

19 January 2012

Corporate Asset Management Plan

Ward(s) All

Portfolios: Cllr A Andrew -Regeneration

Executive Summary:

In September Scrutiny Panel received a report that gave 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.

Members indicated particular interest in:

- use of Council owned land assets to stimulate economic growth and attract investment to the Borough
- the impact on local micro-economies of the closure of Council offices under the 'Smarter Workplaces' programme
- opportunities for sharing office space with partners
- building security
- transfer of assets to community associations

Further information is given about these aspects of asset management and also an update on new matters affecting Directorate's property assets in the last four months.

The CAMP will be considered by Cabinet on 4th April and the Scrutiny Panel's input as the draft is finalised 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 April 2012. Panel's input is welcomed as beneficial in the preparation of the 2012-2017 Plan

Recommendations:**That:**

1. Members receives this overview of the council's approach to strategic asset management
2. Members provides their recommendations/views for feedback to Cabinet

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 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 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 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.

Contact Officer:

Full Name - Kevin Kendall

 . 01922 471259

kendallk@walsall.gov.uk

1. Report

Principal points arising from Scrutiny in September

1. Use of Council owned land assets to stimulate economic growth and attract investment to the Borough

Property Services will contribute to the achievement of economic growth and inward investment by the strategic acquisition and disposal of key sites to facilitate development.

The Asset Manager is engaged in the preparation of plans forming part of the Local Development Framework ensuring that Council owned assets are considered in the Walsall Site Allocation Document and Walsall Town Centre Area Action Plan.

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.

2. The impact on local micro-economies of the closure of Council offices under the 'Smarter Workplaces' programme

The economic intelligence unit within Regeneration Services was tasked with reviewing the economic impacts arising from the rationalisation of the Council's office portfolio and concentration of staff into the Civic Centre and Council House in Walsall town centre.

Town and District Centres shoppers surveys were carried out in 2010. They give an indication of the typical habits of visitors to the centres including average spend. The average daily spend in the districts is £7.40, similar to the average in Walsall town centre of £8.00.

The economic intelligence manager concludes that the loss of council employees from the district centres might result in a loss of spend in the districts where employees work in or very near to the centre. However, this is likely to be offset by increased spend in Walsall town centre should these staff be relocated to the Civic Centre or Council House.

An additional consideration is that many of the offices proposed for closure are not located within easy reach of a district centre – either on foot or by car. Instead they are served by small local shopping parades. It is highly unlikely that average spend would be as high in these types of shops, since they sell a small range of generally lower value goods. Council staff would

be likely to use them to purchase items such as food and drink for lunch but not many other items. If these staff were located in the town centre they would have access to a much wider range of stores and their average spend would potentially be greater and bringing more benefit to the borough's economy.

Some of the offices that will be released occupy sites that are suitable for redevelopment for housing. The construction of new properties and the additional spending generated by new residents, will generate their own economic benefits in those areas.

Overall it appears that the risk to local micro-economies arising from the closure of offices under the 'Smarter Workplaces' programme is tolerable,

3. Opportunities for sharing office space with partners

In October 2011 the Public Sector Property Group for Walsall was established. Formed with the support of the Borough Management Team, it comprises representatives from the Council, Walsall Housing Group, West Midlands Fire Service, West Midlands Police Authority, NHS Walsall, Walsall College and Walsall Hospital. The group seeks to maximise utilisation of the respective partner organisation's property portfolios through co-operation. This will include seeking opportunities to co-locate staff.

The group has agreed to produce a joint map of public sector property assets in Walsall. This will enable prioritised review of localities where partners hold a number of properties. Information about disposal programmes and under utilised accommodation will also be shared.

Existing collaborations include:

- Goscote House
- Park View Centre
- Blakenall Village Centre
- New Pelsall Library/Health Centre

A joint list of meeting facilities and training rooms is being compiled. The Council is implementing an electronic room booking system and the potential for sharing this will be explored, as will opportunities to utilise existing framework contracts to save on procurement costs and reduce delays in provision.

Alan Stokes from Worcestershire County Council and Martin Forbes from West Midlands Property Alliance will be attending the group's next meeting to share their experiences of joint working in other localities.

4. Building security

Members are aware that Property Services are adopting a strategic approach to the management of surplus buildings, encouraging services to give greater notice of their future intentions and employing guardians to

occupy vacant and vulnerable properties.

This approach is delivering success as evidenced by the sale of the Delves Community Safety Office in December. This property was identified as highly vulnerable to vandalism and malicious damage so its vacation by the community safety team was aligned to completion of the sale. The property was offered for auction on 1st December with a target completion date of 6th January. Staff were scheduled to move out before Christmas. In response to this the Estates team within Asset Management was able to negotiate early completion of the sale on 21st December. The Council achieved disposal without incurring any void security costs.

5. Transfer of assets to community associations

Details of the lease arrangements in place with local Community Associations were reported to Scrutiny in November. A follow up report on the outcomes of the pilot transfer arrangements will be made in March.

Update on current and future Directorate programmes and projects

Regeneration

The reconfiguration of the Civic Centre and Council House has commenced. Full refurbishment of the third floor of the Civic Centre has been completed. This enabled the surrender of the Council's remaining leased offices in Tameway Tower, with significant associated savings. The surrender of Uplands House will follow in March. The next phase will see the refurbishment of the first floor of the Civic Centre.

The implementation of Smarter Workplaces will see the number of office locations reduce from 26 to 2 over the course of the next five years. A number of these offices are leasehold. The offices will revert to the building owners and they will seek replacement tenants. Property Services are working with landlords to give them as much notice of the Council's intentions as possible. This enables landlords to commence marketing at the earliest opportunity and hopefully minimise voids.

The business case for Smarter Workplaces assumes that capital receipts will be generated from the sale of surplus buildings but not all sites are suitable for disposal. Some buildings will be demolished and the sites used for other purposes. For example the site of the former Bloxwich North neighbourhood office will be laid out as a car park to alleviate congestion associated with pick up and drop off of pupils at Lower Farm Primary School and improve facilities for the adjoining Buxton Road shops. Achievement of the required capital receipts will be put at risk if there is community opposition to the sale of any of the other buildings. Officers have assessed the impact of this risk by judging the suitability of each for non office community uses and by considering the likely level of community interest in a sale. The results are as follows:

Building	Suitability for community use	Risk of objection to sale
17-18 Norton Rd	Poor	Low
Challenge building	Poor	Low
Elections office	Poor	Low
New Invention Centre	Satisfactory	High
Pleck NCO	Poor	Low
The Hollies	Poor	Low
28 New Forest Road	Poor	Medium
Dartmouth Centre 40 New Forest Road	Satisfactory	High
Aldridge Manor House	Poor	Medium
Allen's Centre	Poor	Low
Education Support Centre	Poor	Low
Essington Lodge	Poor	Low

Two properties are identified as high risk: New Invention Centre and Dartmouth Centre.

New Invention Centre comprises the offices above the library at 28 The Square. Part of this space is used by New Invention Community Forum. The remainder is vacant following the relocation of a Social Care area team. As the premises form part of the larger Council owned neighbourhood shopping provision their sale in isolation would not be recommended. The Lighthouse Children's Centre is seeking further space for outreach work in the area. If they or another suitable tenant organisation can be found the premises should be retained so as not to prejudice any future development options.

Dartmouth Centre was purpose built for youth and community use in 1995. It is used by a number of community groups who may make a bid to take over management of the premises when the youth service relocates. At the appropriate time officers will work with these groups to identify suitable alternative premises. Both Dartmouth Centre and Aldridge Manor House have established community use and any proposals that change the use will need to justify the loss of community facilities. Independent reports will be commissioned to establish whether there is an adequate supply of community facilities in the locality of each property.

The Localism Bill received Royal Assent on 15 November. It requires local authorities to maintain a list of assets of community value which have been nominated by the local community. When listed assets come up for sale or change of ownership, the Act then gives community groups the time to develop a bid and raise the money to bid to buy the asset when it comes on the open market. The regulations that will enact the bill have not yet come into force but groups may be encouraged to lobby for the right to bid for Council owned community assets in advance of the establishment of a formal list. The Act does not compel owners (including Councils) to accept

any bids for assets made by community organisations but the Act has the potential to delay disposals and cast doubt upon the amount of receipt that might be obtained.

Social Care & Inclusion

Social Care are continuing to concentrate teams in the Allens Centre pending relocation to the Civic Centre/Council House. Most recently leasehold offices at Bentley Lane have been vacated.

A review of the Integrated Community Equipment Store is likely to result in its relocation from PCT premises in Bentley to Electrium Point.

Working with partners is particularly important to Social Care and a review of joint health/Council land ownerships at Goscote is proposed.

A lease has been taken of three retail units at Tesco Walsall for a new Independent Living Centre, including a relocated Shop Mobility service. The units are being fitted out and will open shortly. The former Shop Mobility office, in the car park at The Saddlers Centre, has been released.

Neighbourhoods

Further changes within Neighbourhood Services following the opening of the new Brownhills depot has enabled the release of two freehold properties in Aldridge: a modern grounds maintenance workshop that is suitable for sale or lease and a larger site used for the storage of wheeled bins and as environmental health laboratory facilities. The former has been vacated and the latter will follow at the end of March.

Children & Young People

A new youth centre funded via the My Place initiative will be completed in February.

Construction of the replacement Eldon House children's home is progressing and due to complete in July.

The movement of schools away from local authority control to Academy or trust status is continuing.

