

## **Regeneration Scrutiny and Performance Panel**

**22 September 2011**

**Agenda  
Item No. 6**

### **Corporate Asset Management Planning**

**Ward(s)** All

**Portfolios:** Cllr A Andrew – Deputy Leader and Regeneration

#### **Executive Summary:**

The Corporate Asset Management Plan (CAMP) 2012-2017 shall set out how we intend to use our property portfolio to serve and benefit the residents of Walsall. The council's stated purpose for property is :

- To create and improve our buildings to enable Council staff to deliver better services for me
- To ensure that the Council's land and properties are used to help stimulate investment in my Borough

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.

This report provides an overview of the progress made with corporate asset management since Cabinet adopted the Corporate Asset Management Plan (CAMP) 2008-2013, and a summary of the key projects and issues currently being addressed.

In particular, the report identifies possible changes to the governance for strategic asset management within the authority and updates members on key projects such as Smarter Workplaces, Community Asset Transfer and the development of individual Directorate Asset Management Plans.

The Scrutiny Panel's input regarding these matters shall be welcomed.

**Reason for scrutiny:**

This report is brought following the appearance in the Forward Plan of the intention to present Cabinet with the revised Corporate Asset Management Plan (CAMP) in February 2012. Panel's input is welcomed as beneficial in the preparation of the 2012-2017 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 2008-2013

**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 Corporate Asset Management Plan 2012-2017.

**Citizen impact:**

Good asset management puts service delivery and the customer at the centre of strategic thinking. Each directorate needs to have a full understand 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 CAMP 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 CAMP, 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 CAMP 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 CAMP

**Consultation:**

The CAMP shall be prepared with the support of Directorate Property Boards and key public sector bodies. Legal Services and Financial Services, although represented on the said Property Boards, shall also be consulted direct on the final draft.

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## **1. Report**

### **Governance**

Cabinet at its meeting in October 2008 approved the Corporate Asset Management Plan 2008-2013, 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.

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 current CAMP identified that governance of the process shall be via the Corporate Property Group (CPG), comprising senior officers from across the Council and Chaired by the Executive Director for Regeneration

This Group oversees the development and implementation of the CAMP 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 .

Under the current review of CAMP, consideration is being given to the realignment of CPG to make a more explicit link to the corporate capital strategy and the role of the Strategic Property Board.

A further development is the proposed introduction of a Public Sector Property Board. Membership will mirror the Borough Management Team lead by the Chief Executive and will provide an opportunity for key partners, such as the NHS/PCT, whg, the Police, Fire and Ambulance Services, to share property strategies, and where appropriate, develop shared facilities offering community services in suitable locations and more cost efficiently than in isolation.

### **Key activities since 2008**

Since the production of the last CAMP the key activity has been AM2010. 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 in, 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 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 and this identified 7 portfolios 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 services 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

A number of other projects have been completed since 2008 These include the replacement of the Council's Highway depot, rationalisation of Links to Work premises, and investment in Childrens homes

## **Current and future Directorate programmes and projects**

### Regeneration

#### **1. Smarter Workplaces**

The most significant potential savings that emerged from AM2010 came from the review of the Office Portfolio, where it was considered that better space planning, combined with improved use of technology and flexible working could lead to the eventual withdrawal from expensive leased accommodation and the closure and disposal of a number of poorly performing buildings, whilst, at the same time, delivering a step change in business efficiency.

The opportunity to rationalise office space identified under AM2010 has now been embraced by the Smarter Workplaces programme, implementation of which will see the number of office locations reduce from 26 to 2 over the course of the next 5 years.

Under this initiative, the Civic Centre and Council House will be reconfigured to significantly increase the number of people that be accommodated Aligned to this, mobile working techniques and technology will be introduced to promote greater flexible working. This has the twin objectives of reducing accommodation costs and enabling the work force to operate in a more efficient and responsive manner than the current model permits.

The programme of closures is still to be finalised but shall be formulated to minimise business disruption. Options Appraisals are being prepared to assess the most appropriate future uses for the buildings being vacated. This process will include valuations for letting and/or sale and a review of the opportunity for community use and possible Community Asset Transfer.

It is anticipated that the re-modelling of the Civic Centre shall be completed by December 2012.

## 2. Use of Assets to Promote Regeneration

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.

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.

Property Services are researching innovative delivery vehicles, working with private sector specialists to review the most effective use of assets in the current challenging financial market. This research will provide initial findings by the end of 2011. This work is necessary as previous models are no longer viable

## 3. Non-operational property

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 13 farms and a number of long leasehold interests generating modest returns.

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 2011-2012 the non-operational portfolio will be the subject of a detailed review, with any recommendations for change being reported to Cabinet.

## 4. Vacant/redundant Property

A positive outcome of enhanced strategic thinking will be the reduction in expenditure on vacant/redundant buildings.

The emphasis is now on the Directorate Property Boards 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.

Where building have become vacant, the Council has recently used 'guardian angel' companies rather than full time security, which has significantly reduced costs of sites and achieved apparent improvements in the level of security.

### Social Care & Inclusion

Panel will be aware that the rationalisation of elderly person's homes and the transfer of that service to our partners, Housing 21, has been completed since the 2008 CAMP.

Social Care has also successfully reviewed the structure of the Links to Work service, the outcome of which has seen two of the three properties utilised being released for alternative use/disposal.

Other priorities that will have property implications include :-

Development of Goscote as a college to support adults with learning difficulties

Community social work team creating links with community associations, voluntary and statutory sector to develop more community based initiatives across Walsall

Formal partnership agreements for provision of Mental Health services

Developing relationships with housing support, RSLs, private and voluntary sector providers to develop a range of local accommodation that meets the needs of vulnerable adults

Developing a Centre for Independent Living. This shall include a relocated Shop Mobility service, allowing the release of unsuitable accommodations in the car park at The Saddlers Centre.

### Neighbourhoods

The most significant change since the 2008 CAMP has been the relocation of the unfit Norfolk and Suffolk Place Depots to new, purpose built facilities at Pelsall Road, Brownhills. The existing depots have been disposed of to the developer of the new premises as part of the funding package, with the added social and economic benefits of some 13 acres of new homes being constructed just a mile north of Walsall town centre.

Other activity includes the review of Library & Leisure Centres. As indicated above, AM2010 included an initial review of the library and leisure centre portfolios. These reviews are continuing on a service-led basis and any property implications shall form part of the final Options Appraisals.

Community Asset Transfer -\_Property Services is working closely with

colleagues in Community Development and other services to develop Walsall Council's approach to Community Asset Transfer.

Walsall has already engaged in a number of different forms of community asset transfer with more than 80 voluntary and community organisations having an interest in council owned property assets. Some have exclusive use of land/property, others hire facilities like sports pitches on a less formal basis.

However, these transfers have occurred over a number of years on an ad hoc basis in response to individual organisations and local communities' needs. As a consequence, apparently similar organisations may find that they occupy Council owned premises on very different terms. These differences can lead to a perception that the Council does not act fairly and transparently in its dealing with the voluntary and community sector. Hence we are developing a transfer strategy that recognises that there is a finite amount of property available for transfer and that the rationale for its allocation must therefore be explicit and clearly linked to the service objectives of the Council.

We have researched best practice among our peer councils and developed draft criteria for transfer. These are being tested via six pilot transfers. The pilots include four community associations, a scout group and a social enterprise. Over the coming months the benefits of this new approach will be assessed and the strategy developed.

### Children & Young People

The CAMP 2008 envisaged the relocation of Eldon House children's home to new purpose built premise. This project is now a reality with new facilities under construction adjacent to Alumwell School and due for completion in spring 2012

Schools - In terms of the wider education agenda, the main trend in the last year has been the movement of schools away from local authority control to Academy or trust status, primarily with secondary schools, and it is expected that this trend will continue. The previous academy programme has included a £54m investment at facilities at Shelfield, Darlaston and Sneyd.

The Government is currently reviewing capital investment in school and a consultation document is out from DfE at the moment. In the meantime the government has announced a PFI programme for the worst condition schools for which the Council will be making a bid in October 2011



