

## **9. CORPORATE PROPERTY ASSET MANAGEMENT PLAN (CPAMP) (CBM)**

### **1. Purpose of the report**

This report presents a new Corporate Property Asset Management Plan (2020-2024) for Members consideration.

#### **Key Issues**

- **The Authority has a considerable, complex and varied property portfolio.**
- **It delivers and presents great opportunities to contribute to our corporate strategy and National Park Management outcomes.**
- **However, a portfolio of this scale poses challenges, liabilities and risks.**
- **The CPAMP identifies the resultant financial challenge to the Authority.**

### **2. Recommendation**

- 1. To approve the Corporate Property Asset Management Plan and associated appendices**

**How does this contribute to our policies and legal obligations?**

#### **The Corporate Strategy (2019-24)**

#### **Our organisational performance**

The Peak District National Park Authority is an agile and efficient organisation

Our well- maintained assets support the delivery of our landscape, audience and community outcomes.

#### **KPI 26 –**

**Develop a corporate Asset Management Plan – Director of Corporate Strategy and Development and Corporate Property Officer (CPO)**

### **3. Background Information**

The work on the new CPAMP follows the previous ‘Strategic Property Review’ undertaken by external consultants in November 2013. This Review was approved as the Authority’s then Asset Management Plan. One of many recommendations of the Review was the disposal of certain properties or groups of properties to reduce the size of the Authority’s property portfolio.

A programme of disposals have been implemented over the last 6 years and is continuing. The disposal of Losehill Hall Bungalow, Warren Lodge on the Eastern Moors Estate, 27 freehold and 10 leasehold woodlands and one Minor Property have now been completed. Proceeds have amounted to £1.6 million and been added to the Authority’s Capital Fund.

Work on the new CPAMP began in June 2017. Initial work was undertaken in ‘raising the profile’ of the property portfolio with the Senior Leadership Team and Members. The concept of asset management planning being an integral part of the Authority’s business process was introduced. Members at the Audit and Performance Committee approved the process and timing for producing an Asset Management Plan in January 2018. (Minute No:10/18)

The CPAMP has been developed through a re-formed ‘Corporate Property Asset Management Group’ (previously the Integrated Property Board) chaired by the CPO. Other members of the Group are the Director of Corporate Strategy and Development, Head of Finance, Head of Law, Head of Strategy and Performance, Head of Visitor Experience Development, Head of Engagement and Corporate Property Team Manager. The work of the Group has periodically been reported to the Senior Leadership Team and the draft CPAMP was considered and approved at the Resource Management Meeting on 21<sup>st</sup> January 2020 (Minute No: 2/20a).

#### **4. Proposals**

The executive summary from the CPAMP is re-produced below.

The Peak District National Park Authority has a considerable, complex and varied property portfolio.

**It delivers and presents great opportunities to contribute to our corporate strategy outcomes by:**

- Accommodating staff and tenants in good working and living conditions
- Leading and demonstrating sustainable management of high value natural and cultural heritage sites
- Providing renowned visitor and engagement experiences
- Accommodating our own trading operations and maximizing other income streams
- Fostering the social and economic well-being of the local population by providing facilities for private farm and other commercial enterprises
- Leading and demonstrating sustainable management in the face of climate change

**However, a portfolio of this scale poses challenges, liabilities and risks such as:**

- Maintenance and repairs on a historic, pro-active and re-active basis
- Regular capital projects to refurbish existing buildings or new (often grant- aided) projects
- The expectation of significant increased investment in measures to mitigate carbon emissions from all our properties
- A range of staff across the Directorates administers the property to deliver a range of outcomes
- Defra do not specifically recognise that ownership of property is necessary for National Park Authorities, within the current National Park Grant formula
- Some other National Park Authority’s achieve National Park purposes without extensive property holdings

**This Plan identifies the financial challenge to the Authority to:**

- Catch up with a ‘backlog’ of maintenance and repairs to our properties
- Budget for future on-going pro-active maintenance
- Plan and build up reserves to fund likely repairs/replacements after 2024
- To prioritise the many capital investment projects including mitigation against climate change

The financial requirement within the next 4 years of £3,500,000 has a reasonable probability of being covered by the existing Capital Fund, approved disposals, borrowing capacity, property reserves, potential grant aid and any revenue contributions available, subject to a future Capital Strategy being approved by Members.

However, there remains a significant medium and long-term financial requirement that the Authority will need to meet. Planning for this will be considered as part of the Authority's normal financial processes and the following sources of funding will be explored.

- Revenue (for maintenance and repair)
- Increased revenue income from property or trading
- Capital investment (the Capital Fund and borrowing)
- External Grant Aid
- Visitor giving and sponsorship

However, if it is not possible to finance the requirements from these sources, it **may** be that further property disposals (of whole or part) will be required. It may also be that some properties can be used more efficiently. It is therefore prudent to investigate opportunities in this respect as well as strengths, weaknesses or threats that such a strategy would entail. Investigations will include considering the 'inalienable' constraints on the Warslow Moors Estate with relevant Government Departments.

Carefully considered strategic acquisitions, which also raises income could also be considered.

It could be concluded that further disposals are inadvisable or inappropriate. However, early consideration would put the Authority in the best place to make decisions based on carefully considered detailed analysis and consultation.

It is recommended that the following properties be investigated in order of the priority below in the next 2 to 3 years.

- 1<sup>st</sup> Warslow Moors Estate
- 2<sup>nd</sup> Aldern House
- 3<sup>rd</sup> Fieldhead ( Edale)
- 4<sup>th</sup> North Lees /Stanage Estate
- 5<sup>th</sup> Other properties.

An Action Plan to examine these issues is provided at Appendix 6. It forms the key working document to agree actions, timetables and outcomes.

## 5. Are there any corporate implications members should be concerned about?

### Financial:

2020-2024	
Type of expenditure	£
Condition Survey estimate to bring properties up to a satisfactory condition - Revenue	£700,000
Condition Survey estimate to bring properties up to a satisfactory condition-	£1,300,000

Capital	
Potential Capital Projects	£550,000
Carbon Management Programme	£1,000,000
<b>Total</b>	<b>£3,550,000</b>

<b>2024-2039</b>	
<b>Type of expenditure</b>	<b>£</b>
Medium term maintenance 2024-2029	£1,800,000
Long term maintenance 2029-2039	£700,000
Potential Capital Projects	£200,000
Carbon Management Programme	£2,000,000 – 3,500,000
<b>Total</b>	<b>£6,200,000</b>

6. The above figures are intended to provide insight into the required resource levels, which may be required. Expenditure is subject to approval in a future Capital Strategy and / or specific business cases, unless specific approvals are already in place.

**Risk Management:**

Risk Management issues are considered in Section15 of the CPAMP

**7. Sustainability:**

Sustainability is considered in Section10 of the CPAMP

**8. Equality:**

N/A

**9. Background papers (not previously published)**

**10. Appendices**

- Appendix 1: Corporate Property Asset Management Plan
- Appendix 2: General description of the property portfolio
- Appendix 3: List of Provisionally Surplus Properties
- Appendix 4: Asset Disposal Procedure (2020)
- Appendix 4a: Disposal Procedure
- Appendix 5: Asset Disposal 'tool kit' (2020)
- Appendix 6: Action Plan (2020 -2024)

**Report Author, job title and publication date**

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