

Cotswold District Council

Asset Management Strategy February 2024



COTSWOLD
DISTRICT COUNCIL

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Foreword

Cllr Mike Evely

I am very pleased to introduce this Asset Management Strategy which has been prepared by Cotswold District Council to set out our approach for managing our buildings over the next 10 years. Our estate includes land and property which is occupied by our staff and partners to deliver services to our communities. We also own properties for investment, providing a rental income.

The provision of fit for purpose buildings is a prerequisite to achieving our objectives. We are committed to investing in our estate, infrastructure and projects that are key to maintaining our operational effectiveness and preparing us for the future.

We have the opportunity to deliver on our Council priorities and support the regeneration of Cirencester through our ownership of land and buildings in the town. We will also focus our efforts in achieving the best from our existing investments whilst considering new investment closer to home.

With our finite resources we will need to proceed with caution, investing in the right buildings for the future and releasing those which do not adequately support our needs. This will allow us to create a leaner, more sustainable estate, which is increasingly accessible, and more community focused.

I look forward to the implementation of this Asset Management Strategy as we develop and deliver asset plans and work closely with all stakeholders to achieve our Council Priorities.



Cllr Mike Evely
Deputy Leader and Cabinet
Member for Finance.

PART I: STRATEGIC CONTEXT



COTSWOLD
DISTRICT COUNCIL

Executive Summary

Key Messages

The Council has important decisions to make at this time. Like many other local authorities, the cost of its services are increasing but real terms funding from Government and other sources is reducing. The Council's land and buildings represent a significant cost, but also a great opportunity for financial benefit and driving growth within our District.

The Council has an advantageous position in the land and buildings that it owns in Cirencester. This provides opportunities to progress redevelopment of existing sites in the town, supporting the Masterplanning objectives, providing new amenities and rejuvenating areas of the town. The Council will progress those opportunities with pace, but they will take time to complete.

Whilst the majority of the Council's operational / service buildings are in the right locations and are suitable to meet future demand, some buildings are underutilised. The Council is in the process of entering into an agreement for serviced office accommodation at its Trinity Road offices to provide a new revenue stream and should review opportunities to increase the use of the Moreton Area Centre. This Asset Management Strategy, led by the Medium-Term Financial Strategy will focus on redevelopments, investments and its car parks to secure new income streams and encourage new growth.

The Council has a relatively small investment portfolio but its income from those property investments is declining, and they are costly to manage. For properties in poor condition which are not financially viable to repair, the Council will consider immediate disposal. For poor performing property needing investment, the Council will look to maximise income through good asset management and prepare for sale at the right time. Consideration will also be given to redevelopment options for existing car park sites which are underutilised or where alternative parking locations can be provided and seeking new investments within the district which support regeneration and are more efficient to manage.

The Purpose of our Asset Management Strategy

This Asset Management Strategy Paper (Phase 1) provides a longer term (5 to 10 year) strategy for the Council's estate. The Implementation Plan (Phase 2) will provide targeted Asset Plans for those properties being considered for change considering the need for investment, income and expenditure profiles, tenant events, and hold and disposal options for implementation.

Strategic Asset Management is the process of aligning property assets with the Corporate Vision and Objectives of the Council. These corporate objectives set a clear direction of travel which passes down through the organisation into detailed service planning, which should be accommodated by a functional, well-maintained estate. Asset Management is an iterative, ongoing process rather than a one-time exercise. This Strategic Asset Management Plan therefore will be used as a 'living document', creating a foundation for the management of the Council's portfolio.

Whilst the Asset Management Strategy will focus on redevelopment and investment opportunities, it is still 'service led'. Managers responsible for the provision of key services were involved in the Strategy development to ensure that it considered the latest service requirements, directing the future need for property. This strategy is also 'data driven' and will use the latest data to assess the properties, ensuring the basis of recommendations is accountable and can be easily updated. A new database of information has been collated ready for the Phase 2 Asset Plans. This will consider building condition and energy performance amongst other indicators.

Given the scale and importance of the Council's property portfolio there is a need to ensure that the property the Council owns, uses, develops and invests in is fit for purpose, managed effectively and represents value for money.

Policy and Context

The Councils Asset Management Strategy is guided by the following key Corporate Strategies:

Corporate Plan 2024 – 2028.

This sets out the five corporate priorities and these form the foundation of the strategy.

- Delivering Good Services
- Responding to the Climate Emergency
- Delivering Housing
- Supporting Communities
- Supporting the Economy

Investing in the District's fabric and future, developing a Masterplan for Cirencester Town Centre, and the promotion of carbon neutral developments are a few examples of priorities which must shape the future of the estate.

Revenue Budget Capital Programme and Medium-Term Financial Strategy 2024 – 2027.

Continuing financial pressures for the Council mean that savings will need to be made from the costs of running the estate and capital receipts are likely be needed from property disposals.

Green Economic Growth Strategy adopted 2020.

Sustainable and innovative growth is encouraged for example; agritech, cyber, digital, medical, equipment and environmental technologies. This requires targeted investment with specialised asset management.

Estates Compliance – Audit Draft Position Statement 2023.

This strategy has been requested by the compliance audit and is guided by recommendations made in the audit.

Cirencester Town Centre Master Plan

The long-term plans are to support a transition to more sustainable transport which will include safe walking and cycling routes. The Masterplan will help to diversify uses in the town and existing car parks will be an area of focus.

Car Parking Strategy.

A new car parking strategy is being prepared this year. The Asset Management Strategy and Car Parking Strategy will need to align to ensure service needs are met and car parks are well managed, and the use of these land assets is maximised.

Public Conveniences Review Group Report.

An Overview and Scrutiny Committee working group carried out a review of the future provision of public conveniences. The review was set in the context of a service which provides 15 facilities District-wide and requires a subsidy, of £166,000 annually. Cabinet took the decision to transfer four facilities to Town Councils or close them.

The Estate

Population and Geography

Cotswold District, with a population of about 84,000, spans 450 square miles, situated near urban centres including Swindon, Gloucester, and Cheltenham. Despite its rural character, the District is conveniently close to major cities including Oxford, Bristol, Bath, Birmingham, and Coventry.

Environmental and Heritage Assets

The district boasts significant environmental and heritage sites: 80% lies within the Cotswolds Natural Landscape, 144 Conservation Areas, nearly 5,000 listed buildings, numerous ancient monuments, historic parks, gardens, and significant wildlife sites. The Cotswold Water Park, a large area of man-made lakes, is key for conservation and tourism.

Local Economy

Cirencester is the District's dominant centre for business and jobs, while towns and villages like Moreton-in-Marsh, Tetbury and Bourton-on-the-Water serve as important service centres. The District's economy, characterised by a strong small business presence, faces challenges like poor broadband coverage and shopping "leakage" to other areas.

Strategic Focus

The Council's strategic focus revolves around maintaining the unique character of the area while fostering economic growth and social well-being. The Council envisions a future where residents enjoy a high quality of life, businesses flourish, and the natural environment is preserved for generations to come.

The Council's property holdings are deeply rooted in the region's history. The careful preservation of heritage sites and historical landmarks reflects a commitment to safeguarding the unique identity of the Cotswolds. These

properties not only serve as a testament to the past but also contribute to the cultural tapestry of the District.

Overview

The property portfolio comprises a total of 169 properties valued at just over £63 million according to the latest asset register with investment properties generating approximately £340,000 per annum.

Recent developments include renovations made at the Trinity Road offices to free up space for tenants and decarbonisation of both Cirencester and Bourton on the Water leisure centres. Plans are also well underway for a 100% socially rented carbon zero residential scheme at Down Ampney and for Solar Photovoltaics to be added to both the Trinity Road Council Offices and another tenanted building in Cirencester. In the last 3 years, the Council has seen a decline in income from its investments and there has been a 2% decrease in the book value of the portfolio. There has been little change in the composition of the estate in the past decade.

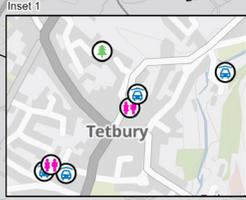
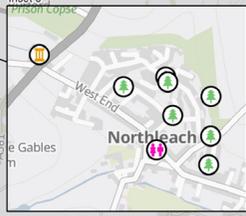
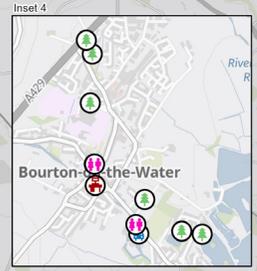
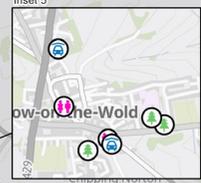
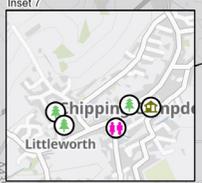
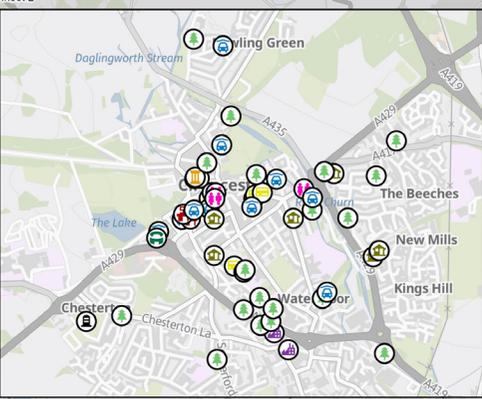
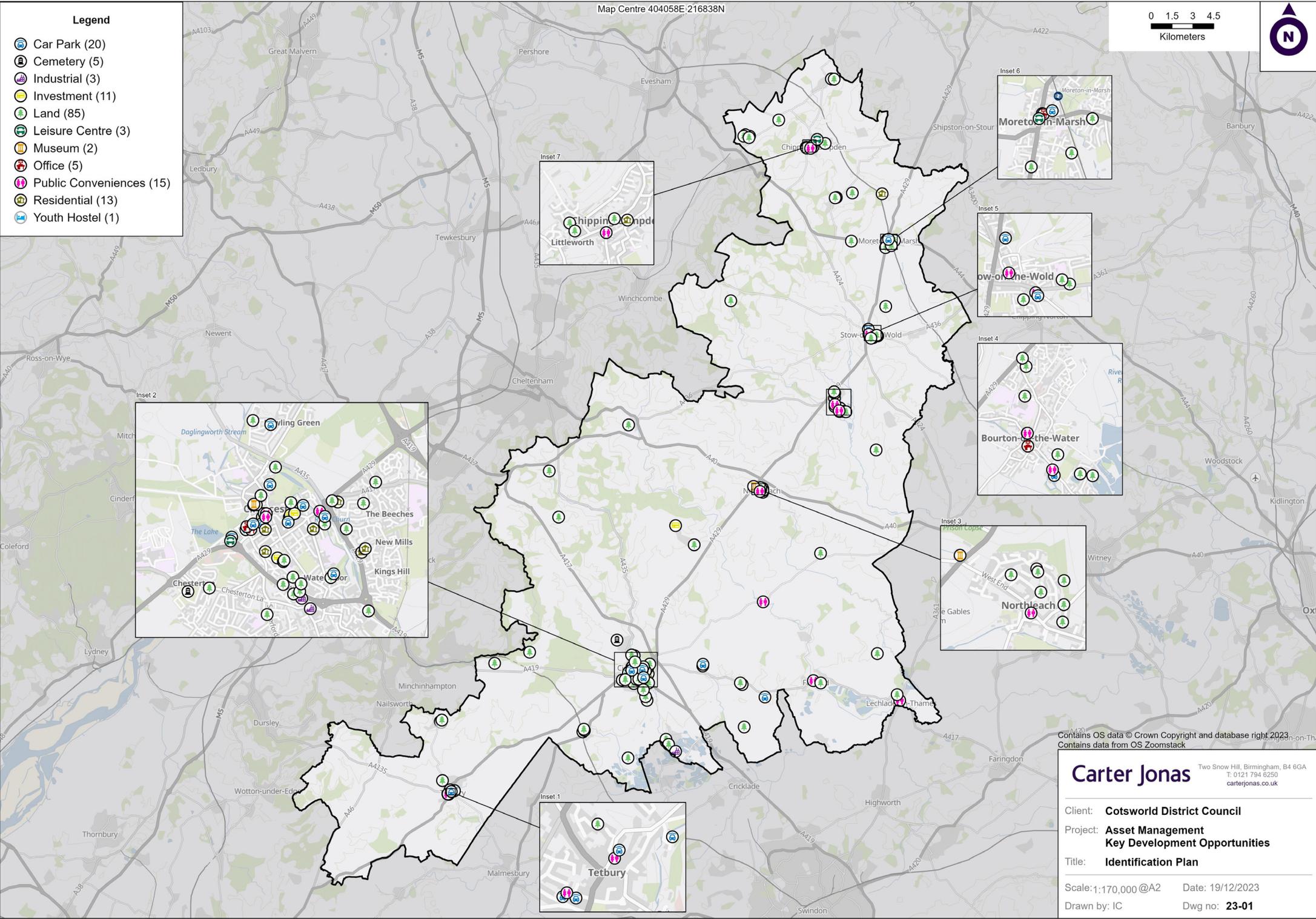
Estate Statistics

- 169 Property Interests
- 161 Freehold
- 8 Leasehold
- £63 million value
- 11 Investment properties
- 44 verges
- 15 public conveniences
- 97 Leases
- 55 properties with associated lease
- At least 21 leases of less than £5,000 per annum



Legend

- Car Park (20)
- Cemetery (5)
- Industrial (3)
- Investment (11)
- Land (85)
- Leisure Centre (3)
- Museum (2)
- Office (5)
- Public Conveniences (15)
- Residential (13)
- Youth Hostel (1)



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Client: **Cotswold District Council**
 Project: **Asset Management
Key Development Opportunities**
 Title: **Identification Plan**

Scale: 1:170,000 @A2 Date: 19/12/2023
 Drawn by: IC Dwg no: **23-01**

Freehold Interests

The majority of the Council's estate is freehold ownership allowing future opportunities to make changes to or sell those buildings which are not suitable for the future. The Council has significant freehold ownership within the town of Cirencester. Some of these may be able to support future regeneration through redevelopment. This includes a number of freehold owned car parks, 5 of which are located in the central area of Cirencester. Redevelopment would be in-line with the Masterplan and be dependent on parking needs being met on alternative sites.

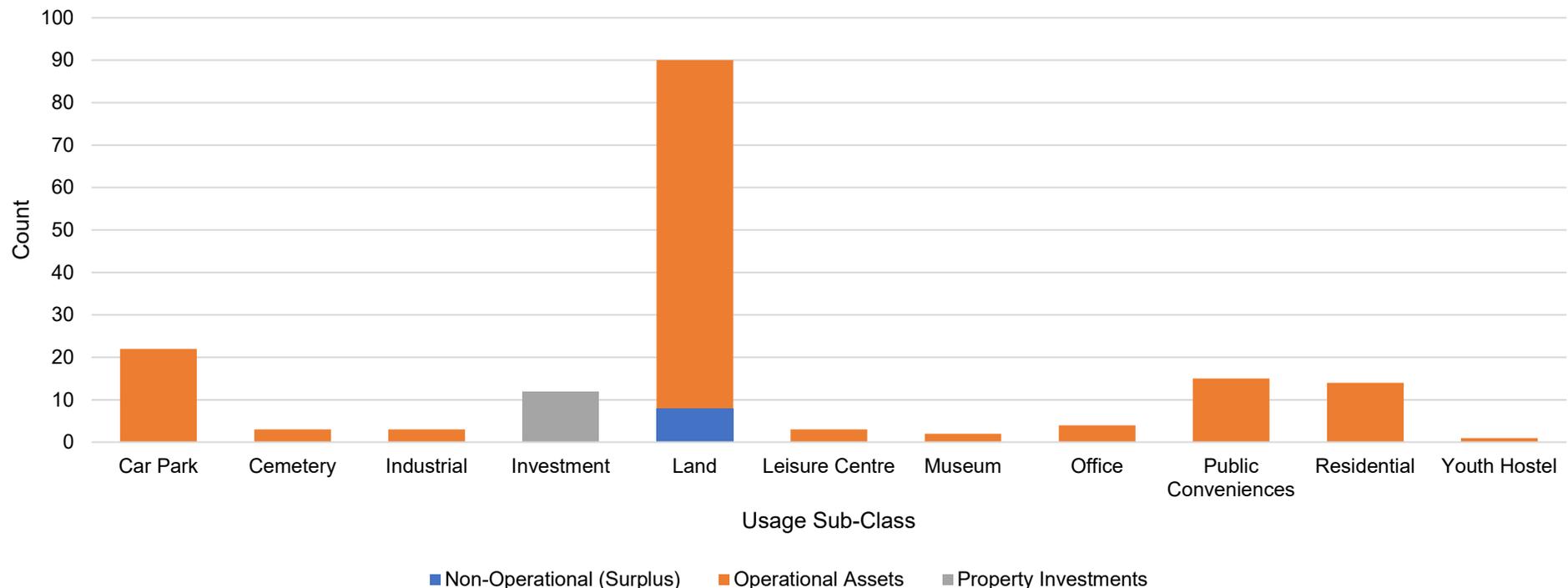
Many buildings are older, period buildings which are typical of the built environment in the Cotswold District. Whilst they are aesthetically pleasing and

fit in with surroundings, some of the buildings are expensive to maintain and provide little flexibility for alterations.

The Council's investment estate is predominately made up of retail occupiers, with three larger retail investment buildings located outside of the District. The Council owns a number of smaller, legacy buildings in Cirencester, many multi-occupied by smaller businesses.

Land interests include amenity land sites and numerous minor land interests which results in the high number shown on the graph below.

Figure 2: Count of Property Types



Leasehold Interests

Council as Lessee

The Council leases eight properties as lessee, most under long leases from other public bodies for our leisure centres, smaller car parks and one public convenience.

Council as Lessor

The Council are currently lessor of 83 leases, corresponding to 53 properties. Of these, 41 are peppercorn leases (31 of which are 50+ year term). These leases are typically granted to other local government bodies or social entities for operational facilities. Conversely, the remaining 42 leases in the portfolio generate varying levels of income. The majority of these are investment properties (see page 17).

The lease agreements range in duration, with 34 leases extending over 50 years, primarily for residential properties, and 27 leases for shorter terms of less than 10 years, predominantly for commercial and office spaces

Figure 3: Leases Classified by Rental Income Bracket

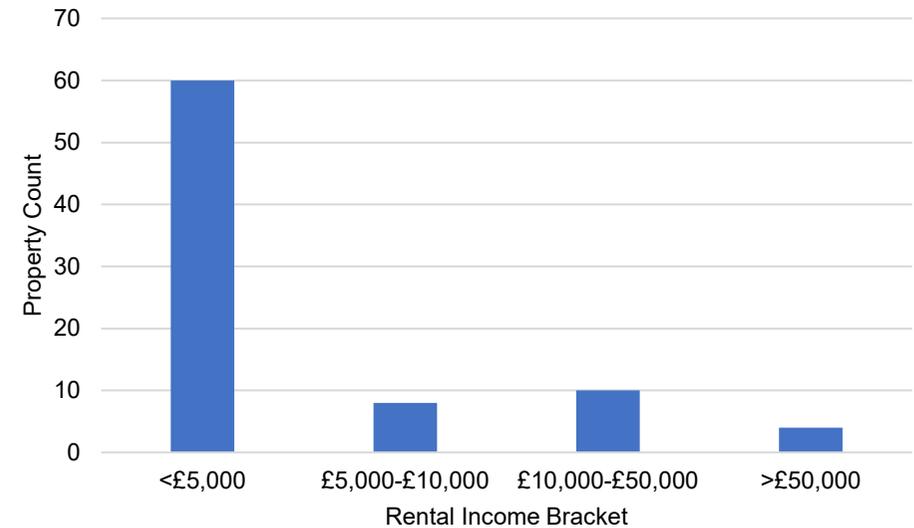
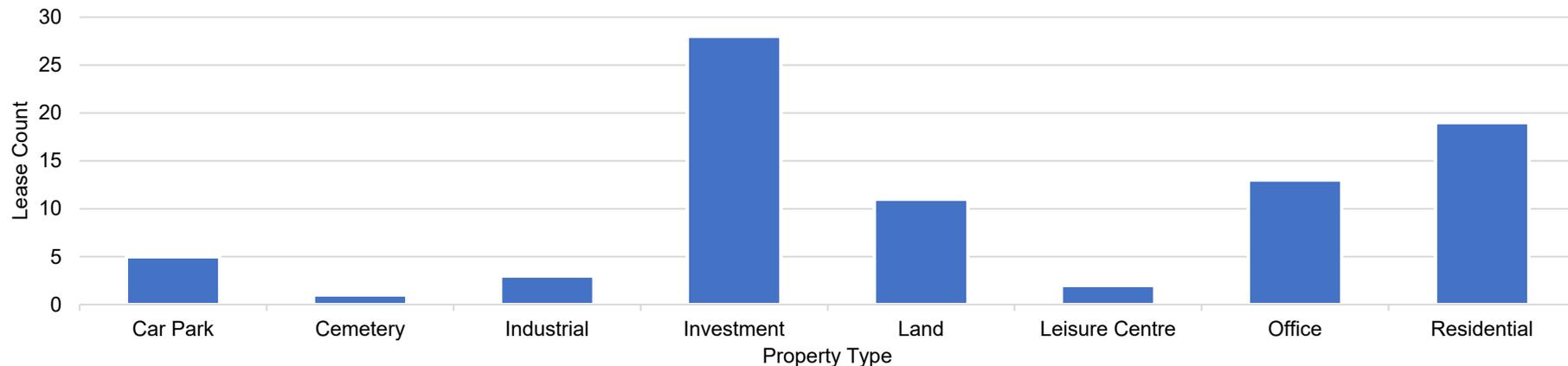


Figure 4: Leases by Property Type



PART 2: SHAPING THE FUTURE



COTSWOLD
DISTRICT COUNCIL

Asset Management Strategy Principles

1 Fit for purpose, cost effective and well utilised

Assets function effectively and enable staff and public to use them. Value for money is achieved by creating flexible buildings that support high utilisation and multiple uses.

Reflecting post-pandemic revised working practices the Council will carefully move towards a future estate that will have fewer buildings. Those buildings will be of better quality with greater functionality and better utilised. In future the Council will seek a greater degree of collaboration with public partners within its operations. The Council may be able to develop hub facilities for other public sector services to collaborate.

2 Sustainable and efficient

Assets are well maintained, are efficient in their uses of power, resources, and new technology to support a carbon zero target.

The Council will measure the energy use of its buildings and ensure that it is investing in energy efficient measures on those buildings that will be retained. The Council will aim to retrofit or release its most energy inefficient buildings. The Council's commitment to the climate change strategy will be creating a leaner, well utilised, more energy efficient estate.

3 Commercially managed.

Assets that are held for investment purposes should be commercially managed and 'sweated' to generate income to support frontline services.

Existing assets will be carefully managed to ensure they provide the best returns possible. The investment estate will be reconfigured with caution, releasing assets where they do not meet criteria for future use. Growth and new business will be encouraged by using land and buildings to stimulate development and encourage new business to our District. Further data will be gathered for the estate allowing performance to be more closely managed and better reporting.

Asset Management Strategy Objectives

The following are the objectives for the Asset Management Strategy:

- 1 Regeneration**
Guided by the Local Plan, to use the Council's property ownership to drive regeneration and growth in Cirencester.
- 2 Local Investment**
Focus on new investment in District.
- 3 Disposal of Properties Not Fit For Purpose**
Preparation for disposal of out of District investments at the right time, re-investing in more local investment opportunities. Assess in-District investment properties against investment criteria to ensure best value.
- 4 Governance**
To set up a Strategic Estates Group as a sub-group of the Cabinet Transform Working Group (CTWG) to assess and make recommendations to Cabinet on acquisitions, disposals or investment.
- 5 Capital Programme**
To obtain more forecasting data to understand potential future spend. This will assist with understanding which assets need to be retained or disposed of.
- 6 Climate Change Strategy**
To ensure property recommendations align with the energy reduction and decarbonisation targets.
- 7 Data**
To continue improving the use of the Uniform database. This will allow better recording and reporting on property and facilities management data.
- 8 Public Sector Collaboration**
The Council's strategy is initially inward looking to provide strategic direction for the Council. Future engagement with Parish and Town councils may achieve site sharing and therefore further efficiency in how property is used.

Corporate Finances and Capital Programme

Budgets and Timing

The Council's Medium-Term Financial Strategy (MTFS) identifies considerable risk to funding from 2026/27 onwards, with a projected budget gap of just over £5m in 2026/27. The plans the Council has to generate savings or income from its estate must be brought forward swiftly to support the overall financial position in 24 months-time.

The financial pressures are common to many Local Authorities, interest rate pressures, reduction in business rates, increase in the demand and cost for services and energy price hikes.

Until recently, the Council's capital expenditure has been funded from capital receipts. As there are no plans for new capital receipts, the Council will need to borrow to fund new expenditure requirements. Within the capital Programme for the period 2023/24 to 2026/27 the Council holds a property Repairs and Maintenance / Capital Works reserve of £250,000. It also holds a Land, Legal and Property fund of circa £1m for asset management activities such as major building repairs for the period of the MTFS.

Whilst the Council will seek every opportunity to reduce costs, there are limited opportunities for significant reductions in what is spent on the operational estate. The Council's operational estate is relatively well utilised and the potential disposal of one or two operational buildings may result in significant cost of change with some loss of public accessibility of services. Whilst cost savings for operational buildings will be considered, the focus will be to improve income from property investments (whilst reducing costs) where possible.

There is minimal funding for new investments or redevelopments. Disposals from existing properties will be required to support these initiatives. Reinvesting monies from disposals aligns with plans being considered by the Department for Levelling Up, Housing and Communities which will allow Council's greater flexibility to use money raised from asset disposals to address budget pressures.

Capital Programme

The Council's Capital Estates Strategy will outline the key investments, projects and opportunities from the Asset Management Strategy. Detailed information is being collated to inform the capital estates programme. The phase 2 (Implementation Plan) of the strategy will require accurate information to identify poorly performing and costly property stock. A significant element of these costs will be improving the energy efficiency of the Council's buildings. Planned preventative maintenance plans (PPM) will provide cost information to accurately forecast expenditure and efficiently procure technical and contractor resources.

For key buildings this may include the following.

- Condition surveys
- Running cost and energy performance
- Occupancy and space data

The condition surveys will identify backlog maintenance of property assets to inform and develop a 5-year capital investment strategy. The condition surveys will also identify opportunities to contribute to carbon zero target by replacing equipment such as boilers with ground source and air source heat pumps and the installation of energy efficient materials and plant such as solar panels.

Estate Planning - Operational Estate

Trinity Road Offices

Within the Council's operational portfolio, the current focus is on the Trinity Road offices. Following the Pandemic and a move to more agile working, some of the building was under-utilised and as a result part of it is being reconfigured to allow occupation of a serviced office provider. This will bring both revenue savings and income. In the longer term, the Council need to regularly review how the Trinity Road offices are used to ensure efficient use of the space. A longer-term option could include a disposal and relocation to smaller, more modern premises in the central area of Cirencester.

Moreton Area Centre

With work coming forward to ensure a more strategic approach to development in the north of the District, the Council is committed to retaining a customer services presence in the area. The Moreton Area Centre currently provides both Council customer services and lettable space to tenants but is underutilised. Consideration needs to be given maximising the return from this building, whilst ensuring customers can readily access Council services. This may need to be informed by a wider public access audit to understand how our residents are accessing council services and how our buildings and services are accessed.

Leisure Services

A new 10-year contract was agreed in 2023 for provision of leisure services. The existing leisure buildings are fit for purpose and able to meet demand for the foreseeable future. There is no need for significant change to the buildings, although there will need to be investment to ensure leisure services and therefore the facilities within the buildings meet changing needs. There may be opportunities for some public services to co-locate in the leisure centres to improve utilisation.

Public Conveniences

In Cirencester, Stow on the Wold and Tetbury, where there is more than one set of Public Conveniences, the Council proposes to transfer the facilities to the Town Councils or to close them. Where facilities are closed they may be converted and let or sold. It may be possible to realise income from some surplus facilities quickly, within 12 to 18 months.

Other Operational Buildings

In the longer term the Council will consider how its smaller operational buildings such as community buildings or other partner properties could accommodate in-person services, allowing space to be released within other administrative buildings. Smaller access points must be fit for purpose and continue to support those with more complex needs.

Open Space and Minor Interests Review.

Small land parcels are to be verified as surplus to requirements and disposed of or transferred. The ongoing management and enquiries regarding small land parcels can be labour intensive and a distraction from other, more important, estate management duties. For those small land parcels and minor interests which are to be retained in the short term, a policy note may be appropriate to agree how they will be managed. This could include enhancing biodiversity and planting trees on these sites. It will be important not to release small or minor land interests which may support future infrastructure schemes in light of the developing master plan.

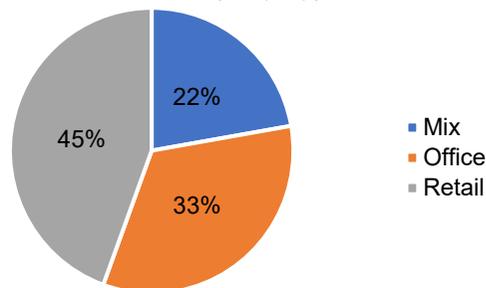
Estate Planning - Operational Estate

Investment Properties

The Council's investment estate is composed of 12 properties with an annual rent roll of over £340,000. This portfolio includes properties both within and outside the District, providing a degree of diversification that has historically buffered against localised economic downturns.

In the face of the prevailing economic downturn, the rent roll has declined. The Council's MTFS recognises this reduction in revenue income over the next 3 to 4 years as it is predicted that the rent roll may decline further as a result of the retail biased portfolio. The Council's out of District investment properties are let to tenants who may be further negatively affected by the economic downturn. The investment properties in District are smaller, multi-let period buildings which are costly to maintain and expensive to manage.

Figure 5: Investment Portfolio Property Type Mix



For investment properties purchased by Local Authorities in the last 5 years, retail property has on average fallen by 29% since it was purchased, with offices down by 23%. Industrial property, on the other hand would have increased by 23% in the same period. Whilst these statistics may not be fully applicable in Gloucestershire, it is understood that industrial property would have outperformed both retail and office sectors.

Condition, Maintenance and Efficiency

The portfolio comprises properties including yellow brick buildings typical of the area along with a few late 20th century and early 21st century buildings. These buildings unsurprisingly have poor energy efficiency metrics and are mostly certified with an EPC D rating. There is currently some maintenance data to support cost analysis, but it is understood that these properties have large associated planned and responsive maintenance costs typical with older period buildings. Many of the buildings are Grade 2 listed creating constraints on future retro fitting and reconfiguration.

Tenure and Challenges

The majority of these properties are let to small independent tenants with a few exceptions including Tesco and Argos. Importantly most of the properties are multi-let consuming greater management resource. There are currently 4 properties with multiple leases where the tenant is holding over and another 4 where the leases have less than 4 years remaining. Finally, the largest property is currently unlet as the tenant, Wilko, recently went into administration.

In conclusion, the investment property portfolio, while generating a significant annual rent, faces multiple challenges that require strategic management and planning. The diversity of the portfolio, both geographically and in terms of tenant mix, provides some resilience against economic fluctuations, yet the concentration in retail units and properties with poor energy efficiency ratings introduces considerable risk. The condition and maintenance needs of the older buildings, coupled with the complexities of managing multiple leases and the presence of unlet properties, further exacerbate these challenges.

Estate Planning – Investment Properties Outside District

Investment Properties Outside District

The Council has three properties, in Tipton, Seaford and Hereford which collectively have an estimated rental value of 75% of the total investment portfolio. The performance of these investment properties greatly impacts the total income.

The largest property in Tipton remains unlet with offers less than the previous rent passing from lessor covenants. The Hereford tenancy is in a stable situation as a result of a rent reduction however the investment is still at risk. The property in Seaford is let to a stronger covenant having lower risk to that income stream.

The out of District investments do not support the local economy or regeneration initiatives. The location of the properties has led to complications in management, and the Council is more reliant on local agents to assist in management, rather than using its own in-house expertise.

Next Steps

In line with the Council's commitment to community-centric growth and effective asset management, the Council's objective is to focus on investments locally, ideally to meet both financial and regeneration objectives and support growth in the District.

The phase 2 Implementation Plan will consider disposal options. In the meantime, the Council will continue its management of these properties allowing preparation for a sale if and when required.

Estate Planning – Investment Properties Outside District

Investment Properties in District

The Council has 9 properties, the majority in Cirencester. These are often historic heritage buildings, characterised by their complex maintenance requirements and substantial management overheads. Despite their cultural value, the financial returns from these properties may not align with the Council's efficiency and profitability objectives (to be assessed as part of our Implementation Plan, Phase 2).

Within the 9 properties there are 9 tenants paying less than £5,000 per annum. Whilst there is not detailed figures to support the analysis, it is expected that the maintenance and management costs of some of the properties would be higher than the rental income. The Council's largest in District investment property at Dyer Street occupied by Argos and Savers is allocated in the Masterplan as a development site.

The Council will consider disposal of properties which are the most expensive to maintain, the highest cost to manage and which do not offer support to the future Masterplanning of Cirencester. Where feasible, the Council will seek to responsibly transition away from those properties, prioritising investments that deliver better returns and reduced management cost. Any disposal proceeds may be invested in new investments or to fund redevelopments of other schemes.

The identification of those individual properties will be undertaken in the Implementation Plan (Phase 2) where properties are individually assessed according to agreed criteria.

Property Management

The Council's properties are managed by the in-house Assets Team with support from advisors. The Council's Property Management processes are led by RICS and CIPFA guidelines. The Council will continue to govern its investment properties commercially to achieve best value and ensure all tenants are treated fairly.

As an example of this, the Council has agreed a new policy with regard to the charging of interest.

- The Council has the ability to charge interest as per the contractual liability in each lease.
- Interest can be charged on rent backlog after a rent review and in extreme cases of rent arrears.
- Charging interest would be a tool that the Council Assets team could use, in their expert opinion, where the interest income would be above an agreed level.

Estate Planning – Investment Properties Outside District

Car Parking Opportunities

The car parking strategy will need to balance a number of priorities. The Council relies on income from its car parks which is approximately £1.6m net per year at the time of writing. Due to limited public transport infrastructure in Cirencester, the Council must also retain the right amount of car parking spaces to allow access to amenities and business to grow. Our car parks must retain space for residents, visitors, electric vehicle charging and spaces for disabled users.

The Council will forecast future demand for car parking whilst observing Local Plan policies (Policy S3 Central Area Strategy) which promotes the relocation of town centre car parking to out of town locations where possible. There is also a principle of bringing further residential use into the town centre.

A number of the sites within the Cirencester Central Area Strategy identified and allocated for development are owned by the Council. This allows us some control in the future development of key sites in Cirencester.

Some of the Council's car parks require modernisation and reconfiguration to maximise income. There therefore needs to be an understanding of which car parks will be retained, and which car parks (if any) might be redeveloped for alternative use. This will impact the Capital Programme for the car parks and decisions will need to be made swiftly.

How the future use of Council owned car parks will be identified

The Car Parking Strategy is ongoing, and this work is expected to continue through 2024. The Asset Management Strategy will need to reflect results from the Car Parking Strategy, particularly the analysis of occupancy. Whilst the initial focus is on the car parks in Cirencester, demand for car parking across the rest of the District will also be reviewed.

Occupancy information will be overlaid with an assessment of commercial opportunities to identify which car parks could be considered for an alternative use.

The Local Plan update (draft version) identifies the following car parks for development to enable implementation of the Framework Masterplan for Cirencester.

- Old Station (152 spaces)
- Brewery (278 spaces)
- Sheep Street (102 spaces)
- Forum (176 spaces)
- The Waterloo (234 spaces)

These are car parks located in the central area of Cirencester and these will be the focus of analysis for alternative uses. However, car parks can only be redeveloped if parking needs can still be met. In some cases this will mean the relocation of car parks. This supports the key Local Plan policy for decentralisation of car parking in Cirencester.

The Waterloo Car Park

Although we will need to be guided by further study, of these five car parks, The Waterloo Car Park may offer the best opportunity for redevelopment. Any redevelopment here may only need part of the site, or parking could be re-provided.

Estate Planning – Investment Properties Outside District

Other Opportunities

The remaining four Town Centre car parks will be considered for an assessment of commercial opportunities. The selection may be narrowed, once the results of the Car Park Strategy are obtained. If the current number of existing car parking spaces in Cirencester is to be retained for the short or medium term, then the focus of further analysis will be to consider which other car parks could offer redevelopment whilst retaining the majority of car parking spaces.

Should the Car Parking Strategy suggest that the number of car parking spaces in Cirencester could be reduced in the short / medium term then the Council may consider disposal or alternative uses which do not require re-provision of car parking. This outcome offers the potential to realise a significant capital receipt more quickly. In this event it will be necessary to forecast the potential loss of car parking income as part of any analysis.

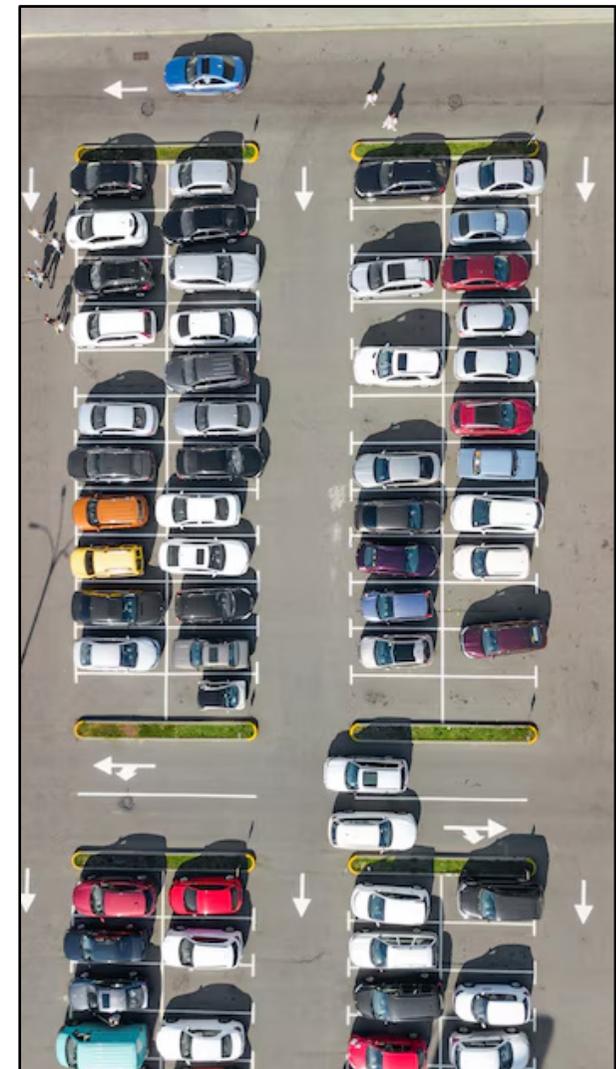
It is noted that any new use of the ex-Tesco site in central Cirencester may have an impact on the car parking at the Brewery. The Brewery site should therefore be considered once the future use of the ex-Tesco site (not Council owned) is clear. This will need to be considered as part of the overall analysis of the 5 selected car parks.

Although our analysis will be focused on Cirencester car parking, the Council will consider other opportunities for alternative uses for car parks elsewhere in the District if guided by the Car Parking Strategy.

Next Stage Assessment

The commercial assessment of alternative uses should be a Masterplanning led / market analysis of options. Any assessment will need to consider the wider impact on existing residential and commercial uses which may only remain viable if there is adequate car parking available. Loss of car parking income from any of the scenarios will need to also be accounted for.

Any proposed development of these sites may offer opportunities for much needed new housing, which should also be considered by the assessment.



Estate Planning – Commercial Investment Opportunities

Future Investment

With continuing economic challenges, the Council's focus is to maximise the returns from existing investment properties and dispose of underperforming properties, reinvesting receipts. Options are primarily the acquisition of new investment property in the District and / or funding redevelopment of existing (car parking) sites in Cirencester (see page 20).

Funding from Disposals

Reserves are held to fund the implementation of key projects which alleviate the financial risks the Council is facing. The Council's Priorities Fund (CPF) has a balance of circa £1m for the current financial year. Receipts from any disposals are held in the capital receipts reserve, forming part of wider capital financing options to include regeneration investment. Given that completing sales of existing investments may take a number of years, the Council will consider other funding sources.

Diversification

The Council's commercial properties are retail biased but it is considering diversification through asset management of existing properties. New projects including regeneration opportunities will be considered, which focus on other sectors. These may include healthcare / surgery and other sectors including light industries, leisure, food and hotel opportunities.

Location / Specification

Initially the Council will look to acquire those commercial investments in the Cotswold District, particularly those opportunities which support local Masterplanning objectives and key sites in Cirencester. Investment opportunities in District will be limited but smaller lot size investments can be achieved in or around Cirencester. Achieving success to acquire the right investment in District

will require preparation and an ability to act quickly, having pre-agreed the criteria for investment.

As discussed in the Estate Planning section on car parks, the Council is considering the redevelopment or disposal of car parks in the central area of Cirencester, where parking is underutilised or alternative sites can be identified.

As the Council proceeds with this divestment strategy, it will aim to reinvest within the Cotswold District, thereby fuelling local economic development and simplifying the management of the investment estate. By focusing on local opportunities, the potential for our investments to directly benefit our residents and business community is enhanced.

Timing

The Council will be faced with a complex set of opportunities, managing the sale of existing investments when the time is right, whilst considering the reinvestment of funds into the capital programme, new investments or redevelopment opportunities. The Implementation Plan will provide a more detailed plan on the timing of these transactions once individual property options are understood.

Surplus Property Opportunities and Other

The Council may have surplus public convenience sites for disposal or to let for investment. Whilst this is likely to be kiosk type space, there can be strong demand for the opportunities from small businesses for these sites which rarely come to market.

The Council may hold land sites which are no longer required for operational use and these may offer investment opportunities. Alternative uses for land sites, will consider all options including uses for smaller plots including (EV) charging and cycle facilities, which dovetail with the Council's commitment to sustainable infrastructure.

Local Plan and Regeneration

Policy and Context

Provision of affordable housing is a priority for the Council. Delivering housing for local, low-income families is vital to ensure they have a choice to stay local. This is important for local jobs, retained spend and sustaining communities. The Council's new housing strategy assesses opportunities from its existing ownership and explores other options to progress genuinely affordable housing projects for the future.

The adopted Local Plan to 2031 is being updated and a new Local Plan to 2041 is also being prepared. There are around 60 existing / new policies that are being prepared and revised, including a new Climate Change chapter. For the Local Plan period 2026 to 2041, it is currently estimated that sites for around 3,300 additional homes are needed.

The Council is in a unique position as it owns a number of the sites which are identified in the Local Plan and in the Framework Master Plan for development. The presence of council buildings or services often creates high footfall and can lead to a micro-economy which attracts other businesses. This allows the Council a degree of control for future development ensuring where possible that development aligns with corporate priorities;

- Providing land for affordable housing and other development
- Stimulating regeneration through the development of public sector hubs and joint developments
- Job creation and development of business hubs
- Supporting micro businesses

Delivery

The challenge is to promote the sites the Council owns to support future regeneration priorities to bring forward schemes which are financially viable. This will require market analysis of identified sectors to understand interest.

Creating a delivery strategy from the Cirencester Town Centre Framework Masterplan will allow areas presenting opportunities to be considered in more detail. The Council may have the opportunity in some cases to self-develop as owner of the sites to create new income streams, to work with a partner in developing the sites or to dispose of the land and buildings allowing others to take the site forward. The Council will be flexible in its delivery options and assess each opportunity on its own merits.



Figure 6: CDC – Bromford Down Ampney Render

Sustainability, Climate Change and Decarbonisation

Climate Change Strategy – Impact on our Estate

The Council's Climate Emergency Strategy 2020 to 2030 sets out how it will combat the negative effects of climate change and support a program for delivering net zero. Whilst Central Government has committed to achieving net zero by 2050, the Council has committed to achieving net zero earlier, by 2045. A quarter of the Council's entire corporate emissions are from gas usage in heating its buildings. The other quarter is from electricity, predominately used in buildings, so the energy efficiency of the Council's estate is a vital component in achieving net zero.

Net Zero Priorities for our Land and Buildings

The following are priorities for the Council's land and buildings taken from the Climate Emergency Strategy or from the Local Plan.

- To improve the energy efficiency of Council owned properties
- To consider disposal of buildings which cannot achieve net zero through refurbishment
- New acquisitions will be carbon neutral throughout their lifespan
- The Council will attempt to base any new commercial investments within District
- To drive the importance of sustainability in new developments
- To focus on renewable energy and investing in Solar PV (photovoltaic / 'solar panel') technology
- To increase the number of EV charging points
- Continue to develop data for better benchmarking and performance management.

As part of the Asset Management Strategy, creating a leaner estate with modern and better utilised buildings will play a key role in the reduction of the Council's carbon footprint. The utilisation of the Council's accommodation will be

constantly reviewed to ensure that there is no empty space potentially wasting energy.

The Council will ensure that it is investing in energy efficiency improvements (and decarbonisation) projects for those buildings that will be retained for the future. The strategy for understanding which buildings will be retained is therefore critical to the plan for targeting energy efficiency projects, ensuring that the Council will continue to benefit from those changes in the long term.

Consideration will be given to the carbon neutrality of buildings as a key part of decision making on acquisitions and disposals. However, the limited number of carbon neutral buildings currently available in District and the premium that may need to be paid, may mean that retrofit to achieve low carbon buildings will need to be considered. As noted in the Climate Emergency Strategy, 'The Council will seek commercial investment and co-investment opportunities, ideally within the District.' By 2041, 20% of the Council's energy use will need to come from renewable sources within the District. This will influence investment decisions. For any redevelopment options the Council will keep in mind key policy to prevent demolition to reduce the carbon costs of new build schemes.

The Council's new Local Plan will be 'Green to the Core' and its new developments will have green credentials. It is leading by example with its Joint Asset Venture at Down Ampney. This is a Carbon Zero Development with PV panels whilst also being a 100% socially rented scheme. The Council plans to bring forward more of these Carbon Zero developments across the District in future years.

Options are also being explored for installing renewable energy generation schemes as part of sustainable development and the Council is progressing installations of solar PV in a number of locations including operational and investment buildings. It may be appropriate to consider Natural Capital options such as carbon capture, pollination or natural defences to protect against flooding, for open space and this will form part of new investment considerations.

Sustainability, Climate Change and Decarbonisation

Climate Change Strategy - Data

Improved quantitative data is needed, and energy performance information will be an important element of that data. Improvements will be made to the way in which energy performance of buildings is measured and this will be related to building use data for accurate results. This information will form part of the strategic decision-making process for the Council. That work will need to include identifying leased buildings which fall foul of MEES regulations (preventing a Landlord from leasing the premises).

The Council is progressing further building energy assessments in response to changes to the MEES regulations. The building assessment will allow determination of the level of new investment required for buildings (including tenanted properties) to achieve better energy efficiency. This will provide cost information for increasing the ratings for each property. It may not be economically viable to improve some of the buildings to reach net zero status and the Council will need to consider future options for those buildings which may include disposal.

Investments will need to be made in energy efficiency improvements (and decarbonisation) projects for those buildings that will be retained for the future.

Governance

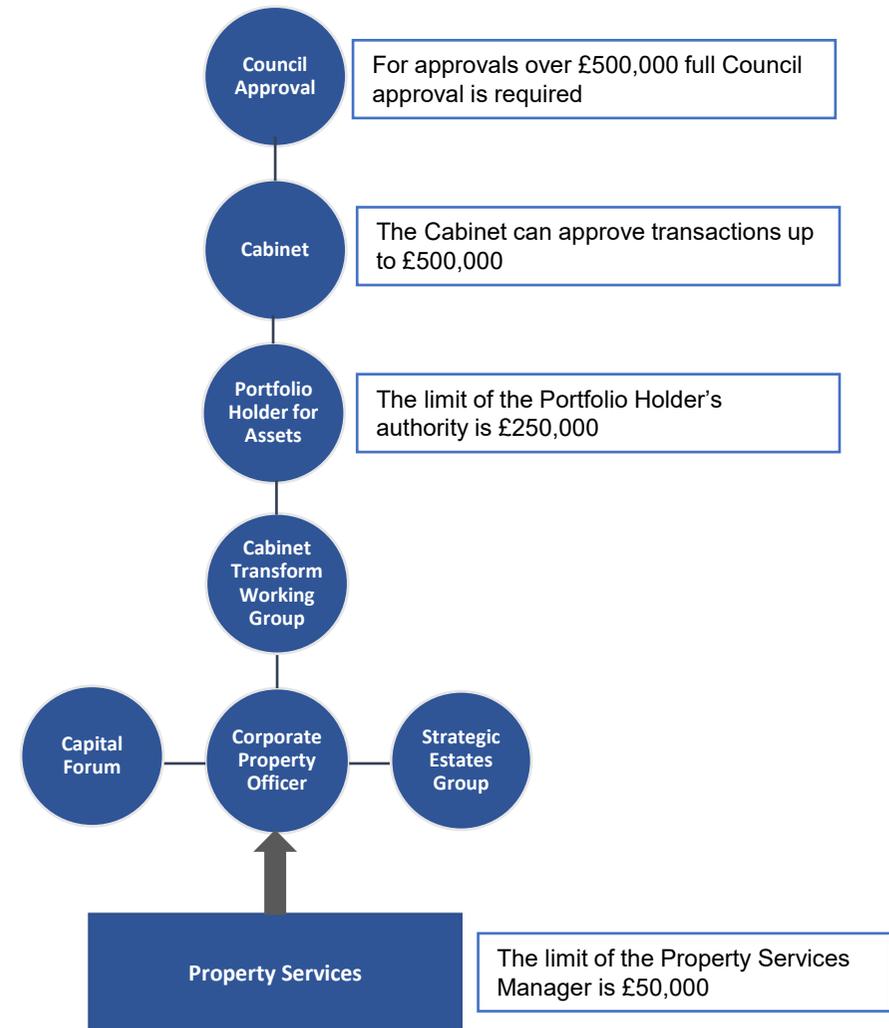
The Council's Strategy is based on the continued model of centralised management (Corporate Landlord) to ensure that all individual property decisions align with the strategy. All land and property matters must be managed and monitored by the Estates Team.

This strategy provides a holistic view across the Council to consider corporate objectives, regeneration goals, operational service requirements and investment opportunities. This presents a relatively complex matrix of options and will require a dedicated Estates Board to consider the decisions.

Some of the recommendations being put forward by the Asset Management Strategy require frequent input from a number of stakeholders across the Council. The Estates Board will allow all stakeholders the ability to support or challenge key decision making and ensure that projects align with the Asset Management Strategy. This will allow swift progress with property transactions where time is of the essence, including new investments or to confirm funding for redevelopment.

Those key strategic issues will be progressed through a 'Strategic Estates Board' (SEB) within the existing Cabinet Transform Working Group (CTWG). This group will ensure that the recommendations, principles and actions from the strategy are discussed, developed and implemented.

Existing delegated authority bands are shown on the diagram. It is suggested that these are increased (particularly for single transaction amounts) allowing the Council to progress with property transactions more efficiently. Some other District Councils have delegated authority limits twice the amount shown.



PART 3: DELIVERY



COTSWOLD
DISTRICT COUNCIL

Asset Management Strategy Property Recommendations (Informing Phase 2)

Recommended Actions

- **Out of District Investments:** To proceed with asset management, ensuring the properties are producing a market rent or the highest returns possible, whilst making preparations for disposing of the poorest performing assets. The poorest performing assets will be determined by the assessment tool as part of the Implementation Plan.
- **In District Investments:** To consider disposal of those properties which are the most expensive to maintain, have the highest management costs, have low social value and do not support the future Masterplanning of Cirencester. That selection process will be undertaken as part of the Implementation Plan.
- **Car Parks:** To progress opportunities for investment delivery options of one or more of the selected Cirencester central area car parks. These will be assessed as part of the Implementation Plan alongside information and data from the Car Parking Strategy.
- **Operational Property:** To provide an assessment of options for maximising the use of Moreton Area Centre. This property will be assessed within the Implementation Plan.
- **Public Conveniences:** To transfer or dispose of some facilities in Stow on the Wold, Cirencester and Tetbury, which may offer revenue generation opportunities.
- **Land Interests:** Review for categorisation, identification of residential development and / or disposal. To consider and promote those sites suitable for housing.

Implementation Plan (Phase 2 Asset Plans)

Working Tool

The Council will agree a criteria for the assessment of selected properties. The assessment of properties will be guided by the agreed strategies set out in the Asset Management Strategy (Phase 1). For those properties which are assessed as requiring change, Asset Plans will be produced.

Property Assessment

The assessment tool will allow new information to be updated and report on results and recommendations without having to revisit the entire strategy. The Council will assess all in-scope properties for existing functionality. Each of the properties will be assessed against all criteria so they are scored for operational, social, investment and regeneration opportunities.

Qualitative scoring criteria would include the following and be assessed alongside quantitative data to provide an overall assessment allowing a decision on retention, redevelopment or disposal of a site:

- Operationally fit for purpose – qualitative assessment with service teams
- Operational improvement – opportunity to refurbish or extend
- Collaboration Options
- Residential development – potential to support housing delivery
- Alternative Use Potential – independent of service requirement, could it be used for other purposes
- Voluntary and Community Sector Opportunity
- Social value
- Hub potential – providing multi-service location
- Regeneration site or adjacent to regeneration site