



Asset Management Plan General Fund

2023/24 to 2033/34

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1 Introduction

Background

The Council owns significant property assets of a wide-ranging nature. The purpose of this Asset Management Plan (AMP) is to set out how the Council will manage these properties efficiently and effectively so that they are fit for the purpose for which they are held, meeting requirements in terms of function, size, environmental performance, cost, financial return and location now and in the future.

It is also to inform future investment decisions about such properties so that expenditure is prioritised and focused on delivering the Council's wider corporate objectives. The Council recognises that it has to ensure it is making the best use of its assets in terms of service delivery, income generation and cost. To achieve this, it needs to have clear plans and processes so that its property assets contribute to the relevant Council policies and objectives.

Understanding the property assets, their condition, and the associated repair and maintenance investment needed are key components of managing the Council's property into the future. Our ability to make strategic investment, re-development and disposal decisions in a timely manner is crucial if we are to manage a successful property portfolio to meet the Council's objectives. Ownership has delivered significant income and capital receipts for the Council as well as redevelopment opportunities for wider purposes.

The AMP also sets out how the Council will meet key carbon emissions and energy efficiency commitments for its assets, including the target of achieving net zero carbon emissions by 2030 from its corporate 'Greenhouse Gas Report' buildings and meeting energy efficiency standards for Council-owned leased properties to comply with legislation.

For the Operational Estate, best practice and general financial pressures demand efficient and effective use of the Council's assets and the proactive identification of opportunities to improve income and reduce costs. Cost reduction will primarily result from reducing the size of the administrative space occupied and improving environmental performance. Opportunities for income generation for property held for operational purposes should also be considered.

Income generation comes from improving the commercial property portfolio, identifying and executing opportunities through reviews, reinvestment, redevelopment and re-gearing of leases. Further investment in commercial property through either capital being made available or reinvestment of disposal proceeds to improve the asset or portfolio are also considered. Opportunities for income generation for property held for operational purposes should also be considered.

The AMP will cover the following aspects of property ownership of the Council:

- Section 2, the Asset Management Approach sets out the guiding principles of efficient management, the components and tools available to enable delivery of results
- Section 3 provides a brief overview of the General Fund Portfolio Assets
- Section 4 outlines the portfolio objectives and the various reviews undertaken in relation not only directly to property but also the other Council activities and services where property is an integral aspect

- Section 5 provides an overview of the approach to sustainability and carbon reduction
- Section 6 covers the Operational Portfolio
- Section 7 covers matters relating to commercial property investments. It sets out the KPIs and the objectives, principles and process of acquisition, property reviews, asset management and development and disposals
- Section 8 covers portfolio wide matters relating to repair and maintenance, health & safety, statutory compliance, property data management.

Reasons to Own Property

Properties are held for a variety of reasons, both financial and non-financial including:

- Providing the platform for delivery of front-line services
- Used for back-office support functions to enable front-line service delivery
- Providing facilities to the community to bring them together and provide space for a wide variety of community activities
- Stimulating and influencing the wider environment and economy leading to improved economic well-being
- Providing opportunities for start-up businesses which may not be available through the private sector
- Improving the quality of the public realm
- Generating income and capital receipts to be reinvested in delivering the Council's wider priorities.

Because of the wide variety of properties and their multiple functions and objectives, not all parts of the AMP or the reasons for holding above will be relevant in every instance.

Role of Asset Management Plan

The role of the AMP is to set out the background, objectives and governance of ownership and management of all General Fund property owned by the Council. It reflects the Corporate Plan "One Cambridge – Fair for All" vision in which economic dynamism and prosperity are combined with social justice, equality and action to address climate change and environmental impacts.

The AMP reflects core policies and strategies of the Council and its chosen service delivery methodology which may include outsourcing and partnerships. It will also be influenced by wider public policies and initiatives and property market impacts.

The actions in the AMP promote the management and use of assets in a way that positively assists the Council to deliver its Corporate Plan 2022-2027, with particular reference to the following priorities identified in the plan:

- Transforming the council so we can continue delivering our priorities and provide quality services despite reduced funding and income
- Leading a sustainable and inclusive recovery
- Leading Cambridge's response to the climate change and biodiversity emergencies

The plan aims to balance the competing needs for investment in order to:

- Reduce carbon emissions from buildings through improved energy efficiency or renewable energy generation
- Keep properties fit for purpose be it an operational, community or investment property
- Bring obsolete properties up to date, or re-develop to comply with current regulations
- Balance expenditure on responsive, cyclical and planned works
- Respond to and pre-empt changing demand patterns for both operational and commercial properties
- Anticipate decline in desirability and value in the commercial portfolio, taking positive action to avoid this decline
- Increase the desirability and sustainability of the Council's General Fund property portfolio
- Deliver an investment programme in a cost-effective manner in accordance with sound procurement principles
- Maintain the value of the assets, including maximisation of the utilisation and income of the operational, administrative and commercial portfolio

Regarding the Council's commercial properties, it seeks to manage these efficiently and effectively in accordance with the objectives of holding property investments. In terms of this Asset Management Plan, the focus is on maximising the financial returns within the acceptable level of risk for the Council.

New asset management initiatives to be developed 2023/24 – 2026/27

- Identify resources required and implement a new rolling programme of asset stock condition surveys all properties are inspected every five years
- Develop 30-year maintenance plans for all asset types and submit budget proposals to establish programme of planned maintenance work.
- Implement programme of work for retrofitting Commercial property to reach MEES standard EPC B by 2030
- Develop proposal to achieve net zero carbon by 2030 in selected assets
- Complete Implementation of MRI Asset and Technology Forge asset management software – including development of compliance and servicing modules
- Establish a programme of re-inspection of asbestos containing materials following implementation of a new asbestos register based within MRI Asset
- Review external cyclical decoration arrangements and implement a new programme for all building types.
- Review facilities management arrangements and review procurement arrangements for facilities services including building security, cleaning, vending machines.

2 ASSET MANAGEMENT APPROACH

Approach

The Asset Management Plan sets the strategy for the Council's property portfolio to meet the operational requirements of the Council, its vision and objectives. This asset management plan covers the 10 year period from 2023/24 to 2033/2034.

The vision is set out at a high level, consisting of the service plans or strategies for the constitutional elements of the Council that collectively deliver that vision. These service plans and strategies inform the asset level plans required to deliver the individual service plans and collective vision. This is not a static process, but one that should be under regular review to capture changes in corporate objectives or priorities as well as changing business and market circumstances.

The plan is for the Council's General Fund property assets including administrative buildings, operational property and the commercial investment property portfolio. Operational property includes community centres, car parks, pavilions, public toilets, street lighting, street furniture, parks and open spaces, and recreational facilities such as swimming pools.

This plan uses existing condition survey information, where available, to inform the strategic framework within which decisions on investment, or divestment, can be made. It also sets out the Council's priorities and the pressures that will shape the pattern of future investment. Finally, it identifies some of the decisions that will need to be made during the coming years in order to ensure that investment is prioritised in the most cost-effective manner and that the organisation makes the best use of its assets.

The asset management plan will be reviewed every five years to ensure that the Council responds appropriately to the changing environment, where financial, external and other factors may affect decisions made.

Asset Management Components and Tools

The Council has at its disposal a range of tools to assist in the process of delivering its plan. These include:

- Condition Survey data
- Property portfolio/asset reviews by property type
- Energy Performance data and Energy Management Software
- KPIs to monitor performance of Commercial and Operational Properties
- Technology Forge and MRI Asset Property Management Systems (manages repairs, compliance, asbestos, servicing, planned works)
- Property Valuation Data
- Experienced team of in-house surveyors to manage the portfolio
- Access to specialist surveying expertise when required
- Contractor agreements in place for planned maintenance, repairs and servicing
- Industry agency and marketing platforms for marketing property

These tools are the basic equipment required to enable the Council to take informed decisions. Once the strategic decisions have been taken in line with the Asset Management Plan, the Council is able to use the various and more tactical implementation components of its plan to deliver results.

These components include:

- Refurbishment and remodelling of office accommodation to ensure that it is made to be and remains attractive and meets modern requirements and expectations of tenants, the public and staff
- A planned maintenance programme based on whole building lifecycle, achieving economies by replacing components just before they would otherwise require response repairs, anticipating changes in minimum acceptable standards, and reducing future requirements for cyclical maintenance
- Planned cyclical maintenance to prevent deterioration in the physical condition of the properties
- A responsive maintenance service so that building occupiers, stakeholders and members of the public are satisfied with condition and function of buildings.
- Efficient and effective approach to empty properties to maintain property occupancy level to protect the Council's revenue
- Diary and case management of lease expiries, rent reviews and other property management issues
- Disposal of selected property, redevelopment and reinvestment to maintain a balanced portfolio that meets the needs of the Council, reflect changing requirements and represent a sounder economic and social investment

3 Overview Of Assets

General Fund Portfolio

The Council has a wide-ranging asset portfolio including housing estates, common land, community centres, car parks, swimming pools, commercial property, vehicles and equipment. Each asset needs to be fit for the purpose for which it is used and where appropriate make an appropriate return on investment made by the Council.

The current General Fund property portfolio currently comprises:

No. of Units	Operational Building / Land Type
4	Main Operational Office Buildings, [The Guildhall, Mandela House, 171 Arbury Road and 130 Cowley Road (leased in)].
1	Depot incorporating offices, parking, waste transfer facilities and building stores.
1	Vehicle repair garage facilities [Leased in]
16	Car Parks
1	Crematorium
2	Cemeteries
7	Community Centres
30+	Parks, Nature Reserves, Commons, Open Spaces
11	Swimming and Paddling Pools
2	Entertainment Venues
20	Public Conveniences
12	Pavilions

The Commercial Portfolio comprises the following:

No. of Units	Building / Land Type
163	Industrial Units (including multi-let estates)
76	Office Properties
92	Retail Properties
88	Other Properties (including long leasehold)
2	Areas of Development Land
1	Hotel (under construction)

The current value of the General Fund commercial property portfolio as at 31st March 2022 is c£160.7m and produces an income of c.£8.7m p.a.

The Council's investment portfolio is primarily in Cambridge, but it does own properties nearby in Haverhill, Royston, Huntingdon and Peterborough. It is a mixed portfolio of retail, offices, industrial units/estates, leisure and miscellaneous assets.

Investment assets are held and managed primarily for the purposes of providing a financial return, both revenue and capital. Many are valued annually to monitor their performance and for compliance with accounting standards for inclusion in the Council's statement of accounts. Some also have a social economic component in addition to the financial return such as the multi let office and industrial units which are let on short-term flexible leases favoured by start-ups.

The Investment Portfolio has been reviewed according to the following classification system as follows:

- Core Investments – prime investments either let on good institutional lease terms or with good demand potential.
- Secondary Investments – secondary locations, higher yielding, flexible leases and primarily held for socio/economic purposes.
- Strategic/Corporate Investments –holdings not generally held in an institutional portfolio with use by occupiers relating to the Council's non income generation objectives, but never-the-less providing an income source.

Based on the 2019 review, the investment portfolio is made up of 83.4% in Core, 13.4% in Secondary and 3.2% in Strategic/Corporate.

4 Property Reviews And Performance Measures

Portfolio Objectives

The Council's Themes are set out in the Corporate Plan 2022-2027 as follows:

- Leading Cambridge's response to the climate and biodiversity emergencies and creating a net zero council by 2030
- Tackling poverty and inequality and helping people in the greatest need
- Building a new generation of council and affordable homes and reducing homelessness
- Modernising the council to lead a greener city that is fair for all

The Council's property objectives are to provide suitable accommodation to meet the needs of the citizens, employees and businesses and provide the services required as set out earlier in this document.

Strategic Reviews

Services of the Council undertake strategic reviews of their service periodically. These should include reference to corporate property or property used and managed primarily by their service and to help maintain a holistic and strategic approach to any decision-making involving property. The Council's in-house property professionals should be included to advise on relevant property issues from a wider Council or professional perspective that may need to be considered.

Such reviews, although primarily concerned with specific service delivery, should also consider the property assets used and their:

- Ability to further the delivery of the Council's stated Themes
- Fitness for purpose and suitability
- Existing condition and future repair, maintenance and investment requirements
- Environmental performance and the impact on the Council's cumulative environmental impact, including the Council's target of net zero carbon emissions from its corporate buildings by 2030 and energy efficiency commitments for let properties
- Potential for working with, sharing accommodation with or transferring assets to partners/community to improve service delivery
- Potential to deliver or help meet other Council priorities such as housing, anti-poverty, income generation and savings

Examples of such reviews include:

- Community Centres Strategy – review and consideration of the property related aspects of 'Review of Community Provision' across Cambridge, including provision by partners
- Open Space and Recreation Strategy – covering parks, open spaces, sports facilities, allotments, cemeteries and church yards
- Office Accommodation Strategy – setting out the Council's strategy and plan in relation to use and occupation of the Council's administrative and operational buildings

- General Fund Development Programme – consideration of the development and investment opportunities across the General Fund
- Allotments Strategy – focused on the management of allotments, both directly and indirectly managed
- Sports and Physical Activity Action Plan – to provide excellent sports infrastructure including the use of Council property
- Indoor sport strategy
- Swimming Pool Strategy
- Cultural Strategy

The different reviews are led by the relevant service groups with frequency and timescales set by them. The key targets should be reviewed regularly with the Council's property professionals to assess progress.

Other Reviews

The General Fund property portfolio will be reviewed on a regular basis, at least every five years, to re-assess why the Council holds each asset, how it is performing in the areas of fitness for purpose, suitability, environmental, financial and access. The review will also consider future investment required. The review will use a standard approach for each property type to ensure consistency. The relevant service responsible for a property will complete the review supported by the in-house property teams.

The reviews will draw data from other relevant, current work, such as condition surveys, Greenhouse Gas Reports and EPCs. These will be used to inform forecast revenue/capital budgets, an action plan for any proposed property changes, repair and maintenance programmes and capital programmes for each property.

Commercial Property Reviews

The commercial property portfolio's performance will be reviewed on an individual property basis during the five-year, high-level review. The whole portfolio performance review will include measures such as:-

- Income Received (gross and net)
- Capital Value
- Rates of Return – Income, Capital and Total
- Income and Capital Value Change Year on Year

The Investment Portfolio will also be measured against the KPIs and the portfolio benchmarking by sector, lease type, geographical location and classification as set out in section 7.

The five-year reviews should assess how a property is performing in key areas and allow comparison between other properties within the same property type. Ad hoc or strategic reviews should consider how individual properties are performing relative to similar properties and the action plans should propose how to improve the performance of underperforming properties.

5 The Contribution Of The Asset Management Plan To Sustainability And Carbon Reduction

Carbon Reduction, Climate Change and Biodiversity emergencies

The Council's commitments to achieving net zero carbon (NZC) emissions, along with wider sustainability objectives, are a central driver for this revised Asset Management Plan. It has a key role to play in delivering these commitments. The Council declared a Climate Emergency in February 2019 and it declared a Biodiversity Emergency in May 2019.

To address the climate emergency, the Council is committed to reducing carbon emissions from both the Council and the city of Cambridge. One of the Council's four key priorities in its Corporate Plan 2022-2027 is "*leading Cambridge's response to the climate and biodiversity emergencies and creating a net zero council by 2030.*"

The Council's Climate Change Strategy 2021-26 shares a vision for the city of Cambridge as a whole to be net zero carbon by 2030, subject to Government, industry and regulators implementing the necessary changes to enable the city and the rest of the UK to achieve this.

The Council has set a target in its Climate Change Strategy to reduce direct carbon emissions from our corporate buildings, fleet vehicles (including vans, trucks and refuse vehicles), and business travel, to net zero by 2030.

Greenhouse Gas Report and Minimum Energy Efficiency Standards

The Council produces an annual Greenhouse Gas (GHG) report, which sets out total carbon emissions from the Council's corporate buildings.

Buildings are included in the council's Greenhouse Gas reporting if they meet all of the following criteria^[1]:

- They are owned or controlled by the Council, or they are used by another organisation to deliver a Council service;
- The Council is responsible for paying the energy bills for the building;
- The Council controls how much energy is used at the building.

The main types of buildings that meet the criteria for the Council's GHG report are:

- Swimming pools and leisure centres
- Office buildings (including the Guildhall, Mandela House, 130 Cowley Road and 171 Arbury Road)
- Car parks
- Crematorium (and other bereavement services sites)
- Community centres
- Commercial properties (landlord heating and lighting)
- Corn Exchange
- Toilets
- Pavilions
- Depot buildings

For properties not within the GHG report, those that are let are subject to the Minimum Energy Efficiency Standards (MEES) that were introduced as part of the Energy Act 2011. These set minimum standards to be achieved for properties that are let, assessed using Energy Performance Certificates (EPCs). The current standard to be met is an EPC of at least a 'B' by 2030.

The Council also owns buildings falling within the MEES legislation, mainly commercial properties. These properties are occupied by tenants who have control over energy usage and are responsible for paying the energy bills. These buildings are therefore not included in the Council's Greenhouse Gas reporting^[2] and are not within the scope of the Council's net zero carbon emissions target.

^[1] HM Government, 2019, Environmental Reporting Guidelines, including streamlined energy and carbon reporting guidance https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/850130/Env-reporting-guidance_inc_SECR_31March.pdf

^[2] Local Partnerships, Greenhouse Gas Accounting Tool, <https://localpartnerships.org.uk/greenhouse-gas-accounting-tool/>

Environmental Performance Targets

The Council's net zero carbon target applies to all the buildings that are included in the GHG report.

For buildings that are not within the Council's net zero carbon emissions target, the following energy efficiency targets apply:

- All commercial properties owned by the Council must have an Energy Performance Certificate (EPC) rating of B or higher by 2030 (to meet current national Government MEES requirements).

Carbon Management Plan

The Council has produced a Carbon Management Plan for 2021-26, which sets out some of the projects that will help reduced carbon emissions from our corporate buildings, fleet vehicles and business travel.

To date more than 60 carbon reduction projects have been delivered at the Council's corporate buildings through the current Carbon Management Plan, and previous plans covering the periods from 2012-2016 and 2016-2021.

Achieving net zero carbon emissions in Council buildings

The Council's total carbon emissions have reduced significantly since 2014/15 but it will be challenging for the Council to reach net zero carbon emissions from its corporate buildings by 2030. The Council will need to reduce electricity consumption and remove gas from its buildings to reach the target.

For this asset management strategy, the definition of Net Zero Carbon is as follows:

"Net zero carbon refers to operational energy, including regulated and unregulated energy. It means that carbon emissions cannot exceed zero: no fossil fuels are used, all energy use has been minimised, and all energy use is generated using on or off-site renewables. Direct emissions from renewables and any upstream emissions are "offset" for example through tree planting or carbon capture and storage."

While carbon emissions from electricity usage are likely to continue to reduce as the national electricity grid continues to be decarbonised, it will be more challenging to reduce carbon emissions from the Council's consumption of gas for heating

buildings. Achieving this will be a combination of innovative approaches with adjoining owners, retrofitting, and minimising the space occupied.

Together with the Carbon Management Plan, the Asset Management Plan is key to achieving net zero carbon emissions from the Council’s buildings. It will set the framework for maintenance of Council buildings, including the approach to decarbonising them.

Further work will be required to determine the full detail of works to achieve net zero carbon and MEES compliance at each building. This will include detailed energy modelling, (informed by the condition surveys already undertaken) and a full measured mechanical and electrical services survey. This work will be carried out once an asset management strategy is approved to avoid any unnecessary investment.

The list of properties the subject of the AMP regarding NZC and MEES are shown in appendices B and C. These have been prioritised based on current emissions level as follows: -

Priority	1	2	3
Greenhouse Gas Report properties	Total CO2 emissions (tonnes)		
	100 and higher	Between 10 & 99	Less than 10
Non- Greenhouse Gas Report properties	Environmental Performance Certificate Rating		
	E or higher	D	C

6 Operational Portfolio

Overview

For the purposes of the AMP, Operational property includes any Council asset that is used to deliver any part of the front-line services or enables the Council to deliver its services. It therefore includes not just the core administrative buildings, typically office buildings, but includes the depot, community centres, car parks, a crematorium, parks and open spaces, pavilions, public toilets, and recreational facilities such as swimming pools and entertainment venues. The range of assets is very diverse – with each sub-category capable of having its own performance indicators.

However, to enable the asset group to be capable of being treated as a single, albeit disparate, portfolio, they should seek to meet the following objectives, in accordance with the themes running through this AMP. These may be regarded as the Guiding Principles and each property decision should reflect on these before recommendations for a decision on any property is made.

- Each asset should enable the Council to deliver at least one of its core Themes
- Each asset should meet all statutory compliance requirements, including accessibility and remain fit for purpose
- Assets should operate efficiently and effectively and meet the user requirement
- The environmental performance of the asset should be maximised, including contributing to the Council's net zero carbon emissions target for its corporate buildings
- Before any change in the size or shape of the estate is made, such as for assets which are failing to meet any or all of the above, the proposed change should first be discussed with the Council's in-house property professionals. They will consider the case for investment to address shortcomings when economically viable; the use of the asset by another part of the Council, or determine alternative use in accordance with the priorities of the time (EG housing or economic regeneration) and prevailing market conditions

As set out in Section 4 above, asset reviews will consider these and other factors when making longer term property and service decisions.

Office Accommodation

The administrative office portfolio (the Guildhall, Mandela House, 171 Arbury Road, 130 Cowley Road and Parsons Court) is the subject of a separate specific review as is warranted by its scale and value. This office review will adopt the same asset management principles as are recorded in this document: -

- Exploring the increased use of modern ways of working to reduce demand for workspace
- Examining capabilities for increasing useable office space via internal reconfiguration
- Considering alternative use potential aligned with the Council's Themes

- Drawing conclusions on which buildings could be vacated, re-used and generate benefit (Capital receipts or alternative use)

Car Parks

There are 16 car parks in this part of the portfolio. These generate significant revenue, play a part in supporting the city centre and some form part of a strategic sites earmarked for future development. However, there may be conflicting themes that any review of the overall policy for these assets should consider: are they for revenue generation, town centre support, regeneration potential or transport policy purposes? As with office accommodation, this may warrant a specific strategy in the future for the larger city centre multi storey car parks.

Car parks can play a key role in helping to decarbonise both the Council's own vehicle fleet but also that of residents and visitors. The provision of electric vehicle charge points in car parks helps to encourage and enable the shift from fossil fuel vehicles to electric vehicles. These charge points can also provide a useful facility for residents who might not be able to charge at home due to on-street parking or lack of charging facilities

Community, Cultural and Recreation Facilities

These facilities provide a wide range of offer and services to the residents of Cambridge. These include:

- Community Centres
- Swimming Pools
- Sports Centres
- Pavilions
- Entertainment venues
- Parks and open spaces

As set out in Section 4 above, these will be regularly reviewed to assess how they perform, meet their objectives and contribute to the Council's Themes. Delivery of services from these properties are a mix of direct delivery, management by external contractors and partners, and by local residents and community groups. Prior to expiry of contracts, service level agreements or leases involving such properties, each will be reviewed to see if the approach remains fit for purpose, meets the Council's expectations and objectives, and delivers value for money.

The Council does not have a formal community asset transfer policy but has historically identified through reviews where properties may be suitable for this. There are several examples where services are considered to be best delivered or more focused locally through community asset transfer. Asset and service reviews will continue to consider if community asset transfers may be a preferable way of delivering services in some cases.

7 Commercial Property Portfolio - Investment And Management

Objective

These properties are held primarily for financial return, both income and capital. The Council will continue to drive performance through the AMP period to achieve performance targets and provide long term sustainable income to support the Council's service delivery.

Background

The Council's commercial property portfolio has consistently produced good rates of return compared to Treasury Management investments for many years. This reflects historic low bank interest rates on cash investments and that the Cambridge commercial property market has proved resilient.

More recent inflationary and interest rate pressures will see other cash-based investments become more attractive in the market, but historic commercial property returns have exceeded forecast interest rates. The Council holds assets for long term income generation and this together with the costs of disposal support the existing strategy to retain good income streams and look to further invest in the portfolio through refurbishment and redevelopment. This will continue to be monitored though through reviews as well as considering strategic acquisition/opportunities to meet the preceding objectives.

Investment in commercial property should be seen as a long-term investment. Commercial property can be sold to release funds when required or to provide an opportunity to reshape the commercial property portfolio by disposing of underperforming properties, those that do not meet the Council's objectives, have an increased alternative use value or that enable a more balanced portfolio. This will be subject to government guidance and a prudent approach to property investment, including possible Minimum Revenue Provision implications.

The Council will monitor and review the wide-ranging risks for the properties and the portfolio as a whole, seeking to mitigate these as far as possible. Potential action may be development, refurbishment, extension, alteration, change of use, re-gearing of leases etc and ultimately disposal. Whilst assets in general may have long term secure income to provide the desired surplus income to support services, others may require more active asset management activity.

Portfolio Review and KPIs

The portfolio will be reviewed annually as a whole covering for example by classification, lot size range, bandings and average, sector mix, geography, lease type and repairing obligations, net income return, average unexpired lease term, percentage void and compared with previous years. This will identify portfolio imbalances.

An overall guiding principle is to follow the requirements of the Prudential Code and to adhere to a Minimum Revenue Provision (MRP) Policy which explains how unfinanced capital expenditure will be charged to revenue over time.

Some of these aspects are specific KPIs for the portfolio which are as follows:

Measure	Target/Baseline	Comment	Frequency
Income Received (gross and net)	Year on year improvement	To maintain income levels	Annually
Commercial Income to Net Service Expenditure			Annually
Net income return	>5% on current capital value	To be compared against investment property index and other investment types	Annually
Income plus capital value change return on capital value		To be compared against investment property index and other investment types	Annually
Capital Value	Year on year improvement		Annually
Geographic Distribution	<25% to be outside of Cambridge City	To maintain Cambridge focus with economic benefits, diversity from local economy and achieve stronger yields	Annually
Average unexpired lease term	>5 years	Target is income security	Annually
% Investment Grade Property	>80%	Generally lower expenditure	Annually
% Void	<£100,000 income	To maintain income levels	Quarterly
Largest lot size	<10% of portfolio	Excluding Lion Yard and Park Street car park. To reduce stock specific risk	Annually
Sector	No more than 50% in any sector; retail to trend downwards towards 30%	To diversify sector risk	Annually

The results will be assessed against opportunities and risks in the property sector and other investment types. Together with a review of the local, national and global economy and the property market as a whole, this will help to identify overexposure requiring action or close monitoring and indicate target investment categories for new acquisitions.

Acquisitions

The following will act as a guide and not be totally prescriptive to accommodate the inflexible nature of the dynamic property market and large indivisible lot sizes which render it difficult to achieve exact targets in property investment. Due to changes in government guidance and in respect of Public Works Loan Board borrowing,

commercial property acquisitions can only be made as part of portfolio management such as regeneration or asset improvement, not for income generation purposes only.

New investments should generally meet the following requirements but exceptions may be made where an acquisition is strategically important in relation to the Council's existing land ownership or portfolio balance. Each potential investment will be considered against the criteria below to decide whether to invest. The focus of investment is a secure financial return and this should be the primary decision but it is recognised that acquisitions in Cambridge may bring other benefits to local residents in addition to financial return.

- An investment should benefit and be complementary to the Council's existing portfolio, for example in terms of property type, balance of risk, future development opportunities, improving the portfolio diversity and environmental performance
- Investments should be in Cambridge or fringes where such acquisition will be of benefit to City residents
- Properties should be sought where there is a shortage of supply, potentially including "alternatives" sector or unusual properties such as those for growing businesses or serviced apartments and students.
- The Council is looking for the best rate of return reflecting its income targets and the risk of the investment but with a target rate of return of 5% or above
- Investments must not breach target ratios in the KPIs and should only be sought if they cover the Minimum Revenue Provision requirements (where applicable).
- Certainty of income is important and so the tenant covenant strength and lease structure of investments should reflect this
- Investments should ideally be on full repairing and insuring terms to reduce non recoverable elements and management time
- The property should be in good condition and not require significant capital investment
- The property should offer good accessibility
- The investment should have a minimum EPC rating of C or above but with a B being achievable with relatively little capital investment to meet MEES Regulations
- Minimum lot size of £2.5m

Purchase of a property investment is usually undertaken in conjunction with an agent rather than principal to principal. Either a retained agent can be appointed through whom all introductions will be made or introductions can be accepted from any appropriately qualified agent. Whichever method is selected, it is likely that once it is known the Council has a requirement, a significant number of properties may be introduced as potential investments which will require an efficient, timely decision-making process to be competitive in the commercial marketplace.

Due to the large number of factors to consider and potentially a high number of potential investments to assess within a limited timescale, the use of a weighted scored criteria matrix is a methodology to enable quick decisions about which investments to pursue. This will help to ensure accountability in the market, to the public and Councillors, and target investigation of properties with appropriate return and risk performance characteristics.

Following a decision to investigate a property further, the following actions will be undertaken:

- Property inspection by the agent and the Council
- Market Review, appraisal and initial report with recommendations on pricing by the agent
- Internal review, agree funding source/approvals and make decision on offer levels by the Council
- Submission of an offer and negotiate by the agent
- Agree Heads of Terms by the agent
- Seek approval to the acquisition using powers delegated to the Head of Property Services
- Once under offer, the agent to undertake and co-ordinate the due diligence in conjunction with the other experts
- Compile Purchase Report – agent
- The Council to review the due diligence reports and arrange signatures
- Complete Transaction & commence the proactive asset management to secure optimal returns – the Council

Asset Management and Development

Within both the Core and Secondary portfolios assets are ripe for refurbishment and redevelopment where they are failing to achieve their potential. They will be assessed in detail, possibly in conjunction with outside experts to provide an assessment of the existing asset and identify and appraise viable options.

Detailed asset review work may include the following:

Master-planning:	Opportunities and Constraints Plan Concept Masterplan Rationale drawing including access and movement, built form, frontage and heights Development Schedule – floor areas
Planning Review:	High level review of planning policy and potential:
Development Appraisals	Market Review Existing Site Review Proposed Masterplan commentary – use, layout, access, scale, marketability Development appraisals and sensitivity analyses Risks and returns with commentary Recommendations

Other aspects of asset management could include the following:

- a) Change of Use
- b) Lease re-gear (extension or variation of terms) with an existing tenant
- c) Surrender and re-letting to improve tenant mix, covenant strength, lease length, ERV, yield
- d) Extension to increase lettable area, refurbishment or alteration

- e) Purchase of an adjacent property to increase lot size, potentially followed by alteration

Investment in the properties may be direct from Council resources, external borrowing, through mixed use schemes working with Housing or with development partners bringing alternative sources of funding if appropriate. Where appropriate, Minimum Revenue Provision will need to be taken into account when assessing further investment or acquisition for portfolio management or regeneration purposes.

Disposal

Investment in commercial property should be for at least five years but commercial property can be sold to release funds for a variety of reasons. These include (i) the requirement to meet cashflow targets, (ii) when it has been identified that the portfolio is subject to growing exposure to a particular risk including a particular market decline, (iii) completion of a specific asset management exercise, (iv) failure to meet a portfolio or property KPIs, or (v) when the asset is no longer generating the financial returns.

Any of these may result in a weak future performance and disposal could be the best option to mitigate against the risks. Properties to be sold can be determined at that time which provides an opportunity to reshape the commercial property portfolio in combination with strategic acquisitions.

Disposal will generally be through agents to ensure appropriate market exposure and benefit from their expertise in negotiating and securing the transaction, especially where more specialised in nature. Agents will be instructed to review the market conditions including supply of investments, pricing and comparables, timing, occupational demand and potential purchasers and marketing options before making recommendations on marketing strategies.

Disposal methods can be by private treaty or auction. A wide marketing campaign will be employed but if the best result is anticipated by a target off market approach to a particular party such as a special purchaser, this can be used. A special purchaser may for example be a party with adjoining ownership that can release greater value through a larger site than a smaller one.

Disposal properties are expected predominantly to be from the secondary portfolio given that they are weaker investments with greater risks. They may also incur greater management time increasing costs.

8 Repair, Maintenance and Statutory Compliance

Property condition

On the basis that each of the assets meets the overall requirements for the portfolio (see Sections 6 and 7) the strategy moves on to their condition. There are several reasons to properly understand the condition of the estate:

- To ensure all Health and Safety standards and legislation requirements are fully met
- To understand the cost of repairs or decoration – to inform economic viability assessments
- To develop a priority for maintenance work – there will always be budgetary constraints, but all Health and Safety related work should carry top priority
- To help develop a planned or forward maintenance programme and secure appropriate budgets
- To enable programmes of work to be placed with CCC (Cambridge City Council) teams or contractors (via tender)

Whatever the asset sub-category its appeal will increase if it is in good repair and decorative condition. In offices it may promote higher productivity from a more stable and loyal workforce, whereas in community properties it may increase revenues.

Condition Surveys

Condition Survey data provides short, medium, and long-term estimates of the maintenance and repairs costs for assets over a thirty-year period and gives an indication of the level of investment specifically required to meet the Council's requirements. Only a small number of the total properties have been fully surveyed since 2017 and much of our condition data is over five years old (although all high energy consuming properties have been surveyed recently).

One objective of this asset management plan is to ensure that assets are surveyed every five years. A resourced condition survey programme should be developed to ensure that the old surveys are updated. This programme will not involve detailed structural assessments or invasive surveys. Condition survey data will be added to the MRI Asset Database.

Resources are to be directed to surveying property not yet surveyed where there are repair and maintenance liabilities or in accordance with priorities for achieving environmental performance targets. A new five-year cycle of stock survey to update condition data may require a future budget bid.

As well as dedicated condition surveys there are many other sources of stock condition data that can be used to assess asset condition including:

- Specialist surveys and investigations (e.g., energy surveys, structural surveys)
- Annual cyclical redecoration and repair surveys
- Routine gas / mechanical servicing
- Electrical testing surveys
- Empty property Surveys

- Risk assessments / health and safety inspections (including fire risk assessments, legionella testing, asbestos surveys)
- Servicing and maintenance contracts
- Resident / building occupier reports

Repairs and Maintenance

There will be a range of stock investment categories to assist with the planning and delivery of maintenance work to Council assets:

- High risk (fire safety, asbestos containing materials)
- Essential (works to maintain properties at the Council's minimum standard)
- Statutory (where there is a statutory requirement to complete the work e.g., accessibility, health and safety, gas, and electrical testing)
- Discretionary (works beyond the minimum standard and other maintenance, e.g., fencing, hard surfacing)
- Invest to Save (e.g., cyclical repairs and painting)

Under this Asset Management Plan, subject to funding being available, we will operate an investment standard model. This means that building components (roofs, doors, windows, heating systems etc.) be replaced proactively when their lifecycles expire as opposed to reactively, when a combination of their age and condition means they fail. This will enable the Council to secure procurement benefits whilst reducing the cost of reactive maintenance.

Building components will be defined as “old” if they are older than their standard lifetime – and this will be based on an industry standard lifetime.

Building components will be defined as in poor condition if they need major work, either full replacement or major repair.

Stock Condition surveys were undertaken in July 2017 for 21 commercial properties indicating the levels of expenditure required over the next 30 years. There was a point in time and updated information will be collected for these and other properties during the current asset management period.

Overall Investment Required	£10,416,550
Investment required for years 1-5	£1,646,600
Investment required for years 6-10	£2,446,300
Investment required for years 11-20	£4,221,950
Investment required for years 21-30	£2,101,700

Some of these costs will have now been removed or reduced through asset management activity.

Behind these overall figures, there are individual assessments of different components of the property identifying the defects, the proposed works, the condition grading, how critical it is to the business and the priority rating.

Reactive maintenance (where a previously unforeseen repair is required) is often costly and disruptive to either tenants or neighbours. The Council will aim to restrict these works by continuing to survey each asset regularly, on a rolling basis to allow preventative works to take place before reactive works.

The Council aims to let the properties, where possible, on full repairing and insuring leases, to ensure that the tenant will be responsible for the repair and maintenance of the assets, rather than the Council. These provisions will be expressly stated in the lease/licence, and therefore contractual requirements. The Council will undertake to comply with all covenants that are its responsibility.

The Council understands how a property in poor physical condition can contribute to an atmosphere of decay in the immediate area whereas properties that are well kept and secure can sustain or elevate the tone of a neighbourhood. The Council recognises that properties must be held in responsible ownership and occupation as part of its responsibilities as a good neighbour. It also recognises that inadequate expenditure on maintenance and management is usually reflected in a proportionately greater erosion of value, increased voids and reduced income growth.

Health and Safety / Compliance

Planned and reactive maintenance works are necessary to ensure assets do not deteriorate and subsequently lead to health and safety issues. The Council must ensure that building and common facilities are compliant with relevant Health and Safety Legislation.

Tenants in leased accommodation may be responsible for some work and will be required to provide evidence of statutory compliance with national health and safety legislation, including Asbestos, Gas, Electric and Fire Risk etc.

a) Water hygiene

Legionnaires' disease is a potentially fatal form of pneumonia which can affect anybody, but which is most likely to affect individuals who are susceptible because of their age, gender, general health, or condition of their immune system, etc.

Certain conditions can increase the risk from Legionella:

- a suitable temperature for growth of 20 to 45 degrees centigrade
- a source of nutrient for the organism, i.e.; sludge, scale, rust, algae, other organic matter
- a way of creating and spreading breathable droplets, e.g., the fine spray created by a shower.

Outbreaks of the illness occur from exposure to legionella growing in systems where the water is maintained at a temperature high enough to encourage growth. The types of systems relevant in our housing stock would include hot and cold domestic water systems, used in a variety of premises.

To prevent exposure to the bacteria, the authority must comply with legislation that requires the management, maintenance, and treatment of water systems in our properly. This will include, but not be limited to, appropriate water treatment and cleaning regimes.

A comprehensive programme of testing for communal appliances, and any associated maintenance, is in place. Within communal areas, the best form of control of legionella bacteria is the circulation of hot water (more than 60 degrees). This leaves residual risk of scalding, which therefore must be separately controlled.

b) Asbestos

Asbestos was widely used as a building material in the UK from the 1950s through to the mid-1980s. It was used for a variety of purposes and was ideal for fireproofing and insulation. Any building built before 2000 could contain asbestos. Asbestos materials in good condition are safe unless asbestos fibres become airborne, which can happen when materials are damaged, during maintenance or refurbishment work.

There are strict regulations in place whenever work takes place that could expose or disturb materials containing asbestos. Asbestos fibres, if inhaled, can cause serious disease. Therefore, all work carried out by the Council are carried out in accordance with the Control of Asbestos Regulations.

Asbestos can be found in a variety of building components, including:

- Asbestos cement products
- Textured coatings
- Floor tiles
- Asbestos insulating board
- Loose asbestos in ceiling or floor cavity

The Council must comply with the Control of Asbestos Regulations 2012 and ensure the risks presented by asbestos within assets are minimised as far as is practical

The Council is currently implementing a new asbestos survey database which will include details of all properties that contain any form of asbestos. This database now needs to be updated and renewed and it is planned to move all existing survey data to the new MRI asset ICT system that is being implemented in 2023.

The Council has an asbestos management plan which details the responsibilities of Duty Holders to;

- Take reasonable steps to find out if there are materials containing asbestos present in any building that we occupy, own or lease and if so the amount, where it is and what condition it is in
- Presume materials contain asbestos unless there is strong evidence that they do not
- Make, and keep up to date, a record of the location and condition of the asbestos containing materials – or materials which are presumed to contain asbestos
- Assess the risk of anyone being exposed to fibres from the materials identified
- Prepare a plan that sets out in detail how the risks from these materials will be managed
- Ensure those appointed to undertaking surveying or sampling works hold the appropriate UKAS accreditation
- Take the necessary steps to put the plan into action
- Periodically review and monitor the plan and the arrangements to act on it so that the plan remains relevant and up to date
- Provide information on the location and condition of the materials to anyone who is liable to work on or disturb them.

The priorities for work on asbestos containing materials will be:

- Where material is damaged, and the risk assessment score is high
- To facilitate other works such as routine maintenance, or Cyclical Maintenance
- To remove high risk elements whilst properties are void
- To proactively reduce the risk profile of the council with an annual programme for the removal of asbestos from assets.

All asbestos containing materials are to be re-inspected at intervals as determined by the risk assessment. The asbestos database will be updated to record inspection findings and actions taken.

c) Fire Risk Assessment and Risk Management

Under the current fire safety legislation (Regulatory Reform (Fire Safety) Order 2005), the authority has a responsibility to carry out fire safety risk assessments in many of its buildings.

There are three key factors that the authority needs to be aware of in respect of managing fire risk:

- Fire Suppression Systems (sprinklers, fire extinguishers)
- Fire Prevention (fire alarms, smoke control arrangements, smoke detectors, fire doors)
- Fire Risk Assessments (specialist external / trained internal assessors)

Once an initial risk assessment has been undertaken and any remedial works have been identified, the fire risk assessments are regularly review in line with the Council's Fire Risk Management Strategy.

d) Fire alarm systems / Fire Protection

Some buildings have fire alarm systems and other fire equipment installed. The Council is responsible for maintenance and regular servicing including:

- Dry risers
- Automatic smoke vent systems
- Fire protection equipment
- Fire alarm systems
- Sprinkler systems

e) Gas Safety and Risk Management

The Council is required to meet its obligation to undertake an annual gas safety inspection, which must be undertaken by a registered engineer. The Council currently operates a contract with TSG Building Services for this work. The obligation for gas safety inspections extends to gas appliances, fittings, and flues.

The key objective is to maintain 100% of all properties meet the regulation standard (i.e., have a valid certificate for the gas installation).

f) Pressurised Vessels

Some buildings are serviced by commercial boilers with plant rooms that contain pressurised vessels. These must be serviced and regularly inspected.

g) Electrical installation testing

Testing of electrical wiring installations is currently carried out on a five-year cycle.

Electrical testing records are be maintained and kept up to date by dedicated officers.

h) PAT testing

The Council carries out testing of electrical appliances we have provided. These are carried out on annual basis, or according to frequency assessed by a risk assessment.

i) Smoke alarms, Heat Detectors, and carbon monoxide alarms

Mains powers smoke alarms with a battery backup are installed in Council property. It is assumed alarms have a life expectancy of ten years when they are replaced.

The installation and expiry dates of smoke alarms will be recorded in the MRI Asset stock condition database.

Smoke alarms are tested annually as part of the heating servicing contract, or when other electrical work is carried out. Failing smoke alarms are replaced as day-to-day repairs.

j) Emergency Lighting inspection and maintenance

Emergency lighting is installed in many of our buildings. The lights are designed to illuminate the escape routes in the event of fire or power failure. There is a regime of monthly, six-monthly, and annual testing to ensure lighting is working correctly.

k) Lightning conductors

Lighting conductors are installed on some tall buildings and these installations required annual testing and certification.

l) Emergency call systems and telephone

Emergency Call System Services are provided to around to lifts and other plant.

m) Passenger lifts

There are passenger lifts in operational buildings estates that are subject to regular servicing and inspection. Lifting equipment must meet LOLER regulations and “thorough examinations” are carried out by specialist contractors alongside regular servicing contracts. A detailed replacement programme is under development.

n) Roof safety systems

A number of buildings where regular roof top maintenance is required have roof safety systems installed. These require annual inspection and certification to ensure they are safe to use. A permanent roof edge projection system is a better solution, but this can cost more to install and there may be planning restrictions.

p) Automatic doors

A number of Council buildings have automatic opening doors, and these required regular servicing and inspection.

q) Air conditioning and ventilation systems

Some buildings have air-conditioning and ventilation systems which required servicing and regular maintenance. Usually, we do not install new air conditioning systems, but these may be required in plant rooms and ICT server rooms.

Changes in Standards / Legislation

It is important to recognise the potential for both legislation and best practice standards to change in respect of any health and safety investment criteria, often with short timescales to ensure compliance with revised recommendations. As a result of this, a degree of flexibility is required in the investment assumptions made in this area, with a clear risk management approach to responding to changing demand.

Property Data Management

The Council recognises that to manage the portfolio effectively, the accurate and efficient management of data is essential. Work will continue in order provide a more efficient service, including insurance, maintenance, and tenancy schedules etc. and minimise the risk of anomalies or duplication.

Following a successful tender process, the Council has procured new modern cloud based Commercial Property and Asset Management Systems, tfCloud, provided by The Technology Forge and and MRI Asset both due to go live in early 2023. The systems are used by a considerable number of public sector bodies. The software will provide enhanced functionality, reporting and on a more robust IT platform, assisting the Council to retain comprehensive and accurate data on property assets. It will replace an old system, which is no longer adequate and has compliance and security failings.

A good Property Management System is an essential tool for overall management of the Council's property portfolio. The quality of decision making on property matters is crucially dependant on the quality and accuracy of property data and the ability to manipulate this. The new system is essential for producing the KPI's as set out in this Asset Management Plan.

Service Delivery and Procurement

Planned Maintenance

Maintenance services are provided by a mix of in-house and external providers. The Estates and Facilities team has existing arrangements in place with main contractors that can deliver most of the planned maintenance and servicing work required for all built assets. Specialist sub-contractors are appointed who can deliver the with the wide range services required.

Internal Works

During 2022/23, a procurement exercise was undertaken to select a contractor to work with the Council for a period of five years to deliver internal planned maintenance services to all types of Council assets.

Work streams include:

- Kitchen & bathroom installations
- Heating and boiler installations
- Electrical works
- Disability Adaptations
- Communal & emergency lighting replacements
- Energy and insulation work

- Small one of building projects
- Structural work
- Servicing and installation of range of M&E plant and equipment

External Works

Work streams, that may be carried out to all asset types, include:

- Roofing
- Hard surfacing replacement
- Cyclical decorations & repairs
- Gutter cleaning
- Replacement of windows, doors & fire doors
- Structural works
- Loft & Cavity Wall Insulation works
- External Wall Insulation
- Asbestos removal

Large one off-capital works are usually procured separately, either from existing framework contracts or via the Council's procurement portal.

It is likely that any future large programmes of energy efficiency and decarbonisation work will need to be procured separately. These will require future budget bids and consideration of the additional internal and external resources required to design work and manage contracts.

Some Council services still have their own arrangements in place for some types of maintenance of work, but these are gradually being added to corporately procured contracts once existing arrangement come to an end.

Responsive repairs

Estates and Facilities in-house response repairs service can provide a repairs service to all building types, although this service is mainly focused on housing repairs as that is most of the work. Further development and standardisation are required here to ensure there is consistent response repairs reporting, financing, and service delivery across the whole portfolio of assets.

Emergency and Urgent Repairs

Repair categories fall into three categories (24-hour, 3 day and 28-day response times. This places additional emphasis on turning around urgent work more quickly. Urgent and emergency repairs are now to be undertaken within 24 hours wherever possible.

The CCTV team at Huntingdon are the Council's contact point for out of hours emergency repairs.

Cyclical redecoration and repairs

Proactive repair and painting of previously painted surfaces is currently carried out on a seven-year cycle for commercial property and administration buildings. There is not a formal programme in place for other asset types. It is proposed that under this AMP a cyclical maintenance plan is implemented for all asset types. A future budget bid may be required to achieve this.

Stakeholders and communication

A wide range of people use the Council's built assets, including staff, members of the public and external organisations.

A key part of this Asset Management Plan is to ensure stakeholders are involved in some of the key asset management decisions and maintenance strategies that affect our buildings. Some of the existing methods of communication and involvement is set out below but there is scope to add to these.

Tenants

Tenants are kept informed about planned and repairs via individual communication.

The main contractors that deliver planned maintenance works employ liaison officers who visit building occupiers to explain planned maintenance work and ensure work runs smoothly on site.

Tenant Consultation meetings

Clay Farm Community Centre liaison meetings scheduled to take place quarterly in this multi-use Council owned building.

Staff / Office user Groups

Mandela Housing User Group meeting to discuss building and accommodation issues.

Environmental Strategy Group

The agenda includes Council-building energy efficiency issues, improvements and investments.

Estates and Facilities / Community Services liaison meeting

This officer group meets quarterly to discuss maintenance of the Community Services property portfolio.

Property Services / Estates and Facilities liaison meeting

This officer group meets quarterly to discuss maintenance of the Commercial property portfolio.

Councillors

New policies and annual programmes of work are approved by the Executive Councillor and subject to scrutiny at the Scrutiny Committee.

Ward Councillors and Council officers communicate regularly regarding services and questions from constituents.

Risk Management

Insurance

The Council insures its assets based on individual reinstatement values with excesses depending upon property type from £150,000 to £250,000. Reinstatement values should be regularly reviewed but it is accepted practice to increase values by indexation between reviews based on appropriate build cost indices.

The list of properties insured should be reviewed annually to ensure that new properties have been added and sold properties removed. New build projects

should be added upon completion or when they cease to be insured by the building contractor or other arrangements in place during the build period. Insurers should be consulted prior to construction to make them aware of proposals, enable them to review specification to ensure that they will be insurable or not create additional risks resulting in higher premiums or refusal to insure.

Insurance inspections

The Council appoints specialist engineers (currently HSB Engineering Insurance) to carry out periodic thorough examination reports for lifts and boilers / pressure vessels.

Unforeseen Major Incident

The risk of a major incident in the city, which affects built assets, will always exist. An incident resulting in a loss of more than £250,000 would be expected to be met by the Council's insurer.

A major incident team exist to respond to a major incident in the first instance, with the organisation responding to provide rest centres and temporary / alternative accommodation.

Compliance failure

Contractual arrangements are in place to ensure the Council remains compliant with statutory requirements. See Section 8 above.

Contractor failure and insolvency

The risk of contractor failure is mitigated by financial checks and credit references to check risk levels and contract limits. In our long-term contractual relationships, there is no guaranteed volume of work so programmes can be increased or reduced if necessary.

Inflation Rates

Over the next three years, to quartet 1 2026, the Building Cost Information Service (BCIS) forecast that tender prices are expected to rise by 7.6% A great deal of uncertainty remains for the construction industry over this period.

The rate that is most likely to impact on the Asset Management Plan is that calculated by the Building Cost Information Service (BCIS), the all-in tender price indices. This inflation rate is widely accepted as the industry norm for price increases in construction industry contracts.

Legislative Changes

There are risks in any business plan, strategy or financial model that changes in legislation may alter the assumptions being made.

APPENDICES

A Greenhouse Gas Report General Fund Properties

B Non-Greenhouse Gas Report General Fund Properties

Appendix A – Greenhouse Gas Report General Fund Properties

Priorities 1 = Greater than 100t, 2 = Between 10t and 99t, 3 = Less than 10t CO2 Emissions

Priority 1

Facility Name	Service	Priority	DEC/ EPC	NZC Report Needed?	Category	2019-20 Gas kWh	Gas CO2 (tonnes)	2019-20 Elec kWh	Elec CO2 (tonnes)	Total CO2 emissions (tonnes)
Administrative / Operational Buildings										
Cambridge Corn Exchange	Cultural Services	1		Yes	Admin / Op	791,896	146	310,677	79	225
Guildhall	Admin Buildings	1	C	Yes	Admin / Op	1,149,819	211	324,862	83	294
Mandela House	Admin Buildings	1	E	No	Admin / Op	253,991	47	384,136	98	145
Bereavement Services Buildings										
The Crematorium	Commercial Services	1		Yes		1,195,287	220	99,468	25	245
Car Parks										
Grand Arcade Car Parks	Commercial Services	1		Yes	Car Park	n/a	0	688,137	176	176
Pools										
Abbey Pools	Recreation Services	1		Yes	Pools	1,245,030	229	592,879	152	380
Parkside Pools	Recreation Services	1		Yes	Pools	4,857,608	893	249,592	64	957

Priority 2

Facility Name	Service	Priority	DEC/ EPC	NZC Report Needed?	Category	2019-20 Gas kWh	Gas CO2 (tonnes)	2019-20 Elec kWh	Elec CO2 (tonnes)	Total CO2 emissions (tonnes)
Administrative / Operational Buildings										
Cowley Road Depot	Admin Buildings	2		No	Admin / Op	n/a	0	63,756	16	16
130 Cowley Road	Admin Buildings	2	D	No	Admin / Op	n/a	0	90,521	23	23
3 Parsons Court	Cultural Services	2		Yes	Admin / Op	45,960	8	27,100	7	15
Bereavement Services Buildings										
Newmarket Road Cemetery	Commercial Services			Yes						
Car Parks										
Grafton East & West Car Parks	Commercial Services	2		Yes	Car Park	n/a	0	241,716	62	62
Queen Anne Terrace Car Park	Commercial Services	2		Yes	Car Park	n/a	0	345,562	88	88
Commercial Properties										
Barnwell House	Property Services	2	C	Yes	Commercial	64,949	12	38,537	10	22
Gonville Place Kiosk	Property Services	2		Yes	Commercial					
Gwydir Street - Enterprise Centre	Property Services	2	B-E	No	Commercial	64,364	12	18,803	5	17
Market	Streets And Open Spaces	2		Yes	Commercial	n/a	0	187,090	48	48
Orwell House/Orwell Furlong	Property Services	2	D-E	No	Commercial	337,642	62	68,085	17	79
Park Terrace - Hobbs Pavilion	Property Services	2	D	Yes	Commercial					
Community Centres										
Brown's Field Youth And Community Centre	Community Services	2		Yes	Community	49,476	9	33,478	9	18

Facility Name	Service	Priority	DEC/ EPC	NZC Report Needed?	Category	2019-20 Gas kWh	Gas CO2 (tonnes)	2019-20 Elec kWh	Elec CO2 (tonnes)	Total CO2 emissions (tonnes)
Cherry Hinton Village Centre	Community Services	2		Yes	Community	129,205	24	32,524	8	32
Clay Farm Centre	Community Services	2		Yes	Community	456,177	84	30,633	8	92
The Meadows Community Centre	Community Services	2		Yes	Community	247,615	46	69,361	18	63
Paddling Pools										
Lammas Land	Recreation Services	2		Yes	Recreation	n/a	0	no data	?	?
Pools										
Jesus Green	Recreation Services	2		Yes	Pools	n/a	0	86,665	22	22
Kings Hedges Learner Pool	Recreation Services	2		Yes	Pools	n/a	0	224,393	57	57
Public Toilets										
Toilet Block (Market)	Streets And Open Spaces	2		Yes	WCs	n/a	0	187,090	48	48

Priority 3

Facility Name	Service	Priority	DEC/ EPC	NZC Report Needed?	Category	2019-20 Gas kWh	Gas CO2 (tonnes)	2019-20 Elec kWh	Elec CO2 (tonnes)	Total CO2 emissions (tonnes)
Car Parks										
Castle Hill Car Park	Commercial Services	3		Yes	Car Park	n/a	0	6,354	2	2
Lammas Land	Streets & Open Spaces	3		Yes						
Commercial Properties										
Clay Farm Centre - Health Centre And BPHA Housing	Property Services	3		Yes	Commercial					
Dales Brewery	Property Services	3	B-D	Yes	Commercial	n/a	0	22,240	6	6
Hooper Street Garages	Property Services	3		Yes	Commercial	n/a	0	697	0.2	0.18
Jedbough Court	Property Services	3	C-G	Yes	Commercial	n/a	0	30,633	8	8
Jubilee House, Chesterton Road	Property Services	3	C	Yes	Commercial					
Ronald Rolph Court, Wadloes Road	Property Services	3	C-G	Yes	Commercial	n/a	0	2,758	1	1
Community Centres										
80 Akeman Street Community Centre	Community Services	3		Yes	Community		0			
Nuns Way Pavilion	Community Services	3		Yes	Community	n/a	0	9,957	3	3
Trumpington Pavilion	Community Services	3		Yes	Community	?	?	?	?	?
Pavilions										
48 Laxton Way Lnr (Local Nature Reserve) Store	Recreation Services	3		Yes	Pavilion	n/a	0	60	0.02	0.02
Alexandra Gardens Bowls Pavilion	Recreation Services	3		Yes	Pavilion		0	1,226	0.31	0.31
Barnwell Bowls Pavilion	Recreation Services	3		No	Pavilion		0	758	0.19	0.19
Canoe Club	Recreation Services	3		Yes	Pavilion		0	159	0.04	0.04
Cherry Hinton Pavilion	Recreation Services	3		Yes	Pavilion		0	18,419	4.71	4.71
Chesterton Pavilion	Recreation Services	3		Yes	Pavilion		0	459	0.12	0.12
Chesterton Rec Ground	Recreation Services	3		Yes	Pavilion	n/a	0	677	0.2	0.2
Christs Piece Bowls Pavilion- Machinery/ Gardener Shed	Recreation Services	3		Yes	Pavilion	n/a	0	269	0.07	0.1

Facility Name	Service	Priority	DEC/ EPC	NZC Report Needed?	Category	2019-20 Gas kWh	Gas CO2 (tonnes)	2019-20 Elec kWh	Elec CO2 (tonnes)	Total CO2 emissions (tonnes)
Christ's Piece Pavilion	Recreation Services	3		Yes	Pavilion		0	218	0.06	0.06
Coleridge Bowls Pavilion	Recreation Services	3		Yes	Pavilion		0	5,337	1.36	1.36
Hobbs Sports Pavillion	Recreation Services	3		Yes	Pavilion			14,483	3.7	3.7
Lammas Land Bowls Pavilion	Recreation Services	3		Yes	Pavilion		0	4,088	1.04	1.04
Nightingale Pavilion	Recreation Services	3		No	Pavilion		0	1,135	0.29	0.29
ROUSE PAVILION & Wcs (Jesus Green)	Recreation Services	3		Yes	Pavilion	n/a	0	1343	0.3	0.3
Trumpington Bowls Pavilion	Recreation Services	3		Yes	Pavilion		0	10,059	2.57	2.57
Pools										
Jesus Green Pump Out Station R1	Streets & Open Spaces	3		n/a	Pools	n/a	0	7,529	2	2
Public Toilets										
Arbury Road R1	Streets And Open Spaces	3			WCs	n/a	0	6,718	2	2
Cherry Hinton Hall R1	Streets And Open Spaces	3		Possibly	WCs	n/a	0	566	0	0
Chesterton Rec Wc	Streets And Open Spaces	3		Possibly	WCs					
Chesterton Road - Wc - Jubilee House	Streets And Open Spaces	3		Yes	WCs	n/a	0	3,166	1	1
Christ's Pieces Bowls Pavilion - Machinery/ Gardener Shed	Streets And Open Spaces	3		Possibly	WCs	n/a	0	269	0	0
Christ's Pieces R1	Streets And Open Spaces	3		Yes	WCs	n/a	0	18,699	5	5
City Cemetery Office	Streets And Open Spaces	3		Yes	WCs	n/a	0	5,950	2	2
Coleridge Road Rec WC	Streets And Open Spaces	3		Yes	WCs					
Gonville Place Wc	Streets And Open Spaces	3		Yes	WCs	n/a	0	12,302	3	3
Grand Arcade Shopmobility Wc	Streets And Open Spaces	3		Possibly	WCs					
High Street Cherry Hinton Wc	Streets And Open Spaces	3		Yes	WCs					
Lammas Land Wc	Streets And Open Spaces	3		Yes	WCs					
Lion Yard R1	Streets And Open Spaces	3		Yes	WCs	n/a	0	6,834	2	2
Market Hill	Streets And Open Spaces	3		Yes	WCs	n/a	0	7,884	2	2
Midsummer Common Public Toilets	Streets And Open Spaces	3		Yes	WCs	n/a	0	3,208	1	1
Mill Road	Streets And Open Spaces	3		Yes	WCs	n/a	0	3,220	1	1
Quayside Wcs, Bridge Street R1	Streets And Open Spaces	3		Yes	WCs	n/a	0	9,533	2	2
Romsey Road Rec Wcs	Streets And Open Spaces	3		Yes	WCs	n/a	0	2,385	1	1
Silver Street R1	Streets And Open Spaces	3		Yes	WCs	n/a	0	8,450	2	2
Paddling Pools										
Cherry Hinton	Recreation Services	3		Yes	Recreation	n/a	0	26,546	7	7

Appendix B – Non-Greenhouse Gas Report General Fund Properties

Priorities 1 = EPC Greater than E, 2 = EPC of D, 3 = EPC of C

Priority 1

Facility Name	Service	Priority	DEC/ EPC	No.of Units	NZC Report Needed?	category
Commercial Properties						
19-22 Cheddars Lane	Property Services	1	C-E	4	No	Commercial
97-101 High Street, Chesterton	Property Services	1	D-E	3	No	Commercial
Anstey Way Shops, Cambridge	Property Services	1	C-E		Yes	Commercial
Arbury Court shops, Cambridge	Property Services	1	B-E	14	No	Commercial
Barnwell Business Park	Property Services	1	C-G	20	Yes	Commercial
Barnwell Road Shops	Property Services	1	B-E	6	No	Commercial
Cowley Road former DSA Site	Property Services	1	E	1	No	Commercial
Cowley Road former P&R Site, Golf Driving Range and Industrial Estate	Property Services	1	D-E		No	Commercial
Lensfield Road	Property Services	1	D-G	1	No	Commercial
Market Street Shops - 19-23a	Property Services	1	C-E	4	Yes	Commercial
Mercers Row Industrial Estate	Property Services	1	C-E	21	No	Commercial
Norfolk Street - 47-51	Property Services	1	D-E	6	No	Commercial
Nuffield Close Industrial Estate	Property Services	1	B-E	10	Yes	Commercial
Robert Davies Court Industrial Estate	Property Services	1	C-G	15	Yes	Commercial
The Bath House	Property Services	1	E	1	Yes	Commercial

Priority 2

Facility Name	Service	Priority	DEC/ EPC	No.of Units	NZC Report Needed?	category
Administrative / Operational Buildings						
Waterbeach Garage	Commercial Services	2		1	Yes	Admin / Op
Commercial Properties						
6a-6b Priory Road, Cambridge	Property Services	2	D	1	Yes	Commercial
94a Walpole Road, Cambridge	Property Services	2	D	1	Yes	Commercial
Cambridge Junction?	Property Services	?		1	Possibly	Commercial
Carlton Terrace Shops	Property Services	2	C-D	2	Yes	Commercial
Cheddars Lane Industrial Estate	Property Services	2	C-E		No	Commercial
Cherry Hinton Hall and Cottage	Property Services	2	D	2	Possibly	Commercial
Ditton Lane Shops	Property Services	2	B-D	4	Yes	Commercial
Guildhall commercial units - Gigging Squid and Sticks'n'Sushi	Property Services	2	D	2	Yes	Commercial
Hawthorn Way, Chesterton Lodge	Property Services	2	D	1	Yes	Commercial

Facility Name	Service	Priority	DEC/ EPC	No.of Units	NZC Report Needed?	category
Norfolk Street - 4-24	Property Services	2	C-D	6	Yes	Commercial
Norfolk Street - 5/7/9	Property Services	2	D	3	No	Commercial
St Philip's Road - 53	Property Services	2	D	1	Yes	Commercial

Priority 3

Facility Name	Service	Priority	DEC/ EPC	No.of Units	NZC Report Needed?	category
Commercial Properties						
124-146 Wulfstan Way	Property Services	3		6	Yes	Commercial
125 Newmarket Road, Cambridge	Property Services	3	C	1	Yes	Commercial
38-39 Wulfstan Court	Property Services	3		2	Yes	Commercial
451 Newmarket Road, Cambridge	Property Services	3	C	1	Yes	Commercial
61 Newnham Road, Cambridge	Property Services	3		1	Possibly	Commercial
Castle Street Museum of Cambridge	Property Services	3	C	1	Possibly	Commercial
Christ's Pieces Kiosk	Property Services	3		1	Yes	Commercial
Cyrus Way, Peterborough	Property Services	3	C	1	Yes	Commercial
Granta Place Boathouse and Robinson Crusoe Island	Property Services	3		2	Possibly	Commercial
Henderson House, Huntingdon	Property Services	3	C	1	Yes	Commercial
Jesus Green Kiosk	Property Services	3		1	Yes	Commercial
King George V Pavillion	Property Services	3		1	Yes	Commercial
Lammas Land Kiosk	Property Services	3		1	Yes	Commercial
Pound Hill - The Punter Pub	Property Services	3	C	1	Yes	Commercial
Regent Street - The Fountain Inn Pub	Property Services	3	C	1	Yes	Commercial
St Philip's Road - 53a	Property Services	3		1	Yes	Commercial
Community Centres						
Ross Street Community Centre	Community Services	3		1	Yes	Community
Car Parks						
Adam & Eve Street car park	Commercial Services	3		1	Yes	Car Park
Arbury Court (open air car park next to shopping centre)	Commercial Services	3		1	Possibly	Car Park
Campkin Road Car Park (corner of Arbury Road and Campkin Road)	Commercial Services	3		1	Yes	Car Park
Gwydir Street car park	Commercial Services	3		1	Yes	Car Park
Riverside Car Park (Abbey Road) – one street light	Commercial Services	3		1	Yes	Car Park
Pools						
Sheeps Green learner pool	Recreation Services	3		1	Yes	Pools
Splash Pads						
Abbey Pool splash pad	Recreation Services	3		1	Yes	Recreation
Coleridge rec splash pad	Recreation Services	3		1	Yes	Recreation

Facility Name	Service	Priority	DEC/ EPC	No.of Units	NZC Report Needed?	category
Kings Hedges splash pad (The Pulley)	Recreation Services	3		1	Yes	Recreation