

25 November 2013

Corporate Asset Management Planning

Ward(s) All

Portfolios: Cllr A Andrew-Regeneration

Executive Summary:

The Corporate Asset Management Plan (C-AMP) 2014-2019 will set out how we intend to use our property portfolio to serve and benefit the residents of Walsall.

Property Services are focussed on the maintenance and improvement of a core portfolio that delivers modernised services to customers; efficient use of assets / value for money and a one council / partnership approach. We have four priorities which are aligned to the Council's vision and values and its objectives and priorities as set out in the Corporate Plan 2013/14 – 14/15:

- To help customers by enabling service delivery from property assets that are appropriate, efficient and fit for purpose
- To increase building utilisation by providing facilities that support the implementation of the business change activity “The Way We Work”
- To provide absolute clarity for property decision making and governance
- To achieve the savings required from property budgets to meet the medium term financial plan

This report provides an overview of the progress made with corporate asset management since Cabinet adopted the C-AMP 2012-17, and a summary of the key projects and issues currently being addressed.

In particular, the report confirms arrangements for the governance for strategic asset management within the authority and updates members on key projects such as Smarter Workplaces, Regeneration initiatives and the development of individual Directorate Asset Management Plans.

The Corporate Asset Management Plan will be put to Cabinet for approval in February 2014. This is Scrutiny Panel's opportunity to make recommendations to Cabinet on asset management planning issues.

Reason for scrutiny:

This report is brought following the appearance in the Forward Plan of the intention to present Cabinet with the revised C-AMP in February 2014. Panel's input is welcomed as beneficial in the preparation of the 2014-2019 Plan

Recommendations:**That:**

- 1. Scrutiny Panel receives this overview of the council's approach to strategic asset management*
- 2. Scrutiny Panel provides feedback as appropriate and indicates areas of particular interest*

Background papers:

Corporate Asset Management Plan 2012-2017

Resource and legal considerations:

Strategic management of the corporate property asset is being lead by the Asset Management team in Property Services, in conjunction with relevant officers from services across the Council.

This report provides a general overview of approach and so does not detail the resource and legal implications. These matters shall be dealt with in the C-AMP 2014-2019.

Citizen impact:

Good asset management puts service delivery and the customer at the centre of strategic thinking. Each directorate needs to have a full understanding of why it is necessary to hold a property asset and to have tested these reasons against alternative delivery models to ensure that its service is functioning from fit for purpose accommodation in the most suitable locations to meet customer need.

Environmental impact:

The C-AMP shall promote energy efficiency through the Council's Carbon Management Plan, which aims to reduce the Council's Carbon emissions by 40% by 2019. Implementation of the C-AMP and better alignment with the capital strategy shall also result in improved maintenance of the Council's building stock as limited financial resources will be targeted at the most appropriate locations.

Performance management:

The C-AMP will measure asset performance in a number of areas, such as utilisation, suitability, repair costs, energy efficiency etc. This data shall inform strategic thinking on the retention, refurbishment or disposal of assets.

Equality Implications:

Property assets are used by both customers and staff and equality impact assessments (EQIA's) are undertaken on individual programmes of work. In addition an EQIA's shall be undertaken on the C-AMP

Consultation:

The C-AMP shall be prepared with the support of Directorate Asset Management Groups (AMGs) and key public sector bodies. Legal Services and Financial Services, although represented on the said AMGs, shall also be consulted direct on the final draft.

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Executive Director
15 November 2012

Report

1. Governance

- 1.1 Cabinet at its meeting in April 2012 approved the Corporate Asset Management Plan 2012-2017, a document that outlined the corporate approach to the strategic management of the Council's property portfolio and highlighted a range of key projects being pursued.
- 1.2 The principle of good strategic asset management is that the need to hold and occupy property should be dictated by agreed patterns of service delivery. For this reason, the requirements for the portfolio are constantly changing; hence the need to undertake frequent reviews of the approach. The relationship between asset management and service delivery is illustrated at Appendix A.
- 1.3 The current C-AMP identified that governance of the process shall be via the Corporate Asset Review Group (CARG), comprising senior officers from across the Council and Chaired by the Executive Director for Regeneration
- 1.4 This Group oversees the development and implementation of the C-AMP and exchanges information and best practice with the Directorate Property Boards, of which there are currently four - Regeneration, Social Care & Inclusion, Neighbourhoods and Children & Young People.
- 1.5 In October 2013 Capital Strategy Board approved refreshed governance arrangements. The CARG is concerned with translating high level operational requirements into property requirements and manages the Corporate Asset Management Planning process. The group is responsible for developing the Council's Corporate Asset Management Strategy and for data collection and performance measurement of suppliers, clients and the portfolio itself. Arrangements for Directorate asset management have been relaxed recently. Directorate Asset Management Groups are no longer mandatory. Arrangements for Directorate Asset Management are to be agreed with the Executive Director for each area. Property Services Asset Management, Finance and other colleagues will support Directorates to ensure that the purpose and outcomes described above are in place with an ability to clearly record requirements coming from the Directorate.
- 1.6 The inter-relationships/lines of communication between the corporate roles are shown at Appendix B. Governance feedback loops are shown at Appendix C.

2. C-AMP components

- 2.1 The C-AMP will comprise three elements:

Asset Management Plan Handbook

This will be a framework document intended to serve for the full five years of the plan. It will incorporate:

- I. Vision for assets/links to Council objectives
- II. Governance arrangements

- III. Performance management framework
- IV. Asset review/challenge process
- V. Operational matters (e.g. moves management, arrangements for statutory compliance)

Review of Progress 2013/14

This element will be updated annually and will be reported to the ASG. It will capture changes to the portfolio that have been implemented and record the delivery of efficiencies.

Asset Management Action Plan 2014/15 – 2019/20

This element will be the working document by which progress is monitored. It will record high level progress on individual projects on a traffic light basis. It will be maintained by Asset Management and reported to CARG on a regular (at least quarterly) basis. It will be CARG's responsibility to take action to resolve issues or obstacles impeding project progress, making recommendations to ASG as necessary.

3. Key activities since 2012

In late 2009, the Council was selected as one of 7 Local Authorities in the West Midlands to take part in a Regional Improvement and Efficiency Partnership exercise, culminating in a report entitled 'Transforming Local Government Property Asset Management'

The key outcome for the Council was an accelerated review of the operational estate in early 2010 (AM2010), which, with the external support of PwC and working with services, looked at all Property portfolios and challenged the need to hold property to deliver services. This identified minimum and radical solutions for each portfolio, along with potential cost savings. Phase 1 of the programme was completed in June 2010. This identified 7 asset types which accounted for 75% of property spend. These included offices, leisure centres, libraries and Social care. Phase 2 of AM2010 reviewed these properties in greater detail and explored potential property options

In parallel to Phase 2 of the programme, the Council launched its Working Smarter programme and a number of these service areas commenced service redesign activity, taking the AM2010 outcome as part of their analysis. The key project, which is now proceeding following completion of Phase 1, is the rationalisation of office accommodation – the Smarter Workplaces programme.

The table below shows the net result of these activities: a reduction in the total number of assets held from 873 in 2010 to 765 as at November 2013.

AM2010 asset type/service area	2013 grouping	Total number of Assets	
		2010	2013
Children and Young People - Council sites	Children's Services – non schools	21	16
Children and Young People – Serco sites	Children's Services – schools (incl. children's centres)	136	139
Community Associations	Neighbourhoods	415	394
Car Parks			
Green Spaces			
Leisure			
Libraries and Heritage			
Multi Purpose			
Public Safety and Street Pride			
Regeneration Housing	Resources Housing	7	5
Non Operational	Regeneration – offices Regeneration - other	26	16
Offices		233	164
School Caretakers	Social Care and Inclusion	35	31
Adult Services		873	765

A public sector property group was established and led to the creation of a joint asset map for the Borough showing Council, NHS, Police, Fire, WHG, Walsall College property holdings and also to a better understanding of potential opportunities for joint working.

4. Current and future Directorate programmes and projects

4.1 Regeneration

- i. Implementation of the Smarter Workplaces office rationalisation programme, approved by Cabinet in April 2011, has continued. The refurbishment of the Civic Centre is complete, with open plan workspaces established. Agile working is now being implemented to further increase the capacity of the building. As a result of this initiative a number of leasehold and freehold premises have been released, reducing the number of office locations occupied from 26 to 16. By the end of March 2014 the Education Support Centre in Field Road and Aldridge Manor House will also be vacated and available for disposal.
- ii. Following on from the key successes of recent years, and recognising the need to play a more pro-active role in attracting and retaining jobs in the borough, the directorate has placed an even greater emphasis on identifying opportunities to use corporate property assets to promote economic growth. Often, these initiatives are also supported by the use of the Council's ability to assemble development sites, with the use of compulsory purchase powers, where necessary.

- iii. Gigaport, the redevelopment of the Old Square and St Matthew's Quarter, Waterfront and the Phoenix 10 projects are all on-going examples where assets are being employed to promote economic activity and job creation.
- iv. Property Services will continue to research innovative delivery vehicles, working with private sector specialists to review the most effective use of assets in the current challenging financial market. This work is necessary as previous models are no longer viable.
- v. The Council has a portfolio of tenanted property generating in excess of £500,000 income per annum. The majority of this income comes from some 100 shops, largely comprised of small parades on former council owned housing estates, providing convenience shopping for the local community. It also includes 8 farms and a number of long leasehold interests generating modest individual returns.
- vi. Whilst the primary purpose of the shops is considered to be that of service to local people, it is important to ensure that returns are maximised and that the on-going investment in repairs and officer time can be justified financially. For this reason, during 2014-2015 the non-operational portfolio will be the subject of a detailed review, with any recommendations for change being reported to Cabinet.
- vii. A positive outcome of enhanced strategic thinking has been the reduction in expenditure on vacant/redundant buildings. The emphasis is now on Directorates to highlight as early as possible any potential changes to service delivery that will give rise to possible or actual property changes, especially where accommodation is likely to become surplus as a result. This enables Property Services to undertake an Options Appraisal that looks at alternative uses for a site, such as reoccupation by other Council services, suitability for community asset transfer, letting or freehold disposal. Clearly, minimising any gap between vacation by the service and activation of the alternative use will minimise exposure to vandalism and anti-social behaviour and security costs.
- viii. Where building have become vacant, the Council uses 'guardian angel' companies, where appropriate, rather than full time security, which has significantly reduced costs of sites and achieved apparent improvements in the level of security. For buildings that are not suitable for reuse early demolition will be employed, reducing void costs associated with maintaining security, building insurance and payment of business rates.

4.2 Social Care & Inclusion

- i. Services within Social Care and Inclusion will endeavour to manage the Council's property assets in-line with delivering services within the new operating model for the Directorate that was agreed by Cabinet in June 2013. This puts a much stronger emphasis on prevention and early intervention as being the means by which most residents of Walsall with care and support needs get their initial help. The model recognises the need to constantly look towards maximising independence so that the choice is not specifically between which services to utilise but rather what skills, specific opportunities, and daily decisions making opportunities a person wants to restore and then maintain. The Directorate is now focused on achieving outcomes and changing cultural outlooks; primarily a

way of looking at disability, ageing and capacity that maximises individual and community assets, focuses on prevention and not solely an approach to the provision of services.

- ii. All new customers (and some existing customers) will be channelled through a range of “preventive” services before they are assessed for longer term care and support. These services are designed to offer an immediate response to the person seeking help in a way that looks at options in which they can be assisted without necessarily assuming that they will need longer term help if this first intervention can resolve their problems.
- iii. The four key outcomes of the Adult Social Care Framework will drive all capital expenditure and the standard for the buildings the Directorate leases, maintains, hires etc. These outcomes are:
 - Delaying and reducing the needs for care and support
 - Ensuring that people have a positive experience of care and support
 - Enhancing quality of life for people with care and support needs
 - Safeguarding adults whose circumstances make them vulnerable and protecting them from harm

This combined with the Directorate’s commissioning intent and operational delivery model will define its capital investment and property needs.

- iv. Since the adoption of the current C-AMP the Directorate has:
 - Opened a new Independent Living Centre, incorporating Shop Mobility service
 - Vacated unsuitable office accommodation at Bentley Lane, using agile working to increase utilisation of alternative office bases such as the Allen’s Centre
 - Procured the construction, and acquisition by lease, of a new Integrated Community Equipment Store at Electrium Point
- v. Current property related activity is focussed on:
 - Review of Broadway North utilisation following Cabinet decision to close residential unit
 - Relocation of staff from Moxley Neighbourhood Office following internal reorganisation
 - Provision of adequate office accommodation for staff joining the reablement service
 - Provision of specialist autism day resource at Manor Farm, Rushall
 - Consultation on day services provision in response to budget saving proposal to reduce number of service locations from 7 to 5

4.3 Neighbourhoods

- i. The Neighbourhoods Directorate delivers its services through a wide range of buildings and sites across the Borough. One of the key roles of the Directorate Asset Management Group is to develop strategic new schemes from which improved customer services can be delivered.
- ii. These include projects with a high level of impact:

- Arboretum restoration including provision of new visitor centre and illuminated park project
 - Active Living proposals that include the provision of replacement leisure centres at Oak Park and Bloxwich
 - The development of a new library and family contact centre in Bentley
- iii. The management of some service provision (Bryntysilio Outdoor Education Centre and Bentley Leisure Pavilion for example) has already been transferred to the 3rd sector. Library provision is also currently exploring how a similar management approach may be achieved to ensure front-line service provision continues at a local level. Green Spaces, within Clean & Green Services, have various sports pitches being delivered through stewardship agreements and some allotments already have Local Management Associations which stand alone from the Council's in-house service.
- iv. This approach will continue to be actively explored and the default position should always be; if the local community / 3rd sector want to take on the management of their services then the Council's role should always be: "How do we help them achieve this?"
- v. Since the adoption of the current C-AMP the Directorate has:
- Completed a review of depots and centralised services at the new Environmental Depot, this enabled the closure and disposal of several redundant sites
 - Sold two surplus surface car parks and identified three further potential disposal opportunities
 - Achieved revenue savings through the closure of Willenhall Leisure Centre and a capital receipt from sale of the site
 - The lease of Bryntysilio outdoor education centre has been surrendered
 - Pelsall library has been relocated to the new Pelsall Village Centre
- vi. There are property issues affecting the following services that will need to be addressed during the period to be covered by the new C-AMP:
- Walsall Adult and Community College's accommodation at the Hawbush Centre is inadequate for its needs, the service is expanding and there is a desire to bring current operations spread between Hawbush and Whitehall Centres together to achieve operational efficiencies and improve the learning environment. If the College becomes independent of the Council appropriate occupancy arrangements will need to be established and formally documented
 - The Local History Centre is in cramped and unsuitable accommodation at Essex Street. Archive space is insufficient to meet predicted growth in collection. The service's preferred option would be to co-locate into new premises in Walsall Town Centre with complimentary services like the Museums service and Registrars office
 - The Museums service storage is leased in and also insufficient to meet future requirements. A new store could be co-located with the public archive collection.
 - The mobile library depot occupies the front part of a larger site that could be released if it can be relocated. Resource investment in an options appraisal is required to progress

- Identification of sustainable uses for park lodges that have/will become redundant following relocation of staff to the Environmental Depot
- Subject to a successful tender process and agreement by Council in 2014, to undertake the delivery of the Active Living proposals that include the provision of replacement leisure centres at Oak Park and Bloxwich.

4.4 Children & Young People

- i. This Directorate's portfolio is split between non schools and schools (including children's centres) assets.
- ii. Since the adoption of the current C-AMP the following pressures or changes in service model for the non schools assets have arisen:
 - The number of children's homes has remained stable. Demand for residential places for children is increasing (due to rising child population and duty on the local authority to accommodate all children in need) however most of this demand is to be satisfied via fostering in preference to placement in a residential children's home. Eldon House children's home has been replaced by a new facility on Primley Avenue that incorporates provision for children with special needs.
 - Demand for family contact space is increasing as the number of looked after children rises. The two family contact centres are under pressure, the number of contact rooms provided is inadequate and they are of insufficient size to accommodate larger family groups. The feasibility of building a new contact centre at Queen Elizabeth Avenue, Bentley is being established.
 - IYPSS has ceased direct management of a number of young people's centres and commissions services delivered from them via third parties. Dartmouth Youth Centre was transferred to Ryecroft NRC at the end of August 2013 and Aldridge Manor House youth club will close at the end of December 2013. Positive activities in Aldridge will be provided from shared, community based, premises. There is a trend towards more detached provision. Recently opportunities for other services to access youth centres (e.g. children's centres undertaking detached work) have been explored and this is being implemented at Rosehill in Willenhall.
- iii. For the schools portfolio a significant issue has been the move by both primary and secondary schools to academy status, requiring the grant by the Council of 125 year leases of each site.
- iv. Grant funding from the DfE and the Council's main Capital programme has been utilised to significantly reduce the backlog of Priority 1 works required in the school estate. This has resulted in a significant reduction in the amount of school days lost due to buildings being closed following serious building failures. The majority of mobile teaching spaces have been removed, this work needs to continue.
- v. An increase in pupils requiring reception places due to increased birth rates nationally has been dealt with by the provision of additional places at Birchills Primary, King Charles Primary, Hillary Primary, Caldmore Primary and Leighswood Primary.

- vi. Increasing birth rates continue to present challenges in the primary sector and there is a draft proposal in place for required expansions at a number of schools in readiness for September 2015. Although there are no current pressures on secondary places the current increase in pupil populations is expected to create issues in the secondary sector from approximately 2018/19 onwards.

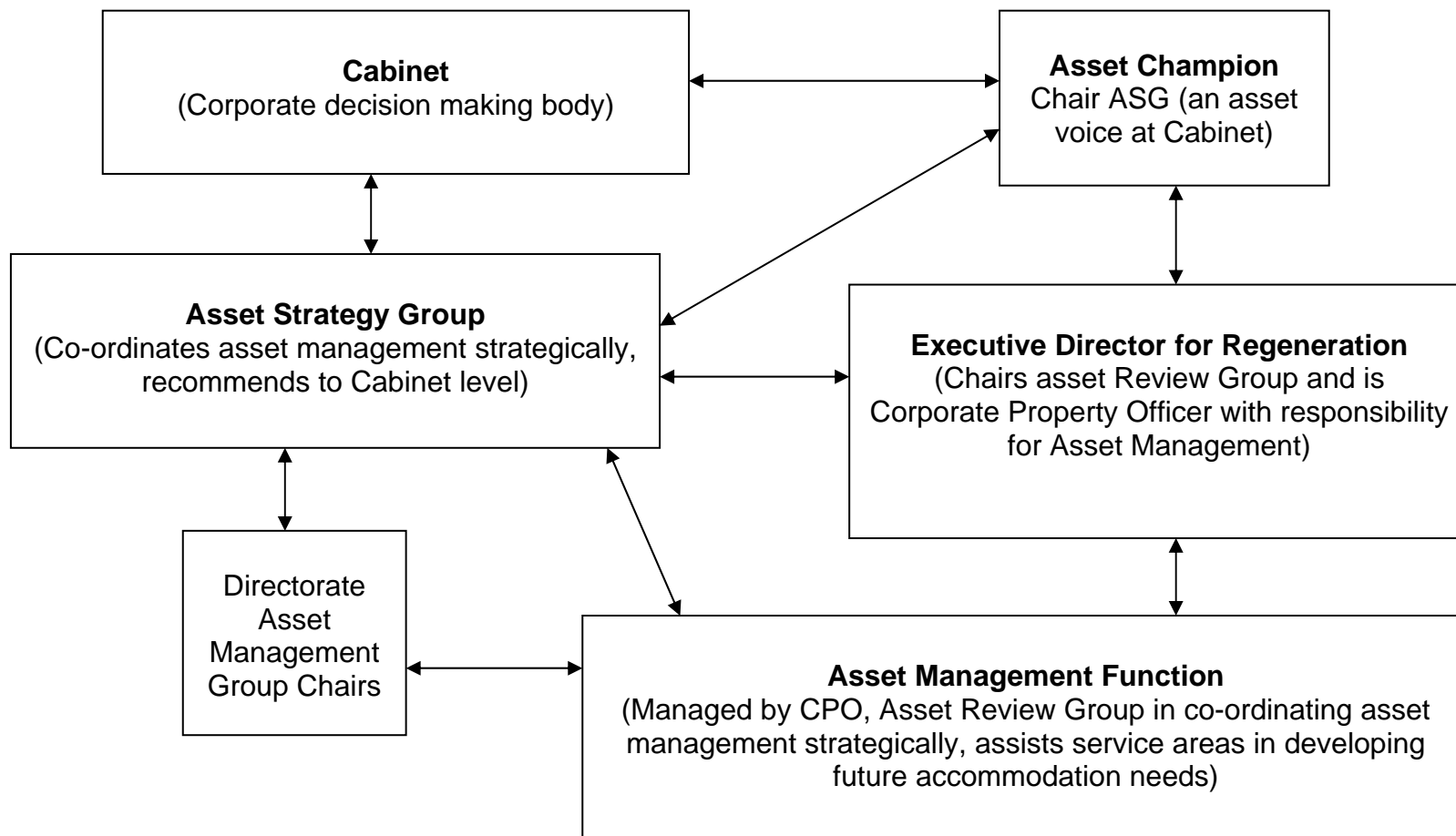
4.5 Resources

- i. This Directorate does not hold any property in its own right. Staff are office based and are located in corporately held assets, primarily the Civic Centre. Staff have been helping to implement the Smarter Workplaces office rationalisation programme by working agily and enabling increased utilisation of work stations.

Overview – Corporate Asset Management



Corporate Roles for Asset Management



Governance Feedback Loops

