

DRAFT REPORT

NORTH EAST DERBYSHIRE
DISTRICT COUNCIL

OVERVIEW AND SCRUTINY
VACANT LAND

APRIL 2016

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Chairs Foreword

I am pleased to present this report on behalf of the Growth Scrutiny Committee. It details the findings, conclusions and recommendations of the Committee from its review of Vacant Land and Asset Management within the Authority.

I would like to take this opportunity to thank all stakeholders involved in the review for their advice, support and cooperation through the review process and in particular, the officers who took the time to speak to members of the Committee. Councillor Jane Austen, portfolio holder for Information Technology and e-information and Asset Management also attended the Committee and her input into the review was appreciated.

The review panel found this review very interesting and timely given the focus now on growth and maximising the potential of the Councils assets.

In conclusion I would like to thank members of the Committee and Sue Broadhead our Scrutiny Manager for the work they undertook in gathering evidence and co-ordinating the review.

Review Panel

The review panel comprised the following members:

Councillor J Windle	(Labour) – Review Panel Chair
Councillor S Boyle	(Labour)
Councillor S Cupit	(Conservative)
Councillor W Lilleyman	(Labour)
Councillor A Powell	(Conservative)
Councillor B Rice	(Labour)
Councillor R Smith	(Labour)
Councillor K Tait	(Conservative)
Councillor C Tite	(Labour)

1. Recommendations

- 1.1 That key documents such as the Asset Management Strategy, the Disposal and Acquisitions Policy and, minutes from the Asset Management Group should be more widely published.
- 1.2 That the asset management database be completed with assets status, to include the possible uses for sites, viability, restrictions on the asset such as tenants, covenants or contamination issues and any other relevant information that would maximise the assets worth
- 1.3 That Members be contacted regarding areas within their ward on the asset management database to enable them to provide any local information they have on the sites or to help identify any additional sites
- 1.4 That the Council consider undertaking an audit of its garage sites with a view to identifying how the sites could best be utilised
- 1.5 The Committee recognised the progress that had been made with the establishment of the Asset Management Group but thought the membership could be widened
- 1.6 That an analysis of the officers skills in this area be undertaken with a view to development and training being provided were needed
- 1.7 That consideration be given to the establishment of an interdepartmental space for officers, especially ones that do not sit on the Asset Management Group, to discuss issues regarding use of assets, share good practice and develop expertise
- 1.8 That the Council reconsider its timeframe for the delivery of the Local Plan and the most appropriate place for the overseeing of this project
- 1.9 That the scope of the Disposal and Acquisitions Policy should be developed to encompass new approaches to the development of the Councils assets.
- 1.10 That the Council consider reviewing how it is monitoring its performance on asset management including measuring impact and whether we are monitoring the correct things.

2. Introduction

- 2.1 At its meeting on 16th June, 2015 the Growth Scrutiny Committee agreed to undertake a review of Vacant Land and Asset Management within the Authority.
- 2.2 The Committee thought it timely to review this area as it was important for Scrutiny to play its part in supporting the Council's Growth Agenda and ensuring the Council is best placed to maximize the benefits of its land assets.

3. Scope of Review

- 3.1 The review aimed to:
- Undertake a review of how the Council manages its land assets.
 - Consider options available to the Council to maximize the benefits of land assets.
 - Review how the Council identifies land available for development, disposal or retention within the district and the decisions making framework that support this.
 - To identify any opportunities for improvement.

4. Method of Review

- 4.1 The review panel met on six occasions to consider the scope of the review, key issues they wanted to discuss and key people they wished to interview.
- 4.2 Evidence was gathered in a variety of ways including written sources and interviews with a range of officers. The portfolio holder with responsibility for Information Technology, e information and Asset Management was also interviewed.

5. Evidence and Research

- 5.1 A number of documents and evidence were provided to the review panel for consideration. Details are provided below:
- Lead officer presentation on Asset Management by Grant Galloway – Assistant Director Property and Estates

- Corporate Asset Management Strategy and Plan 2015-2019
- Joint Disposal and Acquisitions Policy (July 2014)
- NEDDC sites - Local Plan
- Minutes of Bolsover Asset Management Group
- Minutes and associated reports of NEDDC Asset Management Group
- Asset Management Report – Internal Audit Report – N017
- Presentation received from Dan Swaine, Chief Executive on the Growth Strategy
- Interviews with stakeholders

6. Key Findings

6.1 Strengths

6.1.1 The Committee found that there were a number of positive approaches, structures and systems that were in place to support successful asset management. Evidence from several stakeholders that demonstrated recognition of the importance of maximising the benefits of our assets was heard by the Committee. The majority of stakeholders made reference to the growth agenda and the clear links between it and other key documents including the Asset Management Strategy, the Corporate Plan, the Local Plan, and the role of the regeneration frameworks. The Committee heard that the Local Plan set out aims for employment and housing within the District and it was important to understand the use of land assets in relation to the Local Plan. Planning also acknowledged that they needed to consider how planning processes and systems can support the Asset Management Strategy and make sure that links were made that enabled the opportunities that benefit the Council and the communities they serve to be taken, whilst meeting their planning obligations. A number of officers also described the decision making process within the Council when considering assets.

6.1.2 The Committee felt that the adoption of an Asset Management Strategy set out a clear statement of the Council's intent with regard to asset management. The Strategy had been adopted by Cabinet on 10th February, 2016. The five objectives in the strategy were referred to by several of the stakeholders interviewed:

- To ensure the Council's service requirements are linked to an effective asset management solution;
- To raise awareness of the Council's assets, provide a clear decision making structure for their management and further develop a flexible portfolio of assets that meet changing service needs and deliver;

- To manage asset management delivery to demonstrate continuous performance improvement;
- To rationalise the asset portfolio and to target investment into buildings that have been identified as essential for long term service delivery and to release value from assets by minimising running costs, structured investment or disposal:
- To adopt a sustainable approach to energy efficiency

6.1.3 The establishment of the Asset Management Group was seen positively by stakeholders. It provided a forum where a joined up corporate approach could be embedded regarding asset management. It allowed a mix of officers to identify and discuss opportunities for assets and provided a space where conflicts on the best use of assets could be talked through.

6.1.4 The Committee commented on the improvement in officers' enthusiasm and contributions during the review. There was evidence that the Authority had progressed on its journey to be proactive in its management of assets. There appeared to be an improvement in several departments moving away from working in silos although this could be further developed and there was more scope for sharing expertise across the Authority.

6.1.5 The implementation of the Disposal and Acquisitions Policy was seen as a positive step in helping the process for disposal or acquisition of land clearer and more transparent. Officers felt it acts as a safeguard for demonstrating why a decision has been taken. It also sets out the member route for approval and guidance on the procedures to be followed. However, awareness of the policy was varied amongst the stakeholders interviewed.

6.2 Areas for Improvement

6.2.1 Key documents such as the Asset Management Strategy, the Disposal and Acquisitions Policy, and minutes from the Asset Management Group should be more widely published including on the Councils intranet to increase awareness across the authority.

6.2.2 The assets database needs to be completed and populated with each assets status, to include the possible uses for sites, viability, restrictions on the asset such as tenants, covenants or contamination issues, could we obtain planning permission, what objectives it meets and any other relevant information that would maximise the assets worth. This would ensure members were aware of the options. Reference was also made by several

stakeholders to the previous asset condition survey that was undertaken sometime ago but was now out of date. This would be a key document in helping the Council make informed decisions on the future of its assets.

- 6.2.3 With regard to Members it was apparent that some members were well informed regarding sites being developed, including Cabinet members. A number of stakeholders commented on the benefits of involving local members and examples were provided. However, some stakeholders were less clear on how members should be involved, particularly with regard to Parish Councils. Therefore, it was felt that there was room for improvement in the early involvement of members in this process. Local members had a great deal of knowledge and understanding of their communities which could be useful. One example provided was that Members should be contacted regarding areas within their ward on the asset management database so they can provide any local information they have on the sites included or help identify any additional sites.
- 6.2.4 The Council should undertake an audit of its garage sites with a view to a decision being made on how the sites could best be utilised. Issues of maintenance costs, anti social behaviour on sites, under occupation and potential of land not being realised were raised.
- 6.2.5 The Committee recognised the progress that had been made with the establishment of the Asset Management Group but thought the membership could be widened and its activities shared more actively. It was felt that this group had the potential to engender a consistency of approach and help officers gain a more complete picture of development projects across the Council and links between them. Evidence of cross group working was provided but this was in the early stages.
- 6.2.6 It was stated that this group should also provide certainty to members that schemes have been assessed for viability and value for money, aided by the experts employed by the Council to advice on such issues. It was felt there were opportunities for the Council to adopt a more proactive approach to identifying sites for development/acquisition and disposal and that officers need a clear member steer on this. Asset backed joint ventures, sharing the risk with the private sector and a Business People group, taking advice and being guided by successful private sector business people on development and business growth issues were raised.
- 6.2.7 The Committee heard evidence from a number of stakeholders that demonstrated their knowledge in this area. However, they felt that it was essential that the Council needed to ensure it had the right people with the right skills in the right place within the authority. Cabinet is asked to

consider whether an analysis of the officers' skills in this area should be undertaken with a view to development and training being provided where needed.

- 6.2.8 A number of officers commented that they did not sit on the Asset Management Group, although many said they only needed to attend for specific items within their remit. It was suggested that it would be of benefit to have an interdepartmental space for officers to discuss issues regarding use of assets, share good practice and develop expertise.
- 6.2.9 The Committee felt it was important for the authority to reconsider its timeframe for the delivery of the Local Plan and the most appropriate place for the overseeing of this project. Issues around the possible impacts of the Council not having a Local Plan in place until 2017 were made by some stakeholders, particularly with the potential consequences for new homes bonus.
- 6.2.10 The scope of the Disposal and Acquisitions Policy should be widened to encompass the Authority making the most of its influence when discussing development of sites including an appropriate balance between what the Council can offer and what the developer wants. The Council should maximise strategic sites that can provide more for the Authority, such as housing, where it can.
- 6.2.11 There appeared to be no meaningful performance indicators in place for monitoring asset management and this was considered very important in order to understand whether the Council was achieving its aims. These also needed to be regularly monitored. The Committee asked that Cabinet consider reviewing how the Council monitors its performance on asset management including measuring impact and whether we are monitoring the correct things.

7 Conclusions

- 7.1 The review panel heard views from a wide range of stakeholders during this review. On the whole they concluded that the Authority had taken a number of steps to make the process of how the Council manages its assets more transparent and joined up.
- 7.2 However, some of these initiatives were in the early stages and their effectiveness would be more apparent as time progressed. There were some areas for further improvement centred on raising awareness and sharing knowledge between officers and members, how we monitor the

management of assets and the need to have an up to date asset management register.

8 Stakeholders Engaged During the Review

James Arnold	Assistant Director of Planning and Environment
Jane Austen	Portfolio holder for Information Technology, e-information and Asset Management
Matt Broughton	Commercial Properties and Developments Manager
Allison Westray Chapman	Assistant Director – Economic Growth
Niall Clarke	Director of Regeneration and Development – Rykneld Homes
Julian Cosgrove	Economic Growth and Development Manager
Helen Fairfax	Planning Policy Manager
Adrian Kirkham	Planning Services Manager
John Knight	Senior Estates and Evaluation Officer
Bryan Mason	Director of Operations
June Haslam	Housing Strategy Officer
Dan Swaine	Chief Executive