

PEAK DISTRICT NATIONAL PARK AUTHORITY

CORPORATE PROPERTY ASSET MANAGEMENT PLAN 2020–2024

EXECUTIVE SUMMARY

The Authority has a mixed portfolio of land and buildings.

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 properties to deliver a wide 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 Authorities 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
- Prioritise the many capital investment projects including mitigation against climate change

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

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[Appendix 1](#)

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 raise 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 to identify the most appropriate management action in the next 2 to 3 years.

1st Warslow Moors Estate

2nd Aldern House

3rd Fieldhead (Edale)

4th North Lees / Stanage Estate

5th Other properties.

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

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1. INTRODUCTION

The Authority owns or leases about 6,070 hectares (15,000 acres) of property within the National Park. This is around 5% of the whole National Park area. The properties are comprised of a very diverse mixture, ranging from traditional tenanted agricultural and woodland estates, individual woods, and disused railway lines converted to recreational routes, to the HQ building at Bakewell, and Ranger, Visitor and Cycle Hire Centres. The whole portfolio would probably be worth up to £30,000,000 on the open market.

The property management responsibility is very significant. The following statistics give some indication of the scale of the Authority's operation:

- 200 separate ~~'sites'~~
- 350 buildings and structures many being of traditional vernacular construction
- 275 staff work in our properties
- 80 people live in our properties
- 150 ~~tenancies~~ and licences are granted to use our land and buildings.

The Authority has acquired the properties over many years, either for specific operational reasons or because acquisition was seen as the best or only means of achieving National Park purposes. The ~~'peak period'~~ was in the 1980s when the Monsal Trail, Eastern Moors and Warslow Moors estates were acquired.

The transfer of the Warslow Moors Estate from the Government to the Authority in 1986 was in particular a major acquisition of a traditional ~~'landed'~~ estate with a large maintenance backlog. Another significant event was the re-opening of the previously ~~'closed'~~ tunnels in 2014/15 on the Monsal Trail that transformed the facility and the cost and management input required.

The advent of cuts to the Authority's budgets in 2011 saw the disposal of the National Park Study Centre at Losehill Hall and then a policy to ~~'downsize'~~ the portfolio by disposal of two large properties to ~~'partner organisations'~~. The Eastern Moors Estate (2,505 ha) was leased to a partnership of the Royal Society for the Protection of Birds and the National Trust in 2011. The Roaches Estate (394 ha) was leased to Staffordshire Wildlife Trust in 2013.

In the last 5 years, other properties (mainly individual woodlands) have been sold with net capital proceeds of around £1.6 million.

This Plan will be in operation from 1st April 2020 to 31st March 2024.

The purpose of this Plan is to provide a strategic and consistent approach to the management of our property portfolio, to ensure it meets our corporate strategy objectives, is well maintained and financially sustainable. The Plan concentrates on three key strategic questions, namely:

- 1. Is the scale of our existing portfolio required to meet the Authority's needs?**
- 2. What are the costs of current and future building maintenance?**
- 3. How and at what cost will we need to adapt our buildings to meet our net zero carbon target?**

In order to meet this strategic approach, the following will be undertaken:

[Appendix 1](#)

- Review all Authority properties to ensure they deliver National Park purposes and our Corporate Strategy targets, including the generation of additional revenue income for the near future.
- Recommend the disposal of any properties that no longer meet National Park purposes and our Corporate Strategy outcomes. Disposal could be by sale, ending leases or other transfer arrangements.
- Define the standard of condition for our properties and develop a plan to ensure all meet this.
- Identify the annual maintenance including statutory requirements for inspections, and define who will be responsible for undertaking the works.
- Identify future repair and maintenance requirement in the next 5 years and any major liabilities envisaged in the next 20 years.
- Consider what capital investment is required to develop our services and further contribute to National Park purposes and our Corporate Strategy outcomes.
- Acquire any new properties that better meet National Park purposes or our Corporate Strategy outcomes.
- Define what standard of environmental performance our properties should achieve and the costs of doing so.

The benefits to the Authority are:

- A property portfolio that meets our statutory purposes duty and delivers our Corporate Strategy outcomes on landscape, audiences and communities.
- A property portfolio that is well-maintained, consistently managed and a credit to the Authority.
- A property portfolio that is financially sustainable within the likely future resources of the Authority.
- Identification of the risks and liabilities involved with property ownership and management, and ensuring that these are properly taken account of in the normal (business as usual) processes and any development proposals being considered.

2. THE CONTEXT

Property Asset Management

This Corporate Property Asset Management Plan has been produced drawing on several sources of reference. These include the RICS Public Sector – Property Asset Management Guidelines and examples of asset management plans / strategies from other organisations including National Park Authorities. It has also drawn on previous Asset Management Plans and the Strategic Property Review previously undertaken by the Authority.

One classic definition of an Asset Management Plan is that it is “the process which aligns business and property strategies, ensuring the optimisation of an organisation’s property assets in a way which best supports its key services and the business goals and objectives” [RICS](#).

It does not cover property management that relates to the day-to-day work that keeps land and buildings 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.

Policies and strategies

The Plan has been developed within the ‘context’ of the following policies and strategies.

The National Park Management Plan (NPMP) (2018-23)

The NPMP is the partnership plan for the place (the National Park) - providing the framework for all Peak District stakeholders to work together to achieve National Park purposes and conserve and enhance the special qualities. It outlines the main issues and priorities for the place and sets out how, together, these will be tackled.

The Corporate Strategy (2019-24)

Through the corporate strategy, the Authority delivers its contribution to the National Park Management Plan.

The vision – For the Peak District to be loved and understood as the UK’s original National Park.

The mission – To speak up for and care for the Peak District for all to enjoy forever.

The strategy is organised around three outcomes. The outcomes, KPIs and their targets guide the Authority’s work for the next five years.

The outcomes work together as an integrated set, rather than in isolation. The three outcomes are:

Outcome 1: A sustainable landscape that is conserved and enhanced

- Distinctive landscapes that are sustainably managed, accessible and properly resourced
- High quality habitats in better condition, better connected and wildlife rich
- Cherished cultural heritage that is better understood and looked after

Outcome 2: A National Park loved and supported by diverse audiences

- Greater audience reach among under-represented groups
- A strong identity and excellent reputation driving positive awareness and engagement
- Active support through National Park touchpoints to generate sustainable income

Outcome 3: Thriving and sustainable communities that are part of this special place

- Influencing and shaping the place through strategic and community policy development
- Community development through building capacity, skills and engagement in local governance and community events
- Active participation through sustainable projects that connect people to place

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 236:

- Develop a Corporate Asset Management Plan —~~Director of Corporate Strategy and Development and~~ Corporate Property Officer
- Develop and implement a new Carbon Management Plan for the Authority - ~~Director of Corporate Strategy and Development and Head of Strategy and Performance~~Head of Asset Management

The three Corporate Strategy outcomes and our organisational performance are key to our future decision-making with regard to our property assets.

Financial

-National Park Authorities were granted a settled budget until 2020, albeit at a level of central government grant some 35% lower in real terms than its level in 2010. Significant efforts have been made to compensate for the reduction in budget by taking a more commercial approach to our operations, and in particular exploring opportunities to increase ~~‘visitor giving’~~ and leverage of other external funding avenues. A separate charity to the Authority, the Peak District National Park Foundation, has been established to help with this task. It was recognised when developing the current Corporate Strategy that generating such ~~‘sustainable’~~ income would take time.

Our Corporate Strategy KPI 1314: the amount and sustainability of Peak District National Park Authority’s income stream is to generate an extra ~~£225500~~,000 sustainable gross

revenue income by 2024, commencing with a target of an extra ~~£90~~£140,000 in ~~2019/2021/22~~.

~~The financial settlement finishes in 2020 and we do not yet know what the new settlement from Government will be under the one year (Comprehensive) Spending Review. Early indications (at the time of writing in 2019) are that any settlement will be static at best and indeed may face a reduction in real terms.~~ There are also pressures on the Authority's existing budget with regard to pension provision and pay scales.

External political, economic, social and technology influences (PEST)

The effect of having left the European Union is another unknown factor, and this could result in a significant change in the way that funding programmes are delivered to property managers. This may be negative or positive but the Authority's property portfolio may be well placed to deliver 'public goods' under the new proposed Environmental Land Management Scheme (ELMS) and other schemes.

~~It is not yet known if and how Government in the next 4 years will take the Landscapes Review forward~~The Authority will respond to Government Initiatives and funding opportunities as details emerge, to achieve the best outcome for the place.

3. THE ASSET MANAGEMENT PROCESS

External consultants (DTZ/Smiths Gore) undertook the previous 'Strategic Property Review' on behalf of the Authority in 2013. Many of the recommendations in that review have been implemented. In particular, the key recommendation to reduce the size of the Authority's property portfolio has steadily progressed. Proceeds have amounted to £1.6 million and been added to the Authority's Capital Fund.

~~Work on the new Corporate Property Asset Management Plan (CPAMP) began in June 2017.~~

The Plan has been developed through a re-formed 'Corporate Property Asset Management Group' (previously the Integrated Property Board) chaired by the Corporate Property Officer. Other members of the Group ~~were~~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 Manager. The work of the Group has periodically been reported to the Senior Leadership Team.

Fundamental to the development of the CPAMP has been the collection of data relating to the whole property portfolio.

In particular, since 2017 Condition Surveys have been undertaken for all our built properties. This is the first time that this has been done in a comprehensive way. Other data collected has been with regard to tenure (freehold or leasehold), constraints (e.g. lease terms, grant conditions), one-off larger costs in the future (5-10 years and 10-20 years), cyclical maintenance costs, future significant extra income potential, asset values and potential disposal proceeds of properties recommended for disposal. Additionally,

aspirations for current and future capital investment projects across the portfolio have been collated.

4. PROPERTY CATEGORIES - THEIR CONTRIBUTION TO CORPORATE STRATEGY OUTCOMES

Even with the leasing of the Eastern Moors and Roaches estates and other disposals in the last 10 years, the Authority's property portfolio is still significant and arguably the most extensive and complex of any National Park Authority. A general description of all the properties is attached at Appendix 1.

Our properties can contribute to all three Corporate Strategy outcomes, and in the case of the central HQ at Aldern House to our overall organisational performance. For the purposes of the Corporate Property Asset Management Plan (CPAMP), the properties are categorised by the 'dominant' contribution each one makes to the overall Corporate Strategy.

As a broad guide the following properties fall into one of the four categories identified below. It is stressed that several properties contribute to multiple outcomes, with North Lees / Stanage Estate and the Trails being the most obvious examples.

Outcome 1: A sustainable landscape that is conserved and enhanced

Minor Properties
North Lees/Stanage Estate
Warslow Moors Estate
Woodlands
~~Edale (Moors for the Future office)~~

Outcome 2: A National Park loved and supported by diverse audiences

Campsites
Car Parks
Toilets
Cafes and Refreshment Concessions
Visitor Centres
Cycle Hire Centres
High Peak Trail
Monsal Trail
Thornhill Trail
Tissington Trail
~~Ranger Bases~~
Volunteer Centres
Longdendale Classroom
Macclesfield Forest Classroom
Moorland Discovery Centre

Outcome 3: Thriving and sustainable communities that are part of this special place

Langsett Barn Community Meeting Room

Our organisational performance

Aldern House
Corporate Property Asset Management Plan

Ashford Depot (Countryside Maintenance and Projects Team)

[Edale \(Moors for the Future office\)](#)

[Ranger Bases](#)

5. ASSESSMENT OF PROPERTIES

As part of the asset management planning process, every property has been assessed as to whether it still meets the Authority's purposes, needs and outcomes. The assessment 'questions' can be summarised as follows:

1. Corporate Strategy 'Fit' - where we own property it will be because it fits one or more of the following needs:

- (a) Fits with our three strategic outcomes on landscape, engagement and communities
- (b) There is an operational need and that operational need can only be met by the particular property
- (c) Whether the land is integral to continuity of service delivery
- (d) If the property does not meet (a), (b) and (c) above, it offers or could offer significant revenue raising opportunities to warrant retaining it.

Where land or property satisfies any of the criteria at 1(a)-(d) above, it is unlikely to be surplus. Each case should be assessed on the circumstances associated with the land and the Authority's Asset Management Plan.

However, even if the land or property does not satisfy any of the criteria at 1(a)-(d) above, it could still be considered for disposal if it cannot meet the two criteria below.

2. Financial sustainability – we only own what we can financially afford to sustain for now and for the period of the capital strategy.

3. Asset condition – any property we own will be put into satisfactory condition and will be maintained in this condition for the duration of ownership.

Already Approved Surplus Properties

Four properties have already been approved for disposal. These include Lower Green House Farm, which should command a significant capital receipt. These are listed at Appendix 2.

Provisionally Surplus Properties

Because of the initial assessment, ~~thirty six ten~~ properties have been categorised as 'provisionally surplus'. ~~They are also listed at Appendix 2.~~ The final decision as to whether the property will be declared 'surplus' will only be taken after an internal and external consultation process which will not only 'double check' the initial assessment but will also decide on the most appropriate method of disposal to secure the future of the property under new ownership/management. To guide this process two new documents have been

produced. A new Asset Management Disposal Procedure is attached at Appendix 3. Additionally, a new internal process 'tool kit' is attached at Appendix 4.

6. CONDITION SURVEYS AND THE 'BACKLOG' OF MAINTENANCE AND REPAIRS

All the Authority's occupied built properties have had a consistent condition survey undertaken and been given a category of condition as Good, Satisfactory, Poor or Bad. A priority need for action as Urgent, Essential, Desirable and Long Term has also been determined for all defects. The Condition Surveys have been undertaken based on the physical condition of the building alone with no regard to its use or its contribution to National Park purposes or Corporate Strategy outcomes.

The Condition Surveys have identified (expectedly) a significant 'backlog' of repairs and maintenance.

The Corporate Strategy (2019-24) states that 'Our well-maintained assets support the delivery of our landscape, audience and community outcomes'. The definition of 'well-maintained' would ideally be to a 'Good' condition, but it has been agreed that 'Satisfactory' condition is the realistic aim over the life of this Plan. This would not preclude the Authority aiming higher for some or all of the 'visitor facing' properties.

Based on obtaining 'Satisfactory' condition, it is estimated that there is a backlog of maintenance in the region of £2,000,000 to be addressed in the next 4 years. It may be possible to reduce this sum by adopting a risk-based approach to identified repairs. Further work is require to determine whether this methodology can be applied.

This figure can be divided into two categories.

1. Revenue - Minor maintenance and repairs (such as windows, doors, gutters, decoration etc.) that will need to be met from revenue funds - £700,000.
2. Capital - More significant work that will result in the asset's future being secured in the long term. This work will need to be met from either revenue or capital funds - £1,300,000

A start has been made on addressing the backlog with £200,000 additional one-off funding being allocated for this purpose and the use of existing Reserves and the Capital Fund. The staffing resource in the Corporate Property Team has been increased to take account of the predicted workload.

7. CYCLICAL /ANNUAL MAINTENANCE

The Condition Surveys also identified and costed the annual maintenance requirements and longer-period maintenance requirements such as internal and external decoration. The annualised maintenance liability across the portfolio is around £200,000 per annum. Responsible managers will need to ensure that the appropriate sums are available in individual revenue budgets. The responsibility for ensuring that the maintenance work is commissioned lies with the ~~service occupier~~ Asset Management Service as the overall budget holder for the property (except in the cases of Aldern House and the Moors for the Future offices, where the Corporate Property Team are the budget holder).

8. MEDIUM AND LONGER TERM MAINTENANCE

Longer-term, larger-scale maintenance works (after 2024) have been forecast on a property-by-property basis. These are mainly capital type works such as re-roofing, replacement

windows etc. Clearly, these are only 'rough estimates' but give an indication of costs for future financial planning purposes.

It is recommended that provision be made to meet these costs by building up realistic reserves for each property or group of properties over the next 4 years. Alternatively, capital financing may be used, whether from external grant, use of the Capital Fund or borrowing.

2024-2029 - £1,400,000

2029-2039 - £300,000

9. CAPITAL INVESTMENT

As well as ensuring existing properties are satisfactorily maintained, there is a requirement to invest in the Authority's properties for a number of different reasons or combination of reasons. Again, the 'dominant' driver is used to categorise the reason. The following projects are under consideration.

Maintain or improve existing services and income streams

- Ashbourne Cycle Hire Centre – replacement of existing timber building
- Brunts Barn volunteer centre and Ranger base – improve facilities
- Trentabank – re-develop the Ranger base to provide more suitable staff accommodation, visitor interpretation and new community room to expand the existing services.

Conservation

- North Lees/Stanage Estate proposals following review

Restore buildings of important cultural heritage

- Warslow Moors Estate - Hobcroft Barn – structural work to field barn in danger of collapse
- Warslow Moors Estate - Pump Farmhouse – works to farmhouse before re-letting in 2021
- Warslow Moors Estate - Hayeshead house and barn – long-term project to restore derelict house and barns for new use
- Roystone Rocks field barn - recently partially collapsed barn in need of rebuilding or demolishing.

Meet landlord's obligations

- Big Fernyford Farm – modern farm building that needs significant repair or replacement
- Pump Farm – new farm buildings prior to re-letting in 2021.

All of the above projects (except Hayeshead house and barn) are likely to need implementation in the next 4 years.

The total estimated gross costs of these projects is £750,000. However, some projects will not go ahead without Grant Aid being obtained or making a contribution to cost. The potential costs are therefore estimated in the region of £550,000. Income-generating

proposals will be funded from borrowing. Some of these costs can be met from accrued reserves and/or the Capital Fund. Each project will be subject to a Business Case.

10. SUSTAINABILITY

The Authority is committed to meeting the national target of being carbon net zero by 2050. Discussion is on-going as to whether the Authority should bring this target forward. Other authorities have committed to an earlier date to meet net zero for their operations; for example, the Lake District National Park Authority has committed to 2030 and Derbyshire County Council has committed to 2032.

The Authority will develop or adapt an environmental indicator methodology to help measure our built assets' environmental performance. This will be based on best practice, and will enable us to rank our properties' performance against specific environmental credentials from poor to exemplar. It will reflect the principles for sustainable buildings in the Climate Change and Sustainable Building Supplementary Planning Document alongside more general guidance. Finally, it will take account of the needs and restrictions on traditional and historic buildings, which form a significant part of our property portfolio. The Authority's 70 occupied and operational properties will be assessed against the above environmental indicator methodology.

A further Carbon Management Programme will be developed to make improvements to our built portfolio with regard to their energy efficiency, water use, waste management and their ability to support carbon offsetting. We will seek to minimize carbon emissions from our operational properties. Many of the projects that we will need to undertake to get closer to carbon zero will have a reduced financial business case, and in many cases, there will be no financial business case (i.e. it will cost the Authority more to implement and we will not be recompensed in the future with lower ongoing expenditure). The sole reason for doing the majority of works will be to get closer to carbon zero. This will require a very different way of assessing business cases, especially if we are weighing up these with business cases with a financial benefit.

The above works will also require significant one-off funding. Detailed costings are currently being estimated but a ballpark estimate is a total in the region of £3-4.5 million to meet the net zero target.

11. EXISTING AND ADDITIONAL INCOME

The portfolio generates a significant revenue stream from rents, charges, environmental and other Grant Aid as well as trading income. Full financial cost recovery of services is aspired to as a general principle but due to the nature of our properties, whose primary function is delivering services/outcomes, this is seldom achieved. Therefore, the properties do have a net cost on a revenue basis. The benefits of delivering our services/outcomes (reasonably now defined as 'public goods') are difficult to quantify in financial terms. It is generally accepted that these benefits justify the net cost, which is around 6% of the overall Authority annual budget.

Additionally, some properties do already provide a good income stream without significant cost to the Authority.

However, KPI 14³ requires that our income stream generates an extra ~~£225500,000~~ sustainable gross revenue income by 2024, commencing with a target of an extra

[Appendix 1](#)

£14090,000 in 2020/21-19/20. The property portfolio [and the Peak District National Park Foundation](#) are the main contributors to achieving these targets. Most properties are already delivering well against income targets but it may be possible to increase revenue further in some cases. This factor needs to be taken into account into any decision relating to the retention or disposal of individual properties.

12. INDICATIVE RESOURCE IMPLICATIONS OF THE RETAINED PROPERTY PORTFOLIO*

2020-2024		£
Type of expenditure		Total
Condition Survey estimate to bring properties up to a <u>bring properties up to a</u> achieve satisfactory condition - Revenue	Corporate properties: £121,895 Engagement: £99,750 North Lees Estate: £70,695 Car parks and toilets: £92,970 Warslow Moors Estate: 251,575	£700,000
Condition Survey estimate to bring properties up to a <u>bring properties up to a</u> achieve satisfactory condition - Capital	Corporate properties: £95,520 Engagement: £243,790 North Lees Estate: £138,850 Car parks and toilets: £73,750 Warslow Moors Estate: £917,310	£1,4m1,300,000
Potential Capital Projects		£550,000
Carbon Management Programme		£1m,000,000
Total		£3,6550,000

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2024-2039	£
Type of expenditure	
Medium term maintenance 2024-2029	£1,800,000
Long term maintenance 2029-2039	£700,000
Potential Capital Projects	£200,000

[Appendix 1](#)

Carbon Management Programme	£2,000,000 – 3,500,000
Total	£6,200,000

*These figures do not include the trails structures. The latest round of condition surveys is currently underway and the expenditure requirements will be included in the overall expenditure forecast during 2021.

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 raise 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.

13. FURTHER INVESTIGATION REQUIRED

It is recommended that the following properties be investigated in order to identify the most appropriate management action in the next 2 to 3 years.

1st Warslow Moors Estate

2nd Aldern House

3rd Fieldhead (Edale)

4th North Lees / Stanage Estate

Corporate Property Asset Management Plan

5th Other properties.

A brief commentary on each property is given below:

Warslow Moors Estate

The Estate has been managed on a 'full cost recovery' basis for the last 7 years.

However, the recent Condition Surveys have highlighted a significant liability for maintenance and repairs. This is not because the Estate has been poorly maintained, and indeed the reverse is the case with many maintenance, repair and replacement projects being funded through the Estate revenue budget each year. A number of capital refurbishment projects mainly to residential properties have also been undertaken in recent years. These have been funded through borrowing, with increased rental returns more than covering the cost of borrowing.

However, with around 200 buildings on the Estate – most being of a traditional nature - it is not entirely surprising that the Condition Surveys have revealed that there is much more to do. It would be impossible to meet these costs and maintain the 'full cost recovery' model for the Estate, so an alternative model needs to be considered. It would be ideal if the 'bill' for the Estate could be funded from the property itself without 'drawing' on resources from other Authority properties. The opportunity could be taken to reduce the liabilities on a few key properties and use the capital from disposal to fund capital refurbishment on the Estate. However, the Estate was transferred to the Authority under the Inheritance Tax Act 1984 in lieu of tax owed by the previous owners. The transfer to the Authority (as a suitable Sec 3 body under the Act) was in the interests of preservation of heritage as an 'integral and major part of the cultural life of this country'. A Schedule 3 body has a duty to 'hold such property in trust for the public' -and manage it in accordance with such directions as may be given by the Minister (as defined by the Estate Management Plan).

The Estate is therefore 'inalienable' (cannot be sold) without the express consent of the Secretary of State for the Department for Digital, Culture, Media and Sport (DCMS). It is hoped that the Authority might obtain consent for some disposals so that the proceeds can be reinvested back into the property. This could fund a number of capital projects (without the need for borrowing), thereby releasing more of the revenue budget to fund revenue maintenance and repairs. This could enable the Estate to be kept on a 'full cost recovery' basis. The Authority is currently in discussion with DCMS about the general principle of the above. If the principle were acceptable, more specific proposals for strategic disposal of some properties would be put forward to DCMS on a 'case by case' basis.

Properties would need to be selected on one or more of the following bases.

- Least important in terms of national heritage value and therefore most likely to be agreed to by DCMS
- Least important in terms of National Park purposes and Corporate Strategy outcomes
- Least potential for revenue income
- Most potential to avoid expenditure on a capital and revenue basis
- Preferably, located on the geographical periphery of the Estate

If the principle of limited disposals is not acceptable to DCMS, the possible transfer of the whole Estate to another Sec 3 body may need to be considered although the likelihood of another body wanting to acquire it may be very limited.

Aldern House

The option of disposing of Aldern House and moving the Authority's HQ to another location has been considered on several occasions in the past. The Director of Corporate Strategy has again examined it and the same conclusion to retain the HQ at Aldern House has been reached. However, it is considered that the space could be used more effectively given modern technology and work practices. If internal space could be rearranged, it would allow the opportunity to relocate staff based elsewhere back to Aldern House. Alternatively or in addition, more space could be leased to third parties to increase revenue and reduce the net cost of managing the property. A third option could be to dispose of the property by sale and rent back the space required but this option is not recommended as it is likely to have a negative impact on the revenue budget, which is already tight.

Field Head (Edale)

The Authority purchased Fieldhead in 1960. The site was developed as a campsite with an Authority-employed warden living in the house. A Ranger Base was also established in the outbuildings. The emphasis of the site significantly changed when the campsite warden's then poorly-maintained house was converted into office space for staff from the evolving Moors for the Future project. Additionally, the Moorland Visitor Centre was built connected to the original house. The expansion of the MFF project in recent years has necessitated the expansion of the office space into the footprint previously part of the Visitor Centre. The campsite is now leased to a private operator who firstly lived on site in a caravan and then off site. Car parking at the site is not available to the public but visitors can access the Visitor Centre on foot.

The development project was funded from a significant HLF grant. It is a condition of the grant that the office and visitor centre buildings are used for that purpose until 2021. The current lease to the campsite operator expires in 2022. It is therefore an appropriate time to review the future of this site. This review needs to take account of:

- The future office needs of the MFF project
- The effectiveness of the Visitor Centre and campsite in delivering engagement in a cost-effective way
- Income generation
- Future ideas for the site such as a Climate Change Observatory.

North Lees / Stanage Estate

The disposal of the Estate (by way of a long lease to a 'partner organisation') was firmly rejected by Members in the recent past. Since then the Estate has been given 'strategic certainty' as one of the Authority's key assets, delivering multiple outcomes on nature conservation, cultural heritage, visitor experience, engagement and income generation. Its proximity to Sheffield has also given great opportunity for engaging with diverse audiences and using volunteers. The Estate is therefore perhaps best placed of all the Authority's properties to expand this work and help to reach the relevant targets set out in the Corporate Strategy. There is a very strong community interest in the property through the Stanage Forum. The Estate is also within the Sheffield Moors Partnership area.

[Appendix 1](#)

A review of the property ~~is currently underway to ascertain whether more income can be raised from the various 'components' of the Estate. This may necessitate some capital investment to achieve but any such investment would be achieved through a borrowing arrangement and/or external funding has been completed and in April the Programmes and Resources Committee approved a programme of investment through borrowing to develop holiday accommodation and incorporate renewable energy technology wherever possible with the aim of ensuring long-term financial and environmental sustainability-~~

~~The programme will be reviewed regularly against performance targets and if projections prove to be optimistic the estate will undergo a further review.~~

~~Once this review has been completed, it will also be possible to examine whether the disposal of any of the component parts of the property could be considered which would not be to the detriment of the Estate outcomes including its financial viability. The proceeds of any disposal could be used to reduce the cost of the capital investment in the Estate.~~

Other properties

Trentabank – this site is owned by United Utilities (UU) and comprises a car park, toilets, Ranger Base, classroom and secure wildlife area. It is leased to the Authority, although the lease expired in 2013 and is 'running on' by mutual agreement. There is a joint Ranger Service agreement relating to the area, and Engagement and Learning and Discovery Rangers deliver services from the site. There is a proposal to re-develop the Ranger Base to provide more suitable staff accommodation, visitor interpretation and a new community room to expand the existing services.

The Ranger Service agreements with several water companies are under review and the future of this site and others will be part of this work.

Brunts Barn – PPCV base and volunteer centre in Grindleford for which the Engagement Service has aspirational plans to support its objectives. The investment required to bring the building up to an adequate safety standard and remodel the interior to widen the potential audience is estimated at around £500K. External funding opportunities and alternative delivery models are being explored.

Blore Pastures and the Narlows and car parks – These sites have been approved for inclusion in the Authority's pay and display portfolio. They will generate a significant new revenue stream.

Dovedale Toilets – ~~the car parks may have income generating possibilities that need to be further explored. However, these sites could be considered for disposal. Any disposal proposal would need to meet the Authority's Asset Disposal Procedure.~~

14. ORGANISATIONAL CHANGES TO CONSIDER

Asset Disposal Procedure

A new Asset Disposal Procedure is attached at Appendix 3. The Authority's Democratic and Legal Service have produced this in consultation with the Corporate Property Officer and other relevant staff.

'Tool Kit' for disposal of property assets

Corporate Property Asset Management Plan

This process note complements the Asset Disposal Procedure and gives officers a stage-by-stage process of disposing of Authority property. This note is based on 'learning' from the Minor Properties Disposal Project. The Senior Leadership Team and the Chair of the Authority have requested it. The eleven-stage process is attached at Appendix 4.

Corporate Landlord approach

The concept of the Corporate Landlord (CLL) is that the ownership of an asset and the responsibility for its management and maintenance is understood and shared between service areas (as Corporate Tenant) and the ~~Corporate Property Team (as the Corporate Landlord)~~ Corporate Landlord (in this case the Asset Management Service).

The Corporate Tenant priority is to plan and deliver their services. The ~~Corporate Landlord~~ function is to ensure all services are adequately accommodated and to maintain the property assets.

The CLL concept will be further considered as a separate project in the Action Plan referred to below. Changes to the Authority's management structure, implemented in January 2021, have significantly eased the process of change to a CLL model by incorporating all property functions within the Asset Management Service.

15. RISK

Prior to 2024, it is considered that the Authority will be able to satisfactorily manage its property portfolio, including making appreciable progress on meeting net zero carbon targets. There is lot to do with regard to catching up with the maintenance identified in the Condition Surveys, but following the re-structure of the Corporate Property Team to provide more building and facilities management, the risk of lack of capacity in this area has been mitigated in anticipation.

Post 2024, there will be a serious challenge to meet the anticipated financial requirement, in particular meeting net zero carbon targets. However, it is hoped by early identification of the issues and sufficient planning, it may be possible to meet or partially meet requirements without the disposal of significant numbers of properties.

The investigation described in section 13 above should help to mitigate the potential situation. The recent experience of attempting to dispose of several 'Minor Properties' demonstrated that it is a 'challenge' to transfer properties to new owners who will continue to meet our objectives. There is always a risk in this and extra resources in monitoring disposals will present extra funding requirements without the guarantee of total protection. However, freehold or lease disposals have been satisfactorily achieved in the past without issues if the right new manager can be found.

The new Asset Disposal Procedure and associated 'Tool Kit' described at section 14 will also help to mitigate risks within the process of disposals.

16. ACTION PLAN AND MILESTONES

The Action Plan at Appendix 6 sets out the actions to be undertaken over the next two years.

17. REVIEW

[Appendix 1](#)

The Corporate Property Asset Management Group will monitor progress on the Action Plan on a ~~quarterly~~ 6 monthly basis to coincide with the Authority's normal Performance Management process. Members would be updated on the Action Plan progress and results ~~on an annual~~ annually basis.