

**REPORT ON BEHALF OF THE ASSET MANAGEMENT GROUP**

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**SUBJECT:**

**OVERVIEW OF THE AUTHORITY'S PROPERTY PORTFOLIO, THE WORK OF THE ESTATES FUNCTION AND ONGOING PROPERTY REVIEW**

**INTRODUCTION;**

This paper provides a summary overview of the Authority's property portfolio, its day to day estate management and ongoing review.

**BACKGROUND :**

The Authority's property portfolio extends to more than 80 individual sites comprising in excess of 100 separate freehold and leasehold registered titles. Much of this estate was acquired historically at a rate of approximately 15-20 new sites per decade from the 1960s through to the 1990s. Whilst disposals have historically taken place, the previous estate management culture was one of acquisition and retention with the result that in some instances we continue to own or lease sites with little apparent contemporary justification. Over recent years The Asset Management Group (which meets monthly to discuss property issues) have sought to introduce a more questioning approach to our existing portfolio, whilst considering acquisition opportunities as a tool of last resort and only when accompanied by an identified exit strategy once the Park Purposes have been secured. As a consequence only 7 new sites have been acquired since the year 2000. As at the 31<sup>st</sup> March 2010 the Authority's property portfolio was valued at £13.6 million.

In addition to the large volume of day to day practical maintenance and environmental improvement work under taken by the Authority's Rangers, Site/Woodland Teams and specialist Officers to ensure the portfolio is fit and safe for purpose, it also requires effective and appropriate estate management. The latter is provided by the Estates Officer who provides a comprehensive in house land agency and estates function. This estate management function was most recently audited by Pembrokeshire County Council internal Audit Service during the financial year 2010/11. Their findings made no recommendations for change, that a satisfactory framework of controls were in place and an acknowledgement that there was great reliance on the Estates Officer to undertake a wide range of asset management duties reflecting the relatively small yet extremely diverse nature of the portfolio. We are of the opinion that this represents an external endorsement of the work of the estates function and the value which it represents to the Authority.

The Authority's current Property Asset management strategy was adopted in February 2003. We are of the opinion that it remains fit for purpose. It advises that the ownership and use of property is appropriate and effective in the delivery of our core statutory purposes but in doing so we should use the minimum estate necessary and identify opportunities within that portfolio to raise revenue and release capital funds. The Authority's property portfolio is under constant review though the work of the Asset Management Group to deliver the objectives of the Asset Management strategy. As at 31<sup>st</sup> March 2011 the portfolio was subdivided into the following categories:

- Sites currently being marketed or the subject of active negotiations (8 No.)
- Sites delivering contemporary Park Purposes (16 No.)
- Essential operational property (6 No.)
- Visitor Destination sites (2 No.)
- Revenue generating property (13 No.)
- Woodlands (10 No.)
- Sites where delivery of contemporary Park purposes is under review (33 No.)

## **PROPOSALS**

- Pending any change in corporate objectives our essential operational property should be retained
- Pending any change in corporate objectives our visitor destination sites should be retained
- On the understanding that revenue generation is a short to medium term priority for the Authority opportunities which exist within our existing revenue generating portfolio should be maximised
- Our existing woodland estate is substantial. The risk factors which prompted these historic protective purchase by the Authority have greatly reduced over the years due to changes in planning policy, statutory protection and the emergence of a strong market for amenity woodlands. It is recommended that a review of our conservation woodland strategy should be undertaken at Senior Management Team level with any resulting actions concerning the woodland estates itself being passed back to the Asset Management Group to implement.
- A questioning examination should be undertaken of all sites whose contemporary contribution to Park purpose is not readily apparent to establish what if any alternative opportunities exist. For the purposes of this paper 'alternative opportunities' means the ability to re establish a clear link to contemporary Park Purposes, release capital through sale, generate new revenue streams and or reduce existing costs. An initial desk top evaluation has already been undertaken to identify those which superficially at least appear to present the greatest opportunities for change. This 1<sup>st</sup> tranche comprising 12 sites is already the subject of active review.

**RECOMMENDATION:**

That Members endorse the positive contribution that a National Park owned property portfolio can make towards the delivery of Park purposes, that the Estates function is making a positive and cost effective contribution towards that objective and that an open and challenging attitude be encouraged at all times when reviewing the contemporary contribution individual holdings make to the delivery of Park purposes.

*For further information on this report, please contact Mr Gary Meopham (Estates Officer)*