

# PROPERTY ASSET MANAGEMENT STRATEGY

## FEBRUARY 2021 - 2026



Optimisation of Council Assets to  
secure income and identify potential  
regeneration and growth prospects

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**N.B.**

**This Asset Management Strategy is specific to Ipswich Borough Council's Property Portfolio only.**

**Any asset owned by any of the Council's subsidiary companies is excluded from this review.**

## FOREWORD

*This Property Asset Management Strategy defines how the Council manages, maintains, acquires and disposes of the property it owns. Effective asset management is pivotal in providing high-quality and cost effective services and a key component in ensuring best value is achieved at all times. The Property Portfolio plays a leading role in the Council's aspirations for regeneration and investment. With such a wide and varied portfolio, there are many exciting opportunities already being progressed and this Strategy is aimed at ensuring that no opportunity is missed and that assets are continually reviewed over their life cycle to consider optimal uses.*

*The Council ensures that its property assets are properly managed and accounted for, maximising the benefit of maintenance expenditure, revenue income and capital receipts. Land values and rental income are likely to fluctuate in the short term and the Council will continually assess how it manages its assets in order to strengthen the performance and returns of the asset portfolio. The Council will continue to look to maximise revenue and will consider acquiring and investing in property to maximise returns for taxpayers and to stimulate and invigorate the local economy.*

*There is currently uncertainty within the Property Market as a result of the Covid-19 Pandemic and resultant economic climate. This Strategy identifies those challenges and recognises that each challenge can also bring about opportunities.*

*A review of the Property Service and how it operates is underway to ensure that the service has a more strategic and affordable focus. The Council continues to review the use of technology to ensure that it is used to its full potential to support both the strategy and operational aspects of the Property Service. Importantly, the Council considers the impact of sustainability on the value of its property portfolio and considers Political, Economic, Social and Technological issues in producing its property management strategy.*

*Ipswich Borough Council has a clear focus on sustainability and this Asset Management Strategy seeks to build on the Council's Carbon Neutral by 2030 commitment and improve energy efficiency within its estate, whilst optimising financial return.*

*The Asset Management Plan will support the Council in the delivery of its corporate priorities over the next 5 years, be subject to an annual review and will assist in ensuring that the portfolio is effectively managed.*



**Councillor David Ellesmere**  
**Property Portfolio Holder,**  
**Ipswich Borough Council**

## INTRODUCTION

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Ipswich Borough Council owns a large and varied Property Portfolio, which has an important role to play in the Council's strategic ambitions.

The current portfolio comprises a wide range of property types including commercial, office, parks, light industrial, retail properties, agricultural, woodland, churches, community land, riverside, riverbed, footpaths and pieces of ancillary land.

These include both freehold and leasehold tenures.

Property assets are managed both individually and as an entire portfolio. The purpose being to explore opportunities for regeneration and public benefit as well as maximising income and to generate capital values. At all times, Asset Management is in accordance with the requirement to achieve best consideration.

The portfolio needs to be fully interrogated with an ongoing review of assets to ensure the portfolio is managed efficiently and effectively.

An effective Asset Management Strategy will aid the Council's Corporate objectives to maximise income, reduce costs, generate capital receipts by optimising opportunities and accurately plan future income and expenditure streams.

The Estate also plays a valuable role in enabling the Council to meet its Corporate objectives to support the voluntary sector. There are many examples of this within the portfolio which provide social benefit to residents.

A key aspect is to ensure that assets remain 'fit for purpose' and are kept in suitable standards of repair. The Council owns several heritage assets and iconic buildings, examples of which can be found in this report. Keeping these in repair will benefit current and future generations. Keeping units in repair will include ensuring tenants are complying with the conditions within their tenancy agreements, as well as proactive planned maintenance over the next 5 years.

Property Services will work closely with relevant service areas, including Major Capital Schemes, Planning, Building Control and Housing, together with the Corporate Management Team in order to deliver maximum returns from the Council's asset portfolio.

Focus within the Asset Management Strategy will be directed towards priority areas, and performance will be targeted and monitored to achieve results. This is already evidenced by the regeneration initiatives underway in Ipswich.

## EXECUTIVE SUMMARY

This Asset Management Strategy sets out the framework for how the Property Services Team will approach short, medium and long-term decisions about the management of the Estate. The Strategy will provide a reference point and provide the underlying principles to the vision of the Strategy:

**‘Optimisation of Council Assets to secure income and identify potential growth prospects.’**

The strategy is built around five aims and 10 delivery objectives, each of equal importance.

### AIMS

1. To optimise income and value being obtained from assets.
2. Explore opportunities for growth and ensure these are realised.
3. Make best use of assets to deliver the Council’s objectives.
4. Improve the quality and life cycle of the estate through proactive repair.
5. Provide a proactive property management service.

### OBJECTIVES

- A. Proactively manage and implement Lease Renewals and Rent Reviews to secure additional income (subject to market conditions).
- B. Secure new lettings to generate income and encourage new investment in the Borough.
- C. Complete categorisation of Portfolio to aid investment decision making process.
- D. Ensure standards of compliance are implemented and adhered to by both Landlord and Tenant. By example this will include Asbestos, Fire, Electrical and Gas Safety, as well as others.
- E. Fully implement repair obligations to tenants and progress planned maintenance schedule for assets within the estate to ensure longevity of asset life cycle.
- F. Implement and operate and maintain a first-class property management database to aid proactive property management service and increase reliability of data.
- G. Ensure compliance with statutory environmental legislation and improved energy efficiency of assets.
- H. Explore opportunities for acquisition, development and growth within the portfolio to assist with Council priorities and attracting new investment for the Borough.
- I. Recycle assets that no longer meet the objectives of the Council.
- J. Assist Multi Agency Groups with Property Services expertise to facilitate and open growth and/or investment opportunities.

## EXECUTIVE SUMMARY - KEY FACTS



**500**

Total number of properties in the Portfolio



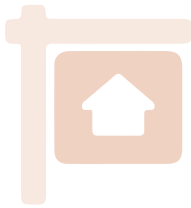
**£110m**

Total Capital Value of Assets as at YE 2019



**£3.3m**

Total rental income per annum as at YE 2019



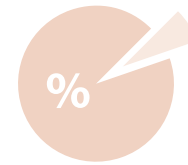
**20**

Number of lettable properties currently vacant



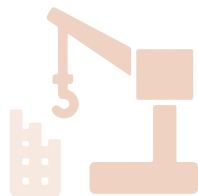
**37**

Total number of lease renewals to be implemented



**7.35%**

Current debt as ratio to total income (includes all aged debt over 3 months)



**11**

Key regeneration projects identified



**F & G**

Minimum EPC Rating Threshold

## VISION

### **OPTIMISATION OF COUNCIL ASSETS TO SECURE INCOME AND IDENTIFY POTENTIAL GROWTH PROSPECTS**

A Property Asset Management Strategy is required to provide a clear strategic direction for assets owned by the Borough Council. There is no 'one size fits all' remedy for property assets and this is exaggerated by the considerable variation of properties, lease types and methods of construction all present within the Borough's estate.

This Strategy identifies the challenges the Borough's portfolio is expected to face and sets out a plan with aims and objectives, as to how these can be overcome.

It sets out a framework for decision making and will be focal point for the team to refer to, to ensure that the Council's aspirations for improved performance of its portfolio can be met.

This strategy repeats the importance of proactive property management. This approach underpins everything that the Strategy stands for and aspires to be.

Implementation of this strategy, applying innovative techniques and adhering to the emphasis placed in areas identified within the aims and objectives below, should enable the Council to meet its aspirations for continued secure income with growth potential within the Borough of Ipswich.

These aspirations will help Ipswich to grow and develop, leading to further investment and improved social, economic and environmental benefits.



## THE PROPERTY PORTFOLIO

The Property Services Team provides a landlord and estate management function for a wide and varied portfolio of assets across the Borough Council's portfolio.

This includes:

- **IBC's Head Office premises - Grafton House**
- **Important income producing assets such as IP City Centre**
- **Landmark buildings across the Borough such as Christchurch Mansion and The Chantry Mansion building**
- **Retail parades**
- **Industrial units**
- **Development land and growth opportunities**
- **Miscellaneous land and assets including Churches, the River Orwell and woodland.**



The portfolio consists of approximately 500 income producing assets, the majority of which are located within the Borough.

The majority of these assets are owned freehold, with a few leasehold exceptions. These properties are predominantly let on short/medium term business tenancies, with the addition of several long ground leases across the portfolio.

Due to the differing types of property, tenure and forms of construction, lease structures and repairing obligations across the Estate are not uniform. This Asset Plan will direct investment to improve the quality of the asset stock, whilst ensuring that repairing obligations are complied with throughout a tenancy period.

The estate also consists of heritage assets, many of which are of social value to the Borough, for which the Council acts as custodian so to preserve the rich heritage of the town. We will continue to work with external funders such as the The National Lottery Heritage Fund to support investment and restoration of these important assets.

It is of paramount importance that statutory compliance is adhered to and this Asset Management Plan outlines the significance of this aspect.

One key benefit of such a diverse portfolio is the opportunity to extract growth by reviewing, recycling and regenerating assets. Objectives H, I & J emphasise the importance of good estate management and provide examples of how the Borough's existing portfolio can provide a foundation for progress and development.



## ACHIEVEMENTS

In recent years there have been a number of significant achievements by the Service. The completion of key projects has allowed the Council to progress with its objectives.

A selection of which are set out below:



Using land and assets to stimulate growth in the town, especially in the Enterprise Zones including Princes Street



Land sales for two new large-scale developments at Eastern Gateway, both now operational and providing new employment



Facilitated and obtained land required for public realm works at Arras Square



Planning permission obtained at Waterfront buildings for mixed use theatre/office/residential scheme



Completed lease and funding agreement to aid regeneration of Grade II Listed Broomhill Lido



Acquired land at Walnut Tree Farm, Ashfield Land, Hawke Road and Fore Hamlet for development



Completed lease and funding agreement for new Foodbank to FIND



Disposed of Farm and land for re-use as a Suffolk Punch Horse Farm

These achievements will form a solid foundation for this Asset Management Strategy for the next 5 years, where further growth and investment is anticipated.

## THE ASSET MANAGEMENT CHALLENGE

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To fully implement the new Asset Management Strategy, there will be a number of challenges the Team will face over the 5-year period.

Four key challenges are set out below:

### **i. The Market - Covid 19 & Beyond**

The strength and weakness of the UK property market will impact upon the policies and processes needed by the Council for managing its asset portfolio in optimising efficiency. For surplus property assets, market conditions will be assessed in deciding the future of each asset.

The current Covid-19 pandemic has created a great deal of uncertainty within the property market affecting, income and values. The investment approach to property is generally long term and whilst the current situation creates some challenge the market is expected to recover over the life of this Asset Management Strategy.

The pandemic will present opportunities to regenerate and redevelop the Borough and could bear a significant influence on the future of the town going forward.

Market impact could be anticipated in the following areas:

- Property vacancies;
- Increased business rates liability;
- Emphasis upon maintenance;
- Obsolescence in building fabric and services;
- Tenants in contractual default;
- Defaulting contractors.

### **ii: Social / Community Lettings - Fit for Purpose**

Due to the Council's position, as Local Authority, there can be occasions during a decision-making process when the option with the highest returns may not prove the most favourable.

Officers will have regard for the Community Lettings Policy (See Appendix 1) to ensure that a due consideration is given to any decision-making process.

The impact of Community Lettings could be anticipated in the following areas:

- Maximising rental income;
- Term of lease granted;
- Achieving social initiatives.

It is anticipated there are opportunities within the portfolio to re-purpose existing facilities and make better use of assets to the benefit of 3rd sector organisations and to assist with regeneration plans.

### iii. Legislation - Climate Change & Compliance

Change to Government and Property Legislation should be considered another key challenge to the implementation of the Asset Management Plan.

The Council has set out its Carbon Neutrality Targets during 2020, with an aim to be carbon neutral by 2030. This report focusses on Council operated buildings, but the same guiding principles should apply to the investment estate.

Current Property Legislation governs business leases and sets guidance and rules on how these tenancies should be managed. The Property Team must continue to have due consideration for the established legislation and is unable to act outside of the laws set.

As the UK Property Market evolves, so does its legislation. A key current risk is the increased importance of sustainability and energy efficiency.

Minimum Energy Efficiency Standards (MEES) (See Appendix 2) state that buildings with certain EPC ratings of F & G, cannot be let. It is widely expected that the ratings threshold will increase to include E ratings in the future.

The Property Team must also have regard for the Councils own Carbon Neutrality targets and will target achieving energy efficiency ratings of 'D' or above where feasible and financially viable.

The Property team therefore need to ensure:

- A register of EPC ratings is recorded and reviewed.
- Underperforming assets are reviewed and either invested in or recycled.
- Updates and awareness of changes in legislation are closely monitored.

### iv. Data

A proactive Property Management Service relies on clear and accurate data.

Throughout any lease or tenancy there will be a number of critical dates which must be adhered to, these will include:

- **Lease commencement / expiry**
- **Rent Review Dates**
- **Break Clause Dates**
- **Notice Periods**

In certain circumstances the mis-timing of notices can lead to a significant impact on property management cases.

An effective database, with an appropriate case management diary system will enable proactive asset management. This will improve efficiency as well as performance monitoring and reporting.

## OUR ASSET MANAGEMENT AIMS

This Asset Management Plan sets out five **AIMS**, to provide the Council with a clear plan for the Property Estate between 2021 – 2026.

These aims are set out below and will influence the Property Services Team when consideration is to be given to all our asset management strategy activities.

**AIM 1** To ensure optimum income and value are being obtained from assets

**AIM 2** Explore opportunities for growth and ensure these are realised

**AIM 3** Make best use of assets to deliver the Council's Corporate Development objectives

**AIM 4** Improve the quality and life cycle of the estate through proactive repair

**AIM 5** Provide a proactive property management service.

In order for these in asset management aims to be achieved, ten delivery **OBJECTIVES**, have been identified.

The purpose of these objectives is to make sure the Service has a measurable set of tasks and targets. This will allow monitoring and assessment of how well the Team is performing to meet its goals for securing the income, value and regeneration that the Council is striving to achieve.



## OUR ASSET MANAGEMENT OBJECTIVES

### **A Proactively manage and implement Lease Renewals and Rent Reviews to secure and increase income**

In order to manage the Estate effectively Property Assets need to be managed proactively.

There are numerous advantages to this approach which include:

- Rent increases being completed and collected on time.
- Budget, cashflow and forecasts can be effectively managed.
- Future consideration can be given for assets ahead of expiry.
- Court / Legal fees avoided if negotiations concluded in advance.
- Risk of occupiers obtaining unwarranted rights reduced.
- Failure to adopt the above may lead to an impact on Capital Values.

#### **WHAT WE WILL DO**

On an annual basis a review will be undertaken to identify any key dates for the forthcoming year.

Priority will be given to those cases with any sensitivity (E.g. tenancies on a potential redevelopment site).

Lease renewals and rent reviews are to be initiated no less than 6 months in advance of the key date.

Quarterly reporting of progress will be undertaken.

**Property Services will ensure that Renewals & Reviews are settled promptly. This will increase certainty and forecasting for the Council.**



**B Secure new lettings to generate income and encourage new investment in the Borough**

Within any property portfolio, there will be occasions where properties become vacant. A sound Asset Management Strategy should embrace potential vacancies as an opportunity to churn the portfolio, obtain new income and consider development opportunities for properties.

As previously mentioned, the Borough Council's property portfolio is extremely varied. The Property Services Team will prioritise securing new tenants from vacant property to:

- Increase income potential
- Obtain improved security and tenant covenant strengths
- Reduce void periods
- Job creation and retention for Ipswich
- Assist with Regeneration projects

**WHAT WE WILL DO**

Where notices to quit or vacate are served, properties will be marketed at least three months prior to the property becoming vacant.

We will work closely with colleagues in Economic Development and across the Council, as well as Multi-Agency Partners to try and identify potential occupiers with requirements.

In addition, properties will usually be openly marketed to ensure the best value and consideration can be obtained.



**C Complete categorisation of Portfolio to aid investment decision making process**

In order, to develop both an overarching view of the Property Portfolio and also to consider the future of individual assets, categorisation of the Portfolio is a key action.

This will allow strategic analysis and assessment of performance and to aid decision making and financial planning.

**WHAT WE WILL DO**

All assets will be categorised into various headings based on certain traits and criteria. These will then be reviewed on an annual basis in line with the Annual Valuation Exercise. Indicative categories are proposed as follows:

<b>Strategic Hold</b>	<b>Investment</b>	<b>Legacy</b>	<b>Operational</b>	<b>Vacant</b>
Commercial Development	Industrial Investment Asset	Disposal Candidate	Active Operational Site	For Sale
Residential Development	Retail Investment Asset	Requires Investment	Future Operational Site	To Let
Third Sector / Community Asset	Office Investment Asset	Planning to be reviewed	Amenity Land	
Long term opportunity	Leisure Investment	EPC Investment Required	Public Realm Site	
Site Assembly	Utility Investment	Ransom Strip		

These 5 ‘Sub’ Portfolios will allow resource to be focussed on priority areas and to also aid decision making, particularly in relation to strategic sites.

Furthermore, in depth analysis and more accurate performance monitoring can be undertaken.

We will:

- Categorise all assets into sectors.
- Review the traits of each asset on an annual basis to ensure categories remain fluid and properties can be recategorised based on up to date characteristics of their life-cycle.
- Upload categorisation to a property database.
- Produce and collect data based on these categorise to review the performance of sub-portfolio categories.
- Apply the tools used in categorisation to aid decision making on the future of the assets within the portfolio.
- Use the analysis to assist with budget setting and forecasting.

**D Ensure standards of compliance are implemented and adhered to by both Landlord and Tenant**

A key objective of this Asset Management Strategy is to ensure that the Council's estate is fit for purpose and complies with all statutory regulations.

Emphasis will be placed on improving knowledge and understanding of both Landlord and Tenant obligations and accuracy and recording of key dates and data.

**WHAT WE WILL DO**

The following important aspects of compliance for Property assets have been identified:

- **Asbestos**
- **Electrical Safety**
- **Fire Risk**
- **Gas Safety**
- **Legionnaires**

We will use effective management of both suppliers and tenants to ensure that statutory obligations are obtained. This will ensure that the Council can deliver a portfolio of assets that remains safe and fit for purpose in the short, medium and long term.

We will:

- **Ensure tenant understanding and compliance with statutory obligations.**
- **Investigate, record and monitor any identified risks.**
- **Record key dates for certificate expiry dates.**
- **Apply appropriate budget to provide a managed approach to meeting compliance criteria standards.**
- **Implement fair procurement procedures where required.**

Statutory compliance is a key objective of this Asset Management Plan, to set the standard for ensuring a safe working environment for both the Landlord and Tenant.





**E Implement repair obligations to tenants and progress planned maintenance schedule for assets within the estate to ensure longevity of asset life cycle**

Keeping the estate in a suitable standard of repair will ensure longevity of assets.

Good standards of repair will also protect obtainable income and capital values.

The property market will continue to be increasingly competitive and it is an objective of this Asset Plan to provide the Council and its tenants with an estate which is equipped for the future. Tenants can therefore trust that Council buildings are fit for purpose with clear repairing obligations set out.

**WHAT WE WILL DO**

- Investigate, record and monitor repairing obligations within leases.
- Consider forthcoming lease expiry dates and break notices and plan for potential vacancies.
- Provide clear advice to Council tenants at the outset of leases on repairing obligations within leases.
- Implement Schedules of Dilapidations.
- Undertake regular property inspections and formally notify tenants of any repairs or remedies required.
- Work with the Major Capital Schemes Team to develop a proactive planned maintenance programme for assets with repairing obligations remaining with the Council.



**F**

**Implement and operate a first-class property management database to aid proactive property management service and increase reliability of data**

An important target for the Property Portfolio is to maximise income and reduce holding costs, which will secure increased contributions towards the Councils Financial aspirations.

The Council has a large property estate with a mixture of tenures, leases and property types. Some of the leases and agreements within the estate date back several decades ago. In order to operate an efficient and effective operating model the Council must have clear and accurate sight of all key and forthcoming dates.

Property Management Software is required to capture and record all the relevant information and documents, which will apply to each asset. This software is a key tool to be applied by the estates team to manage, protect and exploit opportunities which present themselves to the Council over the life cycle of an asset.

Furthermore, investment in a reliable database will improve performance monitoring and transparency across the Council.

**WHAT WE WILL DO**

We will:

- **Review and invest in appropriate Estate Management Software.**
- **Establish improved procedures for data management and input.**
- **Use proactive software diary management systems to provide alerts for all key dates, for example:**
  - i) **Lease expiry**
  - ii) **Rent Reviews**
  - iii) **Break clauses**
  - iv) **Stepped rents**
  - v) **Inspections**
  - vi) **Insurance**
  - vii) **Statutory compliance**
  - viii) **Planning permission**
- **This objective will ensure a proactive property service will be provided to the Council, which in turn aligns itself to the Financial objectives of the Council.**



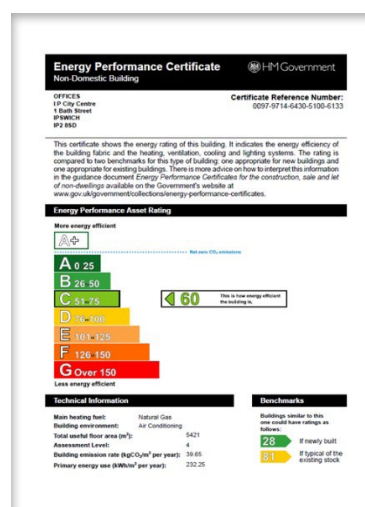
**G Ensure compliance with statutory environmental legislation and improved energy efficiency of assets**

The Council has recently declared a Climate Change Emergency and has set ambitious targets for Carbon reduction by 2030. The focus of the carbon neutrality focusses on operational buildings. However, this will encompass building such as Grafton House and IP City, as well as forming a key part of the decision making process for any regeneration opportunities.

In these examples the Council will embrace new sustainable technologies to look to minimise its carbon footprint.

Similarly, legislation on sustainability within buildings and property is moving at pace. Increasingly greater emphasis is being placed on ensuring that the built environment is aligned with national targets to reduce environmental impact.

Minimum Energy Efficiency Standards (MEES) now provide the statutory governance on required levels of environmental performance for buildings within the UK. MEES states that any building with an energy rating of 'F' or 'G' cannot be let, without improvements being made to improve its energy performance certificate. It is anticipated that in the near future this threshold will be increased further.



The importance of this objective to the Asset Management Plan is to recognise alignment with the Council's overarching sustainability objectives, but also to protect future rental income streams and capital values.

**WHAT WE WILL DO**

- Record and manage a log of all assets requiring an EPC.
- Capture all key dates for certificates and associated expiries.
- Where appropriate set appropriate budget for remedial works required.
- Target improved energy efficiency ratings of 'D' or above where feasible and financially viable.
- Prioritise work based on severity of rating and potential loss of income.
- Work towards proactive planning for EPC improvements.
- Identify underperforming assets for repurposing, redevelopment or disposal.

This approach will ensure that the Council's assets can contribute towards a more sustainable working environment in Ipswich and ensure assets remain compliant and income producing.

**H Explore opportunities for acquisition, development and growth within the portfolio to assist with Council priorities and attracting new investment for the Borough**

This is one of the most important objectives for the Asset Management Strategy. Growth and development both feature heavily within the Council’s Corporate Plan and Vision. By enacting and enabling growth the Council’s asset base should grow and also contribute to the wider economic aims of improving Ipswich.

As previously mentioned, the Council does have a large and varied portfolio. Many of the aforementioned objectives will contribute towards identifying opportunities for redevelopment, repurposing buildings or future investment. The goal of each project will be treated on a case by case basis. Some examples are as follows:

- To deliver future housing streams
- To meet social needs
- To deliver growth within the Borough
- To protect and deliver income

There are already a number of key sites, which are identified as growth opportunities. 11 projects are set out in the table below. This list is not exhaustive and will be subject to review:

<b>Princes Street / Portman Road</b>	Mixed use scheme including new Multi Storey Car Park
<b>IP-City</b>	Business growth and office development
<b>Waterfront</b>	Mixed Use scheme including arts provision
<b>Pond Hall Farm</b>	Extension of Orwell Country Park and reptile receptor provision
<b>Europa Way</b>	Provision of improved road network and business development
<b>Walnut Tree Farm</b>	Development opportunity
<b>Thorington</b>	Development opportunity
<b>Ravenswood Employment</b>	Business growth and employment provision
<b>Carr Street</b>	New education facility for town centre
<b>Post Office</b>	Restoration and repurposing of High Street premises
<b>Anglia Parkway North</b>	Business growth, improved public facilities and Park & Ride

## WHAT WE WILL DO

- Develop and identify further assets with growth and investment potential.
- Prioritise and commit resource to ensure the progression of asset development.
- Work with partner departments including Economic Development, Housing, Major Capital Schemes and Planning to appraise and bring forward growth opportunities.
- Commit budget to facilitate planned investment.
- Monitor performance and progression of projects.
- Promote investment and encourage businesses and organisations to invest in the Borough.
- Identify and work with external partners to deliver priorities.

## WHERE IS THE POTENTIAL?

- Existing identified sites.
- Buildings with future EPC related issues.
- Buildings that are coming towards the end of economic life.
- Vacant land within the Borough.
- Buildings with previous long leases which are expiring.
- Underutilised land.





## **I Recycle assets that no longer meet the objectives of the Council**

A healthy and proactively managed property portfolio should encompass an element of churn within the estate. This may be as a result of a change in market conditions, environmental factors or the property coming to the end of its useful life.

Where such assets cannot meet the strategic objectives set out by the Council then these assets should be put forward as disposal candidates.

It may be the case that due to investment levels required it is no longer financially viable to retain an asset or similarly due to ongoing holding costs it does not make economic sense to continue to hold an asset within the Council's portfolio.

Any completed disposal will lead to the Council obtaining a capital receipt which can then be reinvested in secure income producing assets or identified sites which assist the Council with its development and growth aspirations.

### **WHAT WE WILL DO**

- **Identify potential disposal candidates.**
- **Annually review disposal candidates for the year ahead to assist with financial targets and budget setting.**
- **Review progress with disposals on a quarterly basis.**
- **Reinvest proceeds into secure income or growth and development projects.**

This objective will assist with our planned objective of actively managing the portfolio, reducing holding costs and improving the overall performance of the estate.



**J Assist Multi Agency Groups with Property Services expertise to facilitate and open growth and/or investment opportunities**

To deliver the Council's Corporate objectives it is important to recognise the role other Multi-Agency groups may play. The Council is already a partner of the One Public Estate Programme and is already actively working with other public bodies for the benefit of the Borough and its residents.

Current examples include:

- **Portman Car Park Testing Centre: Partners include SCC, CCG & NHS**
- **Gainsborough Vaccination Centre: Partners include CCG, NHS & EPUT**
- **Chantry Doctors Surgery: Partners include SCC, CCG and GPs**
- **Tooks Doctors Surgery: Partners include SCC, CCG and GPs**
- **Ipswich Public Asset Study: All OPE Members**

**WHAT WE WILL DO**

- **Work with OPE and Multi Agency Partners to deliver growth objectives**
- **Identify opportunities for information and resource sharing through partnership**
- **Consider opportunities to combine land holdings to achieve development**



**ONE  
PUBLIC  
ESTATE**

## ACTION PLAN

### OPTIMISATION OF COUNCIL ASSETS TO SECURE INCOME AND IDENTIFY POTENTIAL GROWTH PROSPECTS

OBJECTIVES	ACTIONS
Proactively manage and implement Lease Renewals and Rent Reviews to secure and increase income	<ul style="list-style-type: none"> <li>Establish Asset Management Steering Group to ensure key deadlines obtained.</li> <li>Develop escalation process for outstanding issues.</li> <li>Adopt forecasting techniques for improved budget and forecasting accuracy.</li> </ul>
Secure new lettings to generate income and encourage new investment in the Borough	<ul style="list-style-type: none"> <li>Focus on obtaining prompt outcomes for vacant property.</li> <li>Proactive approach to potential vacancies, marketing ahead of expiry dates.</li> <li>Increased network of consultants and integration with other key departments such as Economic Development.</li> <li>Vacancies reviewed as part of Asset Management Steering Group.</li> </ul>
Complete categorisation of Portfolio to aid investment decision making process	<ul style="list-style-type: none"> <li>Agree categories within new Asset Management Steering Group.</li> <li>Review and categorise all assets as part of annual valuation exercise.</li> <li>Create 'Sub' portfolios for increased scrutiny and improved asset management.</li> </ul>
Ensure standards of compliance are implemented and adhered to by both Landlord and Tenant	<ul style="list-style-type: none"> <li>Review approaches to new leases and end of lease checklist for suite of compliance documents.</li> <li>Work with Corporate Health &amp; Safety and Major Capital Projects Teams in respect of data capture.</li> <li>Establish monitoring schedule for notices and expiry dates of certificates.</li> </ul>
Implement repair obligations to tenants and progress planned maintenance schedule for assets within the estate to ensure longevity of asset life cycle	<ul style="list-style-type: none"> <li>Review and check accuracy of lease records.</li> <li>Identify exposure to IBC for repairing obligations.</li> <li>Implement regular inspection regime for properties to identify potential repair liabilities.</li> <li>Work with Major Capital Schemes and Finance Teams in respect of budget requirements.</li> <li>Review progress as part of Steering Group.</li> </ul>



OBJECTIVES	ACTIONS
<p><b>Implement and operate a first-class property management database to aid proactive property management service and increase reliability of data</b></p>	<ul style="list-style-type: none"> <li>• Review existing data and systems.</li> <li>• Appraise and obtain approval for upgrade or new alternative provision.</li> <li>• Apply Case Management system to proactively manage estate.</li> <li>• Produce and run reports to compliment analysis for PI's and Steering Group.</li> </ul>
<p><b>Ensure compliance with statutory environmental legislation and improved energy efficiency of assets</b></p>	<ul style="list-style-type: none"> <li>• Compile and monitor register of EPC's in relation to relevant assets.</li> <li>• Review ongoing developments in relation to MEES/EPC Legislation and escalate if required.</li> <li>• Work with Major Capital Schemes to deliver remedial works when required and if viable.</li> <li>• Where applicable to apply for Exemptions from MEES Legislation.</li> </ul>
<p><b>Explore opportunities for acquisition, development and growth within the portfolio to assist with Council priorities and attracting new investment for the Borough</b></p>	<ul style="list-style-type: none"> <li>• Agree list of priorities in accordance with Corporate Plan, CMT and Steering Group.</li> <li>• Continually review assets in accordance with categorisation criteria.</li> <li>• Work with Economic Development, Housing, Major Capital Schemes and Planning to progress opportunities for growth.</li> <li>• Work in partnership with the council's development company to help identify land or sites suitable for potential development.</li> </ul>
<p><b>Recycle assets that no longer meet the objectives of the Council</b></p>	<ul style="list-style-type: none"> <li>• Identify potential disposal candidates and establish criteria.</li> <li>• Agree and market disposal opportunities.</li> <li>• Work with partner departments to establish areas of opportunity or priority requirements.</li> <li>• Use network of contacts to explore and obtain opportunities.</li> </ul>
<p><b>Assist partners and Multi-Agency Groups with Property Services expertise to facilitate and open growth and/or investment opportunities</b></p>	<ul style="list-style-type: none"> <li>• Continue active involvement with OPE and Multi Agency group attendance.</li> </ul>

## TARGETS AND PERFORMANCE

In order, to measure the effectiveness of this Asset Management Plan, the following targets have been identified:



Reduce vacant lettable properties by 15% pa.



Maintain income at current levels due to Covid-19. Medium Term - target £200,000 increase pa.



Reduce Empty Business Rates Liability by 20% pa.



No more than 20% of lease renewals / rent reviews at YE outstanding



All historic lease renewals and rent reviews predating 2019 concluded



New property database installed and operational by April 2022



Stock condition surveys implemented during 2021



Schedule for EPC's monitored and F/G properties identified



Three regeneration opportunities identified per annum

## MONITORING AND GOVERNANCE

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- The Strategy will be reviewed annually and updated as required.
- Monitoring reports will be available annually.
- The action plan will be monitored monthly within IBC Property Services.

### **Appendix 1 - Community Lettings Policy**

### **Appendix 2 - Minimum Energy Efficiency Standards (MEES)**

