



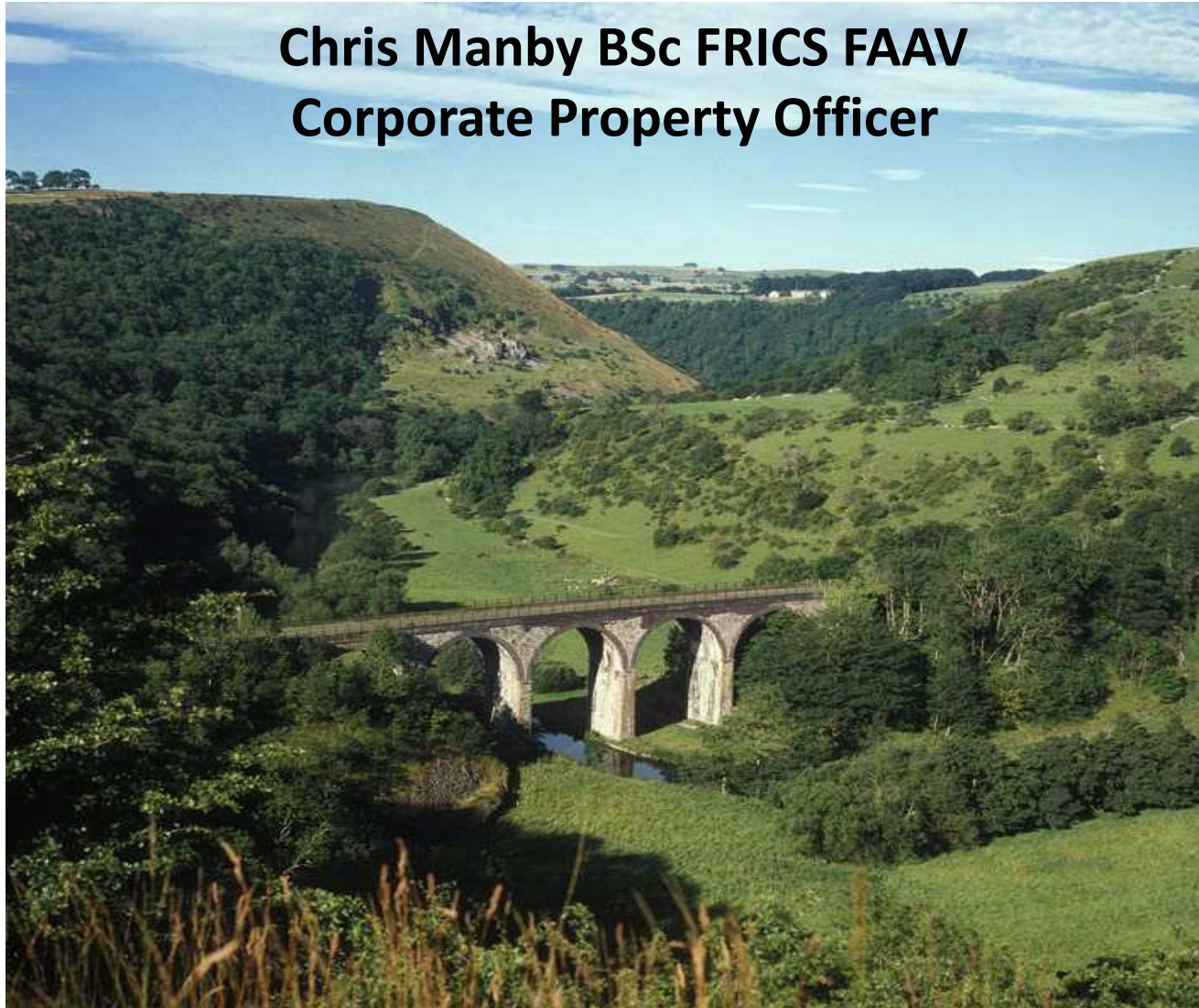
APPENDIX 1 : Members Forum

1st December 2017

Asset Management



Chris Manby BSc FRICS FAAV
Corporate Property Officer





Aims of Forum

- Corporate Property Officer role
- Our property portfolio
- The Strategic Asset Management process
Financial performance (Philip Naylor)
- Key point resume and discussion
- Woodlands disposal project



Corporate Property Officer role

Role

- One year post ending in May 2018 and with the possibility of extension
- 15 days per year allocation
- Concentrate on strategic asset management and plan
- Directly responsible to Senior Leadership Team



Quiz !

How many separate 'sites' do we manage ?

200

How many buildings and structures do we manage ?

350

How many staff work in our properties?

275

How many peoples live in our properties?

80

How many tenancies and licences are granted to use our land and buildings?

150

How much would our property be worth on the open market ?

£30 million

Deliver our services from

- Aldern House
- Fieldhead (MFF)
- 16 Ranger Briefing centres, workshops and storage
- New base for Countryside Maintenance and Projects Team
- Educational – Bottoms Classroom
- Community use - Langsett Barn
- Volunteer bases at Brunts Barn and Marsh Farm



Service delivery and income raising platforms

- 4 Visitor centres
- 4 Cycle Hire centres
- 43 Car Parks
- 18 Toilets
- 15 Refreshment concessions and café
- 4 Trails
- North Lees and Fieldhead campsites



Make our direct contribution to the 7 special qualities of the National Park

- Warslow Moors Estate
- North Lees /Stanage Estate
- 21 Minor properties
- 124 Woodlands (under management)





Our Property portfolio

Working in partnership for landscape scale delivery – our indirect contribution to the special qualities

- Eastern Moors Estate
- Roaches Estate





Strategic Property Asset Management

It is the process which aligns business and property strategies, ensuring the optimisation of an organisations property assets in a way which best supports its key services and the business goals and objectives

Property Management

Property management relates to the day-to-day work that keeps land and building operating.

- The strategic property asset management function must embrace and be supported by the whole organisation
- A successful organisational culture, therefore, will see the use of property assets as a corporate issue and the efficiency and effectiveness of property asset use, as a corporate responsibility



Strategic Asset Management the process

The 'classic' Asset Management Plan is part of the wider process

Stage 1- Preparing for property asset planning

Stage 2- Property Asset Management strategy

Stage 3- The Property Asset Management Plan

Stage 4- Property Asset Programme and delivery

Stage 5- Delivery review

Stage 6- Structure to Deliver



Stage 1 of the process

The following components need to be in place before we embark on the process and move on to the next stages.

1. Political/organisational appetite for the task and change
2. Up to date condition surveys of all our properties
3. Capacity to deliver to deliver the whole process

Political/organisational appetite for the task and change

- **Corporate Priority 17/18**

‘We will have an updated Asset Management Plan which aligns with the Corporate Strategy and sets out the need and scope for improvements in a targeted way’

- **SDM agreement that we are not ready for full scale Asset Management Review**

- **Revised Corporate Priority 18/19**

We will have all the relevant information (in particular condition surveys of all our properties), plans and resources to undertake a review of the Asset Management Plan.

- **Revised Corporate Priority agreed by Members**

- **Members Asset Management Forum**

Up to date condition surveys – started 2016

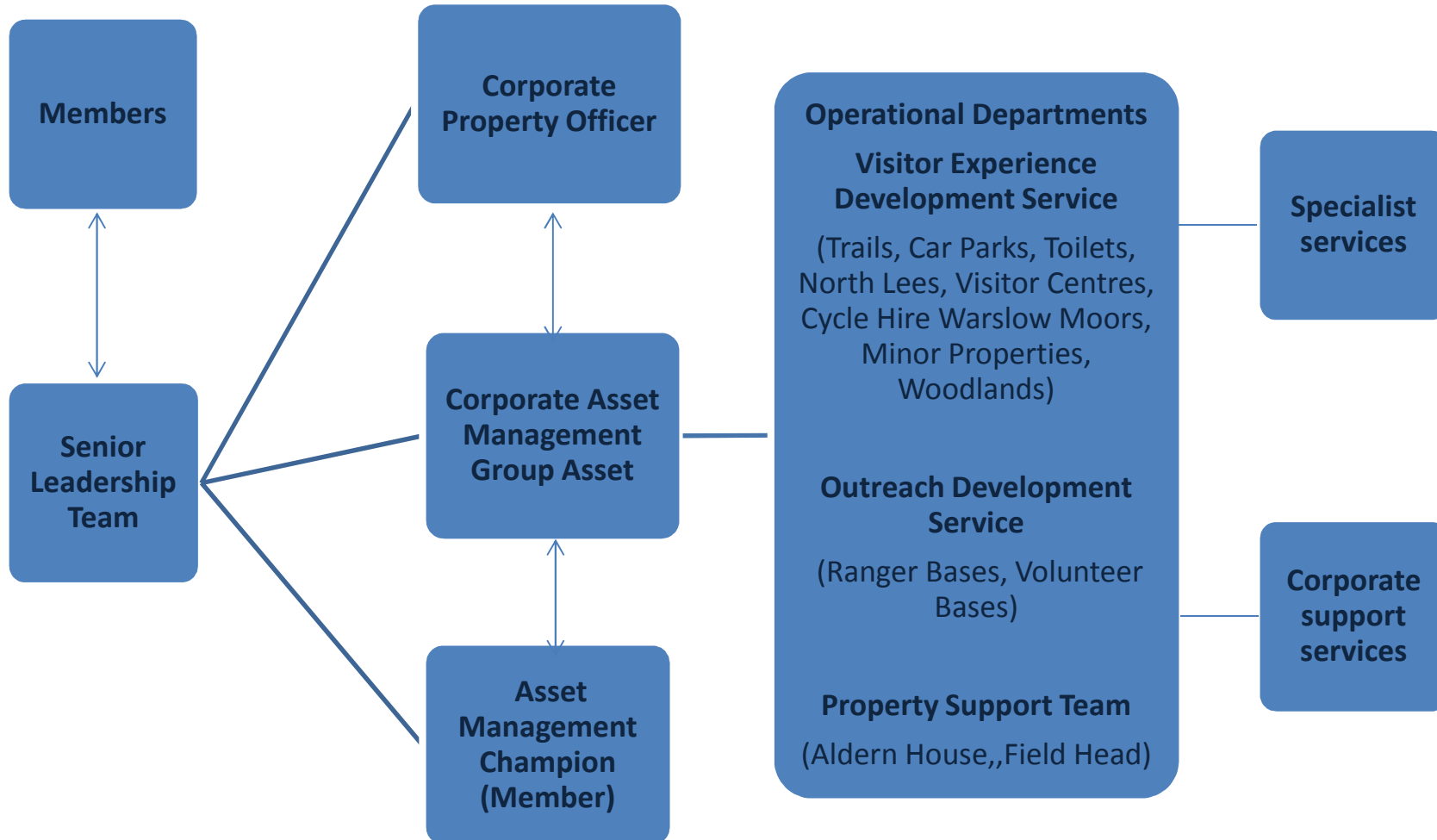
- High Priority – completed 2016/17 (about 30% of properties)
- Medium Priority – currently underway 2017/18
- Low Priority – to be undertaken in 2018/19 if sufficient staff resources are available

Estimated costs of addressing defects within High Priority properties:

- Urgent works £500,000 (advised to be undertaken within 12 months)
- Non-urgent works £300,000 (advised to be undertaken within 2-5 years)
- Estimated cyclical maintenance costs of £35,000 pa once backlog dealt with.

Governance, structure and capacity to deliver the whole process over the next 3 years

- Existing operational service delivery via Directorates
- Senior manager for property asset management
- Corporate property asset management group
- Property asset champion (Tony Favell)
- Report to Senior Leadership Team
- Regularly involve and update Members





What's next?

- We have revised our existing Action Plan with clear distinction between Strategic and Property Management actions
- We re-establish Integrated Property Board as Corporate Asset Management Group to only deal with Strategic actions
- We complete the Condition Surveys in 18/19
- We then re-consider the need for and capacity to undertake a 'classic' Strategic Asset Management Plan in 19/20
- We design a timetable including Member involvement at key stages

Summary

- The Authority owns & manages a superb property portfolio with significant opportunities as well as liabilities
- The portfolio supports many of our services and objectives and is a key component of our overall business strategy and resourced and managed accordingly
- It is proposed that a refreshed short-term and longer term Asset Management process will commence
- The process will challenge each of our Services to review what property they need and can manage well within their resources
- Where ownership of property assets is not necessary, or is discretionary, financial objectives may be set to minimise or eliminate the cost of ownership
- These financial objectives may also be set for certain services which are discretionary and are capable of income recovery



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Woodland Disposal Project 2015



By Sarah McKay, Rural Surveyor
Presented by Chris Manby, Corporate Property
Officer



Background

DTZ/SG-Strategic Review of Property (2013)

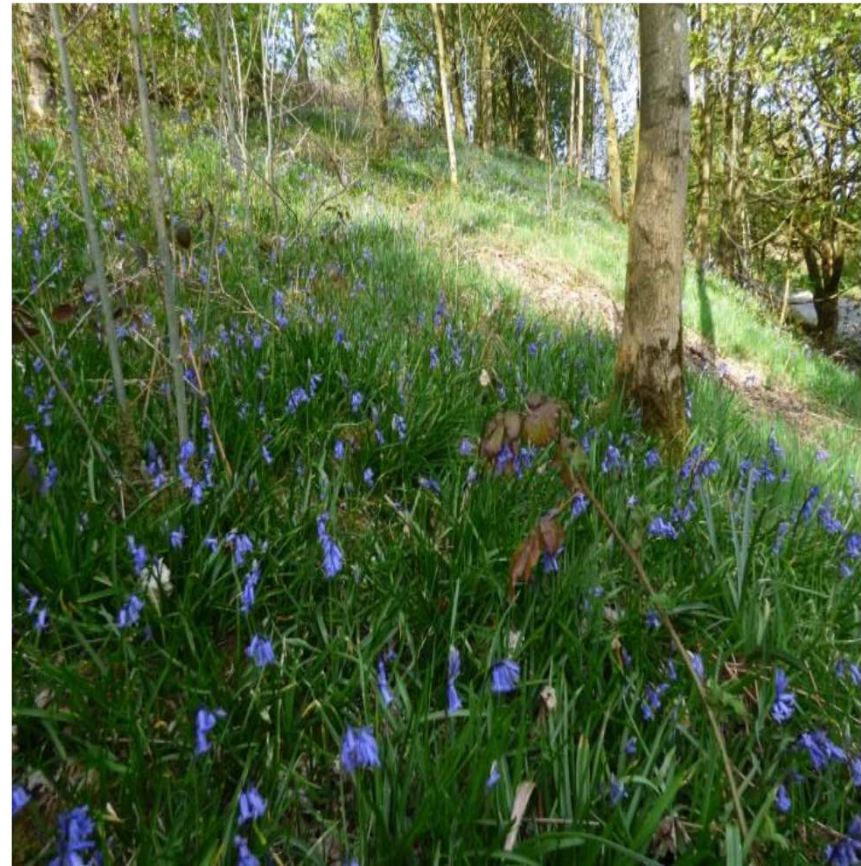
- Important for Authority still to own woodland as 'it is important to 'do' as well as to 'advise' as this has greater impact with farmers and landowners'. However, recognised that 'co-ordinating management over a large number of small blocks is difficult and costly'
- Significantly reduce number of woodlands under management so that it 'would be an easier amount of woods to manage.... but still be large enough that the Authority is a major woodland owner in the National Park'.
- Recommended that the woodland portfolio should be reduced by a half. 12 woodlands on the Eastern Moors and Roaches Estates were leased out before and around that time.



Background

- The Authority managed **124** woods at the start of the project in 2015.
- Four tenures - 80 freehold, 38 leasehold, 4 management agreements and 2 unregistered
- Woodlands were assessed for disposal against a select list of criteria including biodiversity, access and recreation, landscape
- Woodlands categorised into 3 categories. Category 1 for disposal, category 2 possible disposal and category 3 not to be disposed
- Members approved the disposal by freehold sale of 17 woodlands in category 1 and a further 28 woods in category 2.

- 2015 Tenders invited from agents to sell woodlands in Phases 1 and 2.
- Fisher German appointed.
- 2016 Tenders invited from agents to sell Phases 3 and 4 woodlands.
- Bagshaws appointed.
- Spring 2018 Phase 5 to be launched



Freehold sales Phase 1 and 2

Phase 1

Name of wood	Location	Area (ha)	Area (acre)	Guide price	Sold price
Coronation Plantation	Near Hathersage, Derbyshire	1.14	3.09	£14,000	£16,135
Nabb's Quarry Wood	Wildboarclough, Cheshire	0.44	1.09	£8,000	£12,321
Newhaven Plantation	Newhaven, Derbyshire	1.8	4.45	£15,000	£27,777
Shay Bends Wood	Calver, Derbyshire	0.9	2.22	£3,000	£3,940
Slack Hall Wood	Chapel-en-le-Frith, Derbyshire	3.1	7.41	£13,000	£15,000.33
Wetton Wood	Wetton, Derbyshire	0.16	0.39	£5,000	£8,580
	Total	7.54	18.65	£58,000	£83,753

Phase 2

Name of wood	Location	Area (ha)	Area (Acre)	Guide price	Sold price
Blore Pasture Wood	North of Ilam, Staffordshire	0.65	1.6	£8,000	£15,566
Bonsall Lane Wood	South of Winster, Derbyshire	0.12	0.3	£7,000	£7,100
Lamb Quarry Wood	North of Chinley, Derbyshire	4.37	10.79	£32,000	£37,120
Rakes Farm Wood	Monyash, Derbyshire	0.37	0.91	£8,000	£12,400
Worm Wood	Bakewell, Derbyshire	6.52	16.11	£20,000	£25,000
Long Gallery Wood	Middleton-By-Youlgreave, Derbyshire	1.66	4.1	£15,375	£15,375
	Total	13.69	33.81	£90,375	£112,561

Freehold sales Phases 3 and 4

Phase 3					
Name of wood	Location	Area (ha)	Area (Acres)	Guide price	Sold price
Bradshaw Edge	North west of Eyam, Derbyshire	2.12	5.23	20,000	£20,000
Heathfield Nook Wood	South of Buxton, Derbyshire	1.96	4.84	20,000	20,000
Smalldale Plantation	South of Peak Forest	2.66	6.57	30,000	36,000
Stonepit Plantation	North west of Peak Forest	0.68	1.68	Offers invited	2,750
Total		7.42	18.32	70,000	£78,750

Phase 4					
Name of wood	Location	Area (ha)	Area (Acres)	Guide price	Sold price
Cotesfield Plantation	North of Parsley Hay	2.09	5.16	20,000	£36,000
Jackson's Plantation	Peak Forest	1.98	4.89	20,000	26,550
Total		4.07	10.05	40,000	£62,550

Freehold

- 18 woodland sales completed and 5 sold subject to contract - £389,714
- Phase 5- a further 5 woods at an estimated value around £50,000 will be put on the market next Spring
- Total predicted gross capital receipts **£ 440,000**
- Range of prices £1,550 per acre to £23,666 per acre
- Adjusted average per acre of sold woods **£5,250** (about what was expected)
- Receipts added to Capital Fund for re-investment subject to Business Cases

Leasehold

- 9 leasehold woods have come to the end of the lease and have not been renewed
- Further reduction in the number of leasehold woods are currently being considered and a report to ARP will be presented early next year.
- However many of these leases are for long periods and the owners may not be prepared to accept early termination by the Authority

Summary

- By end of 2018, it is hoped that the Authority will have reduced the managed portfolio of woods from **124** to **88**, a reduction of **33**.
- Medium to longer term reduction in woodlands annual revenue cost of £57,000.



Who is buying the woodlands?

A grandfather looking to leave a legacy for his grandchildren



An individual hoping to use his woodland as a forest school for young people in the local area



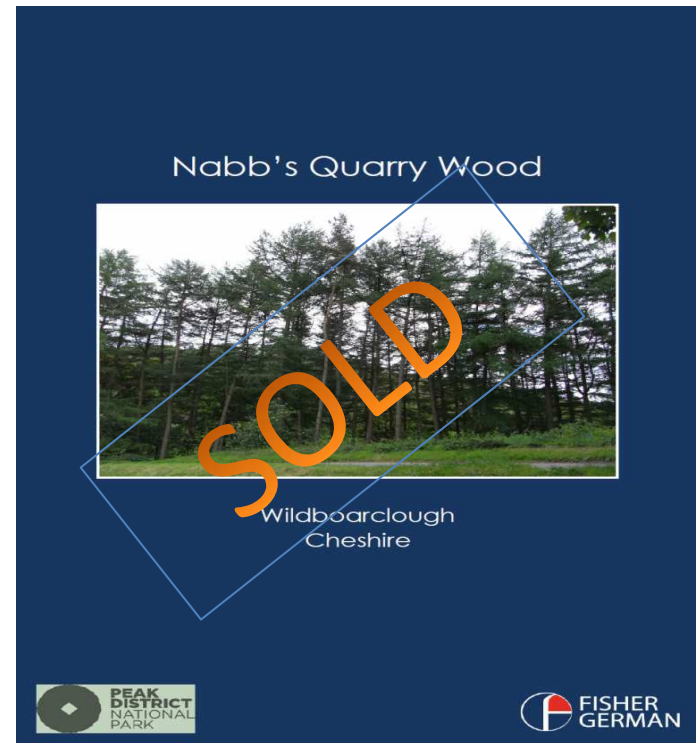
A couple seeking to own a woodland to enjoy with their two young children

A hobby conversationalist passionate about wildlife





Significant surveyor and legal time committed over sustained period





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Thank you

