



SURREY HEATH BOROUGH COUNCIL

STRATEGIC ASSET MANAGEMENT PLAN

April 2025 – March 2030

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Foreword

This document outlines the approach that is taken by the council to proactively manage its property assets in order to maximise the return from its estate.

Our land and property estate has a value of approximately £200 million, which is budgeted to bring in net rental income of nearly £5.9 million in 2026/27.

So, it is essential that the council has a strategic approach in its management of its property assets.

This plan has the following key themes:

- A delivery framework across key workstreams
- Processes setting out the factors behind how decisions are taken about current and potential assets
- Approaches to ensure successful implementation of the plan

This document should be viewed as a key partner document to the Council's Annual Plan, as it:

- clearly supports our ambitions to make property work, and
- helps to implement actions that will support our work to tackle the climate emergency, and
- aids in our ambitions to manage our finances sustainably.

The plan acknowledges that it will be replaced by a new plan after May 2027 once West Surrey Council is set up but, in the meantime, I will continue to work closely with our communities, partner organisations, elected members and council officers to ensure the council maximises the benefits derived from the use of our property assets.

Cllr Kel Finan-Cooke
Portfolio Holder for Property and Economic Development





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I. Introduction

It is essential that we use our assets to maximum effect in order to:

- offer effective efficient services for our communities;
- support the decarbonisation objectives; and
- meet the continued pressure on our finances.

Our approach is to support the council's strategic objectives by providing quality, cost effective assets and to continue to build on our strong relationships with partners. The plan should be read in conjunctions with the council's Acquisitions and Disposals Policy.

Surrey Heath Borough Council declared a climate emergency on 9th October 2019 and has committed to work towards achieving the ambitious net-zero carbon emission target by 2030 as an organisation.

More recently in May 2023, the council passed a motion to expand this declaration to a borough wide climate emergency, also declaring a nature (ecological) emergency. The aims and objectives of this plan are supportive of this ambition across the council's assets.

This plan is set in the wider context of ensuring a sustainable future for council expenditure. Ever tightening financial constraints on local government requires us to think differently on how we utilise our property assets. We must investigate all opportunities to raise income to offset budget reductions including generating capital receipts from the disposal of surplus assets whilst ensuring running costs are minimised and maintenance is programmed in.



The Strategic Asset Management Plan (SAMP) is for the five-year period from April 2025 to March 2030 although it is anticipated that well before then a new plan will be put in place for West Surrey Council, of which Surrey Heath will form part with effect from April 2027. The plan provides an overview of the approach to the on-going development of the council's property assets whilst setting the strategic direction for its portfolio over that timeframe.

The council will continue to remain open to exploring new opportunities to make its property work for the benefit of residents including acquisition and disposal of strategic property and land having regard to the social, environmental and economic benefits for the borough now and in the future.



2. Executive Summary

Surrey Heath Borough Council's Strategic Asset Management Plan (SAMP) for 2025-2030 sets out its strategy for managing its property assets over this period to ensure that they support the organisation in achieving its objectives. The SAMP has been developed to meet the council's priorities as set out in the Council Strategy and also to be flexible in order to adapt to evolving priorities.

The SAMP also provides a framework for challenging and reviewing the reasons for continuing to hold these assets. The Council owns a property portfolio estimated to be worth approximately £200 million (as of March 2025), which is budgeted to produce net annual income of [£5.9m] in 2026/27. Rental income from property assets is a significant feature of the council's Medium Term Financial Strategy, contributing towards meeting the cost of operating council services.

In line with the authority's carbon neutral aspirations a key element of the SAMP is to reduce the carbon footprints of the various council's assets through measuring emissions, introducing technologies and working practices that address climate change in the most cost-effective manner.

The SAMP is based around three key areas:

- Proactive approach to asset management
- Identification and management of surplus property
- Using assets to support the delivery of organisational objectives

Asset management business plans for individual assets within the council ownership will be drawn up and agreed with the Property and Economic Development Working Group during the period of this plan. They will be reviewed on an annual basis and updated as required to reflect any changing operational requirements of the council plan objectives. These business plans will set out the activities that will be undertaken each year towards achieving the SAMP objectives.



3. Overview

3.1 What is a Strategic Asset Management Plan?

The Royal Institute of Chartered Surveyors (RICS) defines ‘strategic property asset management’ as: “the activity of aligning property assets with the strategic aims and direction of the organisation and adding both financial and nonfinancial value to the organisation as a result”.

A SAMP describes the organisation’s strategy to manage its assets. The RICS uses the term ‘Asset Strategy’ to describe the general direction of an asset base over a set period of time. This plan details the approach the council will take during the plan period (2025 – 2030) to make decisions about its property assets, covering all operational, non-operational and investment stock.

The SAMP is based around five key sections which are:

- Overview
- Strategic Objectives
- Framework/Work Streams
- Decision Making/Governance
- Implementation

This plan considers the wider objectives of the Council Strategy 2024-2028 which will inform decisions affecting the council’s asset base over the plan period.

The SAMP forms a central part of a wider selection of plans and strategies that the council has adopted to support its work streams including the Medium-Term Financial Strategy, the Capital Strategy, the Carbon Reduction Action Plan and the Annual Plan



3.2 Categories of Council Assets

A full list of council assets is set out in the Asset Register on the council's website. These assets fall into two broad categories:

1. Operational and community assets

These include Surrey Heath House (where the council is located), Camberley Theatre, Frimley Lodge Park, Lightwater Country Parks and a number of other greenspaces. A number of these assets are let to local community groups and fulfil a community wellbeing service need, rather than being income producing. These assets are let in several ways from full repair and maintenance leases to full responsibility on the council as set out in the lease/licence terms.

These assets are held primarily for the provision of both statutory and discretionary public services. Service delivery from some of these sites are not only from the borough council but from partners. A secondary benefit is income generated from pitch bookings, rental fees and contract sums.

2. Investment assets

The investment assets 'Commercial Portfolio' has been purchased over numerous years, by taking professional advice to obtain a balanced portfolio to reduce the risk of voids and loss of the capital investment. This was partly financed through borrowing from external sources.

These are assets which are located within or adjacent to the borough and are let to businesses on commercial leases at market rents. There is a statutory requirement to achieve best consideration in respect of rental and other letting obligations. Where possible these properties are let with the tenant being responsible for all maintenance, repairs and insurance or for them to pay for such costs through a service charge.



3.3 Surplus properties

Properties that do not fall into the two categories above would be considered 'surplus'. Surplus properties are land and buildings that no longer have an operational use, are not effectively and efficiently contributing towards service provision or where they are at the end of their economic life and it is no longer cost effective to repair and maintain them. These surplus properties may be held to optimise their potential financial return and wider council objectives with a business case for holding.

This is applicable to both property types and in commercial terms results in them becoming unattractive to potential occupiers, so unless the council finds alternative uses, disposes of or redevelops the property they cost the council money with no benefit being returned.

In the case of operational and community assets each option/site will be assessed on its own merits and considered against the planning designation, financial viability and demand/need for specific types of development and the associated risk and/or benefits to the council which include:

- contribution towards the delivery of the council's priorities and the provision of its services.
- facilitate regeneration or economic development.
- generate capital receipts and/or income streams.

3.4 Asset Acquisition and Disposal

Acquisition of properties fall primarily within three broad categories.

- A. Land and buildings which are transferred under a planning obligation.

These are mainly public open space that form part of housing developments required as part of planning consents, with an obligation for the local authority to hold and maintain them in line with the original planning obligation. These are transferred when the developer informs the authority that all planning conditions are met and the authority agrees the land is ready for adoption. These also come with Community Infrastructure Levy payments that normally



cover the maintenance of the land/buildings for the medium to long term.

B. Acquisition of properties to meet service demands and delivery.

These acquisitions would be for land or buildings for services to continue to meet their operational needs and legal obligations. Each acquisition would be judged on the need, whether the property purchased best meets the operational and legal need whilst ensuring the legislative requirements for the purchase are met and council priorities and objectives are met or not impeded. All acquisitions will require a business case including and not limited to the environmental impact, financial implications, the proposed length of ownership and disposal at the end of requirement.

C. Strategic and opportunist purchases.

The Council has various statutory obligations across broad subject areas; these are primarily passed down by central government who recognise the importance of running our towns and villages at a local level. This ensures local people have a say in how services are delivered through the elected members.

It is recognised that to offer the best level of services across all of these sectors may require strategic or opportunistic purchases, in supporting specific aims, for example economic growth, housing development and regeneration. These acquisitions will be judged on an individual basis, subject to a business case including the desired outcomes and cost implications, and any interim potential of the property before any aspirations can be realised.

In the case of commercial properties (held for the sole purpose of generating yield or capital appreciation) each will be assessed on its own merits and considered against the possibility of selling and exploring opportunities for reinvesting potential sale proceeds in the interest of the Council's priorities and local needs. The Council cannot borrow for these types of investments and will not purchase assets solely for capital appreciation of return in future,



Periodically, requests are received from residents to purchase areas of public open space. These will be considered on an individual basis, considering the community value or loss, planning implication and the change of use. All public open space disposals must adhere to the section 123 of the Local Government Act 1972.

The council's Property Acquisition and Disposal Strategy covers these matters in further detail.



4. Strategic Objectives

Surrey Heath Borough Council's asset strategy ensures its property portfolio is managed in a way that supports achievement of the objectives within the Council Strategy 2024-2028.

This will include the adaptation and updating of the property portfolio to meet the council motion of achieving carbon neutrality by 2030. It will also include objectives aimed at supporting our local communities and the development of 'place.' Of critical importance is how the council uses its assets to deliver the best value from the portfolio, given the financial challenges facing local authorities.

The SAMP will support the delivery of the council priorities, as previously set and as new ones emerge, during the period of this plan.



5. Framework for Delivery

The framework to support delivery of the council's strategic objectives are split into three work streams:

1. Proactive Approach to Asset Management
2. Identification and Management of Surplus Property
3. Use of Assets to Support the Delivery of Organisational Objectives

5.1 Proactive Approach to Asset Management

A pro-active approach is essential for effective asset management. There are eight areas identified that will ensure that the Council is able to deliver its asset strategy:

- i. Property team structure

To deliver the objectives of the SAMP, it is essential the property team has sufficient capacity and is aligned in an appropriate structure to deliver innovative and effective working. This will facilitate the implementation of a planned work programme to deliver the business plans for each asset. Whilst these plans will be implemented each year, they will look forward over a rolling five-year period and be subject to an annual review. Key elements to be included in these plans, in addition to the income, cost and maintenance appraisal, will be a SWOT analysis on the property that includes market influences, lifecycle of the asset, and the relevance of the asset given future needs and service growth or reduction.



ii. Proactive management of investment property

The Investment property portfolio will be split between members of the Property team with each taking full responsibility for the proactive asset management of their part of the portfolio. Specific areas of focus will include:

- maximising income and regular engagement with tenants to understand their business plans in relation to council leased premises,
- dialogue with an advisory agent to understand changes in the wider property sectors and impact on rent level and demand for certain types of property,
- annual inspections of all tenanted property and proactive management of lease events.

Operation in these specific areas will proactively highlight potential loss of income from failing tenants and/or potential voids and provide opportunities for early re-letting and mitigation of void costs, asset enhancement via lease re-gears, alternative use or redevelopment opportunities.

iii. Operational and community property

The Asset Management team also has officers that provide property advice and expertise to internal client services such as car parks and greenspaces. This work includes tenant management, repairs, maintenance and statutory compliance to enable on-going service delivery. The team seek external support when specialist advice is required.

iv. Efficient property management

Part of a cost effective and value for money management process of our operational stock will require the council to aggregate contracts and works where possible and works producing not only financial savings, but a central team with the knowledge and sector expertise to deal with property related matters.



To ensure the operational part of our portfolio supports on-going service delivery it is essential that the property is fit for purpose and well maintained. Maintenance programmes will be set, covering a five-year rolling period with annual reviews. The maintenance programmes will be informed by condition surveys of each premises, carried out annually to ensure the data held remains up to date and works are prioritised correctly. This rolling five-year programme allows works to be undertaken as routine maintenance opposed to emergency repairs. The maintenance programme and continued liaison with the council's finance team will determine budget need over the medium term.

v. Set informed income and expenditure budgets

Continued proactive asset management of the investment portfolio allows reductions in net income from break options and voids to be forecast significantly in advance and managed. This allows any future potential impact to be smoothly managed to ensure there is no adverse impact on income. In addition, forecasting of additional income from rent review increases, or lease renewals can be used to offset a reduction of income from other areas or provide additional revenue to support the delivery of additional or enhanced services.

Considering both income and expenditure targets/needs for the portfolio in advance, over a five-year period will inform the council's wider budget setting process. Whilst annual reviews of budgets will need to be undertaken to ensure they remain accurate, forecasting in advance and over a longer period results in budgets being set for need. Sufficient budget provision will ensure that property can be maintained to ensure it remains fit for purpose, in a cost efficient and value for money way.

Key benefits of advance budget setting include:

- Effective financial management
- Appropriate allocation of resources to projects
- Informed financial decision-making



- Identification of revenue shortfall in advance of occurrence
- Future planning

vi. Statutory compliance

Compliance with numerous statutory procedures relating to maintenance and management of the portfolio will continue to be dealt with by the property team, supported by external consultants when necessary.

The main legislative areas covered are:

- ACOP L8 – Legionnaires’ Disease: The control of bacteria in water systems
- Control of Asbestos Regulations 2012
- Control of Substances Hazardous to Health Regulations 2002
- The Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015 (MEES)
- Electricity at Work Regulations 1989
- Environment Protection Act 1990
- The Equality Act 2010
- Gas Safety (Installation and Use) Regulations 1988
- Health and Safety at Work Act 1974
- Lifts and Lifting Operations Lifting Equipment Regulations 1998 (LOLER)
- The Regulatory Reform (Fire Safety) Order 2005

vii. Deliver a high quality property and facilities management service

The council does not have a property software system and given the impending local government reorganisation it has not been prudent to invest in such a system. In the meantime, the following data continues to be maintained using existing data storage software:

- Holding all property information i.e. location, type, size and address.



- Holding all tenancy information to include rent, lease start and end dates. Where groups of properties are managed by external Managing Agents, the relevant data is held on their systems.
- All statutory compliance information for each property i.e. dates of testing, works needed and completed

viii. Carbon reduction

In 2019, the Council declared a climate emergency and committed to achieving net zero emissions by 2030. To achieve this a Climate Change Action Plan was developed with relevant actions aiming to reduce emissions to a minimum across our owned and leased estate by 2030. To enhance this work, an Energy Strategy was developed in 2023 with a specific focus on reducing energy use in our buildings.

In addition, the Council monitors the consumption of electricity, gas and waste from buildings that are operated by the council. This information is published annually in our greenhouse gas reporting.

5.2 Identification and Management of Surplus Property

Within the property team, the asset management and technical services teams will work closely together to:

- Share their detailed knowledge enabling them to make early recommendations about property that will become vacant through tenant or operational vacation of space.
- Identify property in need of works and appraise whether the cost of works to maintain existing uses are viable or whether alternative options should be considered including disposal, redevelopment or other alternatives uses.
- Consider specific property requirements and shortages of certain property types within the Surrey Heath geographical area and target vacant property to support delivery of wider organisational objectives i.e. regeneration or provision of specific types or sizes of accommodation.



5.3 Use of Assets to Support the Delivery of Organisational Objectives.

The SAMP will balance costs, risks, opportunities and performance in order to support delivery of the organisational objectives. It will develop and direct resources to assets, to support the organisation's objectives.

5.4 Work Streams

Work streams to inform proposals about continued or future use of the council's property assets will include engagement with stakeholders, consideration of internal and external factors which affect the performance of property including its cost, value and other council priorities.

5.5 Engagement with internal stakeholders

Stakeholder engagement and management are a key part of successful strategic asset management both in terms of planning and delivery. Whilst the asset team may be responsible for the building structures and fabric, it is those departments who operate from the buildings and input into council decision making and other corporate priorities that need to be 'engaged' with the proposals, objectives, costs and recommendations that are made.

As part of any change or decision-making process, engagement with the following groups will be undertaken:

- Finance team
- Legal team
- Relevant services such as parking, greenspaces and waste.
- Members



5.6 Organisational Influences

The objective of the SAMP is to provide the right property/asset, in the right location, at the right price and quality. To ensure we achieve this objective, other key work streams, themes and corporate priorities will be considered within the decision making process. For example:

- Regeneration opportunities
- Homeless property objectives
- Environmental objectives
- Medium Term Financial Strategy
- Local Plan
- The Camberley Town Centre Strategic Vision to 2034

5.7 Market and partnering organisation influences

As well as our internal considerations, the wider property market and more specifically other public sector partners and their property assets and requirements within our geographic area will need to be considered and will influence our property decisions:

National Public Sector property – In 2013 the One Public Estate (OPE) was introduced with the aim of transforming local communities and public services across the country. The OPE is a public sector partnership with the objective to support councils to deliver ambitious property-focused programs in collaboration with central government and other public sector partners. The anticipated benefits including:

- Creation of economic growth (new homes and jobs)
- Deliver more integrated, customer-focused services
- Generate efficiencies, through capital receipts and reduced running costs



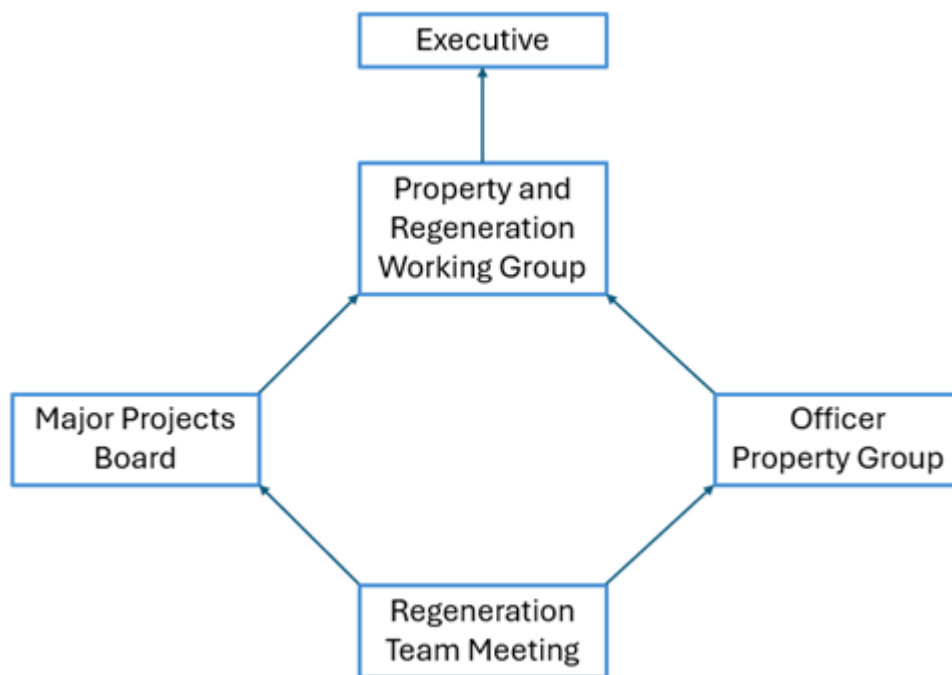
County wide Public Sector Property – Working in partnership with Surrey County Council and other public sector partners to use public sector land and property within the borough boundary exploring and identifying opportunities for better use of all public land and property. This will be a continuation of our current best practice as the Surrey Heath House was one of the first adaptors of using public buildings for all government bodies, ensuring services were accessible and creating a ‘one stop shop’ experience for the community.



6. Decision Making/Governance

Asset management is governed in various ways including legislation and central government policy, Surrey Heath Borough Council policies and constitution and contract procedure rules.

To ensure all council projects in respect of work streams, recommendations and decisions follow the same standardised approach, governance arrangements are in place. The diagram below shows how this interrelationship works prior to any formal, legislative requirements being processed.



7. Implementation

The success of the SAMP will be judged on the success of its results; hence successful implementation is a crucial part of the process.

Key components of successful implementation include:

- Support, Ownership and Leadership
- Funding
- Resources
- Project Planning
- Property Leadership

7.1 Support, Ownership and Leadership

The council's Head of Property and Economic Development will 'champion' and guide all property related work streams and projects to ensure the correct support is provided to overcome any hurdles and ensure the corporate objectives of the organisation are met within agreed timescales.

7.2 Funding

The council's base budget includes planned and reactive maintenance budgets for specific assets. Similarly, the largest investment assets have planned maintenance programmes in place to smooth major repair and renewal works and, where appropriate, have built up sinking funds.

Each year, revenue and capital growth bids will be submitted for approval based on our asset management programme, as part of the budget setting process or as need is identified.



7.3 Resources

Due in part to the challenges local authorities face it is unlikely that all required knowledge and expertise will be available 'in house'. It's anticipated that expertise in a variety of forms will need to be procured, in the form of professional services, external consultants and contractors.

For example, if a redevelopment construction project was undertaken, the services of an Architect, Quantity Surveyor, Mechanical and Electrical Engineer and Structural Consultant are all key advisors that would be needed to inform a building design and cost both for planning approval and actual construction purposes.

It is an essential part of implementation and delivery of any project that the vision and purpose is understood from stakeholders by the internal project manager/lead who can then ensure independent consultants/advisors or internal project teams incorporate key aspects of design, budget and timeframes within project plans.

7.4 Project planning

Successful projects will be monitored by project boards and/or the Property and Economic Development Working Group. Detailed project documentation will be submitted at initiation and throughout the project. Key considerations include:

- Project sponsor
- Project resources
- Project scope including desired outcomes.
- Financial implications
- Project arrangements i.e. milestones, monitoring and reporting
- Project business case i.e. budget, benefits, specialist advice
- Risk register
- Legal implications

