

# MEDIUM TERM PROPERTY STRATEGY

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2018 – 2022

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## 1. Introduction

Best practice strategic asset management recommends that an Asset Strategy is prepared that describes the general direction that the asset base of the organisation will take over the next 5–10 years, the approach to be adopted in getting there and the policies that will be applied to decision making.

Oldham Council’s approach is to have a high level **Medium Term Property Strategy** (MTPS) that incorporates a detailed **Asset Management Plan** for every property asset / group of assets the Council has and a **Commercial Property Investment Strategy** to guide and set principles of how investment in property is undertaken and income generated.

A summary of the Medium Term Property Strategy, titled **The Property Plan 2018-22** is also available.

## 2. Oldham Council’s Strategic Objectives

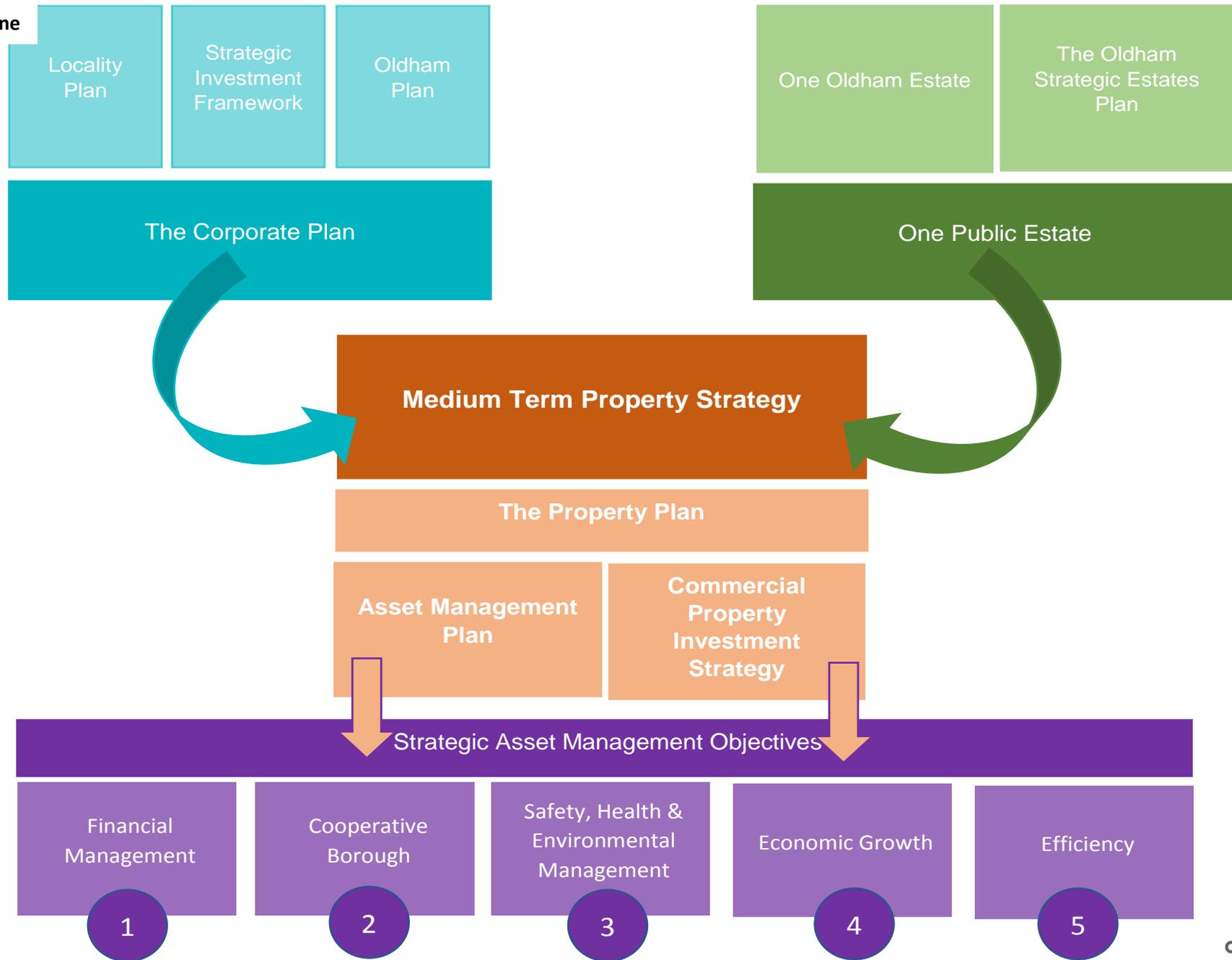
The Medium Term Property Strategy 2018-2022 reflects the Council’s strategic objectives as set out in the Corporate Plan 2017-2020; which itself is informed by The Oldham Plan 2017-2022 and the Strategic Investment Framework. In addition, recognising the greater attention on collaboration across the public sector the Medium Term Property Strategy reflects the Government’s One Public Estate Agenda which regionally is captured in the One Oldham Estate and The Oldham Strategic Estates Plan 2015-2020.

In the table below are brief details of each of these strategic documents highlighting the issues for land and buildings. The relationship between these strategic drivers is illustrated in figure one.

	Summary	Land & Buildings Issues
<b>Corporate Plan 2017-2020</b>	<p><b>Ambition</b> - To deliver a co-operative future where everyone does their bit to create a confident and ambitious borough.</p> <p><b>Corporate Objectives:</b></p> <ol style="list-style-type: none"> <li>1. An Inclusive Economy where people and enterprise thrive.</li> <li>2. Thriving Communities where everyone is empowered to do their bit.</li> <li>3. Co-operative Services with people and social value at their heart.</li> </ol>	<ul style="list-style-type: none"> <li>• Delivering key regeneration projects that grow the borough’s business base, creating jobs and transforming opportunities.</li> <li>• Transferring assets to communities to support the Council’s co-operative agenda.</li> <li>• Reducing the size of the estate, introducing new ways of working within offices to increase value for money.</li> <li>• Reforming public services and encouraging innovation, leading to better outcomes and delivery.</li> </ul>
<b>The Oldham Plan 2017-2022</b>	<p>The Oldham Partnership is made up of public, private, community, voluntary and faith organisations in Oldham. They have created the Oldham Plan, a collective statement explaining how they can work together to help people, businesses and communities. There are three pledges:</p> <ol style="list-style-type: none"> <li>1. Commitment to cooperate as ‘partner’ organisations</li> </ol>	<ul style="list-style-type: none"> <li>• Shared use of public sector assets</li> <li>• Accessible and well located buildings for services</li> <li>• Good property management services across the Borough</li> </ul>

	Summary	Land & Buildings Issues
	<p>2. Oldham to have a fair, inclusive economy with resources and opportunities that everyone can benefit from.</p> <p>3. To have the best public services in Greater Manchester that work together to improve ways of living for residents</p>	
<b>The Oldham Locality Plan 2016-2021</b>	<p><b>Vision</b> - To achieve and sustain the greatest and fastest possible improvement in the health and wellbeing for the 224,900 people of Oldham.</p> <p>Delivered through a number of transformational programmes, led by the Oldham Integrated Care Management Organisation (ICMO), that will maximise the opportunities to pool budgets and integrate commissioning.</p>	<ul style="list-style-type: none"> <li>The ICMO will require a streamlined, fit for purpose, modern and well-utilised estate. The long term vision of the ICMO is for the estate to be managed through a single estates function.</li> </ul>
<b>The Strategic Investment Framework</b>	<p><b>Vision</b> - To be a key economic contributor to Greater Manchester, providing a place where business and enterprise can thrive and where people will want to live, visit and work. It will also be a place where every resident is enabled to contribute to and benefit from the continued economic growth of the City Region.</p>	<ul style="list-style-type: none"> <li>Commercial space available for businesses to encourage enterprise</li> </ul>
<b>One Public Estate</b>	<p>OPE is a national programme delivered in partnership by the Cabinet Office Government Property Unit (GPU) and the Local Government Association (LGA). It provides practical and technical support and funding to councils to deliver ambitious property-focused programmes in collaboration with central government and other public-sector partners.</p>	<ul style="list-style-type: none"> <li>OPE has three property related core objectives:                             <ol style="list-style-type: none"> <li>creating economic growth (new homes and jobs)</li> <li>delivering more integrated, customer-focused services</li> <li>generating efficiencies, though capital receipts and reduced running costs</li> </ol> </li> </ul>
<b>The Oldham Strategic Estates Plan 2015-2020</b>	<p>The Department of Health requires all CCG's to have in place a Strategic Estates Plan. A Strategic Estates Group with representation from across the public sector has been established to support the implementation of this plan. This Group has a vision to provide a high standard of care for the growing and aging population of Oldham supported through an efficient estate which is fit for purpose, financially sustainable.</p>	<ul style="list-style-type: none"> <li>Integrated Public Sector Hub programme</li> </ul>
<b>Business and Investment Strategy</b>	<p>The Business and investment strategy support the Strategic Investment Framework. In particular it assists in creating a balanced local economy, that includes both high value added jobs and employment opportunities for local residents.</p>	<ul style="list-style-type: none"> <li>The availability of suitable, high quality sites and premises is a key factor in attracting new businesses to Oldham and enabling existing businesses to expand and grow.</li> <li>A requirement that business stock is fit for purpose.</li> <li>Address underperforming. Assets.</li> <li>Provision of new commercial floorspace and housing.</li> </ul>

Figure One



### 3. Strategic Asset Management Outcomes

#### 3.1. Objectives & Achievements 2010

The Council's 2010-2013 Asset Management Plan had six strategic asset management objectives. Appended is a summary of the achievements against those objectives.

#### 3.2. Objectives: 2018-2022

There are five strategic asset management objectives and which reflect the Council's current key priorities. Progress against these objectives will be reported annually to the Council:

1. Financial Management – optimising the return from capital employed, reducing revenue and generating income. As property is capital intensive, the estate should be continually reviewed to identify opportunities to dispose of assets. This also reduces the running costs of the estate. Commercial property is owned to generate net income (total income after costs).
2. Cooperative Borough – supporting the Council's Cooperative Agenda and place based service delivery. The Co-operative Agenda is a key priority of the Council. For property, this is reflected in the Community Asset Transfer (CAT) Policy.
3. Safety, Health & Environmental Management – Supporting the Council's environmental policy and health and safety obligations. The Council is committed to identifying and tackling the safety, health and environmental issues arising from its operations and services, this includes buildings. For example, reducing energy consumption, reducing carbon emissions and operating safe buildings.
4. Economic Growth – using property to facilitate economic development and regeneration. Development to create new housing, commercial premises for new jobs as well as increased business rates and Council Tax.
5. Efficiency – ensuring value for money processes, data management, property management and decision making. Effective and efficient governance and decision making is essential for good strategic asset management. Similarly, data is a crucial prerequisite for the development of asset management plans, decision-making and performance management.

#### 3.3. Targets: 2018-2022

For each of the strategic asset management objectives a number of SMART performance targets will be set. These will relate to the following performance measures:

	Strategic Asset Management Objective	Performance Measures
1	Financial Management	Capital receipts generated from property disposals Revenue saved from assets disposed of Income from commercial property
2	Co-operative Borough	The number of CATs Number of shared buildings with partners; e.g. academies, NHS
3	Safety, Health & Environmental Management	CO <sub>2</sub> production Gas consumption Electricity consumption Water consumption Number of buildings statutory compliant, e.g. building custodian daily checks undertaken EPC ratings A-G
4	Economic Growth	Jobs created Housing numbers built Total lettable area
5	Efficiency	Identification of high maintenance sites Total void / non-occupied space Total maintenance spend

### 3.4. Action Plan: 2018-2022

Appended is a Strategic Asset Management Action Plan for the period of the Property Strategy identifying the Priority Actions having regard to the above Strategic Asset Management Objectives.

## 4. Property Portfolio

As part of the development of the property strategy and to assist with property management and reporting the Council has subdivided the portfolio into six sub-portfolios, referred to as **Estates**. A description of each Estate and the outcome characteristics of each Estate are detailed below.

	Description	Outcome Characteristics
<b>Service Delivery - Direct</b>	Assets occupied by the Council to deliver a Council service.	A safe, flexible, efficient portfolio of assets held corporately, that supports and compliments Council and third-party service delivery. This estate will continually evolve as opportunities are taken to rationalise the assets to provide revenue savings and capital receipts and avoid backlog maintenance expenditure. However, investment to improve efficiency, improve utilisation and service delivery will take place, in particular where further asset rationalisation can result.
<b>Service Delivery - Indirect</b>	Assets occupied by third parties (i.e. tenanted) <u>and</u> delivering a Council service that if not occupied by the third party would need to be occupied by the Council; or property used to support the delivery of a Council	

	Description	Outcome Characteristics
	objective, (e.g. business incubation).	
<b>Regeneration</b>	To deliver/support Council and/or third party promoted current or future regeneration/development where the primary outcome to the Council is <u>not</u> financial. On completion of the regeneration project the asset will be reallocated to a different category.	A dynamic portfolio of assets held to deliver regeneration by the Council or third parties that will improve Oldham 'place'; will attract investment and encourage enterprise to thrive; provide homes and support healthy and independent lifestyles.
<b>Cooperative</b>	Property held by the Council and occupied by a 'community organisation' to deliver community based services. This includes all Community Asset Transfers.	The Council's ambition for Oldham is to deliver a co-operative future where everyone does their bit to create a confident and ambitious borough. Cooperative assets are those that empower residents to take greater control of their own lives. Community use of assets is the transfer (or temporary use) of land and or buildings from the Council's ownership into the stewardship and/or ownership of third sector organisations. Transfer brings responsibility. Accordingly, the management of risks including those relating to health and safety, finance, reputation, repair and maintenance, insurance to be identified whilst complying with the Council's statutory duties and responsibilities.
<b>Surplus / Vacant</b>	Non-income generation assets that are surplus to the Council's requirements and to be disposed of.	A portfolio of assets that are currently being disposed of or to be disposed of when market opportunities are appropriate. Pending disposal, holding costs to be minimised, with opportunities taken to improve saleability.
<b>Income Generation</b>	Occupied by third party organisations <u>and</u> held to provide a financial return to the Council (income and/or capital).	A diverse portfolio of assets that provides a secure and increasing income stream. Net revenue received is paramount to the Council as is the opportunity to increase the capital value by proactive acquisition and disposal, with reinvestment in this portfolio. Lease events, voids, service charges, maintenance are to be managed to maximise income receivable.

#### 4.1. Property Portfolio as at 1 July 2018

The following data has been taken from the Council's Asset Management system, 'Concerto' and is the benchmark for future reporting.

- Sites (Assets): Land and/or buildings with a clearly defined boundary and defined as a single cost centre
- Tenancies (In): Property let to the Council
- Tenancies (Out): Property let by the Council

Estate Name	Sites (Assets)	Tenancies				
		Tenancies (In)	Current Rent Payable	Tenancies (Out)	Current Rent Receivable	Total Tenancies
Service Delivery - Direct	196	53	-£ 149,982	262	£ 1,226,021	315
Service Delivery - Indirect	676	241	-£ 848,843	418	£ 125,970	659
Regeneration	242	192	-£ 301,460	300	£ 837,833	492
Cooperative	30	6	-£ 27	33	£ 32,503	39
Surplus / Vacant	348	162	-£ 2,134	2503	£ 59,366	2665
Income Generation	187	73	-£ 1,281	329	£ 777,693	402
<b>Grand Total</b>	<b>1,679</b>	<b>727</b>	<b>-£ 1,303,727</b>	<b>3845</b>	<b>£ 3,059,386</b>	<b>4572</b>

NB. The Surplus/Vacant estate includes 262 assets that are residential ground rents with over 2400 individual ground rents.

## 5. Delivery of Asset Management

### 5.1. Corporate Landlord

The Council operates a Corporate Landlord approach to the management of property. Under this arrangement the ownership of an asset and the responsibility for its management; maintenance and funding are transferred from service departments to the Corporate Landlord, which is a centralised corporate body. The service department has to make a case for the property that it wishes to deliver a service from, which allows for the Corporate Landlord to offer sufficient space - and no more space than is required - for Council activities, thereby reducing accommodation requirements. The service departments therefore are *corporate tenants*.

Corporate Landlord creates specific responsibilities that fall to the corporate tenant and the landlord depending on the nature of the asset and the service. The service department's priority is to plan and deliver the service. The Corporate Landlord's function is to ensure that the service is adequately accommodated and to maintain and manage the asset.

The Corporate Landlord's responsibility also extends to the acquisition, development and disposal of land and property. This means the Corporate Landlord would be responsible for asset review, feasibility and options appraisals across all service departments.

The Corporate Landlord model is the predominant asset management arrangement in larger private sector organisations and increasingly within local government. This is due to the potential scope for efficiencies and the effective delivery of corporate outcomes including regeneration objectives. The Corporate Landlord approach can deliver economies of scale in terms of capacity, procurement and opportunities for co-location across an organisation and with other external organisations, which leads to asset rationalisation.

### 5.2. Land and Property Protocols

The Land and Property Protocols form part of the Council's Constitution, providing a strategic governance framework within which land and property transactions are undertaken. Thus ensuring that the Council's portfolio is managed in a consistent and transparent manner with clear political accountability in decision making. The Protocols are regularly reviewed and updated to reflect, Council policy and priorities.

The following general principles are to be noted:

- The Executive Director of Economy, Skills and Neighbourhoods has overall responsibility/authority for the Council's Corporate Land and Property Portfolio.
- The Director of Economic Development is responsible for the management of all Council owned land and property assets as part of the Corporate Landlord function, and the delivery of all strategic regeneration projects.

- When considering future service delivery, Services must seek advice from the Corporate Property Team in order to ensure that property implications are thoroughly understood and potential for corporate efficiencies maximised. This will enable Services to make informed decisions and focus on service delivery and for the potential for land and property assets to support regeneration objectives and aspirations to be maximised.
- When considering any proposals regarding the Council's Land & Property Portfolio, due regard is to be had to the Council's Cooperative Approach to Use of Council Assets Policy and views of Ward Members.

### 5.3. Commercial Property Investment Strategy

In recognition of the unprecedented financial challenge the Council is facing as its funding arrangements change, the Council has put in place a Commercial Property Investment Strategy (CPIS) and Investment Fund. These present opportunities to reduce the financial pressure by increasing the revenue income stream to the Council by way of rental income from new property investments.

The return from property investments will contribute to the Council's Medium Term Financial Strategy (MTFS) in that income from revenue streams will be reinvested into supporting the economy of the borough and the provision of Council services.

To be sustainable the CPIS requires capital funding, an Investment Fund, to purchase investment assets on the open market, which can deliver an investment return for the Council.

The new investment assets are to form part of the Income Generation Estate. As properties are traded within this estate, capital receipts from the disposal of the properties within the commercial property investment fund, will be recycled back into the fund to assist in the further acquisitions of future investment properties. In acquiring properties the Council will consider the following issues:

- Covenant Strength - in the case of a let property, the quality of the tenant and more importantly, their ability to pay the rent on time and in full.
- Lease length - in the case of a let property, the unexpired length of the term of the lease is of key importance in ensuring that the landlord's revenue stream is uninterrupted.
- Rate of return - the rate of return from the property (e.g. through annual rental incomes) will need to be equivalent or better to the returns that could be earned from alternate investments, such as placing monies on deposit or alternative investment in instruments such as property funds, following adjustment for risks and potential growth.
- Risk - in general, the higher the sought level of return from an investment, the higher level of risk that it carries. For example, if a property is let at an attractive rent which would create a good return, it could still be risky if the tenant does not possess good covenant strength and could default at any time.
- Growth - property has the potential for both revenue and capital growth.

- Sector - information as to the sector of use of the property (e.g. office retail, industrial, leisure) will assist in determining the investment decision. A balanced portfolio by use reduces sector specific risks.
- Building Age and Specification - in the case of a let property, whilst the Council, as an investor, may be principally concerned with the characteristics of the tenant and lease, the age and specification of the property will also affect the ability of the Council to let or sell the property in the future. It must also be taken into consideration in respect of the cost of protecting the investment. An example of this would be the undertaking of repairs and refurbishment if the cost cannot be fully recovered from the tenant.
- Location - the location of the property will ideally enable the Council to be able to undertake inspections and to deal with any management issues without the need to employ specialists or agents. In essence, whilst location is not the only factor, initial preference should be given to properties located within Greater Manchester or in the wider north west of England first, in light of Government policy in this area.

#### 5.4. Commissioning of Property Services

The Council has adopted a commissioning approach to property services with Unity as the Council's core delivery vehicle. The rationale for such a model is to strengthen alignment between Unity purpose and Council objectives. A joint Council and Unity Commissioning Board oversees the commissioning of Unity and ensure alignment with council priorities and the interdependencies across services.

For property services delivered by Unity the MTPS sets the framework for service delivery with activity organised around the six Estates detailed in section 4.0 above.

## 6. Corporate Property Policies

The Council has approved a number of policies which determine how property is to be managed in support of the Council's strategic objectives. This section of the MTPS sets out those policies ensuring consistency of management and application.

### 6.1. Disposal of Council Property

The Council will dispose of land and property assets in accordance with the following key principles:-

- The disposal does not prejudice the longer term interests of the Council;
- The proposed use of the land and property will generally be supported by the Local Planning Authority;
- The opportunity to use part of the capital receipt to improve its value or the value of neighbouring assets;
- The consideration is the best that can reasonably be obtained and satisfies Section 123 of the Local Government Act 1972, unless the disposal is through the Council's Asset Transfer programme; and

- The terms of the disposal protect the Council's adjoining and retained property.

Property disposals will generally be on a competitive basis, with the exception of disposals to Nominated or Special Purchasers. The Council will determine the most appropriate method of sale; including Formal Tender, Informal / Negotiated Tender, Auction or Private Treaty.

Disposals to Nominated Purchasers will be considered by the Council where this meets an identified regeneration, social or community need. The Council may dispose to Special Purchasers to whom a particular asset has special value because of advantages arising from its ownership that would not be available to general purchasers in the open market. Such Special Purchasers will include adjoining owners and parties with an interest in the property where a disposal will release additional or marriage value, to be shared with the Council.

The disposal of land which is, or forms part of an area of Public Open Space or Common Land, is subject to special rules and procedures, which is set out below.

## 6.2. Disposal of Public Open Space

The Council owns land that may be considered to be Public Open Space and any disposal of such land needs to follow a statutory procedure as set out in the Land & Property Protocols. Decisions to dispose of open space, which is defined as, 'any land laid out as a public garden, or used for the purposes of public recreation, or land which is a disused burial ground', (Section 336(1) of the Town & Country Planning Act 1990) is made in two stages.

- i. The first stage is to advertise the Council's intention to dispose of the land in question. This usually includes an indication as to potential future use, subject to undertaking a statutory advertising procedure in accordance with Section 123(2A) Local Government Act 1972. This involves advertising in an appropriate publication for a specified period of time and allowing a period of time for objections.
- ii. The second stage is to consider any objections received following completion of the statutory advertising procedure and to make a decision whether to dispose or retain of the land having regard to any objections that may have been received

The decision to dispose or retain is a public law decision and must be made in accordance with the principles of public law. In particular it must be reasonable to dispose of the land having considered objections and there must be no pre-determination of the decision. Accordingly, any prospective purchaser expressing an interest as a result of the statutory advertising procedures will be advised that the Council is unable to make any commitment to enter into a contract for sale until such time as a proper decision to dispose of the land has been taken.

As open space is not specifically dealt with in official copies on the Land Registry the Council has developed an assessment process to assist in determining whether the asset is considered to 'Open Space' and whether any disposal should follow the

Public Open Space disposal process set out in the Land & Property Protocols. A copy of the assessment process is appended.

### 6.3. Disposal of Property – Restrictive Covenants

When the Council sells property the following clause is included within the conveyance to protect the wider interests of the Council.

*“Not to use the Property or any part of it for the purposes of a school providing main stream primary or secondary education which is State or privately funded on a full time basis or to operate between the hours of 5.00pm and 9.00pm Monday to Friday nor to use the property as a children’s home or a home for the elderly but shall be used for the Permitted Use only.”*

### 6.4. Letting of Council Property

New commercial lettings will generally be on a competitive basis, the final decision on which applicant to accept will be based on the proposed rent, the most suitable use, the tenant’s financial standing and the level of investment by the tenant. The marketing of vacant property will allow for the use of appropriate incentives to reflect prevailing market conditions.

New tenants (including assignees) must provide appropriate proof of identification and suitable references. Guarantors may be required if the applicant is unable to demonstrate an acceptable trading history.

Tenants will not be allowed to take occupation until agreements have been completed.

For all new agreements three months’ rent (a quarter) is payable on completion of the agreement, with any incentives if appropriate applying after the first quarter. Rent for commercial property is payable by Direct Debit in advance according to the frequency and period specified in the agreement.

The Council will adopt good estate management and commercial practices for managing arrears of rent which may include individual payment plans. If such payment plans are not adhered to the Council will reserve the right to take the necessary legal action to forfeit the agreement and recover possession of the property. The Council will reserve the right to charge interest on arrears where the agreement permits.

### 6.5. Minimum Energy Efficiency Standard (MEES)

From April 2018 it is unlawful for landlords to let commercial properties with an Energy Performance Certificate (EPC) rating of ‘F’ or ‘G’ (i.e. the lowest 2 grades of energy efficiency). From 1st April 2023, this will be extended to cover all property, including where a lease is already in place.

These regulations have implications for the Council's property portfolio and in particular the letting of property to third parties.

## 6.6. Co-operative Use of Council Assets

Oldham Council wants to ensure residents get the best possible use out of buildings, green spaces, property and land that it owns. That is why, as part of the co-operative agenda, the Council is fully committed to supporting the 'Community use of Assets', as this can empower communities, deliver new benefits and contribute to the Council's wider objectives. Community use of Asset is the transfer (or temporary use) of land and or buildings from the Council's ownership into the stewardship and/or ownership of third sector organisations. Any voluntary or community body as defined in the Localism Act 2012 can apply.

The Council's approach the Community use of Assets (Community Asset Transfer) is set out in the Council's Co-operative Use of Council Assets- Policy & Procedure.

To support a community asset transfer, applicants will need to prepare a business case with a robust financial plan that demonstrates a clear community and social demand for the proposed use. The business plan will also address the organisational capacity of the group that wishes to take over the asset and an appreciation of the ongoing property management responsibilities; as when an asset is transferred these responsibilities will pass from the Council to the organisation applying for the asset.

## 6.7. Office Accommodation Strategy

The Council is continually reviewing its office accommodation to provide a portfolio that is both cost efficient and effective for service delivery. The requirement for constant review is also driven by:

- The 'One Public Estate' agenda and desire for greater collaboration and co-location across the public sector
- The Town Centre Masterplan
- The changing demand for office space as a consequence of flexible working, 'hub and spoke' service delivery.

## 6.8. Commercial Occupiers and Use of Council Property

The Council will adopt good estate management and commercial practice to restrict use where necessary to achieve an acceptable occupier mix and ensure sustainability of businesses. The Council has strict requirements as to the use of its properties and will only let property that supports the Council's corporate objectives. Accordingly, applications to use property for the following uses will not be supported:

- Pay Day Lenders
- Betting Shops
- Pawn Brokers

In addition to the restriction on the overall use a property may be put to, there are certain goods that may not be sold, made or used on Council property.

- Flying Lanterns, also known as 'Chinese lanterns' or 'sky lanterns' are airborne paper lanterns, constructed from rice paper on a bamboo or wire frame. In April 2015, the Council resolved to ban the sale and use of flying lanterns on any of its property.

## 6.9. Metal Detecting on Council Land

Metal detecting on land owned or tenanted by Oldham Council is not permitted except where a metal detecting survey forms part of an approved programme of archaeological investigation.

The reason for this policy is to provide a consistent approach to the management of the Council's assets and whilst metal detectors can be valuable archaeological tools when used responsibly, metal detecting can be problematic and can result in:

- removal of artefacts from their contexts with serious loss of information;
- damage to related archaeological deposits;
- partial recovery of assemblages which often neglects non-metal finds, again with a loss of information;
- unreported discoveries leading to an accumulated loss of knowledge, and
- interference with our leisure, sporting or public use of Council land.

## 6.10. Leasehold Enfranchisement

The Leasehold Reform Act 1967 as amended enables qualifying tenants of residential property held on long leases at low rents to acquire the freehold or an extended lease for a term expiring fifty years after the expiration of the existing tenancy.

The legislation provides strict criteria in respect of qualifying tenants, notice to landlord, etc. Notwithstanding this the Council will endeavour to be supportive in the application of the legislation, therefore new purchasers of property who ordinarily may not satisfy the strict criteria will also be afforded the same opportunity to acquire.

Whilst recognising the requirement to comply with the legislation the Council's preference is to sell its freehold interest or assign the residue of its leasehold interest if the Council is itself not the freeholder. The Council will issue standard terms for such disposals.

## 6.11. Garden Tenancies

Periodically the Council has granted garden licences, which allow the occupation of Council land for use as a private garden by a neighbouring household. These

licences are for a short term, subject to the payment of a licence fee and capable of termination by the Council.

The cost of creating and managing new licences is prohibitive. Accordingly, the Council will no longer grant new licences, other than were detailed below, but will consider requests to purchase land for use as a private garden from adjacent properties. The Council will issue standard terms for such disposals.

Licences will only be granted:

- Where it necessary to protect the long term (strategic) interests of the Council; or
- Where during probate there is a change of owner.

## 6.12. Asset Management Fees and Charges

The Council has a Fees and Charges Policy, which has the overall aim of ensuring that fees and charges are set within a framework of value for public money, whereby financial, performance, access and equality are considered fully and appropriately and decisions taken represent a transparent and balanced approach.

Asset Management Fees and Charges including surveyor and legal costs payable by applicants will be reviewed on an annual basis and incorporated within the overall budget setting arrangements of the Council. The Asset Management Fees and Charges for 2018/19 are appended. This does not apply to rents, licence fees or property sale prices which are determined have regard to market conditions and the Council's statutory obligations with respect to the disposal of property.

As a general principle asset management fees and charges will be calculated on a marginal or full cost recovery basis, depending on the state of the market and any other relevant factors.

## 6.13. Third Party Consultants

The Council may, from time to time, commission external consultants in connection with asset management issues. The Council will procure such consultants in accordance with the Council's Contract Procedure Rules.

## Appendices

1. Strategic Asset Management Objectives & Achievements 2010
2. Strategic Asset Management Action Plan: 2018-2022
3. Asset Management Plan
4. Asset Management Fees and Charges 2018/19
5. Public Open Space – Assessment Process

## 1. Strategic Asset Management Objectives & Achievements 2010

Oldham Council's 2010-2013 Asset Management Plan had six strategic asset management objectives. The following section briefly summarises the achievements against those objectives.

	1	2	3	4	5	6
<i>Objective</i>	Realising Value for Money	Services Accessible for All	Promoting Sustainable Communities	Enhancing the Environment	Transformation of Council Services	Economic Growth
<b>Definition</b>	In light of the capital value and running costs associated with buildings, seek opportunities to cut costs and redeploy capital.	Ensuring the location, quality, size and design of buildings contributes positively to the services that are delivered.	Using assets to support communities and the Council's Cooperative Agenda.	Improving the impact on the environment from land and buildings.	Using buildings to change how Council buildings are delivered.	Supporting physical and economic regeneration via residential and commercial development.
<b>Achievements</b>	<p>Review of office accommodation and reduction in the number of office buildings.</p> <p>Disposal of surplus operational buildings; including</p> <p>Introduced Corporate Landlord policy</p>	<p>Review of leisure estate and re-provision with better assets.</p> <p>Consolidate customer contact points within Access Oldham.</p>	<p>Implementation of a Community Asset Transfer policy.</p> <p>Development of neighbourhood hubs.</p>	<p>Carbon reduction achievements from building closures.</p> <p>Procurement of a Building Management System to reduce energy usage.</p> <p>Achieved and retained ISO 14001.</p>	<p>New ways of working policy to reduce office floorspace and improve workforce productivity.</p> <p>Implement Community Asset Transfer.</p> <p>Review of Land and Property protocols.</p> <p>Creation of a unified property service within Unity Partnership.</p>	<p>Town centre investment strategy, including refurbishment of Oldham Town hall for cinema and retail uses.</p> <p>Development of a regional science centre.</p>

## 2. Strategic Asset Management Action Plan: 2018-2022

	Strategic Asset Management Objective	Priority Actions
1	<b>Financial Management</b>	Report against a suite of property performance indicators Report against service delivery performance measures Income growth, costs reduction and capital receipts programmes Property rationalisation programme
2	<b>Co-operative Borough</b>	CAT framework to increase number of asset transfers
3	<b>Safety, Health &amp; Environmental Management</b>	Statutory property compliance programme Environmental management performance measures Re-procure contractor frameworks
4	<b>Economic Growth</b>	Rationalise regeneration estate to release surplus property Regeneration programme for new houses, employment and development
5	<b>Efficiency</b>	Preparation of Asset Management Plans Review of Council office accommodation Rationalise service delivery estate to release surplus property Property rationalisation programme Next phase towards a unified property asset management system Review of property management governance arrangements

### 3. Asset Management Plan – Template

<b>Property</b>	<p><i>Name &amp; address of property</i></p> <div style="border: 1px solid black; width: 100%; height: 100%; display: flex; align-items: center; justify-content: center;"> <p><b>Photograph(s)</b></p> </div>
<b>Date of AMP</b>	<i>Date of AMP</i>
<b>Asset No.</b>	<i>Asset number(s) for all properties within AMP (Multiple assets can be in one AMP)</i>
<b>Estate</b>	<p><i>Confirm Estate Name, i.e.</i></p> <ul style="list-style-type: none"> <li><i>Service Delivery - Direct</i></li> <li><i>Service Delivery – Indirect</i></li> <li><i>Regeneration</i></li> <li><i>Cooperative</i></li> <li><i>Miscellaneous</i></li> <li><i>Surplus / Vacant</i></li> <li><i>Income Generation</i></li> </ul> <p><i>(Only one estate type per AMP)</i></p>
<b>Description</b>	<p><i>Brief description of property, i.e. type of property</i></p> <p><i>Full description – use extract from valuation report</i></p>
<b>Site Area</b>	<i>Calculated from GIS. Separate area for each asset</i>
<b>Floor Area</b>	<i>Council areas &amp; VOA areas</i>
<b>Valuation</b>	<p><i>Asset Valuation – date - £xxxx</i></p> <p><i>Insurance Reinstatement Cost - £xxxx</i></p> <p><i>Notes: Add any notes from valuation report</i></p>
<b>Service Charge</b>	<i>Detail of most recent Service charge account</i>
<b>Condition Survey</b>	<i>Notes from Condition Survey</i>
<b>EPC / DEC</b>	<i>Notes from current EPCs/DECs, e.g. actions, rating</i>

**AMP Actions**

	<b>AMP Actions</b>	<b>Asset Name</b>
<b>1</b>	Data Cleanse	<i>Suggested headings for comment / action</i>
<b>2</b>	Tenancy Schedule	<i>Suggested headings for comment / action</i>
<b>3</b>	Service Charge	<i>Suggested headings for comment / action</i>
<b>4</b>	Condition Survey	<i>Suggested headings for comment / action</i>
<b>5</b>	EPC	<i>Suggested headings for comment / action</i>
<b>6</b>	Opportunity for Enhancement	<i>Planning, redevelopment opportunity</i>

**Appendix**

<b>Tenancy Schedule</b>	<i>Extract from Concerto report: 'Site and Occupation Information (OMBC, Current &amp; Voids, Blocks, Rental - Units)'</i>
<b>Site Plan</b>	<i>Showing Blocks, &amp; Rental Units</i>

#### 4. Asset Management Fees and Charges 2018/19

The following asset management related Fees and Charges will apply from the 1 April 2018. These are charges recovered from third parties and include legal, surveyors and administrative costs. It does not include rent, licence fee, or property sale price that may also be payable and will be advised separately.

Activity	Net Cost 2018/19	VAT	Gross
<b>Land &amp; Property Enquiries</b> Initial enquiries about the Council's land and property ownership	£nil	£0	£nil
<b>Estate Management – Commercial Property</b> New Leases New Licences (including advertising hoarding licences and telecom licences, compounds) Deed of Assignment Lease Renewal Landlord's Consent  Deed of Variation or Surrender Rent Review	£500.00 £250.00 £750.00 £500.00 £500.00 (minimum). For complex or extensive alterations on a quantum meruit basis £750.00	£100.00 £50.00 £150.00 £100.00 £100.00  £150.00	£600.00 £300.00 £900.00 £600.00 £600.00  £900.00
<b>Estate Management – Residential Property</b> Landlord's Consent Grant of a garden licence or garage licence	£75.00 £75.00	£15.00 £15.00	£90.00 £90.00
<b>Electronic Copy Documents</b> Copy leases (up to A3 size) Certified leases (up to A3 size) Copy leases (larger than A3) Certified leases (larger than A3)	£25.00 £50.00 £50.00 £100.00	£5.00 £10.00 £10.00 £20.00	£30.00 £60.00 £60.00 £120.00
<b>Auction Sale</b> Buyer's Premium Administration Fee	Set and specified at the time of the auction		
<b>Leasehold Enfranchisement</b> To acquire freehold reversion or a lease extension	£500.00	£100.00	£600.00
<b>Sale of Garden Land</b>	£300.00	£60.00	£360.00
<b>Community Asset Transfer</b>	£nil	£0	£nil

Activity	Net Cost 2018/19	VAT	Gross
<b>Other Property Disposal</b>	Set and specified at the time of the sale or if not specified 3% of the purchase price subject to minimum of £1000.00		
<b>Easement / Wayleave</b>	£500.00	£100.00	£600.00
<b>Other Licences</b>			
Grazing Licence	£100.00	£20.00	£120.00
Licence to enter Council land	£100.00 per licence	£20.00	£120.00

## 5. Public Open Space – Assessment Process

### Introduction

In accordance with the Land & Property Protocols, it is important that the surveyor identifies at the earliest possible stage whether the land subject to a proposed disposal could be considered or deemed to be “open space” (often referred to as Public Open Space) as defined within Section 336(1) of the Town & Country Planning Act 1990, more particularly:-

“Open space means any land laid out as a public garden, or used for the purposes of public recreation, or land which is a disused burial ground.”

If this cannot be determined conclusively from information available to the surveyor then he / she should undertake a site visit and complete the assessment below, which is aimed at assisting the surveyor in determining whether the Council is required to advertise its intention to dispose of open space to fulfil its statutory obligation in accordance with the provisions of Section 123 Local Government Act 1972 and/or Section 233 Town & Country Planning Act 1990.

The surveyor is recommended to consider the questions raised in Table 1 and if applicable consider further those issues referred to in Table 2 as part of their assessment.

It is further recommended that the surveyor takes photographs of the site in question.

### Table 1 Questions

The following table sets out a series of questions the surveyor should consider as part of his / her initial assessment of the land whilst carrying out a desktop exercise and site visit.

No	Questions	Yes / No	Course of Action
1	Is the land designated within the UDP or Local Plan (formerly Local Development Framework) as recreational open space?	Yes/No	If Yes - advertise
2	Is the land formally laid out & maintained as a garden or landscaped area by the Council’s Parks Service?	Yes/No	If Yes - advertise
3	Is the land formally laid out & maintained as a garden or landscaped area by a partner organisation on behalf of the Council?	Yes/No	If Yes - advertise
4	Does a desktop study reveal any evidence that the land was a former burial ground?	Yes/No	If Yes – advertise.  NB: If so, also need to consider whether it is consecrated ground.
5	Is the land unfenced and accessible to the public?	Yes/No	If Yes – consider Table 2 issues.

No	Questions	Yes / No	Course of Action
			If No – note current use of the land, any evidence of site notices or use with permission.

**Table 2 Issues**

If following completion of the questions within Table 1 the answers are all 'No', then the surveyor is required to consider further the issues in Table 2.

No	Issues to Consider	Comments
1	Degree to which there is evidence of use for recreational purposes by members of the public. For example: dog-walking, trial / mountain biking, kick about area, etc.	
2	Degree to which there is clear evidence of wear or desire lines?	
3	Degree to which any lack of repair or maintenance to the boundary features (i.e. fences, walls, hedges, ditches or bunds) may offer an opportunity to access the land.	
4	Degree to which any access or use of the land might be considered as being unlawful or may constitute trespass?	
5	Degree to which there is evidence that the land is being used with permission?	
6	Degree to which there is evidence of a previous use on the site and when this may have ceased? For example has the site been temporarily landscaped pending redevelopment e.g. housing clearance programmes – if so how long ago?	

Having completed the above, the surveyor is required to consider / assess the following risks:-

Risk Factor	Low		High	
	1	2	3	4
<b>Risk of Challenge</b> i.e. The risk or likelihood of the Council being challenged as a result of a decision to dispose of the land without first undertaking a POS advertising procedure.				
<b>Financial / Reputational Risk</b> The possible effect from a financial / reputational / judicial review perspective of any such challenge.				
<b>Sensitivity</b> How contentious any such disposal may be.				

**Scoring**

Each of the above risk factors is to be scored between 1 and 4.

Total Score for the subject site = \_\_\_\_\_

**Assessment & Options**

**Option 1**

If the score is greater than 6, the subject land should be regarded as Public Open Space and as such is subject to a statutory advertising procedure to be undertaken in accordance with the Council's Land & Property Protocols.

**Option 2**

If the score is 6 or less then the subject land should not be regarded as Public Open Space and as such is not subject to a statutory advertising procedure.

**Decision**

Having fully completed this Assessment, the surveyor has considered all pertinent information available to him / her and determined that Option 1 / Option 2 \* should be followed in respect of the subject site.

Name of Surveyor: \_\_\_\_\_

Date: \_\_\_\_\_

\*delete as appropriate