

**Powys County Council's
Strategic Asset Management
Plan (StAMP)
2017-2020**

Why do we need a Strategic Asset Management Plan?

It has been recognised that local authorities need to manage their assets more effectively in order to deliver better services in a more efficient manner. In the context of a challenging financial environment, the Council needs to make the most of the assets that it already has and look to enhance them where opportunities arise.

Rather than the traditional reactive approach to property asset management, we need to get on the front foot and re-examine our assets holistically and make them work harder for our citizens.

Taking a more strategic approach sees the Council adopting a pro-active and dynamic stance to maximising capital receipts and identifying investment opportunities. It will also ensure that the assets we keep are fit for purpose and are maintained to a good standard.

This plan therefore sets out our 3 year plan for our asset portfolio. This plan will be reviewed annually.

Councillor Rosemarie Harris

Portfolio Holder for Property, Buildings and Housing

February 2017

The “place” approach

Rather than looking at each Council service area separately, we have looked at each geographic “place” across Powys instead so we can better understand our portfolio in the round, identify regional opportunities e.g. co-locations and better plan for the future.

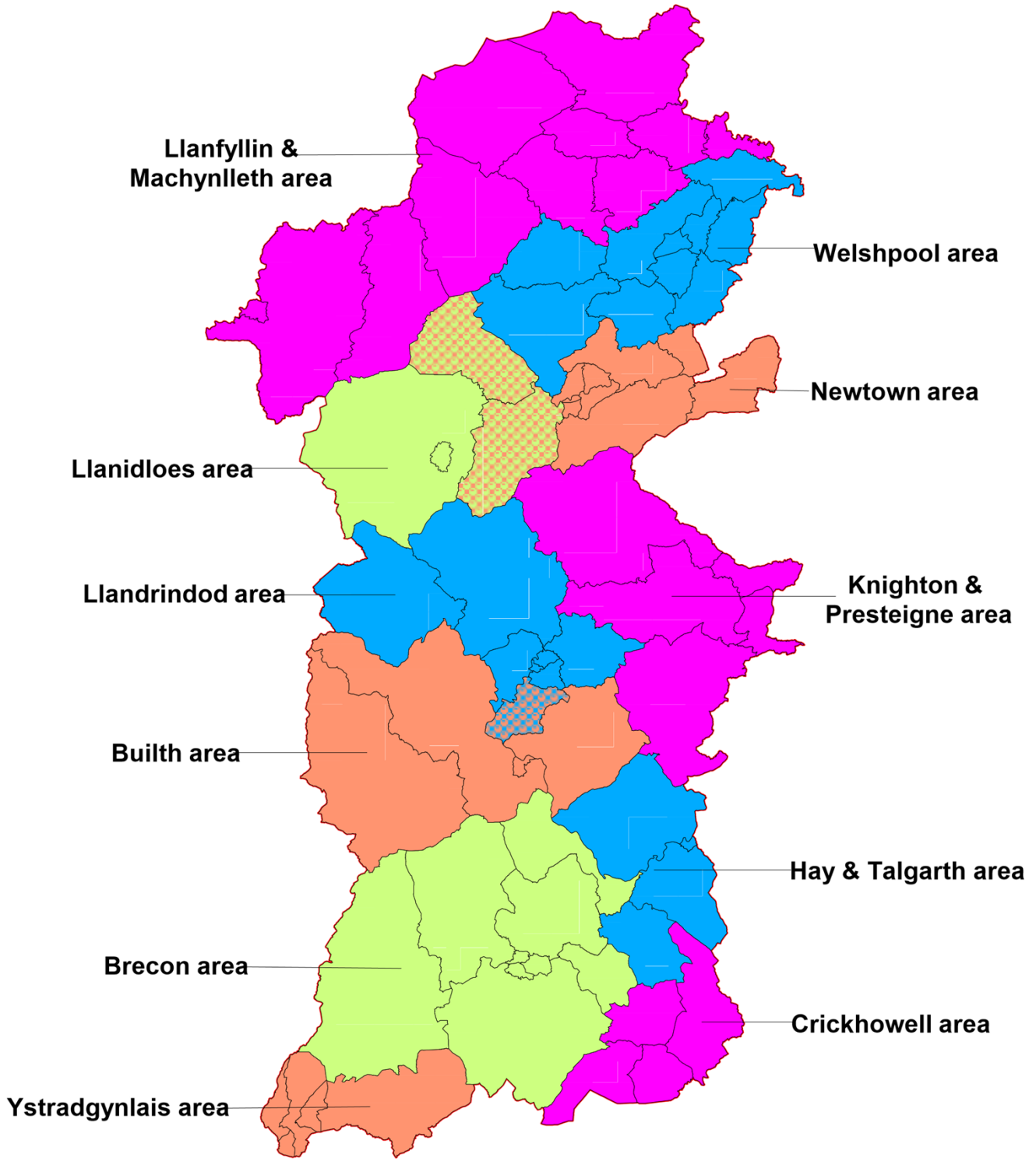
The “Place” based approach also enables us to include regeneration and economic development projects within this plan. This has clear benefits, since many regeneration and economic development initiatives have property implications. It also ensures development of “Places” and explicitly considers the local economy, which can vary from area to area. For example, some places may be more dependent on tourism whilst others are more dependent on industry or agriculture.

Importantly this approach enables opportunistic and evolutionary change, facilitating early wins in a number of areas concurrently.

We have split the County into 11 “places” as shown on the plan below:

- 1. Welshpool area**
- 2. Newtown area**
- 3. Knighton & Presteigne area**
- 4. Hay & Talgarth area**
- 5. Crickhowell area**
- 6. Llanfyllin & Machynlleth area**
- 7. Llandrindod area**
- 8. Llanidloes area**
- 9. Ystradgynlais area**
- 10. Builth area**
- 11. Brecon area**

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Ordnance Survey MasterMap manbase for

Corporate Context

This StAMP is aligned to the One Powys Plan/Powys 2020 Corporate Objectives, namely:

- **Services delivered for less – remodelling Council services;**
- **Supporting people in the community to live fulfilled lives;**
- **Developing the economy; and**
- **Improved learning outcomes for all, minimising disadvantages**

Each objective will be addressed in so far as property and assets support their achievement. That said, the returns we are able to achieve through the effective management of our estate, will contribute to the Council's capital reserves or revenue income thereby supporting the Council to achieve all its objectives and remain sustainable.

Statutory Context

The StAMP is aligned to the Well-being of Future Generations (Wales) Act 2015. Of the seven goals, the StAMP directly contributes to:

- **A prosperous Wales** – development of our commercial estate
- **A Wales of cohesive communities-** taking a “place” approach recognises the importance of communities and should improve community involvement and engagement
- **A healthier Wales** –working with Powys Teaching Health Board (PTHB) to share assets to enable better service delivery; also providing opportunities for those who seek employment
- **A resilient Wales-** community green spaces/ increased energy efficiency

In addition the StAMP by its nature contributes to the sustainability principles set out in the Act:

- Long-term- protecting assets for long-term needs rather than short term gains
- Integration- working with PTHB and other partners
- Collaboration-working with all services, PTHB, communities and other partners
- Engagement- the StAMP workshops provide a forum for engagement with stakeholders
- Prevention- providing opportunities for employment/ business start up

Objectives of the StAMP

The overriding objective is to make sure that the Council's property portfolio is efficiently used, fit for purpose and is sustainable for the future whilst (where appropriate) producing the best possible return for the citizens of Powys. This will include the following key elements:

- Seeking opportunities for the rationalisation of properties and co-location
- Increasing revenue from the commercial property portfolios
- Maintaining the long term viability of the Farms Estate which we recognise as a key asset for the Council in both in financial and environmental terms
- Acquiring and/or developing new fit for purpose property where all other avenues have been exhausted within our existing stock
- A clearer rationale for deciding which assets may be suitable for Community Asset Transfers so that assets can be retained where there is a compelling strategic reason to do so
- A process for dealing with minor disposals which often detract from more strategic work

Engagement

In order to achieve the above objectives, engagement is key. We seek engagement from:

- Services
- Members
- Communities
- PTHB and other partners
- Cross-border partners especially in our border towns such as Machynlleth, Presteigne, Knighton and Hay
- Complementary External Organisations

Role of Corporate Property

To maximise tangible benefits and exploit opportunities, properties need to be viewed as corporate assets. This is because the Council needs to be able to look across its entire property portfolio and adopt rational, consistent and asset group approaches allowing it to efficiently multi-use property and to respond to local opportunities and pressures.

The scope of this plan extends to all of the Council's owned or leased land and property assets. It excludes the Council Housing stock which is dealt with through the Council's Housing Strategy and land forming the highway.

Powys County- an overview

Powys is the largest County in Wales (2,000 sq m) representing a quarter of its total land mass. The county is bounded to the north by Gwynedd, Denbighshire and Wrexham; to the west by Ceredigion and Carmarthenshire; to the east by Shropshire and Herefordshire; and to the south by Rhondda Cynon Taf, Merthyr Tydfil, Caerphilly, Blaenau Gwent, Monmouthshire and Neath Port Talbot.

The majority population of Powys lives in villages and small towns. The largest towns are Newtown, Ystradgynlais, Brecon, and Welshpool. Our smallest town (and also the smallest in Wales) is Llanwrtyd Wells. Powys has the lowest population density of all the principal areas of Wales.

- The total population is 132,705 (projected increase of 2.3% by 2020 and then to decline towards 2036)
- Average age 44
- 58,753 households projected growth of 4300 extra homes by 2036
- 3% unemployment (Wales average 4.5%)
- 38% of Powys residents are economically inactive

Our Portfolio- an overview

Powys County Council owns over 700 land and building assets (excluding Council houses)- see **Appendix 1** for a detailed breakdown. These can be broadly split into the following categories:

Operational e.g. Schools *, Offices, Depots

Commercial Estate e.g. Business units, Livestock Markets

Farms Estate We own about 150 farms. This is distinct from the commercial estate as it has other regenerative objectives and long term capital appreciation.

Community Assets e.g. War memorials, Outdoor recreation

Surplus Estate These are properties which have been declared surplus by a service and are in the process of being sold. There are in the region of 30- 40 of these at any one time.

* – Schools The Council’s School Service currently develops and maintains its own Asset Management Plan, in line with the 21st Century Schools Programme, which aims to ensure that all of our schools are fit for purpose and are in the right location and are of adequate size to deliver the current and future educational needs of all users . Whilst the document stands slightly separate from the other strategic policies relating to Council owned property, Strategic Corporate Property Officers have a supporting role to the Schools asset management process, working across the Authority to ensure that all services are informed of future developments and any co-location opportunities that may exist, now and in the future.

In many areas it could be that schools form Community Hubs, which could include a range of services that will support the wider community. We will also look to identify income opportunities.

This is an area of work which we will continue to support.

Operational Estate

Our overall strategy involves us challenging whether we need to retain assets or not, rather than assuming that we do. In order to test this, the following questions will be asked:

Is it necessary to own or hold this asset in order to deliver a service?	i.e. could the service be delivered in a different way or could space be leased in more cost effectively instead, considering current hours of operation – does the asset enjoy full or limited use and if the latter, can co-location of services be developed?
Is it necessary to own or hold this asset for a wider-regenerative purposes or to meet the Council's priorities?	e.g. as in the case of the Farms estate- to provide opportunity for young farmers to enter or progress in the sector, which in turn has a knock-on effect on our local economy
Does or could the asset generate a useful income?	In looking to make the best use of our assets we will look at income-producing opportunities for the Council
Is the asset fit for purpose? Is it cost-effective to repair?	Many of our assets have outgrown their useful life and it may therefore be that the asset is no longer suitable for its designated use and it would be impossible or uneconomic to adapt it

Acquisitions

Our overall strategy involves seeking opportunities to acquire assets where one or all of the following criteria apply:

Do we need to acquire an asset for a service delivery priority? E.g. Where existing asset is no longer fit for purpose or the energy efficiency of the existing building is such as that it will be more expensive for the Council to run in the long term	We recognise that in certain circumstances it may be preferable (economically and environmentally) to acquire a new property rather than spend money on an asset which is no longer fit for purpose or requires extensive refurbishment works or is simply in the wrong place.
Could the asset generate a useful income as an investment? ¹	This Council needs to take opportunities to increase income and become more self-sufficient so that it becomes less dependent on Welsh Government allocations. We would look at market yields to assess whether or not the income was acceptable. This will also be a key consideration in those circumstances where the Council needs to consider new premises for its own business use.
Do we need to acquire assets to improve the overall yield of our commercial estate?	We need to review our commercial portfolios to ensure that they are achieving a market yield. This may involve acquiring assets when opportunities arise as well as releasing assets which are not performing or have extensive backlog maintenance.

¹ Under section 12 of the Local Government Act 2003 local authorities are given the power to invest. It provides that local authorities may invest:

- a) For any purpose relevant to its functions under any enactment, or
- b) For the purposes of the prudent financial management of its financial affairs

Review, Retain or Release?

Attached to this plan is a live appendix detailing all of the Council's holdings set out on a "place" by "place" basis. Each asset will be assessed using the above challenges. These designations will be reviewed on an ongoing basis but in any event, at least once a year.

Where it is decided to release an asset, there is a need to maximise returns. We will therefore (where appropriate):

- Seek advice from our real estate partner
- Make a business case for capital to enable pre-sale work to be carried out (e.g. planning or essential works)

We anticipate being able to achieve corporate property asset sales of at least £1m per year for the lifetime of this plan and a further £1m from the Farms Estate for the next two years (see Farms Estate Strategy below). These receipts will contribute to the Council's priorities e.g. supporting people in the community and learning:

Capital Receipts Target for the Corporate Property Estate		
17/18	18/19	19/20
£1m	£1m	£1m

Capital Receipts Target for the Farms Estate		
17/18	18/19	19/20
£1m	£1m	£500k

THE CORE ESTATE- overarching principles

At present, the strategic property team has direct management control of the following assets:

- Offices
- Depots
- Commercial estate
- Farms Estate

We set out our strategies for these assets below:

Office Accommodation

Our overall strategy is to make sure that we are using our buildings as efficiently as possible and to look for income- producing opportunities to increase overall income from our assets.

We will therefore:

- Continue to promote Agile Working to get the best use out of our office accommodation
- Explore opportunities to take in tenants where we are not using all of an office (which we have decided to retain)
- Explore co-location opportunities with other services e.g. library service
- Consider the purchase of part occupied freehold properties where we need to restructure our current service delivery
- Work closely with our strategic partner, the PTHB, to share space where feasible

Aim

- To get to a position where overall we are working at a ratio of an average in the region of 6 desks for every 10 staff in our core open plan buildings (where physical factors make it viable).
- To increase income from our offices by at least 10% (currently c. £60k pa)

Commercial Estate Strategy

There is a separate Commercial Estates Strategy.

Our overall principle guiding the management of this portfolio is to maximise the rental income from our current portfolio as well as looking for opportunities to acquire income-producing assets. From a regeneration perspective, we will also exploit and extend our commercial estate to grow high quality jobs. This would provide a return on investment, a growth in asset value and economic development (jobs) benefits.

We will therefore:

- Review our current portfolio with a view to:
 - Disposing of assets where we are losing money/ there is an onerous maintenance backlog/ the property is in an unsuitable location to achieve economic benefits
 - Subject to the overall needs of the Council's capital programme, re-investing disposal proceeds in the current estate to make it fit for purpose
 - Ensuring rent is reviewed as often as possible
 - Making sure lease terms are as beneficial as possible to protect the Council
- Look for opportunities to buy:
 - Land and Units to expand our current portfolio of business units with a focus on job creation.
 - Income-producing assets as an investment (see footnote 1 above)
 - Land for the benefit, improvement or development of an area within the County e.g. if it will enhance an existing site that the Council already owns (subject to an approved business case)²

Aim

- To increase income from our commercial estate. The current income is c. £400k pa.
- We will also aim to make sure that the entire portfolio is fit for purpose to de-risk our investment.

² Under section the Local Government Act 1972, principal councils are empowered to acquire by agreement any land inside or outside its area for the purposes of:

- a) Any of their functions under this or any other enactment, or
- b) For the benefit, improvement or development of their area

Farms Estate Strategy

There is a separate Farms Estate Development Plan.

Our overall strategy for this portfolio acknowledges that whilst our farms cannot achieve the return expected from a commercial estate, they generally provide good capital appreciation and have an opportunity value- e.g. a source of development land as settlements expand. They are held to enable people to enter and progress within the agricultural sector.

To preserve a reliable supply of land and improve the viability of our holdings we need to:

- Invest in the estate to enhance asset value (this may mean re-investing more than the current nominal 10% of disposals value). We will therefore need to make proposals to Cabinet for capital funding as and when appropriate.
- Invest in building maintenance to ensure the farm buildings are safe and fit for habitation
- Re-invest in and rationalise where appropriate the core estate. This approach contemplates selected local developments (barns and houses) and sales of outlying non-core holdings.

It is recognised that by disposing of non-core Farms Estate assets it can provide capital receipts to the Council to contribute towards its priorities e.g. learning. However, if the integrity of the estate is to be retained there is only a finite number of non-core assets that can be disposed of.

Where it can be avoided, the sale of core estate land and holdings will not be pursued. However, where there are examples of regenerative benefits –e.g. the sale of areas of core land to enable established businesses to expand, each case will be considered not only from the effect such a sale may have on the retained estate, but also the wider Powys economy in line with the Council's key priorities.

Aim

- To dispose of £1m worth of assets from our Farms Estate each year until 19/20 when this will fall to £500k

Capital Receipts Target for the Farms Estate
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17/18	18/19	19/20
£1m	£1m	£500k

Community Asset Transfers (CATs)

There is a separate policy set out in our Corporate Asset Plan detailing the procedure for CATs.

Our overall strategy encourages communities to take on services whilst ensuring that they do so in a responsible way and also protect the long term interests of the Council and Powys's citizens generally.

Our overall strategy therefore supports CATs where:

- The asset is not required for the Council's long-term needs
- A genuine community activity will be carried out at the property
- The activity cannot be carried out in a more efficient/ sustainable location such as. co-locating with another service
- The group are able to demonstrate that they can sustain the activity and property (including statutory compliance) into the long term future
- The asset does not have a high capital/ strategic opportunity value to the Council which would provide a useful capital receipt/ opportunity to benefit/ improve or develop an area to the Council

Minor Disposals

Our staff are also an asset which must show a return and be deployed efficiently and effectively. This means, focusing on strategic and high value work. In this regard minor disposals, say of small pieces of land in order for residents to extend gardens, where such disposals are initiated by requests from those residents are disruptive and of limited benefit.

Aim

We will therefore:

Grant licences to prospective occupiers and only agree to minor disposals where there is demonstrable community benefit, or consequential gains to the Council – e.g. revenue budget savings from grounds maintenance, or where the minor disposal has been initiated by genuine Service rationalisation proposals.

TRANSLATING THESE PRINCIPLES INTO A “PLACE”CONTEXT

We have carried out a number of workshops covering each geographical “place” within Powys in order to facilitate discussion about issues and opportunities in each area. This helped staff to formulate a short, medium and long term plan for each area.

IMMEDIATE TERM OPPORTUNITY

These are areas where, following our “place” workshops, we have identified the most immediate opportunity for making the greatest return on our assets and achieving regenerative outcomes for the County. Given the opportunity level, we will look to safeguard our assets from transfer until firm plans have been made.

Newtown and surrounding area:

Featuring our largest town (c.12k people), this is an area of high opportunity with the current construction of the by-pass and improving train links. There is an established commercial centre (linked to jobs) and also a further education college (one of two in Powys). This is a key location for our partner PTHB.

The opportunities we need to take forward are:

- Working with the PTHB to establish new bases in the area
- Review of our office accommodation, some of which is no longer fit for purpose, in conjunction with the purchase of a central regional office which will ultimately provide a strong revenue income stream as well as internal service delivery benefits for the Council
- Invest in our workshop estate as this seems to be the most dynamic area for growth in the County
- Working with our highways colleagues to identify and maximise opportunities resulting from their depot review
- Work with Housing and Social Services to ensure that potential for developing future housing needs for all ages can be met either by utilising our own land/buildings or working with partners organisations/individuals.

Welshpool and surrounding area:

Whilst there are similar opportunities here to Newtown, the Council does not own as much property in this area and is therefore less able to capitalise on these opportunities. We are aware that our office Neuadd Maldwyn is no longer fit for purpose and has backlog maintenance of at least £1m which needs to be reviewed, recognising we need to retain a presence in the town.

Brecon and surrounding area:

This is another area of high opportunity, with the coming of the Cultural Hub and the number of Council-owned assets in the centre of Brecon. One of the two further educational centres is located here and we will seek to work with them to explore opportunities. There is a plan (by a private developer) to build 100 new homes in the area.

The opportunities we need to take forward:

- Working with our partners in the Brecon Beacons National Park to align our regenerative ambitions with theirs
- Looking for areas where we could expand our business unit portfolio
- Working with local education providers to deliver a more local service
- Reviewing all options, particularly in relation to the central properties which will become vacant when the Cultural Hub is built e.g. the library
- Working with our highways colleagues to identify and maximise opportunities resulting from their depot review

MEDIUM TERM OPPORTUNITY

These are areas which are not as fast-paced as the ones above in terms of imminent change/ requirement. They are therefore areas which need further review over the term of this plan.

Llandrindod Wells and surrounding area

This is an area of medium opportunity with some businesses, schools and our main County building. It is also an area identified with a need for affordable housing.

We will therefore look to:

- Work with our housing colleagues to identify suitable land for development
- Review our assets to produce the best outcome for the Council e.g. our old library building

- Demolish buildings that are beyond economic repair e.g. our archives building and Southfields and develop plans for future use of those assets e.g. including (where possible) supporting other services e.g. our primary school which lies close to our office building
- Continue to work with partner organisations to ensure our operational stock is working to the Council's best advantage
- Continue to work alongside and support our front line services in the development of their service rationalisation requirements – e.g. Rhayader Library

Hay & Talgarth area

With the famous Hay festival and plans to develop the castle, this area is lively with activity. The area comprises the market towns of Hay on Wye and Talgarth which together with the surrounding villages of Three Cocks, Glasbury, Felindre, Llanigon and Clyro currently provide a wide range of public services including a High School at Gwernyfed, A popular area providing plenty for visitors and residents to enjoy.

Hay on Wye has completed a Town Plan and this will inform and shape the initiatives and demand for the medium to long future. The area has seen a number of successful Community Asset Transfers completed and reshaping of service delivery is ongoing. School modernisation within the catchment will see a new school built in Hay, Clyro, Talgarth and Llangors which will provide re-development opportunities on a number of sites.

We will therefore:

- Develop a comprehensive strategy for affordable housing and employment (noting that much of the area is located within the Brecon Beacons National Park Authority and part was adjacent to Herefordshire County Council)
- Review the Town Plan to see how the Council can contribute towards its success
- Support the library service with their strategy for Hay and Talgarth Library

Builth area

Home to the world famous Royal Welsh Showground, this central Powys area is naturally constrained by its topography but has good road links in all directions and is close to the Central Wales Railway at Builth Road. There have been a number of successful CAT applications from different organisations within the community. It is hoped that ongoing service delivery reviews will lead to more effective use of properties and sustained service provision.

We will look to:

- Review the long term future of our cattle market
- Review further options for the Library and Antur Gwy
- Work with the regeneration team to exploit opportunities for tourism/ events

Ystradgynlais area

Our second most populous area, this area of historic industry is home to our largest estate of workshops (c.80). We would look to retain this location for our business units given the high levels of occupancy and the fact that this contributes to one of our corporate priorities- developing the economy, although we will continue to strive to ensure that the stock will be of an acceptable standard and fit for purpose. This may lead to some proposals for site reconfiguration in the future. We also have an office building which is not fit for purpose.

Ystradgynlais, in the context of the “place” agenda, has already successfully completed a Schools Modernisation Programme, seeing 13 primary schools reduced to 4 area schools, with resultant redevelopment opportunities (mainly for residential use) arising from this initiative.

We will:

- Review the workshop accommodation to make sure it is fit for purpose and sustainable long-term
- Review the future of our Hendre Ladus office building
- Work to provide a solution to the sustainability of the library by working with our partners
- Work with Social Care to formulate their property strategy in the area

Crickhowell area

Crickhowell town currently provides a wide range of public services including a High School, it has a busy town centre supported by many individual shops in an area of picturesque countryside providing plenty for visitors and residents to enjoy. Surrounding Crickhowell are the villages of Llangynidr, Llangattock, Llanbedr, Llangenny, Glangrwyney, Tretower and Cwmdru, each with its own special character.

Work on the Town Plan will inform the initiatives and demand for the medium to long future. The initial STAMP workshop highlighted the need to develop employment in the area noting that industrial areas exist in adjacent out of County locations whilst acknowledging that the Council through its partners had utilized its own land for the provision of affordable housing.

We will:

- Review the Town Plan once it has been formulated to see how the Council can support the area's aspirations

LONGER TERM OPPORTUNITY

These are areas where we own minimal property. We will therefore keep these areas under review and explore any opportunities which may arise over the lifetime of this plan:

Knighton & Presteigne area

A number of CAT applications have been received and officers are working closely with Town Council representatives certainly in Presteigne towards the establishment of a Community Delivery model.

We will continue to support this process to ensure that services can continue to be delivered in this area in the most cost effective and efficient way.

We will support Knighton Library with their relocation to the Community Centre.

Llanidloes area

The relocation of a local coach operating company to third party land will enable a key town centre site to be redeveloped. The site is currently identified as a mixed use development opportunity, although with the high social housing demand in the area, there is a real opportunity to assist with the Council's housing priority, and its intention to recommence its own house building programme.

Llanfyllin & Machynlleth area

Machynlleth, in the heart of the Dyfi Valley and Llanfyllin near the Berwyn mountains, are the two main market towns in this sparsely populated area of North Powys.

These two towns are edge of County towns and as a result, residents often utilise services over the border if they are not provided in the area in which they live.

Llanfyllin is a relatively small town, but has a thriving primary, high school, sports centre and library. We will:

- assist the under-utilised library building to seek interest from other complimentary internal/external organisations to co-locate within the building to realise its full potential.

Machynlleth is a traditional market town with a wide range of Council services. There are many ongoing service strategies within the town which include -

- New all-through school. Welsh Government have approved plans to build a brand new all-through school in Machynlleth.
- Library service are exploring potential co-location opportunities within their building.
- Older Persons Accommodation Strategy.

We will provide strategic service advice to ensure that all the above strategies have a joined up approach to service delivery in the community.