

Durham County Council Corporate Asset Management Plan 2023-2025



Contents

Foreword	03

An introduction to the Corporate Asset Management Plan	04

Part 1: The Asset Management Strategy	10

Part 2: The Asset Management Policy	19

Part 3: The Asset Management Action Plan	35

Foreword

The Council Plan captures the ambitions of the council and the role it plays in working to improve the lives of everyone who lives or works in the county. It also describes the wide range of public services that are delivered to make a positive difference to our residents and businesses as well as what we do to attract and welcome visitors.

Property is influential in the success of these ambitions as it provides suitable spaces and places from which to deliver public services, either directly or together with our partners. Property is also vital for the creation of jobs, new housing and promoting economic growth through the regeneration of our county. Property can also generate income to invest in our front-line services.

As with other councils, we face a range of economic, social and financial challenges that need be managed through careful allocation and use of resources to provide exceptional services. We believe in striving to be more effective in the way that we hold and use our property, to not only make savings on property-related expenditure, but to better link our property assets to service delivery so that services to residents are enhanced.

We are pleased to introduce this Corporate Asset Management Plan which sets out the basis on which our property portfolio is managed, how we wish to improve the estate and how we are making a positive contribution to both the delivery of public services and to the growth and development of Durham as a vibrant and ambitious county.



Cllr James Rowlandson
Portfolio Holder for Resources,
Investment and Assets

An introduction to the Corporate Asset Management Plan

Durham County Council owns and operates a large and varied property portfolio which extends to 22,971 acres in total, supporting 893 buildings, from which we deliver a wide range of services. Many of our property assets are held as a historic legacy, having been inherited through amalgamation of Districts and the County Council, acquired over many years bringing specific challenges and responsibilities.

We are committed to providing value for money through managing our people and resources effectively which includes all our property assets. It is essential that we continuously review how we use our portfolio to deliver the best outcomes. This Corporate Asset Management Plan has been produced to help ensure that the property portfolio supports the achievement of our corporate ambitions set out in the Council Plan 2020-2023 and associated corporate strategies.

The purpose of the Corporate Asset Management Plan is to provide a clear picture of what we want from our property portfolio going forward and set out the overarching principles by which we will manage it to achieve these objectives. This will be used to guide future planning and use of our property portfolio and influence all property related activities.

Whilst our property portfolio includes mainstream schools and housing, the growth of Academies and the development of a Housing Revenue Account mean that these currently have or are developing their own management and governance

arrangements and as such this Corporate Asset Management Plan does not refer to these assets in detail. Further consideration will be given to these specific areas of the portfolio in due course.



This Corporate Asset Management Plan also excludes the council's highway infrastructure and assets, the management of which is the subject of a separate Transport Asset Management Plan. This document sets out the extent of the road and footpath network that the council is responsible for and explains the approach to road safety, resurfacing and maintenance programmes, inspection regimes and major investment in the network. The aim of both the CAMP and the TAMP is to demonstrate that the council is making the best use of their assets across both the built estate and highways.

Background and context

The Council's last Corporate Asset Management Plan (2013-2016) was adopted by Cabinet in July 2013. The 2013-2016 Asset Management Plan set out our approach to ensure that we optimised the use of our assets in terms of service benefit, financial return and value for money. It also set out the context and environment in which we were then operating and how this directed the property priorities.

Since 2013, there have been a number of significant national and local influences that have impacted on the way the Council operates. In addition, the Council also agreed in 2019 to move to a Corporate Landlord model, referred to as the Corporate Property Partnership (CPP). It is essential that the way the property portfolio is managed reflects these changes.

The Council, like many others has been affected by challenges in areas such as health inequalities and wellbeing, rising demand for services, ongoing impacts of austerity, health and social care challenges, climate change and challenges in children's social care. In addition, the COVID-19 pandemic has had a major impact on how public services are provided in the short term, but it has also highlighted the potential to review how we will operate going forward and if we can transform our model of delivery.

As such, it is timely that the Corporate Asset Management Plan is reviewed and updated.

Property plays an integral role in supporting the achievement of all our ambitions and strategic objectives but is often not

explicitly recognised. The updating of this Corporate Asset Management Plan and the implementation of the CPP model will serve to ensure that consideration is given to property issues at the strategic level.

The Corporate Asset Management Plan sits alongside and supports the overall ambitions of the Council. It is very much integral to the achievement of these wider ambitions and recognises some of the challenges that we face in trying to ensure the property portfolio plays its part effectively. Some of the main strategic areas where property can support, or the future estate and its management must be influenced by, are summarised in Part 1.

Document structure

This Corporate Asset Management Plan has been developed as three elements, and is structured accordingly:

Part 1: The Asset Management Strategy

Part 2: The Asset Management Policy

Part 3: The Asset Management Action Plan

The content of each element is summarised below.

<p>The Asset Management Strategy</p>	<p>The direction for change</p> <p>This will set out at a strategic level what the Council wants to achieve from its property assets in the context of its organisational objectives and achieving its priorities. This will reflect different strategic issues including specific social, economic and environmental objectives as well as specific service and portfolio transformation objectives.</p> <p>It will translate organisational objectives into property objectives.</p>
<p>The Asset Management Policy</p>	<p>The rules, culture and behaviour</p> <p>This will set out the rules and principles by which the property assets must be managed.</p> <p>It will provide the framework under which all activities will be undertaken and will ensure that performance is effectively and consistently managed to support the Council's strategic objectives, in addition to statutory and legislative requirements.</p>
<p>The Asset Management Action Plan</p>	<p>The delivery plan</p> <p>This will be a short term, 'live' action plan specifying detailed activities, timescales, resources and responsibilities to achieve the property objectives.</p> <p>This action plan will be actively managed and updated at least annually.</p>

Document status

It should be noted that this Corporate Asset Management Plan is a document to provide the context, direction and prioritised actions for the near future. This is intended to serve for two years and will be subject to changes and refinement as the CPP Model continues to be implemented, and our restoration and recovery strategy moves forward.

Our restoration and recovery strategy in response to the COVID-19 pandemic may well include transformations in future working practices and service offers. This may impact on the way that our property assets are used in the future, and as such the way the land and buildings are managed must remain responsive to such changes.

As this initial Corporate Asset Management Plan is a first stage document, each of the three elements will be subject to review over the next 2 years to ensure they continue to meet and support corporate ambitions and priorities. In particular, the Asset Management Action Plan will be used as a live tool to direct and reflect asset management programmes of work undertaken and will be actively managed and amended as required.



Hardwick Park - Temple of Minerva



Durham Gala Theatre

Achievements to date

It should be recognised that since the period of the previous Corporate Asset Management Plan, through our Assets Transformation project we have continued to make good progress in developing our corporate approach to property asset management. Despite challenges due to resourcing and the COVID-19 pandemic, we have made a number of significant achievements.

A new Corporate Property and Land service was created in 2019, under a new Head of Corporate Property and Land (CPaL). This restructuring brought together strategic and operational property management functions which has supported the implementation of the CPP model. Additional changes were made to the CPaL team structure in 2020 to further consolidate construction programme and project management activities, and work will continue to review the structure to best meet the needs of the council going forward.

The implementation of the CPP model has necessitated the implementation of a new governance structure, and in 2020 we successfully established the Corporate Property Board (CPB) to provide leadership and oversight of the implementation of the CPP model.

We have reviewed governance arrangements and relationships between other boards and working groups with the CPB to ensure they work effectively and focus on relevant issues. This has included a reduction in the number of capital programme boards, the creation of a vacant property working group,

the establishment of a new capitalised maintenance board, and ensuring the CPB has oversight of various programmes such as our disposal programme and has considered proposals to dispose at less than best value, option appraisals and property rationalisation. Work continues to ensure that governance relationships between the CPB and other corporate boards and programmes such as the Carbon Board and Low Carbon initiatives are fully integrated.

Alongside new governance arrangements, we have undertaken work to develop, review and refresh many formal policies, procedures and processes to reflect our new way of working and good practice. As well as forming new internal communication and reporting structures, we have introduced procedures and guidance to better manage activities such as decommissioning of surplus buildings, changing the use of buildings, dealing with the sale of garden land and the production of a Property Maintenance Policy. The programme of activities within the Action Plan (Part 3) reflects ongoing work to develop a composite set of documented policies and procedures required to successfully deliver the CPP model which will be overseen by the CPB.

Achievements to date continued...

As part of the implementation of the CPP model, we have reviewed and realigned many property responsibilities and budgets. Whilst there is still more work to be done, there is now more clarity about property related roles and responsibilities in operational buildings which will be further rolled out across the remainder of the portfolio.

We have made significant progress in digitising and clarifying our land ownership and property records. We have also completed the IFRS16 lease project which has ensured that the data held regarding our leased properties is accurate, up to date and meets the requirements of the IFRS16 lease accounting standard.

We are working on our CORAM 2.0 data improvement programme to align the property help desk, repairs and maintenance, compliance, deed management, case management, contract SLA management and ensure this effectively interfaces with Asset Manager, our property data system. Work is ongoing to integrate capital projects and remaining legacy systems.

As well as these strategic achievements, we have continued to deliver our 'business as usual' activities and deliver a number of major projects during 2021/22.

This includes:

- delivering a capital programme with a budget of £112.5 million
- undertaking capitalised maintenance to a value of £5 million
- prioritising the disposal programme to meet our capital receipt target, resulting in the disposal of over 25 assets and removal in the region of 12 covenants, generating capital receipts of over £2.2 million
- undertaking 1,627 asset valuations for capital accounting purposes
- managing the design and construction of various school, Children's and Leisure Centre schemes, of the Low Carbon Morrison Busty Depot, of NetPark Phase 3 and of new bus stations in Durham and Bishop Auckland; progressing the design of the Durham Light Infantry museum and art gallery; managing the external construction of the Story (Durham History Centre); facilitating the demolition of Shildon School and plans for demolition of County Hall and wider Aykley Heads masterplan; delivering a rolling live programme of 50 inception reports/feasibilities and 150 design and implement schemes.

Part 1:

The Asset Management Strategy

The direction for change

In Part 1, we set out at a strategic level what we want to achieve from our property assets in the context of our organisational objectives and achieving our priorities. This reflects different strategic issues including specific social, economic and environmental objectives we have set as our priorities. Whilst we need to undertake further work to develop this further, we have set ourselves a number of high level strategic property objectives that will help us to manage the portfolio and use all our resources to best effect.



Corporate context

It is essential that the Corporate Asset Management Plan sits alongside our various strategic plans and that whatever we do with our property portfolio supports what the council as a whole is trying to achieve. This can often be a challenge as there may well be conflicting demands on the property estate, and it is important that we ensure we have a robust approach in our decision making. We also need to balance demands from our services for properties that support them in the delivery of services and demands from our

communities for properties to support local needs. The following corporate strategies (pages 11-14) illustrate the issues that impact on, and direct how we manage the overall property portfolio. As well as these corporate strategies which direct all our activities, more focused service specific strategies may require consideration of property implications as part of service and project specific business planning. This is a fundamental element of our evolving corporate approach to property asset management through the CPP model.

The Council Plan 2022-2026

The Council Plan sets out the contributions that the council will make to help achieve the vision for County Durham which has three broad ambitions:



More and better jobs



Freemans Quay Leisure Centre



Connected communities



Annfield Plain Branch Library



People live long
and independent lives

The themes and priorities in the Plan centre on our economy, our environment, our people, our communities, and our council and provide the direction and context for all our service plans and objectives. Equally, they have provided the focus for the development of our strategic property objectives.

The Council Plan sets out a commitment for the Authority to be regarded as an excellent council ensuring we manage our resources effectively, have effective governance arrangements, have a good grip on performance and finances and ensuring that we are fit for the future. This is a fundamental principle that underpins all our property activities and plans for improvements.

Medium Term Financial Plan, Capital Strategy and Property Investment Strategy

We will always have financial pressures and expectations that the property estate will deliver both capital receipts from disposals and revenue income. Our Medium Term Financial Plan (MTFP) and Capital Strategy provide the framework within which we ensure our financial resources are managed effectively such that service and financial planning is fully aligned with council priorities.

The MTFP recognises that we have a good track record in rationalising our buildings and transferring assets to communities, and these are activities that we will continue to consider to ensure we achieve value for money.

Our Capital Strategy ensures we make capital expenditure and investment decisions in line with service objectives and properly take into account stewardship, prudence, sustainability and affordability. The capital programme is prioritised and agreed through a corporate approval process and is supported in part by capital raised from the disposal of surplus property assets which is a funding source for the capital programme. By continually reviewing the performance of our property assets through our asset challenge programme, we can ensure that we identify opportunities to rationalise the estate and maximise wider benefits, including the support of the capital programme.

We also have a Property Investment Strategy which sets out our objectives relating to investing in property, and identifies the benefits, risks and our

approach to acquiring property in order to support the Council's priorities. We need to ensure that we only acquire investments which meet our objectives and provide a reasonable level of return after considering all risks as part of a robust business case and due diligence process. How we then manage these assets must reflect and be determined by performance against these objectives.



The Dunes Cafe, Crimdon



Tanfield Causey Arch

Inclusive Economic Strategy

The County Durham Inclusive Economic Strategy sets a clear, long-term vision for the area's economy up to 2035, with an overarching aim to create more and better jobs in an inclusive, green economy. The vision, priorities and areas of focus within the strategy have been shaped by an Economic Statement which establishes the state of the county's economy today and the opportunities and challenges for the future. The Strategy seeks to overcome barriers in order to transform levels of growth and harness the county's potential, with all partners actively working towards this shared vision. We want to ensure we use our property assets to support these objectives and will undertake further work to understand the contribution our own property portfolio, and the way we manage it, can maximise income and support opportunities to enhance and improve places and businesses.

The Inclusive Economic Strategy will use a Delivery Plan approach throughout the strategy period to set out clear, tangible and transformative outcomes and enable regular reviews to respond to economic changes; allow priorities to be reassessed and recalibrated by future administrations; and actions to be refined based on whether outcomes are being achieved. This will ensure the Inclusive Economic Strategy remains a relevant and live document throughout its lifespan. As part of the formation of these Delivery Plans the role the CAMP and wider property portfolio can play in delivering economic growth will be considered in detail.

Climate Emergency Response Plan and Ecological Emergency

Our Climate Emergency Response Plan sets our own targets for carbon reduction, raising the target for carbon reductions from 60% to 80% by 2030 (from a 2008/9 baseline) and with a now enhanced aim of becoming a net zero Council by 2030 and to have a carbon neutral County by 2045. It is vital that we aim to reduce the council's carbon footprint which includes emissions from the use and occupation of buildings. Whilst the focus initially has been on setting clear design priorities in building fabric, form, building services and renewable energy in new buildings, these same principles are also applicable to refurbishments or works on buildings and land in our existing property portfolio. Whilst it may be harder, and potentially more costly to achieve retrospectively in existing buildings, all maintenance and other property activities will seek to support the achievement of our carbon reduction targets, through means such as the choice of energy efficient plant, equipment, materials or procurement options.

Cabinet formally declared an ecological emergency for County Durham in April 2022 and an Ecological Emergency Response Plan has been approved that in due course may merge with the Climate Emergency Response Plan. In line with our response to the climate emergency, we need to ensure that what we do with our landholdings and the way we deliver our services supports and benefits habitat and species diversity. As such, our corporate processes will include planning for the ecological emergency and take account of these priorities, including the allocation of capital and revenue funding within the annual MTFP planning cycle with a value for money outcome-based focus alongside other projects and programmes.

Towns and Villages strategy

Our Towns and Villages Strategy overlays and supports the delivery of the corporate vision, with a focus on improving benefits to the more deprived communities. Whilst it is aligned to existing and ongoing regeneration activity, it can assist in accelerating projects and tackling issues that are prioritised by individual communities. We will continue to anticipate and respond to how communities are being affected by the COVID-19 pandemic and ensure our property portfolio and property management activities support recovery, strengthen community capacity and build resilience going forward.

Housing strategy

Through our Housing Strategy, we continue to focus on tackling homelessness and identifying opportunities for the provision of housing. We will continue to provide professional support when we acquire properties and ensure that appraisals of initial and ongoing costs are used to inform any investment decisions.

Workforce strategy

Our Workforce Strategy 2021-2023 recognises the need to respond to COVID-19 related and other challenges. Different ways of delivering our services, different ways for the public to access our services, opportunities to embrace new technology, ensuring all that we do is accessible and inclusive, and working with partners could all impact on our future operating model and therefore the requirements of the future operational property portfolio. It is essential that the makeup of, and way the property portfolio is managed, is sufficiently flexible to support and respond to these changes.

Key drivers

We want to ensure that the properties we use make a positive contribution to the way we operate and deliver our front line services. We will undertake further work to fully understand all our service priorities and how they may change in the future, and how the property portfolio can support wider corporate strategies.

Our property assets are costly to run and maintain, and we want to ensure that we maximise the benefits that we derive from them. These benefits may be monetary, but there could also be benefits to service delivery, communities or opportunities to drive growth.

Many of our property assets are old and their design and structures provide us with challenges if we want to use them flexibly as our service and operational needs change. The use and occupation of buildings can also have detrimental environmental impacts, particularly those with ageing plant and services within them. Effective management of our portfolio, including consideration of investment and decommissioning could help us minimise these harmful impacts.

There are many factors that will shape our future property portfolio. Some will be driven by our own direction and within our control, others will be externally influenced. Collectively they may well compete with one another, but by having clear strategic property objectives and strong corporate governance through the Corporate Property Board, we can ensure that the estate is managed, and that decisions are made in a way that supports the priorities and objectives within the Council Plan, and its associated strategic documentation.

Our property portfolio must be able to respond to these pressures and changes to meet the requirements of our services delivering both front line services and our back office functions. The future shape of our property portfolio and how we use it must be informed by the collective needs of all our users and we are developing this understanding through the implementation of the CPP model.

We want our property portfolio to provide fit for purpose, efficient and sustainable assets and we need to ensure we use all our resources to best effect to achieve that. By ensuring we routinely challenge the performance of our portfolio, we can ensure that we derive the maximum benefit from our most efficient, flexible and best quality buildings and that we ensure our buildings are appropriately utilised and support the user and customer experience.

The size, make up and geographic spread of our current portfolio gives us a real opportunity to reshape it to support our organisational transformations and changes to service delivery models and ways of working. By creating flexibility in our estate, we will be in a better position to respond to opportunities for change and to collaborate with partners and our communities.

Strategic objectives

Being an excellent council requires us to use all our resources to best effect. To help us do that, we have set out the strategic direction and what we want to achieve from our property portfolio by defining a set of high level property specific objectives within the context of our organisational objectives.

The strategic objectives we will adhere to for our property portfolio are:

Strategic objective	Purpose	Corporate drivers
<p>To only hold (or acquire) assets for a defined purpose in support of a corporate objective with demonstrable benefits</p>	<p>Ensure we have clear purpose to hold each asset</p> <p>Use asset challenge to identify assets not supporting objectives</p> <p>Ensure consideration of robust business case and appraisal prior to all acquisitions</p>	<p>Council Plan – excellent council</p>
<p>To improve the flexibility in use and efficiency of our property portfolio</p>	<p>Seek opportunities to rationalise the portfolio</p> <p>Use asset challenge to identify opportunities to improve utilisation, co-locate or reprovide space differently</p> <p>Use service improvement or development plans to inform strategic planning of the property portfolio</p> <p>Seek to achieve an optimum estate to maximise efficiency</p>	<p>Council Plan – excellent council</p> <p>Workforce Strategy</p>

To reduce the revenue impact/ operational cost of the portfolio	<p>Reduce operational costs through more effective use of buildings</p> <p>Ensure effective performance monitoring and energy management</p>	<p>MTFP</p> <p>Council Plan – excellent council</p>
To reduce the carbon impact of our portfolio	<p>Ensure sustainability and environmental impact is considered for all new build, refurbishment, and maintenance activities</p> <p>Ensure the way we use buildings minimises impact</p>	<p>Climate Emergency Response Plan and Ecological Emergency</p>
To use the property portfolio to support and drive growth and regeneration objectives	<p>Ensure we use our estate innovatively to identify opportunities to drive and support regeneration and development</p> <p>Ensure we consider growth and economic impact in the way we use and manage our property portfolio</p>	<p>Council Plan</p> <p>Economic Statement</p> <p>Towns & Villages Strategy</p> <p>Housing Strategy</p>
To support the capital programme through the generation of capital receipts from the property portfolio	<p>Use asset challenge to identify opportunities to release surplus assets</p> <p>Use our Disposal Programme to manage the delivery of capital receipts</p> <p>Seek to maximise capital value</p>	<p>MTFP</p> <p>Capital Strategy</p>
To generate revenue income and maximise benefits from our portfolio	<p>Ensure our management approach maximises financial returns and recognises other economic and social benefits</p> <p>Effectively manage the performance of our portfolio to meet target returns</p>	<p>MTFP</p> <p>Capital Strategy</p>

By defining these objectives to provide the framework for the holding and management of our property portfolio, we can create a clearer picture of how we want to shape our property portfolio going forward.

This Corporate Asset Management Plan provides the baseline for the current position and will be used to determine targets and performance measures by which we will be able to measure success against these objectives in the future. The development of a comprehensive performance management regime is one of the key tasks within the Action Plan for the coming year and will be used to develop the comprehensive Corporate Asset Management plan for 2025.

Implementation of the Corporate Asset Management Plan will be led by the Corporate Director for Regeneration, Economy and Growth reporting through the Corporate Property Board. Governance arrangements are set out in more detail within Part 2 (the Asset Management Policy).



Killhope Lead Mining Underground Installation



Killhope Lead Mining Centre – Lead Mining Shop and Store

Part 2:

The Asset Management Policy

The rules, culture and behaviour

In Part 2, we set out the rules and principles by which our property assets will be managed. It provides the framework under which all property related activities will be undertaken and will ensure that we can effectively and consistently measure and manage performance to support our services and corporate objectives, in addition to statutory and legislative requirements.

Our Corporate Property Partnership Model

The way we manage our property assets is important and as a council we made a decision in 2019 to adopt and implement what we call our Corporate Property Partnership (CPP) model. The principles of this approach are fundamental in directing the way we are now managing our property assets.

The aim of the CPP model is to establish clarity of direction, vision and purpose for our property assets and to:

- Enable us to more efficiently utilise our assets to deliver better services to our communities
- Unlock the value of our assets, seek efficiencies through joint arrangements with other public sector partners and maximise private sector investment
- Integrate thinking about property with financial, regeneration and other considerations to support the delivery of our Council Plan.

The over-riding tenet of the CPP model is that responsibility for all property related activity and expenditure is within the remit of the Corporate Property and Land (CPaL) service under the direction of the Corporate Property Board. This approach assures that finances are properly prioritised, management is consistent, and opportunities are realised across the whole estate. In this way, we can ensure that the needs of the whole organisation, as well as our individual service operations are met.

Services use property assets to support the delivery of their services. By transferring all property responsibilities and activities to CPaL under the CPP model, services can best use their skills and resources to focus on planning and delivering high quality services.

Directing Principles

In order to provide a strategic framework within which the property portfolio will be managed and to ensure we adhere to the strategic objectives set out in Part 1, we have defined five key principles. This is in effect an articulation of existing practice, but will ensure that all supporting policies, practices and management decisions are made consistently with a clear purpose.

The five directing principles are:



Corporate Resource

To ensure property assets are managed as a corporate resource and are used to support the council's ambitions and priorities.



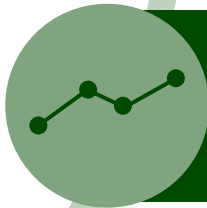
Right space, right place

To ensure property assets provide the right spaces in the right places to support the delivery of services for the benefit of communities.



Well maintained and sustainable

To ensure property assets are managed and maintained safely, effectively, efficiently and sustainably to take account of whole life costs and environmental impact.



Optimise returns and support growth

To ensure consideration is given to the use of property assets to stimulate development and growth, support local business needs, optimise financial returns and support corporate ambitions and priorities.



Support community involvement and partnerships

To ensure opportunities for community involvement and partnership working are considered where they can provide efficiencies, benefits to communities and the property assets can be effectively managed.

Further detail of the aim of each of these five principles are set out below. We want to develop a culture whereby our behaviours and activities positively reflect these principles. As part of the adoption of each principle we have also included some core cultural values to provide a clear and consistent way of working.



Corporate Resource

To ensure property assets are managed as a corporate resource and are used to support the council's ambitions and priorities.

By adopting the CPP model, we have a clear directive that all our property assets are managed for the benefit of the council as a whole. The concept of this approach is that all property activities are coordinated through CPaL, including the strategic planning of the property portfolio, feasibility and option appraisals to support the needs of service areas as they evolve and ensuring decisions reflect corporate priorities.

We want our property portfolio to reflect our needs corporately and to support our objective to only hold (or acquire) assets for a defined purpose in support of a corporate objective with demonstrable benefits. This requires an in depth understanding of the needs of services and how they will develop in the future as well as full integration with our wider corporate strategies. It is essential that services consider property requirements and implications on the existing portfolio as part of their service development planning, and that any property implications are identified and considered in wider corporate strategies.

One of the early and key achievements in implementing the CPP model has been the creation of the Corporate Property Board which began in November 2020. The Corporate Property Board has overall responsibility for ensuring a corporate approach is taken in the management of all our property assets. The establishment of the Corporate Property Board has given us the ability to have a single and integrated oversight of strategic property related activities by bringing together senior representatives of all service areas across the whole organisation.

The Corporate Property Board is now firmly established as the driver and co-ordinator of strategic property activities and informing decisions on behalf of the council. The recent COVID-19 pandemic has presented new and additional challenges across all service areas, and the implications of this have been reflected in the activities of the Corporate Property Board (and will continue to do so).

The CPP Model remains the key programme of change that will ensure that the property portfolio is managed in a way that delivers our corporate priorities and that work is organised and delivered with consistency and efficiency. However, we still have a lot of work to do in fully implementing the CPP model and are actively working through a formal and comprehensive programme of activities which are reflected in the Action Plan for the coming year. The Corporate Property Board has a critical role in supporting, guiding and directing the work on the wider programme of activities to ensure it remains fit for purpose and representative of our corporate priorities and objectives.

To help us manage our property portfolio effectively and make informed and consistent decisions, we can categorise our property portfolio into 'family types'. Each family type will have a defined management approach which will enable us to ensure the best use of our property resources in managing each type of asset. It will also provide clarity and understanding for our property users and communities.

The rules, culture and behaviour

All decisions about our property portfolio must be evidence based and fully appraised. This requires reference to, and analysis of comprehensive and robust property data. Our property data is currently held on two systems:

- Deed Management System (DMS). This system holds the data and documentation on all property transactions undertaken by the Council, such as acquisitions, disposals, leases etc. This data provides the base source for 'family types' and confirms the legal status of the land held by the Council. This data is visually represented on the Council's GIS mapping system.
- AssetManager.Net. This system takes the base data from the DMS and GIS and adds an additional layer of information to each property type. Each property is given a Unique Property Reference Number (UPRN) and aligned by service user. A key part of this system is to ensure Council compliance with CPIFA Financial Accounting Standards.

Our ambition is to fully integrate both systems across CPaL through the delivery of the Coram 2 system, which is currently under development. This will see the alignment and integration of the property help desk, repairs and maintenance, compliance, deed management, case management, contract/SLA management with data held in Asset Manager. A further programme of works will be undertaken to integrate capital projects and remaining legacy systems.

By managing our property portfolio corporately, we are able to challenge and continue to review our assets against defined criteria ensuring that we continue to meet our defined strategic objectives. These criteria will include assessment against technical property performance measures (such as their condition, future maintenance liabilities and operational costs), but also assessment against suitability and sufficiency for current and future operational needs. The development of a comprehensive property performance management regime, supported by excellent data is a key project in the implementation of the CPP Model.

Implementing a formal programme of asset challenge reviews enables us to continually identify opportunities to use our assets to best effect, and to develop a programme of rationalisation and portfolio transformation. By doing this, we should be able to reduce the overall size of our property portfolio and achieve a more cost effective and efficient use of the estate long term.

Culture

To ensure property assets are managed as a corporate resource and are used to support the council's ambitions and priorities:

- We will recognise that all our property assets are held as a corporate resource and are managed by CPaL reporting through the Corporate Property Board
- We will ensure that services consider property requirements and implications as part of service development planning and liaise with CPaL to ensure this can be considered in strategic planning of the estate
- We will ensure that all assets are categorised correctly and managed accordingly
- We will ensure that CPaL coordinate all property related information and use it to inform strategic planning and decision making



New Durham Bus Station
to open in 2023



Right space, right place

To ensure property assets provide the right spaces in the right places to support the delivery of services for the benefit of communities.

Our property assets have traditionally been the means by which we have delivered our services to our communities and are often the first point of access when interacting with us. This could be through the range of assets such as customer access points, libraries, museums, leisure and care facilities or parks and recreational amenities. We also provide office accommodation for our office based staff as well as depot and waste facilities.

However, the way that we deliver our services now, and how they will be delivered in the future is constantly evolving and this has been further accelerated by the COVID-19 pandemic. Services in the future may well be less focused on buildings but rather about the most effective ways of providing high quality services to customers, and we need to ensure that it is this that directs our future property solutions. Our Customer Access Strategy recognises that the way we interact with our communities is changing and that we need to be innovative in the way that we provide access in the future, whether through our own properties, those of partners or digitally.

Fit for purpose property is essential to the provision of quality services, and we will work to continue to better understand service and customer needs and ensure that the estate responds to and supports future service transformations. Whilst this primarily affects our operational portfolio, it is important that we also understand and respond to the needs of our communities and identify opportunities for property solutions.

The locations of our property assets are also historic and may no longer represent the best location for current needs. Also, demographic changes or changes in community needs may have resulted in some of our property assets not being fully utilised. Many services have historically operated from individual premises, and we will seek out opportunities to improve service delivery through more integrated provision of our own services as well as opportunities to work more collaboratively with partners.

Whilst we will continue to support the provision of essential services and seek to support community needs, we will look for opportunities to meet these through fewer but better buildings.

By continuing to understand service and community requirements, we can inform our asset challenge programme. Putting this understanding alongside property performance data, we can seek to ensure that our property portfolio of the future provides the best space or accommodation in the best locations to meet our needs. If we identify property assets that are not used effectively or efficiently, they may become part of our rationalisation programme.

Culture

To ensure property assets provide the right spaces in the right places to support the delivery of services for the benefit of communities:

- We will ensure that CPaL and services work closely to share understanding of space and locational requirements for effective service delivery
- We will offer guidance and seek to identify opportunities to ensure that our property portfolio is suitable and sufficient to meet and respond to changing service needs
- We will seek to ensure that the property portfolio is supportive of inclusive environments for all users



Bishop Auckland Town Hall



Durham Town Hall



Well maintained and sustainable

To ensure property assets are managed and maintained safely, effectively, efficiently and sustainably to take account of whole life costs and environmental impact.

It is essential that we effectively maintain and manage our property portfolio to ensure all our properties are safe and function as efficiently and effectively as possible to meet the needs of all users. We must also ensure that any expenditure on maintenance is prioritised and effectively managed to make the best use of our resources.

The implementation of the CPP model and our Property Maintenance Policy is enabling us to do this effectively across the whole portfolio, so that we move away from fragmented and unclear maintenance responsibilities and different standards and procedures in different parts of the portfolio. The use and occupation of our buildings play a significant part in meeting our carbon reduction target, and through our maintenance activities we will ensure we identify opportunities to mitigate this impact. Retrofitting can be costly, but we will consider the whole life costs and environmental impact of our maintenance activities in our decision making.

Like many other local authorities, our property portfolio comprises buildings of various ages and construction types giving us real challenges to maintain these assets safely, cost effectively and to appropriate standards.

Through our programme of condition surveys we are able to assess the condition of the properties in our portfolio and prioritise works and expenditure where it is needed most. We are aware that we have

a sizeable level of required maintenance of approximately £108m (including £27m of redecoration) across our non-schools estate and that 29% of this relates to urgent/essential works. This figure, derived from the condition surveys, represents the sum needed to retain the asset in a condition in which it can perform its required function efficiently. It covers all elements of buildings and the associated external works. This is not a desirable nor a sustainable position and we will continue to look at our portfolio strategically to ensure that we target resources to those properties that provide long term provision for our services and to ensure that all our holdings are safe and secure for all users and our communities. This work enables a better informed decision making approach and ensures we minimise more costly reactive repairs.

As an employer and landowner we have many legal duties to ensure all our property assets meet statutory and regulatory requirements, and we will ensure works to meet these requirements are appropriately prioritised in accordance with our Property Maintenance Policy and compliance regime.

Not all properties in our portfolio require the same standard of maintenance. By categorising our property portfolio into 'family types', we can set different maintenance standards to reflect the type of asset. Whilst we will continue to develop this approach thereby ensuring we use our resources more effectively.

Within our property portfolio, we are custodians of a range of heritage and cultural properties which give us additional maintenance challenges. Such structures and sites are a legacy of the past and are of a historic nature, and how they are managed can be a sensitive issue within our communities. Such assets include statues, memorials, bridges and viaducts. We want to ensure these assets are maintained and managed in the best and most appropriate way, and there may be other bodies better placed to do that than we are. We will look at opportunities to safely protect their long term future, formalise maintenance responsibilities and minimise our financial responsibilities.

Culture

To ensure property assets are managed and maintained safely, effectively, efficiently, and sustainably to take account of whole life costs and environmental impact:

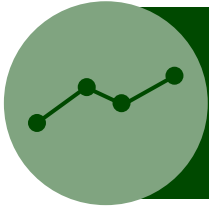
- We will ensure that our property portfolio is safe and secure and meets all statutory requirements
- We will ensure that our property portfolio is maintained in accordance with the Property Maintenance Policy and available resources
- We will ensure that CPaL develop and share property maintenance plans with services and that all property maintenance activities are suitably managed
- We will seek to reduce energy and water consumption and carbon emissions and ensure that our property portfolio is as sustainable as possible in its design, construction, operation and management



Mountsett Crematorium



Roper Lane Cemetery



Optimise returns and support growth

To ensure consideration is given to the use of property assets to stimulate development and growth, support local business needs, optimise financial returns and support corporate ambitions and priorities.

We are both a significant landowner and also play a major role in driving growth and regenerating communities across our area. As such, we have the unique opportunity to be able to utilise our property portfolio to support and promote economic growth and regeneration. This could involve investigating the potential of our land and buildings to provide development or re-use opportunities for commercial use, housing or using it as leverage or as a catalyst for other investment. The adoption of the CPP model will help us take a fully corporate approach in seeking out and appraising such opportunities.

Our own properties play a role in, and impact on the environment and local economies of our towns and villages. This could be through the use and utilisation of a property as much as its physical presence and we will consider this impact in the way that we manage the portfolio in the future.

Obtaining the best value from our property portfolio will continue to be a priority, including optimising financial returns. Financial returns include both capital receipts from disposals of surplus assets and rental from our income generating assets. Our strategic objectives require us to support the capital programme through the generation of capital receipts and to generate revenue income and maximise benefits from our property portfolio.

As we work to increase the efficiency of our portfolio, we will naturally identify disposal opportunities for inclusion in the property disposal programme in accordance with our Disposal Policy. Over the past 6 years, we have delivered £54.6m from the sale of surplus property assets, which has been a significant element in funding our capital programme in support of delivering essential services. The property disposal programme will continue to be a source of capital funding and our work to rationalise the portfolio will continue to identify opportunities to generate capital.

The opportunities to deliver capital receipts from the sale of property will be considered in the context of overall benefits in accordance with our Disposal Policy. Our CPP model ensures that we make decisions corporately based on an appraisal of both financial and wider corporate benefits.

Once a property is declared surplus to our requirements, we will seek to dispose of it by the most appropriate means to maximise the receipt and minimise the time it is vacant.

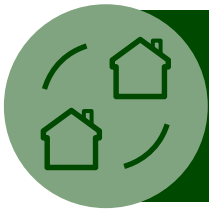
We hold a wide range of commercial and industrial properties that we lease out and manage. Our annual income from rents is approximately £8 million which makes a valuable contribution to our budget. We will manage these properties with a view to maximising our returns, minimising voids and arrears and meeting our obligations as landowner. However, we also recognise that some properties provide wider social and community benefits, and we will reflect these benefits in our management approach. For example, we may take a different approach in managing units focused on supporting start-up businesses (which is a priority in our Economic Statement) to that taken in managing properties let for income purposes to more established businesses.

We will keep our income generating assets under review to ensure they continue to meet our requirements and deliver acceptable returns. We will consider opportunities to reprofile our income producing portfolio, identify opportunities to generate new sources of income and to support growth and regeneration priorities.

Culture

To ensure consideration is given to the use of property assets to stimulate development and growth, support local business needs, optimise financial returns, and support corporate ambitions and priorities:

- We will use our property portfolio innovatively to stimulate and support development and regeneration opportunities at a local and regional level
- We will seek to optimise financial returns and commercial opportunities through our property portfolio
- We will manage our income generating assets effectively to balance financial objectives with wider corporate benefits



Support community involvement and partnerships

To ensure opportunities for community involvement and partnership working are considered where they can provide efficiencies, benefits to communities and the property assets can be effectively managed.

Whilst we have a large and varied property portfolio, we recognise the need to robustly manage its size and make up to achieve an optimum estate to maximise efficiency, at the same time ensuring we provide first class essential services. As the way that we work and provide our services is changing, so too are our needs for property. We want a property portfolio that is flexible and adaptable to these changing needs, and by working with other partners and organisations we may be able to better provide the 'right space in the right place' – one of our driving principles.

We continue to strengthen and develop our partnership working with the public sector and with our communities to deliver our services, such as through membership of the County Durham Together Partnership and our Customer Access Strategy. Through this engagement, we will also seek to identify similar opportunities in respect of property provision and ongoing management. This could range from co-location within operational buildings to transferring premises responsibilities or ownership. We will strive to make this process transparent, responsive and reflective of the benefits to be gained.

Local people are often best placed to determine need and manage the provision of community facilities in their area. Through the community building asset transfer programme, we have already successfully transferred over 40 community centres into the direct control of community

groups enabling local groups and parish councils to take control of the delivery of community services and activities in their local area. We have also transferred five leisure centres into community ownership generating about £1m in Medium Term Financial Plan savings.

We will continue to look at opportunities to seek out community groups and other partners who can take on responsibilities for properties. We will also develop a corporate approach to enable us to properly and consistently evaluate any proposal to transfer a property asset to partners (often referred to as community asset transfer). This will ensure we are confident there is a strong business case behind any proposal and that the long term future of the property is assured for the benefit of the whole community.

There may be occasions where we have a longer term strategic plan to use a property or piece of land for service development, but we could consider a temporary interim (or meanwhile) use until it is required, where there is certainty that it does not impact on our longer term strategic plans.

Culture

To ensure opportunities for community involvement and partnership working are considered where they can provide efficiencies, benefits to communities and the property assets can be effectively managed:

- We will work with community organisations and other partners to optimise the beneficial use and efficient occupation of our properties
- We will work closely with partners to identify opportunities for colocation and to drive efficiencies by working together
- We will consider opportunities for community and partner involvement in the management and longer term future ownership of our properties



Comeleon House



Bishop Auckland Day Nursery and Children's Centre



Derwentside Business Centre - Viewpoint

Property organisational arrangements and governance

The Head of Corporate Property and Land has managerial responsibility for all property services delivered through the Corporate Property and Land service (CPaL). The CPP model directs that all property related activities fall within the remit of CPaL which provides a complete property service through its in-house teams.

Decision making

The Constitution sets out how the council operates, how decisions are made and the rules and procedures which are followed to ensure that these are efficient, transparent and accountable to local people.

The Constitution designates the Director for Regeneration, Economy and Growth as being responsible for the management of the majority of our property assets, with certain matters being delegated to the Head of Corporate Property and Land. The Portfolio Holder for Resources, Investment and Assets acts as custodian and steward for the property portfolio and endorses the strategic and operational plans which ensures its appropriate management.

Any decisions about our property portfolio are made in accordance with the requirements of our Financial Procedure Rules which are also set out in our Constitution.

The Corporate Property Board was established in late 2020, and through its Terms of Reference is given overall responsibility for ensuring a corporate approach is taken in the management of all our property assets.

An introduction to the Corporate Property Board:

The Council is working towards a more corporate approach to the management of its land and building assets. This is important not only to effectively manage our assets, but it's critical ensure that the decisions made on our assets are able to support our financial position and to ensure joined up outcomes between regeneration, education and young people, adults and community.

Our approach to strategic management and decision making on our assets is part of the corporate property partnership model (CPP) and one of the key elements to implementation of a more corporate approach is the introduction of a Corporate and inclusive Board.

This Board will be pivotal in:

- Ensuring joined up decision making across multiple objectives
- Driving forward corporate approach and in co-ordinating strategic activities and decisions.
- The Board will ensure that the CPP model is efficiently and effectively put into place, and that all the necessary CPP model ingredients are developed and delivered, such as policy framework; performance and data management arrangements; budget framework; asset challenge framework; capital planning; and that the Council is properly resourced to implement and manage the CPP model.
- The Board will drive forward the implementation of the CPP model and co-ordinate strategic property activities and decisions. It's role in ensuring that opportunities and risks around the property portfolio are identified and assessed, and how property related decisions are made is going to be critical.
- The Board will also be critical to ensure that decisions made on a sound premise from an assets perspective, also support the wider objectives for regeneration, young people, adults and communities.
- The Board will reduce the risk of misunderstandings, improve information flow, enable earlier visibility on property related proposals and contribute to more robust and fit for purpose governance arrangements.
- The Board will also ensure that all property related projects and activities are aligned to corporate objectives and are appropriately resourced and co-ordinated.
- The terms of reference for the Board sets out the membership of that Board, meeting frequency, scope of activities, secretariat arrangements and its role in decision making processes. The Board may from time to time create sub-groups to work on more detailed areas of work.
- The Board will report to Cabinet where necessary and appropriate.
- Other existing groups/boards will report to the Corporate Property Board.

Cross department attendance at Board meetings is key to the successful implementation of a corporate and more strategic approach to managing the Councils land and buildings estate.

The Corporate Property Board is chaired by the Corporate Director for Regeneration, Economy and Growth, supported by the Head of Corporate Property and Land as vice chair. Meetings are held monthly and are formally minuted and outcomes reported. The Corporate Property Board will receive reports from other programme boards such as the Capitalised Maintenance Programme Board, the Carbon Board, the Education Review Board and the Vacant Property Group. These may be subject to change. Work is ongoing to review and refresh governance arrangements across property activities to ensure they make best use of time and reflect the principles of the CPP model.

Resourcing

The Corporate Property and Land (CPaL) service was established in 2019, and since that time it has been working to develop a more corporate approach to the management of the property portfolio. The implementation of the CPP model, and other corporate transformations have resulted in a proposed review of the current CPaL structure to ensure the requirements of the CPP implementation are effectively met. This work is ongoing, and delivery of the various activities referred to in the Action Plan (Part 3) will be dependant to some extent on the availability of resources, both financial and staffing.

The development of the programme of activities for the coming year will reflect resource availability. The Corporate Property Board is responsible for managing this programme of activities and ensuring appropriate resources are put in place.

Part 3: The Asset Management Plan

The delivery plan

In Part 3 we set out our short term, 'live' action plan specifying detailed activities, timescales, resources and responsibilities to achieve our property objectives.

This action plan will be actively managed and updated at least annually. As this document will be used as the basis by which we will develop a more comprehensive Corporate Asset Management for 2025, it includes a number of strategic actions that will aim to be completed within that timeframe.

Our property portfolio

We have a very large and diverse property portfolio which we are responsible for running and managing. It is made up of a wide mix of buildings, structures and land reflecting our historic heritage and transition to a unitary council in 2009. The range of assets within our portfolio includes operational assets used for front line service delivery, assets to enable our communities to access our services and administrative buildings along with others such as depots, car parks, recreational and cultural assets. We also have a commercial portfolio, a number of heritage assets, parks and other land. As stated in the introduction, this document does not cover the management of our school estate which extends to over 160 maintained schools plus Academies and other educational facilities.

Key statistics (at 31 March 2022):



A book value of operational land and property circa £1.04 billion



9,296 hectares (22,971 acres) of land



893 buildings



Circa 3,300 use agreements including 954 leases out and 116 leases in



Annual rental income of £9 million



Annual rental outgoings of £2.5 million



1158 active property management cases



19 industrial sites



3 park & ride sites
& >200 car parks



11 children's homes



31 children's centres,
One Point Hubs
& Outreach



25 commercial/retail
buildings



10 depots



29 surplus buildings



16 waste/recycling
plants



10 regeneration sites



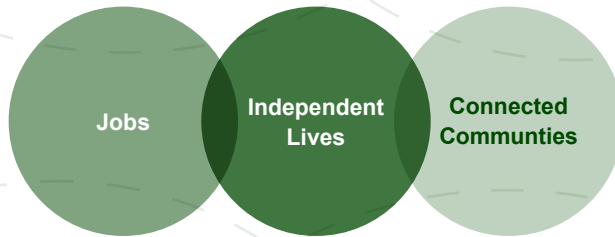
16 public
conveniences



6 gypsy roma
traveller sites



32 library buildings



3 adult day centres



5 bus stations



6 country parks
and gardens and 56
community buildings



142 recreation
grounds 43 with
buildings



18 leisure centres



7 museums
and galleries



46 cemeteries/
crematoria



4 youth centres



4 registry offices



Annual running
costs c. £34 million



Income from sales
£2.2 million (2021/22)



Non school maintenance
backlog £108m. 29%
urgent/essential work

Our operational property portfolio represents a considerable resource – it has a book value in excess of £1 billion and it costs us in excess of £34m each year to run. Whilst we also use the portfolio to generate income and capital receipts, fiscal and resource pressures will be ongoing and the retention of the existing portfolio is neither sustainable, nor an efficient use of resources.

Actions for 2023-2025

We are actively working on the implementation of the CPP model. We have made a lot of progress in developing the culture of corporate working and understanding how we can do that most effectively. Resultant changes are ongoing and will continue during the period of this Corporate Asset Management Plan and beyond. The Corporate Property Board is managing the delivery of this programme and is receiving regular reports on progress and risk.

During the period of this Corporate Asset Management Plan, the priority is to develop the strategic framework supporting our operational and management activities. This will provide clarity of purpose and consistency of focus to our work. We also plan to further refine the longer term implementation plan which will remain live and be updated to reflect changing service and corporate requirements and priorities. The day to day activities of the CPaL teams will be informed and influenced by this programme of activities.

As such, this programme of activities provides the detailed workplan for the next two years and for our continued improvement beyond 2025. A high level summary of the whole programme, divided into its core themes, is set out over the page.

Theme	CPP Element	Key Actions
Define Need Set Strategy Plan & Monitor	<ul style="list-style-type: none"> ● Strategy and planning ● Structure and governance ● Data management ● Asset challenge ● Sales and acquisitions ● Leasehold interests ● Commercial activities 	<ul style="list-style-type: none"> ● Develop CAMP; Partnership working protocols ● Appropriate and associated organisational changes as required ● Asset Categorisation; Asset Performance regime; Roll out CORAM 2.0 ● Develop Asset Challenge programme; Surplus property process review ● Standardise processes and documentation ● Review and update Estate management policies/processes ● Refresh Investment Strategy and review governance
Design Solutions Projects Delivery	<ul style="list-style-type: none"> ● Design ● Project and programme management ● Contract arrangements 	<ul style="list-style-type: none"> ● Continuous review of new build policy ● Review governance/monitoring arrangements; Improve QMS across CPaL ● Standardise supplier lists; Develop Project Pricing Policy
Operation Maintenance Delivery	<ul style="list-style-type: none"> ● Strategy and standards ● Performance and monitoring ● Operations and delivery 	<ul style="list-style-type: none"> ● Develop FM Strategy and review operating models/standards; Develop R&M prioritisation methodology ● Establish Performance standards/reporting; Benchmark performance/VfM ● Centralisation of Property budgets

Our property portfolio remains vital to the provision of high quality services to our communities, and it also gives us the ability to support the wider economic growth in our area. Closer corporate working between CPaL and services will help ensure this is achieved, and at the same time ensuring that our property portfolio is the right size and shape and is effectively utilised. Working with partner organisations and communities will help us identify joint property solutions to further improve our services and support community sustainability.

Developing our property data systems and enhancing understanding of our property information is a key element in the strategic planning of our property portfolio. By having a clear direction and a how we want our property portfolio to look in the future gives us the ability to ensure that our activities all work to meet this common goal. The way we manage the properties in our portfolio will reflect their individual contributions and use all our resources to support corporate priorities.

Our work in the coming year will ensure that we have quality data, policies and procedures to drive improvement and have a property portfolio that we are proud of. The full Corporate Asset Management Plan 2025 will develop the current position and provide a longer term vision.



Hardwick Park – Statue of Neptune