London Borough of Merton

Asset Management Plan 2011-2015

CORPORATE GOVERNANCE AND POLICY FRAMEWORK

This document sets out the decision making processes, management protocols and policies for Corporate Asset Management
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1.0 INTRODUCTION

1.1 Merton Council is committed to managing its assets effectively. It has adopted Local Code of Corporate Governance as part of its constitution based on the fundamental principles of openness, integrity, accountability and inclusiveness. Corporate Governance is defined as the system by which organisations are directed and controlled.

1.2 This document sets out the corporate governance for the Council’s land and property portfolios, to establish and communicate the policy framework that is applied to asset management. The principles of the Local Code of Corporate Governance apply to and are reflected in the specific systems that relate to the Council’s land and buildings.

1.3 All land and buildings owned used or occupied by Merton Council are held and managed corporately, and represent a resource which is employed to enable the delivery of the Council’s objectives. The Council’s buildings are a public part of the Council’s image, and should reflect its status as an excellent authority.

1.4 The Asset Management Plan sets out the Council’s strategy for its property and the actions to be taken to maximise the benefit that this delivers for Merton. The Council’s stated principles for its land and property are that it should be:

- **The right property**
  - Sustainable
  - Fit for purpose

- **The right place**
  - Accessible
  - Contributing to borough wide community needs at all levels in society

- **The right condition**
  - Creating the right environment for service delivery – A suitable environment to accommodate community needs
  - Communicating the right message – Properties that the Council can be proud of

- **The right amount**
  - Efficient – well utilised and flexible
  - Value for money

1.4 This document supports the Asset Management Plan, which drives forward the efficiency of the Council’s estate.
2.0 ORGANISATIONAL ARRANGEMENTS FOR CORPORATE ASSET MANAGEMENT

2.1 The diagram below describes the organisational structure and decision making process used to deliver improvements to its land and buildings portfolios:

2.2 This reflects current best practice and helps develop principles of good asset management and localism with the Council’s strategic partners. These arrangements ensure a corporate overview of all parts of the Council’s diverse property estate, including those managed in more detail through individual asset management plans, i.e. Education (The schools estate) and Highways. The principle of corporate asset management is embedded across all service areas, and is reflected in the development of all departmental, divisional and team plans and service reviews.

2.3 The structure enables Council Members and the corporate management team to be made aware of their responsibilities, and provided with the tools and data required to inform decision making, in the context of the overall business efficiency, policy and service delivery framework. It also
ensures that delivery of improvements is monitored through the Merton 2015 programme.

2.4 The structure drives the ongoing challenge of the effectiveness and efficiency of the Council's property holdings, reviewing progress on the delivery of the asset management objectives and the Capital Disposals and Investment Programmes, monitoring the effectiveness of procedures, and for making key decisions.

2.5 The approval of individual properties for disposal, and decisions to declare properties surplus to the Council's requirements will continue to be made by the Director of Environment and Regeneration, the most senior Officer in the department responsible for Asset Management Planning, under delegated authority in accordance with the Council's constitution. All surplus property is subject to application of the Code of Practice for Disposals, as set out at page 24 and the Community Asset Transfer Policy set out at page 30. The Director is on the Capital Strategy and Asset Management Group.

3.0 THE COUNCIL'S CORPORATE PROPERTY FUNCTION

3.1 The Council's Corporate Property Function is centralised, in accordance with best practice guidance. The function consists of two areas of responsibility, represented on the Asset Management Project Team. Together these act as the Corporate Landlord for the Council's assets. The general responsibilities of the Corporate Landlord are as follows:

<table>
<thead>
<tr>
<th>CORPORATE LANDLORD</th>
<th>CORPORATE LANDLORD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Management and Review</td>
<td>Facilities Management and Maintenance</td>
</tr>
<tr>
<td>Property Challenge</td>
<td>Facilities Management</td>
</tr>
<tr>
<td>Disposals</td>
<td>Condition Surveys</td>
</tr>
<tr>
<td>Acquisitions</td>
<td>Planned and reactive</td>
</tr>
<tr>
<td>Maintenance of the Asset</td>
<td>maintenance</td>
</tr>
<tr>
<td>Register</td>
<td>Delivery of Capital Works</td>
</tr>
<tr>
<td>Management of leased Estate</td>
<td>Allocation and monitoring</td>
</tr>
<tr>
<td>Collection and collation of property information</td>
<td>of all maintenance</td>
</tr>
<tr>
<td>Use of property to contribute to regeneration and place shaping</td>
<td>budgets and expenditure</td>
</tr>
<tr>
<td>Liaison with Education on strategic asset management</td>
<td>Delivery of Accommodation</td>
</tr>
<tr>
<td>Liaison with Partners including Merton Priory Homes and the Voluntary Sector on Strategic Asset Management</td>
<td>Strategy</td>
</tr>
<tr>
<td></td>
<td>Delivery of Energy Efficiency</td>
</tr>
<tr>
<td></td>
<td>Programme</td>
</tr>
<tr>
<td></td>
<td>Supporting Office Moves</td>
</tr>
<tr>
<td></td>
<td>Delivery of Spend to Save</td>
</tr>
<tr>
<td></td>
<td>Initiatives</td>
</tr>
</tbody>
</table>

5
3.2 All budgets for maintenance of the corporate estate are centralised under the control of the Corporate Services Directorate to enable:

- Financial transparency
- Corporate expenditure monitoring
- Corporate prioritisation of investment
- Consistency in compliance with statutory requirements
- Corporate appreciation of condition and remaining useful life
- Planned maintenance
- Integration with strategic planning and Merton 2015
- Better value for money
- Reduced risk

3.3 The corporate landlord provides support to all services in identifying the asset implications of service planning, and in providing supporting property related data to assist in service decision making. The Property Management and Review Manager works with heads of Service to identify areas of under-utilisation, issues of suitability, regeneration opportunities and how these may be addressed through effective asset management planning. This reinforces the principle that assets are provided and used to maximise the contribution they make to corporate and service objectives, and the shaping of Merton for residents.

3.4 Since the last plan was reported the Council has implemented a comprehensive Transformation Programme (Merton 2015), which has required all service areas to establish a Target Operating Model (TOM) and to adopt “Lean” principles in working arrangements. This involves a challenge to all processes to ensure that unnecessary work is minimised and the delivery of outcomes is as streamlined as possible. The key outcome for the Corporate Landlord Function is that options for a Property Management Joint Venture will be considered and if appropriate implemented by mid 2012.

4.0 PROPERTY INFORMATION

4.1 The Corporate Landlord is the repository for all corporate property data, which is held on a centralised IPF Property Database which links to the Council’s corporate GIS System and Financial Management System.

4.2 This ensures that all data is controlled and managed corporately, and is held, validated and recorded in accordance with current accounting requirements.

4.3 The data includes all core data for each property, such as Unique Property Reference Number, Location, size, etc, together with relevant transient data such as current condition survey, backlog maintenance, planned
maintenance programmes, required valuations, occupier, income (if appropriate) and management issues such as lease terms, repairing obligations etc.

4.4 Data is also recorded in respect of suitability, energy efficiency and utilisation for administrative accommodation.

4.5 For specific property reviews where relevant data is collected to inform decision making, this data is stored by the Corporate Landlord and made available as required for decision making processes. This is only included in the Corporate Property Database where this is considered to be of value, in accordance with Lean working principles.

4.6 The data is administrated and controlled by the Property Management and Review Team and used by Facilities Management. Read only access is available to specific service representatives across all areas of the Council, so that the information can be used to inform service planning.

5.0 CAPITAL BIDDING AND PRIORITISATION

5.1 The allocation of capital resources is focused towards the achievement of the council's key strategic objectives. Prioritisation of schemes is achieved by appraisal against criteria which are agreed by the Capital Strategy & Asset Management Group.

5.2 Opportunities for capital investment and expenditure arise as a result of physical, legal and regulatory requirements, service planning, service based reviews and service delivery improvement programmes, property reviews, and strategic planning for areas such as infrastructure and maintenance. Before a growth item for the programme for capital is made, the originating service will have considered the range of options available for delivery and identified the most suitable and cost effective approach. Each proposal for capital resources must be supported by a Capital pro-forma, which reflects the corporate priority framework as identified below. A copy of the pro-forma document is provided at Appendix 1 to this document.

5.3 The allocation takes into account the degree to which schemes are essential, looking particularly at contractual commitments that have been entered into and the extent to which schemes delivered council priorities as detailed in the Business Plan.

5.4 The overall approach to prioritisation is one which:-
- leverages funding from external private and public sector partners (e.g. Groundwork Trust, Social Housing Grant)
- assesses the condition of the council's capital assets as identified as part of the council's asset management plan
- evaluates the backlog of maintenance identified from the condition surveys and the overall time horizon over which it would be feasible to bring assets up to an agreed standard.
- Invest to save.

5.5 In summary, the entire options appraisal and capital prioritisation process is set out in the flowchart below:

![Flowchart](image)

6.0 MAINTENANCE PROCEDURES

6.1 All maintenance budgets are centralised as part of the Corporate Landlord model and are managed by the Corporate Services Team which forms part of the Council’s property function. This ensures that maintenance and facilities management are closely allied, and are linked through the Asset Management Project Team and liaison arrangements with the property management and review process, and strategic direction of the overall corporate estate.

6.2 Within the strategy for repairs and maintenance, which results from the condition surveys, programmed repairs and maintenance are prioritised as
“essential” or “desirable”. Further money is allocated as required to address the accessibility of the Council’s buildings, which is directly in line with its objectives for addressing the needs of children and young people, older people and people with disabilities (DDA work). It is also an important element of delivering a sustainable estate.

6.3 Capital resources are also pre-allocated to address wider asset management issues including highways and infrastructure maintenance, schools modernisation and to meet future school places requirements.

**Condition surveys and Planned Maintenance Programmes**

6.4 5 year planned maintenance programmes are developed for the corporate estate based on the up to date condition surveys. Surveys are updated a year from completion on a 5 year rolling programme at a rate of 20% per annum.

6.5 All school buildings are the subject of a 5 year rolling programme of condition surveys at a rate of 20% per annum implemented since 2001. These are used to determine the capital programme for education, and to support local maintenance programming.

6.6 All infrastructure assets have been surveyed in accordance with nationally set standards, are detailed in the Highways asset management plan and Network Management Plan. A 3-year prioritised planned maintenance programme for infrastructure is in place.

**Procurement and delivery of works**

6.7 The commissioning of works on the corporate estate is managed through the Council’s Corporate Services Team, and delivered via the Council’s construction partners. For low value works to administrative and corporate buildings works are procured from a range of primarily local providers with skills appropriate to each specific task.

6.8 Higher value capital works, i.e. those exceeding £50,000, are procured though a joint contract with the London Borough of Sutton which gives the Council access to four approved contractors offering a wide range of expertise. These are:

- W.S. Atkins
- Parsons Brinckerhoff
- Cull La Tourelle
- Hoca Partnership
6. 9 The Council also has a long term contract with F.M.Conway expiring in 2012 for the delivery of highways maintenance.

6. 10 The Council’s commitment to partnering arrangements for construction, in line with Egan Principles, reflects an aim to becoming best practice clients of the construction industry, and improving the efficiency and quality of its assets.

Cyclical maintenance

6. 11 There are cyclical maintenance contracts and arrangements in place that ensure the function and operation of the buildings accord with legislative requirements and protect the Council from risk. These include:

- Fire Appliance Testing
- Fire and Emergency Alarm Testing
- Emergency Lighting Testing
- Chlorination Programme and Legionella Testing contract
- Electrical Infrastructure Testing Programme
- Lift and Escalator Maintenance Contract
- Boiler Maintenance Contract
- Fire Alarm Panel Maintenance Contract
- Uninterruptible Power Supply Maintenance Contract
- Lightning Protection
- Portable Electrical Appliances Testing
- Sewage pumps and storm drains
- Eye bolt maintenance
- Tea boiler maintenance
- Pressurisation sets maintenance
- Portable fire fighting equipment maintenance
- Air conditioning installation maintenance
- Ventilation plant cleaning
- Asbestos survey

7.0 PROPERTY REVIEW

7. 1 The Council maintains an ongoing challenge of the benefit of its property assets to the delivery of its core objectives and services. This includes a range of specific review processes which are set out in the asset management plan. Property review is instigated and implemented by the Property Management and Review Manager (The Corporate Property Officer), in conjunction with Services representatives responsible for contributing service information to the asset management plan, relevant partners and community representatives. All services occupying property are required to demonstrate annually to the Corporate Property Officer
that they are using property efficiently. Each review includes the elements set out in the process below:

**ASSET MANAGEMENT REVIEW PROCESS**

<table>
<thead>
<tr>
<th>INPUTS</th>
<th>Outputs</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Service asset requirements</strong></td>
<td><strong>Corporate Data</strong></td>
</tr>
<tr>
<td><strong>Utilisation</strong></td>
<td><strong>Strategic need</strong></td>
</tr>
<tr>
<td>How is it being used?</td>
<td>Running cost?</td>
</tr>
<tr>
<td>Could this be more efficient?</td>
<td>Maintenance?</td>
</tr>
<tr>
<td>Could we share with partners?</td>
<td>Sustainability?</td>
</tr>
<tr>
<td></td>
<td>Efficiency?</td>
</tr>
<tr>
<td></td>
<td>Investment need?</td>
</tr>
<tr>
<td></td>
<td>Whole life cost?</td>
</tr>
<tr>
<td><strong>POSSIBLE OUTCOMES</strong></td>
<td><strong>Plan for future disposal and maintain accordingly</strong></td>
</tr>
<tr>
<td>Retain and Invest or Retain to meet strategic need</td>
<td>Disposal or Community Asset Transfer</td>
</tr>
<tr>
<td></td>
<td>Capital Receipt</td>
</tr>
</tbody>
</table>

7.2 The non-operational portfolio plays a significant part in supporting the Council’s revenue budget. As a principle income producing property will be retained where the return on capital employed justifies its value for money. Non-operational property is therefore challenged on its financial performance.

7.3 The Property Management and Review Manager also liaises with Local Planning Authority to ensure that appropriate representations relating to future use of Council’s land and buildings are considered the strategic planning process. There is also liaison regarding Section 106 requirements to ensure that where external developments increase demand on service use they contribute towards the infrastructure and property requirements of services as appropriate.
APPENDICES

APPENDIX 1     CAPITAL BIDDING PRO-FORMA
Form for requesting funding for a new scheme
Service Plan Proforma
Capital Budget

CAPITAL PROGRAMME 2011-2015

PROPOSAL FOR CAPITAL RESOURCES TO FUND NEW CAPITAL EXPENDITURE

Department: 
Proposal Reference: 

Cost Centre: 

Strategic Objective: 

Priority: 

Responsible Officer: 

1. Name of Scheme
Details of the purpose of the scheme and why it is essential that it be undertaken.

2. Capital Implications of Scheme

<table>
<thead>
<tr>
<th></th>
<th>2011/12 £000</th>
<th>2012/13 £000</th>
<th>2013/14 £000</th>
<th>2014/15 £000</th>
<th>Later Years £000</th>
<th>Total £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Building/Works</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fees</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Furniture/Plant/Equipment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total: Capital Expenditure</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Earmarked Income: Contributions e.g. S108</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Grants</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total: Capital Income</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Net Capital Expenditure to be funded by borrowing</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

3. Revenue Implications of Scheme

<table>
<thead>
<tr>
<th></th>
<th>2011/12 £000</th>
<th>2012/13 £000</th>
<th>2013/14 £000</th>
<th>2014/15 £000</th>
<th>Full Year £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staffing Costs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Running Costs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Financing Costs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>**</td>
</tr>
<tr>
<td>Total Expenditure</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>Income</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rent</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fees and Charges</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other (savings?)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Income</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>Net Revenue Expenditure</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0</td>
</tr>
</tbody>
</table>

Capital Financing Costs  ** will be input by Capital Finance Team

4. Cost of Scheme in terms of Council Tax

These costs will be completed by the Capital Finance Team

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Resource and Performance Review

Service Plan Proforma

Capital Budget

5. What other options have been considered (including "Do Nothing") and what are the costs of the alternative options?

6. Funding - What Grants or Contributions funding are available for this?

Details of funding:
Please provide an explanation if the numbers below do not agree with the table in note 2.

<table>
<thead>
<tr>
<th></th>
<th>2011/12</th>
<th>2012/13</th>
<th>2013/14</th>
<th>2014/15</th>
<th>Later Years</th>
<th>Scheme Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
</tbody>
</table>

7. What assets will be released for sale?

8. (a) What will be the procurement route for this project? e.g. Open, Restricted, Competitive Dialogue, Framework, Other)

8. (b) (if applicable) What is the procurement route for the Revenue Implications of this Capital project, for associated Goods and or Services? e.g. Open, Restricted, Competitive Dialogue, Framework, Other)

9. What Revenue Savings will this scheme deliver?

Please provide an explanation if the numbers below do not agree with the table in note 2.

<table>
<thead>
<tr>
<th></th>
<th>2011/12</th>
<th>2012/13</th>
<th>2013/14</th>
<th>2014/15</th>
<th>Later Years</th>
<th>Scheme Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
</tbody>
</table>
Resource and Performance Review
Service Plan Proforma
Capital Budget

10. What are the Customer/Stakeholder Benefits/Performance improvement Benefits arising from this project.

11. Legal/Statutory or other Mandatory reasons for this project (including equalities/health and safety requirements).

12. Please set out the projects expected lifecycle
Examples of stages are set out below. Please change them as appropriate.

<table>
<thead>
<tr>
<th>Activity</th>
<th>Estimated Date</th>
<th>Cumulative Spend (£'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project designed</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tender advertised</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contract let</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project Started</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project 25% complete</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project 50% complete</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project 75% complete</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project complete</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Final Certificate paid</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proposed Start Date</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project Cost (to reconcile to Scheme Total page 1)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Using the Risk Managers Toolkit, **identify the Strategic and Operational Risks**.
Appendices C & D of the Toolkit.

13. If the project falls at feasibility stage or is aborted, please provide the Revenue cost code that costs of works that can be recharged back to.
# Resource and Performance Review

## Service Plan Proforma

### Capital Budget

**CAPITAL PROGRAMME 2011-2015**

**PROPOSAL FOR CAPITAL RESOURCES TO FUND NEW CAPITAL EXPENDITURE**

<table>
<thead>
<tr>
<th>Department:</th>
<th>Proposal Reference:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Responsible Officer:</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Points Allocated</strong></th>
<th><strong>Points Range</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ESSENTIAL</strong></td>
<td></td>
</tr>
<tr>
<td>1. Compliance with Legal/Statutory/Mandatory requirements</td>
<td>to be determined</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>INVEST TO SAVE</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Revenue Savings are greater than the project costs</td>
<td>to be determined</td>
</tr>
<tr>
<td>2. Revenue Savings equal the project cost</td>
<td>to be determined</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>OTHER</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Utilises matching grant which funds part of the project cost</td>
<td>to be determined</td>
</tr>
<tr>
<td>2. Revenue Savings meet part of the project cost</td>
<td>to be determined</td>
</tr>
<tr>
<td>3. Delivers ManIFESTo/Business Plan priorities.</td>
<td>to be determined</td>
</tr>
</tbody>
</table>

**TOTAL POINTS**

<table>
<thead>
<tr>
<th>Points</th>
<th>0</th>
</tr>
</thead>
</table>
CAPITAL PROGRAMME 2011-2015

This page will be completed where necessary by Capital Finance Team

PROPOSAL FOR CAPITAL RESOURCES TO FUND NEW CAPITAL EXPENDITURE

Department:  Proposal Reference:

Responsible Officer:

NOTE: Only the following types of project require this sheet to be completed:

Projects which should be comprehensively appraised:

a) New or replacement projects (i.e. projects designed to generate a stream of future financial or non-financial benefits in return for a significant investment) - Invest to Save

b) Projects where there are alternative ways of meeting objectives and where such alternatives give rise to outlays with different levels and timings.

c) Projects where external funding is sought.

Information required:

1. Financial Information - This information will be used to calculate:-
   a) Net Present Value of the project over its life
   b) Payback Period

<table>
<thead>
<tr>
<th>Year</th>
<th>Expenditure £000</th>
<th>Income £000</th>
<th>Net Expenditure £000</th>
<th>Discount Factor</th>
<th>Present Value £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011/12</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
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2. Non-financial Information:
   This information will ensure all other costs and benefits are taken into account
APPENDIX 2

POLICY AND PROCEDURES FOR LAND AND PROPERTY ACQUISITION

1.0 Introduction

1.1 Given Merton's ambition to influence emerging regeneration and development programmes, it is important that the Council has a policy and procedure for land and property acquisition as well as disposal. This policy sets out, in sequence, the procedure to be adopted in connection with the acquisition of land and property.

2.0 Reasons for the Purchase of Land or Property

2.1 Unless there are exceptional circumstances, the Council will only acquire land or property for the following reasons:
   a) Its contribution towards the provision of the Council's services
   b) Economic Development/Regeneration and planning purposes
   c) Revenue income generation
   d) Its contribution to the Council's accommodation strategy

3.0 Need for Acquisition

3.1 The need to acquire a property may be identified through the departmental annual Property Needs Return to the Property Management and Review Team. It may also be identified by unforeseen events during the financial year.

4.0 Capital Programme

4.1 Once the need for a property has been identified, a bid is made for the purchase costs to be included in the council's Capital Programme. The decision on whether the purchase should be funded is judged in relation to the priority of the purchase in relation to the Service Plans of each department.

5.0 Market Research

5.1 Usually, at the same time as funding is being sought, market research will be carried out by the Property Management and Review Team, in consultation with the service area if the intended purchase is for a service use, to establish whether suitable land or property is available on the market to fulfill this need.
5.2 Where a number of potentially suitable properties/sites exist in the marketplace, robust comparisons will be made to establish which is the most suitable for the Council's needs. Criteria against which such decisions will be made include:-

a) Price
b) condition of property or land
c) availability (in terms of timing)
d) nature of tenure being offered (freehold or leasehold)
e) location advantages (where a strategic acquisition is under consideration)
f) return on investment (where a revenue generating asset is being considered)

6.0 Financial Appraisal

6.1 Funding may be secured either through the Capital Programme or by virement of funds from existing schemes or by external funds.

6.2 When a suitable property has been identified and funding secured, a financial appraisal will be carried out to establish the financial/budgetary implications of acquiring the property at the quoted asking price. The advice of the Director of Corporate Services will be sought regarding current rates of interest on capital invested, to enable the opportunity cost of the acquisition to be fully assessed. The financial appraisal will take into account the following matters:

a) the capital cost of acquisition
b) any revenue, or potential revenue, generated from the property, both short and long term
c) availability of external funding sources for capital or revenue costs
d) possibility of joint ventures
e) the cost, in Asset Management terms, of owning the property, including:-
i) immediate maintenance/refurbishment requirements
ii) demolition costs, if appropriate
iii) ongoing maintenance
iv) national non-domestic rates
v) insurance
vi) Energy efficiency

vii) the overall effect of the expenditure on the Council's budgetary position

viii) the whole life cycle costs

7.0 Independent Valuation

7.1 Independent valuation advice will then be sought, either from the District Valuer or from a suitably qualified surveyor. Where such advice suggests that the true Open Market Value of the property is below the asking price, (or where the amount of expenditure is likely to exceed that set aside in the Medium Term Financial Strategy/Capital Investment Programme), and there are overriding factors which justify the purchase, a report shall be prepared for the Capital Strategy and Asset Management Group, Corporate Management Team and Cabinet as appropriate for approval to continue, with a proposal to fund the shortfall.

7.2 Where the acquisition is to be by way of a long lease, the Director of Corporate Services will be consulted to assess the implications regarding VAT, Capital Controls, Treasury Management and financial reporting through the International Financial Reporting Standards (IFRS).

8.0 Capital Strategy and Asset Management Group

8.1 A full report on the principle of acquisition of any sites is then to be presented to the Capital Strategy and Asset Management Group for consideration before onward report and/or recommendation if required to Corporate Management Team and Members in accordance with Council standing orders.

9.0 Negotiation

9.1 Once the principle of the acquisition has been agreed, negotiations will be commenced with the vendor. Where the sale is by auction or tender, bids will need to be formulated as appropriate. Final Terms will be approved by the Director of Environment and Regeneration under delegated powers.

10.0 Member Approval

10.1 Cabinet and Council approval is only required to the principle of an acquisition where this represents a key decision and if not in the current programme.
11.0 Instructions

11.1 Once correct authorisation has been secured, and any surveys satisfactorily carried out (or earlier if appropriate), Legal section will be instructed to complete the documentation associated with the acquisition.

12.0 Completion

12.1 Once the acquisition has been completed, Members will be informed as appropriate, and the property will be managed corporately by the Property Management and Review Team in accordance with prevailing asset management practices, and used by the relevant service for the purpose for which it was purchased.
APPENDIX 3   CODE OF PRACTICE FOR DISPOSAL OF PROPERTY

1.0  Purpose

1.1  The purpose of this procedure is to describe the process that is adopted in identifying surplus and underused property and land.

1.2  The purpose of this Code of Practice is to describe the procedures to be used in all cases where property or land is to be identified as surplus to service department needs for service delivery, and / or Council requirements and will apply to the disposal of land and / or properties.

2.0  Application

2.1  This procedure will be implemented by the Property Management and Review (PM&R) Section of the Environmental Services Department.

3.0  References

3.1  Asset Management Plan Corporate Governance - Property Review Processes section 7.0

3.2  Disposal Consideration Chart – Appendix A

3.3  Glossary of terms used within the Code of Practice – Appendix B.

4.0  Procedure

4.1  Details of operational land / buildings identified by Service Departments as surplus to requirements will be referred to the PM&R Manager of the Environmental Services Department who will record details of such land / buildings in a register.

4.2  Service Departments will make an annual return to Property Management & Review Manager in May / June of each year, in a prescribed form relating to properties used by them and future needs. A review of properties will then be undertaken in accordance with the Annual Property Review Process as set out in the flow chart at section 7.0 of the Asset Management Corporate Governance statement. From this review land / buildings may be identified as surplus to service department needs and will be recorded in the register. (4.1 above). Those identified as surplus will be subject to an annual check until such time as they are sold or otherwise disposed of.

4.3  The PM&R Manager will, when advised that a property is surplus to Departmental needs, ascertain from a Title search etc. any covenants or
constraints on the use of the property and will prepare a Property Information Sheet and a plan identifying site boundaries following a site and Title inspection and agreement with the Department declaring the property surplus. An estimated realisealisation price valuation shall be prepared in accordance with the RICS Appraisal and Valuation Manual (the Red Book)

4.4 The PM&R Manager will consult with all Departments and any previously identified property requirements to ascertain any other Council needs, and with Partner Organisations and other local public service providers to identify any wider local needs that support the Council’s community and corporate objectives. If there are no internal needs the PM&R manager will then consult with the Voluntary Sector via the Merton Compact Board to establish whether there is any interest in the property for community asset transfer from the voluntary sector. If so the Voluntary Sector will be given an appropriate timetable in which to make an application for Community Asset Transfer through the Compact Board in accordance with the Community Asset Transfer Policy.

4.5 In cases where a service need is identified or an application for Community Asset Transfer made, the Asset Management Project Team (AMPT) will consider the service/community requirement, and the financial implications, these having first been agreed by the relevant department and/or partner organisation. In addition, the AMPT will look at all other options, which will include the disposal option, and their implications. As part of this process relevant Chief Officers will consult with their appropriate Cabinet Member/s before making bids. Where an application for Community Asset Transfer has been made, the processes set out in the Community Asset Transfer Policy will then be applied.

4.6 The AMPT will recommend the appropriate course of action to the Capital Strategy and Asset Management Group who will consider the report in principle and clear it for Member consideration if required/appropriate.

4.7 Where required the Cabinet Member for Environmental Sustainability and Regeneration will consider the report and resolve whether to retain the property for the service delivery need identified. If the property is to be is retained or made available to a Partner organisation it will be appropriated to that purpose and will be allocated for that use, subject to the agreement of suitable terms with any external body. If it is not agreed the property will be available for sale in accordance with the disposal process.

4.8 Capital receipt will be considered as a corporate resource, and not benefit the Department using the property other than through the Capital Programme Project Prioritisation Process or where it is necessary to carry out adaptation works to another property which has enabled the surplus
property to be identified (such a decision is to be ratified by CMT and Cabinet). Capital expenditure is approved in accordance with Section 5.0 of the Asset Management Corporate Governance Statement. Any revenue income will be credited to the responsible Department’s budget whilst it remains in that Department’s use.

4.9 When property is appropriated between departments, the Asset Rent and any associated revenue budgets will also transfer. Until such time as the asset either transfers or is sold all budgets remain with the existing user.

4.10 In cases where there is no other Council or Partner use for the property, the PM&R Manager will prepare a report to the Director of Environment and Regeneration seeking the use of the appropriate delegated authority to declare the property surplus to Council requirements and to recommend the method, terms and appropriate timing of disposal.

4.11 The above is relevant in cases where the disposal is in accordance with the overall strategic policies set by the Council, and within approved budgetary provision. Cases that do not comply with the above authority for the disposal will be referred to Cabinet for approval.

4.12 Where the disposal of a property may be considered as significant in a particular Ward, the Ward Councillors will be informed of the potential disposal for information.

4.13 The report seeking delegated approval for disposal will include sufficient information to justify the proposed action for the disposal of the property, including the timing and method of disposal proposed. The report will contain valuation advice, legal advice and financial advice. It will also make reference to any Equalities and Human Rights issues, and have the Property Information Sheet and plan identifying the property attached as an appendix (4.3 above) to the report.

4.14 Potential disposals of non-operational assets will follow the same procedure as for operational assets set out above where appropriate. Non-operational assets will only be disposed of where the benefit to the Council of the capital receipt outweighs the benefit of any income produced by the asset on the revenue budget. In principle, the Council will seek to retain and maximise the income from non-operational assets to support the revenue budget.

4.15 Before any land is offered for disposal, outline planning consent, if appropriate, will be sought by PM&R Manager to establish development potential, or a change of use which could be expected to increase the realisation figure. The Property Management & Review Manager will also
effect the construction of infrastructure works when necessary to facilitate the disposal of land or property.

4.16 The relevant costs incurred in facilitating a disposal may be considered as expenditure comprising 'prescribed expenditure' under the capital expenditure provisions of part VIII of the Local Government, Planning and Land Act, 1980. In effect being deductions made against the capital receipt.

4.17 The property adviser, either in house or an agent, will recommend the most effective method for disposal of the land / property (i.e. by private treaty; public auction; tender etc) in order to secure the best terms reasonably obtainable. The recommendation will be made in writing, highlighting both the advantages and disadvantages of the proposed approach to disposal.

4.18 When it is decided to dispose of land / property by tender to select developers prior to shortlisting for e.g. joint venture proposals, invitations, will require all tenders to be submitted by a given date in the manner prescribed in the Councils Contract Standing Orders.

4.19 No tender other than the highest will be accepted without the consent (where required) of the Secretary of State for the Environment Transport and the Regions, Sect 123 Local Government Act 1972 as amended, or such other relevant legislation as appropriate.

4.20 When, after the closing date for receipt of tenders, the PM&R Manager concludes that the tender process may not have resulted in the best possible offer being made to the Council (for example because a higher offer has subsequently been received), he / she will report to the Director of Environment and Regeneration on the merits of the tenders received, the circumstances surrounding the submission of any separate offers, and the desirability of accepting any tender or offer, or re-tendering. The principles governing these actions are the need for equitable procedures, legality, openness and accountability.

4.21 Where negotiations are authorised with selected developers, details of all proposals received will be reported by the Director of Environment and Regeneration to the Cabinet Member for Environmental Sustainability and Regeneration together with a joint report from him / her, the Director of Corporate Services and other appropriate Chief Officers, as to the merits and financial implications of each scheme and the financial standing of each developer.
4.22 Where it is not deemed appropriate to dispose by tender or negotiation with selected developers, the PM&R Manager will propose another suitable method of disposal.

4.23 The Council's Legal Services Department, or Solicitor appointed by them, will be instructed using the agreed method.

4.24 Upon completion of the sale, the Head of Legal Services will issue a completion statement in the agreed format and the PM&R Manager will update the Disposals Programme and report on the capital receipt achieved, on regular intervals, to the Capital Strategy and Asset Management Group and update all appropriate records including insurance.

Appendix A to Code of Practice:
Property declared surplus
Consider Service needs
Partners needs
Community Asset Transfer

Policy considerations
e.g. Affordable Housing
Regeneration/Place shaping

Marketing considerations

Preparation for disposal e.g.
outline planning, vacating etc.

Method of disposal

Special purchaser
related to policies,
locality or interest

Establish most
appropriate method

General Market
Private Treaty
Tender
Auction
Tenure

Restricted value

Member confirmation

Maximum value

Negotiate Value
Protect Council's
long term position
e.g. clawback
Restrictive covenant

Agreed terms

Member
Approval or
Officer
degmentation

Secretary of
State's
Dispensation
(where needed)

Completion and
future monitoring
(Clawback etc)
Appendix B to Code of Practice:

GLOSSARY OF TERMS USED WITHIN THE CODE OF PRACTICE

Capital Strategy and Asset Management Group

The Capital Strategy and Asset Management Group is chaired by the Director of Corporate Services and reports directly to the Council’s Chief Officers Management Team. The Group is made up of senior officers of the various Council departments and meets monthly. Terms of Reference for the group are available from the Property Management and Review Manager.

Asset Rent

The Chartered Institute of Public Finance and Accountancy (CIPFA) require authorities to adopt a capital accounting system designed to promote accountability for the use of scarce resources through external reporting. The system is also intended to improve asset management. The Council is required to maintain a register of its property assets and to allocate values to each in accordance with current accounting requirements for inclusion in the Council’s balance sheet. To reflect, in accountancy terms, the use of the asset by the department occupying the property it is charged an annual sum for the use of the asset. The annual sum charged to departments is 6% of the asset value. It is this figure that is referred to as the Asset Rent.

Red Book

The Red Book, is the Royal Institution of Chartered Surveyors Valuation Standards. It contains valuation guidance and definitions to be used when carrying out property valuations. The latest version will be used in all cases.

Capital Programme Prioritisation Process

The Capital Programme Prioritisation Process is used to allocate capital resources to projects, which meet the Council’s corporate and strategic objectives. It also includes a mechanism to reflect the needs and priorities of departments.
APPENDIX 4  COMMUNITY ASSET TRANSFER POLICY

1.0 INTRODUCTION

1.1 The Localism Bill introduced in December 2010 sets as new agenda for the decentralisation of power and the empowerment of communities to deliver local services. Merton Council has long embraced a local approach to service delivery by giving local people more say on how services are delivered through vehicles such as the Local Strategic Partnership and partnership working.

1.2 The Quirk Review “Making Assets Work” of May 2007 talks about giving local people a bigger stake in the future of their area through the ownership of community assets. The Department of Communities and Local Government, in its response to the recommendations in the review, supports the need to ‘monitor effectiveness of mechanisms in persuading local authorities to consider transferring management or ownership of assets to communities’.

1.3 Merton Council is responding to this by considering options for the transfer of asset through leases and operational management to the community, for purposes that benefit the communities they serve. This can range from small parks groups to established voluntary sector organisations. Community ‘benefit’ is seen as varied, with a range of activity from local meeting places, such as community centres, to social enterprise businesses offering new employment or training opportunities.

1.4 School disposals are covered by a legislative framework. Any disposal of playing fields would first need approval under Section 77 of Schools Standards and Framework Act 1998. Therefore, school buildings and landholding will not be considered under this policy.

1.5 This Community Asset Transfer Policy identifies when the council could consider the transfer of assets, and how local communities could register an interest in taking over a council owned property. This option would need to be assessed against sale, or alternative disposal opportunities, in each case, and should be closely linked to the delivery of strategic Business Plan objectives.

2.0 Strategic Context

2.1 The Council’s key objectives are:

- Sustainable communities
- Safer and Stronger Communities
- Healthier Communities
- Older people
2.2 The strategic fit of any asset transfer proposal would need to achieve one or more of these goals.

3.0 Rationalisation of Assets

3.1 The council is continuously reviewing its assets as part of an ongoing rationalisation programme. This is being considered in association with the Merton 2015 Programme looking at how the council will deliver its services in the future.

3.2 As part of this process, the council, through the Property Management and Review Team (PM&R), has identified buildings and land holdings with short term value for the delivery of its services. When any building or land holding becomes ‘surplus’ and available for potential disposal, this is notified to the Merton Compact Board who then advise whether there is demand from the Voluntary Sector for this to be considered for Community Asset Transfer. Once on the disposal list, community, voluntary and other agency sectors could apply to the council for transfer of assets for alternative community uses. This would be considered alongside the need to capitalise receipts of any assets to deliver the council’s prioritised Capital Programme and other financial priorities. The proposed criteria for transfer of an asset at below the market value would need to be measured against the likely other uses if sold on the open market.

3.3 Currently, assets or land holding used by the community have never been transferred on a freehold basis, as it is considered more appropriate that any transfer for community use should be via the granting of a lease in accordance with existing Council policy. This is intended to protect the future of these assets, and ensure that the council can control the way in which assets are used to deliver appropriate services to the community and the sustainability and safety of the facilities during the lifetime of the lease, thus maintaining the benefit for which the transfer was made. In addition to minimise risk to the Council and users of the buildings responsibility for health and safety items such as legionella has been retained by the Council.

4.0 Key Policy Criteria

4.1 There are two key factors to be considered within the policy criteria:

- Benefits to the local community by transferring the asset
- Ability of the voluntary or community organisation to sustain the use of the asset over the leased period.
4.2 Therefore, the Community Asset Transfer Policy requires all proposals to meet the following, before being considered against alternative disposal options. The stage 1 outline application and proposal will be assessed against the following criteria:

- The proposed use of an asset reflects the outcomes and objectives identified in the Community Plan, Business Plan and other appropriate plans and strategies.

- The proposed use of the asset is genuinely for the benefit of the community, and would offer real opportunities for successful and independent, community or third sector organisations to become more sustainable in the long term.

- The asset would be made fully available for use by a range of local groups, especially those working with, or in, disadvantaged communities in accordance with the Equalities Agenda and relevant legislation, and should be compliant with the Disability Discrimination Act (DDA).

- The use of the asset is environmentally sustainable. Any future refurbishment plans should consider energy efficiency as a priority, and use good quality, environmentally sustainable, materials and construction practices.

- That the third sector organisation would have greater security and independence, and would be better able to meet the needs of the communities it serves.

- That uses would enable communities to have more access to facilities and/or opportunities that respond to their local needs.

4.3 If initial approval is given, then the application moves forward to stage 2. At this stage, the council would need to analyse the risks carefully to ensure that proposed organisations and future community management of the assets are appropriate, and sustainable, in the long term.

4.4 As it is likely that many of the community and voluntary groups applying to the council for the transfer of assets would have limited financial history, or facilities management experience, it is important that a robust business case is put forward in support of any proposal/organisation. The policy therefore sets out the following requirements that need to be demonstrated as part of the business case at Stage 2 by organisations for them to be able to be considered ‘fit for purpose’ to lease council assets:
Financial viability of the transfer – the organisation would need to show at least a five year cash flow and budget forecast that demonstrated that the project is sustainable, and that the asset would be maintained adequately.

Experience of, and/or commitment to, partnership working – demonstrating that the asset would be put to a variety of uses to benefit the community.

The organisation and key individuals, managing the asset and associated project, have appropriate skills, knowledge and expertise to sustain the project in the long term.

Clearly defined structures, roles and responsibilities within the organisation appropriate to deliver the project, whether voluntary and/or paid. It is required that an appropriate council representative will be consulted by the nominated building manager for the organisation on any issues related to the asset.

Clarity of decision making processes – adequate constitution, governance arrangements and management controls, are in place.

Clarity of aims and objectives, and that these meet the key Community Plan objectives.

All legislation and regulatory controls are in place – meeting equality standards, child protection, health and safety and licensing requirements.

The project has the support of the local community – can demonstrate local need, community support through consultation, and that the project is not aligned only with a single interest group.

Monitoring and evaluation processes are in place to demonstrate the successful delivery of objectives and targets over the life of the project.

The project has a body or individuals able and or willing to take the transfer.

5.0 Process for Assessing Proposals

5.1 Assets that become surplus to requirements are addressed by the Council in accordance with the Code of Practice for Disposal of Property. This requires that consideration be given to opportunities for Community Asset Transfer before final disposal.

5.2 The assessment of proposals that then come forward from the community and voluntary groups would include two stages:

Stage One:

5.3 Where an asset had been identified as surplus, a period appropriate to the individual circumstances would be available in which community and
voluntary groups could apply for transfer of that asset for community use. For an asset already in community use, an application can be made at any time.

5.4 The first stage of the application is intended to enable the Asset Management Project Team to consider the principle of asset transfer. For this stage the organisation would have to demonstrate the following criteria:

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<th>Criteria</th>
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<tr>
<td>Strategic fit against the priorities in the Community Plan and other applicable plan strategies.</td>
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<td>Support from the local community in the neighbourhood for the proposals – must include support of 50 local people, and have consulted the specific community partnership. These people do not have to be active members of the group, but need to support proposal.</td>
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<tr>
<td>Who, and how local people, would benefit from the proposals.</td>
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<tr>
<td>Previous experience of the group, or evidence of supporting organisation.</td>
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<tr>
<td>Proposals are focused on needs of the community – demonstrating there is a gap in provision, e.g. providing job opportunities in deprived areas, or aimed at key target groups currently excluded from the community activity.</td>
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<tr>
<td>Implications for the asset or building in the long term – alternative use options.</td>
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5.5 The Asset Management Project Team would either recommend approval for the proposals to be taken forward to the second stage, or advise the asset (if surplus) be put forward for alternative disposal. The organisation involved would be advised in writing of the recommendation, giving reasons if this is for refusal. They would be advised of their right of appeal which could only be considered against the above criteria.

5.6 Any appeal will be considered by CSAMG.

**Stage Two:**

5.7 Once stage 1 is approved, organisations would be invited to progress to the second stage where a full business and delivery plan would need to be presented for the project/proposal. This submission would be assessed under the following criteria:
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<th>Documentary Evidence Required</th>
<th>Criteria</th>
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<tr>
<td>Business Plan and Governance Documentation</td>
<td>Outcomes, aims, objectives and targets the proposal would deliver, including how these would be monitored and assessed over the life of the project.</td>
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<td>What type of organisation would be running the project. The capacity of the organisation to deliver the project including: Decision making structures Management and staff structures, showing where these are paid or voluntary, whether these are experienced, and/or what training plans are in place. The organisation would be required as part of this to identify a nominated and named building manager for the asset.</td>
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<td>Identifying whether the project would create new jobs, housing or learning opportunities, and how these linked to the Community Plan and other relevant strategies.</td>
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<td>An indicative 5 year capital and revenue budget plan including all anticipated grant funding, identifying whether this had already been secured and any other income expected, sources etc.</td>
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<td>Relationships with any other partners on the project.</td>
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<td>Legislation and regulation considered within the project and how this would be addressed, eg Health and Safety regulations Child Protection Policy Equality regulations Licensing.</td>
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<td></td>
<td>How the project would address: Inequalities Crime prevention Environmental issues.</td>
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<td>The catchment area for the project.</td>
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<td>Length of lease required to deliver the project.</td>
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<td></td>
<td>Any development proposals relating to the buildings or land.</td>
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<td>Risk Analysis of the proposals.</td>
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<tr>
<td>Project Plan</td>
<td>Indicative timescales on how the project would be delivered from start up to fully operational.</td>
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<tr>
<td></td>
<td>Description of any proposed development. Detailed breakdown of timings/costs for any proposed building works or refurbishment proposals, and how this would be funded.</td>
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5.8 Second stage proposals will again be considered initially by the Asset Management Project team and recommendations made to CSAMG. Any appeal at this stage would be referred for consideration to CMT. Once a proposal has been successful at the second stage, a lease of an appropriate length for the proposed use would be granted through the Estates Management and Review Team and Legal Services. This would include provision for an annual review of the asset transferred to ensure compliance with this and other policies and regulatory requirements.

5.9 A summary of the proposed decision making process for both stages is detailed in the flow chart below:

**Stage 1:**

Outline Application and proposal → Considered by AMPT Recommendation to Applicant by AMPT → Approved → Refused, Possibility of Appeal Considered by CSAMG

**Stage 2:**

Detailed business case → Considered by AMPT Recommendation to Applicant and CSAMG → Approved → Refused, Possibility of Appeal Considered by CMT → Existing use or disposal

Proceed with asset transfer → Existing use or disposal in accordance with policy
LONDON BOROUGH OF MERTON

ASSET MANAGEMENT PLAN

2011 – 2015

This document sets out the updated strategy and action plan for the delivery of Corporate Asset Management
1.0 INTRODUCTION

1.1 This document sets out the actions the Council will take to improve the management of its land and buildings during the next four years. After staff, the Council’s property holdings represent the next largest cost. It is therefore essential that these are managed efficiently, and that they are effective in enabling the Council’s services and delivering priorities. If they are not, then there is no reason to keep them.

1.2 This plan builds on earlier plans, but reflects the changes in national and local circumstances that are driving the Council’s transformation to become a leaner, stronger organisation that represents better value for money to local people.

1.3 Councillor Andrew Judge has overall responsibility for the Council’s land and buildings as part of his role as Cabinet Member for Environmental Sustainability and Regeneration:

“Our property holdings represent a significant capital investment. In these times of increased budgetary restriction the need to demonstrate value for money is paramount. If our property does not contribute to the effective delivery of local services, represent quality design, support efficiencies through carbon reduction or the improvement of our environment for local people, the money it represents can be better spent elsewhere. It is our priority to systematically challenge the benefit of the property we own and use, and to only retain that which demonstrates its worth”

1.4 The asset management plan is developed in parallel with the Capital Strategy and Medium Term Financial Plan, and is aligned and integrated with the Council’s Business Plan’s six strategic themes:

- Sustainable Communities
- Safer and Stronger Communities
- Healthier Communities
- Older People
- Children and Young People
- Corporate Capacity

2.0 CONTEXT

2.1 The national budget deficit has led to an increased focus on efficiency across the public sector. There is an unprecedented drive to reduce the size and cost of the public sector through eliminating duplication and waste, and increasing co-operative and collaborative ways of working between organisations. This drive sets the broad agenda for the Council to challenge the use of its resources, in particular its land and buildings,
and to determine the direction it wants to move in to make better use of what it has to deliver its business plan, and to make changes to meet modern service and environmental impact requirements.

2.2 The national economic position has consequences for the Council in respect of potential loss of capital and revenue grants. This will impact negatively on the Council’s financial position, which has already identified a shortfall in the Medium Term Financial Strategy. Through its Capital Strategy and Asset Management Group the Council is therefore robustly challenging all schemes funded by borrowing, to reduce the impact of the capital programme on the revenue budget, and to look at other ways, such as property rationalisation, through which future capital needs can be met.

2.3 The Localism Bill aims to deliver a shift in the balance of power away from centralism and back into the hands of local communities and individuals. An important aspect of community empowerment is having the right location and surroundings from which to deliver local services, which means access to facilities and in some cases the right to manage them. As part of its approach to asset management, the Council is committed to the community use of assets.

2.4 In parallel with this Merton 2015 is concentrating on improving corporate efficiency and service delivery, and will have further implications for future property needs and community involvement in service delivery. LEAN working principles which seek to streamline the way the Council works are being implemented across all core service areas, leading to efficiency savings.

2.5 Transformation and localism have a direct impact on this plan, in identifying the need to explore the options for property management joint venture vehicles, to develop asset management planning with strategic partners. It also has an indirect ongoing impact on future property management which will dynamically reflect changes to management processes such as increased shared service provision with partners and other agencies, and potential outsourcing of some service areas.

2.6 The approach to asset management set out in this plan has been developed in this context to concentrate on minimising future costs while optimising service delivery. The focus is on rationalisation, efficiency of use and the need for ongoing revenue savings. Property review will be a continuous process throughout the life of this plan, to ensure that all opportunities for greater efficiency arising from the delivery of Merton 2015 are acted upon.

2.7 The Council recognises the benefit of good governance, and is committed to the principles of excellent asset management in accordance with
published guidance. The plan focuses directly on the issues to be addressed in Merton to maximise value for money, and identifies a dynamic action plan that will contribute to the delivery of transformational change and ongoing streamlining, efficiency and local delivery of services.

3.0 PROPERTY REVIEW AND PROPERTY STRATEGY

3.1 In 2008 the Council carried out a comprehensive review of its land and buildings (with the exception of parks and open spaces, schools and properties held under the Housing Revenue Account) from which it developed a short, medium and long term disposals programme. Over the period to 2020 it is anticipated that this has the potential to deliver in excess of £33 million in capital receipts. As part of the increased drive for efficiency, this review is being updated to ensure that the impact of Merton 2015 is reflected in the Council's future use of property. This process includes parks and open spaces which will also be subject to a separate review to consider how existing built areas within them could be better used to maximise local benefit and financial value, and alternative options for management including locally managed trusts (Action Plan item 7).

3.2 The objectives of the review update are:

- To identify from a service perspective those properties that are core, those which are secondary to service delivery or are unsuitable for modern requirements, and those which are now potentially surplus to requirements
- To use this information to develop a high level property strategy concentrating on the efficient management and maintenance of the core estate, the changes required to secondary properties, and the disposal of surplus assets (Action Plan Items 3 & 5)
- To update the Council's ongoing disposal programme and the contribution this makes to the capital programme (Action Plan Item 4)
- To further inform the exploration of Property Management Joint Venture options, to establish if the value in the properties can be put to better use (Action Plan item 1)

3.3 The categorisation of the Council's assets will enable maintenance budgets to be prioritised to the core estate (Action Plan item 5), ensuring long term sustainability for service delivery. By disposing of poorly performing land and buildings, the maintenance backlog will be reduced, and there will be a positive impact on the Council's revenue account through reduced running costs.

3.4 The review will also identify those properties that can be disposed of in the short term, where the impact of the economic downturn will be least, and properties that may be suitable for Community Asset Transfer. Where
action can be taken to maximise value, such as securing planning consent for redevelopment, the impact of this action on the timetable is likely to lead to sale at a time when the market is strengthening. This will maximise the return to the Council from its disposals.

3.5 Linked to this ongoing challenge is the Accommodation Strategy which involves the implementation of a programme of works to reduce the Council’s use and occupation of office space. This focuses on locating all back office functions in the Civic Centre, and seeks to increase occupancy to the capacity of the building, thus ensuring maximum utilisation of the space.

3.6 The target occupancy rate for Civic office accommodation is 8.5M² per workstation. Through new ways of working this will ensure that occupancy rates per person can be driven down as more shared use of workstations is introduced. The Office for Government Commerce recommends a maximum of 12 M² per person for the Government estate, which is a considerably less ambitious target than that being achieved through the restacking of the Civic Centre.

3.7 Over the life of the plan, this will free up 7 other buildings for disposal or regeneration. (See Action Plan item 6).

4.0 SERVICE SPECIFIC REQUIREMENTS

4.1 This plan has been developed through consultation with representatives of all service areas, and reflects the priorities agreed in the Council’s Medium Term Financial Strategy. As part of the ongoing challenge to asset efficiency, each service is required to demonstrate a need for the assets they occupy and to show that these are being used efficiently. Service specific property requirements to be met during the life of this plan are identified below:

Children, Schools and Families (CSF):

4.2 The Capital Strategy for schools has up to recently been driven by the government’s Building Schools for the Future (BSF) programme in the secondary sector, and the Primary Capital Programme (PCP) in the primary sector. BSF was cancelled in the summer of 2010 and the government is reviewing schools’ capital, which will influence Merton’s approach in this area.

4.3 The biggest influence on assets and capital in the schools sector is the significant increase in demand for primary school places, fuelled by an increase in the birth rate of over 25%. Nine schools were expanded in reception year up to 2010/11, and major capital works are progressing to
enable schools to be permanently expanded across all primary school year groups.

4.4 The strategy has been reviewed to provide sufficient primary school places in 2011/12 and 2012/13, to provide an additional 10 forms of entry. This will have a significant impact on future years' capital programmes and in turn on the secondary schools which may need to expand to accommodate the additional pupils and overall council assets since it is being seen as a whole council approach to ensure the council's assets are fully used before new sites are purchased.

4.5 Youth centres were included in the comprehensive review which identified the following for potential future disposal

- Wyvern Youth Centre
- South Wimbledon Youth Centre (but the site is now required for re-use as a school)

The review also identified Farm Road for disposal following the short term relocation of the youth office to 21 Leyton Road (Action Plan item 9), which itself has been identified as a potential opportunity for longer term rationalisation.

Community and Housing

4.6 The Council's housing stock was transferred to Merton Priory Homes in March 2010, so all capital works and maintenance provision associated with the housing stock is now their responsibility. The requirements of the Community and Housing related services are therefore mainly related to the provision of adult education and the libraries service.

4.7 The capital programme identifies expenditure allocated to the completion of works to Merton Adult Education College to facilitate the expansion of Joseph Hood School to 2FE as part of the Schools expansion programme mentioned above.

4.8 There are no significant works identified for the Council's libraries, but there is an intention that library improvements will be secured as part of the Council's disposals programme. The ongoing need for the service is recognised so it is the Council's intention that any disposal will be conditional upon a requirement to re-provide the service to an appropriate quality and in accordance with modern day needs, and possibly in association with other services or service providers. This will ultimately reduce the Council's maintenance backlog, improve service delivery and reduce the revenue costs associated with outdated inefficient buildings. The timescale for any replacement is market dependant, but the
properties have been identified in the long term disposals programme which is likely to be implemented post 2018.

4.9 Since the last asset management plan was adopted, refurbishment works have been completed at Pollards Hill Library, which now accommodates space used for the delivery of adult learning. Merton 2015 has concentrated on assessing opportunities to make better use of existing facilities through developing greater use of space and sharing with community partners. This will be developed in liaison with the Property Management and Review Team during the plan period.

Environment and regeneration

4.10 The Environment and Regeneration department encompasses a wide range of service areas and accounts for a significant proportion of the land and buildings other than schools and offices. Overall, the landholdings used by this department are predominantly open space, transport and leisure related. The investment portfolio which is also held by the department is non-operational and therefore not a service specific requirement. There is a significant commitment to investment in the operational areas as part of the investment in the public realm of Merton as a whole. It is also recognised that such landholdings can offer opportunities to improve both the environmental and financial performance of the Council.

4.11 Of particular relevance to the management of the Council's assets are the major property related schemes earmarked for capital expenditure. These include the following for 2011/12 to 2014/15:

- Acquisitions Programme £1m allocated for 2010/11, future funding would need approval as it is required. This enables the Council to take advantage of the current poor economic conditions to acquire income producing property that will:
  - Contribute to corporate objectives, such as regeneration and economic sustainability and service delivery
  - Represent value for money by contributing positively to the Revenue Account
  - Contribute specifically to the economic development strategy by supporting local businesses

An acquisitions programme has been developed by the Property Management and Review Team and will continue to be actively progressed during the plan period (Action Plan item 8), subject to resources being available.

- Major transport schemes £10.847 million allocated for Borough Roads and bridges Maintenance, £3.6 million for footpaths and £3.8
million in 2011/12 for public transport in partnership with Transport for London. These form part of the Highways Asset Management Plan being developed in conjunction with the neighbouring boroughs in the South London Partnership. (Action Plan Item 10)

- Leisure requirements – both service and property reviews have identified that Morden Park pool is currently unsuitable for ongoing service delivery and requires significant investment. The capital programme therefore identifies allocated funding of £11m for its replacement in 2011-13 (Action Plan item 11). In addition to this, some £1.3 m is identified for upgrading plant and machinery in the leisure centres. Since the last asset management plan was prepared the contract for management of the Council’s leisure centres has been re-let through a competitive exercise, and Wimbledon Theatre has been upgraded.

- Greenspaces – some £1.6m has been identified for upgrading of toilets, pavilions, changing rooms and parks improvements across the borough.

- Regeneration partnerships – the Council continues to be committed to the regeneration of Mitcham, Morden and Wimbledon town centres. Sites have been identified for disposal in Wimbledon, but implementation of development is market driven and delivery will rely on a return to stronger economic conditions. Capital has been identified for investment to support the work required for regeneration of Morden and Mitcham, which may involve strategic land purchases if these represent value for money (Action Plan item 12). Funding of £700,000 has also been identified to support investment in the Merton’s industrial estates to create a high tech industrial park to support key economic sectors in the borough. All properties identified for disposal have been considered against their potential to contribute to these regeneration priorities as part of the ongoing property review process.

**Corporate Services**

4.12 The asset management priority for Corporate Services is the continued delivery of the accommodation strategy. This involves an ongoing programme of refurbishment, re-organisation and improvement of the Civic Centre, enabling more efficient space utilisation to free up satellite offices for ultimate disposal. This is supported by some £5m of IT investment to enable more flexible ways of working as part of Merton 2015, and £3.2 million of funding to improve windows in the Civic Centre to extend the potential useful life of the building as the Council’s corporate head office.
4.13 It is however recognised that the main Civic Centre building is now some 50 years old, and is likely to have only a medium term future life before significant works beyond refurbishment will be needed to secure its longer term use. The property review has highlighted that the building has structural limitations to future efficiency. It is therefore essential that a full feasibility assessment is carried out to assess and compare the future longer term options for the Council’s principal administrative accommodation (Action Plan item 13). This specific review will consider:

- The future anticipated size requirement for ongoing administrative accommodation for the next 30 years
- The potential for sharing any future new or refurbished accommodation with partners
- Lifecycle costing of keeping and fully refurbishing the existing building for an anticipated future life of 30 years
- Lifecycle costing of replacing the building within the next 10 years
- Alternative tenure and procurement options, and their implication for future capital and revenue costs
- Potential contribution that any change in the Council’s principal administrative accommodation could have on the delivery of its regeneration objectives

4.14 Other significant asset management requirements for corporate services are:

- Completion of DDA works to ensure full access to buildings (Action Plan item 14)
- Energy Utilities and other invest to save schemes (Action Plan item 16)
- Repairs and maintenance - funding for capital items of circa £2.7million to reduce maintenance backlog to key operational buildings (excluding the schools estate)(Action Plan item 17). The total maintenance backlog amounts to some £27,694,000, of which some £2.2m relates to the properties identified for disposal, £3.3m relates to the Civic Centre and some £18.1 million relates to the schools estate for which devolved management applies. Works priorities are as follows:

<table>
<thead>
<tr>
<th>Priority</th>
<th>Definition</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Urgent works that will prevent immediate closure of premises and/or address an immediate high risk to the health and safety of the occupants and/or remedy a serious breach of legislation.</td>
<td>£615,911</td>
</tr>
<tr>
<td>2</td>
<td>Essential work required within two years that will prevent serious deterioration of the fabric or services and/or address a medium risk to the health &amp; safety of the occupants and/or a minor breach of the legislation.</td>
<td>£15,508,690</td>
</tr>
<tr>
<td>3</td>
<td>Desirable work required within 3 to 5 years that will prevent deterioration of the fabric or services and/or address a low risk to the health &amp; safety of the occupants and/or a minor breach of the legislation.</td>
<td>£11,337,002</td>
</tr>
</tbody>
</table>
5.0 WORKING WITH PARTNERS AND THE VOLUNTARY SECTOR

5.1 The Council is committed to the principles of localism, and has a successful record of working with other agencies and community partners on asset management issues to date, including:

- Joint working with the Fire and Rescue service to see if a site can be found for their intended move to Mitcham, and to consider future uses for other rationalised sites
- Joint working with PCT or their successor to enable development of a Health Centre in Ravensbury Park
- Safer Neighbourhoods Programme partnership - use of Council property to accommodate community policing at a local level:
  - 70 South Lodge Avenue
  - One O’Clock Club Wimbledon Park
  - 3 Pincott Road
  - Wilson Avenue Shopping Parade
  - Morden Police Station
- Police occupation of Council buildings has provided income and addressed maintenance backlog, as well as impacting directly on the community priority to reduce crime and the perception of crime.
- Use of 9 Weir Road for Voluntary Organisation funded by London Borough of Wandsworth
- Inclusion in the procurement of a joint waste contract with adjacent boroughs.

5.2 The process for developing this new AMP involved direct consultation with all the Council’s strategic partners and representatives of the Voluntary Sector to further establish close links on the delivery of asset management initiatives. Those consulted included:

- NHS Sutton & Merton
- Metropolitan Police
- London Fire Brigade
- TFL
- London Borough of Lambeth
- London Borough of Kingston
- London Borough of Sutton
- London Borough of Wandsworth
- London Borough of Croydon
- Merton Voluntary Service Council

5.3 The outcome of the consultation found that there is a will amongst partner bodies to further develop working relationships for asset management through regular liaison, with a view to pro-actively sharing property information and future property needs, so that these can be co-ordinated
and all potential opportunities for property sharing can be explored with a view to maximising efficiency across the board (Action Plan item 2). Specific initiatives arising from the consultation include:

- The need for the development of a clear policy relating to Community Asset Transfer to enable community empowerment and localism – this has been initiated as part of the development of the asset management governance supporting this plan (See Appendix 4 of Corporate Governance and Policy Framework document)
- The potential to use the local NHS LIFT company to provide/support development projects for 6 local authorities in the local area
- The potential for joint development of public sector asset mapping and data gathering for all agencies and public organisations across the borough
- Development of a joint public service asset management forum – now in hand (Action Plan item 18)
- The potential future disposal of Mitcham Police Station which may provide an opportunity for the local Safer Neighbourhoods team to link to Mitcham Library
- Strategic plans for the replacement and improvement of police facilities in the borough that could offer joint development opportunities with the Council possibly including a super custody facility in Wimbledon, and a Single patrol site for the borough (dependant on outcome of comprehensive spending review)

6.0 PROPERTY MANAGEMENT ACTIONS TO MAXIMISE VALUE FOR MONEY

6.1 The Property Management and Review Team in conjunction with the Facilities Management Team are responsible for driving forward property review processes and the day to day implementation and initiation of invest to save schemes. Aside from working with service clients, as set out above, the teams challenge the way in which property management is delivered and the impact this has on revenue and capital budgeting with a view to maximising overall value for money from the Council’s estate. Activities include:

- Driving financial performance of the estate (Action Plan item 15) through:
  - Active letting of vacant units
  - Active implementation of rent reviews where this will result in increased revenue
  - Maintaining liaison with tenants to minimise voids
  - Identifying and implementing opportunities to let vacant operational space where the building cannot be disposed of
- Development of a co-ordinated policy for the future management of property subject to Service Tenancies to ensure compliance and to enable future disposals
- Review of community centres to identify ongoing need and options for future provision
- Exploring income generating opportunities from vacant or under used operational property

- Driving delivery of the Disposals Programme
  - Actively requiring service occupiers to demonstrate need for ongoing property requirements and developing performance measures to ensure optimum utilisation
  - Actively supporting clients in the relocation of services to vacate surplus space
  - Implementing marketing and disposal procedures in accordance with market conditions to maximise returns

- Driving reductions in backlog maintenance and the costs of delivering works
  - Targeting investment to core buildings to maximise value for money
  - Managing procurement of works to ensure quality, sustainability and value for money

- Driving corporate knowledge of the estate and partnership working
  - Development of formal asset management liaison meetings with key strategic partners

- Identifying and delivering invest to save initiatives to reduce running costs, carbon emissions and increase energy efficiency of operational buildings
  - Investigating the financial viability of CHP plant for the Civic Centre as part of an energy saving, resilience and disaster recovery project, and other energy saving and income generating opportunities such as increased usage of solar energy
  - Initiating the purchase and implementation of software to measure the Council’s overall emissions in line with National PI 185, to asses trends in spend, identify areas for further saving and explore e-billing
  - Supporting applications for Salix funding to support the above projects
  - Programme of replacement of lighting in the Civic Centre with energy efficient bulbs and automatic sensors to reduce usage
  - Moving to building based cost centres to enable benchmarking and targeting of resources through the implementation of the IPF property information management system
o The development of 5, 10 and 15 year planned maintenance programmes for core buildings and building elements to enable improved financial planning
o Standardisation of floor layout and furnishings and centralisation of bookings for meeting spaces to maximise occupational capacity of the Civic Centre

6.2 The Property Management and Review team have also worked with planning policy officers to ensure that appropriate representations are made in respect of Council property with development potential through the Local Development Framework process. This includes liaison in respect of:

- Suitable sites to accommodate the needs of the Waste Management Plan
- Planning policy for Colliers Wood
- Morden Town Centre Area Action Plan
- Mitcham Town Centre draft Supplementary Planning Documentation
- The identification of sites to accommodate planned housing growth of 320 dwellings per annum
- Establishment of a low carbon zone in Phipps Bridge

6.3 Further actions to be progressed during the plan period include:

- Transfer of all terrier records to electronic system to improve accessibility and efficiency (Action Plan item 19)
- Review of any remaining former Housing land for rationalisation following Stock Transfer (Action Plan item 20)
- Revisions to asset valuations to meet new IFRS requirements (Action Plan item 21)
- Development of the IPF system to enable benchmarking on utilisation to drive efficiency

7.0 PERFORMANCE MEASUREMENT

7.1 Guidance in respect of performance measurement for asset management planning has developed since the last asset management plan was reported, with the introduction of the Audit Commission Value for Money indicators. The plethora of competing PI sets generated a review of all PI's by the Property Management and Review Team as part of the preparation of this plan. A summary of the findings of the first stage of this review are set out at Appendix 1. This demonstrates that the various PI sets all include indicators that reflect the specific themes of:

- Financial performance
- Property management
- Property suitability/fitness for purpose
- Space utilisation
- Energy efficiency
- Public accessibility

7.2 It also indicates that Merton’s own local asset management PI’s similarly reflect these general areas. The second stage of this review is to critically assess the PI’s by applying LEAN working principles, to identify those that are a real benefit to driving future improvement and efficiency. A revised set of meaningful PI’s will then be recommended for future use (Action Plan item 22).

7.3 To ensure the development of best practice and enable comparison of outcomes, the Property Management and Review Team will continue to benchmark where relevant with other authorities through its involvement in the Association of Chief Estates Surveyors and IPF. The development of the IPF database will enable areas such as the utilisation of similar buildings to be recorded and benchmarked internally so that challenging targets can be set. It also has the capacity for the assessment and comparison of building by building running costs and carbon emissions. It will be developed on an ongoing basis to drive increased efficiency (Action Plan item 23).

7.4 Specific areas to be addressed through the development of performance indicators include efficiency of utilisation and energy efficiency. Existing PI’s to be retained and built on as part of the review include the following:

- Target office occupancy of 8.5M² per workspace
- Total Rent Debt outstanding as a percent of total rent for investment producing property (Target 5%)
- % of vacant commercial properties (Target 5%)
- Annual reduction in the level of CO2 emissions from the Council’s office accommodation buildings
- Overall return on non-operational assets
- Time taken to re-let vacant commercial premises (average)
LONDON BOROUGH OF MERTON – ASSET MANAGEMENT PLAN
ACTION PLAN 2011-2015

<table>
<thead>
<tr>
<th>ITEM</th>
<th>ACTION</th>
<th>TIMESCALE</th>
<th>DELIVERY REQUIREMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Examine the business case for alternative forms of asset management including Local Asset Backed Vehicle, Local Incentive Backed Vehicle, Development Partnerships and other appropriate opportunities</td>
<td>March 2011</td>
<td>Maximise the future benefit of the value tied up in the Council’s assets.</td>
</tr>
<tr>
<td>2</td>
<td>Development of joint asset planning with strategic partners</td>
<td>Ongoing since last plan and to 2015</td>
<td>To seek opportunities to secure financial and service delivery efficiency through sharing of facilities and joint commissioning where appropriate</td>
</tr>
<tr>
<td>3</td>
<td>Develop property strategy from updated review</td>
<td>June 2011</td>
<td>Communicated strategy to inform targeting of maintenance budgets. Move towards minimum effective estate.</td>
</tr>
<tr>
<td>4</td>
<td>Update and progress delivery of Disposals Programme</td>
<td>Update March 2011 Delivery according to programme</td>
<td>Maximum financial benefit from surplus property. Meet capital receipt targets in MTFS</td>
</tr>
<tr>
<td>5</td>
<td>Re-prioritise maintenance budgets to reflect property strategy</td>
<td>June 2011</td>
<td>Maximise value for money from maintenance programme, ensure long term sustainability of core estate.</td>
</tr>
<tr>
<td>6</td>
<td>Continue to deliver Civic Centre refurbishment and restacking. Relocate appropriate functions from satellite office locations to Civic Centre</td>
<td>July 2011 for vacating premises. CC Refurbishment ongoing.</td>
<td>Enable disposal or regeneration of Russell Road, Chapel Orchard, Gifford, Farm Road, Pincott, Cobham Court and Worsfold offices</td>
</tr>
<tr>
<td>7</td>
<td>Review of parks and open spaces to identify opportunities for existing built areas to offer increased revenue or capital receipts, and to consider alternative management options including trusts</td>
<td>September 2011</td>
<td>Maximise value for money whilst retaining and enhancing community and environmental benefit</td>
</tr>
<tr>
<td></td>
<td>Progress strategic acquisitions programme, including acquisition of a school site if a suitable location can be found</td>
<td>June 2011 and in accordance with disposals programme to enhance value. Investment ongoing where financially justifiable.</td>
<td>Increase income and contribute to revenue account, secure economic development and regeneration advantages</td>
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<tr>
<td>9</td>
<td>Relocate Youth Office to free up Farm Road pavilion for disposal or income generation</td>
<td>March 2011</td>
<td>Maximise value for money</td>
</tr>
<tr>
<td>10</td>
<td>Development and communication of Highways Asset Management Plan in conjunction with South London Partnership.</td>
<td>March 2012 for street lighting element, which is funded. Remainder subject to funding.</td>
<td>Improve service delivery and maximise value for money.</td>
</tr>
<tr>
<td>11</td>
<td>Redevelop/re-provide Morden Park Pool/Leisure Centre, subject to confirmation of funding</td>
<td>March 2014</td>
<td>Improve service delivery, improve building efficiency, reduce maintenance backlog</td>
</tr>
<tr>
<td>12</td>
<td>Continue to promote and enable regeneration priorities in Morden, Mitcham and Wimbledon Town Centres</td>
<td>Develop programme for each project by December 2011</td>
<td>Economic sustainability, environmental improvements and economic development</td>
</tr>
<tr>
<td>13</td>
<td>Instigate a full feasibility study into the future options for long term administrative accommodation (Civic Centre feasibility)</td>
<td>Feasibility study March 2011</td>
<td>Sustainability, Economic regeneration, financial efficiency.</td>
</tr>
<tr>
<td>14</td>
<td>Complete DDA works</td>
<td>March 2012</td>
<td>Sustainability</td>
</tr>
<tr>
<td>15</td>
<td>Continue to drive performance of the estate in particular through exploiting opportunities for generating additional income generation during poor economic climate</td>
<td>Linked to invest to save and disposals programme.</td>
<td>Maximise value for money</td>
</tr>
<tr>
<td></td>
<td>Implement Invest to Save programmes in particular those with income generating potential such as increased use of solar power.</td>
<td>Solar panels March 2012, subject to funding.</td>
<td>Sustainability</td>
</tr>
<tr>
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<tr>
<td>17</td>
<td>Address maintenance backlog through targeted VFM maintenance strategy (see 6 above)</td>
<td>2011-2015+</td>
<td>Sustainability</td>
</tr>
<tr>
<td>18</td>
<td>Ongoing liaison with strategic partners on asset management through regular Liaison meetings</td>
<td>Quarterly from 2011</td>
<td>Efficiency, sustainability and economic regeneration</td>
</tr>
<tr>
<td>19</td>
<td>Transfer of all terrier records to electronic system to improve accessibility and efficiency</td>
<td>By June 2011</td>
<td>Efficiency</td>
</tr>
<tr>
<td>20</td>
<td>Review of any remaining former Housing land for rationalisation following Stock Transfer</td>
<td>Update June 2011 delivery in conjunction with disposals programme</td>
<td>Identify any liabilities and options for rationalisation to reduce impact on revenue account</td>
</tr>
<tr>
<td>21</td>
<td>Revisions to asset valuations to meet new IFRS requirements</td>
<td>March 2011</td>
<td>Compliance with financial requirements</td>
</tr>
<tr>
<td>22</td>
<td>Development of new LEAN set of AMP performance indicators</td>
<td>June 2011</td>
<td>Efficiency</td>
</tr>
<tr>
<td>23</td>
<td>Development of IPF system to enable performance measurement, benchmarking and target setting to further drive efficiency</td>
<td>June 2011</td>
<td>Efficiency and Sustainability</td>
</tr>
</tbody>
</table>