



**Norfolk** County Council

# Strategic Property Asset Management Framework 2021/22 to 2026/27

# Introduction

## **Greg Peck** - Cabinet Member for Commercial Services and Asset Management

I am delighted to present this Strategic Property Asset Management Framework which officers have developed to provide direction for the management of our land and property portfolio.

The County Council is focused on ensuring our land and property assets are used to support our vision for Norfolk working with our partners by:

- Focusing on inclusive growth and improved social mobility.
- Encouraging housing, infrastructure, jobs, and business growth across the county.
- Developing our workforce to meet the needs of the sectors powering our local economy.
- Working to reduce our impact on the environment.



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# 1. Introduction to the Strategic Property Asset Management Framework

## 1.1 What is strategic property asset management?

The Royal Institution of Chartered Surveyors published in September 2021 a 3rd edition of their guidelines for public sector asset management. In the guidelines they have provided the following updated definition:

“Strategic asset management can be defined as the activity of aligning property assets with the strategic aims and direction of the organisation and adding both financial and non-financial value to the organisation as a result.”<sup>1</sup>

There are variations of this definition but generally the theme is always the use of property assets to support what an organisation or company does.

In Norfolk County Council’s setting, the Strategic Property Asset Management Framework supports it to deliver the priorities and outcomes detailed in its corporate plan Together, for Norfolk.

## 1.2 The Strategic Property Asset Management Framework

This framework uses a best practise approach developed by the Chartered Institute of Public Finance and Accountancy (CIPFA) and was developed through a Member working group.

### There are three elements to the framework:

The property asset management policy	this identifies the policy objectives
The property asset management strategies	this sets the direction for delivering the objectives
The property asset management action plan	this sets out how that objectives will be delivered

It is expected that the policy and strategies will remain constant for the lifetime of the current framework, adapting to any changes to the Councils overall objectives and corporate plan.

The annual action plan will be a separate document that will be regularly reviewed and will form the basis for reporting performance and regularly updated to reflect the Council’s prevailing requirements.

<sup>1</sup>.RICS Strategic public sector property asset management, 3rd edition, September 2021

## 2. Norfolk County Council - Overview

- 2.1** The Council plays a leading role in ensuring that Norfolk has a growing economy, thriving people, and strong communities.
- 2.2** In June 2019, the Council launched Together, for Norfolk, the County Council's business plan for 2019-2025. It outlines our priorities and how we will work with partners to boost the economy, support our communities and protect our environment.
- 2.3** In February 2018, the Council adopted a vision, Caring for our county: A Vision for Norfolk in 2021, which sets out the Council's commitment to playing a leading role in:
- Building communities we can be proud of;
  - Installing infrastructure first;
  - Building new homes to help young people get on the housing ladder;
  - Developing the skills of our people through training and apprenticeships;
  - Nurturing our growing digital economy; and
  - Making the most of our heritage, culture and environment

## 3. The Property Portfolio

- 3.1** Norfolk County Council owns and occupies a large and diverse property portfolio that is held principally to support service delivery and policy objectives. Property is acquired or disposed of based on changing service requirements, changing council policies or to improve the efficiency of the overall portfolio.
- 3.2** In terms of size the portfolio consists of 1502 sites (as defined by a unique property reference number) where the County Council has a property interest ranging from small easements, through to leasehold and freehold ownership<sup>2</sup>
- 3.3** As would be expected with a portfolio held to support service delivery, the majority of land and buildings within the portfolio are operational sites, such as:
- Adult Education Centres
  - Adult Social Care
  - Children's Services – schools, homes and centres
  - Fire Stations
  - Registrars' offices
  - Libraries
  - Norfolk Record Office
  - Museums
  - Economic Development
  - Public Transport sites
  - Waste Management sites
  - Highways Depots
  - Historic Buildings
  - Norfolk Trails
  - County Farms Estate
- 3.4** For capital accounting purposes the net book value of the portfolio as at 31 March 2021 is £649,869,000<sup>3</sup>, which includes assets under construction and surplus assets. The value is based on current use of those assets and represents a value for accounting purpose, rather than the value that might be realised from sales.

<sup>2</sup> Source: C2 property data base. Maintained by NPS on behalf of the County Council, as of 18 August 2021

<sup>3</sup> Source: Draft Statement of Accounts 2020-21, NCC website as of 18 August 2021

## 4. Overall management arrangements

- 4.1** The NCC Corporate Property Team (CPT), part of the Finance and Commercial Services Directorate, is in the main responsible for the overall management of the County Councils property portfolio. CPT plan, organise and manage the property portfolio providing a strong corporate focus on achieving savings in property running costs, establishing the strategic direction, reporting to members and liaising with services.
- 4.2** Internally CPT is the corporate landlord managing buildings to an agreed corporate specification and taking overall responsibility for operational buildings. CPT is also responsible for all tenanted property, including the management and development of the County Farms estate.
- 4.3** The Corporate Property Team use a “single estate” approach to the property portfolio. There are continual reviews and updating of processes to support efficient property management across the Council, including commissioning of property services and using property data to improve performance. A significant amount of partnership working is undertaken, either through bilateral arrangements or through the One Public Estate (OPE) Programme. The County Council is a key partner in Norfolk OPE providing support to the OPE Partnership Board and the OPE projects being taken forward.
- 4.4** The effective management of the portfolio also delivers housing growth through the sale of appropriate surplus land and through its house building company Repton Property Developments Ltd.
- 4.5** Professional property services and the day-to-day management of buildings is carried out by the Council’s strategic partners NPS Property Consultants and Norse Commercial Services. CPT provides the direction for NPS to ensure all commissioning of property services is controlled so it is aligned to corporate objectives and service priorities.

## 5. Roles and responsibilities

- 5.1** The Corporate Property Strategy Group (CPSG) is responsible for setting the broad strategy in asset management, with oversight of all strategic initiatives and the use of property. It has senior corporate and service representation; meets bi-monthly and is chaired by the Council's Corporate Property Officer (Director of Property).
- 5.2** Member input and engagement is critical, and the Director of Property has direct interaction with Members and is advised by the Cabinet Member for Commercial Services and Asset Management. This allows members to be kept informed of emerging property policy whilst also enabling them to challenge and steer issues. Full decision-making authority on all property matters is by the Council's Cabinet.

## 6. Strategic property asset management at Norfolk County Council

- 6.1** The County Council has adopted a “single estate” approach, whereby all property assets are identified as a corporate resource used for the benefit of the citizens of the County of Norfolk.
- 6.2** Property is an enabler for the delivery of effective services and as such requires on-going management and investment to ensure it remains fit for purpose. The overriding aim is to get the best value from the property estate. When property becomes an impediment to delivering quality services then it will be improved, re-used, or disposed of.
- 6.3** The overall public sector property portfolio in Norfolk is extensive and there is continued scope for working with partners across Norfolk to collaborate and optimise its use.
- 6.4** For some operational portfolios (such as, schools, libraries, fire stations etc.) the current footprint will be inherently connected to the service and this framework will support the ongoing reviews of service delivery in the county.
- 6.5** The County Council challenges the use of its property on an ongoing basis, reviewing the use and future needs of property assets for service delivery and there is a continued emphasis on minimising the extent of the property estate retained for operational purpose. However, on occasion there will be the requirement to acquire or reuse an individual property to support a service to delivers its aims.
- 6.6** In the event of a property asset becoming surplus to an individual service need the Director of Property working with the Corporate Property Strategy Group (a Director led senior Officer Group representing all directorates) ascertains whether other service areas have an unmet need that could be addressed by re-using the property asset for that service. Once it is confirmed there is no further County Council requirement, Cabinet is asked to formally declare property assets surplus and then they are disposed of. All capital receipts are allocated within the capital programme according to the Councils priorities or used to reduce debt.
- 6.8** For all disposals the Director of Property reviews options for maximising the receipt taking in to account the resources required, risks such as obtaining an alternative use in planning terms, possibly strategic retention for a longer-term benefit or direct sale to County Council owned companies for redevelopment in the expectation of enhanced income for the Council.
- 6.9** Once a disposal route has been selected this will be mainly through tender or auction. On rare occasions direct sale other than to a council owned company may be pursued, if there are demonstrable additional benefits to the County Council and helps it meets its objectives and policies.



# Appendix A: Policy

To maintain and develop an economic, efficient and effective property and land portfolio which will:						
<b>Policy aims</b>	Be managed corporately to deliver the County Council's priorities	Support strong communities	Drive out inefficiencies and deliver value for money	Support housing, infrastructure, jobs and business growth	Reduce our impact on the environment	Join forces with our partners
<b>Policy objectives</b>	1.0 To manage property as a corporate resource to deliver the County Council's priorities	2.0 To provide the right property, fit for purpose, in the right place, to meet current service needs and to plan for the future	3.0 To provide a property portfolio that is, effective, efficient and economic; that optimises financial returns and commercial opportunities	4.0 To use land and buildings to stimulate housing, economic development and growth	5.0 To use and exploit the property portfolio sustainably	6.0 To promote partnership joint working where it will provide benefits for service delivery and in securing efficiencies
<b>Behaviours</b>	<p>Recognising that property is a corporate resource</p> <p>Managing all NCC properties through the Corporate Landlord</p> <p>Ensuring an effective balance between financial, commercial and service priorities</p> <p>Using property information to support evidence - based decision making</p> <p>Managing capital projects efficiently and effectively, and prioritised to support the Council's priorities</p> <p>Ensuring property is kept secure, safe to use and fulfils statutory requirements</p>	<p>Working with services to ensure that property is suitable and sufficient for service delivery and identify future needs</p> <p>Designing property space to be flexible and planned to respond to future need</p> <p>Hearing community views through service consultations, the local planning process, development control and Divisional Councillors</p>	<p>Managing property in accordance with corporate governance</p> <p>Managing and maintaining within budget constraints to ensure value for money</p> <p>Harness new ways of working and technology to deliver efficiencies</p> <p>Constantly seeking to optimise financial return and commercial opportunities</p> <p>Challenging the cost of property management activities to drive performance improvement</p>	<p>Using suitable surplus property assets to stimulate and support regeneration and inward investment</p> <p>Using suitable surplus property assets to support housing growth</p>	<p>Managing and improving retained property to reduce energy consumption</p> <p>Acquiring property to meet prevailing insulation standards.</p> <p>Ensuring new builds and developments meet the needs of the present without compromising the ability of future generations to meet their own needs</p>	<p>Working with other public services, voluntary and not for profit organisations to promote co-location and joint service delivery</p> <p>Working closely with all levels of local authorities in Norfolk to optimise the use of assets and drive savings</p>

# Appendix B: Strategies

## **Strategic property asset management objective:**

**1.0** To manage property as a corporate resource to deliver the County Council's priorities.

### **How we will achieve this:**

#### **1.1 Continue to manage NCC properties through the corporate landlord model.**

The Asset management plan 2016-2019 continued the concept of the corporate landlord model which has successfully centralised the majority of non-school estate related budgets, operational property management and activities within a central team – the Corporate Property Team. The corporate landlord model has reduced costs and ensured statutory compliance.

#### **1.2 Provide a facility management regime that assures safety, statutory compliance and supports front line service delivery.**

The corporate landlord model has provided a consistent proactive facilities management regime, focused resources on essential repairs and maintenance and provided a facilities life cycle replacement programme. The facilities management regime requires the support of an adequate building maintenance fund (BMF) to maintain statutory compliance and quality.

#### **1.3 Ensure effective data for the entire property portfolio and develop key metrics to measure the performance of the property portfolio.**

To ensure we fulfil our statutory obligations and actively manage the portfolio of properties efficiently, we will ensure effective and up to date data is maintained and utilised. Key metrics will be developed to help us further maximise the utilisation of the portfolio, to drive out cost and reduce our environmental impact.

#### **1.4 Ensuring property capital projects are efficiently and effectively delivered and support the Council's priorities.**

The Capital Strategy provides a framework for the allocation of resources to support the council's objectives. It gives a high-level overview of how capital expenditure and financing contribute to the provision of services and demonstrate that expenditure decisions are in line with service objectives and properly takes account of stewardship, value for money, prudence, sustainability and affordability. The Corporate Property Team will support the Corporate Accounting Team in the development of the council's capital strategy. We will also use industry standard programme and project management techniques to deliver capital projects.

**Strategic property asset management objective:**

**2.0** To provide the right property, fit for purpose, in the right place, to meet current service delivery needs and to plan for the future.

**How we will achieve this:****2.1 Lead property reviews with services to plan and deliver the properties they need to meet their policy objectives.**

It is vital that the council's portfolio of land and buildings actively supports the delivery of services. A strategy of undertaking regular property reviews with services will help to ensure services have access to the buildings they require to deliver services and to support an effective balance between the council's financial, commercial and service priorities.

**2.2 Work with Members and partners to identify opportunities for collaboration in the use, reuse and potential for meanwhile use of property.**

Communities, through their locally elected councillors, often identify how council property and land can be used collaboratively to support the council's priorities. By providing publicly accessible data on the council's land and buildings we can help identify opportunities to utilise assets to further support the council's priorities.

**Strategic property asset management objective:**

**3.0** To provide a property portfolio that is effective, efficient and economic; that optimises financial returns and commercial opportunities.

**How we will achieve this:****3.1 Consolidate our office rationalisation to focus on key office hubs in the county.**

The Asset Management Plan 2016-19 outlined how the council was reducing the cost of its accommodation by rationalising the number of offices it needs, to focus on key hubs. The accelerated roll out of technology during the COVID 19 pandemic has fundamentally changed the way our staff work and their ability to work from home and other locations. The aim is to now consolidate the office rationalisation programme by vacating ancillary office accommodation, whilst fully utilising the key hubs.

**3.2 Develop design principles for accommodation to ensure they support new ways of working and the flexible use of space.**

With the adoption of new ways of working and new technology, the Corporate Property Team will work with services to develop design principles that ensures all our buildings and workplaces delivering front line services can support collaboration and effective service delivery.

**3.3 Maintain an efficient and effective disposal programme of surplus land and buildings that realises the real value (best consideration) of the assets.**

The Council's property portfolio is constantly reviewed to ensure assets are only held where necessary to meet service and council priorities.

Once it is confirmed there is no further council requirement for a particular property, Cabinet is asked to formally declare it surplus to council use. Any surplus land and property is then marketed for sale through a disposal programme, generating a capital receipt or rental income. This process also provides reductions in the overall revenue cost of the operational property portfolio.

The process for disposing of surplus property and land is governed by the Council's constitution and financial regulations.

**3.4 Undertake strategic management reviews of county farm estates**

The County Farms team will review county farm estates to identify opportunities to consolidate holdings to provide viable farms of different sizes, to work with tenants to identify the contribution a farm can make to the council's wider policy objectives and to enable tenants to plan and invest in their businesses for the future. These reviews will identify any investment required to improve the infrastructure, buildings and storage capacity for crops as well as the potential for development land.

## **Strategic property asset management objective:**

**4.0** To use land and buildings to stimulate housing, economic development and growth.

### **How we will achieve this:**

#### **4.1 Support delivery of the 'Living Well: Homes for Norfolk' and supported living programme to accelerate extra care and specialist housing development across Norfolk.**

By working closely with Adult Services, appropriate surplus council land will be proactively identified for disposal to provide for Independent Living (extra care accommodation) and specialist housing.

#### **4.2 Facilitate housing growth by releasing public land and working with our partners to develop new sites for development.**

Where land has been declared surplus, the Corporate Property Team will work closely with partners to dispose of the land to support local housing development. The one public estate strategy and central government initiatives, such as the land release fund, will be utilised to rationalise the councils' portfolio and release land for housing.

#### **4.3 Continue to provide incubation and grow on space at council-owned sites at Scottow. Explore the opportunities for further incubation space on existing council-owned sites.**

Scottow successfully provides business incubation and grow on space to support small business to grow and to succeed. When land and property is no longer required by services, the Corporate Property Team will work with Economic Development to consider whether sites can be used to provide additional incubation and grow on space to support small businesses.

#### **4.4 Through our property development company "Repton Property Developments Ltd" we will support housing growth through the reuse of council assets.**

Where surplus land is deemed viable, the council will sell land to its development company to build new homes.

#### **4.5 Utilise NCC land and property to support the delivery of the council's Digital Norfolk Strategy.**

We will work closely with Information Management Technology to assist in delivering their 10-year Digital Norfolk Strategy, utilising NCC property to enhancing service delivery through improved broadband and mobile coverage.

#### **4.6 Review the use of Council owned land/property for green energy generation and storage.**

As grid connections continue to improve in Norfolk, we will review the opportunity for green energy generation and storage on council owned land and property.

#### **4.7 Promote the adoption and development of agricultural technology (Agri-Tech) across the County's Farms estate.**

By working closely with partners such as New Anglia Local Enterprise Partnership and Agri-tech we will promote the adoption of agricultural technology amongst tenants of our county farms; supporting them to access opportunities to improve yields, the sustainable management of their farms and improving efficiencies.

#### **4.9 Provide a means of entry and progression in farming for those who may not otherwise have the opportunity to farm on their own account.**

The County Farms estate will provide a range of farm sizes, from smaller holdings to support new entrants, to larger estates to support progression and to encourage a variety of business models to support rural development and economic regeneration. New tenancies will be typically based on a period of 10 years (with breaks for appropriate cases), with preference given to applicants who meet the Council's tenant selection criteria whilst generating a return to the County Council.

**Strategic property asset management objective:**

**5.0** Reduce our impact on the environment.

**How we will achieve this:**

**5.1 Review the County Farm Estate considering the Agriculture Act 2020.**

The Agriculture Act 2020 replaces European Union subsidies with the Environmental Land Management Scheme (ELMS). We will review the management of the estate considering the changes introduced by the Act to ensure compliance, support for tenants to operate in the scheme and to identify opportunities to reduce our impact on the environment.

**5.2 Develop an energy strategy for the council's property portfolio.**

To help the council to achieve our aim of 'net zero' carbon emissions from the council's property portfolio by 2030, we will develop an energy strategy that will include implementation of energy efficiency measures, transitioning to fossil fuel free environments and carbon offsetting technologies.

**Strategic property asset management objective:**

**6.0** To promote partnership joint working where it will provide benefits for service delivery and in securing efficiencies.

**How we will achieve this:**

**6.1 Continue our delivery of 'One Public Estate'**

The 'One Public Estate' concept has supported Norfolk local authorities and the National Health Service to come together to identify ways to share accommodation, release land and property, improve service delivery and to reduce costs. We shall continue with the strategy of delivering 'One Public Estate'





**Norfolk** County Council