

Asset Management Plan 2017

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1. Executive Summary

Daventry District Council is continually striving to achieve improved services and better outcomes from its property estate. As owner of a variety of buildings and a significant amount of land, the Council needs to have in place clear guidance on how to manage its properties efficiently and strategically.

This Asset Management Plan is an essential part of delivering the Council's Corporate Strategic Plan (CSP) to improve the way the Council works and provides enhanced outcomes for the residents of the District. It states how the Council's properties support the delivery of the CSP and the role and desired outcomes of the estate in relation to the Council's Vision – Build a Better District' – and four strategic priorities:

1. Improve our Business Economy, Learning and Skills
2. Protect and Enhance our Environment
3. Promote Healthy, Safe and Strong Communities and Individuals
4. Be an Efficient and Effective Council

These themes and the strategic priorities influence the way the Council involves property at a strategic level as well as day-to-day property management activities. The Council's estate contributes a major part in the Council's intent to be an efficiently run Council and one that provides first class services. The vision for the Council's property estate supports this and underpins the strategic management of the estate, as follows:

The vision for our property estate is to own, occupy or use properties that support the Council to deliver its services and Corporate Strategic Plan.

The Asset Management Plan sets out the role of property to the Council and the desired outcomes from the property estate with objectives for achieving these and indicators by which to measure performance and success in delivering the desired outcomes.

2. Introduction

Asset Management Plans are the framework in which councils operate to manage their fixed assets. Most plans reflect the significant changes that have taken place and recognise the evolving nature of asset management locally and across the wider local and central government estates as a whole. Most of these plans offer a strategic framework to deliver the changes required in response to the changing financial and economic landscape. The need to operate in a leaner and greener way, together with the need to control spending and generate income, requires a review of the models of service delivery to ensure the Council manages its property assets sustainably and, where appropriate, in partnership with public and private sector partners.

The term 'asset' can be used to describe many different types of asset; for example, road infrastructure, plant and machinery, equipment and property. In this document 'asset' is used to refer to land and buildings, that is, real estate in the strict legal sense. The strict descriptor of the subject is 'strategic asset management for land and buildings', but for simplicity the reference throughout will be to 'property asset management'.

Property, like finance and staffing, is a corporate resource that crosses over all service functions. This Asset Management Plan is an essential part of how The Council manages its property estate as a strategic resource to enable the successful delivery of the Council's CSP vision and desired outcomes.

The CSP provides the overall direction within which the property estate is managed. The AMP sets out how the Council's property estate supports the Council's corporate objectives. It sets out the role and desired outcomes from the property estate including its use to support delivery of the CSP, the efficient use of properties, improved quality of services delivered from them, maximising value and use as a lever to economic growth, complete with an action plan to make this happen. Furthermore, the strategy shows how corporate desired outcomes are embedded in the Council's strategic and day-to-day management of the estate.

In summary, the AMP specifies and explains the Council's:

- Vision and desired outcomes for its property estate
- Property objectives to meet the desired outcomes
- Indicators used to measure property performance
- Corporate Strategic Plan themes and strategic priorities linked to property
- Property-related achievements
- Priorities for action with targets

- Asset management arrangements

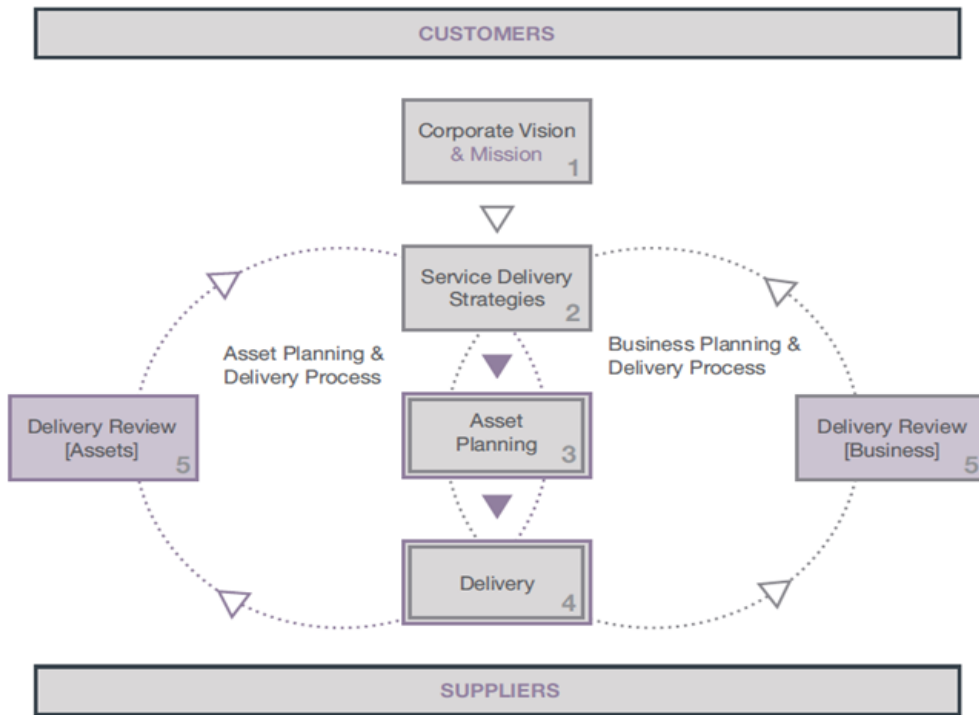


Figure 1: The basic business process for effective property asset management

3. Asset Management Approach

The Asset Management Plan (AMP) is required to provide for and assist in achieving the corporate aims of the Council as set out in the three main supporting key documents. These are the **Corporate Strategic Plan**, the **Capital Strategy** and the **Medium Term Financial Plan**. The Council also has formal asset management policies, which are as follows.

1. Asset Holding Decisions

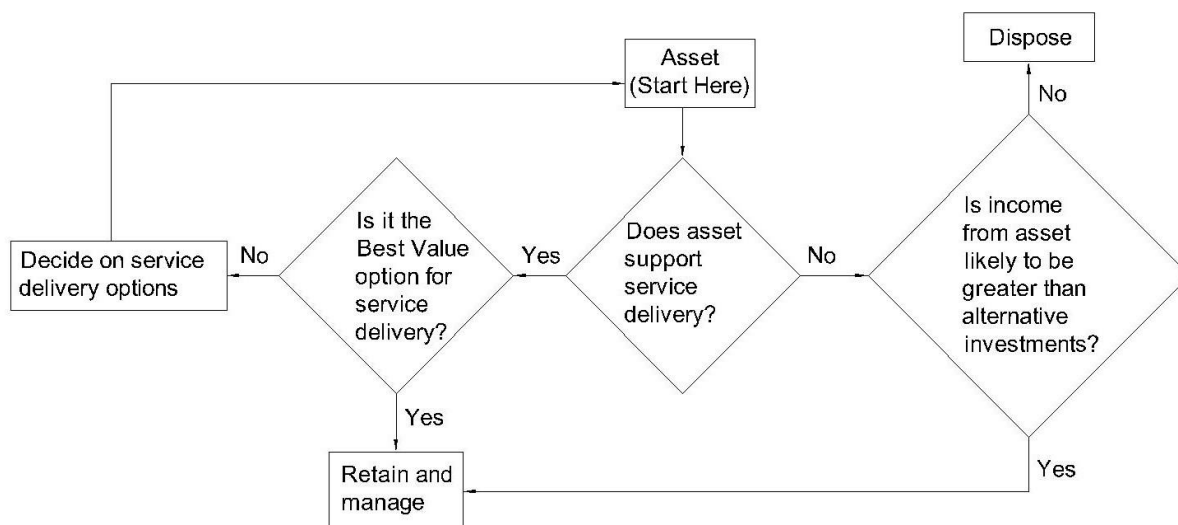
Daventry District Council will only hold assets if:

- a) they represent the Best Value option for service delivery (acknowledging that in some cases the service being delivered may be the preservation of a building), or
- b) they represent a viable form of investment.

Figure 1 summarise the decision making process in relation to assets. While framed in terms of asset retention, the same logic applies to acquisition, with “retain” replaced by “acquire.”

The question of “Best Value option for service delivery” will include consideration of accessibility, environmental and crime and disorder issues.

Figure 1: Asset Holding Decision Process



OMA 1 The Council will seek to minimise the cost in use of each asset – through efficient maintenance and usage practices.

OMA 2 The Council will seek to maximise the impact of assets on the achievement of its objectives, including through the promotion of joint use with other service providers where appropriate – there are situations were measures such a co-location of the Council’s staff with those of these

	service providers will make a greater contribution to the Council's objectives than traditional approaches to using property.
OMA 3	The Council will seek to optimise the utilisation of land and buildings – the Council will seek to ensure that surplus space (if it is not practical or appropriate to dispose of it) is either (a) utilised for service provision in accordance with OMA 2 and/or (b) let to make a commercial return. The decision on which solution is appropriate will be made on a case by case basis, depending on the building in question, service provision needs and market conditions.
OMA 4	The Council will seek to ensure that properties continue to be appropriate for the delivery of services – including questions of access, both for people with disabilities and more generally.
OMA 5	Properties will be managed so as to help meet the aims of the Council's Environmental Policy – existing assets should be managed in an environmentally responsible way, with opportunities examined to improve this through investment or altered management practices.

The reference to income in the flowchart is taken as including potential for capital appreciation.

The AMP reflects upon the core values of the Council as set out in the Corporate Strategic Plan (CSP). It is required to assist in addressing these values by making sure property delivers against the objectives in a cost effective and beneficial manner. The CSP reflects the issues that face the District and thus the AMP is an integral part of helping to address these issues and shape the way forward in delivering the desired outcomes.

Property asset management continues to be high on the agendas of all government departments and public sector bodies given the ongoing pressure to reduce operating costs, raise cash and improve the efficiency of service delivery. The process is a critical piece in the 're-engineering jigsaw' of public service delivery improvement.

Managing property assets requires co-ordination with all parts of an organisation. It is strategic and business-led and requires the co-operation of the whole organisation to be successful and in order that the most effective space is delivered.

The public sector management strategy will see continuing emphasis on using less space, the sharing of facilities by a variety of local and national bodies and the centralised management of public portfolios in order to reduce management cost, improve procurement and force efficiency gains in the use of shared accommodation by co-location.

A considerable body of property asset management expertise now resides within the public sector. Flexible workstyles will be adopted more widely as departments and other bodies relocate and centralise their physical presence to 'hub' locations, in

more efficient and sustainable buildings. The Council has limited possibilities due to its size, but will continue to explore operational synergies with other bodies and progress any such opportunities as they arise in accordance with the agreed strategy.

The Council is a relatively small council serving a large geographical area that is predominantly rural with the exception of the town of Daventry, the main urban area in the District. The size and geographical spread of the district does result in many of the outlying rural areas naturally gravitating towards other towns that surround the District such as Rugby, Banbury, Northampton, Kettering and Market Harborough.

The planning framework provides for substantial growth in the District, focused on the town of Daventry, with further urban extensions linked to Northampton in the eastern part of the District. Rather than allow the future of the District to be directed by others, Daventry District Council continues to embrace the anticipated growth and the benefits it could bring, particularly in terms of regenerating the town of Daventry. Being a major landowner within the town places the Council in a strong position of influence and the AMP is expected to contribute to the Council's wider objectives in respect of regenerating Daventry town and shaping future growth throughout the District.

The AMP is required to look at the current position, assess suitability for purpose, suggest change if necessary, and demonstrate how this will be achieved.

The AMP should address a review of current holdings and their suitability for purpose as required by the service delivery teams, the Corporate Plan and the Capital Strategy. There should be a decision making forum to consider the status quo and whether there is a requirement for change. The plan should address the use and function of the assets to ensure they are fit for purpose.

The AMP is to look at aspects of holding, managing, and maintaining land and property assets belonging to the Council. The Council is required to consider all of the costs associated with holding land and property along with the benefits. These can be financial social, or economic considerations and may be a mixture of all three.

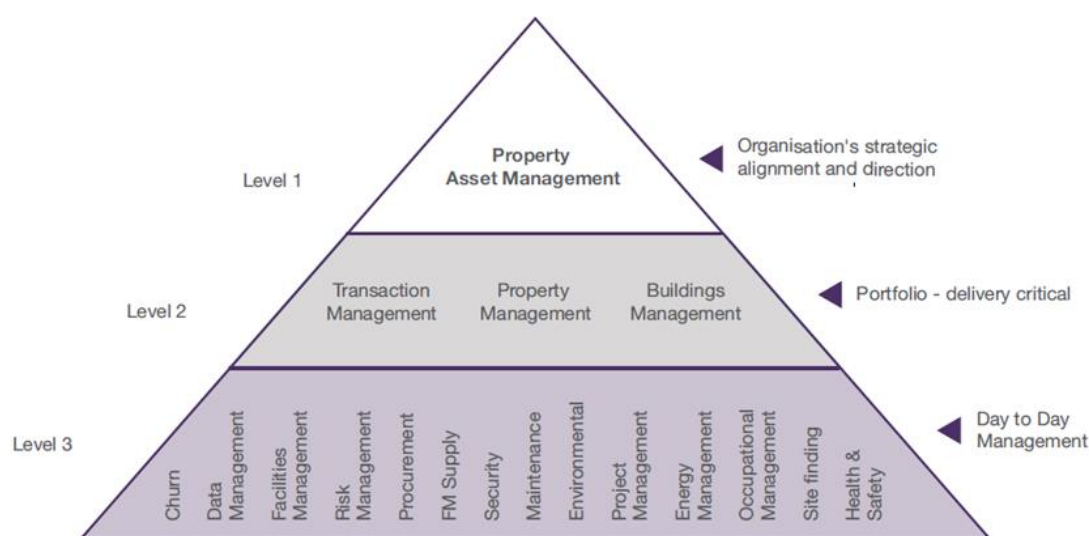


Figure 2: Property asset management and property management inter-relationship

Councils frequently hold or acquire assets for the purposes of economic regeneration. This can have costs associated with retention that have to be provided for in order to deliver upon the objective of improving the town or district for the benefit of the citizens in the area.

Daventry town was substantially remodelled since the 1960s around a very generously designed road system. This is now being reviewed and rationalised to create new development sites, when combined with land already in the ownership of the Council or its partners. The Council also owns large areas of open space and a number of car parks in Daventry town centre, some of which have also been identified for redevelopment within the Daventry Town Centre Vision 2021 and the Daventry Master Plan 2040.

The Council will be required to identify any assets that it considers are no longer appropriate to hold and seek to dispose of these for best consideration. The Council will need to justify any disposal in accordance with the strategy employed, and demonstrate that by doing so all positive and negative implications of taking such an action as opposed to holding onto the asset are fully considered.

The Council has a strategy for the acquisition of assets where it again can be demonstrated that this meets the objectives of the CSP (including supporting the Medium Term Financial Plan, and/or delivering regeneration and economic benefits for the District).

The Council's assets currently have a total value of approximately £62 million including a substantial commercial portfolio with a value in the region of £25 million

(excluding development land). Although the Council has carried out substantial later development, much of its commercial portfolio dates back to the 1960s and the time when Daventry became an overspill town to Birmingham and predominantly comprises small industrial units. There are also 12 retail units located in local housing areas and 32 around Daventry town centre.

The Council does hold two larger modern properties that were built under design and build schemes on a bespoke basis for the intended occupiers, expanding local businesses. In addition, in 2017 the Council acquired an existing large unit to add to the commercial stock, which provided additional revenue from the rent and was a strategically-placed acquisition in the locality being adjacent to existing Council-owned property.

High Level Strategy Documents

The Council has set out its high level objectives in two key documents: The Community Strategy and the Corporate Strategic Plan (CSP). The Community Strategy is the Local Strategic Partnership's overarching long term vision for the District and contains priorities for improving the social, economic and environmental wellbeing of the area. Priorities are based on a combination of what people think needs doing and hard data. It includes the following priorities:

- Improve health and access to healthy lifestyles
- Build safer, stronger, more cohesive communities
- Reduce inequalities between our 'better off' and deprived communities.
- Increase levels of skill and education to meet the needs of existing and new employers.
- Encourage inward investment to build upon and diversify the range of employment opportunities.
- Regenerate Daventry town
- Combat climate change
- Improve the environment

The Council is currently consulting on a revised Community Strategy. This would be a less strategic document, focusing on particular areas of partnership working. If it is adopted in something like this form, the effect will be to make the CSP the 'senior' strategy guiding the Council's overall approach.

The CSP translates these overarching statements into more quantifiable objectives and targets for the period 2017 to 2020. The plan states that the Council's vision is to 'Build a Better District' and in order to do this it focusses on four supporting objectives:

- Improve our Business Economy, Learning and Skills
- Protect and Enhance our Environment
- Promote Healthy Safe and Strong Communities and Individuals
- To be an Efficient and Effective Council

In order to achieve this Vision, the Council's priorities, as set out in the CSP, are:

- Develop Daventry Town
- Maximise economic opportunities in the rural area
- Facilitate and develop opportunities for employment and learning
- The District is recognised as being open for business
- Reduce adverse environmental impact
- Reduce the amount of waste generated
- Deliver attractive public spaces
- Preserve the District's heritage
- Improved access to services
- Encourage a safe and healthy lifestyle
- People have the housing they need
- Support the community and voluntary sector
- Maximising income generation
- Effective resource and risk management
- Value and develop an effective workforce
- Manage performance and customer perception

As can be seen, property control and development can assist in achieving the Vision and has a substantial influence on many of the priorities. This AMP sets out the way in which the Council's property assets will contribute towards the achievement of the Vision.

The CSP is a central management document that sets out targets for general objectives. These objectives are broken down even further into the Service Plans that give an in depth breakdown of the objectives and targets for each service and employee. All these performance indicators are monitored to assess delivery against targets, thus creating the golden thread of performance management.

4. Daventry District Background and Information

Daventry District is a large area comprising of just over 257 square miles and is predominantly rural in character. It falls within the western part of Northamptonshire County. Despite being the largest district within the County it has the second smallest population. Approximately one third of the population of the District, some 26,492 people (source: ONS mid-year population estimates for June 2016) out of a total of 81316 (source: ONS Census June 2016 mid-year estimate), live within the town of Daventry.

The town of Daventry is a market town and, although the original livestock markets no longer exist, there are general markets twice a week, monthly farmers' markets and specialist markets on an ad hoc basis. It is the main shopping and employment town serving nearby villages and is also the District's administrative centre.

There are 78 villages within the District; three of these have a population of more than 3,000 and more than half have a population of less than 300.

Daventry District Council

Daventry District Council is made up of 16 wards and 36 seats. Councillors are elected in thirds on rotation except in the year county council elections are held.

As at end March 2017 the Council had 217 employees, equating to 174 FTEs. The Council has a strong record of developing staff at all levels and there is a robust performance management system which drives the achievement of the Corporate Strategic Plan. Senior management recognise that the management, development and wellbeing of employees are essential for the Council to meet its objectives and play a strong role in the community. The Council's values are well embedded and employees are encouraged to make decisions in line with these values. Following initial accreditation in 1998, the Council continues to hold Investor in People status. It was awarded the Workplace Wellbeing Charter in March 2017.

The senior management team comprises a permanent Chief Executive, Deputy Chief Executive and three Managers, each of whom is responsible for one Team.

The teams have the following responsibilities: The **Business Team** is focused on strategic direction, policy, income generation, development, performance and environmental services. The **Community Team** provides many of the Council's front-facing services, including development control, housing support, environmental health, customer services, community safety and community and voluntary sector support. The **Resources Team** provides financial management and corporate support services including human resources, governance, communications and IT.

The Business Team is responsible for asset management, to which the Council attaches a high priority. The Business Team is split into four main services:

- Property Services
- Construction and Development
- Corporate and Performance
- Local Strategy

The Property Service is responsible for the management of the commercial portfolio and the operational properties belonging to the Council. This includes the generation of a significant revenue stream from rental income, capital receipts from the disposal of land and property and the acquisition of strategic assets.

The Construction and Development Service is responsible for new build, whether in-house or in partnership with others. It provides design and build along with project management services.

The Council currently works closely with two major outsourced partners, Enterprise Managed Services Limited (EMS), part of the Amey group, which provides a cluster of 'environmental services' (waste, recycling, grounds maintenance, cleansing and related matters) and Sports & Leisure Management (SLM, trading as 'Everyone Active') who provide the Council's leisure and sports functions, including managing the Daventry Leisure Centre and Sports Park. In June 2018 EMS will be replaced by Daventry Norse, a joint venture between the Council and Norse Commercial Services, which is itself ultimately owned by Norfolk County Council.

The Council also has a trading subsidiary, The Daventry Estate Company Limited (TDECL). TDECL is closely aligned with the Council's objectives and its directors are all Council officers and Members. TDECL leases from the Council and lets out for private rent 32 houses in the north of Daventry plus one town centre property on Welton Road.

The Council has traditionally worked within a complex set of relationships and external and internal policies, plans and strategies. These are constantly evolving to meet the challenging times in which we find ourselves. There is a need to continue to work with the South East Midlands Local Enterprise Partnership to ensure the Council forms part of the decision making process in support of economic generation and growth.

The Council continues to have relationships with other councils in providing shared services such as Building Control, which is managed by Warwick District Council and through the shared legal service (District Law) with two other Councils.

Further, the Council has jointly set up an LLP with a joint venture partner, Public Sector Plc, which is called PSP Daventry LLP. The purpose the LLP is to develop land which the Council has a stake in, to pursue revenue and/or capital savings or income generation and Council policy objectives, when the Council finds this useful.

Historically, the Council had a substantial area of development land. This is no longer the case as most has been disposed of, normally in a serviced state. This does clearly affect the Council's ability to fund capital projects and acquire capital

assets and as a result the effective management of the Council's existing assets is all the more important. As part of its strategy the Council will consider borrowing as an option to fund development projects that provide sufficient financial returns and/or associated socio-economic benefits. Currently the Council self-funds its projects, but with limited funds available in the future this will give rise to the consideration of prudent capital borrowing.

Planning Policy and Regeneration

A Joint Core Strategy (JCS) was approved for West Northamptonshire in December 2014. The JCS sets out growth targets for housing and jobs what infrastructure is required to support this growth.

The JCS supports the growth of Daventry town towards a population of 40,000, but recognises that this will not all happen within the plan period (i.e. up to 2029).

The Council is now working on the Settlements and Countryside Local Plan which will complement the policies and strategy in the Core Strategy and replace all remaining 'saved' policies of the 1997 Daventry District Local Plan. Consultation on the Plan will take place November 2017 – January 2018.

Other important supporting documents

The Medium Term Financial Plan (MTFP) is updated regularly. The current MTFP reflects anticipated continuing reductions in Formula Grant and the Council's planned saving and income generation projects (many of which involve asset creation or use).

The Capital Strategy 2017-2022 has recently been updated to reflect the current circumstances and the proposed use of capital over the relevant period of years. Clearly the link between the AMP and the Capital Strategy will remain a key fundamental aspect of the way assets are managed and continue to be financed. The Capital Strategy will provide the financial support to deliver upon the aspirations contained within the AMP and both documents will continue to be reviewed to ensure they remain fit for purpose and achieve their objectives.

The Council website includes a list of all other policies and strategies. All of the Council's strategy documents that have a direct link with property assets will develop as delivery against the objectives is sought.

5. Key Challenges

The Council continues to face a number of challenges as an organisation and as champion of its District in relation to its assets and capital resources. These may be summarised as:

- General pressure on public finances, which means that general grant income to the Council will decrease over the foreseeable future despite ongoing service pressures. Similarly, external public capital investment is likely to be limited.
- The end of the programme of greenfield land sales as the Council's stock of such land runs out, reducing the capital available for investment and land in the Council's control available for development.
- The age of some of the Council's commercial stock, requiring investment to ensure it remains suitable for modern business needs.
- Strong demand for commercial property, with occupancy levels at almost full capacity. This represents a risk of missed opportunities. It is, however, allied to opportunities for productive investment.
- Changes to patterns of public service delivery in response to customer demands, other expectations and pressures, and evolution of ICT, particularly the Internet. This is, however, allied to opportunities to manage accommodation costs.
- At the time of writing central Government has triggered the process of removing the UK from the European Union ('Brexit'). This is intended to be completed by March 2019, although a transitional period of a number of years appears to be envisaged. The resultant outcomes of the negotiations are unknown, and thus it is impossible to know what will be the impact of leaving the European Union. Monitoring will continue as the matter progresses.
- The requirement to sustain an investment portfolio that performs and generates sufficient returns to achieve the maximum output from the objectives may prove to be more difficult if the UK economy were to suffer a further sustained period of economic depression.
- Likely Government expectations to markedly increase housing production as part of the Oxford – Milton Keynes – Cambridge Arc.

The challenges will continue to evolve and potentially change. Property reviews are therefore undertaken are conducted to ensure that the use of assets is optimised.

6. Asset Management Strategy

The strategy is a high level statement of the overall approach to providing property and/or accommodation to meet the organisation's needs. It is designed to outline the property that is required to meet corporate and operational objectives.

Strategic property asset management is the process which aligns business and property asset strategies, ensuring the optimisation of an organisation's property assets in a way which best supports its key business goals and objectives.

The principal role of the property asset manager is to ensure that the right accommodation is provided in line with business needs. The responsibilities include the alignment of property asset and business strategies, ensuring efficiency in space usage and finance, and where possible, planning for public property assets to stimulate wider area economic growth. Daventry does not have a dedicated Property Asset Manager, with the basic requirements only of the role being provided by the Property Services Manager instead.

All organisations need an accommodation 'envelope' to house their employees and to deliver the services they supply to their customers. People (employees), property assets (accommodation), process (goods or services supply) and place (location) are key operational factors, and it is the integrated management of these resources by the property asset manager which plays a vital part in determining their success in meeting customers' expectations.

Organisations use a wide range of resources to operate successfully and so the property asset manager must create effective communication and management linkages right through the organisation in order to carry out the strategic property asset management function effectively. So the role of the property asset manager is complex. It combines a range of technical competencies with financial acumen and management skills.

The Council does not have many occupational operational assets that are used by service teams for the delivery of the differing service provision. The current operational property identified in this document is addressed accordingly.

The Council has key assets as follows:

- Civic Offices
- Daventry Leisure Centre
- Daventry Sports Park
- The Abbey
- The Depot
- Open spaces
- Community centres

- Car parks
- Industrial estates
- Estate shops
- Town centre retail units and offices
- Shared ownership houses
- Private rented houses

More detail on these and intentions for them is given in Appendix A.

Corporate Landlord Model

The Corporate Landlord is the predominant asset management model in larger private sector organisations and is increasingly popular within local government. This is due to the potential scope for efficiencies and the effective delivery of corporate outcomes including regeneration objectives. The Corporate Landlord approach can deliver economies of scale in terms of capacity, procurement and opportunities for co-location across an organisation and with other external organisations. This can ultimately lead to rationalisation. Where it is most effective is ensuring that an organisation's property portfolio drives, supports and delivers corporate change and regeneration. This is the preferred delivery model that many public and private sector organisations have adopted to provide effective strategic estate management.

Ultimately councils are looking to work flexibly, utilise space more effectively, streamline accommodation with workspace planning, share accommodation, dispose of poor performing assets, revise PIs to reflect change, hold assets for investment rather than dispose for capital receipts.

The One Public Estate model as championed by central Government is pushing local authorities to liaise and collaborate with other large service providers such as the National Health Service, the Government Property Unit emergency services, other bordering authorities and the private sector where there is service delivery connection.

7. Regeneration Projects

Town Centre Vision Site 1

The Council has a Joint Venture agreement with Henry Boots Developments Limited to consider proposals for redevelopment of part of the town centre to provide for additional leisure and retail provision. So far this has proven to be extremely difficult to achieve due to the viability requirements of the schemes under consideration.

The Council continues to work on trying to establish a viable leisure-based scheme with a cinema and is looking closely at other locations in the country where similar schemes are being progressed. This will then inform the decision-making process going forward for this site.

Town Centre Vision Site 5

Working in partnership with Henry Boot, the Council has developed a scheme for a new retail park on the former swimming pool site and adjacent areas. Planning Committee resolved to grant planning permission subject to conditions and potentially a planning obligation on 22 November 2017.

The scheme will provide for a variety of A1 retail units, a new hotel and a fast food drive-through operation, all with associated parking arrangements. If the scheme achieves consent then it is anticipated that substantive work will commence on site in September 2018.

Town Centre Vision Site 3 – WaterSpace

This site is intended to be a major extension to Daventry town centre, providing quality public spaces and leisure-time activities around the head of the proposed Daventry Canal Arm.

It was to be taken forward by PSP Daventry LLP, but due to a failure of the parties to achieve sufficient common interest the LLP's involvement has been brought to an end. The Council will therefore be taking the development forward itself.

The proposed canal extension into Daventry from the Grand Union canal

The Council continues to explore the delivery of a canal arm that will link Daventry directly to the Grand Union Canal. The proposed route will be adjacent to the north-west boundary of the residential Sustainable Urban Extension site that is planned for either side of the road to Long Buckby (the NE Daventry SUE).

The Council is in the process of understanding the feasibility and subsequent viability of the project. It has engaged external resource to support the information and engineering process that will provide for an informed decision to be made about whether or not the project should ultimately be progressed as a development. It is anticipated that further reports will be provided for Member consideration during 2018.

Heartland Business Park – New commercial unit development

The Council is proposing to undertake a design and build project on a parcel of land in its ownership. The newly-constructed unit is the subject of a pre-let agreement with a local high tech company who are seeking to expand their business activities in Daventry. Work on site is due to commence in December 2017 with an anticipated completion date of July 2018.

When completed the unit will be let on a 15 year lease and provide further revenue via the rental income received and provide additional employment in accordance with the growth of the occupying company. At the same time the Council's asset base is increased in value.

Part of the development provides for a speculative new build element, which also provides for additional expansion of the new occupying tenant of the main unit. However, given the size of the unit it is expected that this will attract many occupiers and provide for additional income generation once the development is completed.

Middlemore Site 8 East – Proposed residential development

The Council owns the last remaining plot of development land on the Middlemore Estate. The Council has considered all of the options for maximising the return from this site.

Ultimately, the Council has decided that the best financial return can be achieved by agreeing to a phased site disposal to a Housing Association who will be able to deliver a new build scheme with houses for sale and provide at least 25% affordable housing.

If all of the details are agreed then there is an anticipation of two capital receipts, one being in 2019 and subsequently in 2020.

Middlemore Site 7 and Welton Road Developments – Care Home and Residential Schemes

Planning Committee resolved to grant planning permission on 13th September 2017. Issue of planning permission is awaiting the completion of a planning obligation.

Contracts have been exchanged and the sale of the land to the developer will complete six weeks after planning permission is granted.

The same developer is pursuing planning permission on land owned by the Council off Welton Road, Daventry for a care facility. There were concerns about the massing of the proposed development, highway access, the need to update the protected species survey and boundary treatments. The applicant addressed the building massing issues with design changes to elevations, has redesigned the highway access and provided the updates on protected species and boundary treatments.

Assuming both disposals progress to completion it is anticipated that work on site will commence during 2018, to which the first building to be constructed will be the new Elderly Person Care Home (with Dementia Provision) on the Middlemore site.

8. Investment Strategy

1. The Council owns 164 properties (excluding land and TCV1 acquired sites) categorised as follows:

Location	Type of property	Total
Royal Oak Estate	Industrial	78
High March Estate	Industrial	22
Long March	Industrial/Commercial	2
Heartlands Estate	Commercial	5
Town Centre	Retail	32
Housing Estates	Retail	12
Community Centres	Leisure	4
Leisure Centre	Leisure/Sport	2
Others		7

The bulk of the portfolio, some 92%, is held for investment purposes and is therefore the dominant aspect. Given the characteristics of the portfolio it is inherent on the Council to consider what its investment strategy is to be.

2. Investment desire:

- The Council has a fairly strong desire to use its own capital for investment purposes
- The Council wants to see economic and community improvement/regeneration within the district but primarily within the town environment
- The Council is willing to work with partners on joint ventures or reciprocal return investments to achieve its objectives

3. The Council has the following objectives:

- Drive revenue generation
- Maintain yield
- Improve covenant strength

- Have a balanced investment approach
- Support the strategic community objectives of the Council

4. Factors to be taking into consideration include:

- Revenue generation
- Yield
- Employment provision
- Economic support
- Voids
- Management costs
- Arrears

5. Funding availability:

- This is led by the Capital Strategy which informs the Medium Term Financial Plan
- Grant availability
- The reserves available to the Council that can be used for investment
- Prudential borrowing from the Public Works Loan Board

6. The possibility of using borrowing to fund capital investment in accordance with the Capital Strategy.

The Council currently has a portfolio of properties that it holds for investment purposes. The Council has over the past two years undertaken the best part of a million pounds worth of maintenance and improvements in areas of its commercial estate to ensure the life of the buildings are extended and the condition of the premises allow for them to continue to be rented out at reasonable market rents.

In addition the Council has sought to ensure that all of the commercial estate provides for the new environmental standard on EPC ratings to be complied with in April 2018.

The Council will be undertaking a full review of its investment holdings over the period of this plan with a view to considering the following:

- The condition.
- The life of the property.
- The location.
- The existing net revenue position.
- The opportunity or otherwise for an alternative development that would improve capital values and revenue generation.

Where the Council identifies development opportunities that will provide significant benefits above the status quo, then the Council will consider reports recognising such opportunities with a view to progressing these.

Appendix A – Current Main Projects

Civic Offices - Lodge Road

The **Lodge Road** premises now function as the civic offices, the local Job Centre and the primary area base for the County Council's Social Services team for Children and Young People. The ground floor reception area operates to support all three services, providing synergies for some of the 'clients' in support of their individual needs and has proven to be a success. An integrated service provision such as this from three different suppliers providing services that are frequently linked together shows just what can be done when the cost-benefit analysis for all of the parties concerned is considered, and aligns itself to what central Government is encouraging with the One Public Estate agenda.

Daventry District Council continues to engage with other service providers who may have a need or want to make use of facilities available, such as the discussions with the local police to provide a front desk function with support away from a formal police station. Again, such arrangement of this type will continue to be considered and explored if it is both feasible and practicable to do so.

The Lodge Road offices were constructed in 1987 and there has been no major investment in them since. In particular the interior of the building is tired. The building is now in need of refurbishment and consideration should be given to the way the Council uses the premises going forward. Funding was agreed to refurbish the Offices but this was found to be insufficient.

A detailed survey should be commissioned to look at the condition of the premises and make recommendations as to the level of work that would be required to bring the premises up to modern day working standards.

The above should be coupled with a 'work space assessment' to be undertaken across the whole of the building to look at the operational requirements, against the actual space available to provide guidance on the efficient use of the space against an agreed criteria for examination.

A report should then be provided to inform the decision-making process that may result in a Business Case being submitted to reflect the outcomes of the report.

The Abbey Centre

The Abbey Centre continues to provide both commercial space for small enterprises that need some form of serviced facility, whilst at the same time sharing building space with community service providers who need a base from which to operate.

Getting the balance right has been the challenge as the premises need to be able to generate sufficient income to not cost the local tax payer, whilst at the same time not become a burden to those who need such facilities.

There is an outstanding refurbishment program relating to the Abbey Centre which has partially been undertaken. This was not completed due to a potential review of the continued use of the premises. Given that the use will continue as is for the foreseeable future, it is now intended to re-examine the extent of the refurbishment works required to seek improvements to the quality and efficient use of the building and bring forward a revised financial assessment based upon the findings.

There is a need to keep both of the above properties under review. They are clearly strategic premises that need to meet the requirements of users whether they are staff or visitors, both being public access properties.

Depot

This site at High March, Daventry is currently partly used to provide environmental services and is partly vacant. Once the Daventry Norse joint venture is in occupation the whole site will be used to provide those services. The intention is that it will also support profitable trading by Daventry Norse.

Currently the Contracts House building is undergoing major refurbishment works prior to occupation by Daventry Norse. The upper Depot will be completely rebuilt between June and December 2018 to provide fit-for-purpose facilities for the company.

Thus given the ongoing project relating to this asset, it is not intended there should be any further consideration of changes to this asset at this stage.

Open Spaces

Daventry Country Park

The Council owns freehold the larger part of the land comprising Daventry Country Park, but the remainder including the entire reservoir, is on lease from the Canal and River Trust (CRT). This is due to expire in 2019 but is a secure business tenancy and therefore is expected to be renewed.

The Council's Canal Arm proposals are likely to involve enhanced visitor facilities at the Country Park.

Borough Hill Country Park

This is owned freehold and managed to support low intensity use. This is appropriate given that much of the site is a scheduled ancient monument. No major changes are currently proposed.

Cracks Hill Country Park

This is owned freehold and is managed as a countryside venue. It remains a valued location for the community. No major changes are currently proposed.

Other Open Spaces

The Council owns and manages a significant number of open spaces within Daventry town. The Council will continue to maintain these sites in accordance with good practice, to provide for access by the public and others that provide beneficial leisure uses in support of encouraging a healthy active lifestyle for our residents.

Currently the Council is in the process of reviewing and reporting on the West Northamptonshire Open Space and Sports Recreation Study. The outcomes of this will inform our use and retention of the open spaces.

In some cases it might be possible for responsibilities for specific local facilities such as children's play areas to be transferred to the town (parish) council or community groups. However, to date Daventry Town Council has shown no desire to pursue this, and no suitable community groups have been identified.

Community Centres

The Council owns five community centres, Daventry Community Centre on Ashby Road, the Phoenix Sports Academy (youth club and gym), Mayfield Park Sports Club (a community centre cum sports club), the Nene Hall and Southbrook Community Centre. The properties are leased out to third parties on leases that provide for the tenant to maintain the premises. However, it is recognised that the fabric of the buildings will continue to deteriorate as the life expectancy reduces and so will need to be considered at some point in the future. Therefore the Council will seek to review the continued use of the premises allied to the condition, in order to ensure that the buildings are fit for purpose.

Ultimately any review will consider a number of factors pertaining to the continued use of the premises.

Daventry Leisure Centre

The Leisure Centre is run on behalf of DDC by Sports and Leisure Management Limited (SLM, which trades as 'Everyone Active') under a 10 year contract. The company occupies under the terms of a full repairing lease which is not due to end until June 2022.

The Council continues to monitor the contract and ensures that the building and ancillary grounds are maintained to a satisfactory standard.

The Council will need to undertake a condition survey of the premises during the remaining period of the lease to inform any future maintenance or refurbishments that might be required. This would both cover any outstanding liabilities SLM may have. Alongside this, consideration would be given to any works required to maximise the benefits of whatever new contract or arrangement may be put in place.

Daventry Sports Park

The Leisure Centre is run on behalf of DDC by Sports and Leisure Management Limited (SLM, which trades as 'Everyone Active') under a 10 year contract. The company occupies under the terms of a full repairing lease which is not due to end until June 2022.

The Council continues to monitor the contract and ensures that the building, pitches and other grounds are maintained to a satisfactory standard.

Work is currently underway upgrading the artificial turf pitch to '3G' standard, partly funded by the Football Association/Football Foundation.

The Council will need to undertake a condition survey of the premises during the remaining period of the lease to inform any future maintenance or refurbishments that might be required. This would both cover any outstanding liabilities SLM may have. Alongside this, consideration would be given to any works required to maximise the benefits of whatever new contract or arrangement may be put in place.

Western Avenue (Stefen Hill) Sports Park

This property is on a long lease to the Daventry and District Sports Trust. There is regular engagement to ensure the terms of the lease are adhered to (notably with reference to unauthorised accesses being created from neighbouring houses).

The Trust has generally been successful in securing investment in the site and it provides an important set of facilities for the area. The intention is to continue to work with the Trust to see appropriate investment and development of the facilities.

Daventry Town Football Club Ground

The Council continues to engage with ground lessee at the football club to ascertain their future plans for maintenance and improvement of the on-site facilities. It is understood that the club house is in need of investment, but that the club are unable to fund this.

The Council are in the process of seeking to obtain a surrender of the existing lease but it is proving difficult to engage fully with the parties. If the Council takes possession then there is a potential liability associated with the buildings regarding maintenance and refurbishment. Discussions are likely to be ongoing for a period of time to ensure that all parties are content with agreed outcomes.

Daventry Town Car Parks

The Council owns and maintains 11 car parks in and around Daventry town. They are regularly inspected for maintenance and repairs. The Council continues to provide the car parks free of charge to all users.

Some of the car parks form part of the Site 1 and Site 5 development areas. The car parks within Site 5 will cease to exist once the development of that area is carried out, but new car parks, under the control of the lessee, would be created. The same may be true for Site 1, but this is uncertain at this stage.

The Council may wish to consider a review of the car parks with regards to any future upgrades/improvements. Whilst there is an ongoing maintenance regime, there will be a requirement for significant investment at some point in the future. In addition there is the possibility of looking to use the space above the car parks for the potential location of photo voltaic panels to provide electric car generating points and electricity for other uses. This is particularly relevant given the push to move to hybrid and fully electric vehicles in the near future, which supports the Council's own policy objectives.

Industrial and Commercial Estates

The Council owns and manages industrial and commercial estates in the following locations within Daventry:

- Royal Oak Estate
- The Marches Estate
- Heartlands Business Park

The industrial portfolio is an integral part of the Council's requirement for the sustainable revenue income. Maintaining the income from the rents received provides for the Council to supplement its expenditure on the provision of services to the local community, outside of central government funding.

The Council has in most cases owned and managed the industrial portfolio since the buildings were constructed. The Council has invested a substantial sum of money recently in refurbishing parts of the portfolio, particularly in ensuring that they meet the requirement to achieve Energy Performance Certificate 'E' or better. This work continues.

It is intended to review the benefit of holding onto aging parts of the portfolio, particularly in relations to the properties in the Marches. These are around 60 years old now and it is anticipated that they are going to need significant investment in the current buildings or a complete rebuild within the near future. If no action is taken then it may prove quite difficult to continue letting the properties as they deteriorate. Therefore an action plan with a supporting business case will need to be brought forward in due course.

Likewise further assessments of condition will be pursued in order to ensure that proposals for necessary works can be made as appropriate.

Estate Shops

The Council owns several small retail premises that are situated in housing estates as follows:

- The Headlands – Edinburgh Square – Denney Crescent
- Southbrook – Hood Road
- The Grange – Tamar Square

Some of these hold flats which are let on long leases to the Futures Housing Group.

It is the intention to continue to let the properties as is. They are all in a reasonable condition at present and produce a stable income stream. It is not therefore intended to make any proposals that will affect this part of the Council's portfolio.

Town Centre Retail and Offices

The Council has a portfolio of assets within the immediate town centre environment although they are predominantly situated in what would now be considered secondary locations in the following:

- High Street
- Sheaf Street
- New Street

The properties are held as investments and for strategic reasons in the case of the High Street properties. They have not had any major investment for many years and it is considered that a review should be undertaken to determine if they should continue to be held, but with a view to supporting regeneration of the town centre.

Houses for Private Rent

The Council currently owns 32 houses at Middlemore. These are leased to TDECL which acts as a private landlord for them. The Council has decided to dispose of these houses in order to generate income for re-investment in schemes with a higher income yield.

It is therefore expected that by 2019 all these houses will have been sold, although there is inherent uncertainties in the process so the timescales may change.

Shared Ownership Houses

The Council formerly had an extensive stock of council housing, almost all of which was transferred to what is now Futures Housing Group. However, a number of shared ownership properties were retained. At the time, it was because the required leaseholder consents had not been obtained to allow them to be transferred.

These properties have subsequently been managed essentially as revenue earning investments, although of course in compliance with the terms of the leases, so they remain affordable housing.

Periodically a leaseholder exercises their right to 'staircase' – that is, to purchase the Council's share in the value of the property. This results in a capital receipt and a reduced revenue income.

There is no intention to change the management of these properties.

Appendix B – Action Plan

No.	Item	Outcome	Target date
1	Pursue town centre regeneration and development schemes	Improved town centre; greater retention of spending power in the District	2023
2	Review of investment holdings	Clearer understanding of value and condition; proposals for investment, redevelopment and disposal as appropriate.	2022
3	Civic Offices refurbishment	Condition restored.	2019
4	Abbey refurbishment	Condition restored.	2019
5	Responsibility for children’s play areas	Further explore transfer of responsibility to local groups or parish councils.	2020
6	Consider any implications following the West Northamptonshire Open Space, Sport and Recreation Study (OSSR)	A framework for investment decisions in open spaces and other sport assets is in place.	2019
7	Condition survey and suitability review of Daventry Leisure Centre and Daventry Sports Park	Ensure that SLM’s contractual obligations are met prior to the end of the current contract; make proposals for any investment required to maximise overall benefits of these facilities.	2021
8	Car park upgrades, including EV charging and PV array options	Clear proposals for any justified upgrades.	2020
9	Further condition survey of commercial	Identification of any investment requirements (would support	2020

	properties	action 2).	
10	Review of town centre shops and offices	Recommendations for the future of these properties, including investment and disposal.	2020
11	Disposal of houses for private rent	Completion of disposals	2019
12	Property review	An ongoing programme of reviewing smaller and non-strategic holdings to consider if there are opportunities for further income generation, disposals or policy benefits	Ongoing