Depots</p> <p>BCC has a number of depots mainly used by a single service.</p>	<p>Education (non-Schools) & Children’s Centres</p> <p>Nurseries, PRU’s, youth buildings, children’s centres etc.</p>	<p>Sports/Leisure/Play</p> <p>Some work has taken place on transferring responsibility for assets to local organisations where appropriate.</p>
<p>Car Parks</p> <p>A number of opportunities to use underused space in car parks are currently being piloted and there may be scope for further innovation.</p>	<p>HRA (non-Housing)</p> <p>Consisting of a mix of assets including shops, community buildings, hostels and properties leased for various uses.</p>	<p>Cemeteries/Crematoria</p> <p>Including various buildings on site e.g. chapels, depots, WC’s, offices.</p>
<p>Investment Estate</p> <p>Following an external review of the investment estate a strategy for implementing recommendations is being completed.</p>	<p>ACE Buildings (social care for adults and children)</p> <p>A number of changes are taking place in the way these services are currently delivered which have asset implications.</p>	<p>Heritage Assets</p> <p>Many BCC heritage assets are used for service delivery but there are a number of heritage assets incapable of operational use with heritage value, e.g. statues, monuments towers.</p>
<p>Development opportunities</p> <p>A clear pipeline of sites and a strategy for how we will take them forward???</p>	<p>Museums/Culture</p> <p>A requirement for additional storage facilities is a key issue for the Museums service.</p>	

Priority 1 includes a review the Corporate Office Buildings estate. The generally held view is that the council currently has too much office space. This will involve reviewing density of occupation and, where appropriate, embedding modern and agile working styles.

Some work has already been undertaken as part of the Bristol Workplace Programme that was completed in 2017. The current Modern Workplace project builds on this work and will move forward having regard to this strategy.



Modern workplace objectives

- Achieve new culture, behaviours and agile working practices for all staff in scope – capability, motivation, opportunity & support for Managers & colleagues
- Retained buildings to be aligned to Corporate Landlord Model and FM Operational Model
- Deliver improved staff office accommodation portfolio to support service delivery
- Deliver/enable Partnership Working where appropriate to deliver joined up services
- Deliver improved staff office accommodation which support BCC Branding & Values and has a positive impact on recruitment & retention
- Enable Commercial Let where appropriate
- Deliver modern technology solutions within the buildings to support achieve agile working practices (aligned to & supported by FSA)
- In prioritising this work it is important to recognise that no category of property or service can be looked at in isolation and there will inevitably be synergies and opportunities to be explored for colocation / joint working throughout the estate and with partners citywide. It is also important to look at assets on an area basis to identify oversupply or undersupply of facilities and scope for more efficient use.
- Deliver financials identified in the Business Case (revenue savings, ending leases, efficient retained portfolio, capital receipts)
- In addition there are some issues that are common to all of the estate and will be looked at as part of the review process:
- Enable financial/non-financial savings identified within other Business Cases – (vacating leased buildings, working from Neighbourhood Locations, enabling working synergies)
- **Implementation of the Asset Management Plan**
- Achieve reductions in storage & provide one centralised storage location
- Proposals to implement the recommendations will follow the usual decision pathway.

Glossary

S123 LGA	Section 123 of Local Government Act 1972. Requirement that any disposals should be at best consideration available. (Market Value). Any disposal at less than best value is subject to consent of the relevant Secretary of State. Circular 06/03: Local Government Act 1972 general disposal consent (England) 2003 - gives a Local Authority power to dispose of land at less than best value provided it can be shown that the undervalue is less than £2m and: the disposal can be shown to benefit the community as a whole. (General Wellbeing).
Long Lease	A lease for an original term in excess of 21 years.
CAT	Community Asset Transfer. The council has a separate policy for such disposals.
Best Value	As defined in the “Revised Best Value Statutory Guidance” issued in 2015 by DCLG. Best Value authorities are under a general Duty of Best Value to “make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness
AMP	Asset Management Plan
R & M	Repair and Maintenance
Compliance	In this context this refers to compliance with statutory and Health and Safety regulations as they are applied to property. E.g. Asbestos and Legionella inspections.
WLC	Whole Life Cost - Essentially whole life costing is a means of comparing options and their associated cost and income streams over a period of time. Costs to be taken into account include both initial capital or procurement costs, opportunity costs and future costs.
Operational Direct Property	Properties from which the council provides services directly to service users – see below
Operational indirect Property	Properties let to Third Parties who provide services to end users.
Concessions / concessionary rent	A term for properties occupied under a licence or under a lease at a low or zero rental
Commercial Property Investment Portfolio	A term used for the BCC assets that are held for the purpose of providing an income to the council as opposed to delivering services
Uniform Data-base	The database used to store BCC property information
HMLR	Her Majesty’s Land Registry
CIPFA	The Chartered Institute of Public Finance and Accountancy
RICS	The Royal Institution of Chartered Surveyors

Appendix 1

Surplus Property Procedure / Disposal of Property

Introduction

The procedure is based on the principle that all property is held corporately and is used by services when required for service delivery. As soon as it is agreed that a property will no longer be required for its current purpose it must be declared surplus to the requirements of that service and then be re-used or disposed of in the most appropriate way. Property in this context means sites or buildings capable of re-use or sale.

STEP 1 Property Declared Surplus

If a service no longer requires a property for service delivery the Service Manager must declare it surplus at the earliest opportunity i.e., as soon as it is agreed that it will become surplus not when it becomes vacant or, is in the process of being vacated. A standard form is available to declare a property surplus. This is available from a Property Partner who can assist with completion.

If a property is not used, or not fully used and the Service is not prepared to declare it surplus the Asset Delivery Manager will report the under-use to the Strategic Property Group (SPG) with a view to making a decision on whether or not the property is surplus.

The SPG may deem it to be in the council’s best interests to dispose of a property which may (or may not) be currently used for service delivery. If currently used, those services may be re-provided from another suitable property.

If the building is still being used by the service, albeit at a reduced level then it will not be declared surplus until a suitable replacement has been secured. However, in this instance the service will be charged the full running cost of the building until staff have fully relocated or until the property team agree that it is reasonable for them to take over running costs pending matters such as future redevelopment etc.

STEP 2 Circulation of Surplus Property

Unless in exceptional circumstances the SPG has made a decision to dispose of a property without prior circulation, the following will apply.

As soon as it is agreed that a property will become surplus the Property Department will circulate details of that property together with an indication of market value to (i) Service Director Housing and Landlord Services to check for suitability for Social Housing or, Housing Company (Goram) (ii) Service Director Development of Place and Head of Housing Delivery to check for suitability for Registered Housing Providers and Community Led Developments (Bristol and Bath Regional Capital), Bristol Community Land Trust. This initial circulation will be copied to the relevant ward Councillors and the Executive Member.

At this point Property will amend its records to show the property as ‘surplus to service’.

The Service Directors and Head of Housing Delivery will be required to respond to the notification within three weeks with either confirmation of (i) suitability and available funding to enable an immediate transfer at market value (once agreed) or, (ii) not suitable.

If the property is considered suitable and the above Service Directors wish to develop the property then the ongoing holding costs will immediately transfer to that service budget.

If the all of the above parties provide a ‘not suitable’ return then the property details will be circulated to all Executive and Service Directors (and copied to the relevant ward Councillors and the Executive Member) giving Directors three weeks to submit a clear and funded Business case if the property could satisfy an existing and identified service need.

STEP 3 Consideration of Interests

Assuming suitability and available funding to enable an immediate transfer at the agreed open market value, priority will be given to expressions of interest as follows (and endorsed by the SPG),

1. HRA Housing
2. Housing Company (Goram)
3. Registered Housing Providers
4. Community Led Developments / Community Land Trusts

If there are no interests from the above areas then any funded Business cases submitted by internal services will be presented to the SPG for a decision to retain and re-use the property or, to dispose of it on the open market.

Where there are no expressions of interest for a property this will also be reported to SPG.

Following SPG a briefing note will be taken to the Executive Member, before the property is allocated for re-use or, prepared for disposal on the open market.

The overriding principle is that all receipts from disposals go into the central reserved fund. It is however acknowledged that from time to time there may be an exception based on an agreed Business case. Receipts from assets held in the Housing Revenue Account are ring fenced to that account.

STEP 4 Transfer, Re- Use or Disposal

If it is decided that the property will be transferred at market value or, re-used for another service the Property Case Officer will instigate the necessary arrangements which may include providing a property valuation, formal appropriation, instructing Legal, liaising with Finance and updating the property records. The Service Director Finance will make any necessary finance adjustments.

In the event that any agreed internal service re-use has not been implemented within a six month period, the SPG may be asked to decide if the property should be sold.

The Asset Delivery Manager will be responsible for marketing and disposing of any property agreed for sale on the open market, to the best advantage of the council at an appropriate time.

STEP 5 Reporting

In addition to any reporting which may be required by Cabinet and the Executive Member, interests in and the status of any surplus property will be reported to the SPG.

Key steps for flow chart

5. Property declared surplus
6. Details sent to Service Directors Housing & Land Lord Services, Development of Place & Head of Housing Delivery to check for suitability & funding for housing.
7. Wait three weeks
8. Interests for housing received Y / N?
9. Yes – present bids to SPG for decision
10. No – circulate details to all Executive & Service Directors
11. Wait three weeks
12. Business case received from internal service Y / N?
13. Yes – Service presents Business Case to SPG for decision
14. 10. No – Property sold on the open market

Appendix 2

Community Asset Transfer

Summary of the CAT process (source document: Community Asset Transfer Policy – July 2010)

CAT

- applies equally to existing ‘community assets’ and to land/buildings not already in use by a third sector organisation
- applies only to leasehold transfers
- provides a transparent and consistent process
- ensures a minimum quality standard that all CAT applicants need to meet
- secures the social, economic or environmental benefits generated by the transfer
- provides an easy to administer mechanism to control the end-use of the property
- is discretionary; there is no legal or statutory entitlement to CAT

Leases

- will be granted on a fully repairing and insuring basis
- will be ‘contracted out’ of the security of tenure and compensation provisions of the Landlord & Tenant Act 1954
- can be granted at a reduced rent, nil rent (‘peppercorn’), or on concessionary terms reflecting social value
- can be granted for up to 35 years under delegated authority
- terms in excess of 35 years can be considered by Cabinet
- are linked to a Service Agreement, which is monitored annually and reviewed every five years

Four possible CAT scenarios:

SCENARIO A

Bristol City Council advertises (as opportunity arises) the availability of an asset that is being considered for CAT

1. this opportunity is open to any eligible organisation
2. a brief that sets out the offer, the 'ask' and relevant background info is published
3. expressions of interest are invited within 6 wks
4. Property (Asset Strategy Team) will: assess expressions of interest, request comments from other services/depts., review additional information, and make recommendation
5. Panel consisting of Exec Director G&R, Service Director Economy of Place, Representatives from Strategy Team and Mayors Office reviews recommendation in consultation with Portfolio holder (Communities)
6. Decision made / referred to Cabinet

SCENARIO B

Existing tenant applies for CAT

1. not an 'open' process and only the current tenant/occupant can apply
2. submits expression of interest with details of rent offered, length of term sought, etc
3. Property (Asset Strategy Team) will: collate available information and add to the CAT Tracker
4. Stage 1: Tracker entry is considered by Panel at monthly meeting – initial decision to refuse if unsuitable/ ineligible, or to continue to Stage 2
5. Stage 2: tenant submits a full business plan; tenant provides evidence of compliance with pre-VISIBLE; views of Ward Members and other services/depts are sought
6. Property (Asset Strategy Team) will: evaluate business plan, review additional information, and make recommendation
7. Stage 3: Panel reviews recommendation in consultation with Portfolio holder (Communities)
8. Decision made / referred to Cabinet

SCENARIO C

Application for CAT of a property that is not already in 'community use'

1. speculative application, often for a property that has not been pre-designed for CAT
2. in theory open to anyone
3. submits expression of interest with details of rent offered, length of term sought, etc
4. Property (Asset Strategy Team) will: collate available information and add to the CAT Tracker
5. Stage 1: Tracker entry is considered by Panel at monthly meeting – request is refused, unless Panel decides that CAT may be suitable/appropriate
6. Stage 2: applicant submits a full business plan; the views of relevant BCC depts are sought; views of Cabinet Member and Ward Members are sought
7. Property (Asset Strategy Team) will: evaluate business plan, review additional information, and make recommendation
8. Stage 3: Panel consisting of Exec Director G&R, Service Director Economy of Place, Representatives from Strategy Team and Mayors Office reviews recommendation in consultation with Portfolio holder (Communities)
9. Decision made / referred to Cabinet

SCENARIO D

Meanwhile use

1. low-key and informal process, often without consultation
2. can be applied to any BCC asset
3. can be a precursor to a CAT application
4. is always for a temporary period
5. does not offer any security of tenure
6. is open to any applicant, but is normally used as a 'property solution' in relation to a bigger project or initiative
7. Property (Asset Strategy Team) will: add details to the CAT Tracker, for information
8. Tracker entry is considered by Panel at monthly meeting – no decision required, but any comments will be taken into consideration by relevant team in Property

After the final CAT decision has been made, the prospective tenant needs to:

- provide details of how they meet the pre-VISIBLE standard
- agree Heads of Terms for the draft Lease
- agree Service Agreement

Timescales

The target for completion of the application and decision process for options A and B is 20 weeks.



