Economy and Infrastructure
Property Estates and Programmes

PUBLIC

Property Asset Management Strategy and Management Plan

2025 - 2035

Dumfries and Galloway COUNCIL

Contents

WHY WE NEED A PROPERTY STRATEGY

Introduction

Property assets exist to provide value (financial or non-financial) to the Council and its communities. If a property asset no longer provides value, then it should be questioned as to why the Council retains it.

The Council has a variety of property asset types such as - schools, offices, customer services centres & libraries, town halls, community centres, leisure facilities and museums, industrial units, shops, garages, car parks, public toilets, parks, HWRCs, depots, garages, stores, allotments and land.

As Dumfries and Galloway is the third largest, and one of the most rural regions in Scotland, covering an area of 6,426km^2, the Council need to ensure the properties it retains and invests in are efficient, affordable, sustainable, and future-ready to support our economy to grow and our citizens to prosper, in order to meet the needs of and contributes to our communities across our region.

Policy Statement

Asset Management is internationally recognised as an effective method to control and govern property assets in order to balance cost, risk and performance to achieve value. The purpose of this Strategy is to demonstrate the Council's commitment to effective asset management by providing a clear understanding of what this means, who it applies to, and how it will be applied.

Property Asset Management is *'...the activity of aligning property assets with the strategic aims and direction of the organisation and adding both financial and non-financial value to the organisation as a result'.* [1]

Asset Management takes account of a variety of influencing factors including property performance, economic, social and financial to inform the decisions on the assets the Council holds and may look to acquire in the future. This involves the balance of costs, opportunities and risk against performance of assets to achieve Council objectives.

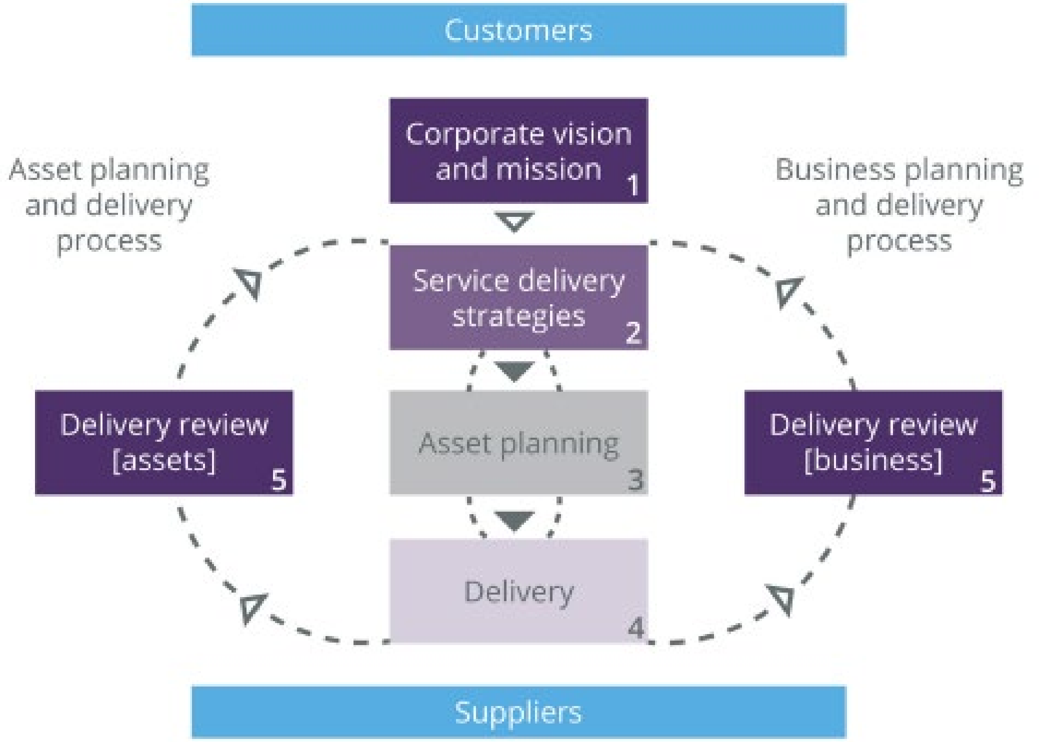
This Strategy aligns with the Council Plan and has been developed to comply with of BS ISO 55000:2104 'Asset management – Overview, principles and terminology' and the RICS publication, 'Strategic Public Sector Asset Management'. This ensures the Council is following best practice and a recognised framework in its approach when undertaking strategic planning of its property assets.

Scope

Dumfries and Galloway Council is responsible and accountable to ensure the buildings it delivers services from continue to provide value to the Council and the communities it serves. Regular review of Service delivery together with asset review provides the basis of a corporate solution to ensure best value.

How Our Council Will Achieve This

Effective property management requires an integrated approach to support delivery of the Council Plan. The following diagram[1] represents the process for effective property asset planning, demonstrating the interrelationship of business planning and Service delivery with the review of assets and how an integrated approach can be achieved.



Delivery Review (Business)

This process to be applied as standard practice on an annual basis, or whenever a review of service delivery has an impact on an existing property or when a new accommodation need has been identified, i.e. as part of the service delivery review process, Services should perform an asset review (including any increase / decrease of accommodation needs within existing assets). Examples of when this process could be triggered, but is not limited to:

- Directorate restructure that has an impact on service delivery.
- Service Review and/or Transformation.
- Approved establishment of a new Service or Team to deliver the Council Plan.
- New / updated business plans.
- External influences e.g. legislative changes that impact on how services are delivered.

Delivery Review (Assets)

Asset Challenge Review process will be co-ordinated by the Corporate Landlord as part of day-to-day business activities. Different influencing factors, including budget pressures, can trigger an asset challenge of a single or multiple assets. The asset challenge process can review - strategic purpose, customer need, performance, cost, value (financial / non-financial), condition, suitability, utilisation, sustainability, opportunity and risk.

[1]RICS – Strategic Public Sector Property Asset Management, 3rd edition, September 2021

PROPERTY ASSET MANAGEMENT STRATEGY VISION

"To create and maintain a property and estate portfolio that is future-ready, environmentally sustainable, and meets the needs of our communities that enables Dumfries and Galloway Council to deliver high-quality services across the region"

COUNCIL PLAN PRINCIPLES

Safeguard our future.

- Address the climate emergency.
- Protect our natural capital

Support our citizens.

- Put customers at the heart of services.
- Support the most vulnerable and in need.
- Address inequalities.
- Offer digital services.

Support our communities.

- Empowering communities and individuals.
- Work in partnership.
- Focus on local.
- Invest to enable change.

Be a responsive Council.

- Communicate openly.
- Maintain high standards.
- Maintain finances.
- Make best use of resources.
- Be organised to deliver.

PROPERTY ASSET MANAGEMENT STRATEGY THEMES

Using fewer assets to deliver a better, more efficient, affordable and sustainable estate.

Working in partnership with our communities, ensuring assets focus on local and place.

Managing our Council assets effectively.

PROPERTY ASSET MANAGEMENT STRATEGY OBJECTIVES

- Dispose efficiently of surplus buildings to reduce asset volume and optimise service delivery.
- Invest strategically in retained buildings to enhance efficiency and protect asset value
- Strengthen sustainable practices to improve resource efficiency, reduce emissions, and enhance climate resilience.
- Manage proactively short- and long-term impacts to improve financial performance and sustainability.

- Review and improve operational processes to enhance asset performance and support Council objectives.
- Enhance stakeholder confidence by improving customer satisfaction and strengthening the Council's reputation.
- Assure asset performance to deliver high quality services and strengthen stakeholder trust.

- Mitigate financial, environmental, and reputational risks by improving safety and reducing liabilities.
- Enable informed decision-making to balance financial, operational, and strategic priorities effectively to manage risk.
- Demonstrate transparent compliance by adhering to legal, regulatory, and asset management standards

What Success Looks Like

1.	Improved financial performance	✓	Dispose efficiently of surplus buildings to reduce asset volume and optimise service delivery. Invest strategically in retained buildings to enhance efficiency and protect asset value.
2.	Informed asset investment decisions	✓	Enable informed decision-making to balance financial, operational, and strategic priorities effectively to manage risk.
3.	Improved service outputs.	✓	Assure asset performance to deliver high quality services and strengthen stakeholder trust.
4.	Managed risk.	✓	Mitigate financial, environmental, and reputational risks by focussing on safety and reducing liabilities.
5.	Demonstrated social responsibility.	✓	Strengthen sustainable practices to improve resource efficiency, reduce emissions and enhance climate resilience.
6.	Demonstrated compliance.	✓	Demonstrate transparent compliance by adhering to legal, regulatory and asset management standards
7.	Enhanced reputation.	✓	Enhance stakeholder confidence by improving customer satisfaction and strengthening the Council's reputation.
8.	Improved sustainability.	✓	Manage proactively short- and long-term impacts to improve financial performance and sustainability.
9.	Improved efficiency and effectiveness.	✓	Review and improve operational processes to enhance asset performance and support Council objectives

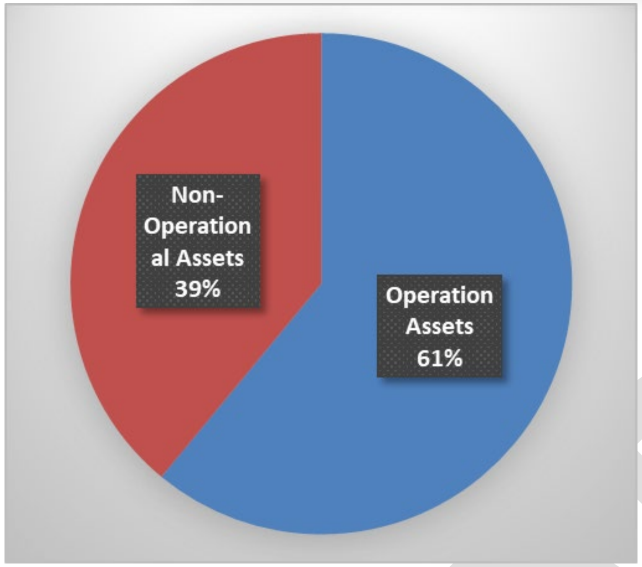
OUR PROPERTY ASSETS

The Facts

The Council holds 1130 Property Assets

55% Land

45% Buildings



Council assets have an estimated Asset Value of £765.4m

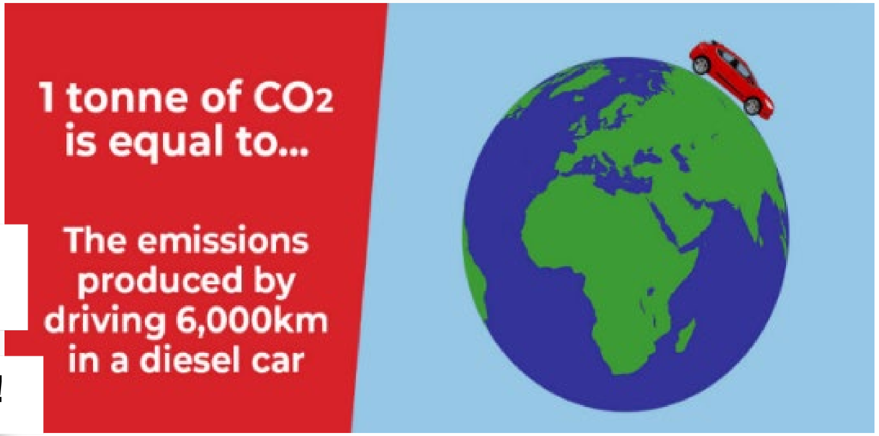
> £115.7m Backlog Maintenance Costs

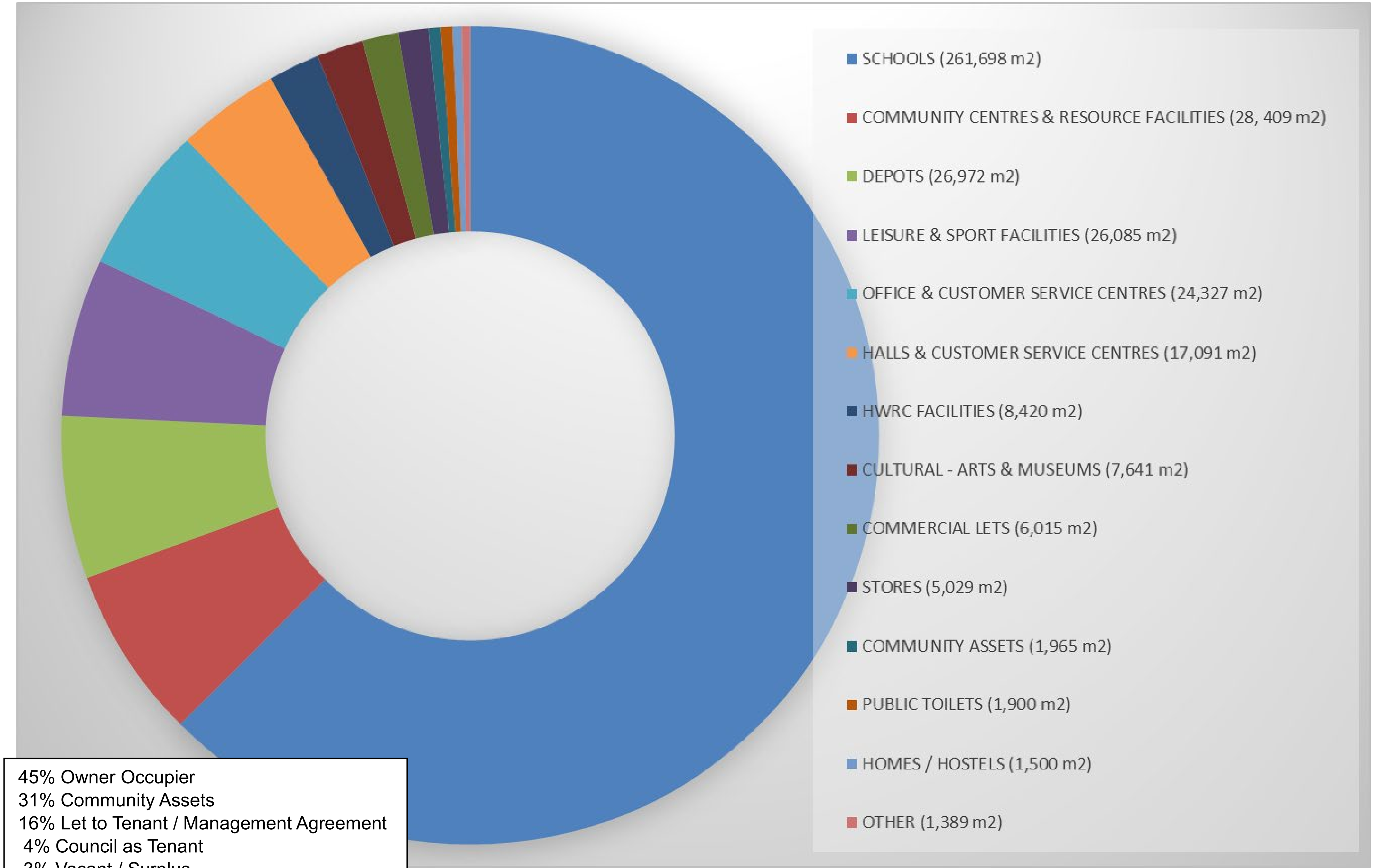
>£24.8m Property Running Costs per annum.

Over one third of Council buildings built before 1940.

13,512 tCO_2e from our buildings in 2023-24

… equivalent to driving over 81 million km in a diesel car!





45% Owner Occupier
31% Community Assets
16% Let to Tenant / Management Agreement
4% Council as Tenant
3% Vacant / Surplus
1% Other

Size and Value

% of Estate	Property Type	Gross Internal Floor Area (m2)	Backlog Maintenance £M	Asset Value £M
44%	COMMUNITY ASSETS	1,965	£1.0	£52.3
10%	CAR PARKS	0	£0.3	£13.2
10%	SCHOOLS	261,698	£75.2	£457.9
8%	COMMERCIAL LETS	6,015	£2.2	£3.2
5%	LEISURE and SPORT FACILTIES	26,085	£8.8	£90.5
5%	PUBLIC TOILETS	1,900	£0.5	£3.7
4%	COMMUNITY CENTRES and RESOURCE FACILITIES	28,409	£6.7	£46.9
4%	HALLS and CUSTOMER SERVICE CENTRES	17,091	£5.4	£25.4
2%	OFFICES and CUSTOMER SERVICE CENTRES	24,327	£5.7	£12.1
2%	HWRC FACILITIES	8,420	£0.3	£36.4
1%	CULTURAL - ARTS and MUSEUMS	7,641	£3.0	£12.9
1%	DEPOTS	26,972	£4.9	£4.9
1%	STORES	5,029	£1.2	£1.4
1%	HOMES / HOSTELS	1,500	£0.3	£2.1
1%	OTHER	1,389	£0.2	£2.5
		418,440	**£115.7**	**£765.4**

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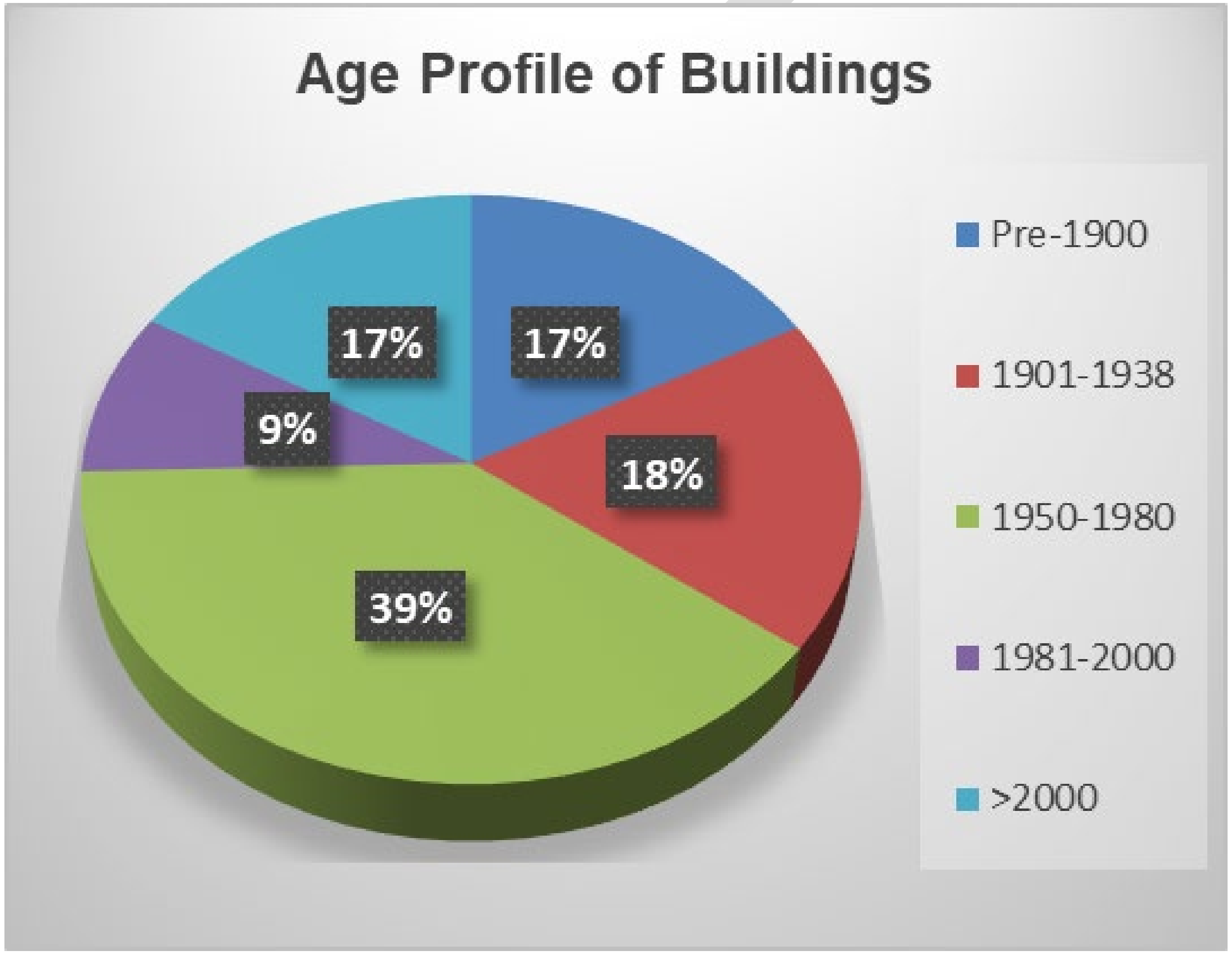
Age of the Estate

- **The built estate (45%)**, with an asset value of circa. £711m, varies in size, type, use and age. Many properties built pre-1900 up until the war in the late 1930s, are large historic buildings (e.g. town halls, civic buildings, and schools).



- **Land and other property (55%)**, has an asset value of over £54m. This consists of burial grounds, playing fields, car parks, allotments, harbours, war memorials etc.

Cost of the Estate

- **Running Costs >£24.8 million.**
  Costs include – rents; rates; repairs; energy; water; refuse; cleaning; security; furnishings; and grounds maintenance.

- **Backlog Maintenance Costs >£115.7m**
  This includes vacant and surplus assets. Backlog maintenance cost is the investment required to bring the estate up to acceptable standards in terms of their physical condition and/or statutory compliance.

  A 5-year programme to update condition surveys across the estate commenced 2020 is now complete. This uses a risk-based approach (consequence and likelihood of failure) to understand and prioritise the work required to prevent continued deterioration and/or failure of the asset. The following tables exclude vacant and surplus assets.

Cost by Risk*

Low Risk	Moderate Risk	Significant Risk	High Risk	Total	Gross Internal Area (m^2)	GIA/m^2
£21.1	**£70.5**	**£18.7**	**£0.9**	**£111.2**	**341k**	**£326**

Cost by Element*

Electrical	Mechanical	Walls Windows Doors	Recreation	Floors Stairs	External Areas	Roof	Internal Walls Doors	Ceilings	Sanitary	Fixed Internal	Totals
£37.1m	£21.2m	£13.2m	£10.5m	£8.4m	£7.9m	£7.8m	£2.8m	£1.1m	£0.7m	£0.5m	£111.2m

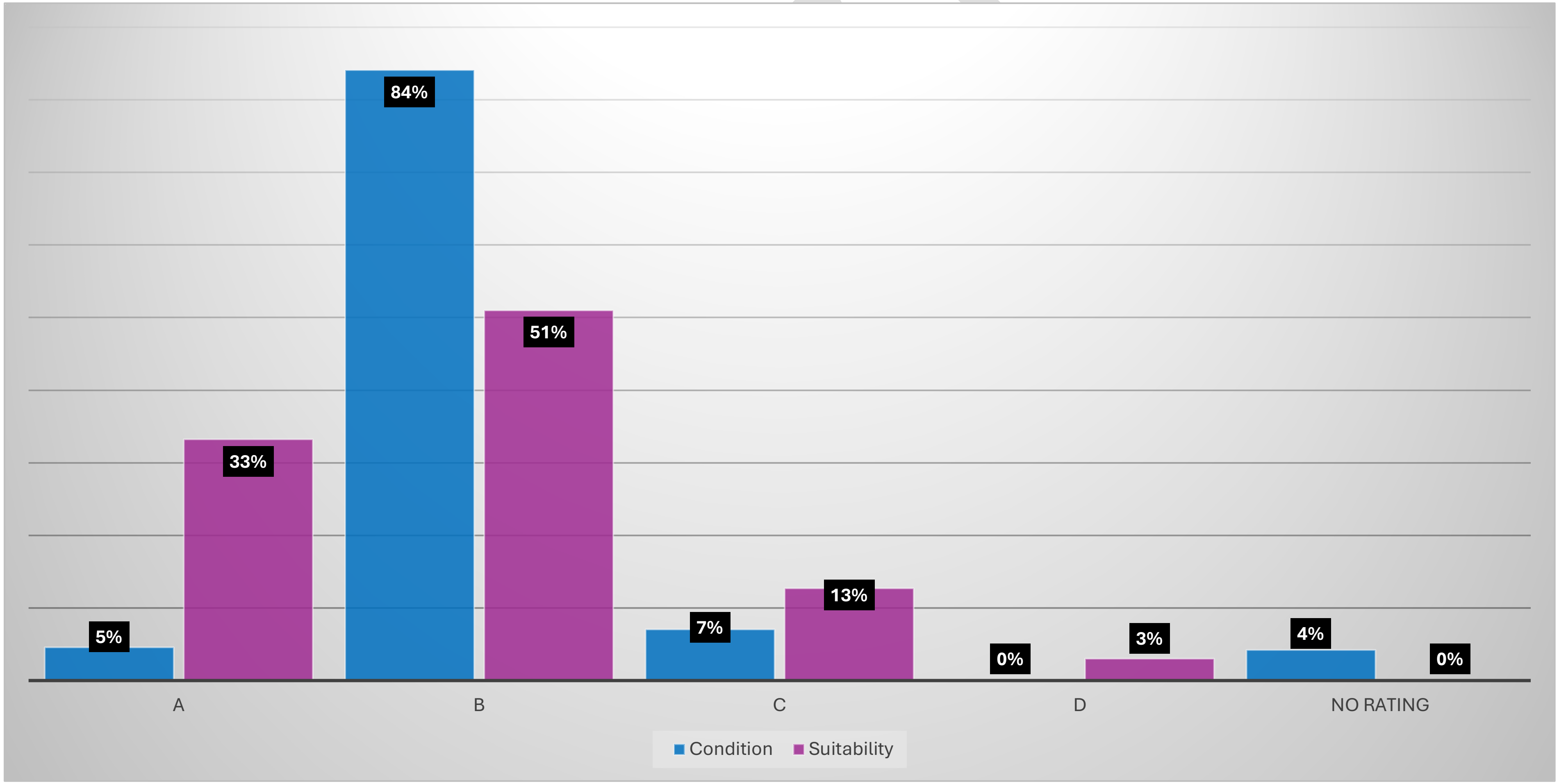
*Excludes vacant and surplus assets

Condition and Suitability

89% **operational asset in satisfactory condition (A+B rated)**

84% **operational assets suitable for current use (A+B rated)**

A = Good	B = Satisfactory	C = Poor	D = Bad



Utilisation

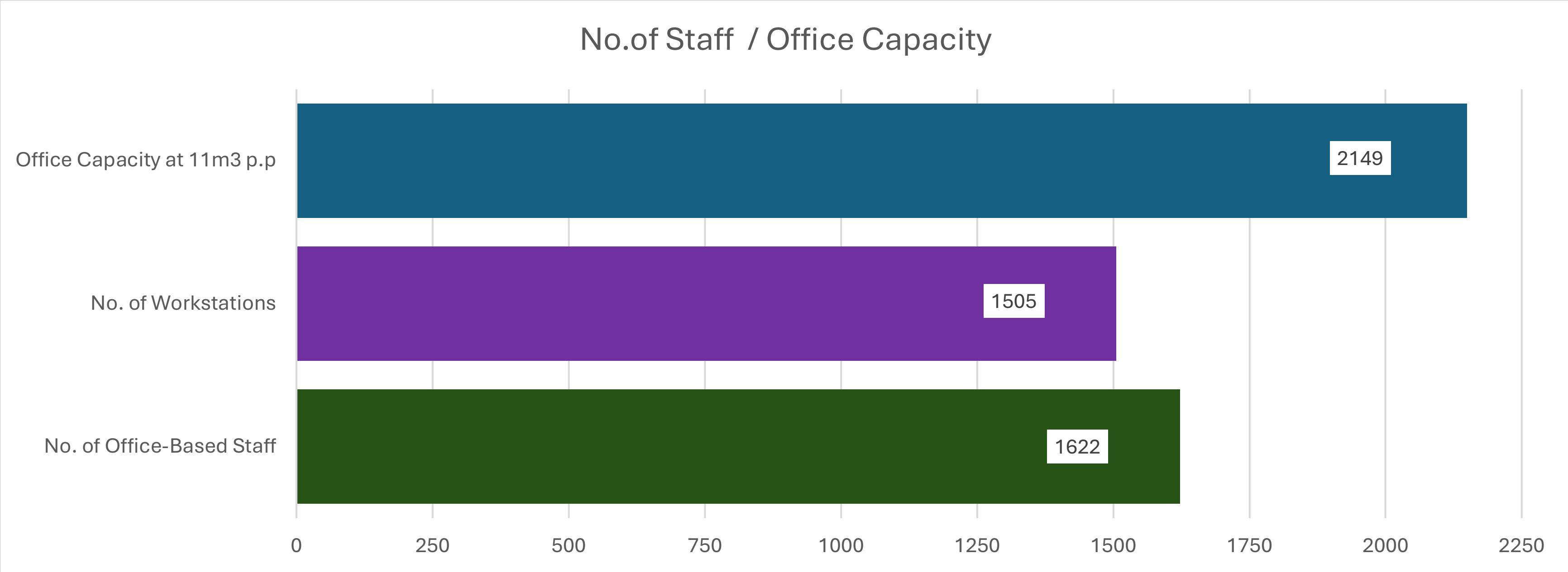
- **Offices**:
  Introducing Smarter Working practices, with a target ratio of 7-8 workstations for every 10 FTE, approved at Policy and Resources Committee in 2016. The introduction of Smarter Working practices has reduced the office estate from 65 to 25 over the last 10 years. The Office Accommodation Strategy, agreed in September 2021, also recognised that the Council's Estates was larger than needed and not financially affordable.

62% reduction of office buildings over 10 years

NUMBER OF WORKSATIONS IS NOT A MEASURE OF CAPACITY.

Office capacity based on 11m^3 per person (Workplace (Health, safety, and Welfare) regulations 1992) illustrates only 75% of office space is in use..

25% more office space than we need.



The impact of Covid-19 for all office-based staff to work from home has been a catalyst for change. Hybrid working as the norm, and an introduction of the Council’s Home Working Policy, a return to the office has not reached pre Covid-19 occupancy levels. Excess office space is expected to increase.

○

OUR CURRENT POSITION & FUTURE APPROACHES

Assets:
- An ageing-built estate (19% pre-1900).
- Rurality and societal change Decarbonising buildings to support net zero status on or before 2040.
- Varied levels of building utilisation.
- Backlog maintenance costs exceeding £115.7m across the built estate.
- Increasing energy costs.
- Planned Preventative Maintenance (PPM) versus reactive repairs

FutureCouncil Approach:
- Collaborative working with the Corporate Landlord model to identify property solutions.
- Service business outputs and outcomes to be translated into need for property.
- Accommodation requests must be based on identified need.
-
- Implement a framework to guide and support property decisions.
- Creating and maintaining an Estate that is fit for purpose and future ready.

OUR THEMES

THEME 1	**Using fewer assets to deliver a better, more efficient, affordable and sustainable estate.**	✓
THEME 2	**Working in partnership with our communities, ensuring assets focus on local and place.**	✓
THEME 3	**Managing our Council assets effectively as the Corporate Landlord.**	✓

<table>
<tr><th>THEME 1</th><th colspan="2">Using fewer assets to deliver a better, more efficient, affordable and sustainable estate.</th></tr>
<tr><th>OBJECTIVE</th><th>WE WILL ACHIEVE THIS THROUGH</th><th>SUCCESS FACTOR</th></tr>
<tr><td>1. Dispose efficiently of surplus buildings to reduce asset volume and optimise service delivery.

2. Invest strategically in retained buildings to enhance efficiency and protect asset value.</td><td rowspan="2">An integrated approach to aligning business planning with asset planning processes:

➢ Business planning and Service review processes incorporating a review of service specific occupied existing assets, and accommodation required at the earliest opportunity.
Data Sheet 2 – The 5 R's Guidance Toolkit
Data Sheet 3 – Application of Investment Hierarchy.

➢ Managing, monitoring, reviewing and reporting property performance through the Asset Challenge process to inform decisions.
Data Sheet 4 – Challenging Our Assets

➢ Shared use of premises and releasing assets no longer required.</td><td>Improved Financial Performance</td></tr>
<tr><td>3. Manage proactively short- and long-term impacts to improve financial performance and sustainability.</td><td>Improved Sustainability</td></tr>
</table>

4. Strengthen sustainable practices to improve resource efficiency, reduce emissions, and enhance climate resilience.	➢ Reducing carbon emissions across the retained built estate – continuing to monitor and target investment on energy improvement projects to support the Councils net zero targets. ➢ Identifying surplus assets and accommodation no longer required through Business review and Asset Challenge processes. ➢ Disposing of properties no longer providing strategic purpose or value (financial / non-financial).	**Demonstrated Social Responsibility**

THEME 2	**Working in partnership with our communities, ensuring assets focus on local and place.**	
OBJECTIVE	**WE WILL ACHIEVE THIS THROUGH**	**SUCCESS FACTOR**
5. Enhance stakeholder confidence by improving customer satisfaction and strengthening the Council's reputation.	Our approach to: ➢ Adopting and implementing a governance structure and framework to ensure business plans translated to property needs support the principles, and corporate objectives of the Council Plan. Data Sheet 1 – Governance Structure & Framework	**Enhanced Reputation**

6. Assure asset performance to deliver high quality services and strengthen stakeholder trust.	➢ Developing Business plans shaped by a place-based approach focussed on local and place, linked to the Local Development Plan and registered Place Plans. Data Sheet 5 – The Place Guide. ➢ Aligning property with key council strategies to enable economic growth and empower communities. ➢ Regularly challenging assets and adopting innovative delivery solutions. ➢ Public partner engagement - exploring and exploiting opportunities to co-locate with public sector partners to realise benefits of shared occupation including cost. ➢ Delivering on the Councils co-location commitment to reduce revenue costs and generate income.	**Improved Service Outputs**
7. Review and improve operational processes to enhance asset performance and support Council objectives.		**Improved Efficiency and Effectiveness**

THEME 3	**Managing our Council assets effectively as the Corporate Landlord.**	
OBJECTIVE	**WE WILL ACHIEVE THIS THROUGH**	**SUCCESS FACTOR**
8. Mitigate financial, environmental, and reputational risks by focussing on safety and reducing liabilities.	➢ Embedding a culture that applies the Corporate Landlord Model ensuring all decisions affecting property are considered from a corporate perspective. ➢ Adopting lifecycle planning in decision making to maximise the useful life of assets.	**Managed risk**

<table>
<tr>
<td>9. Enable informed decision-making to balance financial, operational, and strategic priorities effectively to manage risk.</td>
<td rowspan="2">
➢ All land and buildings (acquisitions, disposals and leases) managed centrally by the Corporate Landlord.

➢ Repairs, maintenance and servicing managed centrally by the Corporate Landlord.

➢ Processes and procedures updated to ensure understanding of Landlord and Tenant roles and responsibilities.
➢ A Corporate Landlord function that supports the Project Management Office (PMO) and vice versa.

➢ Condition surveys managed and maintained to provide up to date backlog maintenance costs informing future investment and maintenance strategies in the retained estate.

➢ Planned Preventative Maintenance (PPM) model, informed through condition surveys, with targeted investment to reduce reactive maintenance and emergency repairs costs.
</td>
<td>Informed asset investment decisions</td>
</tr>
<tr>
<td>10. Demonstrate transparent compliance by adhering to legal, regulatory, and asset management standards</td>
<td>Demonstrated compliance</td>
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</table>

HOW WILL WE KNOW?

Measuring Your Performance - The following performance indicators are reported annually by Property Estates and Programmes (PEP) as part of the Councils monitoring and Business Plan commitments. Measuring your performance helps PEP to meet these targets.

PI Code	Title
CORPASiii	Total number of operational buildings
CORPASiv	Total number of operational buildings suitable for current use

DG05i	Number of council buildings (excl. schools) from which the council delivers services to the public
DG05ii	Number of buildings (excl. schools) from which the council delivers services that are suitable for, and accessible to, disabled people.
P4C3M4EandD_PI01	The % of buildings (excl. schools) from which the council delivers services that are suitable for, and accessible to, disabled people
KF4EandD_PI02	Total accommodation (square metres) per FTE staff equivalent excluding schools and industrial
KF4EandD_PI03	Gross internal floor area of operational buildings in metres squared
KF4EandD_PI04	Gross internal floor area of operational buildings that is in satisfactory condition in metres squared
KF3E&D_PI05	Percentage of projects over £50k where clients are satisfied
KF4EandD_PI10	Cost per m^2 for backlog maintenance (percentage reduction)
KF4EandD_PI11	Percentage of capital receipt target met
KF4E&D_PI12	Percentage of industrial portfolio occupied
KF4EandD_PI14	Percentage of repairs work completed within necessary timescales
P1C3M9EandD_PI01	Percentage reduction in energy consumption for all Council properties from the 2018/19 baseline
P1C3M9EandD_PI02	Annual Energy Consumption kWh per m^2 (GIA)
P1C3M9EandD_PI03	Annual CO2 Emissions tonnes per m^2 (GIA)
P1C3M9EandD_PI04	Annual Energy Costs £ per m^2 (GIA)

Implementing

The fundamentals of implementing this Strategy are to provide:

✓	**VALUE**	Ensure property assets continue to provide both financial and non-financial value to the Council and its stakeholders.

✓	**ALIGNMENT**	Service objectives translated to property needs, ensuring financial decisions, plans and activities, support delivery of the Council Plan.
✓	**LEADERSHIP**	Commitment from Elected Members, Directorate and Services i.e. all leadership levels to achieve successful property asset management.
✓	**ASSURANCE**	Services must be able to demonstrate current and future strategic purpose of a property asset.

Property Asset Management Plan

This sets out measurable actions of what needs to be done to deliver on the Strategy. Services may develop their own plans linked to the themes within the Property Asset Management Strategy, but these should be reported back through the Corporate Landlord to be incorporated with the overarching Property Asset Plan.

Property Asset Management Plan							
REF NO.	ACTION	RELATED OBJECTIVE	TYPE	DESCRIPTION	START DATE	END DATE	LEAD SERVICE
01	Adopt the Property Asset Management Strategy 2025-2035	1,2,3,4,5,6,7,8,9,10	Strategic	Council approves adoption of the PAMS	Nov-25	Nov-25	Corporate
02	Adopt the Property Asset Management Plan 2025-2035	1,2,3,4,5,6,7,8,9,10	Strategic	Council approves adoption of the PAMP	Nov-25	Nov-25	Corporate
03	Aligning business planning with asset planning processes.	1,2,3,4,5,6,7	Strategic	PEP engages early with Services - asset management when considering service review with an impact on property.	Nov-25	ongoing	Corporate
04	Apply the Corporate Landlord model	8,9,10	Strategic	Ensuring all decisions affecting property are considered from a corporate perspective.	Nov-25	ongoing	Corporate

05	Identify Property Champion within each Service	3,5,6,7	Service Improvement	One-point of contact from each Service and PEP asset management for all property review matters.	Jan-26	Feb-26	All Services
06	Delivery Review (Business)	1,2,3,4,5,6,7,8,9,10	Strategic	Asset Review incorporated into all Business Planning processes	Nov-25	ongoing	All Services
07	Council transformation aligned to review of assets	1,2,3,4,5,6,7,8,9,10	Strategic	All service delivery / business change to prompt the service to carry out an asset / accommodation review.	Nov-25	ongoing	All Services
08	Translate Business Plans to Property needs	3,5,6,7	Strategic	Engagement with Services to identify the accommodation required for service delivery.	Mar-26	June 26	PEP / Service Property Champion
09	Delivery Review (Assets)	1,2,3,4,5,6,7,8,9,10	Strategic	Asset Challenge Process	ongoing	ongoing	PEP
10	Identify assets no longer required to reduce of the Councils' property assets.	1	Strategic	Responsibility of all Services. Target £ value each year to support the Councils annual budget savings.	Nov-25	Apr-35	All Services
11	Dispose of surplus buildings	1	Operational	To reduce asset volume and optimise efficiency of the estate portfolio.	Nov-25	Apr-35	PEP
12	Reduce the estate through community asset transfer	1,5,7	Operational	Empower communities through asset ownership	ongoing	ongoing	PEP
13	Business case development aligned to Council Plan, budget and PAMS	2,3,5,6,7	Strategic	For any new property need identified by the service.	Nov-25	ongoing	All Services
14	Invest in the Right Buildings	2	Strategic	Implement the Investment Hierarchy Framework to determine future need of assets.	ongoing	ongoing	PEP / All Services
REF NO.	ACTION	RELATED OBJECTIVE	TYPE	DESCRIPTION	START DATE	END DATE	LEAD SERVICE
15	Adopt the Governance Structure & Framework	1,2,3,4,5,6,7,8,9,10	Strategic	Establish framework including roles, timescales and frequency.	Mar-26	Jun-26	Corporate
16	Adopt Lifecycle planning in decision making	1,2,3,4,5,6,7,8,9,10	Strategic	To maximise useful life of assets	Nov-25	ongoing	PEP/Corporate
17	Apply 5 R's guidance toolkit	1,2,3,7,9	Strategic	Review, Reduce, Repurpose, Retain, Replace - to deliver an estate that is affordable & sustainable	Nov-25	ongoing	All Services
18	Implement the Place Guide when reviewing Business needs	1,2,3,5,6,7	Strategic	Focus on local and place – linked to LDP and registered Place Plans.	Nov-25	ongoing	All Services
19	Optimise use of assets	1,2,3,4,5,6,7,8,9,10	Operational	Right-sizing of offices to address under-utilisation. 25% more office space than required. Release surplus assets for disposal.	ongoing	ongoing	PEP
20	Shared use of assets	1,2,3,4,5,6,7	Strategic	Explore co-location opportunities with public sector partners to realise benefits of shared occupation.	ongoing	ongoing	PEP

21	Implement Smarter and Hybrid working practices	3,4,5,6,7	Operational	Continue to implement new ways of working / share use to optimise efficient and effective use of offices.	ongoing	ongoing	All Services
22	Manage, monitor and review asset performance.	1,2,3,4,5,6,7,8,9,10	Operational	Maintain asset data to ensure its accurate and up to date to inform asset decisions.	ongoing	ongoing	PEP
23	Reduce carbon emissions to support net zero targets	4,8,9,10	Operational	Continue to monitor and target investment on energy improvement projects.	ongoing	ongoing	PEP
24	Condition survey programme	1,2,3,4,5,6,7,8,9,10	Operational	To manage and maintain accurate condition survey data, informing investment and maintenance strategies in the retained estate.	ongoing	ongoing	PEP
25	Reduce backlog maintenance costs	8,9,10	Operational	Through disposal of assets and investment in the retained estate	ongoing	ongoing	Corporate
26	Target investment for PPM	8,9,10	Operational	Informed through condition surveys to reduce reactive maintenance and emergency repair costs.	Mar-26	annually	Corporate
27	Review Disposal policy	1,2,7,8,9,10	Service Improvement	To enable capital receipts and revenue savings to be achieved within reasonable timelines.	Nov-25	Mar-26	PEP
28	Review Lead Occupier guide	8,9,10	Service Improvement	To ensure compatibility with transforming services and new ways of working.	Nov-25	Mar-26	PEP
29	Review Suitability Surveys (excluding schools)	7,9,10	Service Improvement	To ensure compatibility with transforming services and new ways of working.	June-26	Dec-26	PEP
30	Service Review (including Schools Modelling Review)	1,2,3,4,5,6,7,8,9,10	Strategic	Engagement from the responsible Service to ensure all decisions affecting property are considered from a corporate perspective.	Nov-25	ongoing	All Services

GUIDANCE TOOLKIT

- **Data Sheet 1 –** Governance Structure Framework - Roles and Remit
- **Data Sheet 2 –** The 5Rs Guidance Toolkit
- **Data Sheet 3 –** Application of Investment Hierarchy*
- **Data Sheet 4 –** Challenging Our Assets
- **Data Sheet 5** – The Place Guide (Scottish Futures Trust)

Other Resources

- Local Development Plan
- Development Plan Scheme March 2024
- National Planning Framework 4 (NPF4)
- Scottish Government – A National Mission with Local Impact – Infrastructure Investment Plan for Scotland 2021-22 to 2025-26
- Registered Local Place Plans
- Vacant and Derelict Land Property Strategy 2023
- Route Map for Carbon Neutral in Dumfries & Galloway

*Taken from Scottish Government publication – 'A National Mission with Local Impact – Infrastructure Investment Plan for Scotland 2021-22 to 2025-26'.

DATA SHEET 1 GOVERNANCE STRUCTURE & FRAMEWORK

To ensure service business plans translated to property needs, align with the Property Asset Management Strategy and deliver the strategic outcomes of the Council Plan.

Property Asset Management Themes:

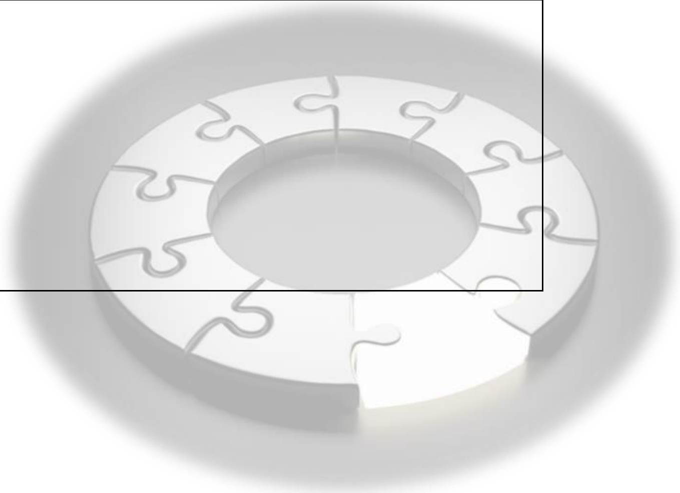
- ✓ Using fewer assets to deliver a better, more efficient, affordable and sustainable estate.
- ✓ Working in partnership with our communities, ensuring assets focus on local and place.
- ✓ Managing our Council assets effectively as the Corporate Landlord.

The Remit

1. We will ensure delivery of our Council Plan through efficient and effective use of assets.
2. We will ensure a two-way process and approach to property asset management.
3. We will ensure effective leadership to support successful property asset management.
4. We will ensure property related decisions provide value (financial or non-financial) to support communities.
5. We will ensure Service have demonstrated current / future strategic purpose for asset need when presenting a business case.

Why we need a Governance Structure

- ➢ To provide control and govern asset decisions in one place.
- ➢ To ensure strong leadership and direction.
- ➢ To provide clear accountability and responsibility
- ➢ To provide clear and effective communication on all property related decisions.
- ➢ To ensure transparency of all reporting and decisions.
- ➢ To have clear and consistent processes and practices in place.

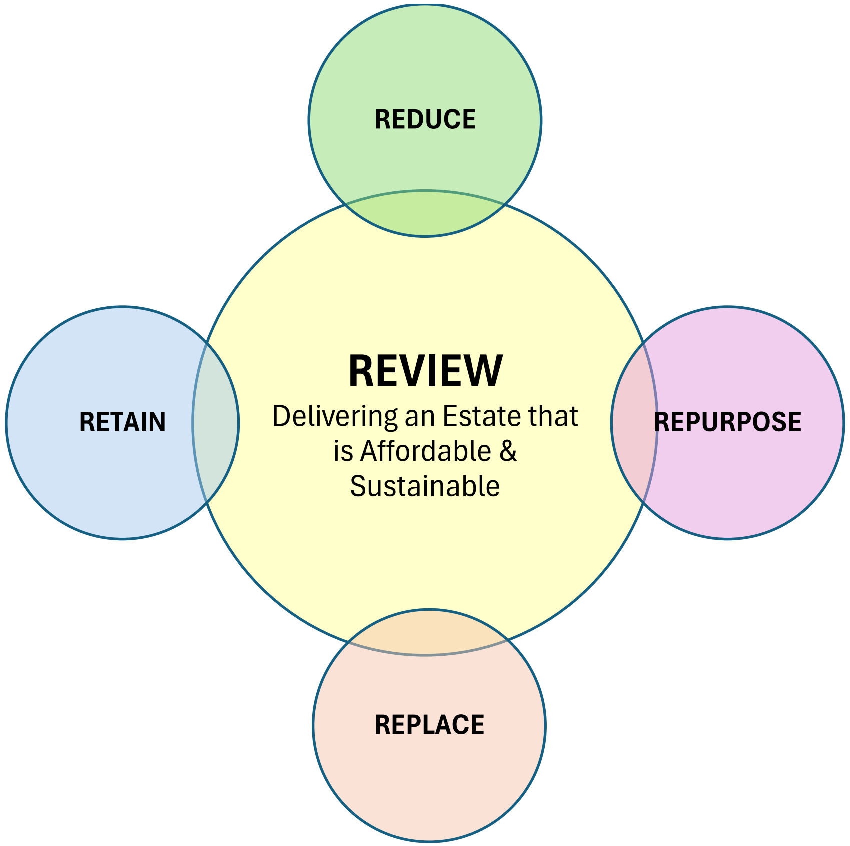


DATA SHEET 2

THE 5 R'S GUIDANCE TOOLKIT

REVIEW:

- **Strategic Purpose** – Is it needed? Does it support delivery of the Council Plan, now and into the future?
- **Value for Money** – Is it affordable? – to retain, manage and maintain, adapt or build - Whole Life Cost.
- **Social Value** – Is it of historical, social, and local importance to the community?
- **Sustainability** – Can economic, environmental, and social value be achieved? i.e. demonstrated social responsibility.
- **Improved Performance** – Is property performance improved? – i.e. property condition, suitability, utilisation. Reduced running costs? (energy costs, repairs and maintenance, cleaning, and operational costs). Are CO_2 emissions reduced? Are Service outputs improved?



RETAIN:

- Asset still has strategic purpose supporting delivery of the Council Plan evidenced through Service outputs.
- Value for money, social value, sustainability, and good performance can be demonstrated, or with minimal investment.

REPLACE:

- Depending on nature and complexity of the project.
- Where re-use of existing asset is not an option.
- Where whole-life and carbon cost of new build is less than repurpose or investment in existing asset.

REDUCE:

Depending on outcome of the review process and following Benefit Realisation assessment, if there is little or no benefit to retaining the asset then it should be disposed:

- No Strategic Purpose or limited life left.
- Business case lacks evidence to support service delivery.
- Poor property performance.
- Does not support delivery of the Council Plan and/or asset management missions to provide efficient & effective use of property.

REPURPOSE:

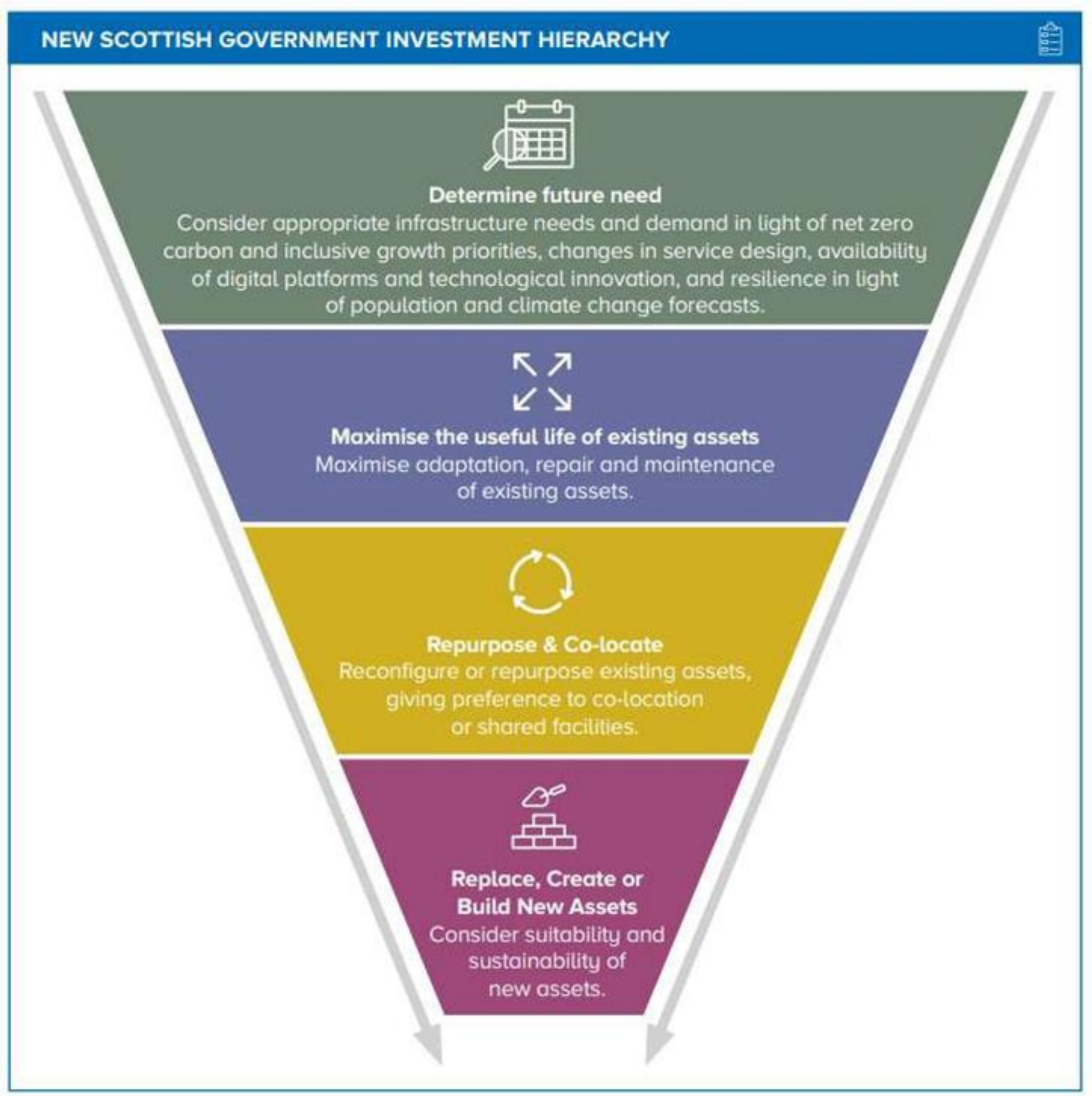
Depending on outcome of the review process and following Benefit Realisation assessment:

- Has Strategic Purpose, but not for its current use.
- Property performance in some areas is poor but can be improved with investment.
- Asset has Social Value – historical / local importance.
- Maximising use of fewer and better assets can be achieved.
- Advocate co-location and/or shared facilities.
- Weigh in favour of existing assets over new build supports Scottish Governments investment hierarchy framework.

DATA SHEET 3:

Application of Investment Hierarchy

Scottish Governments '*Infrastructure Investment Plan (IIP) for Scotland 2021/22 to 2025/26'* uses an investment hierarchal framework that determines the future need for an asset. Enhancing and maintaining the existing asset is prioritised over new build. Dumfries & Galloway Council should adopt this approach shown below.



DATA SHEET 3:

Stage 1: Determine Business Need

Factors that shape the Property Asset Strategy and the guiding principles may be equally relevant to shape the business need for a proposed programme or project.

Other factors that may inform an assessment of business need are:

- Demographic changes
- Scope to introduce or extend digitally enabled service delivery
- Impact of hybrid working on the workplace strategy
- Opportunities to collaborate with a particular partner on a particular initiative, such as integrated service delivery or service re-design
- User satisfaction and fitness for purpose of a specific asset
- Specific local opportunities for placemaking
- Political priorities at local level.

A business need that lacks evidence or appears to be driven by a specific property solution at this early stage in the process will be subject to challenge.
The business need should be expressed in terms of outputs and outcomes to be delivered rather than a 'bricks and mortar' solution.

Stage 2: Assess Existing Portfolio

Understanding the existing property asset portfolio is a critical activity in the application of the investment hierarchy. This requires consideration of the core data sets as well as any other drivers that may influence decisions such as:

- Technology advances – to gather different data sets, or which may impact on the investment required to an asset for the services to be effectively delivered.
- Adaptability – the age or design of an asset may restrict its use and ability to be upgraded. This may render the asset surplus or repurposed for co-location with partners or community use.
- Health and wellbeing – the design and environment of an asset to be a positive experience for all its users.
- Social and cultural value – benefits that an asset can provide to a community.

Stage 3: Identify & Evaluate Options

Using core data sets and any other drivers along with the business need to establish any strengths, weakness, opportunities, and risks to identify any potential options. Depending on the nature and complexity of the project, this stage may require the preparation of a formal business case following the 5-case model approach set out in HM Treasury 'Green Book' to ensure proposals show a robust case for change, optimise value for money, affordability, viability, and achievability.,

Stage 4: Preferred Option – Plan, Delivery & Operation.

Identify preferred option supported, as a minimum, by an action plan, risk register, delivery strategy and governance arrangements. Planning and delivery should consider opportunities to support community wealth. Operation should consider facility management models for assets with multiple occupiers. Shared occupation with partners should be the norm.
Feedback and lessons learned should inform future strategies and projects.

DATA SHEET 4:

Property Asset Management Strategy 2025 - 2035

CHALLENGING OUR ASSETS

Challenging our assets is an essential process to ensure a property still provides financial and/or non-financial value.
Asset challenge could be triggered in a number of ways, i.e. a single asset (routinely by its performance); a group of assets (locality / place-based review); changes to Service delivery; or a review of asset type (e.g. schools, offices etc.).
The asset challenge model demonstrates different stages in the appraisal process.
The level and detail of challenge will differ depending on the situation.

DATA SHEET 4:

STRATEGIC PURPOSE – Determining an assets' strategic purpose and future need is fundamental. If there is no, or little strategic purpose to an asset, then it should be challenged as to why the Council continue to hold it.

PERFORMANCE DATA – The performance of each asset is monitored to ensure it is providing value to the Council. Reduced performance in any of the data pillars can trigger further review of the asset. Performance data is key to inform any proposed investment or change to an existing building. Key performance data pillars include:

- *Condition* – Property condition surveys providing detailed reports on the state of repair, remedial action required and backlog maintenance cost to bring the asset up to a satisfactory condition i.e. A or B rated.
- *Suitability* – is an assessment from the occupying service / service users on the function of a property and how well this performs to meet service delivery needs. This considers functionality, accessibility, environmental conditions, and safety and security.
- *Utilisation* – captured for schools and offices, utilisation assesses how well an asset is being used in terms of occupancy and capacity.
- *Cost* – the annual running costs of an asset i.e. rates, cleaning, insurance, rent, refuse, maintenance, energy.
- *Value* – increasingly important, and highlighted following the COVID-19 pandemic, is the social, economic, and environmental value as well as the financial value. Determine value to community including historical, cultural, and social importance.
- *Sustainability* – the energy consumption not only contributes to overall running cost, but carbon emission reported annually within the climate change duty report. Any improvement of adaptation works informing the asset challenge process and required investment.

OPPORTUNITIES & RISK – If, for example, there is strategic purpose for an asset, but some aspects of its performance are low, there may be opportunities with shared use that would benefit the local community with investment. This needs to be balanced against risk and future sustainability to establish viability. There may be other opportunities that offer a similar solution to inject economic growth to boost regeneration with less risk. Likewise, the risk and cost of retaining an asset – investing / not investing (Status Quo) or disposing of an asset (impact to Service delivery / and Community) should be considered.

OPTION APPRAISAL – This is where all of the above factors need to be considered. Not all appraisals are complex, and this process will be applied proportionately i.e. the process for a single asset will be less than that for a locality-based review.

CONSULTATION – Depending on the asset/s and/or situation this may include engagement with a variety of stakeholders at different stages in the process, both internal and external to the Council. Following processes in the Governance Structure to determine the outcome.

OUTCOME – Retain (with or without investment), re-purpose, replace, or dispose (following the Councils Disposal process).

DATA SHEET 4:

Asset Challenge Data Pillars

Condition

- Satisfactory Condition = A or B
- 5 year condition survey programme of built estate commenced 2020/21.
- Surveys in alignment with Scottish Governements Core Fact Guidance.
- Identifies a risk-based approach to backlog maintenance

Suitability

- Suitable for current use = A or B
- Assessed by occupying Service/s every 5 years, when improvement works have been carried out, or where there has been use / occupancy changes.
- Surveys for schools in alignment with current Scottish Government Core Fact Guidance.

Utilisation

- Schools - capacities set, managed, monitored and reviewed by Education.
- Offices - Occupancy is monitored to assess utilisation. Hybrid and flexible working patterns requested from Services needs to be robust and reliable to reflect need and use. Smarter Working principles considered.

Cost

- The annual cost of running a property - include rates, rent, cleaning, energy, water, repairs, servicing & maintenance, insurance, and refuse.
- Backlog maintenance cost identified from property ocndition surveys.
- Cost of any improvement works required to meet Service delivery needs, .
- Whole-life cost (to be developed).

Value

- Financial - asset valuation to determine value for money balancing depreciated replacment costs, and market value for assets no longer required.
- Non-Financial - social, economic and envrionmental value. The value to community in terms of historical, cultural, social and local importance.

Sustainability

Monitoring usage and determining causes of high energy use.

Detailed analysis of energy consumption and cost of each property informs decisions.

Carbon emissions of each property included in annual climate change duties report.

SCOTTISH FUTURES TRUST

The Place Guide

The aim of the Place Guide is to provide a step-by-step approach to implementing the place agenda collaboratively.

The Place Guide sets out an eight-step process to help guide decision makers through place-based approaches to improving local outcomes.

If you need any help along your place journey, please contact either of the following in our Place, Housing and Economic Investment Team:

diarmaid.lawlor@scottishfuturestrust.org.uk

mhairi.donaghy@scottishfuturestrust.org.uk

The Place eight-stage process

DATA SHEET 5

1. Why should we use a Place-Based approach?

Agreeing the need to tackle complex challenges in places collectively

2. What do we want this approach to achieve and why?

Agreeing the intended benefits of a collaborative approach

3. How will we work together in this place to realise these benefits?

Agreeing ways of collaborative working and resourcing as partners and with communities

4. Understanding why the place needs to change?

Meaningful engagement with communities and partners to confirm needs and priorities for action

5. What should the future be?

Collaboratively agreeing what success looks like and how to get there

6. What are the opportunities to deliver on the place ambition?

Focusing on making the best of what exists and influencing future resource decisions

7. How do we work together to deliver the future place?

Agreeing a co-ordinated programme of implementation

8. How to we ensure sustained success across time?

Connecting the place ambition with project briefs, gateway reviews and outcome evaluation