

ANTRIM BOROUGH COUNCIL

**PROPERTY ASSET MANAGEMENT
POLICY**

July 2008

1 INTRODUCTION

Property assets – buildings and land – are a key factor in how Council fulfils its strategic direction and vision and delivers its services, therefore effective and efficient property asset management is critical to the successful implementation of the Council's Corporate Plan.

1.1 Purpose

The purpose of a Property Asset Management Policy is to provide a framework to assist the Council with the management of its property assets in the most efficient, effective, economical and equitable manner.

1.2 Principles

The key principles upon which the management of the diverse property portfolio of Antrim Borough Council must adhere to are: -

- (a) Land and Property assets must support the strategic direction, vision, service delivery and investment needs of the Borough.
- (b) Land and Property should be seen as a dynamic resource whose purpose and use must continually be reviewed in the context of benefit to the Borough as a whole.
- (c) Council property must be maintained to comply with environmental, economic, health and safety and sustainability legislation and criteria; operating costs identified and controlled, and opportunity costs established and regularly updated

This policy therefore aims to provide Members with a policy framework that ensures that decisions are taken in accordance with these principles and are implemented according to best practice and best value whilst providing transparency and accountability.

2 LEGISLATIVE FRAMEWORK

All land and Property issues will be administered in accordance with statutory requirements including:

- Local Government Act (Northern Ireland) 1972 and subsequent amendments
- Legislation pertaining to Council functions
- Council policies and procedures and financial regulations
- Environmental, Health and Safety and Sustainability requirements
- Bye-laws of the Borough
- Planning legislation and Building control regulations
- Equality and Human Rights legislation
- EU programme and procurement regulations

3 KEY ELEMENTS

There are 6 key elements that need to be embraced by Council to ensure that the principles set out above and all statutory requirements are met. These are: -

- 3.1 The establishment of a **Property Asset Register** that maps location and ownership and evaluates all existing and newly acquired land and property.
- 3.2 A well defined process of **Acquisition** that complies with all legislative requirements
- 3.3 A robust assessment and evaluation methodology for the **Disposal** of land and property
- 3.4 A rigorous approach to ensure the **Development** of land and property is exploited to the full.
- 3.5 A regular planned cycle of **Maintenance** to protect and enhance Council's land and property assets and which can highlight assets that are becoming a liability.
- 3.6 A **Property Evaluation** process that provides Council with a level of assurance that its assets are being deployed in the most efficient and effective manner to the benefit of the community.

3.1 Property Asset Register

An Asset Register will be established that will contain detailed property information – value, legal status, remaining life etc. The data will be collated by function and service and it is anticipated it will ultimately relate to the Geographical Information System, which identifies location and size of the property. This register will be regularly updated to ensure the information held is complete, accurate and relevant.

3.2 Acquisition

The Council when embarking on the acquisition of property will undertake a thorough policy appraisal of the intended action. This will involve: -

Stage 1- Preliminary Assessment – mini economic appraisal where the basic criteria must be met before initiating the formal acquisition process.

Stage 2 - Detailed Appraisal – full economic appraisal as per the Department of Finance and Personnel guidelines

Stage 3 -Programming – including timeframe and outline project management

Stage 4 - Procurement - in accordance with Council's procurement policy and legislative requirements.

Project management methodologies will be utilised throughout each stage.

3.3 Disposal

Council property is a valuable “public asset”, the acquisition of which often can prove difficult and expensive, its disposal, therefore must be subject to the most robust assessment and procedures. Therefore: -

Continuous performance evaluation of Council property will be undertaken to identify those properties (or parts thereof) to be listed for detailed appraisal in terms of being declared surplus to Council requirements.

Any decision of Council to dispose of an asset will be based on the need to gain the most benefit for the community. This will normally mean to secure the maximum financial yield. Occasionally there will be exceptions where optimum financial return will be not the only important consideration. In such cases the Council will set out its reasons based on a business case approach specifying the prevailing factors such as the social economy, community interest, private sector potential etc.

Land and Property Services have published guidance on Disposal of Public Sector Property in Northern Ireland, which represents a benchmark for best practice. It is therefore intended to generally adhere to the principles set out in the LPS publication and to commission the agency to act on its behalf when it is considered to be in the public interest.

A number of disposal options are available to the Council, and these will be considered as to the best value they will yield for the community.

The assessment of offers for Council property will be conducted with the highest degree of probity. Accordingly, Council’s financial regulations and procurement policy, any relevant legislation and EU and government regulations, policies etc will be adhered to and where necessary professional advice will be sought.

As soon as possible after satisfactory assessment of offers the legal contract for the disposal of the property will be completed.

3.4 Development

The development of Council property will be subject to a series of controls, in pursuit of best value. Similar application will occur where acquisition and development are part of the same process; consequently, some of the acquisition principles will flow into the development process.

At the outset of the development process, the Council will establish a clear economic profile of the property development project. Option appraisals will be contemplated to determine the best option however such studies will not override the completion of an economic appraisal.

A sequential staged approach will be followed. At the beginning of every stage, and at each critical point in the development process, Council approval will be sought. At each stage of the process a value/risk management approach will be incorporated.

For the development process to deliver a best value return, a well defined budget estimate and tightly designed project planning process will be drawn up, and procedures put in place to secure strict adherence to the programme, budget and associated procedures.

To fully exploit the development potential of the property asset, and to secure value for money, all available procurement options will be explored. These options will be subject to a comparative risk assessment – recognising and managing the trade –offs between risk and reward to give best value.

A successful development will be underpinned by a well-defined and unambiguous legal contract between the Council and its contractor(s). There are a number of contractual possibilities available. The preferred legal contract will be influenced by the nature of the contract, and the procurement option chosen.

These development principles and processes outlined will be applied on the understanding that each development will have unique characteristics. Nevertheless, the principles constitute an informed framework for a property development strategy essential to effective property asset management.

3.5 Maintenance

In order to protect Council assets a pre-planned series of regular inspections of all Council property will be instigated in order to create a cyclical costed programme of maintenance and improvement. The condition information and costs will inform a 3/5 year programme of works filtering through to the annual estimates process, the property evaluation process and will be an integral part of the considerations when property is being evaluated for disposal or development.

3.6 Property Evaluation

An evaluation of all the property held on the Asset Register will be undertaken. This evaluation will consider a range of information in respect of condition reports, usage, operating and overhead costs, maintenance, investment and opportunity costs. This process will be rigorous, and will focus on a comprehensive interrogation of the data. The information gathered will be analysed, and as a result will inform the execution of the Property Asset Management policy.

A profile will be compiled of each property, evaluating from the Council's corporate perspective what contribution the asset makes to the 4 Corporate Themes i.e. Community, Environment, Economy and Excellence

A Strategic Asset Management Working Group incorporating representatives from all 3 Directorates and the Senior Management Team will take responsibility for the evaluation and Member's input will be required at an early stage in this to agree Property Status/Background as an integral part of the evaluation process.

A full range of procedure documents will be developed to support the implementation of the Property Asset Management policy.

4 MONITORING AND REVIEW

To ensure effective and efficient application of this policy the Resources Committee of the Council will monitor the Property Asset Management policy at a strategic level through the annual property management report, Annual Financial Statements and the monitoring and scrutiny role of Committees and Council.

The Senior Management Team will monitor the application of the policy; any amendments required to the policy will be placed before the Resources Committee for approval.

A formal review of this Property Asset Management policy will take place every three years. Periodic changes will be introduced to comply with legislative and/or public policy requirements that emerge before the formal review. Any significant policy changes proposed will be evaluated in accordance with best value and the key guiding principles.

5 CONCLUSION

Property Asset Management as articulated in this policy paper is designed to ensure that the Council achieves best value from its lands and buildings. Moreover, the Council will protect the public interest through effective application of the policy.

In doing so it is recognised that public property is a significant contributor to sustaining and improving the quality of life of the people of Antrim Borough and has the potential to be a key driver for change, benefiting the community beyond the direct functions of the Council.

This Property Asset Management policy will therefore add value to the fundamental objective to the management of Council resources and in meeting the needs of the community, by the most efficient, effective, economical and equitable means.