

# **ESCC Property Policies**

## **Introduction**

July 2016

# Property Policies Pack 2016 update

## Amendments history sheet

Issue Number	Changes Made	Issue Date
1	Created	March 2013
2	Amended	17 April 2013
3	Updated	August 2014
4	Updated	July 2016

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# 1 Introduction

The corporate property estate represents a value of over £800 million and needs to be managed effectively to ensure best value for money from property assets in serving the strategic priorities of the Council as adopted in the Council Plan 2016/17. These priorities are:

**Priority – Driving Economic Growth.**

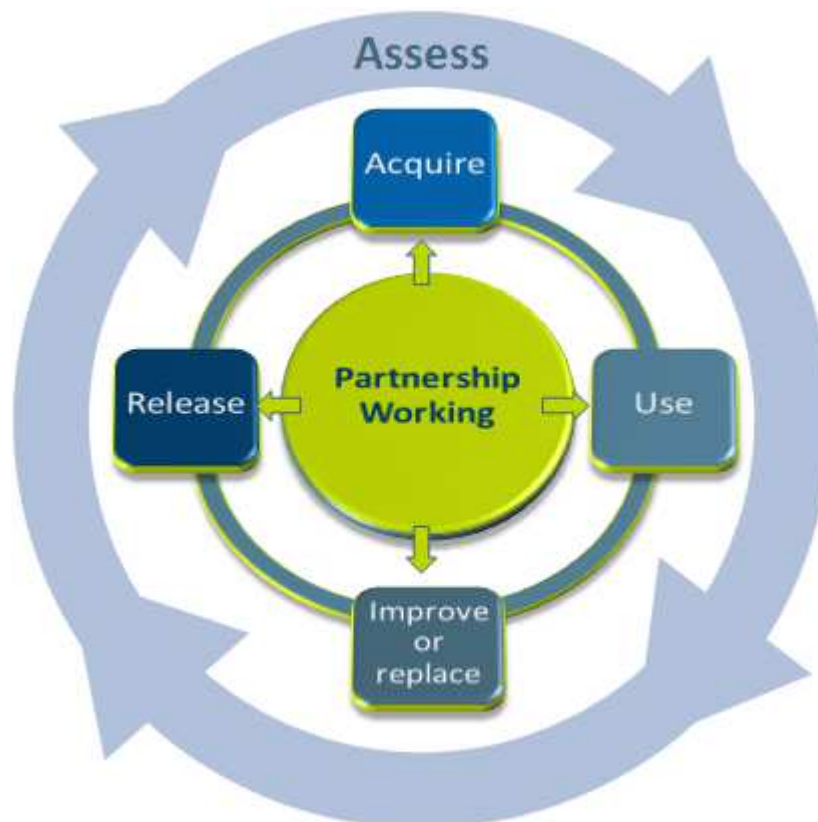
**Priority – Keeping vulnerable people safe and free from harm**

**Priority – Helping People help themselves.**

**Priority – Making best use of resources.**

We will ensure that our property portfolio is fit for purpose, efficient and sustainable through adequate and up to date supporting policies & strategies.

These policies are to facilitate a joined-up and consistent approach in terms of planning, delivery and sound property management throughout the life cycle of the portfolio, according to our key principles<sup>1</sup>:



<sup>1</sup> See Corporate Property Asset Management Plan

## 2 Our vision

To use property that is fit for purpose, efficient and sustainable, in order to support the delivery of services to our community.

Our vision is supported by the policy steers agreed by the Council. Property is a core resource and as such we want it to be:

- **‘fit for purpose’** – property actively contributing to effective service delivery in terms of location, condition, suitability, accessibility, design and layout.
- **‘efficient’** – in the way that property performs and in the way that property is used i.e. flexibly and support new ways of working,
- **‘sustainable’** – both in environmental and financial terms so that it supports the work of the authority and its partners whatever changes come our way

To help our achieve our vision in the Council’s Corporate Property Asset Management Plan 2013/18 the Council adopted the following key principles;

**Principle 1 - Improve or Replace.**

**Principle 2 - Release.**

**Principle 3 - Reduce our Carbon Footprint.**

**Principle 4 - Work in partnership and empower our communities.**

Each of the adopted property policies will specify these principles and how that key activity supports them.

Our supporting strategies in delivering this will involve:

- **Targeting available resources** on ‘core’ properties; those that the Council considers it needs to retain in the medium to long term (5+ years).
- **Working in partnership** with other organisations and local communities to maximise the use of property for the benefit of the people of East Sussex through SPACES (Strategic Property Asset Collaboration in East Sussex).
- **Addressing both the causes and the effects of climate change** through utilising best practice in all elements of the management of the estate.
- **Ensuring value for money** in all property-related transactions.
- **Improving organisational arrangements**, by raising the profile of asset management to ensure effective decision making.
- **Enhancing customer focus** across the Council by improving engagement and dialogue and redesigning our working practices to improve efficiency and effectiveness.

Many of the pledges made will have activities that continue over several years. Specific actions for the forthcoming year will be reflected in the business plan objectives.

### 3 Partnership working

Local authorities and other public sector agencies face a period of unprecedented financial challenge. In order to meet these challenges and maintain and improve core public service, it is essential that these agencies work together to share assets, property services or work together to procure services or capital investment through combined buying power. In addition, by working strategically with our partners, we can ensure that we learn from our common experience and share best practice.

The **Strategic Property Assets Collaboration in East Sussex (SPACES)** is a property collaboration programme in East Sussex where a range of public and voluntary sector partners are working together to reduce costs and generate capital receipts by seeking opportunities to share property or services that support those assets. Its targets are:

- £10 million of revenue savings of property costs.
- To achieve £30 million in capital receipts through the disposal of property.
- To reduce carbon emissions by 10,000 tonnes.

**South East 7** is a partnership of a seven top tier and unitary authorities in the South East and is working together on a number of initiatives including property asset management. Due to the scale of the area it is not necessarily practical to share property and continue to deliver local services but partners across these authorities are working together to collaborate on the joint procurement of programmes of capital works and provision of shared property services.

## 4 Property Data & Information

We collect property data and information in order to assess our portfolio's performance throughout its lifecycle. This supports sound Asset Management, informs Strategic Plans, and enables ESCC to benchmark.

The property data will be held centrally in a corporate system, and kept up to date by the Property Department to ensure its accuracy and wider accessibility.

The Council is committed to a programme of continuous improvement and review of the property data it holds and is currently implementing a new Property Asset Management System following a joint development and procurement programme by Hampshire and Surrey County Councils.

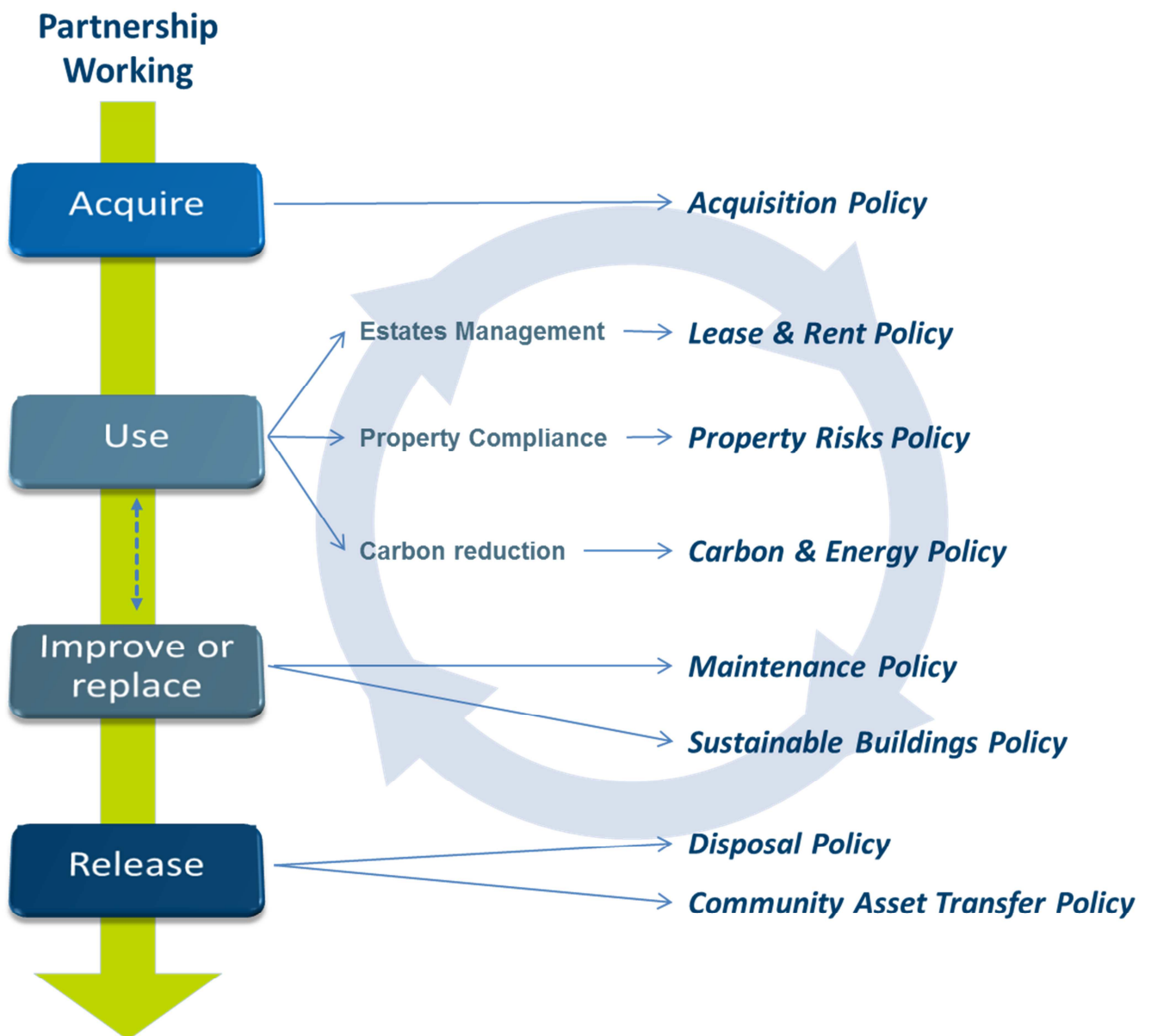
## 5 Members Involvement

We will continue to consult and keep our Members informed of property matters that may impact on their local area. It is recognised that members, because of the local knowledge of the district that they represent, will be able to contribute to those discussions to ensure that our property strategies reflect the needs of the communities to whom we provide services. Therefore engagement will be sought and encouraged at an early stage.

## 6 Property Policies

This document brings together all our Property Policies & Strategies by linking them to our priorities, as outlined in the Corporate Asset Management Plan (CPAMP) and our business plan. The diagram below illustrates how various policies underpin these priorities.

A summary of each is provided with links to the specific strategies.





## Property Acquisition Policy

This policy document is to be followed when considering the acquisition by the Council of an interest in property. For the purpose of this policy, reference to “Property” includes any property constructed on land or land or an interest in land itself. It applies to the acquisition by the Council of all interests in property including freeholds, leaseholds (including capitalised leases), restrictive covenants, easements and options. However, it does not apply to acquisitions under compulsory purchase procedures.

Property is a corporate resource and the Council's Corporate Asset Management Plan sets out the objectives and targets to be applied in managing the property portfolio. This policy places emphasis on adopting procedures that are open, transparent and consistent and aims to ensure maximum benefit from the effective purchase and subsequent management of the Council's assets. Within this framework the policy will help ensure the Council achieves best value, acts within the appropriate legal framework, acts in a demonstrably fair and open manner and considers whole life costs.

[\*Link to latest Policy Document\*](#)

## Property Lease & Rent Policy

The adoption of a policy that considers the way the Council manages its leased and licensed property or those assets it leases from others will provide a framework for decision making regarding leases and licenses will ensure consistent management of lease terms and conditions, managing insurance, undertaking maintenance and collecting rents.

This policy paper will specifically set out guidelines for agreements for standard commercial or public entities as well as voluntary and community groups. This will help achieve the Council's goals of making the best of our resources and encourage personal and community responsibility by ensuring space is available for residents and groups to meet, network and participate in community and recreational activities.

[\*Link to latest Policy Document\*](#)

## Property Risks & Compliance Policy

The Property department's role is to ensure the Council's duty of care is fulfilled by meeting our statutory obligations and eliminating property risks wherever possible or reducing them to a safe and acceptable level. As a landlord and an employer, the Council has obligations to provide a safe environment for its staff and users.

This process begins with commissioning a series of assessments and surveys to assess if any significant risks exist, to gauge the extent of those risks and then put in place an appropriate action plan for the management and/or removal of those risks.

Property risks comprise high profile risks such as asbestos, Legionella and fire safety and include more generic testing and assessments of items such as electrical equipment, gas testing, lifting equipment, etc.

[\*Link to latest Risks & Compliance Policy Document\*](#)

## **Carbon Management Strategy**

The Council's objective is to manage our assets better, in order to reduce energy consumption, utility costs and consequential greenhouse gas emissions (ESCC's Carbon Footprint), thereby reducing any adverse impacts on our environment and helping to preserve the natural beauty of East Sussex.

[\*Link to latest Carbon Management Strategy\*](#)

## **Building Maintenance Policy**

This policy sets out how we intend to deliver, through a maintenance strategy, the Council's commitment to the vision of using property that is fit for purpose, efficient and sustainable, in order to support the delivery of services to our community.

[\*Link to latest Building Maintenance Policy Document\*](#)

## **Corporate Sustainable Buildings Policy**

This policy sets out how we intend to deliver our commitment to a sustainable approach to construction and maintenance. The policy responds to the changes in our climate, and the guidance document creates a sustainable framework for the progressive review and auditing of objectives and priorities.

This Policy and Guidance Document will constitute part of the brief to our design and maintenance service providers and inform project teams and project boards/sponsors of the Council's expectations and requirements regarding a sustainable approach to construction and maintenance.

[\*Link to latest Corporate Sustainable Buildings Policy Document\*](#)

## **Property Disposals Policy**

This policy will provide clear guidance and a method of ensuring that when considering disposal, all factors are taken into consideration, enabling value judgements to be made as appropriate in each individual case. It will mean that all communities will have equality of opportunity to acquire Council property that is surplus to requirements and is therefore to be sold.

It is important to note the key role that Local Members will have in determining if a property is surplus to Council needs as their knowledge and understanding of their local areas and wider neighbourhoods is essential in formulating balanced decisions in the interests of all members of the community. Members' views will also be sought when a property becomes available for sale.

***[Link to latest Property Disposals Policy Document](#)***

## **Community Asset Transfer Policy**

Property disposal does not always mean sold for the highest price. The assets the Council owns in local communities may play an important part in enabling voluntary groups to come together to offer communities a range of activities and services that benefit the social and economic wellbeing of an area. The Community Asset Transfer Policy will provide clear guidance to enable communities to help themselves, officers and Members to support those transfers when a transfer to a local or voluntary group will provide the right solution to the community and the tax payer in East Sussex.

***[Link to latest Community Asset Transfer Policy Document](#)***

## 7 Equalities

The public sector duty is set out at Section 149 of the Equality Act 2010. It requires ESCC, when exercising its functions, to have “due regard” to the need to;

- Eliminate discrimination, harassment and victimisation and any other conduct that is prohibited under the Act.
- Advance equality of opportunity between people who share a relevant protected characteristic and people who do not share it.
- Foster good relations between people who share a relevant protected characteristic and those who do not share it.

ESCC are confident that none of the Property Policies will have a negative impact to any of the protected characteristics as detailed below:

- age;
- disability;
- gender reassignment;
- pregnancy and maternity;
- race (including ethnic or national origins, colour or nationality)
- religion or belief;
- sex;
- sexual orientation.

(Marriage and civil partnership are also a protected characteristic for the purposes of the duty to eliminate discrimination.)

Throughout all our property policies we will ensure that our processes accord with the Equality Act 2010.

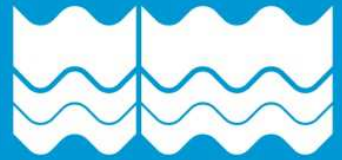
**If you would like a copy of the document in a different format, such as large print, Braille or a different language, please contact us.**

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# **Property Acquisition Policy**

July 2016

# A

# Property Policies Pack 2016 update

## Amendments history sheet

Issue Number	Changes Made	Issue Date
1	Created	March 2013
2	Updated	June 2013
3	Updated	July 2014
4	Updated	July 2016

**Policy name:** Property Acquisition Policy

**Policy Reference in the Pack:** A

**Date created:** March 2013

**Sent for Review:** 30/06/16

**Deadline for update:**

**Name of Responsible Property Manager:** Graham Glenn

**Have any changes been made?** Yes

If Yes:

Name of Officer reviewing	Paragraph name or Page umber	Nature of changes made
Chris Reed	Various	Updates as per Member advice
Graham Glenn	Various updates	Updated to reflect Powers and Business case approval process, and review of Officer Titles

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1 Introduction

2 Background

3 Our Principles

4 Our approach to Acquisitions

Appendix A1 – Authority to acquire assets



# 1 Introduction

This policy document is to be followed when considering the acquisition by the Council of an interest in property. For the purpose of this policy, reference to “property” includes any property constructed on land or land or an interest in land itself. It applies to the acquisition by the Council of all interests in property including freeholds, leaseholds (including capitalised leases), restrictive covenants, easements and options. However, it does not apply to acquisitions under compulsory purchase procedures.

Property is a corporate resource and is held and if necessary acquired in accordance with the Key priorities of the Council Plan 2016/17. These key priorities are;

- 1. Driving Economic Growth**
- 2. Keeping vulnerable people safe and free from harm**
- 3. Helping people help themselves**
- 4. Making best use of resources**

The Council’s Corporate Property Asset Management Plan sets out the objectives and targets to be applied in managing the property portfolio. Property occupied or used by the Council to deliver its services is described as Operational Property. All other property is described as Non-operational Property.

This policy places emphasis on adopting procedures that are open, transparent and consistent and aims to ensure maximum benefit from the effective purchase and subsequent management of the Council’s assets. Within this framework the policy will ensure the Council achieves best value, acts within the appropriate legal framework, acts in a demonstrably fair and open manner and considers whole life costs.

Property is a unique and finite resource; each case will have to be considered on its own merits. In making any acquisition it must be demonstrated how the acquisition supports the Council’s strategic objectives.

## 2 Background

### Council Powers and Constitution

The powers under which the County Council acquires property assets can be general or specific.

General powers to acquire land and property stem from the Local Government Act 1972. (Section 20) These enabled local authorities to acquire property for any of their functions, or for the benefit, improvement or development of their area. Local Authorities were empowered to acquire land notwithstanding that the land was not immediately required for that purpose.

The Local Government Act 2000 introduced additional 'wellbeing' powers which provide councils with the power to do anything which they consider is likely to achieve the promotion or improvement of the economic, social or environmental wellbeing of their area. This includes the power to incur expenditure, including land acquisition.

There are more specific powers that support acquisitions for capital programmes or specific projects. Examples include acquisitions under the Highways or Education Acts. As an authority possessing compulsory purchase powers, the County Council may also make compulsory purchase orders which, if approved, allow the Council to acquire by compulsion where acquisition by agreement has not proven possible.

Council acquisitions will require approval from County Council's Capital Strategic Asset Board. Appropriately qualified officers can enter into negotiations on behalf of the Council but authority from Cabinet, or the Lead Member for Resources will be required to complete a transaction, unless within the currently agreed levels of delegated authority.

Any decisions that are taken must be in accordance with the Council's constitution and a link to the full document is attached below.

<http://www.eastsussex.gov.uk/yourcouncil/about/keydocuments/constitution/default.htm>

Certain decisions may be delegated to the Chief Officer or Directors of the Council and the following link summarises these powers that are delegated to assist in dealing with matters in connection with land and property.

<http://intranet.escc.gov.uk/sites/cr/Documents/Internal%20Scheme%20of%20Authorisation%20of%20Functions%20by%20the%20COO%20July%202015.pdf>

Property acquisition shall be prioritised in accordance with the Council's approved Capital Strategy and where land is to be acquired to facilitate a non-Council development, this will normally be to meet agreed planning policies.

The Council can fund an acquisition through a range of options, for example, borrowing, partnership with the public or private sectors, receipts from disposals of a surplus property or existing budgets. The best option will vary in each case but without exception, any acquisition must be of a property that is fit for its intended purpose with affordable maintenance costs.

All acquisitions shall have the necessary budgetary and relevant Cabinet, Committee or delegated approvals before the acquisition is completed.

The Council also has powers of compulsory purchase for acquisition - Appendix A1 provides further details of the use of those powers.

## 3 Our Principles

The Council's Property Asset Management Plan 2013/18 identified the following four key principles that will underpin our management of all property assets in the ownership of East Sussex County Council. By adopting these principles we will strive to rationalise the estate, reduce backlog maintenance and provide fit for purpose buildings which are efficiently used and support service delivery. The adoption of this policy will support these principles as follows;

### Principle 1 – Improve or replace

**Investment to ensure retained properties are fit for purpose, efficient and sustainable.**

#### Challenges

- Ensure that the best and final option has been chosen
- Acquire the right property for the right amount

#### Pledges

- We will make detailed option appraisals to ensure that each acquisition meets the service requirements and customers' expectations.
- We will constantly monitor the local property market and relevant external influences.

### Principle 2 - Release

**To identify poorly performing assets to rationalise the corporate Estate**

This is out of scope for this policy.

### Principle 3 – Reduce our Carbon Footprint

**To identify and implement changes to reduce our carbon footprint**

#### Challenges

- Newly acquired properties should be energy efficient (rating E or above).

#### Pledges

- We will undertake detailed option appraisals to ensure that each acquisition meets our optimum requirements.

## **Principle 4 – Work in partnership**

### **And empower our communities**

#### **Challenges**

- To secure revenue savings and reduce our total building footprint
- To facilitate joint services collaboration where possible

#### **Pledges**

- The Council's property portfolio will exploit opportunities, such as SPACES, for co-location between Council functions, and where possible with partner organisations. Co-location can create savings in comparison to individual units of accommodation and may provide convenience for service users and staff.
- To work strategically with our partners to ensure that we learn from our common experience and share best practice.

# 4 Our Approach to Acquisitions

## Reasons for the acquisition of property

The Council continues to seek to optimise utilisation of its property portfolio and seeks to improve the portfolio and generate capital receipts through disposal of surplus and/or inefficient assets. Before embarking on property acquisition we must ensure that there are no suitable under-utilised assets held in the portfolio that could accommodate the specific service requirement.

To ensure utilisation the Property team will undertake a thorough process of option appraisal before acquiring property for operational use. This process seeks to optimise service efficiency through delivery of quality assets for the best cost.

Unless there are exceptional circumstances, the Council will only acquire property where it furthers these objectives. For clarity, this may include where:

- it contributes towards the provision of Council services,
- there is a direct link to improving the economic, social and environment well-being of the community,
- it leads to strategic benefits to the authority in relation to regeneration or redevelopment proposals,
- the acquisition furthers the provision of services for the community by third parties,
- the property is already maintained by the Council (and there is an advantage in owning it),
- revenue income generation and/or capital growth, and

local community benefit purposes

## Property Search

If a need for property is identified, the Council's Property team will investigate whether there is any suitable land or property currently held by the Council. If that proves unsuccessful, the Estates team will establish if any suitable property is available with our partner organisations and on the market.

Where a number of potentially suitable properties exist in the market place, comparisons will be made to establish which is the most suitable in terms of the Council's needs.

The following criteria can be used in the decision process:

1. Suitable price
2. Availability of the building
3. Condition of the building at purchase
4. Cost of developing for Council purposes.
5. Nature of the interest being offered ie freehold, leasehold, etc
6. Any potential liabilities such as land contamination.
7. Sustainability eg the energy performance of the property and its use
8. In relation to a strategic acquisition, the locational advantages of the property.
9. Return on investment (where a revenue generating asset is being considered)

After the identification of a suitable property, the Acquisitions and Disposals team shall consult with the relevant statutory authorities as well as Legal Services and other appropriate Service Managers as required to establish whether there may be constraints on the development or use of the property.

## Planning

In some cases, it may be appropriate to seek planning permission for a form of development prior to acquiring land. The Acquisitions and Disposals team will consult with Planning Services at ESCC and other departments as appropriate to decide whether this is necessary.

## Valuation

Valuation advice will be provided by a professionally qualified member of the Council's Property and Capital Investment Department or, where the advice required is particularly specialist or, if thought appropriate, by another suitably qualified surveyor.

Where the acquisition is to be by way of a long lease, then the Council's Finance and Resources team will be requested to assess the implications including the issue of VAT.

## Appraisal and Funding Approval Process

When a property has been identified for acquisition, a financial appraisal and business case will be prepared to establish the financial and budgetary implications of acquiring the property at the negotiated price - linked to the core purpose for the acquisition. I

Financial appraisal is a method used to evaluate the viability of a proposed acquisition by identifying and assessing the value of net cash flows that result from its implementation, calculating performance indicators and assessing funding sources.

To secure funding required to acquire a property a full business case should be considered and approved by the Council's Capital Strategic Asset Board.

Approval should be based on the "five case" model covering Strategic, Economic, Commercial, Financial and Management parameters and thus include core topics such as:

1. demonstrating how the spending proposal fits in relation to policies, strategies and plans and furthers the required outcomes
2. demonstrating that the spending proposal optimises value to the public purse and outlines both cash and non cashable benefits or outcomes
3. setting out how the "preferred option" will be procured competitively, in accordance with current regulations for public sector procurement
4. setting out the capital and revenue requirement for the spending proposal over the expected life span of the asset or service, together with an assessment of any wider impact upon the balance sheet or income and expenditure accounts of the County Council
5. demonstrating that the spending proposal is being implemented , where appropriate, in accordance with recognised Programme and Project Management methodologies and that there are robust arrangements in place for change and contract, the delivery of benefits and the management and mitigation of risk

In demonstrating this process a business case will also highlight the consultation process undertaken and include an Equalities Impact Assessment, where required

## Negotiation

Following preliminary investigations and the possibility of an acquisition having been established, the Acquisitions and Disposals team will commence negotiations for acquisition. No other section shall initiate these activities nor make any contact with the other party (the vendor or his agent) during active negotiations except under procedures agreed with the Acquisitions and Disposals team.

All negotiations remain "without prejudice", "subject to contract", subject to the required authority and, if necessary, appropriate surveys. Terms for a transaction shall not be finalised unless supported by a written recommendation report from an appropriately qualified surveyor.



## Authorities

On reaching agreement as to the terms of acquisition, where applicable a report will be prepared for approval by the Lead Member for Resources.

This report will consider if the acquisition is in accordance with agreed Council priorities and within the Council's approved Capital Strategy. This report will be supported by advice from the Council's S151 Officer as to the budgetary implications of the property acquisition.

In all cases where valuation advice suggests that the open market value of the property is below the negotiated price the report must demonstrate there are overriding factors that justify the purchase. The report must include clear and supportable reasons for purchase above market value such as: Service Need, economic Regeneration, that the Council is a "special purchaser".

## Surveys and instructions

When all appropriate surveys (which should include an Asbestos Survey where the purchase involves a building erected prior to 1999, and a valid Energy Performance Certificate if applicable) have been satisfactorily completed or provided, the Council's Legal Services team will be instructed to complete the documentation associated with the acquisition.

## Records

Once the acquisition has been completed, the Legal Services Manager shall advise the Acquisitions and Disposals team and such others as is required.

On receipt of such notice, the Estates Delivery team shall ensure that the acquisition is included on all relevant systems. If the property is subject to any lease, license or any other interest from which an income is generated then the Estates Delivery team shall ensure that the necessary arrangements are made to ensure the income to be collected.

Full records of the purchase process will be kept in a separate file relating to the property and these records shall include details as to the Business case, the valuation relied upon in making the decision to acquire, the financial appraisal together with consents, approvals and papers recording decisions taken under any delegated powers. These records shall be kept for a minimum of 12 years.

# Appendix A-1

## Authority to acquire assets

### **Statutory powers of acquisition**

Local Authorities can only exercise functions which are authorised by statute. Specific legislation exists to enable the Council to acquire land that is required to perform its statutory functions and to implement proper planning proposals at the relevant time.

The Council has the ability to utilise Compulsory Purchase Orders (CPO) to acquire land within the County for specified purposes. In the event that these powers are exercised compensation is payable to the landowner in accordance with the Land Compensation Act 1961.

The procedure for exercising CPO is directed by the Acquisition of Land Act 1981 and this statutory procedure must be strictly observed.

The Council may acquire land by agreement either as an alternative to CPO or in the general exercise of its statutory powers, and these efforts will always be encouraged. The ability to acquire land by agreement is provided by S227 of the Town & Country Planning Act 1990 in the case of a specific alternative to compulsory purchase and, more generally, by S120 of the Local Government Act 1972. Where the Council has the ability to acquire land compulsorily acquisitions by agreement are often referred to as 'acquisitions under threat of CPO'. It will be assumed that the Council were prepared to utilise powers of CPO unless the land was publicly or privately offered for sale immediately before negotiations.

**If you would like a copy of the document in a different format, such as large print, Braille or a different language, please contact us.**

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# Property Lease & Rent Policy

July 2016

# B

# Property Policies Pack 2016 update

## Amendments history sheet

Issue Number	Changes Made	Issue Date
1	Created	2012
2	Reviewed	June 2013
3	Reviewed	July 2016

**Policy name:** Lease & Rent Policy

**Policy Reference in the Pack:** B

**Date created:** 2012

**Sent for Review:** 12/06/2016

**Deadline for update:** 15/07/2016

**Name of Responsible Property Manager:** Tian Glenn

**Have any changes been made?** Yes/No

If Yes:

Name of Officer reviewing	Paragraph name or Page number	Nature of changes made
Tina Glenn		

# Contents

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4 Our approach to Leases & Rent

Appendix B2 – Property Law and Regulations

# 1 Introduction

The adoption of a policy that considers the way the Council manages its leased and licensed property or those assets it leases from others will provide a framework for decision making regarding leases and licenses will ensure consistent management of lease terms and conditions, managing insurance, undertaking maintenance, and collecting rents.

This policy paper will specifically set out guidelines for agreements for standard commercial or public entities as well as voluntary and community groups. This will help achieve the Council's goals of making the best of our resources and encourage personal and community responsibility by ensuring space is available for residents and groups to meet, network and participate in community and recreational activities. The summary for the policy aims area as follows:

- define the purpose of the leasing and licensing policy and how it relates to East Sussex County Council's strategies
- define the Council relationship as a tenant and how it will fulfill its lease obligations and dilapidation responsibilities on termination of a lease,
- outline the scope of the policy and the type of agreements it applies to
- outline the principles and application process for tenants wishing to occupy a building (or part thereof) under a lease or licence.
- demonstrate how rent will be calculated for Voluntary and Community Groups
- provide clear guidance to both Council Officers and the public on the stance which should be taken for terms within an agreement

## 2 Background

The Council owns a large portfolio of property and land across the County. Some of this land and property is used under formal agreements by other people, groups or companies. Examples of these types of use include:

- Commercial or residential use
- Community or recreation groups that exclusively occupy premises
- Community or recreation groups that seasonally occupy premises
- Groups that have regular non-exclusive access to Council facilities
- Groups or people that use a facility on an irregular or one off basis
- Properties held for the purposes of encouraging economic growth.

The focus of this policy is on the leasing or licencing of property from a third party landlord for occupation by the Council or agreements relating to exclusive or long term occupation of Council property and short term or non-exclusive occupation.

Agreements that the Council enters into fall into three broad categories:

- (i) The lease or licence of a property that the Council requires to fulfil its strategic objectives or service needs.
- (ii) Leases or licences to a commercial interest or group for the purpose of supporting a Council function or furthering a Council interest.
- (iii) Leases or licences for purposes other than for those that satisfy a Council function or further a Council interest, provided they do not interfere with any other Council functions. *eg telecommunications facility, unused right of way, temporary occupation of a surplus property etc.*



## 3 Our Principles

The Council's Property Asset Management Plan 2013/18 identified four key principles that will underpin our management of all property assets in the ownership of East Sussex County Council. By adopting these principles we will strive to rationalise the estate, reduce backlog maintenance and provide fit for purpose buildings which are efficiently used and support service delivery. The adoption of this policy will support these principles as follows;

### Principle 1 – Improve or replace

Ensure that leased properties are fit for purpose, efficient and sustainable.

#### Challenges

- Ensure that the most efficient floor space is being utilised throughout the Estate
- Acquire or let the right accommodation to reflect need
- Achieve most appropriate rentals when letting property

#### Pledges

- We will ensure that each lease of accommodation meets the service requirements and customers' expectations.
- We will constantly monitor the local property market and relevant external influences so that lettings reflect the optimum value

### Principle 2 - Release

To identify opportunities to improve rental income or reduce the occupational costs of the Corporate Estate.

#### Challenges

- To ensure that all lease terms are reviewed on a regular basis, at least once a year, in order to identify opportunities to release accommodation or terminate leases in order to reduce the cost of the estate or effect disposals

#### Pledges

- To hold an accurate and up to date record of all leases
- To manage rentals and lease terminations in order to optimise the size of the estate

### Principle 3 – Reduce our Carbon Footprint

Out of scope

## Principle 4 – Work in partnership

### Challenges

- To ensure the community has been fully consulted before and during the disposal process and that equality issues have fully addressed

### Pledges

- We will make detailed option appraisals to ensure that we have assessed each disposal reflects the needs of the community.
- To work strategically with our partners to ensure that we learn from our common experience and share best practice.

## 4 Our Approach to Leases & Rent

A business lease is a legally binding contract between the legal owner of an asset (Landlord) and the occupier (Tenant). Failure by either party to comply with the terms of the agreement could result in legal action. The 2007 Code for Leasing Business Premises ('the Lease Code') provides an industry approved framework within which a prospective tenant can reasonably expect a landlord to operate.

In this document the following terms have been used:

**Landlord:** This is the owner of the property or the person owning an existing lease interest of the property

**Tenant:** This is the occupier of the property or the person paying rent to a landlord

**Heads of Terms:** This is a summary of the agreement between the parties and is used to instruct lawyers to produce the formal lease. Both the lease and the Heads of Terms should comply with the recommendations of the Lease Code but the Heads of Terms will be superseded once the lease has been granted.

The Council in its lease of property either as tenant or landlord will always attempt to comply with the 2007 Code for Leasing Business Premises unless there is an overriding requirement to protect the interests of the taxpayer in East Sussex or a critical service need.

A link to the lease code is provided below.

<http://www.leasebusinesspremises.co.uk/>

### Main Lease Clauses

#### Agreement types (lease / licence)

A lease is a contractual agreement that offers the recipient an exclusive right to use a specific element of a property, whether the whole or part, and known as the "demise".

A licence is a non-exclusive right to use a "demise" for a short or pre-defined period. It should be noted that calling an agreement a licence as opposed to a lease does not in itself remove obligations regarding stamp duty or any other such legislation. The nature of the agreement, rather than its name determines what it is.

The Council owns property where a lease may not always be appropriate, in which case an agreement for a short term occupation arrangement may need to be considered. This may occur where the Council want to remain in direct control of a property but wish to allow a single or multiple third party groups to use the facilities, or at a site which is likely to be developed or sold in the near future. This would include those circumstances where detailed Head of Terms have been agreed, but the complexity of documents required may

dictate the need for a periodic tenancy to be set up, enabling the parties to conclude transfers by a specific future completion date.

## Term

All leases will normally be subject to negotiation but usually for a maximum period of 10 years, depending on the site. Exceptions may be when other funders require a longer lease in order to fund or justify capital works to a property when a lease of up to 25 years may be granted.

Short term occupation will, by its nature, be covered by a licence to occupy the property, or periodic tenancy. The term offered will be wholly dependent on the specific circumstances of the asset and the request – but in any event, for not more than a period up to 3 years. A licence may be renewed in exceptional circumstances but there is no guarantee beyond the initial term offered.

## Rent

The Council is required under Section 123 of Local Government Act 1972 to secure best value reasonably obtainable in all its property dealings.

The rent that the Council will either charge as landlord or pay as tenant, should be based upon the market value of comparable properties. From time to time if there is an overriding service or community interest the Council may choose to lease property “out” at below market value. Any such arrangement must be in accordance with the Local Government Act 1972 General Disposal Consent (England) 2003 which sets out guidance for the disposal of land for less than the best consideration that can reasonably be obtained.

The obligation to obtain the best rent reasonably obtainable does not apply to a short tenancy which is granted for seven years or less, nor to the assignment of a term, which has less than seven years to run. Disposals by way of a short tenancy do not need consent, (Sections 123(2) and 127(2) of the 1972 Act).

## Rent Review

There are a number of review options that might be used when carrying out a rent review;

- Market Value.
- Retail or Consumer Price Index (RPI or CPI)
- Flat % increase
- Review in accordance with Council policy

Rents will generally be reviewed every three to five years. However, the review period may be shortened where the lease is for a shorter period than 10 years, or lengthened where the lease is in excess of 25 years.

Where a rent review cannot be agreed between parties, the agreement will include a clause whereby any dispute between landlord and tenant may be resolved by the appointment of an independent expert or arbitrator or such other Dispute Resolution Mechanism.

## **Repair and Maintenance**

Where appropriate the Council will lease out the building on a full repairing basis, (i.e. so the tenant will be responsible for all repairs, including external, structural and internal fabric).

Licences, by their very nature, will differ, with the occupier required to keep the premises in a good and tidy condition, often linked to a photographic schedule of condition at the commencement of the licence..

The Council may agree to undertake some level of maintenance on its properties where, for instance, there are ambiguities in obligations or:

- Management difficulties associated with having to undertake a variant obligations across leased premises
- Preventative maintenance obligations
- For consistency, the Council carries out different levels of maintenance for similar groups.

By the very nature of lease negotiations each agreement will incorporate differing levels of maintenance liabilities between the parties.

## **Options**

Using a palette of predefined maintenance schedules can assist in alleviating the problems identified above. The use of maintenance schedules provides opportunity for both tenant and Council to have a clear understanding of maintenance and upkeep expectations. It is also a useful tool for enabling improved communication between Council departments.

## **Insurance**

The Council insures all its buildings and property assets unless it has specifically agreed to the Tenant insuring same – (Usually only on very long lease terms, i.e. 50 years plus). A £500 excess is payable per claim by the Council in relation to buildings and their contents. This excess is for a policy which covers Fire, Lightning, Explosion, Aircraft Impact, Storm, Flood, Escape of Water and terrorism (under a separate policy)

Parcels of land without any structures thereon are not insured by the Council other than for public liability.

All leases will require that a tenant holds public liability insurance. This should be held in the joint names of themselves and the Council. A minimum cover of £10m must be provided unless otherwise stipulated by Council. This rate may change over time.

The Council generally does not insure the contents of leased premises. There are some premises that were previously Council run facilities that have some contents insurance. Note, this relates only to leases and not to seasonal tenancies.

## Other Issues

### Tenant types (incorporated / unincorporated)

Unless rights are being granted to a specific person or persons, any agreement entered into with a person or group will be entered into with an incorporated body. That is, an agreement will not be made with people representing a group (e.g. committee members)

### Use of premises

The Council may need to control permitted uses when premises are sub-let or hired out, as “profiteering” from a subsidised rental is not permitted. Whilst the Council will seek to encourage multi-use of its facilities, any use must remain compliant with planning or any other existing legal / superior lease limitations applied to a property.

## Rates and Taxes

Under Schedule 5 the *Local Government Finance Act 1988*, all property is rateable except if it is:

- a) unoccupied (exemption is only allowed for the first 3 months it is vacant)
- b) agricultural land and buildings including fish farms
- c) use of buildings for the training or welfare of disabled persons
- d) buildings registered for public religious worship and church halls

Under a lease agreement the Council will normally pass the responsibility for payment of business rates to a tenant, as they are the “rateable occupier”. Rating legislation provides enough scope for exclusion or subsidy (i.e. charities have special exemptions).

Under a Licence arrangement it will be anticipated that the occupier makes an apportioned contribution towards utilities and rates through payment of a fixed payment or service charge arrangement.

## Sub-letting

Sub-letting of lease interests will normally only be allowed with the Council's written consent and must be on the same terms and obligations imposed and set out in the lease between the Council and the current main tenant.

In some cases, the superior landlords consent may be required.

Subletting or sharing of occupation by a licenced occupier would not be approved, unless under exceptional circumstances.

## Hours of Use

Many properties have an authorised use through the town planning process, which includes limitations on hours of use. In addition it is a common clause in a lease that a tenant will not cause nuisance to neighbours.

In such circumstances many occupancies will define permitted hours of use of a premises.

Occupiers will also be required to note The Environmental Protection Act 1990 part III which covers noise nuisance. This law empowers local authorities to deal with noise from fixed premises (including land) if they consider that the noise amounts to a statutory nuisance. A full list of the times and relevant legislation can be found on: <https://www.gov.uk/guidance/noise-nuisances-how-councils-deal-with-complaints>

## Keys and Locks

While the Council would not wish to invade the privacy of a tenant, access in emergency situations may be required. With this in mind it may be desirable to require that all leased buildings remain on the Council's key set for such purposes. Licenced premises do not provide exclusive possession and remain merely consent to occupy so keys will be held as a requirement.

## Planning/Alteration Requirements

Tenants often carry out works to leased premises that may require planning or Landlord's approval. The Council has the opportunity to seek restrictions on the extent and type of alterations. The normal procedure is that the tenant would seek consent from the Council to carry out alterations or improvements in which case the Council would not unreasonably withhold consent, where works are of a non-structural nature. Where plant and machinery is involved or works require structural alterations specific restrictions and limitations would apply.

This would mean that if a planning permit condition were violated or an alteration was carried out without consent, the Council would have the option of seeking damages or forfeiting the lease. In all cases where the Council permits alterations to be carried out, the tenant will ensure that these are approved within the appropriate planning and building control regulations.

## **Removal of Assets**

Any improvement built on Council land belongs to the Council unless there is an agreement that says otherwise. This fact should be considered at the commencement of each lease and made clear in any documentation.

## **Outgoings and Services etc.**

There is a consistent approach towards payment of utility bills in properties leased or licenced out under agreement. Tenants, external to the Council, occupying properties are responsible for paying their own utilities, with the Council limited to ensuring that the connections linking the property to the utility supplies are maintained to the necessary standard.

Under licence arrangements such as the occupation of a single room in one of the Council's offices it is likely that a fixed charge or allocation or costs would be agreed. In all cases of a new agreement being created the Corporate Resources Energy Team will be made aware of responsibilities via the agreed SAP handover documents.

A consistent approach to the payment of outgoings and service charges is required and therefore it is anticipated that all tenant would pay for their fair use of services (water, gas, electricity etc.).

## **Signage**

A tenant may wish to put up a sign promoting their activity. This increases the exposure of a club/business and promotes the use of the asset, benefitting the Council and the tenant.

A tenant may wish to place advertising signage on the premises (eg. a tennis club may advertise their sponsors). The Council will consider planning implications as well as potential revenue impacts prior to consenting to such activity.

All agreements will require that the tenant requests consent from the Council to display signs and in this case the Council would not unreasonably withhold their consent. A request for consent should include exact details of the sign; where it will be erected, its size and the wording it will use. Such requests should be put to an Estates Surveyor within the Property Team and consent will then be granted or refused in writing (if refused justification should be provided).

## **Break Clause**

In today's competitive commercial property market tenants are looking to introduce as much flexibility as possible into their leases in order to protect their future business interests. This will often include a break clause which gives the tenant the right to bring the lease to an end part way through the agreed term. This is a useful option particularly in circumstances where a business changes significantly over a short period resulting in a need for larger or smaller premises.



Whilst having an option to walk away from the lease is of benefit to the tenant, it is not such good news for the landlord who faces the risk of being left with a loss of rental income and vacant premises that may have been left in a worse condition than at the start of the lease. There is a balance to be achieved in allowing tenants sufficient flexibility to address changing business needs whilst at the same time affording landlords adequate protection of their property interests.

It is common for landlords to attach conditions to an option for tenants to bring their lease to an early end. These conditions often include a requirement to comply with all the tenant covenants in the lease including repairs to the property, payment of all rent and other payments up until the date of termination under the break clause.

Where there is a pre-condition to the tenant's right to break, there will often be a further requirement for the tenant to demonstrate an absolute compliance with these obligations. Case law shows that the courts take a strict view when determining whether a tenant has or has not complied.

### **Business Tenancies: Contracting out of the Landlord and Tenant Act 1954**

Under Part II of the Landlord and Tenant Act 1954 (LTA 1954), a tenant generally has the right to renew its lease at the end of the lease term if it is in occupation of the premises for the purposes of its business.

However, the landlord and the tenant can agree to "contract out" so that the tenant will not have the benefit of the statutory right to a new lease.

For a landlord, the advantage of contracting out is flexibility. When the lease term comes to an end it can readily recover possession of the premises (e.g. in order to redevelop or refurbish them). Alternatively, it can negotiate a new lease with the tenant if that is what both parties wish.

If the lease has not been contracted out then the landlord will have much less room for manoeuvre. If it wishes to negotiate a new lease with the tenant it will have to do so against the backdrop of the LTA 1954 (because the court has power under the LTA 1954 to decide the terms of the new lease if the parties cannot agree the terms themselves). If the tenant wishes to enter into a new lease but the landlord does not, then the landlord will have to satisfy one or more of the statutory grounds set out in the LTA 1954 in order successfully to oppose the tenant's application for a new tenancy. This may not be straightforward and the landlord may have to pay the tenant compensation.

Contracting out therefore has significant benefits for landlords and the Council will therefore generally seek to contract out of the Landlord and Tenant Act 1954 when possible.

## End of Lease Procedures

There are two issues here – how do we deal with the tenant at the end of the lease, and the process the Council has for reviewing a surplus site.

A lease or licence is an agreement between the Council and a third party. What happens at the end of a lease is usually of great concern to tenants. Any new agreements should clearly spell out the expectations for both parties. Any agreement made in existing leases should be honoured – as it remains the primary contract. The passing of time is not a reason for seeking to amend obligations placed upon either tenant or landlord.

When an occupation is due to terminate the parties will consider the contractual terms of their obligations. Where the lease is protected by Part II of the Landlord and Tenant Act 1954, specific statutory notices need to be served. In such cases it is anticipated that the parties would enter into a dialogue over dilapidations and ensure compliance with the contractual terms of the lease. Leases “outside” the Act expire by effluxion of time.

Where it is known that a tenant will be vacating a property relevant steps will be undertaken as detailed in the internal [Vacation Checklist](#) are used as a guide.

## Surplus Property

If an asset of the Council becomes surplus to a particular operational need or use, the decision about the future use of that asset will be made after consideration of all Council services and commitments. The process building up to declaring a property surplus will provide Services, or other public sector partners, an opportunity to provide comment, or make an expression of interest.

It is important the once an asset is identified or about to become surplus that its future is determined to avoid vacant property costs and liabilities, such as security and maintenance issues, arising.

This process will be expedited using the Surplus Property protocol and which remains a formal decision for the Lead Member.

## Accountability

The Council needs to be able to monitor its rental income effectively. At any point in time the Council should be able to disclose what rentals have or have not been paid in a financial year. The Council should be satisfied that it is receiving all the rent it is entitled to and that it is being accounted to the correct budget allocation.

Accountability also extends to the monitoring of expenses. The Council should be able to monitor expenses for each premises under an agreement.

## **Legal and Surveyor Fees**

In the process of negotiating and preparing an agreement the Council will incur both surveyor and legal fees (site visits, negotiation, preparation of heads of terms, due diligence, etc.). It is important that the Council is consistent in the way it covers all its costs. The costs incurred in preparing a comprehensive agreement may be disproportionate to the rent or licence fee charged for an agreement therefore a flat fee should be charged based on anticipated time input. Using an agreed fee system will reduce the impact of cases where negotiations become protracted.

Consideration may be given to a waiver of the fees only in the most exceptional of circumstances, and the Council must reserve the right to secure additional costs where negotiations are protracted, particularly where beyond the original Heads of terms agreed

## **Other Council Policies**

The Council has many policies about how it wishes to manage its buildings and other property assets. Implementing changes in line with Council policies at times can be difficult; for example the Carbon Reduction Scheme can be difficult in cases where a tenant has a short lease and the property is likely to be demolished or sold in the foreseeable future. Tenants should be encouraged to embrace any relevant Council policies where possible.

# Appendix B2

## Property Law and Regulations

There are many laws and regulations that control or affect how the County council negotiates and manages its property leases. A brief summary of these is provided below.

### **Landlord and Tenant Act 1954**

This applies to business tenancies. A business tenant generally has the right to renewal of his lease once it has expired providing it is contracted out of Part 2 of the LTA.

### **Rent Act 1977**

This applies to all residential properties and dictates how rent review may be carried out and the rights of a tenant covered by this legislation.

### **Equality Act 2010**

Private clubs, which might otherwise be exempt from complying with the equal opportunity act, may be required to comply if they receive direct or indirect financial assistance from Council. A rental subsidy may constitute financial assistance.

### **Enterprise Act 2002**

The Act has five major competition policy objectives; Make all competition decisions through independent bodies, root out forms of anti-competitive behaviour, create a strong deterrent effect, to redress injured parties in distortions of competition and raise the profile of competition policy in the UK.

### **Competition Act 1998**

The Competition Act 1988 prohibits agreements which may affect trade in the UK, and have as their object the prevention, restriction or distortion of competition within the UK. Examples of the types of agreements most at a risk include exclusivity clauses in leases, use restrictions in leases title conditions limiting use of the property

### **Data Protection Act 1998**

This legislation requires that the collection of private information only occurs with the prior knowledge and consent of the person, and that the information only be used for the purpose for which it was collected. Council should not disclose any private information to a third party unless required to do so by law.

### **The Consumer Protection from Unfair Trading Regulations 2008**

The Consumer Protection from Unfair Trading Regulations 2008 came into force on 26 May 2008. The Regulations introduce a general duty not to trade unfairly and seek to ensure that traders act honestly and fairly towards their customers.

### **Other**

Other acts and regulations have occasional relevance, depending on how the leased facility is being used.

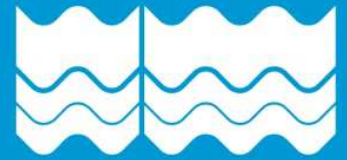
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# Property Risks & Compliance Policy

July 2016

# C



# Property Policies Pack 2016 update

## Amendments history sheet

Issue Number	Changes Made	Issue Date
1	Created	Jan 2013
2	Amended	June 2013
3	Amended	July 2014
4	Amended and Reviewed	July 2016

**Policy name:** Property Risks & Compliance Policy

**Policy Reference in the Pack:** C

**Date created:** January 2013

**Sent for Review:** 12/05/2016

**Deadline for update:** 15/07/2016

**Name of Responsible Property Manager:** Peter Bowley

**Have any changes been made?** Yes

If Yes:

Name of Officer reviewing	Paragraph name or Page umber	Nature of changes made
Susan Holt	Various	Updates
Paul Barnard		Paul B's been through it, all OK
Tina Glen		Updates to names and titles



# Contents

1 Introduction

2 Background

3 Our Principles; Challenges & Pledges

4 Performance monitoring & benchmarking

5 Future Drivers & Policy Considerations

Appendix C3 Compliance Schedule of Activities

# 1 Introduction

One of Property's key roles is to ensure ESCC's duty of care is fulfilled by meeting our statutory obligations and eliminating property risks wherever possible or reducing them to a safe and acceptable level.

As a landlord and an employer ESCC has a duty of care to provide a safe environment for its staff and users. Because of this all properties will have a series of surveys, audits, servicing and assessments undertaken whilst part of our property portfolio.

Our properties must remain compliant but the variety and location of our portfolio and the range of surveys and assessments required make this a complex and costly activity. We devolve some of the lesser responsibilities and more frequent monitoring to the Controller of Premises role.

## 2 Background

Property related legislation is numerous and risks of non-compliance are vast. The surveys range from the high profile and highly emotive risks such as asbestos, Legionella and fire safety to the more generic and routine testing and assessments of items of plant such as boilers, electrical equipment, gas testing and lifting equipment.

The process begins with commissioning a series of assessments and surveys to assess if any significant risks exist and to gauge the extent of those risks and then to recommend an appropriate action plan for the management and, ultimately, the removal of those risks.

Where specialist surveys and assessments are required these will be undertaken by specialist contractors. The role of regular monitoring and testing is delegated to the Controllers of Premises (COP) function – the Corporate Health and Safety team will ensure that suitable and sufficient training is available to the COPs. Appendix 1 details the type of monitoring required and the frequency for ESCC's properties and the legislative requirements that the monitoring should conform to. However these can change along with responsibilities so ESCC will endeavour to keep these as up to date as possible reviewing regularly.

Where urgent works or serious breaches are identified these will be addressed as soon as is practical. Other risks identified are incorporated into the maintenance backlog and are remedied based on condition, priority and impact. Failure to comply can result in criminal prosecutions, fines and negative press.

## 3 Our Principles

The Council's Property Asset Management Plan 2013-2018 identified the following four key principles that will underpin our management of all property assets in the ownership of East Sussex County Council. By adopting these principles we will strive to rationalise the estate, reduce backlog maintenance and provide fit for purpose buildings which are efficiently used and support service delivery. Therefore the adoption of this policy will support these principles as follows;

### Principle 1 – Improve or replace

**Investment to ensure retained properties are fit for purpose, efficient and sustainable**

#### Challenges

To identify the level of risk ESCC has in each of its buildings. This becomes a complex issue because of devolved budgets and responsibilities, for example schools, and also because of varying responsibilities that are defined, or not, in leases – either into or out of our estate.

To ensure property risks are managed effectively with an appropriate action plan for each building. To ensure that COPs appreciate their action plan and undertake the regular inspections and testing required ensuring our buildings remain compliant.

To ensure the list of compliance activities as detailed in Appendix 1 remains as comprehensive and as up to date as possible.

To ensure that emergency situations are dealt with quickly and effectively with minimal risk and impact on our users, our staff and the services provided from those affected buildings.

#### Pledges

We will provide and maintain buildings that are safe for our users and our staff by ensuring that our duty of care is fulfilled by meeting our statutory requirements. We will work in partnership with our landlords to ensure that landlords' responsibilities are met.

We will undertake rolling programmes of surveys and assessments to identify quantify and prioritise any risks, or possible risks, to our users and staff, the general public and to our buildings.

We will provide our COPs with an Action Plan to ensure that the building's risks are identifiable and can be managed effectively.

We will maintain and repair our buildings to ensure that identified risks cannot cause long term damage to our buildings. Where possible sustainable options will be identified which could improve the efficiency of the buildings.

We will prioritise the management and ultimately the safe removal of any high priority risks identified.

We will ensure that surveys reports and assessments are current and available when required, eg to contractors, COPs, etc.

We will ensure that our procedures and measures reflect the requirements of current legislation and regulations.

We will work with ESCC's Health and Safety team to ensure the training provided for COPs includes our procedures for managing property risks.

We will ensure that our COPs have access to advice and support that they need when they require it.

We will work in partnership with other public sector agencies to ensure that we learn from common experience, reduce our costs where possible, share any opportunities to streamline our processes and develop best practice.

## **Principle 2 - Release**

**To identify poorly performing assets to rationalise the corporate Estate**

Out of scope

## **Principle 3 – Reduce our Carbon Footprint**

**To identify and implement changes to reduce our carbon footprint**

Out of scope

## **Principle 4 – Work in Partnership & empower our communities**

Out of scope

### **4 Performance monitoring & benchmarking**

- We will reduce the number of buildings where property risks are present.
- We will ensure that the role of Controller of Premises (COP) is defined and that they are provided with sufficient guidance and training to undertake their duties. We will put in place controls to monitor and report that the COP designated duties are being undertaken satisfactorily.
- We will reduce the number of plant failures reported due to poor maintenance and servicing.
- We will have in place a comprehensive process to identify, commission and manage the surveys and testing required.
- We will reduce as far as possible the number of serious breaches of legislation and incidents reported.

### **5 Future Drivers & Policy Considerations**

The Property Risks policy should remain flexible to allow it to evolve to reflect various influences, such as:

- Incorporating other property risks that may require monitoring and action
- Any changes in legislation and policy
- Working strategically with our partners, sharing best practice
- Where there is an increased interest by ESCC residents' about sensitive issues such as asbestos and Legionella, fire, Accessibility requiring ESCC to adapt how it deals with that risk.

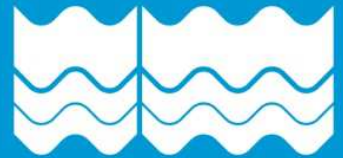
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# **Building Maintenance Policy**

June 2016

# D

# Property Policies Pack 2016 update

## Amendments history sheet

Issue Number	Changes Made	Issue Date
1	Created	June 2013
2	Reviewed & amended	July 2014
3	Reviewed & amended	June 2016
4		

**Policy name:** Building Maintenance Policy

**Policy Reference in the Pack:** F

**Date created:** June 2013

**Sent for Review:** 06/2016

**Deadline for update:**

**Name of Responsible Property Manager:** Peter Bowley

**Have any changes been made?** Yes/No

If Yes:

Name of Officer reviewing	Paragraph name or Page number	Nature of changes made
Peter Bowley	Various general updates	General dates and contact updates

## Amendments history sheet

Issue Number	Changes Made	Issue Date
1	Created	June 2013
2	Reviewed & amended	July 2014
3	Reviewed & amended	June 2016
4		





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4 Our Approach to Maintenance

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Appendices

Appendix D10 - Scope of Building Maintenance

Appendix D11 - Budget Setting & Prioritisation

# 1 Introduction

The Property Asset Management Plan (AMP) sets out the ways in which East Sussex County Council will improve the quality of buildings in its property (buildings and sites) estate over the next three years. The intention is to have buildings that; offer the best possible environment for service users and staff and to accomplish this in a manner that is demonstrably cost effective and environmentally sensitive.

To achieve these aims; properties that are no longer suitable for service delivery will be identified and more suitable accommodation for these services will be found. The result will be a smaller estate of better performing buildings leading to a reduction in the running costs and a more 'fit for purpose' property portfolio.

East Sussex has a population of 515,500 and covers 1,725 square kilometres (666 square miles) and to provide the services needed by local residents of East Sussex the Council has buildings with an approximated total gross internal floor area of 712,387m<sup>2</sup>. The following key information, applicable to 2016/17, provides an overview of our property:

- 511 buildings are used in the delivery of our services.
- An average of £6.M pa spent on planned maintenance of our buildings.
- 78% of our buildings are rated as good or satisfactory condition.
- 66% of our buildings are rated as good or satisfactory in terms of suitability.

A well defined maintenance strategy and policy is therefore a key business enabler supporting planning and delivery of the services provided by the Council whilst recognising the potential risk to the core business of the organisation should any aspect of the maintenance strategy fail.

## 2 Background

Maintenance is defined as the combination of all technical and management actions needed to keep an asset in or bring it up to a suitable standard whereby it can perform its intended function at optimal efficiency.

Our vision is to use property that is fit for purpose, efficient and sustainable, in order to support the delivery of services to our community. Our vision is supported by the policy steers agreed by the Council.

Property is a core resource, and as such we want it to be

- **‘fit for purpose’** – property actively contributing to effective service delivery in terms of location, condition, suitability, accessibility, design and layout,
- **‘efficient’** – in the way that property performs and in the way that property is used ie flexibly and support new ways of working, and
- **‘sustainable’** – both in environmental and financial terms so that it supports the work of the authority and its partners whatever changes come our way.

We will **achieve** our vision by improving any property that is not fit for purpose, sustainable and efficient and by working in partnership.

Our **supporting strategies** in delivering this will involve:

- **targeting available resources** on ‘core’ properties; those that the council considers it needs to retain in the medium to long term (5+ years),
- **working in partnership** with other organisations and local communities to maximise the use of property for the benefit of the people of East Sussex,
- **addressing both the causes and the effects of climate change** through the management of the estate to improve the energy performance of ESCC buildings to reduce our carbon footprint and expenditure on utilities, and
- **ensuring value for money** in all property-related transactions.

## 3 Our Principles

This maintenance strategy has been established so that it complements, and is aligned with the Council's Property AMP. It has been developed in the context of both the technical aspects of the portfolio and how it can support the overall organisational aims and objectives.

The objectives of the maintenance strategy are:

- To ensure buildings are fit for purpose and meet the clients operational needs,
- To ensure buildings and their services meet all statutory requirements,
- To ensure maintenance projects are coordinated with other projects to minimise impact on users of the facilities and maximise synergies,
- To undertake maintenance work necessary to maintain the value of property assets,
- To ensure that ESCC has the necessary information for monitoring the maintenance, condition and performance of building assets at an organisation level,
- To ensure that there is adequate information at the operational level, for undertaking maintenance, and
- To undertake works to improve the energy performance of our buildings.

The Council's Property AMP 2013-18 identified the following four key principles that will underpin our management of all property assets in the ownership of East Sussex County Council. By adopting these principles we will strive to rationalise the estate, reduce backlog maintenance and provide fit for purpose buildings which are efficiently used and support service delivery. Therefore the adoption of this policy will support these principles as follows;

### Principle 1 – Improve or replace

By following this principle, we strive to rationalise the estate, reduce backlog maintenance and provide fit for purpose buildings which are efficiently used and support service delivery.

#### Priority - Backlog Maintenance

##### Challenges

- To target the reduced maintenance budget effectively in agreement with the service directorates and through strategic maintenance plans.
- To monitor the delivery of the maintenance programme to time and budget.
- To ensure we have accurate, current condition reports to all our properties and to make sure these are accessible to premises.
- To reduce extra revenue spend due to old and unsuitable premises

## Pledges

- To maximise maintenance spend on planned rather than reactive works.
- To ensure that there are clear and approved replacements programmes.
- To consider and include energy saving works in replacement programmes where it is cost effective to do so.
- To increase buildings with a good or satisfactory condition rating.
- To focus maintenance and modernisation spends on the Council's core properties.
- To maintain and update the core property list in consultation with service directorates to reflect growing service needs, priorities and changing user requirements.

## Priority - Compliance

### Challenges

- To ensure the Council's property assets comply with Statutory and Regulatory Health and Safety Codes to for fill its employer's responsibilities as set out in the HSE website link below and all associated statutory guidance.

<http://www.hse.gov.uk>

- To improve the accessibility of properties across the corporate estate.
- To ensure accessibility needs are reviewed as use of buildings changes.

## Pledges

- To put in place measures to insure all essential statutory maintenance is undertaken correctly.
- To focus resources on high priority work required as identified in accessibility audits.
- To keep all premises managers informed through provision of appropriate and timely information to help them comply with all current policies, strategies and management procedures for health, safety including associated compliance.
- To ensure predictable risks are identified and managed for H&S of occupants and visitors.

## Principle 2 - Release

To identify poorly performing assets to rationalise the corporate Estate

Out of scope of this policy

## Principle 3 – Reduce our Carbon Footprint

To identify and implement changes to reduce our carbon footprint

Out of scope of this policy

## Principle 4 – Work in partnership

And empower our communities

Out of scope of this policy

## 4 Our Approach to Maintenance

### Maintenance Budget

The level of funding for maintenance is approved by Council, as part of the Reconciling Policy and Resources Process, based on reports provided by Strategic Finance. In order for Council to approve the appropriate level of funding required to ensure the maintenance policy objectives are met we will ensure that maintenance requirements are communicated effectively to Finance.

The maintenance budget is managed corporately allowing funds to be directed to the priorities identified through condition surveys, client site specific priorities and the corporate and service asset management plans. The budget setting and prioritisation process is shown in Appendix F11.

### Acquire

When acquiring buildings we will

#### **Identify the life cycle costs of the asset**

The total costs of ownership, including the costs of acquisition, operation & maintenance, conversion & decommissioning will be identified. Of these the 'operate and maintain' phase is the one that creates the 'value contribution' to the organisation, but also represents the largest percentage of total costs. To minimise these costs and achieve best value there will be

- Clear definition of client's requirements for service life to understand project priorities and where resources should be most effectively applied.
- Optimisation of capital and revenue expenditures through whole life costing of construction and maintenance solutions.
- Design and maintenance fulfilling these requirements leading to reduced life cycle costs through implementation of the 'Corporate Sustainable Buildings Brief' and the elimination of over-specification of materials or components.
- Effective planning of the design, construction and maintenance process with clear guidance leading to improved quality, particularly regarding aspects critical to service life.

#### **Identify suitable and efficient buildings**

- To work with clients to clearly identify their long term needs enabling sufficient lead in time to identify the best property solutions to deliver ESCC services.
- To engage with the required internal teams to ensure that properties to be acquired have been fully assessed for future maintenance liabilities to inform and advise clients in making the correct strategic property decisions.



## Prepare for Use

- To clearly understand our clients' requirements and undertake strategic review of the properties to be acquired to ensure that they are fit for purpose.
- To ensure that the Delivery team are commissioned at the appropriate time in order to undertake the preliminary works required for delivery of client services from newly acquired sites

## Agree Partnership arrangements

- To fully explore the potential for joint use and sharing of sites and service delivery with our partner organisations from the buildings to be acquired for cost effective delivery of services.
- To understand the strategic needs of partners when considering acquisitions
- To work strategically with our partners to ensure that we can learn from our common experiences and share best practice.

## Frameworks

- Ensure effective utilisation of contractor and consultant frameworks where appropriate for the acquisition of sites.

## Leases

Where leasehold property is advantageous we will:

- Ensure that ESCC have a full understanding of the lease and the associated liabilities to inform strategic property decisions in co ordination with the Disposal and Lease and Rent Policies.
- When entering into leases ensure that full consideration and clarity of the future ESCC obligations are assessed so as not to create long term detrimental liabilities
- Ensure that landlords fully discharge their responsibilities
- Insure that sufficient schedule of condition, landlord information and property information is collated for future reference. Ideally this should include a photographic schedule of condition at the outset so there is a clear record of any pre-existing defects and finishes.
- Ensure effective corporate management of lease agreements and ensure that up to date information is made available to all those who need it for the effective management of the asset.

## Use

### Revenue Maintenance

We will undertake maintenance work to fall in to one of three categories: planned, reactive and term, as detailed in Appendix F10, and our aim is to:

- Ensure the majority of work is undertaken as planned rather than reactive works to meet or exceed the recognised good practice standard ratio of 70:30 planned to reactive.
- Target our spend towards the highest priority works identified through condition surveys and from client discussions.
- Ensure that all term servicing works are undertaken to comply with statutory requirements for the safe operation of equipment and the safety of occupants.
- That reactive repairs are completed within the agreed priority Ensure that works are undertaken in accordance with the Sustainable Building Policy
- Ensure there is clarity between corporate maintenance responsibility and client operational items

[\*Link to 'Sustainable Building Policy'\*](#)

### Planned Works Identification and Delivery

We will undertake rolling programmes of surveys and assessments to identify, quantify and prioritise any risks, or possible risks, to our users and staff, the general public and to our buildings. The survey reports and the information obtained will be uploaded to the Property Asset Management System (PAMS) so that it is available for all those who need it in the operation, use and management of our assets.

When scheduling maintenance planned projects, where possible, these will be bundled into programmes of similar projects for procurement using framework arrangements to ensure best value is achieved from the limited resources available.

### Reactive Identification and Delivery

We will provide a help desk service to receive reactive repair requests from our sites and clients. These will be allocated a contract priority attendance time in accordance with type and nature of the request. Works will be allocated to approved contractors.

### Term Identification and Delivery

We will identify the services and equipment at sites and set up the required service plans within the corporate property database system. The helpdesk will identify system generated notifications of services due and instruct the relevant approved contractor to undertake the term service within the required time to ensure that our buildings remain compliant.

## Procurement

We will ensure that maintenance services are procured in accordance with the requirements of the Local Government Act 1 April 2000 to ensure best value to the Council by:

1. Seeking continuous improvements in service delivery
2. Setting clear service standards
3. Reviewing performance
4. Consulting more effectively with stakeholders

## Improve or Replace

### Capital Maintenance

Details on the type of maintenance works that can be capitalised are given in Appendix F10. In undertaking Capital maintenance we will:

- Ensure robust prioritisation is used taking account of corporate priorities, asset strategies and the service and corporate asset management plans.
- develop strategic maintenance plans to identify programmes of work for the next five years.

### Accessibility

When planning for maintenance works we will ensure that accessibility issues are considered in line with the Councils Disabled Access Policy & Strategy and where appropriate will combine projects funded from the maintenance budget with those funded from the disabled access budget in order to achieve efficiencies and economies of scale.

*[Link to the 'Disabled Access Policy & Strategy'](#)*

### Frameworks

In planning maintenance projects where applicable these will be bundled into programmes of similar projects for procurement via framework arrangements to ensure best value is achieved from the limited resources.

### Suitability

Suitability sits alongside and complements other property focused portfolio assessments. We will use these suitability assessments, where appropriate, to identify weaknesses that can be addressed by building maintenance works.

## New Build

All new builds will be undertaken in accordance with the Sustainable Building Policy

[\*Link to 'Sustainable Building Policy'\*](#)

## Strategic Plans

A Strategic Maintenance Plan shall be developed to determine the future maintenance needs of the asset base, over the medium to long term. This plan will take into consideration capital and disposal plans and identify the level of funding required annually to meet the maintenance standards established to support effective service delivery.

The plan shall incorporate life cycle planning having due regard for the Departmental service delivery and asset management plans, the age, condition, value, deferred maintenance and functional quality of the assets, as well as new assets and any emerging issues which may impact on their service potential.

## Release

### Dilapidations

When disposing of a lease hold building dilapidations costs will be agreed with the Landlord in order to take account of returning the asset to the condition specified in the lease agreement. These costs will generally cover two elements; the cost of removing additions such as partition walls, and the cost of any deferred maintenance such as redecorations. These costs are funded by departmental budgets as part of the disposal process.

[\*Link to the 'Lease Rent Policy'\*](#)

## Community Asset Transfer

Where it has been identified that an asset is to be transferred to a community organisation for the benefit of better outcomes for customers and citizens we will:

- ensure maintenance liabilities are minimised, where practicable, before transfer, so the ongoing success of both the community organisation and its services is secure.
- after transfer responsibility for the upkeep, repair and maintenance of the asset pass to the organisation taking ownership.

[\*Link to 'Community Asset Transfer Policy'\*](#)

## 5 Performance Monitoring

The condition of all ESCC building assets will be assessed in detail by means of a condition survey at least once every five years (surplus/unoccupied properties have an annual H&S check) undertaken by competent and suitably qualified surveyors and engineers. A formal condition assessment report for each building asset surveyed is to be produced in an approved electronic format.

Records of building asset condition shall be maintained in the Property Asset Management System (PAMS). All relevant 'condition' information shall be uploaded to PAMS to ensure accurate and up to date building asset condition records are available to all those who need it.

Appropriate key performance indicators (KPIs) are to be monitored and reported from the PAMS to assist in the management of maintenance and ESCC building assets generally.

Performance indicators shall be used to monitor performance, in the management and delivery of maintenance works relating to

- maintenance service delivery performance,
- maintenance service quality performance,
- asset performance,
- maintenance management performance,
- maintenance cost performance, and
- client/tenant/occupier satisfaction.

## 6 Future Drivers

### Changing Estate

#### Schools and Academies

Responsibility for maintenance in schools is split between the Children's Services Authority (CSA) and Schools. The roles and divisions of responsibilities between school and CSA are detailed in the 'Education Asset Management Plan' which can be accessed via Czone link below.

In principal reactive maintenance, term servicing s undertaken by the school and the budget for this has been delegated to each school.

Planned maintenance such as replacement capital elements of boilers, roofs, rewiring etc was funded by the CSA and managed by BSD Property for implementation of the programme based on condition surveys. Funding comes from a revenue structural maintenance allocation and central capital allocation from Education Funding Agency (EFA).

In 2014 the structural maintenance funding was delegated back to schools. The schools Building Maintenance Technical Support offered by the Council's Property Service to Schools Team was revised to offer a centralised service for those schools that wanted ESCC to carry on managing their structural maintenance budget, which the majority of school did, or a non-centralised for those schools that wanted to retain their budget allocation. Details of the full service offered can be obtained on the Council's Intranet site 'Czone for Schools' at the following address

<https://czone.eastsussex.gov.uk/schoolmanagement/property/Pages/main.aspx> .

A comprehensive buildings maintenance service is offered to schools, academies and trusts to give access to a team of experienced building professionals. Advice and support is provided to ensure legal obligations can be met in maintaining school's buildings.

It is anticipated that an increasing number of schools will transfer to academy status. There will be an ongoing review of the implications of academies forming a larger percentage of the school estate, which ESCC remains responsible for ensuring sufficient educational spaces, and how this will require property services to adapt its service offer and support.

We work with schools to ensure they can make the best use of their budgets. They have access to our list of approved suppliers and contractors, ensuring they are achieving the best quality work at the most competitive prices.

## Legislation

The Council aims to ensure that the buildings under its control comply with all appropriate statutory, regulatory and corporate standards. To support this aim compliance monitoring will be maintained to establish the status of each area ie statutory, recommended good practice.

Where day to day responsibility and the majority of available resources are delegated to premises level the ultimate accountability remains at corporate level within the Council. An example of this is individual schools where there is both the freedom and the financial resources to enable them to procure very significant building projects without calling on the assistance of the council.

Health and Safety legislation is becoming less and less prescriptive and does not provide specific details with regard to inspection and testing frequencies and regimes. The Council will therefore focus on risk based assessments which can be very much dependant upon individual circumstances such as the use the building is put to, the users groups, the construction, age and condition of the building, previous maintenance regimes, and the building location.

A schedule of activities providing an outline of the specific areas, their service requirements and inspection regimes is provided in the Property Risks and Compliance Policy.

[\*Link to 'Property Risks and Compliance Policy'\*](#)

# Appendix D10

## Scope of Building Maintenance

There are many definitions of maintenance available but they all share common themes and in line with these maintenance at ESCC is defined as:

*‘the combination of all technical and management actions needed to keep an asset in, or bring it up to, a suitable standard whereby it can perform its intended function at optimal efficiency’.*

This policy applies to the maintenance of all ESCC owned building assets including Heritage assets. For clarity, a ‘building asset’ is defined as

*“Any roofed structure enclosing space and intended for use as a shelter (for people, animals or property) or for recreational, educational, industrial, commercial or other functions and includes services and external infrastructure within the boundary of the site”.*

And ‘building maintenance’ activities are defined as

*“All work on existing building assets, including utility services and external infrastructure within the boundary of the site that is undertaken to achieve the following objectives”:*

- To retain the asset in a condition in which it can perform its required function.
- To prevent deterioration and failure or extend the life of the asset.
- To restore to correct operation within specified parameters
- To restore physical condition to a specified standard
- To recover from structural and service failure
- To obtain accurate and objective knowledge of physical and operating condition including risk and financial impact for the purpose of maintenance and
- Partial equivalent replacement of components of the asset”

Work excluded from ‘building maintenance’ includes:

- improvements and upgrading to meet new service capacity or function,
- refurbishment to new condition to extend the capacity of the asset,
- improvements and upgrading to newly acquired assets to enable service delivery or function (these costs should be included in the budget for the capital scheme/acquisition),
- major upgrading to meet new Statutory requirements (additional budget bids will be made where additional expenditure is required to upgrade structures and services for compliance),



- operational tasks to enable occupancy and use (e.g. cleaning, security, waste removal,
- supply of utilities (energy, water and telecommunications),
- construction of new assets,
- major restoration as a result of natural and other disasters,
- demolition of redundant buildings, and
- temporary structures.

For leased, rented and joint use buildings, responsibility for maintenance is subject to the terms and conditions of each agreement.

The categories of maintenance used

Category	Sub category	Definition
<b>Planned Maintenance</b>	Term Maintenance	The actions performed to comply with statutory legislation to service and maintain equipment and plant and prevent failure by providing systematic inspection and monitoring to detect and prevent incipient deterioration or failure and includes testing to confirm correct operation.
	Planned Maintenance	Maintenance work performed, as a result of significant deterioration or failure, to restore an asset to its required condition standard.
	Required Maintenance (Backlog)	Maintenance that has been deferred on a planned or unplanned basis.
<b>Reactive Maintenance</b>	Routine and Breakdown Maintenance	Unplanned and reactive maintenance actions performed to restore an asset to operational condition, as a result of an unforeseen failure.
	Incident Maintenance	Unplanned maintenance actions to restore an asset to an operational or safe condition as a result of minor property damage resulting from storms, fire, forced entry and vandal damage.

## **Capital Maintenance**

Works that are considered an 'enhancement' of an asset will be capitalised as defined under 'Capital Accounting Arrangements under Part IV of the Local Government and Housing Act 1989'

Meanings of enhancement:

- Lengthening substantially the useful life of the asset
- Increasing substantially the open market value of the asset
- Increasing substantially the extent to which the asset can or will be used for the purposes of or in connection with the functions of the local authority concerned.

Some typical examples of works falling within this definition are

- Re-roofing
- Structural works
- Rewiring (complete)
- Boiler replacements
- Central heating provision or replacement
- Window replacement or double glazing (complete)
- External cladding of buildings

The advice of the Finance team shall be sought in clarifying those projects that meet the criteria when developing the planned programmes.

# Appendix D11

## Budget Setting & Prioritisation

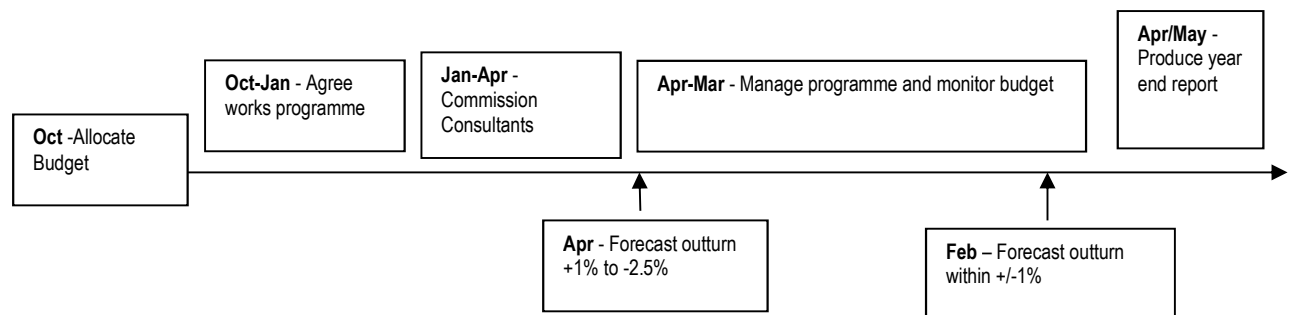
### Building Maintenance – Budget Setting and Monitoring Process

Month	Who	Action
Oct	Finance	Produce Draft Budget spreadsheet showing how the revenue budget was calculated, including allowances for inflation, policy commitments and savings. The spreadsheet is sent to budget holder to allocate to General Ledger (GL) and Cost Centre (CC) codes.
Oct	Maintenance Team / Asset Management (MT, AM)	<p>Allocate an amount to each GL code as follows: -</p> <ul style="list-style-type: none"> <li>• Reactive works - based on previous spend profile</li> <li>• Term works - based on previous spend profile</li> <li>• Risk works - based on expected spend profile</li> <li>• Additional Planned Maintenance Requests - based on the target that has been set for the year</li> <li>• Recharges e.g. ICT, legal fees, planning etc - based on previous spend profile</li> </ul> <p>The remaining budget is available for Planned works and Consultants fees and is allocated to departmental CCs based on priorities of work in the maintenance backlog.</p> <p>The updated spreadsheet is then emailed back to Finance.</p>
Oct -Jan	Finance	Issue any revisions to the draft budget figure during this period.
Oct -Jan	MT	Adjust the allocations to GLs and CCs to take account of any revisions and email back to Finance.
Oct -Jan	MT	<p>Meetings arranged between the Client's and Maintenance Manager to discuss departmental priorities and agreed works to be included in the programme for the coming year. Robust challenge is made regarding work not considered a priority or if there is doubt on the future of a particular site where work is being proposed.</p> <p>A provisional list of work to be included is produced for each department and the initial allocations to departmental CCs are adjusted to take account of any changes and Finance are advised of any changes to allocations.</p>
Jan	Cabinet	Agree final budget for the coming financial year.
Jan-Feb	MT	Liaise with Capital Team, Schools and Energy Team to identify potential joint projects and allocate and issue the work to the Consultants.
Apr	MT	Forecast a predicted outturn for the coming year which should be within +1% to -2.5% of the budget allocation
Apr-Mar	MT / Finance	<p>Monitor the budget via SAP reports on a regular basis and challenge any incorrect allocations or postings.</p> <p>Produce monthly budget reports to monitor progress of the overall programme and predict the expected outturn figure.</p> <p>Monthly budget monitoring meetings with the Maintenance Team and Finance Officer to discuss the budget report, discuss issues and propose corrective actions to keep the budget outturn on course.</p>
Apr-Mar	MT	Provide ongoing management of the individual project budgets and the consultants.

Month	Who	Action
		Arrange meetings as agreed with each of the Clients to provide update reports on progress and discuss any concerns or issues.
Feb	MT	Forecast a predicted outturn (based on end of Jan budget report) for year end which should be within +/-1% of the budget allocation.
Feb	Finance	Issue the end of year close down process detailing key dates for postings, journals etc.
Apr/May	MT	Produce an end of year report.

It is important to note that a reduction in the level of funding for building maintenance results in less funding for 'planned' maintenance works because the level of funding needed for 'term' and 'reactive' works is relatively fixed. This would then impact on backlog reduction.

### Budget Process Key Dates



## Prioritisation

Prioritisation of planned works to planned maintenance programmes will be undertaken using the following criteria

### Condition rating

<b>A</b>	<b>Good</b>	Performing as intended and operating efficiently
<b>B</b>	<b>Satisfactory</b>	Performing as intended but showing minor deterioration
<b>C</b>	<b>Poor</b>	Showing major defects and/or not operating as intended
<b>D</b>	<b>Bad</b>	Life expired and/or serious risk of imminent failure

### Priority rating

- P1** **Urgent work** that will prevent immediate closure of premises and /or remedy a serious breach of legislation and /or high risk to health & safety.
- P2** **Essential work** is required within two years that will prevent serious deterioration of fabric or service and /or remedy to minor breach of legislation and /or minor risk to health & safety.
- P3** **Desirable work** is required within 3 to 5 years that will prevent deterioration of fabric or service and /or address a low risk minor breach of legislation and /or minor risk to health & safety.

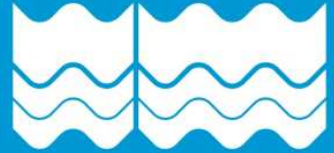
### Reason rating

- R1** Health and Safety Breach
- R2** Breach of Legislation
- R3** Deterioration of Fabric
- R4** Security Implications

**If you would like a copy of the document in a different format, such as large print, Braille or a different language, please contact us.**

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# Corporate Sustainable Buildings Policy

July 2016

# E

# Property Policies Pack 2016 update

**Policy name:** Sustainable Building Policy

**Policy Reference in the Pack:** G

**Date created:** June 2008

**Sent for Review:** 12/06/2014

**Deadline for update:** 15/07/2014

**Name of Responsible Property Manager:** Matthew Powell

**Have any changes been made?** Yes

If Yes:

Name of Officer reviewing	Paragraph name or Page umber	Nature of changes made
Matthew Powell		

**Signed Off by:** Tina Glen

**Date:** June 2016

## Amendments history sheet

Document Audit Trail Approved By:	Issue Date
CRD – Department Management Team	09 June 2008
Chief Officers' Management Team	18 June 2008
Capital and Property Strategy Group	20 June 2008
Property Strategy Group	07 July 2008
Cabinet	08 July 2008
Corporate Management Team	March 2013
Policy revised	July 2014
Policy updated	July 2016



# Contents

1 Background

2 Context

3 Our Principles

4 Our approach to BREEAM

5 Our approach to Maintenance

6 Future Drivers & Policy Considerations

7 Conclusion

Appendix E12 – Key Portfolio & Performance Data

# 1 Background

## **What is the Corporate Sustainable Buildings Policy?**

The Corporate Sustainable Buildings Policy presents clear, forward-looking goals for the extension, refurbishment, maintenance and construction of new build Council buildings, which help to deliver corporate priorities and service delivery needs, now and in the future. It shows how the Authority's approach to design and construction of buildings will be maintained, modernised and rationalised to ensure they are fit for purpose.

## **Why do we need the Corporate Sustainable Buildings Policy?**

This Corporate Sustainable Buildings Policy sets out how we intend to deliver our commitment to a sustainable approach to construction and maintenance. The policy will need to respond to change and the guidance document creates a sustainable framework for the progressive review and auditing of objectives and priorities.

In developing this policy, we have worked with colleagues in all ESCC departments, and the consultants who provide design and maintenance services. This Policy and Guidance Document will constitute part of the brief to our design and maintenance service providers and inform project teams and project boards/sponsors of the ESCC's expectations and requirements regarding a sustainable approach to construction and maintenance.

## 2 Context

The Corporate Sustainable Buildings Policy forms part of the Council's core policies and supports the Corporate Property Asset Management Plan and other key plans, strategies and policies.

It is fundamental in delivering our promise to the residents of East Sussex that we will, in partnership, make the best use of resources to:

- help make East Sussex prosperous and safe;
- support the most vulnerable people;
- improve and develop roads and infrastructure;
- encourage personal and community responsibility;
- deliver the lowest possible council tax; and
- be a voice for East Sussex, listening and answering to local people.

ESCC understands that to ensure the most effective, affordable and sustainable built environment, it is imperative that impacts are considered throughout each stage of a facilities lifecycle. The drivers therefore for informing our Sustainable Buildings Policy are:

- efficiencies
- service improvement
- climate change
- repair liability
- partnership working

East Sussex has a population of 515,500 and covers 1,725 square kilometres (666 square miles) and to provide the services needed by local residents of East Sussex the Council has buildings with a total gross internal floor area of 753,331m<sup>2</sup>.

For more detailed information on demographic see:

<https://new.eastsussex.gov.uk/community/local/factsandfigures>

## Lifecycle stages of a facility

ESCC has identified the adoption of a lifecycle approach to support the delivery of sustainable buildings as a first guiding principle. The facility lifecycle refers to a building over the course of its entire life, viewing it not just as an operational building, but also taking into account the preparation, design, construct and re-use phases. Figure 1 outlines the five lifecycle stages under the Improvement and Efficiency South East (IESE) Framework (<http://www.iese.org.uk/>) that ESCC works under namely:

- Briefing;
- Design;
- Tender;
- Construct; and
- Use and Re-Use.

The graphic suggests where the greatest influence on design cost and performance lies. The National Government funded Technology Strategy Board, Building Performance Evaluation 2009-2014 Research (TSB BPE ) (now Innovate UK) suggests that occupants of a building can affect the energy consumption by at least a factor of two. i.e. irrespective of the designed performance and dependent on a facilities use and operation it can be twice as efficient, or more likely as the research finds, at least twice as inefficient. The emphasis of performance data alongside lessons learnt make the use, re-use and prepare stages key when designing new facilities. At each stage there are considerations on how to maximise the sustainability of a facility, this detail can be seen at Appendix 1, Section B.

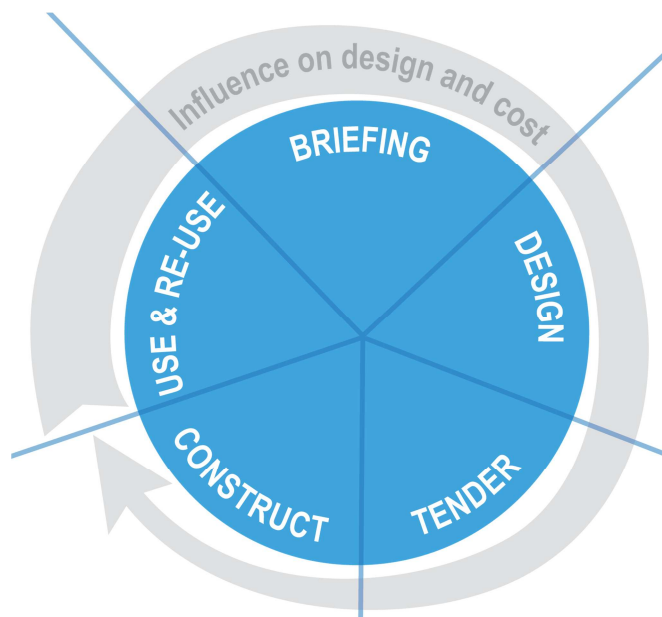


Figure 1 - The five lifecycle stages under the Improvement and Efficiency South East (IESE) Framework

## 3 Our Principles

Our 3 key principles are aligned with the Corporate Property Asset Management Plan and this policy identifies the challenges and pledges under each of these principles linked to the delivery of sustainable buildings. It does not include the 4th principle from the CPAMP, which relates to the disposal of ESCC assets. The three principles are therefore:

- Improve or replace – Investment to ensure retained properties are fit for purpose, efficient and sustainable.
- Reduce our carbon footprint - to identify and implement changes to reduce our carbon footprint
- Work in partnership and empower our communities.

By following these principles, we strive to rationalise the estate, reduce backlog maintenance and provide fit for purpose buildings that are efficiently used and support service delivery.

Our work with local partners will help us to identify opportunities to share accommodation and promote wider use of our assets by the community.

Rising energy costs present a significant challenge and work continues to improve energy efficiency and automatic monitoring of our buildings.

### Principle 1 – Improve or replace

**Investment to ensure retained properties are fit for purpose, efficient and sustainable.**

#### Priority – Material Specification

##### Challenges

- To reduce the environmental impact of materials used in building design and maintenance through a “green” approach to specification.
- Take account of raw and recycled material sourcing, product manufacture, lifetime use and reuse.
- Integrate this priority through the supply chain.
- To create a productive and exciting atmosphere where people can develop and achieve their potential.

## Pledges

- Reduce the embodied energy of materials used and promote social and economic sustainability by specifying appropriate local labour and materials and stimulating local markets through Council purchasing power.
- Establish standardised materials across different projects to maximize the potential for reducing environmental impact and delivering economies.
- To avoid the use of toxic materials and potential sources of indoor air pollution from materials such as PVC and vinyl flooring.
- To ensure the highest design standards are achieved for the internal environment, recognizing the benefits this brings in terms of occupant satisfaction, productivity, attainment and health.
- By working strategically with our partners to learn from our common experience and share best practice.

## Priority — Water use

The UK Government has recognised the potential effects of climate change and the subsequent reduction in the availability of water. Through the use of sustainable drainage systems, reduced consumption and rainwater harvesting, it is seeking to provide security of water supply.

## Challenges

- Ensuring water management is given sufficient priority given the historical focus on energy in use.
- Ensuring monitoring capability is available, including the use of metering in sufficient detail to provide information on water consumption that can be used to develop and meet targets.
- To include sustainable drainage systems, where possible, in existing and new building locations.

## Pledges

- Identifying areas where lack of maintenance has caused excessive consumption and plan a good housekeeping approach to solving defects.
- Identify opportunities to include rainwater harvesting, permeable hard surfaces to external areas and green roofing systems, where appropriate, through an 'invest and save' approach.

## Principle 2 - Release

### To identify poorly performing assets to rationalise the corporate Estate

This is out of scope for this policy.

## Principle 3 – Reduce our Carbon Footprint

### To identify and implement changes to reduce our carbon footprint

Our target is to reduce our CO<sub>2</sub> emissions by 80% by 2050, with an annual reduction of 3% each year. For more information see:

<http://www.eastsussex.gov.uk/environment/climatechange/whatawearedoing.html>

### Priority — Energy supply and use (including embodied energy)

#### Challenges

- Ensuring accurate and current information on energy and running costs is available for the corporate estate.

#### Pledges

- To look for opportunities to secure the emission reductions possible in designing energy supply and infrastructure solutions to support larger developments or projects on linked or adjacent sites.
- To secure the free benefits and reductions in energy demand and emissions obtainable through passive design, e.g. by considering site and solar orientation, prevailing winds, the use of natural ventilation and daylight and controlled use of solar gain. Use mechanical ventilation only where necessary. This should be considered during any conversion, refurbishment and new build projects.
- To ensure equipment are consistent with good environmental practice are installed when undertaking maintenance works.
- To maintain a league table of property asset energy performance, identifying poor performing site and conduct energy audits for improvement works.

### Priority — Transport

#### Challenges

- Consider 'agile working' provision of flexible working environments giving staff opportunities to adopt more flexible working patterns and reduce the need for travel.

#### Pledges

- To integrate green travel planning and local procurement into all schemes to encourage building users to minimise their personal carbon emissions, reduce embodied energy from suppliers and support the local economy.
- To ensure that scheme appraisal and design supports green methods of travel, e.g. by site selection and design of facilities to encourage walking and cycling.

## Priority — Carbon reporting

### Challenges

- Ensuring accurate and current information on carbon emissions is available for the corporate estate.
- To develop a properly costed, rolling programme of carbon reduction measures to enable the authority to meet its ongoing energy saving, carbon reduction commitment.

### Pledges

- To meet the national timetable for reduction of carbon emissions for non-residential buildings.
- To report property carbon performance information to Cabinet on an annual basis.

## Principle 4 – Work in Partnership & empower our communities

The authority aims to provide services across the county, alongside and in collaboration with, other organisations, enabling local people to access a range of services from place. This is an important issue in the provision of services to both children and young people, and in adult care services, where the ability to access a range of support facilities in one location is beneficial (personalisation of services).

The County Council is a member of SPACES, which is comprised of public, private, voluntary and community sector organisations. One of the core priorities for the Council is also to create sustainable communities. For more information see: -

<http://www.eastsussex.gov.uk/community/helping/partnerships/default.htm>

### Challenges

- Building greater resilience and self-sustaining capacity to support delivery of joint objectives with the voluntary and community sector.

### Pledges

- For appropriate new build projects, to target a minimum of 'Good' for BREEAM Communities, to ensure opportunities at the neighbourhood scale are not lost when potential benefits are at their greatest.



## 4 ESCC's approach to BREEAM

BREEAM is a tool used to classify the environmental credentials of buildings and developments and awards one of the following ratings, subsequent to an evaluation by an accredited assessor:

- Pass
- Good
- Very Good
- Excellent
- Outstanding

These standards only apply to the current BREEAM schemes ie:

- Communities - Masterplanning
- Infrastructure - Civil Engineering and Public Realm
- New Construction - Buildings
- In-use - Buildings
- Refurbishment and Fit-out - Buildings
- Other schemes subsequently added by BRE are deemed to be included in this policy.

Where a project or building type falls outside the current BREEAM schemes definition, Project Teams will need to determine if the project will utilise the BREEAM Bespoke standard.

For all new buildings, extensions and refurbishment projects and for maintenance elements, the Council will achieve the following BREEAM rating:

- Minimum of 'Good'; - or -
- The higher standard of 'Very Good' or 'Excellent' for suitable projects on a cost neutral basis or where required by the funding agency or client department; and
- It is planned, through consultation to raise the minimum standard from 'Good' to 'Very Good' or 'Excellent' rating for all projects where there is budget alignment.

## 5 ESCC's Approach to Maintenance

ESCC's Corporate Sustainable Buildings Policy aims to ensure that whole life costs and the benefits of a sustainable approach are considered at each life cycle stage, with particular emphasis on securing adequate information at project inception to set realistic budgets and briefs and to integrate this with the ESCC's Corporate Property Asset Management Plan (CPAMP). It also looks to secure 'no cost' and 'low cost' benefits first, before other more costly project aspects are considered.

Using the cost benefit tools in Section A of Appendix 1, contractors and consultants must follow all solutions that have a neutral cost attached. All solutions that are cost positive must be agreed with ESCC.

Whole Life Costing (WLC) is a tool used to assist in making decisions between options with different cash flows over a period of time. In this respect it is a form of investment analysis. WLC is relevant when considering whole estates, whole facilities, individual buildings or structures and when comparing alternative investment scenarios such as:

- retain and refurbish or sell;
- alternative designs (such as between framed and load-bearing structures); and
- alternative specifications (such as between timber and metal windows).

WLC is particularly useful when assessing whether an alternative with a higher capital cost is justified.

WLC should be carried out at all important decision stages in procurement, construction and use of the property, e.g. initial investment appraisal, feasibility study of alternatives, outline and detailed design, tender appraisal, assessment of variations, handover and post-occupancy evaluation.

Costs to be considered include site costs, design, construction, fit-out and fees, as well as in-use costs such as management and maintenance charges and, finally, costs of disposal and deconstruction.

**ESCC considers the lifecycle of a building to be 60 years.**

## 6 Future drivers & Policy considerations

This Sustainable Building's policy is viewed as an evolving document with economic, political, environmental and technological targets and considerations adapting all the time. This list highlights some current national drivers and industry changes, to which the policy may need to respond:

- **Building Information Modeling (BIM):** to integrate the shared knowledge of a building to support decision making from the earliest conceptual stages through to demolition and generate a tool that could help provide information and deliver better building performance through use.
- **Designing out waste:** ensuring that designers and council officers consider their ability to reduce the waste that arises from building projects at the design stage.
- **Design for Future Climate:** The Technology Strategy Board (TSB) has recently commissioned a series of projects (called Design for Future Climate) to consider and research the impact of probable and extreme but high impact future climate scenarios.
- **Embodied carbon:** understanding the carbon that is locked into materials supports careful choices which integral to this policy's approach. The information and understanding around the importance of considering embodied carbon is developing continually
- **Future Fuel Security:** to acknowledge the ever increasing pressure on securing adequate and appropriate fuels relative to cost and supply.
- **Post Occupancy Evaluation:** as part of the 'Soft Landings' Programme, post occupancy evaluation allows for measurement of the building's performance and feedback from the building users. The Technology Strategy Board (TSB) has recently commissioned a series of projects (called Building Performance Evaluation BPE) to consider and research this topic. The impact on performance by building users is being measured through this study.
- **Seeking Display Energy Performance (DECs) alongside Energy Performance Certificates (EPCs):** similarly to energy reduction targets, this target-setting approach linked to performance may help focus efforts from the project inception stage and consider measurement of success.
- **'Soft Landings' Programme:** the programme means designers and constructors staying involved with buildings beyond practical completion. Plus, this framework encourages earlier engagement and a graduated handover of buildings. The TSB BPE has identified the opportunity to improve use of the Soft Landings framework, throughout the design stages of a project, and this has not yet been realised by the construction industry.

## 7 Conclusion

The Corporate Sustainable Buildings Policy provides a summary of how the design approach to our extension, refurbishment and new build projects support the Council's corporate priorities and details the challenges ahead to ensure a strategic approach is taken to support corporate and service strategies. To achieve the pledges detailed throughout the plan, the principles of sustainable design and construction will need to be applied corporately and will require cross service directorates and wider agency co-operation and support in a challenging and changing environment.

## Appendix E12

Appendix G12 of this Sustainable Buildings Policy is split into three sections.

Section A is principally aimed at ESCC appointed designers, consultants and contractors. It indicates the design approaches that ESCC requires all building projects to consider throughout the design and construction stages.

ESCC requires projects to document how they comply with or take into consideration these approaches throughout the project. This may be demonstrated in Stage 3 reports, planning statements, tender information and primarily through built examples.

Section B provides council officers further explanation into the lifecycle approach, particularly with reference to the Improvement and Efficiency South East (IESE) Framework.

Section C highlights the importance of appropriate maintenance; there is a maintenance checklist to ensure proper monitoring and auditing of maintenance projects.



SECTION A

Design Approaches

Adopt a context-sensitive “build it in” philosophy (passive design principles, infrastructure planning etc.), not a “one fits all” approach. Adopt other techniques as appropriate (renewables, SUDS, rainwater harvesting etc.) following an overall approach that increases energy efficiency before looking at renewable and other “bolt-on” systems. The checklist below shows the basic priority of issues that should be considered during the design approach of a specific building.

	1	2	3	4
adopt passive design principles				
identify infrastructure opportunities				
use materials with low embodied energy				
increase performance of building fabric				
minimise energy use and waste through environmental systems				

1. Utilise thermal mass to moderate internal temperatures - expose concrete structures where used - specify cementitious board as an internal surface to lightweight structures
2. Maximise natural ventilation - avoid air conditioning, adopting a strategy to manually open windows - with maximum floor plate width of 13.5 m for cross ventilation.
3. Maximise natural light. Avoid internal rooms, use roof lights to penetrate deeper floor plans and integrate with natural ventilation strategy.
4. Orientate buildings to maximise even north light and minimise excessive solar gain to habitable rooms, classrooms etc. (orientate ancillary spaces, washrooms, corridors etc. to maximise solar gain and help manage temperatures with exposed thermal mass in these areas).

1. Identify opportunities to link facilities to communal heating and power supplies - this can massively reduce pay back periods for energy supply.
2. Use the Waste & Resources Action Programme (WRAP) Demolition Protocol to identify the opportunities for re-use of demolition materials in new designs and to maximise opportunities for reusing and recycling off-site.
3. Investigate the opportunities for community facilities to operate for a multitude of uses to minimise construction of separate buildings and make best use of new buildings.
4. Consider site opportunities to increase access to local transport facilities. Install bike loops and shower facilities to encourage building users out of their cars. Design and integrate “Green Travel Plans” with all buildings.

1. Use the WRAP “Recycled Content Toolkit” to achieve a minimum of 10% recycled material content by value of buildings materials used AT NO ADDITIONAL COST TO CONTRACT.
2. Always specify 10% recycled concrete aggregate for concrete specifications and recycled blast furnace slag in external works applications AT NO ADDITIONAL COST TO CONTRACT.
3. Specify timber over steel where possible - consider glulam timber structures for larger spans. Where steel is unavoidable, specify standard section sizes and stamp with size and weight to enable reuse of material.
4. Use a local supply chain to minimise transport miles of materials and workers to construction sites and to help develop local economy.

1. Use the Green Guide to Specification to advise on all building specification. All buildings should achieve as a minimum a “Good” standard under BREEAM for offices and schools and ECOHOMES for residential properties.
2. Increase insulation in line with BREEAM guidelines to greater requirements than those of Building Regulations
3. Use the Green Guide for Specification to specify ‘A’ rated materials and materials with low VOCs and HFCs to all internal applications.
4. Where thermally massive structures are being used, consider green roofs to add insulation and reduce rainwater run-off to mains drainage.

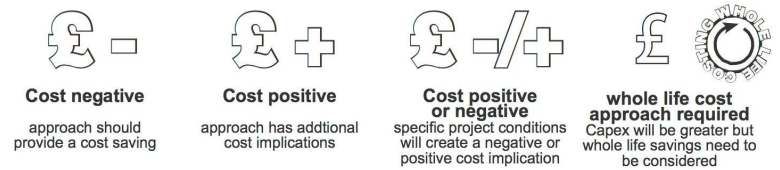
1. Reduce reliance on mains heat and power by adopting a renewable energy supply. Link facilities together to maximise payback opportunities. Avoid systems with low carbon emission reduction and long payback periods.
2. Consider the incorporation of rainwater harvesting systems. Consider pitch of roofs and location of storage tanks to maximise collection and minimise complexity of system.
3. Incorporate user friendly metering to enable tenants to monitor their energy usage. Adopt a green tariff for all energy supplies. Incorporate Building Management Systems to allow building users and tenants simple, effective control of heating and power systems. Consider automatic window opening systems to gain maximum benefit from a sophisticated natural ventilation system.
4. Consider opportunities for site wide Sustainable Drainage Systems to minimise water run-off to mains drainage.



# Cost Implications

The matrix below indicates an approximate relationship of cost neutral to cost positive design approaches. Generally the purpose of the arrow is to provide a visual reminder of the approach to follow and is indicative rather than prescriptive.

Where appropriate cost implications are available and specific figures are given in the notes they are taken from the BRE/Cyril Sweet publication 'Putting a Price on Sustainability' (2005), unless otherwise stated. The costs have been adjusted to take into account inflation since the 2005 report.



adopt passive design principles	<div>1</div> <div>Thermal mass</div> 	<div>2</div> <div>Ventilation</div> 	<div>3</div> <div>Light</div> 	<div>4</div> <div>Orientation</div> 	<div>1.Utilise thermal mass to moderate internal temperatures - expose concrete structures where used - specify cementitious board as an internal surface to lightweight structures</div> <div>2.Maximise natural ventilation - avoid air conditioning, adopting a strategy to manually open windows - with maximum floor plate width of 13.5 m for cross ventilation.</div> <div>3.Maximise natural light. Avoid internal rooms, use roof lights to penetrate deeper floor plans and integrate with natural ventilation strategy.</div> <div>4.Orientate buildings to maximise even north light and minimise excessive solar gain to habitable rooms, classrooms etc. (orientate ancillary spaces, washrooms, corridors etc. to maximise solar gain and help manage temperatures with exposed thermal mass in these areas)</div>
identify infrastructure opportunities	<div>CHP</div> 	<div>Waste</div> 	<div>Extended uses</div> 	<div>Transport</div> 	<div>1.Identify opportunities to link facilities to communal heating and power supplies - this can massively reduce pay back periods for energy supply.</div> <div>2.Use the Institute of Civil Engineers' (ICE) Demolition Protocol to identify the opportunities for re-use of demolition materials in new designs and to maximise opportunities for reusing and recycling off-site.</div> <div>3.Investigate the opportunities for community facilities to operate for a multitude of uses to minimise construction of separate buildings and make best use of new buildings.</div> <div>4.Consider site opportunities to increase access to local transport facilities. Install bike loops and shower facilities to encourage building users out of their cars. Design and integrate "Green Travel Plans" with all buildings.</div>
use materials with low embodied energy	<div>Recycled material</div> 	<div>Concrete</div> 	<div>Timber and steel</div> 	<div>Local supply chain</div> 	<div>1.Use the Waste and Resources Action Programme (WRAP) 'Net Waste Toolkit' to achieve a minimum of 10% recycled material content by value of buildings materials used AT NO ADDITIONAL COST TO CONTRACT.</div> <div>2.Always specify 10% recycled concrete aggregate for concrete specifications and recycled blast furnace slag in external works applications AT NO ADDITIONAL COST TO CONTRACT.</div> <div>3.Specify timber over steel where possible - consider glulam timber structures for larger spans. Where steel is unavoidable, specify standard section sizes and stamp with size and weight to enable reuse of material.</div> <div>4.Use a local supply chain to minimise transport miles of materials and workers to construction sites and to help develop local economy.</div>
increase performance of building fabric	<div>Green Guide</div> 	<div>Insulation</div> 	<div>Low VOCs</div> 	<div>Green roofs</div> 	<div>1.Use the Green Guide to Specification to advise on all building specification.</div> <div>2.All buildings should achieve as a minimum a "Good" standard under BREEAM for offices and schools and residential properties.</div> <div>3.Increase insulation in line with BREEAM guidelines to greater requirements than those of Building Regulations</div> <div>4.Use the Green Guide for Specification to specify 'A' or 'B' rated materials and materials with low VOCs and HFCs to all internal applications.</div> <div>5.Where thermally massive structures are being used, consider green roofs to add insulation and reduce rainwater run-off to mains drainage.</div>
minimise energy use and waste through environmental systems	<div>Renewables</div> 	<div>Rainwater</div> 	<div>Metering/controls</div> 	<div>SUDS</div> 	<div>1.Reduce reliance on mains heat and power by adopting a renewable energy supply.</div> <div>2.Link facilities together to maximise payback opportunities.</div> <div>3.Avoid systems with low carbon emission reduction and long payback periods.</div> <div>4.Consider the incorporation of rainwater harvesting systems. Consider pitch of roofs and location of storage tanks to maximise collection and minimise complexity of system.</div> <div>5.Incorporate user-friendly metering to enable tenants to monitor their energy usage.</div> <div>6.Adopt a green tariff for all energy supplies. Incorporate Building Management Systems to allow building users and tenants simple, effective control of heating and power systems. Consider automatic window opening systems to gain maximum benefit from a sophisticated natural ventilation system.</div> <div>7.Consider opportunities for site wide Sustainable Drainage Systems to minimise water run-off to mains drainage.</div>



## SECTION B

### Facility lifecycle approach

Section 2 has described the benefit of using a lifecycle approach, against each lifecycle stage, a number of considerations have been identified that should be used as a prompt to ensure key measures have been considered at the relevant stage.

The spokes of the wheel illustrate the gateways of the IESE Framework and highlight the requirement to have a reporting mechanism in place for relevant lifecycle stages.





## SECTION C

To highlight the importance of maintenance in the lifecycle of a building, here is a maintenance checklist to ensure proper monitoring and auditing of maintenance projects.

Identify opportunities to reduce waste, re-use materials from other buildings and recycle the inevitable waste from replacing “worn out” building elements. Material specification and replacement of heat and power plant at the end of its design life present the greatest opportunities for implementing a significant reduction in energy use and therefore carbon emissions within maintenance contracts.

## Maintenance Checklist

		Checklist Item	Not applicable to contract and consultant/contractor evidence given	Design Stage Inclusion	Construction Stage Inclusion
	1	Consider exposing thermal mass to aid cooling when maintaining or replacing suspended ceilings or internal linings.			
	2	Consider opportunities when replacing windows for adding opening lights to improve passive ventilation.			
	3	Consider automatic opening windows when renewing window systems to control ventilation and minimise heat loss, in turn minimising energy use.			
consider material choices	4	Has the maintenance contractor been asked to provide a pre-demolition audit (or simple audit depending on size) to identify type and quantities of waste materials?			
	5	Have site specific opportunities for the re-use of demolition waste been considered and appropriate action taken?			
	6	Have demolition materials been advertised through BREMAP to identify new uses or has BREMAP been used to find the nearest possible location for recycling or reprocessing?			
	7	Has the WRAP "Net Waste Tool" under "Quick Wins" been used to achieve a minimum of 10% recycled content by value of buildings materials to maximise use of recycled material?			
	8	Has the Green Guide to Specification (ISBN 0-632-05961-3) been considered on all maintenance contracts and applied to all material specifications? (see footnote 1)			
	9	Can increased insulation be considered to improve the building fabric thermal performance? (see footnote 2)			
	10	Has 100% recycled concrete aggregate been specified for concrete specifications or recycled blast furnace slag in external works maintenance applications? (see footnote 2)			

	11	Have finish materials with low Volatile Organic Compounds (VOCs) and low In Hydro Fluoro Carbons (HFCs) been specified? (see footnote 2)			
	12	Specify all replacement carpet tiles with recycled fibres and backing. Consider natural fibre carpets. Avoid using virgin PVC backed carpets. (see footnote 2)			
	13	Specify timber over steel and UPVC. Consider the embodied energy and future landfill implications for products that cannot be maintained, reused or recycled? (see footnote 2)			
reduce water usage	14	If drainage works or sanitary work underway, is there an opportunity to incorporate rainwater harvesting systems?			
	15	Have low flush toilets and taps been specified to replace existing standard fittings? (see footnote 1)			
reduce energy consumption through energy sourced and efficient fit out	16	Have standard electrical fittings and lighting been replaced with low energy equivalents?			
	17	Has consideration been given to low voltage circuits to plug in low voltage equipment: e.g. laptops, broadband, modem, CD, MD and telephone chargers? (see footnote 1)			
	18	Avoid the use of many transformers in order to lower voltage, as each one loses energy by generating heat (which is also undesirable in warm weather).			
	19	Avoid electric heating and other electric uses where other fuel sources are practical or possible alternatives.			
	20	Replace all expired heating and power systems with lower carbon emission alternatives. (see footnote 1)			

1. These items would be included within a BREEAM accredited approach.

2. These items would be included within a BREEAM accredited approach or when using the Green Guide to Specification

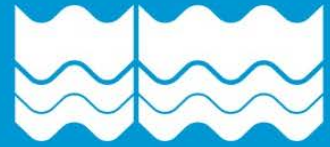
**If you would like a copy of the document in a different format, such as large print, Braille or a different language, please contact us.**

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# Property Disposals Policy

July 2016

F



# Property Policies Pack 2016 update

## Amendments history sheet

Issue Number	Changes Made	Issue Date
1	Policy written	2007
2	Update	2010
3	Update	2013
4	Update	2014
5	Update	July 2016

**Policy name:** Disposals Policy

**Policy Reference in the Pack:** F

**Date created:** June 2013

**Sent for Review:** 4/7/16

**Deadline for update:**

**Name of Responsible Property Manager:**

**Have any changes been made?** Yes

If Yes:

Name of Officer reviewing	Paragraph name or Page umber	Nature of changes made
Chris Reed	Various	Updates as per Member advice
Graham Glenn	various	To reflect updated guidance (Oct 15 re Crichel Down) , Personnel changes and Officer Titles - Includes amendment to "interim use" as per Member approved policy

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- Late Bids & Other Considerations
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# 1 Introduction

## Scope & Purpose

The identification and disposal of surplus property, and the consequential reinvestment of capital receipts, has been and remains a central plank of the County's capital strategy and asset management planning process.

Their availability, and funding, also has an important impact on the County's cash flow and borrowing requirements. In this context it is recognised that all County property is a corporately owned resource, even though occupied by a specific service.

When property assets become surplus and are no longer required for the day to day provision of service a number of options need to be considered such as;

- Effective and efficient management for their re-use within the Council;
- A relevant use by the Community;
- A disposal to help facilitate the capital programme's aims whilst minimising any ongoing maintenance and revenue implications.

This policy and guidance document supports the Council's management of the disposal of those assets that are surplus to its requirements and therefore the capital receipts that will be generated to contribute towards funding the Council's capital programme.

For the purposes of this policy, a disposal of land means land and/or building(s). A disposal is either a freehold disposal by sale or exchange of land in perpetuity, or by the granting of a lease for a period greater than 7 years. Leases of 7 years or less are not covered by this policy document. This policy is only intended for East Sussex County Council disposals, it does not apply when the Council acts on behalf of other parties.

The purpose of this document is to make the Council's policies, guidance and procedures transparent and public. It is intended for use by Council officers and to inform developers and members of the public.

## Best Value and Section 123 Local Government Act 1972

It is important that each land disposal is treated on its own merits and nothing in this document will bind the Council to a particular course of action in respect of a land disposal. Alternative methods of disposal, not specifically mentioned in this policy, may be used where appropriate, subject to obtaining proper authority, (Appendix 1). The Council's actions in disposing of land are subject to statutory provisions, in particular to the overriding duty on the Council under section 123 of the Local Government Act 1972 to obtain the best consideration that can be reasonably obtained for the disposal of land. This duty is subject to certain exceptions that are set out in a government document, referred to in this policy as 'the General Disposal Consent' - see below.

In this Policy and Guidance document:

**“the General Disposal Consent”** means the 'Local Government Act 1972 : General Disposal Consent (England) 2003'

<https://www.gov.uk/government/publications/disposal-of-land-for-less-than-the-best-consideration-that-can-reasonably-be-obtained-circular-06-2003>

**"the Guidance"** means the 'Local Government Ombudsman's Guidance on Good Practice 5 : Disposal of Land.' November 1995

## General Disposal Consent 2003

The General Disposal Consent makes provision for the Council to dispose of land at less than full market value, known as an 'under-value'. Specified circumstances must apply as follows:-

- a. The Council considers that the purpose for which the disposal is being made is likely to contribute to the promotion or improvement of the economic, social or environmental wellbeing of the whole or part of its area, or any person resident or present in its area.
- b. The difference between the unrestricted or market value of the land to be disposed of and the consideration for the disposal does not exceed £2 million.

For example, land may be sold at an under-value for only affordable housing rather than all residential types, as long as the difference between the consideration obtained for development for affordable housing and the land's unrestricted value for all residential types is less than £2 million.

The Council must still comply with its duty to obtain best consideration for the restricted value. So, using the above example, the Council must ensure that it achieves the best consideration that may be reasonably obtained for land restricted to development for only affordable housing.

The Council must also comply with normal and prudent commercial practices including obtaining the view of a professionally qualified valuer as to the value with voluntary restrictions imposed. If the Council wishes to dispose of land for less than best consideration, and is not covered by the General Disposal Consent, the Council can resolve to do so, but will require the formal consent of the Secretary of State for Communities and Local Government. Such disposals can also be subject to a challenge that the Council is needlessly foregoing receipts and it is therefore essential that such disposals only take place in clear furtherance of Council priorities.

<https://www.gov.uk/government/publications/disposal-of-land-for-less-than-the-best-consideration-that-can-reasonably-be-obtained-circular-06-2003>

## Community Transfers

If it is considered that an asset is used for social, community and public purposes and the benefits of that service are deemed to outweigh the value of continuing ownership by the County Council on behalf of all Council Tax payers, then the Council may consider the transfer of the asset to a community group. Any such transfer should be in accordance with the Council's Community Asset Transfer policy.

If the surplus property has been registered as an "asset of community value", the Council has to ensure that there is opportunity for a Community Right to Bid prior to any disposal process commencing as specified in this policy paper.

# 2 Policy

## Policy Statements

The Council will dispose of land in accordance with:-

- Key Council Priorities
- Statutory provisions;
- The policies and procedures recorded in its Constitution;
- The Council's Disposal Procedure;

## Our Principles

The Council's Property Asset Management Plan 2012/13 identified the following four key principles that will underpin our management of all property assets in the ownership of East Sussex County Council. By adopting these principles we will strive to rationalise the estate, reduce backlog maintenance and provide fit for purpose buildings which are efficiently used and support service delivery. The adoption of this policy will support these principles as follows;

### Principle 1 – Improve or replace

Out of scope

### Principle 2 - Release

The authority needs to streamline its estate in order to be able to provide fit for purpose buildings to support service delivery. This means releasing buildings which are not fit for purpose and where the investment in improvement is not viable. The capital receipt from disposal can fund replacement or improvement to other properties and other capital assets or maximising the community use to support core priorities.

### Priority – Review Our Assets

#### Challenges

- Understand the evolving demands on property and review the service delivery model to identify poorly performing properties which are inadequate or surplus to service delivery needs.
- To ensure that all properties currently identified as surplus are disposed of in the agreed timescales to achieve best value.
- To reduce unnecessary maintenance spend by identifying and subsequently disposing of property no longer considered fit for purpose investing those receipts in our existing properties to increase the standard of our properties overall.

### **Pledges**

- To provide accurate building performance information to feed into a comprehensive property review process
- To report property performance information to Cabinet on an annual basis

## **Priority – Disposal of assets**

### **Challenges**

- To ensure that all properties currently identified as surplus are disposed of in the most suitable manner to achieve best value
- To balance competing priorities for surplus assets
- To investigate the potential increase of the disposal value by making targeted improvements

### **Pledges**

- To hold an accurate and up to date record of surplus properties and expected capital receipts.
- To dispose of properties no longer required as effectively as possible

## **Principle 3 – Reduce our Carbon Footprint**

### **Challenges**

- To identify the least efficient properties
- To ensure disposal properties are compliant with all existing and future energy requirements

### **Pledges**

- We will dispose of the least efficient properties taking into account service needs.
- Where letting space, we will look to ensure Energy Performance Certificate ratings are above any mandatory levels.

## **Principle 4 – Work in Partnership & empower our communities**

### **Challenges**

- To ensure the community has been fully consulted before and during the disposal process and that equality issues have been fully addressed

### **Pledges**

- We will make detailed option appraisals to ensure we have assessed each disposal reflects the needs of the community.

- To work strategically with our partners to ensure that we learn from our common experience and share best practice.
- ***We will consider interim uses where this does not conflict with longer term disposal plans, is at nil cost to the council, in order to ensure best use of resources, reduce costs and where possible stimulate local economies.***

## Our approach to Disposals

When a property is declared surplus to the service, we ensure that it will not be suitable to any other of the county's service departments, and ensure that its disposal will support the Council's key priorities as adopted in the Council Plan 2013/14. These key priorities are:

1. Driving Economic Growth
2. Keeping vulnerable people safe and free from harm
3. Helping People helping themselves
4. Making best use of resources

Before placing any property on the open market a process of consultation is undertaken with our partners such as Strategic Property Asset Collaboration in East Sussex and other community interests groups. We will also consult with the local member in accordance with practices summarised in the section entitled Council procedures below.

We will review opportunities to enhance disposal receipts by investigating potential alternative uses, and partners whereby a number of mechanisms can be put in place to ensure any future enhancement of value is properly shared with the Council.

When ESCC sells or leases a property in its ownership, the Property Department will complete an Equality Impact Assessment (EIA) to ensure any impact or results from such disposal or letting does not unintentionally disadvantage or discriminate against any group or individual as identified in the Equality Act 2010 (See Appendix F15).

## Summary of Land Disposal Types

The Council may consider one of the following options for the disposal of an interest in land.

- Freehold Transfer - Disposal of the freehold interest in land means the complete transfer of all rights and responsibilities of continuing to hold that property. Although the transfer may be subject to certain claw back or overage restrictions that seek to secure further payments in the event of excess development profits being secured.

- Leasehold Transfer – The grant of a lease, the term of which is to be determined, where the Council wishes to retain control of a surplus asset or where the income stream is assessed to be of greater value than the foregone capital receipt that may be achieved through its sale.
- Grant of Licence - A licence is the grant of a right by the licensor to the licensee to use the subject land in a certain prescribed manner. A licence differs from a lease in that the freeholder retains paramount control of the land and that a licence may be revoked at short or immediate notice.
- Grant of Easement – An easement (also known as a Deed of Grant) provides similar access rights for installing and maintaining infrastructure equipment, but for a one off payment and it provides permanent access. An easement can also be registered at the Land Registry in order to ensure that future owners of the land adhere to it.

The grant of a licence will remain the preferred route when considering interim uses, so there is no conflict with longer term disposal plans.

## Summary of Marketing Methods

The Council will usually use one of five means to dispose of land. Further guidance upon when it will be appropriate to use any particular means of disposal is contained in Part C below. The usual means of disposal are:-

- Private Sale - a sale of land negotiated with one or a small number of purchasers. The land may or may not have been marketed as available for sale. A binding legal agreement is created on 'exchange of contracts' between the Council and the purchaser.
- Public Auction - a sale of land by open auction available to anyone. The sale will be advertised in advance. A binding legal agreement is created upon the acceptance of a bid by the auctioneer.
- Informal Negotiated Tender - a sale of land after a public advertisement that requests informal offers or bids that meet a given specification or set of objectives. The Council may then negotiate further or more detailed terms with one or more individuals submitting the most advantageous bid or bids. A binding legal agreement is not created until the exchange of contracts between the authority and the chosen bidder.
- Formal Tender - a sale of land by a process of public advertisement and tenders submitted by a given date in accordance with a strict procedure. A binding legal agreement is created upon the acceptance of a tender by the Council.
- Exchange of Land - a transaction involving the exchange of Council owned land with another land owner. The land acquired by the Council will meet at least one of its corporate objectives and will be 'equal' in value to the land exchanged or there can be an equality payment made by either party.

For further details in respect of any of the above please see Appendix F13.



## Council Procedures

The following procedures relate to the disposal of land:-

- Approvals for declaring land surplus to the Council's requirements, and authorising its disposal will be obtained in accordance with procedures set out in Part 3 of the Constitution (Responsibility for Functions).
- The processes followed by the Council in disposing of land and buildings.
- Local Members are consulted on all property disposals at an early stage including when the land is in the process of being declared surplus. It is recognised that local members, because of their local knowledge of the district that they represent, will be able to contribute to the discussion as to the value or otherwise of continued retention of the asset and also provide valuable market intelligence such as potential special purchasers. Therefore engagement should be sought and encouraged at an early stage of the disposal process.
- The final decision to dispose of a property and at what terms will be at the discretion of the Lead Member for Resources as advised by the Chief Property Officer in accordance with the scheme of delegation.
- Decisions to approve the terms of any disposal of land are made by either the Chief Property Officer, under Delegated Authority, or in conjunction with the Lead Member for Resources, or on some major projects the Chief Operating Officer. This can be exercised according to the following financial criteria:
- The Chief Property Officer, under Delegated Authority of the Chief Operating Officer where the payment from the other party does not exceed £250,000 (in case of a lump sum payment) or £25,000 per year (in respect of an annual rental).
- The Chief Operating Officer, in consultation with the Lead Member for Resources where the payment from the other party exceeds £250,000 (in case of a lump sum payment) or £25,000 per year (in respect of an annual rental).
- Where a property has been previously acquired through or under the threat of compulsory purchase means and is now surplus to Council requirements consideration of the Crichel Down rules may apply and is set out in Appendix F16.

# Appendix F13

## Guidance

### Disposal by private treaty

The main characteristics of a sale by private treaty are

- 1) The timescales for completion of the transaction are not fixed until exchange of contracts
- 2) Offers are made subject to Contract
- 3) Offers are, or may, not all be received at the same
- 4) It is usual for the asking price to be quoted

The steps involved in a private treaty sale will usually include the following:-

- i) Openly advertising the property for sale through an agency or direct advertising media;
- ii) Taking offers from interested parties
- iii) Identifying preferred offers, which may or may not be based on the financial offer
- iv) Negotiation of bids to ensure best value,

In this case, the Council will normally consider the highest bid as representing the best consideration that can be reasonably obtained, subject to ensuring any conditions attached to bids are reflected in the final evaluation. The process for disposal by private treaty can still include a closing date and be by way of sealed bids if considerable interest is anticipated.

If land is to be sold by private treaty without being marketed, then reasons justifying a private treaty sale must be recorded in writing. In some circumstances the Council may seek an independent valuation to verify that 'best consideration' is being obtained. Examples here may include special purchaser situations.

A private sale without the asset being openly marketed may be justified where:

- a) the land to be disposed of is relatively small in size and an adjoining or closely located landowner(s) is (are) the only potential or likely purchaser(s);
- b) the nature of the Council's land ownership and that of the surrounding land ownership is such that the land must be sold to adjoining or surrounding landowners if best consideration is to be obtained;
- c) the Council's corporate objectives and best consideration can best be achieved by a sale to a particular purchaser;
- d) the sale is to a non-profit making organisation and the role of that organisation is conducive to the improvement of public services and facilities available within East Sussex;
- e) the purchaser has a particular interest in purchasing the premises or a particular association with the premises and where open marketing of the

- premises may lead that particular purchaser to reduce the value of their offer for the premises or withdraw their interest in the premises altogether;
- f) the purchaser has a particular interest in purchasing the site or a particular association with the site and where in the opinion of the Lead Member for Resources open marketing of the site may cause undue hardship or unrest for that particular purchaser or where the sale of the premises to a party other than that particular individual would substantially and detrimentally affect the normal operation of the business associated with the premises;
  - g) the disposal is as a result of the Right to Buy scheme.
  - h) the Crichel Down Rules, which are commended but not binding on a local authority, apply and the Council has decided to sell the land to the person from whom it acquired the land. Specific procedures relating to the disposal of property where Crichel Down Rules do apply is set out in Appendix F16 of this policy document.

A legally binding agreement will not be reached until either contracts for the lease or sale of land are exchanged or a development agreement is signed.

### **Disposal by public auction**

Sale by public auction may be appropriate where there is no obvious potential purchaser and where speed and best price can be publicly demonstrated.

The authority of either the Chief Property Officer or the Lead Member for Resources will be required, providing the reasons for a sale by public auction.

An auction reserve is used to ensure that a property is not sold below certain agreed levels. Prior to the sale it will therefore be necessary for the Chief Property Officer, Chief Operating Officer or nominated senior officer to determine the auction reserve to be applied in accordance with the scheme of delegated authorities for the Council. A Council Officer shall attend the auction to act on behalf of the Council.

The contract for sale or lease must be ready for exchange at the auction.

The binding contract will be made on the acceptance of the highest bid providing it has reached the reserve price. Contracts for the sale or lease will immediately be signed and exchanged.

### **Disposal by informal / negotiated tender**

A disposal by informal / negotiated tender differs from a formal tender in that neither the Council nor the successful bidder is legally obliged to enter into a contract for the disposal of the land. The informal process allows the Council to identify a preferred bidder with whom it may then negotiate further detailed terms or proposals for the development of the land concerned.

The Council may, as a part of the disposal process, still request best and final offers for a sale, or informal development proposals for land that either meet a given specification, or a request for proposals. This process is particularly useful for large or complex development or regeneration sites requiring development and where proposals need to be developed in co-operation with a specific or identified bidder in order to meet the Council's corporate objectives and achieve the best consideration that can be reasonably obtained.

Although not a formal tender, after the closing date, all bids are recorded by the relevant case officer.

A binding legal agreement is not created until the exchange of contracts for sale or lease or the signing of a development agreement.

This method is suited to sales where there are uncertainties, particularly around town planning, and allows for use of conditional contracts, including clauses which can allow for further sums to become payable upon grant of planning permission at different points in the future. It is therefore essential that officers considering disposal of property by informal or formal tender consult with the relevant planning and transport authority to ensure that if the disposal is dependent upon a planning consent that there is reasonable prospect of that consent being approved.

## Disposal by formal tender

A sale of land by formal tender may be appropriate where:

- a) the land ownership is not complex;
- b) legal documentation for contracts/transfer are in place together with statutory searches and replies to standard enquiries;
- c) there are no uncertainties as to grant of a planning consent; and
- d) the Council is seeking obligations to be placed on the successful tenderer which are clear and capable of specification in advance.

Alternatively, this method can be considered where all matters to enable a tenderer to come to a firm price and raise funding for the purchase are in place and available as part of the tender package. For example, where the disposal of land is to a developer with an obligation to build industrial units for lease.

Other situations which may benefit from this type of sale are land or property sales which have attracted intense local interest from several local parties with a particular interest, or where late bids have, or are considered likely to be made.

This method can provide a well organised, transparent way of achieving completion when a timeframe is essential, but is often more costly and a longer lead in period is required.

Formal tenders will not be appropriate where the land ownership position is complex or the development proposals for the land are insufficiently identified or otherwise incapable of detailed specification at the pre-tender stage. This is particularly so where a detailed planning permission is required, such as a listed property or property in a

Conservation Area. Therefore prior to the commencement of a formal tender process advice of the relevant planning and transport authority will be sought.

Authority to use this method will be by either the Lead Member for Resources, the Chief Property Officer or other Senior Director in all cases, reasons for justifying a sale by formal tender must be recorded in writing. The formal Tender Procedure to be adopted in such cases (subject to any amendments agreed by the Assistant Chief Executive) is set out in Appendix F14. Any exceptions to this procedure must be authorised and recorded.

With a formal tender process a legally binding relationship is formed when the Council accepts a tender in writing. It is essential therefore, that every aspect of the disposal is specified in the tender documents. The tender documents should include a contract for sale or lease which should be completed with the tenderer's details, the tender price, include a deposit cheque to preclude withdrawal of the tender prior to acceptance and be signed by the tenderer. It will be released unconditionally to the Council on submission of the tender.

Sale of land by formal tender will require a detailed specification to be drawn up. This needs to specify the land to be sold, any requirements to be met by the tenderer and any obligations that must be met.

The Council will place a public advertisement stipulating the property for sale. Those who have expressed their interest will then be invited to submit their tender bids, in accordance with the tender procedure outlined. Details are included under Appendix F14.

## **Disposal by exchange of land**

Disposal by exchange of land will be appropriate when it will achieve best consideration for the Authority and is advantageous to the Council and other parties to exchange land in their ownerships.

Authority for a disposal of land by exchange with another land owner for alternative land will be by either the Lead Member for Resources, or the Chief Property Officer under Delegated Authority. In either case, reasons for justifying this manner of disposal must be recorded in writing. A binding legal agreement will be created when a contract is exchanged for the exchange.

The exchange will usually be equal in value. However, an inequality in land value may be compensated for by an equality payment or by other means where appropriate. For example, where the Council in exchange for a larger piece of land receives a smaller piece of land but the recipient of the larger plot agrees to build industrial units on the Council's smaller area to equalise the consideration. In such circumstances the Council may seek an independent valuation to verify that 'best consideration' will be obtained.

## Exceptions

Other methods of disposal may be used where circumstances warrant. A notable exception to the standard methods of disposal is the Council supporting government policy in the transfer of maintained schools to Academies who self-determine on conversion.

The Council typically transfer the Council's land under a 125 year lease at a peppercorn rent in accordance with the Academies Act 2010. Whilst a long lease is preferable, the Department for Education (DfE) recognises that at times parties will seek to enter into local agreements. The expectation is still however that all land and facilities used wholly or mainly for the purpose of the converting school will transfer and be made available for Academy use.

The following link provides DfE Land Transfer Advice (Version 10.1, dated April 2013):

[https://www.gov.uk/government/uploads/.../land\\_transfer\\_advice\\_april\\_2013.pdf](https://www.gov.uk/government/uploads/.../land_transfer_advice_april_2013.pdf)

## Late bids and other considerations

The Guidance from the Local Government Ombudsman recognises the problem caused to local authorities by 'late bids'. The Guidance says that difficulties are less likely if Councils ensure that exchange of contracts take place as quickly as possible after the decision to sell (or lease) is made. It suggests that local authorities should be allowed to sell at an agreed price within a reasonable period of reaching a 'subject to contract' agreement.

In the context of the methods of land disposal dealt with in this document, a late bid may occur:-

- a) in the case of a private sale, after a sale or lease has been agreed, but before exchange of contracts
- b) in the case of a public auction, after the auction has been closed, but the reserved price not having been met
- c) in the case of a formal tender, after the closing date for tenders, but before acceptance by the Council of the successful tender
- d) in the case of an informal or negotiated tender, after receipt of bids, but before exchange of contracts or signing of a development agreement
- e) in the case of disposal by exchange, after a sale or lease has been agreed, but before exchange of contracts

Each 'late bid' must be considered in the context of the individual circumstances at the time. The Council's approach to 'late bids' will vary depending upon the method of land disposal used. In each case, its overriding duty will be to obtain the best consideration that it can reasonably obtain (subject to any exceptions in the General Disposal Consent). The Council's approach to late bids is as follows:

- a) The Council discourages the submission of late bids in all cases when it is disposing of land. It will attempt to minimise problems by aiming for early exchange of contracts.

- b) Where land is being disposed of by way of formal tender, bids received after the deadline for tenders, will be recorded as late, together with the time and date of receipt. The Lead Member for Resources should decide whether to consider late bids after taking advice from the Chief Operating Officer.
- c) Except as provided in "b" above, until the Council has entered a legally binding contract or agreement with another person it will consider late bids unless there are good commercial reasons for not doing so. This should be explained to any purchaser when a disposal of land by private sale or negotiated/informal tender is agreed.
- d) Consideration of a late bid does not mean that it will necessarily be accepted even if it is the 'highest' bid. The Council will take into account the likelihood of the late bid proceeding to completion in a timely manner and the possibility of late bids being used as a spoiling or delaying tactic.
- e) Subject to the above, the Council may, in appropriate circumstances, ask both the late bidder and other interested parties, to submit their best and final bids in a sealed envelope by a set deadline.
- f) A decision on whether to accept a late bid for a private sale, informal tender or by exchange are to be made either by the Lead Member for Resources or the Chief Property Officer, or such senior Director.
- g) *Offering the preferred bidder a period of exclusivity can enable the purchaser to confidently proceed with the sale, through the removal of the threat of another purchaser making a late bid.***

A last minute bid may be rejected for sound commercial reasons. For example, if there is no real certainty of it leading speedily to a contract or is suspected as a spoiling bid.

The Council will at all times bear in mind that the overriding duty, unless a specific decision has been made to take advantage of certain exceptions as mentioned in the General Disposal Consent in order to further corporate objectives is to obtain best consideration.

In considering what amounts to 'monetary value' in terms of best consideration to be obtained, the creation of jobs or desirable social outcomes, although desirable, cannot be quantified by the Council.

Where land or property is sold at a restricted value in accordance with the General Disposal Consent or with the consent of the Department for Communities and Local Government, provision shall be incorporated into the contract and transfer requiring that any difference between the price paid and the full unrestricted value (as assessed by the Chief Property Officer) shall be repaid to the Council should the land not be developed so as to provide for the non-monetary benefits which the Council sought to achieve. This refund of the effective land subsidy shall be referred to as "claw back".

The Courts and the Ombudsman have both accepted that Councils must be able to "draw a line" under the disposal process at some point and have further indicated that provided Councils follow due process, they will not interfere with decisions.

## **Achievement of best consideration where land or property has redevelopment potential**

Where in the opinion of the Chief Property Officer land has potential for redevelopment which will enhance its disposal value, outline planning consent for such development will be obtained prior to disposal. Prior to any application property officers will consult with the appropriate planning and transport development control officers to ensure that any such application is likely to be approved and is in accordance with partner's core strategies.

Where the form of development which will maximise value cannot readily be identified it will be appropriate to market the land with bids invited subject to grant of planning consent for a specified form of development, on agreement by the Chief Property Officer.

Contracts for the sale of land will include a restrictive covenant limiting development of the land to that specified in the outline planning consent or the form of development proposed in any bid made subject to the grant of planning consent.

Should any revised planning consent be obtained subsequent to a disposal which increases the value of the property sold, the County Council will not agree to waive or vary any covenant restricting the form of development without receipt of best consideration reflecting the increase in land value accruing. This uplift in land value maybe by an "overage" provision or a mechanism for "claw back".



## Appendix F14

### Formal Tender Procedure

- a) No tenders shall be invited unless Public Notice has been given in at least one local newspaper giving details of the property and the proposed transaction, and inviting interested persons to apply to tender within a period of not less than 28 days.
- b) Where an agent has been appointed to act on the Council's behalf, their name and address will also be given, and they will be required to acknowledge and comply with the County Councils Procurement Standing Orders.
- c) Interested parties will then be provided with property particulars and details of the tender process.
- d) All tenders must be delivered in the envelope provided or in a sealed envelope addressed to the Assistant Chief Executive, bearing the words "Tender for ....." and the address of the land or property for sale, but without any name or mark indicating the sender. Applicants who wish to make their offers by post must do so by Recorded Delivery.
- e) No bid shall be accepted that is not specific, or made in reference to another bid, such as £100 over the highest bid.
- f) The Council will make it clear that it does not bind itself to accept the highest tender or indeed, any tender.
- g) Tender envelopes will remain unopened in the custody of the Assistant Chief Executive until the appointed time for opening.
- h) All tenders will be opened together after the Closing Date has expired by one senior officer nominated by the Assistant Chief Executive and another officer. This may be a representative of Chief Operating Officer, if this is considered appropriate by the Assistant Chief Executive.
- i) The Assistant Chief Executive will maintain a record of tenders received.
- j) Any tenders received after the expiration of time for tendering, or which contravene any provision of the tendering conditions or instructions will only be opened with the authority of the Assistant Chief Executive after consultation with the relevant Lead Cabinet Member.

# Appendix F15

## Equality Impact Assessment

***(Form to be completed before the sale or Letting of a Council Property is completed – and placed on Estates' File)***

The Council must have due regard to its Public Sector Equality Duty when making all decisions at member and officer level. An EIA is the best method by which the Council can determine the impact of a proposal on equalities, particularly for major decisions. However, the level of analysis remains proportionate to the relevance of the duty to the service or decision.

**Application:** all freehold sales and lettings of 3 years or more.

### Purpose

- To ensure that all prospective purchasers or lessees are treated fairly and given equal opportunity to participate in the bidding process.
- To ensure no individual or group are intentionally or unintentionally prevented from participating in the bidding process on grounds of ethnicity, race, gender, age, sexual orientation or disability.
- If selling at auction, to make sure reasonable measures are taken to ensure the auction room is accessible to everyone, as far as is reasonably practicable.
- When selecting a bidder or lessee, to consider the impact, if any, the decision could have on the unsuccessful bidder or lessee, to ensure they are not intentionally or unintentionally disadvantaged by the Council's decision.

*Tick as appropriate*

No	Assessment	Yes	No	N/A
1.	Have all individuals or groups been treated on an equal basis without favour during the sale / letting process?			
2.	Was any individual or group prevented from participating in the sale / letting process on account of their ethnicity, race, gender, age, sexual orientation or disability?			
3.	In selecting your purchaser /lessee, are you aware of any impact your decision might have on any unsuccessful bidder or lessee which might result in their being disadvantaged?			
4.	If selling at auction, was the auction room reasonably accessible to all potential bidders, including those with a disability?			

If answering "No" to Q. 1 and Q 4, or "Yes" to Q. 2 and Q.3 – please complete a separate sheet giving reasons for your answer.

**Signed**.....**Date:**.....

**Estate Surveyor: Name**.....

# Appendix F16

## Crichel Down Rules

In 2015 the Department for Communities and Local Government updated a circular entitled “Compulsory Purchase and the Crichel Down Rules” which prescribed the way in which all Government departments and executive agencies that are subject to a power of direction from a Minister must manage the disposal of land previously acquired by use of compulsory powers. Local authorities, that are not subject to a ministerial power of direction, are not subject to such a prescription but are still recommended to also follow the rules.

In particular the General Rule of these guidelines states that “where a department wishes to dispose of land to which the Rules apply, former owners will, as a general rule, be given the first opportunity to repurchase the land previously in their ownership, provided that its character has not materially changed since acquisition.”

It is recommended that the Council has regard to these rules when disposing of land, which was formerly acquired by compulsory means subject to the following guidance.

**“Guidance on compulsory purchase, and the Crichel Down Rules for the disposal of surplus land acquired by, or under the threat of, compulsion”**  
**Oct 2015**

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/472726/151027\\_Updated\\_guidance\\_for\\_publication\\_FINAL2.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/472726/151027_Updated_guidance_for_publication_FINAL2.pdf)

### **Stage 1 Identification of land**

Crichel Down rules relate to land that has been compulsorily acquired by the Council and is no longer required. Subject to the following exceptions:

- Agricultural land acquired before the 1st April 1935.
- Agricultural land acquired on or after the 30 October 1992 which becomes surplus to requirements more than 25 years after its acquisition.
- Non Agricultural land which becomes surplus and available for disposal more than 25 years after its acquisition.
- Land that has materially changed since acquisition.
- Land where boundaries of agricultural land has been obliterated.

The date of acquisition is the date of the conveyance, transfer or vesting declaration.

There is also an exception in relation to the disposal of small areas of land where the attempted identification of an absent former owner who has now disposed of his/her interest in land adjacent to the subject property would be out of proportion to the value of the land. Only where the current market value of the subject is likely to exceed the value of £25,000 will the Council be obliged to take steps as specified within the Rules to identify a previous owner.

Despite these exceptions it is acknowledged it may still be appropriate to first offer to the adjacent landowner unless there are overriding local circumstances or best value may not be achieved.

**Recent guidance indicates that the Rules will not apply where land is to be transferred to another body which is to take over some or all of the functions or obligations of the authority that currently owns the land. In this case the transfer itself does not constitute a “disposal” for the purpose of the Rules. Disposals for the purposes of Private Finance Initiative/Private Public Partnership projects also do not fall within the Rules and the position of any land surplus once the project has been completed would be subject to the Private Finance Initiative/Private Public Partnership contract.**

## **Stage 2 Consultation**

Consultation shall take place within Communities, Economy & Transport and other departments to declare the land surplus in consultation with the Lead Member for Resources.

Local Authorities as previously stated are not under a statutory obligation to comply with the Criche Down rules. Therefore any compliance with these rules will be at the discretion of Chief Property Officer in consultation with the Lead Member for Resources.

For instance where it is concluded that there is an overriding local or community interest such as a disposal to a parish council, registered charity or other properly constituted body where best value may not be achieved then upon the direction of the Chief Property Officer disposal may proceed to such a body even when it was not the former owner of the property.

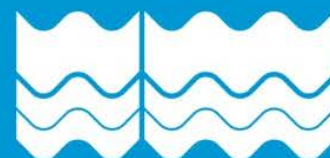
**If you would like a copy of the strategy in a different format, such as large print, Braille or a different language, please contact us.**

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# Community Asset Transfer Policy

March 2016

# G



# Property Policies Pack 2016 update

## Amendments history sheet

Issue Number	Changes Made	Issue Date
1	Created	March 2013
2	Amended	June 2013
3	Amended	July 2014
4	Amended	March 2016

**Policy name:** Asset Transfer Policy

**Policy Reference in the Pack:** G

**Date created:** March 2013

**Sent for Review:** 26/2/16

**Deadline for update:**

**Name of Responsible Property Manager:** Graham Glenn

**Have any changes been made?** Yes

If Yes:

Name of Officer reviewing	Paragraph name or Page umber	Nature of changes made
Chris Reed	Various	Various updates & corrections



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- 1 Introduction
- 2 Background
- 3 Our Principles
- 4 Our approach to Community Asset Transfers
- 5 Conclusion

## Appendices

Appendix G17	The Process for Asset Transfers
Appendix G18	Key considerations when assessing a transfer proposal
Appendix G19	Risk Assessment
Appendix G20	Community Assets – Grants available

# 1 Introduction

The Council wants to support the development of the transfer of assets to third sector as part of the Government's agenda to encourage devolution to local people and communities.

The transfer of occupation of Council owned premises to the voluntary and community sector is not new to ESCC. Currently several properties are used/occupied by a variety of organisations ranging from voluntary support groups to sporting and youth organisations.

The purpose of this policy is to build upon current experience and best practice and provide a clear policy framework for responding to requests or identifying opportunities for asset transfer to the community. This includes how the Council considers the risks and benefits of asset transfer as part of its overall corporate asset management planning process.

Due to the diverse nature of the Council's property holdings which includes land, buildings, structures, and monuments it is clear that one policy will not fit all circumstances. However a number of common themes will need to be considered: for example the nature and capacity of the applicant, adoption of robust option appraisals including financial implications to the authority, contribution to corporate objectives, assessment of risks and sustainable business cases before contemplating the transfer of any asset.

The Council will consider the community and voluntary sector using its assets for short term use or to cultivate organisations that can be self sustaining. Whilst these are not transfers as such, the principles of this policy will be observed in such arrangements as demonstrated in this policy

This policy has been shared with the Third Sector and developed with support from Localities and the Department of Communities & Local Government.

## 2 Background

### Scope of the Policy

The policy applies to all land and buildings in the ownership of ESCC. Any potential transfers will be considered on a case-by-case basis against the criteria outlined in this policy. The Council will not consider applications for transfer in respect of:

- Buildings which accommodate fixed or core service - eg schools, social care establishments, integrated service centres
- Assets deemed not to hold a community value and so disposal on the open market is in the best interest of the tax payer.

The Council will consider asset transfer solutions through proactively working with the voluntary and community sector, or consider applications in respect of:

- Buildings currently delivering community-based services, where there is a demonstrable need for the building and associated services to continue. For these buildings there may be mutual benefit to explore a transfer. The Council would, however, place a condition that the organisation taking ownership of the building does so for community use and continue to provide access to the community and voluntary groups currently using the premises.
- Buildings which have been identified by the Council as potentially surplus or where there is no clear rationale for retention due to; a) the cost to maintain, b) the condition of the building, c) low levels of participation or utilisation, or d) the potential to use nearby facilities to provide services.

Whilst the Council does not rule out transfer of the freehold, this will be carefully considered as it increases the level of risk to both the Council and the third sector organisation. Freehold transfer could reduce the Council's control in the long term over the benefits achieved through its assets. Transfer of freehold would also require a more complex assessment and justification process. Any asset permanently transferred to a third sector organisation would also need to be removed from the Council's balance sheet thus reducing the Council's financial strength.

"Transfer" is primarily considered to relate to leasehold arrangements at less than best consideration or potentially freehold with relevant covenants. The terms of transfer will typically be as a long lease of between 25 and 99 years, and shall be assessed on a case by case basis.

The Council can grant an initial 3-5 year lease with a view to eventual transfer to allow the voluntary and community sector organisation to, for example, explore options for the management and refurbishment of the building. The same process will be followed but it will be a one stage process based on the principles above.

Groups may be local, regional or national organisations but their work programme must have clear benefits to the residents of East Sussex. Groups must be able to demonstrate good governance with an appropriate legal structure. Transfer to social enterprises will be considered but will be subject to additional commercial analysis.

## Purpose of the strategy

The transfer of assets can have a significant impact:

- It can contribute towards the regeneration of communities and can act as a catalyst for social, environmental and economic regeneration
- Changing ownership or management offers opportunities to extend the use of a building or the piece of land, increasing its value in relation to the number of people benefiting and the range of opportunities it offers
- It can stimulate the involvement of local people in shaping and regenerating their communities, and can be a catalyst for local volunteering and increasing community cohesion; can build confidence and capacity amongst the individuals involved, and can support the creation of community leaders, and inspire others to improve their community
- It has potential to create stronger, more sustainable voluntary and community sector organisations (VCOs), which can create a wide range of benefits for the communities they serve. An asset can provide VCOs with financial security, recognition, and management capacity
- It can result in the creation of new organisations, joint ventures or collaborations with the ability to lever in additional resources, which would be unavailable to the Council acting independently
- The activities that are stimulated or safeguarded by community asset transfer will contribute to council objectives. Working in partnership with VCOs can help the Council to achieve its outcomes set out in key place shaping strategies
- It can contribute towards efficiency savings (e.g. achieving revenue savings by releasing surplus property), and drive the diversification of public services in an era of austerity spending settlements for local government
- It can contribute to the Council's objective of rationalising its estate and facilitate more effective and efficient use of its asset base placing the focus on better services and community outcomes as a result of its strategic asset management
- It can act as a stimulus for partnership working between the voluntary and community sectors, the Council and other partners so improving the provision and accountability of services within communities.

To maximise the benefits the Council must have a clear and transparent approach to how it will address asset transfers to the community.

## National policy context

The development of this policy has regard to:

- Localism Act (Part 5 Community Empowerment) 2011
- Public Services (Social Value) Act 2012
- Local Government Deficit Reduction

## Local policy context and links to other strategies

The operation of this policy will need to have regard to the desired outcomes in other Council strategies including:

- Sustainable Community Plan
- Corporate Plan
- Local Development Framework
- Empowerment and Engagement Framework
- Property Asset Management Plan
- The Compact
- Capital Strategy

The Council will also have regard to specific local issues.

There may be conflicting needs and the Council will in such cases have regard to priorities and core responsibilities.

Ultimately Cabinet will take the final decisions on any transfers to the community.

## 3 Our Principles

The Council's Property Asset Management Plan 2012/13 identified the following four key principles that will underpin the management of our property assets in the ownership of East Sussex County Council. By adopting these principles we will strive to rationalise the estate, reduce backlog maintenance and provide "fit for purpose" buildings which are efficiently used and support service delivery. Therefore the adoption of this policy will support these principles as follows;

### Principle 1 – Improve or replace

**Investment to ensure retained properties are fit for purpose, efficient and sustainable.**

Out of scope

### Principle 2 - Release

**To identify poorly performing assets to rationalise the corporate Estate**

Those properties that are assessed as no longer being fit for ESCC's service delivery purposes can be released by transferring into the ownership of a community association. The council will expect specific criteria to be met most notably that the association's purpose supports our core priorities.

### Principle 3 – Reduce our Carbon Footprint

**To identify and implement changes to reduce our carbon footprint**

Out of scope

### Principle 4 – Work in partnership

**And empower our communities**

The authority aims to provide services across the county, alongside and in collaboration with, other organisations, enabling local people to access a range of services from one place. This is an important issue in the provision of services for children and young people, and those using adult care services, where the ability to access a range of support facilities in one location is beneficial.

The Council is a member of the Strategic Property Asset Collaboration in East Sussex group (SPACES) which brings together public, private, voluntary and community sector organisations in the county. One of the core priorities of the Council is to also create sustainable communities.

For more information see

<http://www.eastsussex.gov.uk/community/helping/partnerships/default.htm>

## Challenges

- To identify opportunities for greater efficiencies in service delivery and building use in key towns across East Sussex.
- To reconcile organisational timescales and strategies with partners, alongside agreeing partnership principles.
- To build greater resilience and self-sustaining capacity to support delivery of joint objectives with the voluntary and community sector.
- To balance the benefits of asset transfers and community empowerment with the need to generate resources to fund the Capital programme.

## Pledges

- To build and strengthen existing partnerships between the public, voluntary and community sector throughout East Sussex
- To support the delivery of the SPACES priorities
- To work with partners to further develop area based asset plans
- To work strategically with our partners to ensure that we learn from our common experience and share best practice

## Strengthening our Principles

Our principles will be further enforced by these pledges relating to the Community Asset Transfer policy:

- We will work with the voluntary and community sector to achieve an appropriate asset transfers that can enhance community engagement and empowerment and encourage development and sustainability in the sector
- We will take a strategic approach to community asset transfers and identify those assets that could be transferred through regular reviews of the Council's asset base and undertake option appraisals
- We will have in place a transparent process for responding to requests for individual asset transfers
- We will seek to implement the policy proactively to encourage appropriate groups to consider transfer
- We will seek the engagement and empowerment of the local communities as a key component for the asset transfer

- We will require clear and demonstrable benefits for the community as part of the asset transfer process showing how the community will benefit, how current services will be supported and enhanced and how a clear contribution to the priorities within the Sustainable Community Strategy and/or the Council Plan can be demonstrated
- We will recognise and develop the Council's dual but independent roles as a supporter of the third sector, but also as a steward of publicly owned assets
- We will assess the benefits of the transfer in association with our corporate priorities in comparison with a market disposal -
- We will seek to extend our approach to community asset transfer and positively promote it to other public bodies and service providers
- We will take a community wide perspective when involving other public partners through our SPACES programme
- We will have a clear process and timescale for dealing with asset transfers.
- We recognise the advantage of long and flexible terms of tenure (with appropriate and proportionate safeguards) to enable the voluntary and community sector to adapt and change over time, in response to community needs, and to achieve long term sustainability

Points to note:

- There must be a clear proposal, business case and rationale for transfer, which may be required to include opportunities for new and innovative ways of supporting the Council provide services to the community
- The decision to transfer an asset will not be considered as setting of a precedent. Each asset transfer will be considered on its own merits and the detail of the transfer arrangements will be arrived at through individual negotiation.
- All Council departments will endorse and help to deliver this agenda
- The Council will negotiate two sets of documentation in respect of any transfer, those being a **Lease** and a **Partnership Agreement**. The aim will be to empower the VCS organisation, in an appropriate timescale, to take on the full legal responsibilities of an asset transfer.
- **The lease** will therefore be "aspirational" and commercial in nature in that it will set out the eventual position on shared responsibilities.
- **The Partnership Agreement**, however, will clearly set out the support (financial or otherwise) being provided to the organisation to enable it to meet its responsibilities. These may change over time in recognition of growing capacity within the organisation to take on more responsibility for the asset. The Partnership Agreement will also detail any monitoring regime, together with remedies available to both parties if the terms of the partnership agreement are not met.



# 4 Our Approach to Community Asset Transfer

## Council's Related Policy

The implications of this policy will be reflected in the other policies, specifically the Disposals and Leases & Licences policy. Any implications arising from this policy will inform decisions on future disposals which are deemed suitable for a community transfer. An option appraisal will consider the suitability of transferring an asset to the community on a variety of criteria. For example the amount of capital investment for continued operational use by another service, income from rental, disposal to support the capital investment programme, transfer of asset to the third sector, opportunity for collaborative working. Appraisals will also need to address economic, regeneration, and sustainability issues.

The priority will always be to obtain the best outcome to help deliver Council objectives and this will require balancing the best price reasonably obtainable to support the Capital Programme against the benefits being offered through alternative use including asset transfer. All Council property disposals will be in accordance with the Localism Act 2011 and will consider if the surplus property has been registered as an "asset of community value" and if it has the Council will ensure that there is opportunity for a Community to Right to Bid.

The Council does have the opportunity, under the General Disposals Consent 2003, to dispose of land or buildings at less than market value provided the disposal is likely to contribute to the economic, social or environmental well-being of the area, and the difference between the market value and the actual price paid is less than £2million. Any disposal for less than market value would need to be transparent, justifiable and have the appropriate Cabinet/Lead Member approval. In some cases the consent of the Secretary of State is required.

[Link to Disposals Policy](#)

[Link to Acquisition Policy](#)

[Link to Lease and Rent Policy](#)

## Aims of Community Asset Transfer

The Council's Property Portfolio includes land, buildings and other structures held to support direct service delivery, support delivery by partners including the voluntary and community sector, stimulate economic activity and regeneration. Through the ownership of assets it achieves a variety of different economic, regeneration, social, community and public functions. For some of these assets community management and ownership could deliver a variety of further benefits.

For the Council and other public sector service providers, the potential benefits from asset transfers include:

- Promotion of community empowerment
- Area wide benefits for the citizens of East Sussex
- A sustainable third sector
- Improvements to local services including more accessible and responsive services
- Delivery of corporate objectives
- Providing a catalyst for inward investment and local multipliers through local purchasing and employment
- Transfer can help to solve building management problems and can lower ongoing costs
- Helping to progress neighbourhood planning priorities
- Providing opportunities for long-term working between sectors
- Creating the opportunity for investment in the asset that may not be possible within Council ownership.

The potential benefits of asset transfer for **VCS organisations** include:

- physical assets can provide sustainable wealth
- strengthening the organisation's confidence
- strengthening the organisation's community ties
- strengthening the organisation's ability to raise money. There may be access to funding to refurbish the building or to support staff training and development
- greater financial sustainability to help the organisation to escape short term grant-dependency
- an ability to develop the asset to meet the organisation's needs and aspirations

Public assets are rarely used by everyone: their 'value' being locked in to a particular use or a particular group of people. Changing ownership or management offers opportunities to expand the use of a building or piece of land, increasing its value in relation to the numbers of people that benefit and the range of opportunities it offers. Community-led ownership offers additional opportunities to secure resources within a local area and to empower local citizens and communities.

## How asset transfers can take place

The process of asset transfer may be initiated in two ways:

- By the Council identifying an asset as appropriate to consider for transfer either to sustain the current building and service delivery where a building has been deemed surplus; or
- A request from the voluntary and community sector

In the case of the former, following a review of the Council's assets and relevant engagement and approval on which community assets are suitable for transfer, these will be advertised and the local voluntary and community sector will be made aware.

In the case of the latter, the Council will assess the initial request to determine whether the asset is suitable for transfer. Speculative transfer requests will be subject to an initial assessment of the suitability of the asset for transfer. Should the asset be deemed suitable it will be advertised as being so to ensure an open and transparent process. Interested parties will be directed towards completing an initial Expression of Interest providing details about the organisation, identifying the building proposed to be transferred, identifying the organisation's plans for the building and identifying any local support for the proposal (amongst local members and the local community).

When there are a number of interested parties in an asset that has been made available for transfer, the Council will aim to encourage collaboration. However, when this is not possible a competitive process will be used to decide the outcome and the successful organisation will become the Council's preferred partner in the transfer process.

Where there are current lease arrangements in place, the transfer process will need to consider the terms of this lease and this may limit the opportunity to advertise on particular buildings.

## Members' involvement

We will consult and keep our Members informed of any matters that may impact on community interests in their local area. It is recognised that Members, because of the local knowledge of the district that they represent, will be able to contribute to those discussions to ensure that our community strategy reflects the needs of the communities to whom we provide services. Therefore engagement will be sought and encouraged at an early stage of the process.

## Potential funding sources for community groups

Grants are available towards the purchase/refurbishment of community assets depending on the location, status of the organisation applying and the use of the asset, some of which are listed in Appendix G20. For more information, please contact our external funding team: [external.funding@eastsussex.gov.uk](mailto:external.funding@eastsussex.gov.uk) or phone 01273 482859.

## Conclusion

This Policy sets out how the Council approaches asset transfer. It will be reviewed regularly and at least once a year

# Appendix G17

## The Process for Asset Transfer

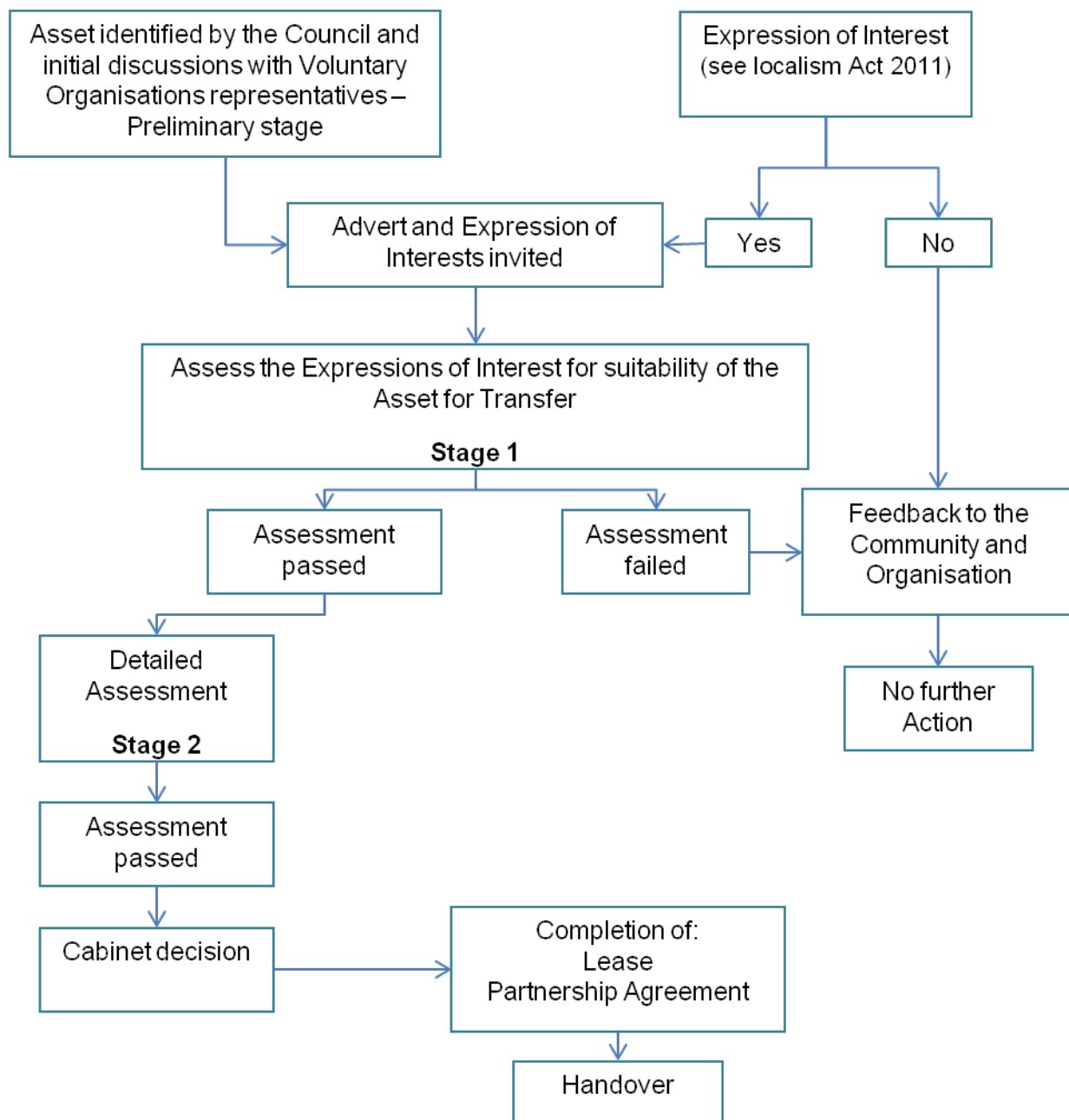
The asset transfer decision is essentially a choice between:

- do nothing;
- realise a capital receipt as a result of a 'commercial' disposal;
- realise benefits that could be generated by the transfer of the asset to a VCS organisation and local communities more widely.

In identifying assets proactively and in assessing proposals for asset transfer, the Council will attempt to measure the relative benefits and risks of these three options in order to justify its decision and the level of discount proposed. It will also relate these benefits to Council priorities such as objectives of Vision 2030 and the Corporate Plan.

The Council will operate a two-stage process for asset transfer. Where a decision is made not to transfer – either at stage 1 or stage 2 – the Council will provide feedback to the third sector organisation. As part of the feedback, the Council may put forward alternative proposals for working with the organisation to help build capacity or to find an alternative property solution.

The process can broadly be described as:



NB Short Term Lease of 3 to 5 years will follow single stage process based on stage 2.

# Criteria to be adopted for considering requests for Community Asset Transfer

## Preliminary Stage

Where the preliminary approach is being undertaken by the Council, this will be based on:

- Any known needs in the area with input and engagement from appropriate representatives of the voluntary and community sector
- Current status of the asset e.g. surplus
- Value of a commercial decision
- Asset is not currently needed or identified for future investment value or use for direct service delivery which could be best provided directly by the authority rather than through the community
- Transfer will deliver the strategic priorities of the Council
- The asset is fit for purpose and would not impose an unreasonable liability to a third sector organisation or the Council
- Transfer or management of an asset would not be contrary to any obligation placed on the Council
- The asset is in the freehold/leasehold ownership of the Council

## Requesting Expression of Interest

This will be issued by advertisement. Where an organisation approaches the Council with an Expression of Interest, the Council will consider whether this should be advertised more widely or whether the Expression of Interest will proceed to stage 1 and can hence be evaluated.

### Stage 1 - Suitability Assessment: key criteria

The outline assessment will take place for:

- a) those opportunities proactively identified by the Council and advertised
- b) those expressions of interest made by

The suitability decision will be made on the suitability of the asset for transfer and the standing of the third sector organisation based on their expression of interest.

The suitability of the asset for transfer would consider:

- Current status of the asset
- Any future intentions
- Value of a commercial decision, financially and non-financially, eg creation of housing
- Risks of status quo or commercial decision

In assessing the organisation, the Council will consider its constitution, how long it has been operating, its aims and objectives and its management and staffing:

- What does the organisation want the asset for?
- Does the organisation have a business case supporting their bid? How well developed are the proposals?
- Does the organisation have the capacity to take on the asset?
- What benefits might arise from the proposed transfer?
- What are the risks of the proposed asset transfer?
- How does the proposal contribute to corporate priorities?

Responsibility - this will be undertaken by the Community Asset Group along with other representation from relevant and appropriate service departments.

## Stage 2 - Detailed Assessment: key criteria

The second stage decision will be made based on a detailed business case submitted by the third sector organisation and a detailed assessment of the potential benefits and risks made by the Council.

The stage 2 assessment covers 5 main areas, the details of which are set out in Appendix G18.

## Consideration by the Council

In view of the diverse nature of assets within the Council's ownership, there is no sole disposal methodology that suits all circumstances. However the Council's asset transfer policy is that asset transfers will be by means of leases or licenses. The nature of the tenure offered will be determined on a case by case basis having regard to the particular circumstances of the project, strength of the applicant and sustainability of the business case etc.

As the management of assets and the support to communities falls across a range of Council departments and services it is considered that the asset transfer process be initially managed by the Community Asset Group cross service internal officer group.

The decision whether to charge an open market consideration for the benefit of an interest in an asset will be determined on a case by case basis. Factors influencing such a decision will include proposed uses, extent of revenue producing opportunities, benefits to the community. In all cases involving transfer of ownership /occupation appropriate legal mechanisms will be put in place to protect the Council's financial position. Any proposed asset transfer at less than best consideration will be subject to formal valuation in accordance with the Royal Institution of Chartered Surveyors Valuation Standards.

The Council's intention will be to transfer responsibility of all repairs and maintenance unless there is a compelling case that responsibilities remain with The Council. The provision of a dowry may be considered.

## Legal Issues

Asset transfers will generally be by means of a long term lease: the terms of which will be agreed at the time of each individual transfer. Freehold transfer will only be considered in exceptional circumstances.

The organisation taking ownership will be responsible for

- Upkeep, repair and maintenance of the building
- All running costs
- Health and safety requirements, including compliance with any statutory obligations

In all cases involving transfer of ownership/occupation an appropriate legal mechanism will be put in place to protect the financial position of the Council; such as restrictions on use, break clauses, etc. For example, in the case of a long term lease we will write into such leases an appropriate clause (forfeiture or break clause) under which the asset would revert back to the Council, such as:

- In the case of bankruptcy/insolvency
- In the case of corruption
- In the case of none payment of rent (if applicable)
- In the case of none performance of other terms such as serious repairs and maintenance (if applicable)
- The Council requires vacant possession of the asset as it forms part of a regeneration scheme
- If the transfer agreement is breached
- If the organisation wishes to develop and move into bigger premises.

In the case of all asset transfers, the property may not be sold or transferred to another organisation without written permission from the Council. The decision of the Council would be primarily based on ensuring that the benefits of the transfer as set out in the Partnership Agreement (see below) would be maintained or improved by the proposed sale or transfer.

Other issues may arise with regard to:

- Domestic law applicable to disposals at an undervalue
- EU law applicable to procurement issues, treaty obligations and state aid
- Domestic law relating to judicial review
- Domestic law applicable to employment contracts

All the above will need to be considered on a case by case basis and a guidance note is to be prepared by legal services.

## Timescales

The Council will endeavour to process applications promptly and will set a timeframe and milestones for each transfer.



## Risk Assessment

It is important that both the Council and the receiving organisation are sufficiently equipped to understand, assess and manage the risks that are inherent in the process of asset transfer and its policy. In managing this policy the Council will manage the associated risks as set out in Appendix G19.

## Statutory powers of acquisition

***The Council has the ability to utilise Compulsory Purchase Orders (CPO) to acquire land within the County for specified purposes.***

## Crichel Down Rules

***In particular the General Rule of these guidelines states that “where a department wishes to dispose of land to which the Rules apply, former owners will, as a general rule, be given the first opportunity to repurchase the land previously in their ownership, provided that its character has not materially changed since acquisition.”***

***Local Authorities are not under a statutory obligation to comply with the Crichel Down rules. Therefore any compliance with these rules will be at the discretion of the Chief Property Officer in consultation with the Lead Member for Resources.***

# Appendix G18

## Key considerations when assessing assets for transfer

**The following key items should be considered when assessing the suitability of transferring an asset to the community:**

- There is a legal interest owned by the Council from which the transferee can demonstrate community benefit.
- The asset is in the freehold/leasehold ownership of the Council.
- An options appraisal has been carried out to identify that the asset is suitable for community transfer as the sole or one of the viable options. This process will be adopted in response to requests or properties identified through internal reviews. This will cover:
- The asset is not currently needed or identified for future investment value or use for direct service delivery, which could best be provided directly by the authority rather than through the community.
- The transfer will deliver the strategic priorities of the Council.
- The asset is fit for purpose and would not impose an unreasonable liability to the Third Sector organisation or the Council
- Transfer or management of an asset would not be contrary to any obligation

placed on the Council

- Details of current use, occupation and circumstances
- Details of the condition of the asset
- Suitability of the asset for existing use
- Whether any other organisations will be affected by the ownership of the asset?

## Organisation Assessment

- Community-led, ie its governance arrangements must ensure that it has strong links with the local community and that members of the community are able to influence its operation and decision-making processes;
- Have stated community benefit objectives
- Be a voluntary and community sector organisation which is a legal entity
- Be appropriately constituted and not for profit (eg a registered charity, community interest company or charitable incorporated organisation, a not for profit company)
- Have a strong financial background and/or a demonstrable financial plan moving forward. The Council will wish to review copies of audited accounts and forward projections where appropriate.
- Exist for community/social/environmental/economic benefit - the Council will want to review annual reports.
- Be non-profit distributing and reinvest any surpluses to further its social aims/community benefits
- Demonstrate strong governance by operating through open and accountable co-operative processes, with strong monitoring evaluation, performance and financial management systems
- Demonstrate it has the skills and capacity within, or available to, its managing body to effectively deliver services and manage the asset;
- Have a management proposal which includes a specific plan on health and safety issues and compliance with legislation and any statutory requirements arising from ownership or management of the building or running a service;
- Have a clear purpose and understanding of the activities it wishes to deliver and demonstrate how the asset transfer will enable and support these activities.
- Embrace diversity and work to improve community cohesion and reduce inequalities
- Abide by the principles and undertakings in the Third Sector Compact
- Demonstrate it is well established and/or track record of delivering services or property management.

## Assessment of the Proposal, including finance and business plan

For any transfer, the Council would require a proposal outlining the business case, covering financial viability, proposed utilisation, benefits to the organisation and community and evidence of wider community consultation and support. The decision on transfer will be made by the Council's Cabinet in all cases.

As a minimum the business case will need to clearly identify:

- At least three/five years revenue or capital funding plans and projections of managing and operating the asset
- How it will invest in and maintain the asset including a specific plan as to how all health and safety responsibilities will be met
- The planned outcomes and benefits to result from the asset transfer
- Demonstrate a community governance structure with capability to sustain asset transfer and has the identified necessary capacity building requirements within their organisation
- Any sources of finance asset transfer will release or attract
- Track record of delivering services and or managing property
- Financial sustainability and forward planning
- Risk assessment and mitigation plan
- Evidence of consultation on the proposals
- Details of how the proposed use and benefits of the asset will be monitored and details of 'fall back' arrangements should the transfer prove to be not sustainable
- Whether they would wish to start on the phased transfer of the asset and agreed milestones to justify progression to the next phase.
- Justification for transfer at less than market value either freehold or leasehold the applicant has justified and quantified the benefits to the community and Council to justify the subsidy. The Council will separately need to satisfy that any transfer is within its legal and financial powers
- How proposed use will demonstrably help in the delivery of the Council's community strategy, corporate needs and facilities for the use by the people of ESCC
- How the proposed use will ensure extensive and inclusive reach into the community and will be open to all
- How the proposed use will be maximised
- The applicant has established how much space it requires to deliver its proposals, and how they will make good use of such facilities
- Clear management structure demonstrating how premises will be managed on a day to day basis, and legislation affecting occupation of premises
- Demonstrate that the buildings will continue to support community and voluntary activities within the area and protect the use of the facility by other voluntary organisations
- Outline the future opportunities for enhancing the use of the building as a community facility that transfer would bring

## Assessment of potential benefits

- Increasing/maintaining community empowerment
- Demonstrating clear area and neighbourhood agendas
- Promoting a sustainable third sector
- Promoting economic development and social enterprise
- Providing improvements to local services
- Providing value for money
- Create efficiency savings
- Implementing corporate and partnerships priorities

## Assessment of risks

- Potential to disadvantage particular individuals or impact negatively on the local community or communities of interest
- Potential for a negative impact on community cohesion
- Potential loss of existing community services
- Capacity of recipient to manage asset
- Potential for the asset to become a financial liability for recipient
- Capacity of recipient to deliver promised services/outcomes
- Capture of asset by unrepresentative/extremist minority
- Transfer contravenes State Aid rules
- Conflict with other legal, regulatory constraints
- Potential for ongoing Council liability
- Lack of value for money
- Conflict with other funders

# Appendix G19

## Risk Assessment

Risk	Potential Solution
Organisation does not have the capacity /skills to take over and manage the asset	Agree expectations document at the outset incorporating skills audit and management plan, organisational development plan, detailed business plan, ongoing management plan, marketing plan, level of support offered and agreed at the outset
Community organisation cannot raise the cash needed to purchase or refurbish the asset offered	Identify extent of repair cost by detailed survey, prepare detailed business plan, identify and secure funding sources, phased transfer in line with finances available
The ability of the Council to support a particular project is limited by state aid rules or other restrictions or legal constraints which will impact on organisation's operation of the asset impact	Identify up front any issues that need to be addressed and allow time in programme for resolution
Inability of the community organisation to manage the asset effectively	Robust business plan identifying secured revenue streams, agreed organisational development plan, skills audit and training development plan
Asset not used in public interest, taken over by an unrepresentative or unaccountable minority, access to the asset is not inclusive	Adoption of ongoing expectation document, legally binding service level agreement or other legal agreement, council board members. Local Authority to ensure management group reflects diversity of local community interest
Community organisation is not able to invest in the asset to meet its longer term liabilities for upgrading and cyclical maintenance	Robust long term business plan. Agreed organisational development plan. Organisation has demonstrated appropriate financial skills or access thereto. Minimise liabilities through appropriate legal structures.
Reliance of smaller receiving organisations on volunteers through lack of resources or professional/ support staff	Adequate support/advice on organisational structure /management. Use of role descriptors for trustees.
Fragmented ownership of assets across an area could impair strategic objectives of local authority and/or its LSP partners	Council adopting strategic approach to use of its asset base. Use of LSP to engage /encourage joint working

Confusion and lack of awareness over roles, responsibilities and liabilities between landlord and community organisations	Use of expectations document at the outset setting out roles and responsibilities of each party.
Community empowerment objectives of the receiving organisation are vague, weak, or not aligned to those of the Council	Organisation needs to undertake community needs survey to assess the needs /interests of the community; working in partnership with other groups
The Council does not have sufficient capacity either financially or through personnel to support the initiative	Support for the third sector should be part of a broader partnership with the third sector. Role of local authority to be set out in expectations document

# Appendix G20

## Community Assets – Grants available

A number of grants are available towards the purchase/refurbishment of community assets depending on the location, status of the organisation applying and the use of the asset. Please bear in mind that where a capital element is requested there will be an expectation that the organisation applying for the grant owns the building/land or the freehold for a certain period of time.

Below is a summary of key funders for generic buildings and lands projects. Please note that whilst lottery funding is likely to remain unchanged, other funders will update their criteria every so often.

If funding is required for a particular scheme (i.e. listed building, energy saving features, etc), a search would be carried out and additional funders would be identified. Please contact [external.funding@eastsussex.gov.uk](mailto:external.funding@eastsussex.gov.uk) or phone 01273 482859.

The funders listed below are for capital grants, which also include some revenue costs and they are also the larger funders. There are however smaller grants available that would support small capital projects, for example:

[Awards for All](#) which supports projects that meet one or more of the following outcomes:

- People have better chances in life – with better access to training and development to improve life skills
- Stronger communities – with more active citizens working together to tackle issues within the community
- Improved rural and urban environments – which communities are able to better access and enjoy
- Healthier and more active people and communities

[www.biglotteryfund.org.uk/global-content/programmes/england/awards-for-all-england](http://www.biglotteryfund.org.uk/global-content/programmes/england/awards-for-all-england)

### **Rye Harbour Village Hall £10,000**

**This organisation used the funding to improve the facilities at their village hall for the wider community. This enabled more people to be able to use the hall for social activities.**

[Sussex Community Foundation](#) which awards grants to community and voluntary groups. They are particularly interested in supporting smaller community based groups where a small grant can make a significant difference.

The majority of grants are in the region of £1,000 to £5,000.

[www.sussexgiving.org.uk/apply-for-grants/](http://www.sussexgiving.org.uk/apply-for-grants/)

### **Community Wise**

**£3,500**

This Eastbourne based organisation received a grant to refurbish their kitchen and toilets.

[Gatwick Airport Community Trust](#)

[www.gact.org.uk](http://www.gact.org.uk)

The priorities of the trust include improvements to community facilities and they have funded village hall improvements in Newick and Forest Row. Eligibility to apply depends on project location and a list of eligible areas is available on their website (in broad terms the area is bounded by the A272 to the south; the A283/A281 to the west, the A25 to the north and the A21 to the east.)



The normal level of grants is from £1,000 to £5,000. Occasional larger may be considered if the impact is targeted to benefit a significant number of people and is considered to make a valuable and noticeable difference longer term.

As well as grant opportunities, other sources of income might be available through:

- applying for a loan, for example through the [Charity Bank](http://www.charitybank.org), [www.charitybank.org](http://www.charitybank.org), if your project will generate an income that will help repay it
- raising a precept tax through local taxation in a Parish or Town, as long as the local Council can demonstrate that the area in question would benefit from the updates to the community facility - funds can cover buildings or revenue projects
- renting out space in the building, charging a fee, etc

It is worth noting that there are various organisations offering support with community assets, including:

- [My Community Rights](http://www.mycommunityrights.org.uk) website which has details on Community Assets Transfer [www.mycommunityrights.org.uk/community-right-to-bid](http://www.mycommunityrights.org.uk/community-right-to-bid)
- [Locality](http://www.locality.org.uk) which offers advice on asset-based development to achieve long term social, economic, and environmental improvements to local areas [www.locality.org.uk/our-work/assets/](http://www.locality.org.uk/our-work/assets/)
- the Joseph Rowntree Foundation which published the "[Community Organisations controlling assets: a better understanding](http://www.jrf.org.uk/publications/community-organisations-controlling-assets)" report <http://www.jrf.org.uk/publications/community-organisations-controlling-assets>

## Lottery

### [Reaching Communities](http://www.biglotteryfund.org.uk/prog_reaching_communities)

[www.biglotteryfund.org.uk/prog\\_reaching\\_communities](http://www.biglotteryfund.org.uk/prog_reaching_communities)

Reaching Communities funds projects for up to 5 years and up to £500,000 that help people and communities most in need. Projects can be new or existing, or be the core work of an organisation. All projects have to meet at least one of the four outcomes of the programme – same as Awards for All (see above).

The Reaching Communities programme has two strands:

1. Reaching Communities revenue and small capital – funding from £10,000 to £500,000 for revenue projects and/or smaller capital projects up to £100,000 for which all organisations can apply to

#### **Wave Leisure Trust Limited**

**£180,986**

This project aims to save an essential youth facility Shakespeare Hall in Newhaven Sussex. It will form a community hub incorporating a skate park BMX course, outdoor green gym, cricket and bowls clubs, employability training, walking groups healthy living classes and Friday night discos. A number of volunteers will provide sports training in football, BMX, swimming and basketball and participants will have the opportunity to gain national qualifications in sporting activities nutrition and IT.

Not for profit organisations, town or parish councils, statutory bodies, including schools can apply and there is no deadline.

2. Reaching Communities Buildings – funding of between £100,000 and £500,000 for large capital projects where only selected geographical can apply to. Geographical eligibility is at super output level and postcodes need to be entered to check eligibility as one area in a town might be eligible whilst another might not.

**Peasmarsh Parish Council****£270,000**

The Peasmarsh Revived project aims to create a community hub to host services and activities to enhance and improve the opportunities and social wellbeing of residents. The memorial hall will be refurbished and extended to meet modern requirements. It will provide a meeting place for people to engage in a variety of activities including Guides, an over 60s choir, a luncheon club, a youth club mother and toddler group and Zumba. Other plans include adult education classes.

Not for profit organisations and town or parish councils can apply and there is no deadline.

**Heritage Lottery Fund****www.hlf.org.uk**

The Heritage Lottery Fund gives grants to heritage projects (including parks and buildings) of all sizes, with grants from £3,000 to over £5million. All of the funding programmes expect projects to achieve one or more of the following outcomes

**Outcomes for heritage** - so that heritage will be better managed, in better condition, better interpreted and explained and identified/recorded

**Outcomes for people** - so that people will have developed skills, learnt about heritage, changed their attitudes and/or behaviour, had an enjoyable experience and volunteered time

**Outcomes for communities** – where environmental impacts will be reduced, more people and a wider range of people will have engaged with heritage, the local area/community will be a better place to live, work or visit, the local economy will be boosted and organisations will be more resilient.

**Kings Road, St Leonards****£1.8m**

Hastings Borough Council's conservation team stumbled across artwork believed to have been by the campaigner and author of The Ragged Trousered Philanthropists, Robert Tressell, also known as Robert Noonan.

Through two Townscape Heritage Initiative schemes and Heritage Lottery Fund grants the Council have been able to restore shop fronts, install public art and bring back to life several decaying properties.

<http://www.bbc.co.uk/news/uk-england-sussex-18592103>

**Sport England****www.sportengland.org.uk**

Sport England invests in organisations and projects that will grow and sustain participation in grassroots sport and create opportunities for people to excel at their chosen sport. They do this through a number of programmes, in terms of capital funding [Playing Protecting Fields \(PPF\)](#) is one of the programmes they run which could be of interest.

**www.sportengland.org.uk/funding/protecting\_playing\_fields.aspx**

**Chailey Sports Club****£50,000**

The grant will be used towards the building of a new pavilion.

The programme will fund capital projects (between £20,000 and £50,000) that create, develop and improve playing fields for sporting and community use and offer long term protection of the site for sport. Local authorities, schools, voluntary or community organisations, sports clubs and playing field associations can apply.

They will pay for purchase of land, Improvements to existing pitches through levelling, drainage, reseeding and realignment.

The fund has an annual deadline, please check the website for details of next round.

[Inspired Facilities](#) is another programme which focuses on making it easier for local community and volunteer groups to improve and refurbish sports clubs or transform non-sporting venues into modern grassroots sport facilities.

[www.inspiredfacilities.sportengland.org](http://www.inspiredfacilities.sportengland.org)

- Community and voluntary organisations, including parish and town councils can apply for grants worth between £20,000 and £50,000. At least 70% of the available funding available is set aside for these groups
- Local authorities, statutory bodies and education establishments such as schools, can apply for grants between £20,000 and £150,000

However, £150,000 grants will be exceptional and only given to projects that can demonstrate a strategic rationale to their application - for example, a review of a local authority's sports facility stock that identifies this project as a top priority. No more than 30% of the total amount available will be invested through these organisations.

There are two deadlines per year, the next one is 3<sup>rd</sup> November 2014.

**Robertsbridge Community College**

**£150,000**

The award will contribute towards a new dual use sports hall with changing areas and a reception office area, all with disability access. This public sports facility will be the only facility of its kind in the local community.

## Landfill Communities Fund

Funding programmes are available through the [Landfill Communities Fund](#), an initiative which allows landfill operators to release tax credits to environmental and community groups.

<http://www.entrust.org.uk/landfill-community-fund/finding-funding/>

A number of schemes exist to benefit local communities in the vicinity of a landfill site.

Grants are normally available for physical improvements to community and sports facilities, and to historic buildings/structures to a maximum of £500,000 for a "flagship" project.

A postcode checker is available to ensure that applicants are eligible. The following are the key schemes that are available to some East Sussex organisations.

[Veolia Environmental Trust](#)

[www.veoliatrust.org](http://www.veoliatrust.org)

**Birling Gap Café**

**£27,725**

This project aims to make use of redundant space to create and expand the facilities, enabling the National Trust to meet the high demand for meeting spaces for groups, and creating new and diverse volunteering opportunities.

[Biffaward](#)

[www.biffa-award.org](http://www.biffa-award.org)

**Beechwood Hall, Cooksbridge**

The applicant is engaged in a major project which involves the building of a new village hall and the creation of multi activity rural park.

[SITA Trust](http://www.sitatrust.org.uk)  
[www.sitatrust.org.uk](http://www.sitatrust.org.uk)

**Trinity Church, Willingdon**

**£30,000**

The Church received the funding to refurbish their kitchen.

## Trusts and Foundations

Below are examples of Trusts and Foundations that will fund community buildings:

[Henry Smith Charity](http://www.henrysmithcharity.org.uk)  
[www.henrysmithcharity.org.uk](http://www.henrysmithcharity.org.uk)

Capital grants of £10,000 or more are available through the Main Grants Programme towards the purchase of equipment, or for the purchase or refurbishment of a building.

**St Wilfrid's Hospice**

**£50,000**

The grant was used towards the costs of building and furnishing a new hospice in Eastbourne.

[Garfield Weston Foundation](http://www.garfieldweston.org)  
[www.garfieldweston.org](http://www.garfieldweston.org)

The Foundation makes a large volume of grants every year to community projects covering the following categories: Arts, Education, Youth, Health, Community, Environment, Religion and Welfare.

They award capital grants, for example for restoration of village halls and community centres.

[Percy Bilton Charity](http://www.percybiltoncharity.org.uk)  
[www.percybiltoncharity.org.uk](http://www.percybiltoncharity.org.uk)

Registered charities whose primary objectives are to assist one or more of the following groups:

- Disadvantaged/underprivileged young people (persons under 25)
- People with disabilities (physical or learning disabilities or mental health problems)
- Older people (aged over 60)

They offer one off payments for capital expenditure of approximately £2,000 and over for items such as furniture and equipment (excluding office items); building or refurbishment projects.

[Charles Hayward Foundation](http://www.charleshaywardfoundation.org.uk)  
[www.charleshaywardfoundation.org.uk](http://www.charleshaywardfoundation.org.uk)

The Foundation only funds capital costs. Project funding may be offered for start-up or development activities where these are not part of the on-going revenue requirement of an organisation.

Grants are between £1,000 and £25,000, but from time to time, they may make larger grants to fund projects of an exceptional nature which show outstanding potential.

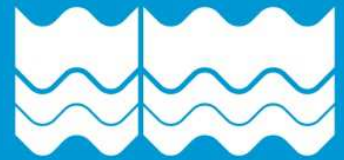
**If you would like a copy of the document in a different format, such as large print, Braille or a different language, please contact us.**

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# Carbon Management Strategy

May 2016

# H

# Property Policies Pack 2016 update

## Amendments history sheet

Issue Number	Changes Made	Issue Date
1	Created	March 2013
2	Amended	June 2013
3	Updated	Aug 2014
4	Updated	July 2016

**Policy name:** Carbon Management Strategy

**Policy Reference in the Pack:** H

**Date created:** March 2013

**Sent for Review:** 13/05/2016

**Deadline for update:** 08/07/2016

**Name of Responsible Property Manager:** Peter Bowley

**Have any changes been made?** Yes

If Yes:

Name of Officer reviewing	Paragraph name or Page umber	Nature of changes made
Andrew Burrows	Various	Figures updated to reflect latest carbon emission and energy costs. Legislation update. CRC sections updated to reflect non-participation
Pete		Odd track change but generally feels a bit long & wordy compared to other policies. Also given the link with ETE on environment suggest would be good to get Andy Arnold to run his eye over document

**Next Update due:** June 2017

# Contents

- 1 Introduction and Policy Context
- 2 Background
- 3 The County's approach to reducing and managing its carbon footprint
- 4 Progress to date
- 5 Strategy moving forward
- 6 Appendices

**Appendix H8 – Carbon Management Action Plan – moving forward**

**Appendix H9 – Carbon Management - actions completed**



# 1 Introduction and Policy Context

East Sussex County Council (ESCC) is part of the East Sussex Strategic Partnership which has adopted a partnership environment strategy for East Sussex. This sets one shared long-term strategic environmental plan for the County.

As one of the partners, ESCC has a dual role:

- To take forward agreed actions in the environmental plan that the County is responsible for.
- To adopt the principles embedded in the environmental plan in the way that the County manages its resources and influences others indirectly.

In signing up to the Climate Local Commitment. ESCC commits to:

- 1 Setting out, within six months of signing up, what actions the County Council intends to undertake to reduce carbon emissions and adapt to climate change within our own operations, services and local community.
- 2 Setting out the County Council's level of ambition and how we are going to monitor and demonstrate our achievements.
- 3 Sharing our actions, progress and learning with other Councils through and annual progress report.

The Council has clear policy steers in respect of how it manages its carbon arrangements.

ESCC objective is to manage our assets better, in order to reduce energy consumption, utility costs and consequential greenhouse gas emissions (ESCC's Carbon Footprint), thereby reducing any adverse impacts on our environment and helping to preserve the natural beauty of East Sussex.

In pursuit of its objective we will seek to:

- Reduce the total emission of the Council;
- Increase the use of renewable energy sources to assist the reduction of ESCC's carbon footprint and to offset associated carbon directly associated to developments within the County;
- Make our buildings and other operations more energy efficient.

This policy steer is reflected in such things as the Property Asset Management Plan (AMP).

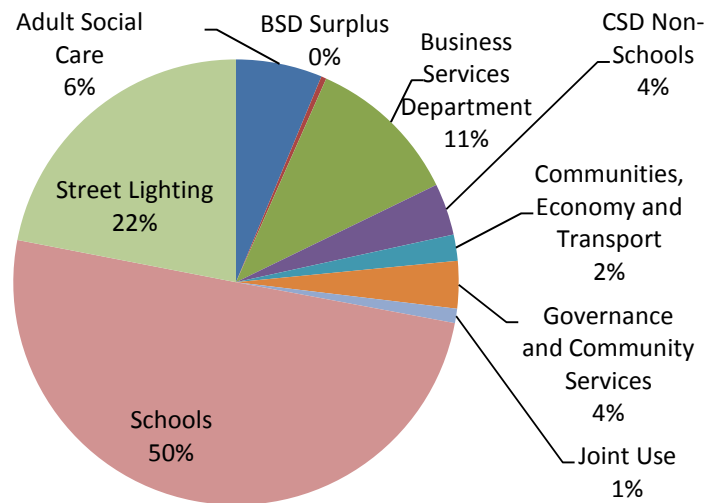
<http://www.eastsussex.gov.uk/yourcouncil/about/property/download.htm>

There are two outcomes that result in being efficient in carbon management - firstly, assisting in the improvement of the environment; and secondly, actively reducing the ongoing financial charges associated with energy procurement and carbon emissions. This policy and strategy explains how the Council is planning, managing and reporting on its carbon footprint to achieve these outcomes.

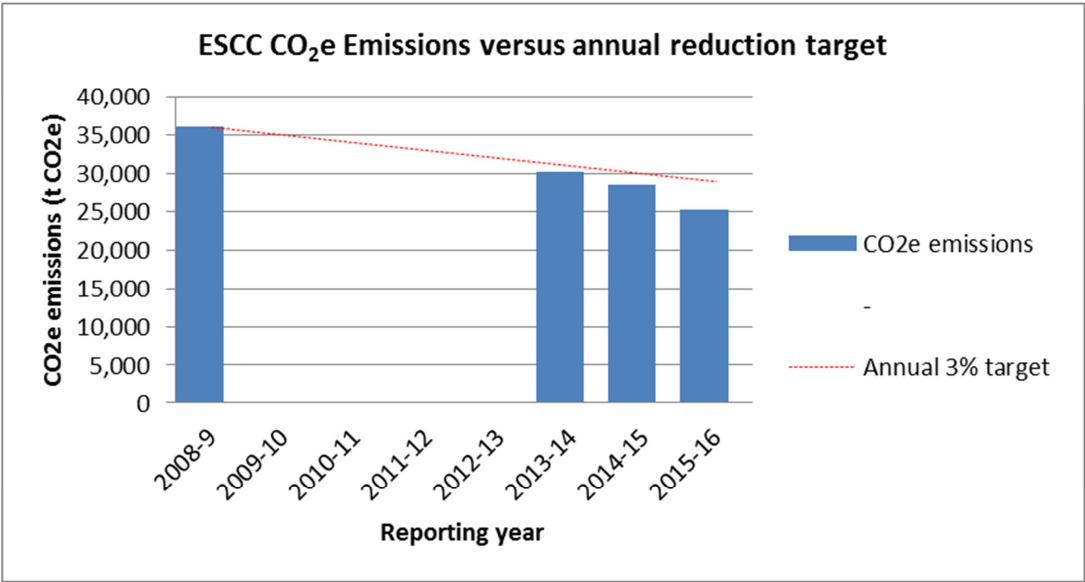
# 2 Background

## Our consumption

The typical proportion of carbon emitted by building type is –



The graph below shows how ESCC’s carbon emissions have been decreasing year on year against a 3% annual reduction target, In 2014/15 academies were removed from our carbon reporting, so base year (2008/09) and the previous year emissions have been recalculated to allow a like-for-like comparison.



There is a direct correlation between energy usage, carbon output and expenditure that ESCC pays on energy. ESCC annual energy bill is approximately £5.4m.

## Our costs

The cost of energy for ESCC for 2015/16 are shown below:

	£ (excl VAT)
Electricity	3,300,000
Gas	1,800,000
Oil	200,000
LPG	60,000
Total	5,360,000

Market trends indicate that utility prices will increase approximately from 5% to 10% each year and to avoid further increases to the annual energy bill a continued focus on efficient energy management will be essential. Whilst ESCC are aware of the environmental benefits associated with the reduction in utility usage and carbon emissions, we are also aware of the financial benefits that can be achieved through active management.

## Legislative Requirements

### Heat Networks (Metering and Billing) Regulations

Two types of heat network are covered by the regulations: district heat networks and communal heating. District heat networks are comprised of multiple buildings heated by a single source, whereas communal heating is defined as a single source of heat provided to multiple users in a single building. The aim is to accurately charge end users in these schemes so that there is a direct financial incentive to reduce heat consumption.

There are three categories of requirement within the legislation – notification, metering, and billing.

#### **Notification**

Heat suppliers must notify Regulatory Delivery of the details of any heat networks.

#### **Metering**

There is a duty to install building-level and individual heat meters in buildings that are connected to a heat network.

#### **Billing**

Wherever meters are installed in compliance with this legislation, billing should be clear, accurate and based on actual consumption. This overrides any existing arrangement where energy costs are included as part of the service charge or rent.

## **Private Rented Sector Minimum Energy Efficiency Standard Regulations (Non-Domestic)**

From 1 April 2018, non-domestic buildings leased in the private rented sector will be required to achieve an energy performance certificate (EPC) rating of 'E' or above. At first the legislation will apply to buildings leased to new tenants and lease renewals. From 1 April 2023 the legislation will apply to all non-domestic buildings including those occupied under an existing lease.

ESCC have a number of lease arrangements in place that will be affected by this legislation. We are currently assessing the impact on our estate prior to arranging surveys and implementing an improvement programme.

## **Housing and Planning Act 2016 – reports on improving efficiency and sustainability of buildings owned by local authorities**

The Housing and Planning Act includes a requirement for local authorities to prepare an annual report on buildings efficiency and sustainability from 2017 onwards. Reports must include an assessment of the authority's progress towards reducing the size of their estate and ensuring that buildings fall within the top quartile of energy performance. In particular, if a building that does not fall within the top quartile of energy performance becomes part of a local authority's estate, the report must explain why the building has nevertheless been acquired.

## **The Carbon Reduction Commitment (CRC) Energy Efficiency Scheme**

came into force in 2010 and taxes organisations on each tonne of carbon they are responsible for emitting into the environment. ESCC were included in the first phase of the scheme (2010-14), with the cost of carbon emitted at £332,604 for the financial year 2013-14. Under the simplification of the scheme announced in December 2012, ESCC is not required to participate in the second phase of the scheme (2014-19), as all schools are now the responsibility of the Department for Education (DfE) under the CRC scheme.

The government has announced that CRC will come to an end in 2019, so ESCC will have no further participation.

## **Department of Energy and Climate Change- Sharing Information on Greenhouse Gas Emissions from Local Authority Estate and Operations** (previously Ni185)

Is implemented by the Department Of Energy and Climate Change (DECC) and requires ESCC to share information on greenhouse gas emissions from our estate and operations. ESCC are required to publish our GHG report on our website at the end of July of each year. Reporting on the three distinct 'scopes' of greenhouse gas emissions:

- Direct emissions (fuels used on site e.g. Gas)
- Indirect emissions (fuels used off site, e.g. Electricity production) and
- Other indirect emissions (fuels used off site, outside of ESCC control but forms part of the running of ESCC, e.g. private car fuel).

## The Climate Change Act

Is a legally binding target on the Government to reduce carbon levels by 80% from the UK's 1990 figure by 2050. In accordance ESCC set a target to reduce its carbon dioxide emissions by 3% per annum from a starting year of 2009/10.

## Our Principles

Our 3 key principles are aligned with the Property AMP and this policy identifies the challenges and pledges under each of these principles linked to the delivery of sustainable buildings. It does not include the 4th principle from the Property AMP, which relates to the disposal of ESCC assets. The three principles are therefore:

- Improve or replace – Investment to ensure retained properties are fit for purpose, efficient and sustainable.
- Reduce our carbon footprint - to identify and implement changes to reduce our carbon footprint
- Work in partnership and empower our communities.

By following these principles, we strive to rationalise the estate, reduce backlog maintenance and provide fit for purpose buildings that are efficiently used and support service delivery.

### Principle 1 – Improve or replace

**Investment to ensure retained properties are fit for purpose, efficient and sustainable.**

#### Priority — Water use

The UK Government has recognised the potential effects of climate change and the subsequent reduction in the availability of water. Through the use of sustainable drainage systems, reduced consumption and rainwater harvesting, it is seeking to provide security of water supply.

#### Challenges

- Ensuring water management is given sufficient priority given the historical focus on energy in use.
- Ensuring monitoring capability is available, including the use of metering in sufficient detail to provide information on water consumption that can be used to develop and meet targets.
- To include sustainable drainage systems, where possible, in existing and new building locations.

## Pledges

- To provide metering capability in all local authority buildings where it is viable and cost effective.
- To promote the achievement of BREEAM water credits through individual building assessment on new builds.
- Identifying areas where lack of maintenance has caused excessive consumption and plan a good housekeeping approach to solving defects.
- Identify opportunities to include rainwater harvesting, permeable hard surfaces to external areas and green roofing systems, where appropriate, through an 'invest and save' approach.

## Principle 2 - Release

The authority needs to streamline its estate in order to be able to provide fit for purpose buildings to support service delivery. This means releasing buildings which are not fit for purpose where investing in improvement is not viable and that its' disposal will reduce the Council's carbon foot print.

## Principle 3 – Reduce our Carbon Footprint

### To identify and implement changes to reduce our carbon footprint

Our target is to reduce our CO<sub>2</sub> emissions by 80% by 2050, with an annual reduction of 3% each year. For more information see:

<http://www.eastsussex.gov.uk/environment/climatechange/whatawearedoing.html>

### Priority — Energy supply and use (including embodied energy)

#### Challenges

- Ensuring accurate and current information on energy and running costs is available for the corporate estate.
- *To achieve the Government's zero carbon buildings target (all new non-domestic public sector buildings to be zero carbon by 2019). (In July 2015 the government announced it was not intending to proceed with the zero carbon buildings target, but is keeping energy efficiency standards under review).*



## Pledges

- To look for opportunities to secure the emission reductions possible in designing energy supply and infrastructure solutions to support larger developments or projects on linked or adjacent sites.
- To secure the free benefits and reductions in energy demand and emissions obtainable through passive design, e.g. by considering site and solar orientation, prevailing winds, the use of natural ventilation and daylight and controlled use of solar gain. Use mechanical ventilation only where necessary. This should be considered during any conversion, refurbishment and new build projects.
- *To commit to all new schools and non-residential buildings being designed to LZC (Low to Zero Carbon) standards aligned with on-going Government targets. (Although this is no longer a government target, ESCC remain committed to achieving a BREEAM rating of 'Good' or above on all our new builds).*
- To ensure equipment are consistent with good environmental practice are installed when undertaking maintenance works.
- To maintain a league table of property asset energy performance, identifying poor performing site and conduct energy audits for improvement works.

## Priority — Carbon reporting

### Challenges

- Ensuring accurate and current information on carbon emissions is available for the corporate estate.
- *To achieve the Government's zero carbon buildings target (all new school buildings to be zero carbon by 2016 and all other new non-domestic public sector buildings to be zero carbon by 2018). (This is no longer a government target, but ESCC remain committed to achieving a BREEAM rating of 'Good' or above on all our new builds).*
- To develop a properly costed, rolling programme of carbon reduction measures to enable the authority to meet its ongoing energy saving, carbon reduction commitment.

## Pledges

- To meet the national timetable for reduction of carbon emissions for non-residential buildings.
- To report property carbon performance information to Cabinet on an annual basis.

## Principle 4 –

### Work in Partnership & empower our Communities

Not in scope

# 3 The County's Approach to Reducing and Managing its Carbon Footprint

## Governance and responsibilities

### Lead Responsibilities

The Principal Client Officer - Energy is the lead for ESCC's carbon management and reporting.

### Business Services – Property & Capital Investment

In line with the requirement of the Carbon Reduction Commitment:

- ensure that client departments are aware of energy legislation and regulation requirements,
- provide technical updates on energy saving projects at clients' group sites,
- client support and engagement of the roll out of AMR metering to their sites,
- setting of carbon reduction targets,
- develop policies, initiatives in support of all the above,
- drive the continuous development and implementation of ESCC's CO<sub>2</sub> mitigation measures, by raising key strategic issues and barriers, particularly where a change in corporate policy is needed, making recommendations to CAPS where appropriate,
- ensure effective and focused cross Department working on key priorities,
- ensure agreed targets are met,
- ensure that available resources are focused effectively, and
- work strategically with our partners to learn from our common experience and share best practice.

## ESCC strategies to decrease carbon emissions

### Countywide

ESCC has developed a Climate Change Strategy and is working closely with partner organisations to develop and implement a countywide Climate Change Action Plan.

<http://www.eastsussex.gov.uk/environment/climatechange/whatawearedoing.htm>

## Procurement of energy and water

In accordance with the Cabinet Office's 'Efficiency and Reform Group', recommended best practice for energy procurement for public authorities, ESCC buys its energy through the Crown Commercial Service (CCS), which provides an aggregated, flexible, risk managed energy procurement framework.

ESCC policy is to review these arrangements on a regular basis to ensure that we are following best practice for the procurement of our energy to take benefit of the most competitive market rates.

From April 2017, non-domestic retail markets for water will be opened up to competition. As a result, ESCC will soon be able to procure water in a similar way to energy.

## Buildings and other properties

The work carried out by the Energy Team to procure and manage energy along with the efforts of all council departments to reduce their energy consumption through more efficient use of their sites is critical. To support this we must ensure that energy usage and performance is a key consideration when buying or selling, managing, refurbishing or designing our properties and sites.

### Ensuring delivery of ESCC services from energy efficient buildings

In 2008 ESCC issued its corporate sustainable buildings policy, which sets out how ESCC intends to deliver our commitment to a sustainable approach to construction and maintenance.

[http://www.eastsussex.gov.uk/NR/rdonlyres/A3CF59F6-F36C-4BAA-B905-87ADC3B85BFB/0/corporate\\_sustainable\\_buildings\\_policy.pdf](http://www.eastsussex.gov.uk/NR/rdonlyres/A3CF59F6-F36C-4BAA-B905-87ADC3B85BFB/0/corporate_sustainable_buildings_policy.pdf)

[http://www.eastsussex.gov.uk/NR/rdonlyres/26B03E0B-57CC-4EEB-9CA7-E60EA988940D/0/corporate\\_sustainable\\_buildings\\_policy\\_guidance.pdf](http://www.eastsussex.gov.uk/NR/rdonlyres/26B03E0B-57CC-4EEB-9CA7-E60EA988940D/0/corporate_sustainable_buildings_policy_guidance.pdf)

## **Improved site energy management through use of Automated Meter Reading (AMR) consumption data.**

For improvement in quality and visibility of consumption data, ESCC have installed Automated Meter Readers (AMRs) on approximately 90% of all ESCC electricity and gas meters.

This data is used by the Energy team to monitor consumption and target good housekeeping activity. ESCC site managers have access to consumption data via the TEAM Energy Viewer. Nominated “Energy Champions” at each site use the data to assist in flagging up irregularities and saving measures.

## **We have issued guidance on key good housekeeping items**

<https://czone.eastsussex.gov.uk/schoolmanagement/property/energy/Pages/main.aspx>

The Business Plan incorporates a 3% energy reduction target for sites where AMR data has been made available and targeted support is given to those sites to reduce their consumption.

## **Energy Surveys**

Energy surveys are undertaken at priority sites to identify opportunities for improvements, such as:

- Operational issues with the use of equipment or site, with workable solutions that will result in reduced energy usage.
- Opportunities for carrying out improvements or upgrades of the building structure and its services.

The completed surveys are available to site managers via the Corporate Property Information System and inform work that takes place.

## **Planned Programme and Capital Works**

These can be works required for other purposes e.g. refurbishments where measures are in place to ensure that any new build, extension and refurbishment project achieves a ‘Good’ BREEAM rating to minimise the impact any additions to our site portfolio will have on our carbon footprint. There could also be energy saving projects. Funding is available to support these as follows:

## Salix Interest Free Loan Funding

Salix is a match funded, ring-fenced financing scheme that provides £1.025 million to ESCC to finance energy saving measures on its own estate via an interest free loan. The Salix Loan **is repaid through the energy savings made by the project.**

For projects to qualify for SALIX funding they must comply with either of the following two criteria:

- Maximum 5 year payback period and £100/tCO<sub>2</sub> lifetime basis, for energy efficiency projects; or
- Maximum 7.5 year payback period for projects with lifetime £/tCO<sub>2</sub> <£50, for approved energy efficiency and renewable projects.

To date Salix has funded over 140 projects at ESCC, worth **£2.3 million**. These projects have generated total annual **savings of £600,000 per year**. Salix has been used to fund a wide range of projects from building insulation, lighting, boilers and heating controls to traffic signals, street bollards and IT projects.

## Carbon Reduction Budget

This supports the County Council's drive to improve the development of sustainable building design in conjunction with the aim of reducing ESCC's carbon footprint. Allocation of the budget is towards projects that support achievement of the national industry benchmark standard 'Building Research Establishment's Environmental Assessment Method' (BREEAM) of 'Good' as the minimum standard for all capital projects new builds, extensions and refurbishment. It also used to provide support to part Salix funded energy projects where they exceed the 5-year payback period.

## Carbon Savings Budget

This budget of around £340k/annum supports the Council's aim to improve the energy efficiency of its buildings and reduce the size of its carbon footprint. Projects supported by this budget must payback within 10 years. It can also be used to part fund Salix funded energy projects, where they exceed the 5 year payback period.

## Other energy initiatives being explored

There are a number of initiatives to promote carbon reduction, some government backed, as follows:

Feed in Tariff (FiT) is an additional financial assistance from the government which is paid based on the electricity produced by electricity producing renewable technologies (wind, solar photovoltaic's (PV), hydro, anaerobic digestion, domestic scale micro CHP) for a period of 25 years.

Renewable Heat Incentive (RHI) is similar to the FiT scheme, however it assists with an added financial assistance from the heat generated by heat producing renewable technologies (solar thermal, air source heat pumps, Biomass boilers and ground source heat pumps) for a period of 20 years.

Using Energy Service Companies (ESCo) which review sites and develop projects. The scope for using these is likely to be limited to those properties with a sizeable utility requirement.

ESCC is actively assessing these to exploit opportunities for external funding and assistance in reducing its carbon emissions.

## **Street Lighting**

ESCC have initiated a number of significant energy saving street lighting projects which have included the installation of dimming controls, LED products and lower wattage lanterns that utilise a “white” light source. These projects have delivered annual financial savings of over £175,000 and an annual reduction in emissions of over 790 tonnes CO<sub>2</sub>.

ESCC has completed two pilot part-night lighting schemes in Heathfield and Uckfield using a revised lighting strategy to deliver lighting where and when it is most needed. This amended lighting strategy has been adopted as policy and funding has been approved to deliver part-night lighting solutions throughout the County with the exception of the urban centres of Eastbourne and Hastings. Annual energy reductions of around 30% are anticipated.

## **How is ESCC yearly performance measured and evidenced?**

### **Greenhouse Gas (GHG) Reporting**

[ESCC have a statutory duty to publish an annual GHG report](#) on our website at the end of July of each year. The report details carbon emissions from ESCC’s activities. The latest report can be found at <https://www.eastsussex.gov.uk/environment/priorities/whatawearedoing>

### **3% Business Plan Reduction Target**

To monitor ESCC’s progress in achieving its annual 3% carbon reduction target a quarterly report is compiled. This highlights the carbon reduction achieved versus the same period in the previous year, and the projects and activities that have contributed towards achieving this.

## 4 Progress to Date

Set out in Appendix E9 are the actions taken to date. In summary our performance to date can be illustrated in a number of ways:

### Carbon Reduction Commitment

(As ESCC are no longer required to participate in CRC scheme, 2014 was the last year that carbon credits were purchased. This table is for information only and will be removed from future versions of this policy).

Year	Notes	Carbon Foot Print	Carbon Tax	CRC League Table position
2011	First year – reporting only	41,360 tCO <sub>2</sub>	n/a	211 <sup>th</sup> out of 2,113
2012	First year carbon credit purchasing	28,592 tCO <sub>2</sub>	£343,104	27 <sup>th</sup> out of 2,097
2013	Second year carbon credit purchasing	29,412 tCO <sub>2</sub>	£352,944	League Table no longer published n/a
2014	Third year carbon credit purchasing	28,890 tCO <sub>2</sub>	£332,604	League Table no longer published n/a

### Department of Energy and Climate Change- Sharing Information on Greenhouse Gas Emissions from Local Authority Estate and Operations (previously Ni185)

Greenhouse gas emissions for 2008/09, and 2013/14 to 2015/16 in t CO<sub>2</sub>e.

	2008/09	2013/14	2014/15	2015/16
Scope 1 Emissions	10,573	9,913	7,892	6,900
Scope 2 Emissions	21,216	16,710	17,390	15,279
Scope 3 Emissions	4,222	3,559	3,247	3,025
<b>TOTAL GROSS EMISSIONS</b>	<b>36,012</b>	<b>30,183</b>	<b>28,529</b>	<b>25,203</b>
Change on base year	n/a	n/a	-5.5%	-11.7%
Change on base year	n/a	-16.2%	-20.8%	-30.0%

## 3% Business Plan Reduction Target (Climate Change Act)

Year	% Achieved	Notes
2005–06 & 2006–07	Yes	Target only 1 % year during 2005/06 and 2006/07
2007–08	Achieved	Target 13% reduction as Legislation allowed companies to take credit for use of green energy
2008–09	22%	Target 13.5 % reduction as Legislation allowed companies to take credit for use of green energy
2009–10	Achieved	First year of 3% annual reduction target. Project completed little validation of actual savings achieved.
2010–11	1-2%	Cleansing of SALIX database revealed anomalies requiring schemes to be deleted. This combined with slippage of projects due to vacancy of Energy Officer and delays with rolling out carbon hub to schools means schemes are not achieving full potential
2011–12	3.1%	SALIX, the Sustainable Buildings budget and good housekeeping projects being identified / confirmed to meet 3% target
2012–13	3.2%	SALIX (including the funding for street lighting), the Carbon Reduction Budget the residual savings from equipment installed during the 2011-12 period (installed part year, with part savings accounted for)
2013–14	3.1%	Carbon reductions achieved through SALIX and Carbon Reduction Fund projects, Building Disposal, Sustainable Buildings policy and actions by all departments to reduce energy, including ICT and Street lighting & Traffic Signals.
2014–15	4.4%	Achieved through Salix projects, street lighting and improved performance across departments aided by increased site level access to energy consumption data.
2015–16	5.7%	Salix and Carbon Reduction funded projects (including improvements at County Hall), a renewed focus on good housekeeping, and Ashden LESS CO <sub>2</sub> carbon awareness programme for schools



## 5 Strategy Moving Forward

Since ESCC are no longer participants in the CRC scheme, our focus has shifted away from CRC reporting and compliance towards energy efficiency and good housekeeping measures. This is reflected in the actions being taken forward, as set out in Appendix E9.

The renewed focus will allow us to more effectively achieve our dual aims of reducing carbon emissions and controlling energy costs.

For buildings, we will continue to identify energy saving opportunities in the planned programme. In addition, a more proactive approach will be taken to implement energy efficiency projects at priority sites, which will be identified through annual benchmarking and energy surveys.

With automated meter reading (AMR) equipment installed on the majority of the estate, there is an opportunity to identify out of pattern use as it occurs. For this reason we have started to monitor monthly consumption patterns and address issues as they arise.

ESCC also recognise the large role that each staff member has in reducing our carbon emissions, so we will also work towards creating an energy aware culture through energy workshops, ongoing communications, and roll-out of our online energy portal to site managers and budget holders.

This strategy will be monitored and reviewed by the Council's Property & Capital Investment department.

## Appendix E8

### Carbon Management Action Plan

	Item / Work activity	Responsible team	Action	Estimated cost	Estimated carbon savings	Update	Actual carbon savings	When
Maintenance	Improve the overall energy performance of the Council's portfolio of buildings to achieve the 3% carbon reduction target	Maintenance and Energy	The planned maintenance schedule is reviewed annually for opportunities to further improve energy performance and contribute Salix funding.	Incorporated in £11m planned programme budget programme with approx. £300k pa contribution from Salix fund	300 tonnes	The 2016/17 planned programme has been reviewed, with opportunities identified and being progressed. Projects include: whole building improvements, insulation, LED lighting, boiler replacement, air conditioning and ventilation upgrades, and windows replacements.	230 tonnes in 2015/16	Annual
Water	Water procurement	Energy	Options for procuring water supplies to be assessed in readiness for opening of water markets.	TBC		Currently engaged with suppliers and awaiting further details.	NA	April 2017
Energy and water efficiency	Reducing carbon emissions through targeted efficiency measures	Energy	Priority sites to be identified annually and surveyed for potential energy saving projects.	included in above	100 tonnes	Surveys underway.	TBC	Annual
		Energy	Gas consumption to be monitored for out of pattern use, with corrective action taken as required.	NA	50 tonnes	A system for monthly monitoring is now in place, with further investigation and corrective action undertaken at a number of sites.	TBC	Monthly
	Funding	Energy	Options for funding energy efficiency projects to be reviewed.	NA	NA	Review to commence in Q3	NA	December 2016
	Reducing carbon emissions through energy awareness	Energy	Energy awareness workshops to be provided to schools.	NA	80 tonnes	The first cluster of schools are due to complete the course by September 16, with next cluster due to begin in November 16.	TBC	Ongoing
		Energy	Energy cost and consumption data to be made available to sites via roll-out of online portal.	NA	20 tonnes	Actively engaging sites to enrol and encourage regular use of the online portal.	TBC	Ongoing

	Item / Work activity	Responsible team	Action	Estimated cost	Estimated carbon savings	Update	Actual carbon savings	When
Legislation	Private Rented Sector Minimum Energy Efficiency Standard Regulations (Non-Domestic)	Property	Plan for leased properties requiring improvements in preparation for legislation coming into effect in 2018	TBC	TBC	ESCC's estate is currently being reviewed to identify sites requiring improvement	TBC	April 2018

## Appendix H9

### Carbon Management – actions completed

	Item / Work activity	Responsible team	Action	Estimated cost	Estimated carbon savings	Update	Actual carbon savings (tonnes)	When
Street Lighting	Improved street lighting management to reduce energy consumption	CET	Street lighting projects	£1.5m between 2011 and 2015	869t for projects between 2011 to 2015	LED upgrades to street lighting, traffic signals and bollards	869t between 2011 to 2015	New schemes identified annually
ICT	Improved ICT management to reduce energy consumption	ICT	Server virtualisation, follow-you-printing, and automated shut down.	tbc	63 tonnes	Implemented 2013/14 and 2014/15	tbc	Completed
CAPITAL PROJECTS	Energy efficient design for all capital works schemes	Major Projects	100% of new buildings and extensions to achieve “Good Practice” as described in CIBSE Guide F: energy efficiency in buildings	NA	tbc	Processes underway to ensure designs are in accordance with the sustainable brief.	Captured via other reporting	In place
BEHAVIOURAL CHANGE.	Improved site management to reduce energy consumption	CET	Reissue a ‘Good housekeeping Guide’ to focus on the greater requirement to make savings as a result of CRC.	NA	Part of the target above	New school and non school guides issued in 2010	3 – 5 % anticipated carbon saving	Completed
Data collection and reporting	Data collection for accurate CRC reporting	Energy Team	Install automated meter reading equipment for gas and electricity across ESCC’s estate	Lease cost within billing.	Approx 600 tonnes	Around 90% of ESCC sites now have gas and electricity AMR	3 – 5 % anticipated carbon saving	Completed
	Item / Work activity	Responsible team	Action	Estimated cost	Estimated carbon savings	Update	Actual carbon savings (tonnes)	When
		Energy Team Audit	Internal audit of CRC data to ensure compliance	NA	NA	Audit completed 2011/12 and annually to 2013/14	NA	Completed
Maintenance	Improve the overall energy performance of the Council's portfolio of buildings	Maintenance and Energy	Display Energy Certificates and Energy Surveys to be made available to Property and sites via Corporate Property information Service (CPIS)	NA	NA	Available on CPIS from 2010	N/A	Completed

**If you would like a copy of the document in a different format, such as large print, Braille or a different language, please contact us.**

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