

# **Corporate Property Asset Management Plan**

**2009/2012**

**February 2009**



**Telford & Wrekin**

C O U N C I L

# FOREWORD

Land and Property assets are a serious issue for local Government! Second only to staff, property is the next most valuable resource Telford and Wrekin Council manages.

At a time of increasing budget constraints, it is increasingly important to not only continue to manage and 'sweat' our assets effectively, but also to examine how they can be better used to 'Place Shape' and regenerate our Town and Borough towns.

The majority of Council services are provided indirectly through land and property; therefore ensuring that properties meet both our staff and service needs is of paramount importance.

Property provides a significant contribution to the delivery of the Council's vision ambitions, priorities and services. Through accessing additional funding and effective prioritisation of planned maintenance, real improvements are being made to the building stock.

Refurbishments, improvements and extensions have been carried out to the Windmill Primary School, Brookside and The Sutherland School, Trench. However in addition to this, new developments such as Short Wood Primary School (Wellington) and Old Park Primary School are not just providing better educational facilities for our young people, but also provide new housing, an improved shopping centre tailored to current needs including doctor's surgery and Children's Development Centre, in collaboration with the Primary Care Trust. All of this development is carried out to the latest environmental standards with sustainability to the fore.

Building Schools for the Future funding provides a huge opportunity to further redevelop our educational and recreational service within communities, further contribute to the "Place Shaping" agenda.

The regeneration and transformation of our Borough towns and Town Centre is also a priority. The Borough towns will be developed in partnership with local communities, businesses, Town and Parish councils and regeneration partnerships. The built environment will play an important role and whenever possible, property will be used as a catalyst for change.

Madeley Centre regeneration commenced June 2008. The first phase involving the demolition of the former supermarket is now complete and the construction of the new anchor Tesco store is expected to be completed 2010, the scheme will deliver great benefits to the south of Telford, bringing with it not just a re-modelled vibrant centre, but significant highway improvements.

The Dawley and Malinslee regeneration promises to be a major programme, the re opening of the High Street to traffic and public realm improvements start in 2009 and it is planned for infrastructure works on the brown field 90 acre site to be underway by 2010.

Wellington's new library, registry office and co located services at the existing leisure facility are planned to start in Autumn 2009.

Leegomery Local Centre following its fire damage is being rebuilt by the Council and is due for completion in November 2009.

Property produces around half of the Council's carbon emissions. Under the "Climate for Change" agenda, it is proposed to significantly reduce the Council's carbon emissions in the coming years. Improving the efficiency of existing buildings and delivering innovative, sustainable new buildings will contribute significantly to achieving this target.

A robust Asset Management Plan will inform decisions relating to service delivery, and bring major benefits to the local community.

## **Translated Introduction**

If you require any part of this Telford and Wrekin Council Corporate Asset Management Plan 2009/2012 of Telford and Wrekin Council translating into your own language, please telephone our Translation Service on 01952 382121 and quote reference AMP2009/2012:

This document is also available in large print, in Braille and on audio tape.

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## **1.0 Statement of Context**

Telford and Wrekin Council is a Unitary Authority responsible for the fastest growing area in the West Midlands. The Council's "Local Development Framework" core strategy has been approved. The Central Telford Area Action Plan (CTAAP) preferred options report will go through a public consultation in 2009.

This continuing growth and development of the area ensures services and facilities are constantly monitored and reviewed, resulting in major implications for property holdings and Asset Management.

As part of Comprehensive Performance Assessment (CPA) there is a Key Line of Enquiry (KLOE) relating to 'How the Council Manages its Asset Base', the Council received a Level 4 result in October 2007 which was re confirmed in November 2008. Level 4 is the highest assessment that can be achieved. Under the new Comprehensive Area Assessment (CAA) further progress and innovation will be necessary to maintain this level as the 'bar is raised further'.

Telford and Wrekin Council currently delivers services from 166 properties 154 of these properties are owned by the Authority and deemed to be operational, 6 are "leased in" from private providers, there are 2 P.F.I. properties and 6 are owned by the Telford and Wrekin Council Property Investment Portfolio (PIP) and used as operational properties. These properties do not include the Property Investment Portfolio held for investment and regeneration purposes or houses leased in for homeless accommodation.

Substantial refinement and improvement to these properties has taken place. Work is continuing to rationalise where possible, and to improve the Asset and Property Portfolio in accordance with service requirements and Asset Management principles.

### **Asset Management Plan - Aims:**

- Ensure assets are fit for purpose
- Ensure assets are situated in appropriate locations
- Deliver an integrated approach to Asset Management across the Authority, with consideration to both individual Portfolio requirements and Corporate requirements
- Reinforce a corporate approach for holding property and outline definitive objectives
- Ensure Asset Management decisions are planned in a co-ordinated manner and consistent with corporate priorities
- Manage a simple and robust performance measurement system
- Provide comprehensive and accurate data to facilitate analysis of the Property Portfolio's performance measurement and decision-making criteria, including development of management information systems
- Improve service delivery to achieve community ambitions
- Use land and buildings as an enabler to the "Place Shaping" agenda and the enabler of regeneration in Borough towns

- Optimise property revenue towards the Council's current and future aims, objectives, policies and programmes
- Optimise and prioritise the level of property investment, to meet the Council's current and future service needs
- Promote the innovative use of property together with partners and stakeholders

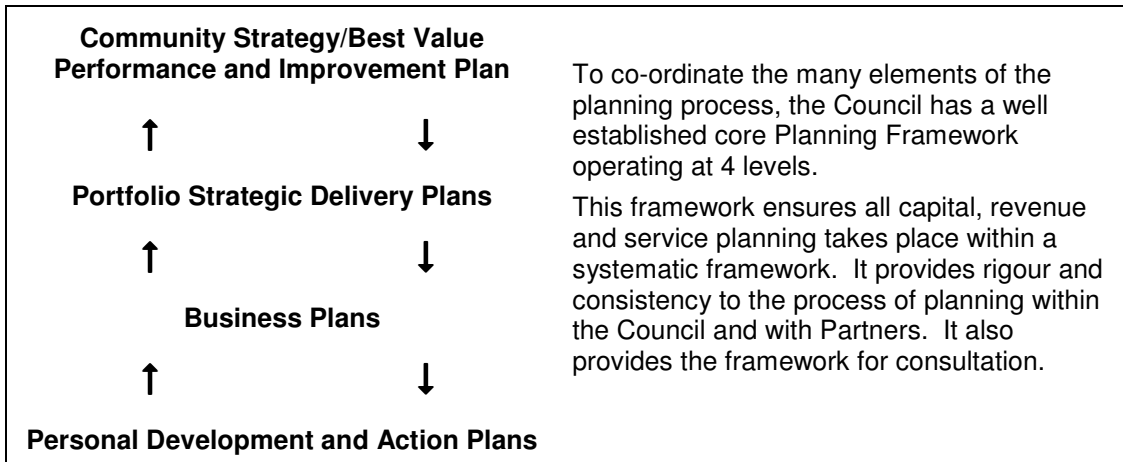
## **2.0 Organisational Arrangements for Corporate Asset Management**

### **Roles and Responsibilities of the Corporate Property Working Group**

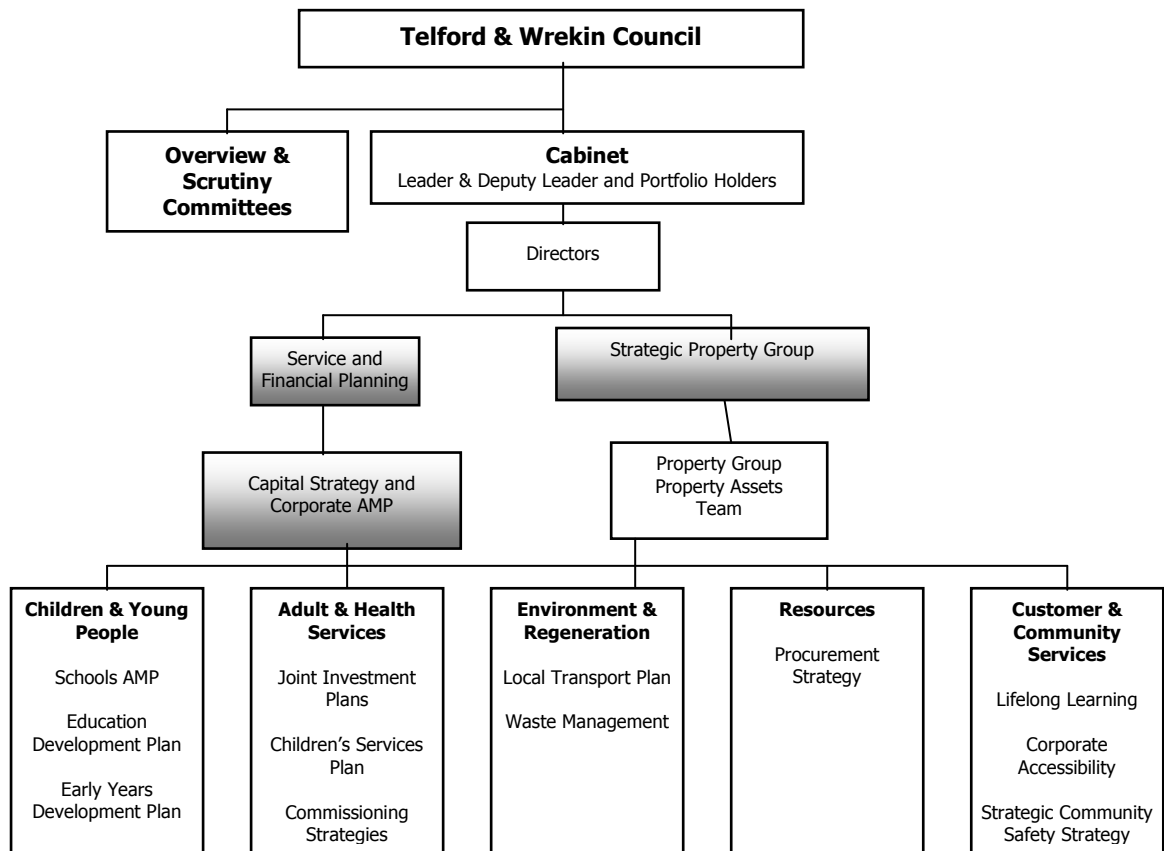
- To strengthen the corporate approach to Asset Management and embed this approach at a strategic level,.
- Facilitate the implementation of the Corporate Property Strategy to ensure the Authority is achieving the Communities for Local Government (CLG) requirement of maximising local authority property assets in accordance with the efficiency agenda
- Produce regular progress reports as necessary
- Develop the Corporate Property Strategy
- Produce the Corporate Asset Management Plan (AMP)
- Consider and lead cross-cutting use of property both across portfolios and multi-agencies, i.e. Primary Care Trust (PCT), police
- Review the Council's acquisition and disposal programmes as part of property review and rationalisation
- Monitor and review the collection, use and maintenance of property asset data
- Establish and review Property Performance Indicators and benchmarks
- Establish a reporting regime to services and Members, particularly to the Cabinet Member with responsibility for assets and property
- Consider and implement recommendations from internal and external audits for Asset Management
- Co-ordinate, review and deliver property and capital review programmes, cross-service working and maintenance programmes

### 3.0 Links to Key Plans and Objectives

The Council's Corporate Plan identifies Key Activities across the Council which contribute to the Community Ambitions (see Appendix1). From 2009/10 this process will be revised in accordance with the Council's priority plans. The table below details the strategic Asset Management decision-making links within and across Portfolios:



**Service and Financial Planning Relationship to Wider Council (Figure 1) PUT  
IN NEW CHART FROM STRATEGIC PROPERTY REPORT 1/10/08**



**Strategic Property & Procurement Group - Members:**

Community Services  
 Head of Asset & Property)  
 Head of Human Resources, ICT, Business Transformation and Communications  
 Representatives from Children & Young People and Adult & Consumer Care

Figure 1 referred to overleaf, details the links to the Council's decision making process and indicates working across portfolios, through the Service and Financial Planning Framework and Strategic Property Group.

In line with the recommendations of the Government's agenda for joint agency working, the Corporate Property Officer (CPO), is liaising with external agencies e.g. PCT, to identify and maximise the use of existing assets and explore partnership opportunities for inter-agency use of property.

Discussions are ongoing with the Fire Service regarding joint working arrangements as have already been established with the PCT at the Glebe Centre and Old Park together with the Police CCTV monitoring station at New Street, Wellington.

Partnerships involving the Council's buildings, police and PCT are explained in further detail under Section 8 - Property Investment Portfolio.

The Case Study included in Appendix 2 is a good example of partnership working across the public sector. The scheme has involved the complete “re-shaping” of Malinslee Local centre including new shops, housing, school amalgamations, doctors’ surgeries and PCT assessment facilities.

## **4.0 Consultation**

Asset and Property Management is service driven and endeavours to deliver value at every opportunity. Telford and Wrekin Council is strongly committed to effective consultation and all local plans and initiatives are paramount.

Consultation occurs at two main levels –

**Strategic:** Issues affecting the entire Council

**Focused:** Specific issues, projects and priorities

An integral aspect of the Council’s overall approach is to ensure major projects and initiatives are assessed by multi-agency partners, service users, citizens and other relevant stakeholders. This consultation exercise ensures projects and initiatives are fully developed or refined, dependent on consultation feedback.

There are two main consultation routes:

- In partnership and with local multi-agencies – often focused towards priorities and projects
- Community based through a range of quantitative and qualitative methods such as residents’ surveys, local meetings and focus groups. A prominent feature of the consultation “landscape” is the Telford and Wrekin Community Panel – a cross-section of some 1,000 local residents.

The Council’s most extensive property related consultation has been conducted regarding the proposed re-development at Paddock Mount, Dawley (see Section 7.0). We are currently underway with consultation for the new Civic Building in Wellington which should be complete by the end of February 2009 (See Chapter7)

- Approximately 2,500 homes and businesses within the area of the proposed regeneration site received a detailed leaflet describing the proposed vision and consultation events. A letter and a copy of the questionnaire were circulated to these properties midway through the consultation period to ensure sufficient opportunity to respond
- Briefings were conducted between ward members Regeneration Partnership and Parish/town councils; prior to the launch of a series of public exhibitions
- Both day and evening exhibitions have been scheduled in Dawley and Malinslee
- A website is also available detailing the consultation information and an online questionnaire

## **5.0 Data Management**

### **Core Data**

All Council property core data is recorded on a bespoke Property Management System, which is designed to accommodate all forms of property data in a central location.

The core data comprises the following elements to ensure effective asset management:

- **The Asset Register:**

The Council maintains a central corporate asset register to record valuations and information for all land and buildings, in accordance with Chartered Institute of Public Finance and Accountancy (CIPFA) and Audit requirements.

All assets are allocated a central “Unique Property Reference Number” (UPRN).

The Register is regularly monitored and updated to record all acquisitions and disposals; the Estates and Investment Business Manager within Asset and Property Management, retains overall responsibility for the management of the register. The Manager is also responsible for delivering service support activities associated with all property transactions; ensuring asset activity information is reliable and recorded in one central location.

A five-year rolling programme of asset and insurance valuations is in place for Operational Property, ensuring that 20% of assets are re-valued each year after the validity of the basic data/information has been verified.

The Property Investment Portfolio is re-valued annually.

- **Voluntary Registration of Title:**

To support the Government’s e-conveyancing initiative and to address the problems arising from unregistered titles, the Council has entered an agreement with HM Land Registry (HMLR). The agreement is specific for the ‘Large Scale Voluntary Registration’ of over 2000 title deeds and other notable interests over a three year period from April 2005. This was completed in April 2008

The agreement will generate conveyancing efficiencies in the disposal process, by providing proof of good title and potentially reduce vulnerability to encroachment of Council land. Land boundaries and details of the registered title will be electronically stored. This will give various Corporate Property Database operators within the Council, immediate access to the database without having to consult legal resources in the first instance.

- **Condition**

Condition surveys of all schools and operational buildings have been completed and are re-assessed as part of an on going re-survey process.

All school data has been submitted to Central Government on a number of occasions, and has been successfully assessed by external auditors. This enables officers to determine and prioritise work in accordance with Asset Management principles, and therefore improve the quality of our school building stock, in addition to providing valuable information to enable informed decisions on investment disposal.

Operational data is captured across all portfolios and work is prioritised according to the data, allowing a transparent planned programme of work to be implemented, all portfolios have accepted and endorsed this process.

- Suitability

All education suitability surveys are complete and have been successfully assessed by external auditors, these are updated annually.

Data submission to central Government has provided significant modernisation funds which have been used in accordance with the data to improve the suitability of the education environment, and address a number of shortfalls in accommodation.

Bespoke operational suitability surveys were completed May 2008, at the majority of Telford and Wrekin Council properties, and provide valuable information when determining the planned programme of work; they will also play a significant role in the overall property review assessment and rationalisation process.

- Asbestos

An innovative and comprehensive Asbestos database has been developed, incorporating 'Type 2 Enhanced Surveys' as part of the Asset Management data; ensuring quality and up to date information is retained. The enhanced survey, whilst still non-destructive, includes the inspection of accessible voids to assist with ICT cabling and installations.

In accordance with the Council's Asbestos Management Plan 2008, annual risk assessments are conducted on all previously surveyed properties, to ensure that the Council targets available resources at priority items and manages the risks on site.

In 2009, by analysing existing surveys a programme of priority plans will be developed to target resources to areas of need and manage existing asbestos over the next 5 years.

- Access

Accessibility to properties is paramount to the delivery of services. Comprehensive Disabled Access Audits of operational properties (excluding schools) is undertaken frequently, ensuring suitability of premises in relation to service delivery.

The Audits are stored electronically on the central Asset Management database and are accessible for stakeholders and managers via a Web browser. This ensures ownership under the duties imposed as part of the Disability Discrimination Act (DDA).

The access audits and our approach to service delivery in accordance with the requirements of DDA, has informed our Programme of Improvement. The Performance Indicator relating to accessible buildings has risen from an original figure of 55% in 2005/06 through to 69% in 2007/8 we are projecting 74% in 2008/09.

A comprehensive strategic approach to asset management provides the Council with the opportunity to address geographical disparity in access to services across the Borough. Regular meetings with service providers as part of the suitability surveys, is part of this approach.

- Energy and Efficiency

There is a dedicated energy module as part of the Asset Management Software System, which enables the Authority to input and analyse property related energy data.

This data feeds into the property performance indicators (see Section 11), and assists when making key decisions regarding investment and disposal of property. The data also informs the Council's emerging Climate Change Strategy, allowing a targeted approach based upon poor energy ratings of building to ensure resources are allocated in the right areas to reduce the Authority's carbon footprint.

Examples of Energy Efficiency Initiatives include "Invest to Save" bids to install more efficient lighting in Darby House and the installation of a voltage reduction regulator at Civic Offices. At schools and other operational properties, bio mass boilers are considered whenever refurbishments include reviewing heating systems.

Biomass boilers are now installed at The Place - Oakengates, Oakengates Leisure Centre, Hadley Learning Community, Short Wood Primary School And the recently completed Old Park Primary School.

Water harvesting has been installed at Hadley and Short Wood together with cedum roofs to minimise water run off. Central monitoring of heating and ventilation at new schools is proving to be a significant benefit. This controlled regulation should result in meaningful reductions in energy usage.

- Measured Surveys

Accurate, comprehensive, measured building surveys of operational buildings are available on AutoCAD.

- Historical Information

Several thousand drawings and specifications for operational properties have been scanned and information is stored on the shared network. Access is permitted to stakeholders (in-house/external construction professionals, clients, planning supervisors, etc). This enables the Council as a major procurer of construction projects, to protectively fulfil its duties under the construction (Design and Management Regulation) in acting as a competent client.

- Communication to Stakeholders

The Authority allows its building managers to access live asset management information, via a designated Asset Management Web browser; this assists in the delivery of good facilities management and to support effective service delivery.

## Continuing Improvement

As part of our ongoing improvement plan, the table below illustrates surveys completed for operational buildings (excluding schools) at the end of 2008/2009, with projected re-surveys each financial year indicated (dependant upon resource allocations):

Type of data	% of surveys/ data completed	Planned work up to March 2008 as a percentage of floor area	Overall target
Condition surveys	100%	25%	Rolling programme to resurvey all properties every 4 to 5 years
Suitability surveys	96%	25%	Rolling programme to resurvey all properties every 5 years.
Asbestos surveys	100%	100%	Rolling programme to reassess risks every year
Disabled access audits	100%	10%	Rolling programme to resurvey all properties every 5 years. Completed in 2005/06.
Geographical system	20%	Direct relationship to data capture above	All graphical data to be completed by March 2008
Weighting and scoring	20%	Direct relationship to data capture above	Weighting and scoring system to be completed by March 2008
Energy data	80%	100%	

## **6.0 Programme Development and Implementation**

### **The Decision Making Process**

The information contained in the Asset Management system allows the Authority to make informed, property related decisions at a strategic and transparent level.

This corporate planning process identifies requirements for the Property Portfolio. The Council utilises data detailing condition, suitability, access, sufficiency and asbestos, etc in the following areas (list not exhaustive):

- Education Development Plan
- Early Years Development Plan
- Schools AMP
- Capital Strategy for Schools
- Review of office accommodation
- Repair and maintenance programmes
- Capital programmes
- BSF
- Property Rationalisation
- Borough Towns Initiative

### **Maintenance Programme**

Information on property condition, suitability and sufficiency is already feeding into the formulation of the Council's Repair and Maintenance programme. The Council has completed all condition surveys for operational properties where appropriate, used for the delivery of its services thus establishing a baseline.

The surveys identified elemental and overall condition ratings A to D, priority grading 1 to 4 and costs to repair or renew in line with the DCSF model.

The Council has further improved the consolidation of all Repair and Maintenance budgets into a central, strategic location managed by Asset and Property Management.

This approach further supports the strategy to target resources, at priorities based upon many criteria; rather than delegate Repair and Maintenance budgets to individual sites. The approach also achieves a standardisation in the procurement of areas, such as service contracts (e.g. boiler servicing), developed by construction professionals in addition to channelling all properties to achieve economies of scale through the tender process.

The planned maintenance programme for 2009/10 has been submitted to Cabinet for approval in February 2009. The planned maintenance programme details the priorities set in accordance with the framework described in the Asset Management Plan.

### **Formulating the Property Related Capital Programme and Key Issues**

The advent of the Prudential Borrowing Regime has facilitated 'joined up' consideration of revenue and capital aspects of service development priorities over the short, medium and longer term and supports a more planned approach to property investment and maintenance.

Option appraisal processes in line with the Prudential Framework for capital projects, take account of the different outputs required; and will include examining reduced operating costs, regeneration factors, service benefits, geographic and deprivation indices, alternate premises/sharing premises and partnership with the private sector or other public sector partners.

Condition, suitability, sufficiency and asbestos data, etc collected through the AMP process helps inform the Property Strategy and Associated Business Cases.

Property related projects are assessed by Asset & Property Management with option appraisals prepared for assessment, as part of the service and financial planning decision making process.

Telford and Wrekin Council actively considers sustainability as part of asset provision, use and management. Sustainable Procurement Strategy is part of our commissioning approach, and we are innovative in ensuring sustainability is part of all new-build and refurbishment schemes, by continually reviewing the content via the Environmental and Sustainability Team, the Strategic Procurement Team and best practice within Asset and Property Management Service Area.

**Key Issues Addressed Within our Asset Management Approach to Finalising the 2009/10 Capital Investment Programme Include:**

- The delivery of the capital projects for portfolios' property stock, to underpin improved service delivery
- Regeneration – support and project management to the Borough Towns Initiative
- Town Centre Development – at feasibility stage involving assessment of affordability, potential partners, collaborative working.
- Repair and maintenance programmes for operational property. The Council is continuing to develop its approach to connect the Repair and Maintenance backlog to a planned programme and revenue budget allocation across service areas
- Repair and maintenance programmes for property investment portfolio will ensure assets maintain income levels for the Council
- Redevelopment opportunities within the property investment portfolio
- Completion PCT building adjoining Old Park Primary School (see Malinslee Centre) July 2009.
- Commencement Lightmoor Primary School July 2009, 12 month build period
- Climate Change/Energy Efficiency
- The Telford Sports, Learning & Enterprise Community (TSLEC) evolved through the Council led partnership that was formed to save the local football club when it went into liquidation in 2004. AFC Telford Utd was born out of the ashes of the old club and it is wholly owned by the supporters. The Club has earned promotion twice in its first four seasons. Following on from this success and wanting to use the newly formed and award winning partnership for the benefit of the whole community plans were developed for TSLEC which bring together four independently owned sites - AFC Telford Utd, Telford College of Arts & Technology, Hadley Learning Community and Wrekin College into a unique partnership

- Quirk Review - In consultation with Community Groups assessing benefits of transferring management/ownership of buildings to community groups. A number of community centres, including Randlay and Hollinswood have been transferred to Parish Councils This is being led by Community Services who are identifying potential buildings and groups which may be interested in taking them on. Asset and Property Management will be included in the process once this initial identification has been carried out

Formulation planning and initial feasibility studies for Building Schools for the Future strategy. See Chapter 7.

## **Procurement**

In our drive to achieve Gershon efficiency savings, under the National Procurement Strategy and in response to Sir John Egan's report relating to 'Rethinking Construction'; the Council has adopted and continued refining various forms of procurement options during 2008/09.

A number of construction projects have been procured using partnering, the most recent being Old Park. As a result of using partnering as the preferred procurement route, it has proved successful by engaging contractors' expertise earlier in the process, together with direct involvement with the supply chain and creating a 'win – win' approach to projects.

As of April 2008, a term contract was entered into covering the day to day maintenance of the P.I.P. A recent review of this contract highlighted an extremely pleasing number of positive responses from tenants and it is planned to role this out to operational buildings in 2009.

## **Option Appraisal and Life Cycle Costing**

Embedded in the planning of construction projects associated with investment and disposal decisions, Asset and Property Management has implemented an option appraisal and life cycle costing policy/framework.

The policy includes suggested templates for option appraisal and life cycle costing development. All investment and disposal decisions above pre-defined levels require an option appraisal and life cycle costing assessment.

The construction industry has recently experienced a pragmatic shift in its approach to product delivery and the achievement of customer satisfaction. Where previously the design and construction teams placed a heavy emphasis on delivering buildings at the lowest capital cost, a greater awareness and desire to consider costs over the whole life of the building have prevailed.

Clients now want buildings which demonstrate value for money over the long term, and are no longer simply interested in the design solution which is the least expensive. These changes have led to and highlighted the importance of whole life-cycle costing approaches to the design, construction and operation of buildings.

An example of this is at the Bridge Special School, Brookside. The school is used as a teaching and assessment centre for children with special educational needs; the centre was in need of significant investment. However, following the option appraisal which identified that the site may be suitable for residential development, together with significant costs for what was an inherently outdated "SCOLA " building; the decision was taken to build new. The new site at the Malinslee development (see Appendix 2) opens in July 2009.

Whole life cycle costing provides a far more accurate assessment of the long-term cost effectiveness of a project, than standard economic methods that focus solely on first costs or on operating-related costs in the very short term.

Research has identified the relationship between capital cost, cost in use and the cost to the business of assets as a ratio of 1:5:200. This results in the cost of operating and maintaining a building over its life will be five times the original capital cost. Moreover, the cost of staff productivity and occupation is two hundred times the capital cost.

## **7. Key Issues and Areas for Change and Development**

### **Introduction**

As a result of a number of factors including becoming a Unitary Authority, transfer of Community Assets and the Children's Act 2004, which created Community Services and Children and Young People; the Council has inherited a diverse range of land and property, often of varying standard and in which employees work in a range of differing ways/cultures.

There is now an urgent impetus for local authorities to reduce the cultural and physical barriers between portfolios and the creation of a more open infrastructure. In Telford this is likely to be achieved mainly via its main Civic buildings and also through reviewing the outlying satellite front line services, which are geographically sensitive.

Within Wellington), there is a wide range of properties and services. During the next three years and in conjunction with the Town Centre project, these will be reviewed, rationalised and consolidated.

This offers two interlinked and crucial areas of work:

- New Ways of Working
- Property Rationalisation

The two areas dovetail and complement each other and are governed by:

- Place shaping
- Partnership working
- Regional growth pressures
- Council re-shaping services
- Sustainability and environmental issues
- Equalities and diversity
- Efficiencies agenda
- Government challenge

### **Partnership Working**

The establishment of local area agreements and public sector boards are driving major increases in partnership working and integrated service delivery.

There are aspirations that staff working in partnerships will be co-located with partners. This will impact on the demand and type of office accommodation dependant upon strategy. However, it is recognised that partner organisations may have their own work style, culture and statutory requirements.

Flexible accommodation is required to respond to the constantly changing nature of partnerships, and to enable new forms of integrated working to be established.

On behalf of the Shropshire Fire Authority, Asset & Property have acted as Client adviser on two projects outside The Borough. The first was at Craven Arms and involved an extension to an existing station. The second and more complex project currently underway is to rationalise the Headquarters building at Shrewsbury disposing of the operational elements and relocating this to newly built stations. At the same time the retained offices will be extensively refurbished to include flexible working. The excellent relationship established across these projects is likely to be mirrored in Telford with a review of accommodation here linked to Council needs and opportunities for co located services.

### **Regional Growth Pressures**

Regional Planning Guidance outlines proposals for growth in the Telford sub-region of 1300 dwellings per year to be built up to 2016; consequently the Council will experience increasing demands for services and sustainable, quality infrastructures. This demographic growth will impact on Council Services. .

### **Council Re-shaping**

The continual need to change service delivery leads to continual changes in Council structures which in turn impacts on property.

This offers major opportunities for liaison and planning between portfolios and partners, and in turn, questions service delivery with the inevitable review/rationalisation of property.

### **Sustainability and Environmental Matters**

The Council's commitment to climate change is demonstrated by its "A Climate for Change"; for the community of Telford and Wrekin. This group has established a baseline for CO2 emissions for the Council, as outlined in the Council's travel for work plans.

Flexible and home working will be supported by the creation of new office environments and complementary facilities. Further contributions towards reducing the environmental impact of the Council's operations remain in consideration of "whole-life" value of buildings - the total life costs and material requirements, rather than initial build costs.

The strategy will result in specification for office buildings using fewer raw materials, and having lower energy costs; this will enable the replacement of outdated offices with high energy costs, with new efficient (and smaller) premises.

### **Equalities & Diversity**

As detailed in Data Management (see Section 5.0), Management Data BVP 156 (Accessibility to Public Buildings) has been an important indicator for several years.

Accessibility for both the public and staff has been taken into consideration and is addressed through the collection and monitoring of data; regular meetings with the Council's Equalities and Diversity Officer, are also frequently conducted. Additionally, regular meetings have been held with service providers to consult on the suitability of operational properties.

"Equality Impact" assessments have now been completed throughout all areas of Asset & Property Management, and the following monitoring systems will be put in place over 2009/10 for future analysis and evaluation:

## *Property Investment Portfolio*

A Lettings Policy will be published in 2009 to govern the lettings of commercial properties to both companies and individuals. To complement the Policy, letting enquiries will be monitored to establish the effectiveness of the Policy and how the Policy, together with spread and type of property, impacts on different groups.

## *Operational Property*

Suitability Surveys are currently being updated and will include baby changing facilities within public buildings and their availability to both genders. This information has not previously been collected and should be complete by March 2009.

## **New Ways Working**

### ***Efficiencies Agenda***

The efficiency agenda review requires local authorities to make efficiency gains as part of the budget strategy .

There is potential to release both capital value and save on rental payments and running costs from the Council's Operational Property.

### ***Government Challenge***

The Government is challenging local authorities in respect of their asset management strategies. The Office of Government Commerce has launched its report 'High Performing Property: Route Map to Asset Management Excellence'. This identifies a number of challenging targets for departments, and maps out the changes required to maximise best value from property portfolios.

As a major owner and occupier of property, the Council is required to justify holding land and buildings, and consequently to dispose of assets surplus to requirement. This echoes the Council's prime concerns in the property context, namely that we must:

- Not hold property unnecessarily
- Exeditiously dispose of property which surplus

A comprehensive paper detailing new ways of working within all Council office accommodation, is currently being prepared and will be used to identify existing space standards. Similarly building rationalisation in conjunction with the above drivers, could formulate the Council's service delivery.

Asset & Property Management have key tasks in designing high quality, sustainable, public realm space and public buildings. It offers significant challenges in re-assessing how we deliver public services, together with challenging existing ways of working. This area links closely with the Buildings Rationalisation Programme;

### ***Changing Work Patterns and Culture***

There is now a range of office options, such as "hot-desking", touchdown, open plan offices and the creation of flexible team, or group-working places, that support and encourage a flexible workforce. Many are completely mobile increasingly reliance on I.C.T In addition different agencies now offer combined services from individual premises, however, Council offices have remained substantially unchanged. Similarly the needs of Councils services have changed but again buildings have not kept pace with this level of change. In order to address these issues the Corporate Property Group has a standing item on the agenda and is looking to develop a strategy in 2009/10 that will define new ways of working. This will

significantly reduce the Councils accommodation requirements and allow services to be concentrated in better located and more modern premises.

## **8.0 Property Investment Portfolio**

The Authority holds a total of 270 individual sites for investment purposes (see Section 10.0). Most were transferred to the Authority from the former Telford Development Corporation as part of a Community Related Assets balancing package.

The property portfolio is responsible by virtue of a Local Performance Indicator for producing annual revenue of in excess of £6m. This revenue is then used by the Authority to meet the on going cost of maintaining liabilities including open space, car parks and community centres.

The liability side of the Community Related Assets package is subject to claw back provisions. As such, a significant part of the capital receipt generated from any disposal, is paid to the Treasury rather than the Authority.

The values of the Portfolio are detailed in Section 10.0. Asset details are those currently included in the Authority's Asset Register and based on CIPFA valuation principles.

An independent assessment of the Investment Portfolio undertaken in January 2007 by GVA Grimley, reported "Asset Management of the PIP delivers significant value. The returns achieved have been very healthy. Measured on income return the Portfolio delivered 10% for 2005/06 compared with 6% for the IPD index nationally". GVA Grimley have been instructed to assess returns produced by the Portfolio for 2007/08, results of which will be available shortly.

During recent years the Portfolio has diversified away from being predominantly within the industrial sector. A far greater proportion of the value and revenue produced is now within the modern office sector. Consequently the Portfolio has a more balanced mix in terms of property sector, reducing overall risk to the Authority. The decision to diversify was taken following a detailed appraisal of the Portfolio which included performance, growth areas within the Telford property market and life cost analysis of the existing Portfolio.

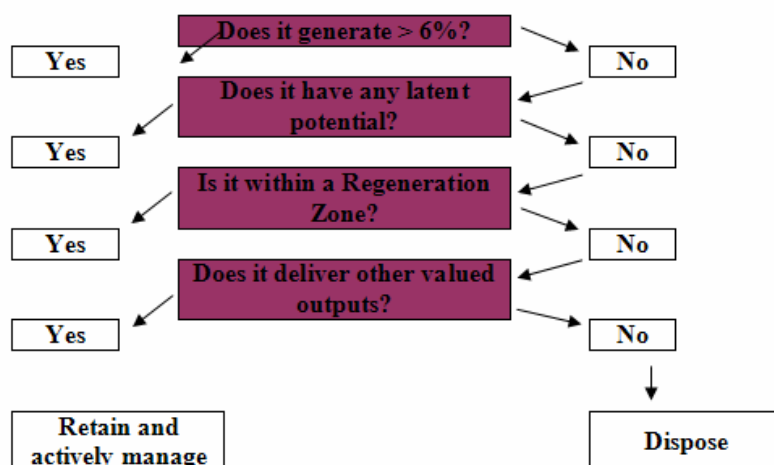
A five year plan to project rental income and return until 2012 was completed, and concluded, "net income is forecast to increase over the forthcoming five year period. The average net return is expected to be in the region of 10%".

The five year plan has since been adopted as a working document, and at present sets the bench mark against which financial performance of assets is measured.

The indicators against which financial performance is measured include rental and capital growth, return on capital investment and yield. Assets providing a return of less than 6% are identified and their performance analysed. Option appraisals and whole life cycle costing exercises are undertaken before a disposal is considered.

Additional measures of performance include the potential of assets to deliver socio-economic benefits, helping achieve the Authority's initiative to regenerate its Borough Towns and to Transform Telford. Assets are analysed according to their potential ability to place shape, act as catalysts and produce valued outputs such as employment creation. The present system used to monitor performance can be summarised with reference to the diagram below which outlines key questions and actions:

## The Performance Monitoring and Measurement Process:



The Authority continues to enjoy close working relationships with a number of key partner organisations and stakeholders within the Borough including Telford and Wrekin Primary Care Trust, West Mercia Police, Parish/Town Councils and elected members.

Practical examples of partnership working include the acquisition and construction of new offices leased to Telford & Wrekin Primary Care Trust. Key local services are now delivered to the Borough from both Montford House and Edward James House, helping achieve the Corporate Vision to deliver, 'a successful, prosperous and healthy community, with a good quality of life for all people of Telford & Wrekin'

Asset & Property Management is also exploring the development of new purpose built doctors surgeries, Telford and Wrekin work with the PCT enabling the PCT to improve health and coverage throughout the Borough. Working in partnership with the PCT will ensure the best use of public sector assets and funding.

Assets & Property Management work closely with Transforming Telford (the Council's inward investment agency), Business Link and Shropshire Chamber of Commerce to secure new lettings of its investment properties, attract inward investment, and help job creation within the Borough.

Asset & Property Management are now delivering multi million regeneration projects at many of Borough Towns (see Section 7.0). Properties held within the investment portfolio are being used as catalysts for regeneration. Practical examples include the use of properties at Walker Street, Wellington as part of site assembly

The regeneration schemes will deliver significant socio-economic benefits to local communities and provide the investment portfolio with new properties. Developments at Randlay and Leegomery will see existing investment properties replaced with new commercial units and in the case of Leegomery, a purpose built day care facility. All are intrinsically linked to the achievement of the Corporate 'Borough Towns Initiative' and overarching Corporate Vision.

Once constructed the new Borough Centres shall host digital CCTV systems, helping to create safer communities. Consultation and briefing events have been held with key stakeholders including English Partnerships, town/parish councils, elected members, Council tenants and local communities.

Asset & Property Management are actively pursuing a programme of rationalisation, and have continued to dispose of poor performing investment properties which have limited rental and capital growth prospects and significant repair and maintenance liabilities. Current examples include 5 Walker Street, Wellington and 65 New Street, Wellington

### **Key Achievements 2008**

- Completion of Asbestos and Condition Surveys for all investment properties.
- Acquisition of new office and industrial premises including, Edward James House and units C4 and D1 Queensway Business Park
- Completion of new office and industrial developments at St Georges Court and Phase 2 Hadley Business Park (see Case Studies). Both developments have achieved a good BREEAM rating, and conform to national policies regarding sustainability and energy performance. St Georges Court won official praise from Telford's Friends of the Earth branch.
- Service charge and Letting procedures successfully amended ensuring compliance with the Code of Practice for Leasing Business Premises 2007 and Service Charges 2007, as established by the Royal Institution of Chartered Surveyors.
- The implementation of a Term Contract for repair and maintenance of investment properties, has resulted in effective monitoring of the quality of repairs, value for money and an improved level of service to clients.
- Introduction of a dedicated repair & maintenance Help Desk facility, enabling clients to report repair requests effectively and improve customer services.
- Development of a robust Precedent Lease ensuring that agreements granted protect the Authority, and are understandable to clients.
- Introduction of a comprehensive Tenants Handbook, to include a clear Lettings Policy and incorporation of the Corporate Policy on Equalities & Diversity .

### **Plans and Developments 2009**

- Obtain external assessment on the performance of the Property Investment Portfolio for the financial year 2007/08.
- Analyse Condition Survey data to understand extent of liabilities and formulate planned programme of repair and maintenance works, and enforcement of lease covenants. The programme shall ensure the overall condition of assets within the investment portfolio is managed.
- Development and implementation of Traffic Light System with which to assess the retention of assets within the investment portfolio. Assets to be scored annually against criteria including, Condition, Financial Return, Portfolio Mix, Regeneration and Community Benefit. Development of planned disposals and acquisition programme.
- Development of new properties capable of achieving the highest possible BREEAM rating, and conforming to national policies regarding sustainability and energy performance.

- Identifying and securing external sources of funding, to help finance the development of new investment property.
- Ensure all investment properties comply with the EU Directive on Energy Performance of Buildings. Energy Assessments for investment properties will be completed in conjunction with those for corporate properties.
- On going application of robust debt recovery procedures, in conjunction with the Authority's Business Revenues and Legal Services Business Units.
- Achieving the Investment Portfolio income target whilst being proactive in the assistance of clients in the current economic downturn.
- Improve and expand methods of marketing void properties. Encourage closer working with inward investment agencies such as Transforming Telford, Business Link and Shropshire Chamber of Commerce in order to minimise voids and minimise chances to Empty Property Rates Relief effective April 2008.
- Encouraging greater use of conditional break options, surrender premiums, rent deposits and guarantees to reduce the risk produced by market demand for more flexible lease terms.
- Continued reinvestment in properties for the Investment Portfolio, that offer rental and capital growth, reduced liabilities and improved energy efficiencies. A brief explanation of completed developments is outlined below headed 'Case Studies'.

## **Case Studies of Recent Developments**

### **Phase Two, Hadley Business Park, Hadley**

Financed in part by The European Regional Development Fund, Phase Two Hadley Business Park was completed September 2008. The development has transformed an existing industrial estate To provide high quality provision

The multi million pound project has replaced industrial premises no longer fit for purpose, with modern workshops, which comply with BREEAM standards. The properties have been marketed available for lease to small medium size enterprises and black ethnic minority groups.

Phase Two has provided six high quality starter units arranged in size from 240m<sup>2</sup> to 450m<sup>2</sup>. Set within a secure environment with the majority of the scheme successfully let. Hadley Business Park has helped safeguard existing businesses, deliver new employment opportunities, and transform Telford. The development is expected to provide the investment portfolio with a return of 9% in its first year.

### **St. Georges Court, Donnington**

Financed in part by The European Regional Development Fund, St Georges Court was completed April 2008. The development consists of three high quality office blocks, ranging in size from 53m<sup>2</sup> to 399m<sup>2</sup>. The scheme has greatly improved a major gateway into Donnington.

To reinforce links with the local community, each of the blocks were named in connection with the engineering achievements of Thomas Telford. They are Conwy House, Montford House and Longdon House.

The development has been particularly successful and now enjoys 100% occupation. It is expected to provide the investment portfolio with a return of 10%.

## **Land Strategy**

The land Assets held by the Authority within the Asset Register are defined as playing fields, public open space, amenity land, woodland, paddocks etc.. and amount to some 300Ha. Specifically the area excludes the site area of built operational and non-operational assets (which extends to some 700Ha).

The aim of the Land Strategy is to undertake a detailed appraisal of each individual land asset by collating information from a number of sources into a single database. The information for each site includes the following key information:-

- Site Description
- Site Area
- Existing Use
- Suitability for disposal
- Potential for alternative use
- Legal issues
- Planning issues
- Engineering information
- Regeneration considerations

The information collated will be used to categorise each land asset. A Traffic light System of categorising has been adopted as follows:

Red – Land suitable for disposal without further investigations

Amber – Land that may be suitable for disposal but where further investigations are required before a decision is made e.g. Engineering Desk top study, Planning application.

Green – Land to be retained

The land strategy is in development with all the information being collated. On completion of the initial phase the Council will have a schedule of Assets against the three (traffic light) categories. This will then allow the Council to produce a programme over the next 5 years to assess those assets that are categorised as Amber and to prepare a schedule of disposals for those Assets categorised as Red.

The Land strategy, Operational strategy and PIP strategy will all connect and form the Councils approach to Asset Management

## **9.0 Under-Use and Disposal (Operational Assets)**

### **Property Review and matching Provision to Need**

The Council's Asset Management and Property Review activities are designed to identify areas of mismatch between existing asset provision, and current and future requirements corporately and within specific services.

Property reviews examine capital and revenue options and address areas of mismatch, rationalisation, generation of capital receipts, inter-agency sharing of property and opportunities for alternative service provision.

Now that all the suitability data has been captured and the weighting and scoring has been completed, this approach will inform us of the areas to target for property review.

A property review has commenced assessing current position of buildings, and whether a rationalisation of assets could be implemented so as to improve the overall quality of the building stock. The assessment will continue in 2009/10 and an implementation strategy will be developed based upon the findings of the review.

The continuing growth and development of the Borough ensures that services and facilities are constantly reviewed, with major implications for property holdings and asset management. The Authority is committed to maximising the long term return on its investment, through the provision of new accommodation of high quality, thermal efficiency and life expectancy, and of low maintenance demand.

As a former New Town, much of the development land is still retained by Homes & Communities Agency English Partnerships and therefore covered by Sec 7 (i) planning approvals. There is therefore limited opportunity of achieving planning gains for community schemes, as would arise in more traditional developments where contributions would arise for transport and infrastructure costs.

### **Disposal Programme**

A Disposal Programme is created and reviewed annually as part of the Council's Capital Strategy. The Programme identifies the planned disposals for the current year, the targeted schemes for the following year, and a schedule of opportunities in year three and beyond.

This programme is significantly informed by the Council's bespoke Operational Suitability surveys (see Section 5 Data Management). These not only include weighting depending upon service, but also valuations based on alternate use value rather than existing asset value.

This does not rule out windfall disposals, which can arise through special market conditions.

As part of the corporate approach, capital released from disposals is returned to the corporate "pot" to be allocated against the Council's priorities in the first instance; but some disposals are specifically undertaken to support specific reinvestments. The decision making process is taken within the service and financial planning group as detailed in Section 3.

## **Building Rationalisation**

Many buildings are unsuitable for current service needs. In addition they are outdated and inefficient to run with high running costs and potentially high future maintenance costs. As part of the Asset Management Data (section 10) we compile a whole range of data against each property including its suitability via meetings with the service providers. As a result we have developed a weighted scoring system with traffic lights to highlight unsuitable properties. This analysis may identify clusters of buildings as at Wellington.

### *Town Centre Regeneration*

The regeneration of Telford Town Centre to create a mixed use scheme combining leisure retail residential and office uses in an 18 hour economy, has long been identified as a priority for Telford and Wrekin Council.

## **Borough Towns Initiative**

The regeneration of Borough towns is a key Council priority. The Council has substantial property holdings in several centres, e.g. Wellington, Dawley Innovative ways of regenerating these towns in a sustainable manner, whilst improving our Operational and Property Investment Portfolio are being explored.

### *Dawley & Malinslee*

The regeneration of Malinslee Centre, including the amalgamation of two primary schools; together with a new shopping centre, health facilities and housing is seen as Notable Practise under our 2008 CPA Assessment. (CPA Notable Practise Submission - see Appendix 2).

Originally the 'New Town' corporation offices were located at Dawley and until summer 2007, these were leased out as starter units. Adjoining Dawley there is 90 hectares of 'Brownfield land', transferred to the Council in the early 1990's.

The Council is proposing to bring this area back into beneficial use, by developing a mixed use scheme including residential, employment and leisure uses, via a joint venture agreement with the Private Sector. This proposal will link to Dawley and provide a significant stimulus to place shaping, redevelopment and regeneration.

### *Wellington Centre*

As previously outlined, Wellington contains significant operational properties. Within this area there is the Telford Registry Office, Wellington Library, Leisure Centre and office accommodation.

Additionally, there are other offices within the area having sensitive and non-sensitive geographic issues. Many are converted Victorian houses, with high maintenance and energy costs located outside the main ring road.

A feasibility study has been prepared to co-locate the Registry office and Library with other Council offices, to the existing leisure centre and rationalise existing offices. This will help regenerate Wellington by consolidating a significant number of staff in a purpose built, central, land mark building, incorporating 'new ways of working'. This will be on the edge of the retail core and will have strong links between the two.

In January 2009 the council completed the acquisition of an adjoining property to complete the land assembly with the aim of starting on site Autumn 2009.

### *Madeley Centre*

Madeley centre was a typical pedestrianised, 1960's shopping precinct; which suffered from various problems of anti social behaviour and lack of investment.

A number of shops were closed as retailing patterns changed and the centre was failing to fulfil its function in the south of Telford.

Options to regenerate the centre were considered and in May 2005, the centre was disposed of and a redevelopment brief requiring demolition of large areas, the building of new retail units connecting of the High Street and the construction of a 2,500 sq metre supermarket to anchor the scheme agreed. The retained Council property including the Library will see significant investment as part of the terms of disposal, including the installation of a lift to ensure the building is accessible to all .

Works started in June 2008 and are expected to be completed with the opening of the new shops at the end of 2010.

### *Leegomery Centre*

Leegomery was a typical local parade of shops Constructed in the 1970's, it had suffered from anti-social behaviour and was out dated by modern standards.

A fire in 2006 destroyed two of the four shops. An option appraisal was undertaken to explore alternative forms of redevelopment. This included land assembly to reshaping the area with a modern energy efficient mixed use development. Unfortunately, disposal of the site faltered the "Credit Crunch." In January 2009 Cabinet approved the construction of the new centre with the intention of later residential once the market returns. Construction started in February 2009

### *Randlay*

Randlay is a similar centre to Leegomery although rather than suffering from fire damage, the shops have been found to have a structurally unsafe roofing system. In addition, the adjoining community centre requires substantial investment to bring up to modern standards. Again, rather than simply rebuilding/repairing these faults, which would have been very costly, the possibility of potential redevelopment was explored. An outline planning consent was obtained and the site put to the market to include a new parade of shops and importantly for the community a new community centre attached to neighbouring school. A residential care operator has purchased the site and construction is due to start in 2009.

### *Newport*

The Council has limited ownership within Newport although it does own the 2 major parks and areas of amenity land..

In order to engage with the public extensive consultation was entered into with a view to establishing the communities preferences on several options. A further period of consultation is due to start in February 2009 to establish exactly which option to pursue regeneration in Newport..

### **Building Schools For The Future**

The Council was awarded funding for Wave 4 of the Governments Building Schools For The Future Programme in 2007. This is a one off chance to completely transform secondary education and community buildings within the Borough as part of a £200 million vision to create 'Campus Telford'. Asset & Property advise on all 'Technical' aspects of this project. T

In order to deliver real transformational change the Council has considered co locating secondary education with primary schools and leisure/community facilities. In certain cases this will involve closing certain facilities disposing of the sites and re locating them elsewhere. Some school locations will change to provide better coverage across the Borough. The proposals will include some new schools and the remainder being remodelled. In order to meet the Partnership For Schools timescales an Outline Business Case was submitted in November 2008. This included an Outline Planning Application for the first pilot school the Abraham Darby School.

Assuming acceptance of the Business Case much of 2009 will be spent in procuring the contractor through an exacting selection process. This contractor will provide all the schools with Abraham Darby set to start in Spring 2010

In addition further financial modelling will need to be undertaken based on schools requirements and reflecting the reduced capital receipts from land sales due to the 'credit crunch'.

## 10.0 Asset Details

### Statement of Assets

The analysis of assets held by the Council comprises the following as assessed in accordance with CIPFA guidelines (valuations as at 1<sup>st</sup> Quarter 2004):

### Information on Operational Assets Held (Owned Corporately by the Authority)

<b>Fixed Assets Utilised by the Council</b>		<b>Total Values*</b>
Emergency Planning Centre	1	£200,000
Bus Stations	4	£451,500
Cemetery Building	1	£1
Changing Rooms & Pavilions	12	£984,650
Children's Homes	2	£250,000
Community Centres	6	£929,000
Travellers' Sites	2	£1,075,000
Hostels, Refuges, Homeless & Sheltered Accommodation	3	£1,685,000
Ice Rink	1	£1,700,000
Leisure Centres	4	£7,679,000
Libraries	8	£2,731,000
Municipal Golf Course	1	£1,300,000
Nursery Schools	1	£216,000
Offices	14	£9,883,200
Outdoor Activity Centre	1	£200,000
Primary/Infants/Junior Schools	55	£68,277,000
Public Conveniences	3	£102,000
Secondary Schools	10	£61,342,000
Ski Slope	1	£305,000
Special Schools	3	£6,016,000
Swimming Pools	2	£1,502,000
Theatres	1	£1,500,000
Training/Day Centres & Residential Care	4	£1,864,500
Visitors (Spout Farm)	1	£250,000
Youth Projects	6	£881,800
Joint Service Facility (Swan Centre)	1	£1,213,000
Pupil Referral Units	3	£527,500
Children Centres	2	£1,950,000
First Point Centres (Former Hadley Library)	1	£60,000
<b>TOTAL</b>	<b>154</b>	<b>£175,075,151</b>

### Operational Property Leased in from Property Investment Portfolio

<b>Property Type</b>	<b>Quantity</b>	<b>Total Values</b>
Offices	4	See PIP table for asset value
Training / Day Centre	2	See PIP table for asset value

\* These values are as set out under CIPFA guidelines and therefore may not reflect open market values

### Leased in (Private External Landlord)

Property Type	Quantity
Offices	6
HLC Learning Community (Private Finance Initiative – PFI)	1
Jigsaw (PFI)	1
<b>TOTAL</b>	<b>8</b>

### Property Investment Portfolio - Details

Property Investment Assets	Quantity	Total Values
Smallholdings	1	£500,000
Offices	21	£16,038,472
Retail	30	£7,818,120
Industrial	29	£22,398,678
Miscellaneous/Ground Rents	148	£5,715.137
Sites for eventual disposal	40	£6,010,004
<b>TOTAL</b>	<b>270</b>	<b>£58,480,411</b>

The values detailed above are currently as included in the Council's Asset Register and are therefore based on the CIPFA valuation principles of that Register.

The following tables identify condition backlog for Operational and Educational properties over the next 5 years as at January 2009.

### Operational Property

Fixed assets utilised by the Council	No	Priority 1	Priority 2	Priority 3
Emergency Planning Centre	1	£5,000	£6,250	£10,000
Bus Station	4	£8,275	£10,750	£15,550
Cemetery Buildings	1	£3,188	£101,763	£517
Changing Rooms & Pavilions	12	£14,303	£112,157	£190,759
Children's Homes	2	£0	£82,861	£84,386
Community	6	£36,248	£117,357	£233,401
Travellers' Sites	2	£0	£165,357	£57,181
Hostels	3	£60,393	£57,811	£70,723
Ice Rink	1	£1260,708	£1,050,130	£292,617
Leisure Centres	4	£104,545	£358,574	£1,139,101
Libraries	8	£1,339	£101,285	£609,484
Municipal Golf Course	1	£22,927	£8,067	£61,121
Offices	24	£153,416	£897,176	£1,649,796
Outdoor Activity Centre	1	£4,450	£364,423	£171,237
Public Conveniences	3	£4,456	£22,164	£8,593
Ski Slope	1	£3,348	£71,374	£13,987
Swimming Pools	2	£27,769	£262,199	£326,437
Theatres	1	£0	£4,386	£112,493
Training/Day Centres & Residential Care	6	£34,101	£279,009	£435,521
Visitors	1	£0	£3,300	£15,629
Youth	6	£60,509	£102,516	£121,208
Joint Service Facility (Swan Centre)	1	£123,453	£8,329	£241,492
First Point Hadley	1	£0	£2,029	£5,192
<b>TOTAL</b>	<b>93</b>	<b>£1,928,428</b>	<b>£4,189,267</b>	<b>£5,866,425</b>

### Education

Property Type	No.	Priority 1	Priority 2	Priority 3
Secondary Schools	10	£1,428,696	£4,909,884	£6,775,950
Primary/Infants/Junior Schools	55	£917,908	£4,071,864	£6,510,869
Special Schools	3	£20,512	£103,471	£318,172
Nursery Schools	1	£9,611	£3,670	£32,797
Children's Centres	2	£0	£0	£1,921
PRU	3	£33,320	£23,896	£114,664
<b>TOTAL</b>	<b>74</b>	<b>£2,410,047</b>	<b>£9,112,785</b>	<b>£13,754,373</b>

\*Note: Hadley PFI / Jigsaw / Madeley Academy / Abraham Darby Academy have not been included within the above figures.

The annual capital programme allocation for property condition has been increased and will be reviewed annually against the backlog categories. The three year budget announcement allows a planned approach to building maintenance. The Planned programme for 2009/10 will be assessed by Cabinet in February 2009.

The budget allocations do not take into account the capital investment relating to amalgamation of schools, and the potential investment relating to Building Schools for the Future which will greatly reduce the condition backlog for Education properties as part of the building rationalisation process

## **11.0 Property Performance Indicators for all Operational Properties Including Schools (excluding Property Investment Portfolio)**

The use of property performance indicators is recommended and endorsed by the Communities for Local Government (CLG) and the Department for Children Schools and Families (DCSF), as a valuable means of measuring and comparing performance in Asset Management.

The existing Property Performance indicators originally established by the Office of the Deputy Prime Minister (ODPM) and Association of the Chief Corporate Property Officers (COPROP) have now been superseded by the National Property Performance Management Initiative (NAPPMI) – Property Performance Indicators. These indicators allow the Authority to measure performance of:

- Condition and required maintenance
- Accessibility of public operational buildings
- Building suitability for service delivery
- Environmental Property Issues

Furthermore, Telford and Wrekin Council is a member of the “Octopus Benchmarking Group”; which consists of eight authorities throughout the Country of similar size and design. The group enables all members the opportunity to compare, share and debate issues relating to Asset Management of both Operational and Investment Properties.

### **National PMI 1 – Condition and Maintenance**

#### *Objectives*

- Measure the condition of the asset for its current use
- Measure changes in condition
- Measure the annual spend on required maintenance
  
- Illustrate the severity and extent to which maintenance problems affect the property portfolio
- Assist in development of detailed information on required maintenance
- Encourage authorities to invest in planned maintenance
- To show year-on-year changes in required maintenance
- To show the annual spend on repair and maintenance

### **Definition - Required Maintenance (Backlog)**

Required maintenance is the estimated cost to bring the property from its present state to the state reasonably required to deliver the service and/or to meet statutory or contract obligations and maintain it at that standard.

Definition of condition categories:

- A: Good** – Performing as intended and operating efficiently
- B: Satisfactory** – Performing as intended but showing minor deterioration
- C: Poor** – Showing major defects and/or not operating as intended
- D: Bad** – Life expired and/or serious risk of imminent failure

**INDICATOR: 1A - % Gross Internal Floor-Space in Condition Categories A - D**

**Category A**

- 4% of the **School Property** Gross Internal Area (GIA) is in condition category A
- 3% of the GIA of **Operational Property** GIA is in condition category A

**Category B**

- 51% of the **School Property** GIA is in condition category B
- 56% of the GIA of **Operational Property** is in condition category B

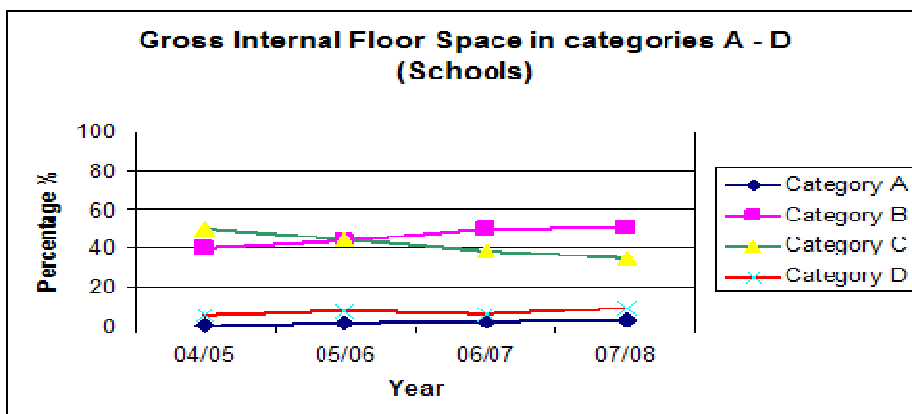
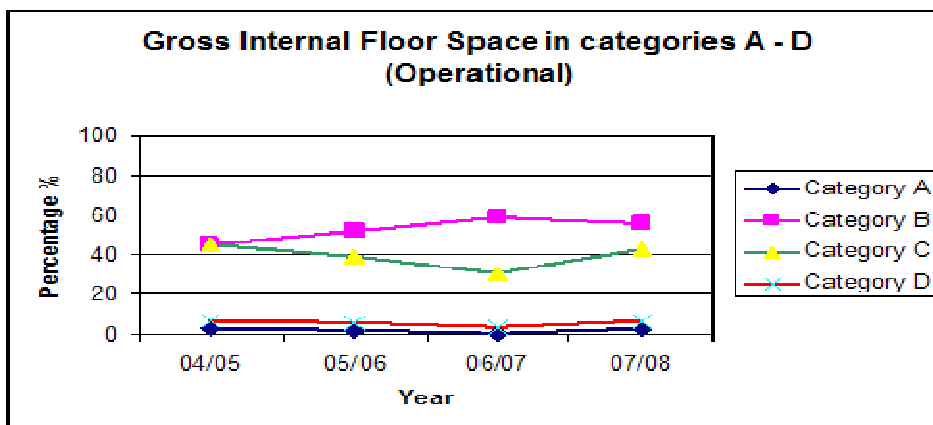
**Category C**

- 35% of the **School Property** GIA is in condition category C
- 34% of the GIA of **Operational Property** is in condition category C

**Category D**

- 10% of the **School Property** GIA is in condition category D
- 7% of the GIA of **Operational Property** is in condition category D

The following graphs for Operational and School properties identify the historical trends relating to condition data. From the data it can be seen that the category C and D elements (Poor and Urgent) are being reduced. This demonstrates that the prioritisation framework outlined in the Asset Management enables the Council's property stock to be maintained to a satisfactory level to allow for continued improvements to service delivery.



## PMI INDICATOR 1B

### Definition of priority levels:

**Priority 1:** Urgent works that will prevent immediate closure of premises and/or address an immediate high risk to the health and safety of the occupants and/or remedy a serious breach of legislation.

**Priority 2:** Essential work required within two years that will prevent serious deterioration of the fabric or services and/or address a medium risk to health and safety of the occupants and/or remedy a minor breach of the legislation.

**Priority 3:** Desirable work required within three to five years that will prevent deterioration of the fabric or services and/or address a low risk to health and safety of the occupants and/or remedy a minor breach of the legislation.

### INDICATOR 1Bi : Required maintenance by cost expressed as a total cost in priority levels 1 – 3

The total cost of priority level 1-3 works for all operational property (including schools) is £37,261,325.

This figure is split as follows:

- Operational Property - £11,984,120
- School Property - £25,277,205

### INDICATOR 1Bii : Required maintenance cost expressed as a % in priority levels 1 – 3

#### Priority 1 Works –

- 17% of **Operational Property** is in priority level 1
- 10% of **School Property** is in priority level 1

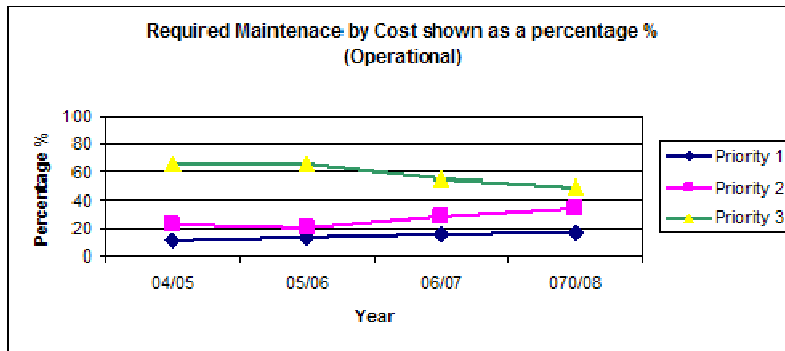
#### Priority 2 Works –

- 34% of **Operational Property** is in priority level 2
- 36% of **School Property** is in priority level 2

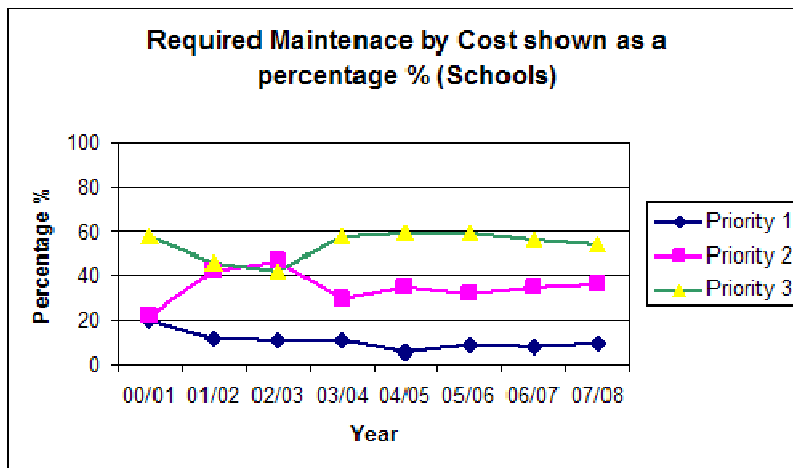
#### Priority 3 Works –

- 49% of **Operational Property** is in priority level 3
- 54% of **School Property** is in priority level 3

The following graph identifies the percentage trend over a four year period for required maintenance cost in priority terms for Operational Property. The data shows a slight increase in the costs for priority 1 and 2. However in real terms the costs have been reduced. The data is subject to inflation as per the construction industry indices. Over the three year period construction costs have risen by 17% based on the Building Cost Information Services (BCIS) costing information.



The following graph identifies the percentage trend over a seven year period for required maintenance cost in priority terms for School Property. The data shows a decrease in priority 1 costs and a slight rise in priority 2 and 3 costs. However in real terms the costs have been reduced. The data is subject to inflation as per the construction industry indices. Over the seven year period construction costs have risen by 17% based on the Building Cost Information Services (BCIS) costing information



**Indicator 1Biii : Required maintenance by cost expressed as an overall cost per square metre gross internal area (GIA)**

Indicator 1Biii equates to £145.62.00 per m2 of GIA. This is a slight increase over the previous years overall costs due to inflation within the construction sector running at approximately 6% per year.

**INDICATOR 1C – Annual percentage change to total maintenance figure over previous year -0.02%**

The reduction in the overall maintenance costs is due to building rationalisation, mainly as a result of the reduction in GIA due to the amalgamation and rebuilding of the primary school stock and disposals of operational property. This is in response to the Government’s agenda to maximise the use of the Authority’s property stock. With the investment of the Building Schools for the Future funding over the next 10 years and the Council’s building rationalisation programme, it is envisaged that this will reduce further.

## **PMI INDICATOR 1D**

### **Indicator 1Di: Total spend on maintenance in previous financial year**

Total spend on maintenance in 2007/08 financial year for schools and operational property was £3,498,816

### **Indicator 1Dii: Total spend on maintenance per square metre GIA**

For 2006/07 was £13.65 based on figures extracted from the Council's financial accounting system. For 2006/07 this figure was £13.88. The reduction identifies the value for money that Asset & Property provide by maintaining and slightly reducing the overall cost of maintenance.

### **Indicator 1Diii: Percentage split of total spend on maintenance between planned and responsive maintenance.**

Responsive maintenance was 46% of the total spend and planned maintenance was 54% of the total spend during 2007/08, based on data extracted from the Authority's financial accounting system. This is a change from the previous years figures where responsive maintenance was the higher percentage. This demonstrates that the Authority have embedded Asset Management principles taking a greater approach to planned maintenance.

## **Data Interpretation**

### **Benchmarking**

The Institute of Public Finance (IPF) Property Asset Management Network is used for benchmarking. As authorities are still in transition between the old and new indicators, comparison data is not comprehensive. Benchmarking within the Octopus Group is difficult at present as not all authorities have submitted their data for comparison.

## **PMI 2 – Energy/Environmental Property Issues**

### Objective

- To encourage efficient use of assets over time, year-on-year improvements in energy efficiency
- To reduce environmental impacts of LA operational property
- To highlight areas of poor or mediocre energy and water efficiency/performance, and act as a catalyst for improvement
- To compliment the process for 'Energy Certificates'
- To support the LA's assessment of property performance, together with condition and suitability within the framework of Asset Management Planning
- To inform the Climate Change Strategy Group and monitor the impact of carbon reducing initiative

The quality of the energy data held within the AMP software is improving each year and therefore the reporting capability is becoming more accurate and reliable, however due to this comparison over past years is difficult.

### Definitions

Local authorities must also be able to obtain this information on a per building basis to comply with EU directives regarding energy certificates. This only applies to operational buildings over 1000m<sup>2</sup>.

- Energy incorporates electricity, gas, coal and oil (excludes water)
- Gross Internal Area (GIA) is inclusive of stairwells, landings, partitions, circulation corridors etc.

### CO2 Emissions

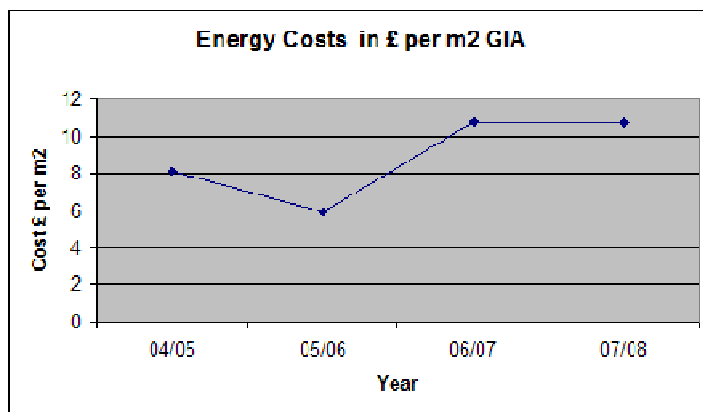
- CO2 emissions data will fit with the UK's Climate Change Programme targets
- To be reported for operational
- Properties occupied by the Local Authority, including schools, (excluding housing / dwellings)

### **INDICATOR 2A – Energy costs/consumption**

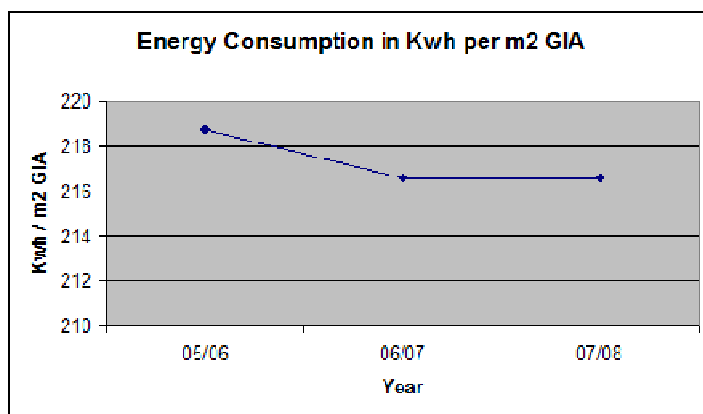
The cost for all operational buildings including schools is:

- £ spend per m<sup>2</sup> GIA – £10.75
- Consumption kwh per m<sup>2</sup> GIA – 216.59

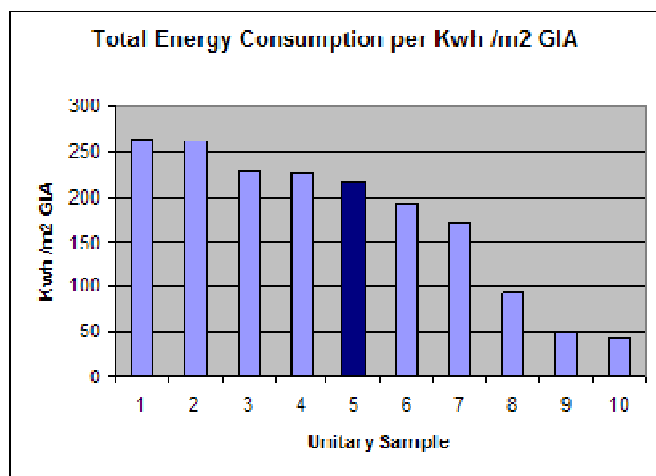
The graph below identifies that there has been an increase in energy costs over the last 2 financial years. This is mainly due to the cost increase in the supply market. It is expected that this will increase further for the next financial year; however the Council is taking all steps possible via energy campaigns and environmental policies to keep cost increase to a minimum; and reduce the councils CO2 emissions.



The below graph identifies that there is an overall trend that consumption is decreasing. This is achieved by investment in the Councils properties and environmental strategies. Monitoring of the Councils energy use also enables action to be taken for assets which have high energy use.



The below graph indicates how the energy consumption of Telford and Wrekin Council compares to other unitary authorities.

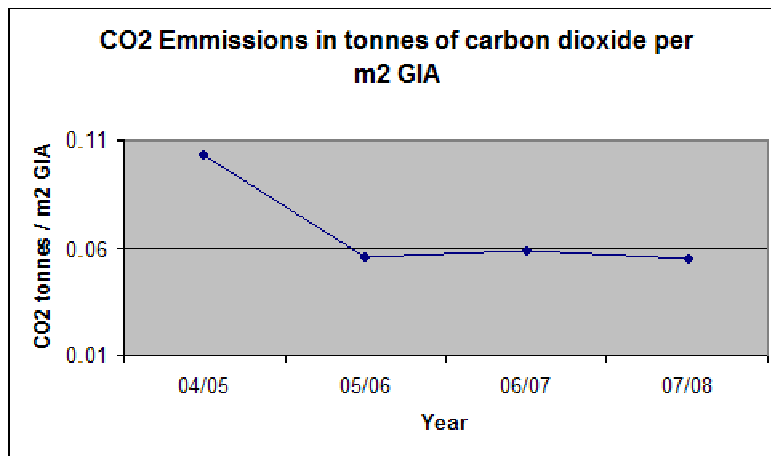


**INDICATOR 2C – CO2 EMISSIONS** - reported by property category in tonnes of carbon dioxide per m2 GIA

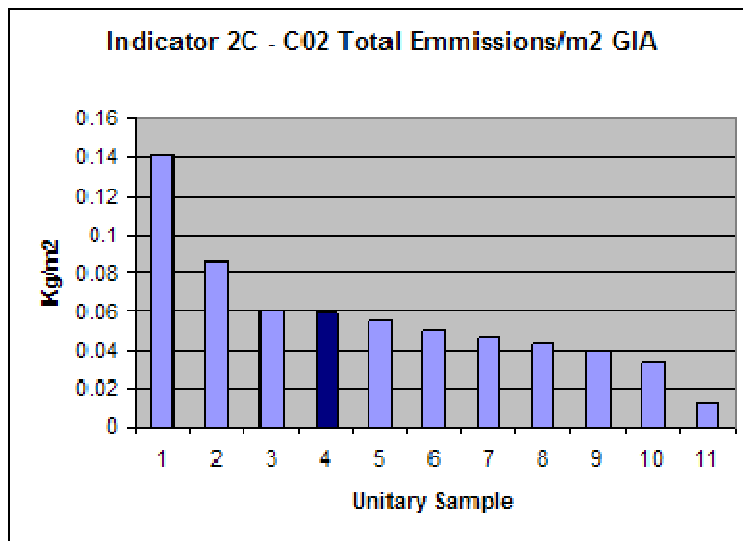
The following table identifies tonnes of CO2 per m2 GIA across energy reporting categories.

Property Category	Tonnes CO2 per m2
Schools	0.052
Accommodation	0.074
Children & Young People	0.058
Community Centres	0.036
Hostels	0.041
Leisure	0.0104
Libraries	0.047
Social Care	0.061
Youth	0.040
Others	0.086

The total CO2 emissions for the Authority for 07/08 equates to 0.05 tonnes per m<sup>2</sup> GIA. The graph below identifies that this is a slight increase on the previous year's figures. It should be noted however that indicator 2A identifies consumption is reducing. The most likely reason for the increase in CO2 is due to the Council's investment in ICT. Electric produces more CO2 per KWH than gas or oil.



As an Authority, Telford and Wrekin produce average CO2 emissions when benchmarked with other unitary authorities. This is identified in the following graph.



### PMI 3 A and B - Suitability Surveys

#### Objectives

- To encourage local authorities to conduct Suitability Surveys, enabling them to identify how assets support and contribute to the effectiveness of frontline service delivery i.e. are they fit for purpose?
- To ensure local authorities are undertaking Suitability Surveys
- To enable the local authorities to understand their Asset Base
- To ensure property meets the needs of the user
- To enable key decisions to be made

#### Definition

There is no national standard for assessing suitability of non-education properties; each authority is free to develop their own process and this therefore makes consistent benchmarking difficult.

The methodology adopted by Asset and Property Management allows a weighting to be applied to certain factors that are particularly important; therefore overall percentage

property compliance can be determined, resulting in a building performing either poorly, satisfactorily or good.

Suitability for schools is assessed on a national standard and reported directly to the DFES. The assessments below exclude schools and non-operational property.

### **INDICATOR 3A - Percentage of portfolio by GIA sq.m., for which a suitability survey has been undertaken over the last 5 Years**

Suitability surveys have been undertaken on 96% of the GIA for operational property. The remaining 4% of properties that are yet to be surveyed are either new investments or are currently under major refurbishment. These will be surveyed during 09/10

When compared against the Unitary Authority benchmark, Telford and Wrekin Council perform above average being in the upper quartile of Authorities sampled.

### **INDICATOR 3B - Number of properties, for which a suitability survey has been undertaken over the last 5 years**

Suitability surveys have been undertaken on 75 operational properties out of a possible 81 that require surveys. It is deemed that the remainder of the properties do not require a suitability survey due to the nature of the building use.

Comparison of historical data is not possible at present. However the results are instrumental in determining the planned programme of work for all our operational buildings, and a significant part in our overall property review analysis. Many questions asked are paramount to service delivery from each property.

Future efforts will be concentrated on improving the suitability of all buildings assessed at less than 50% compliance, indicating they are performing poorly, or considered for relocation or disposal.

An example of this was Gower Street Youth Project, a building where the boiler had failed and all the relevant AMP data, including the suitability survey which showed a building not fit for purpose, proved that the proposed expenditure needed to be seriously reviewed.

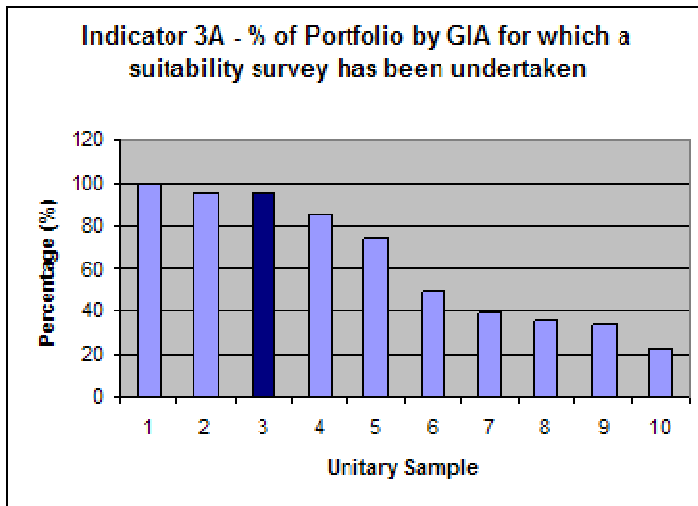
To reflect this, a local indicator has been compiled to show all 3 categories.

### **Benchmarking**

Benchmarking on suitability has been possible to a limited extent, against the IPF data for unitary authorities.

Telford and Wrekin Council compares well on percentage of surveys undertaken and number of premises surveyed. Only two other Octopus authorities have shared their information to date, they indicate that between 60% and 69% of their properties are performing satisfactory or good compared to 85% of Telford and Wrekin Council.

Once more comprehensive benchmarking results become available, direct comparisons and analysis will enable any underlying reasons for variance examined.



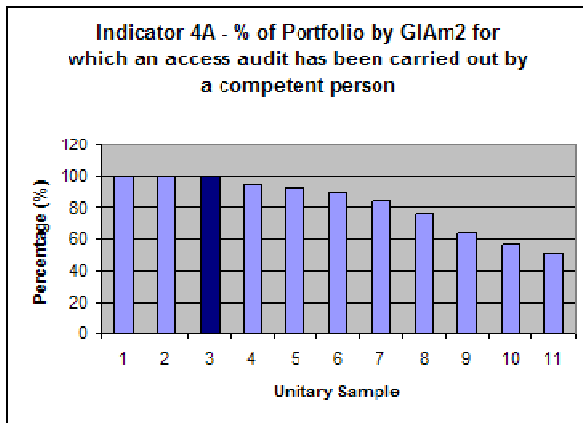
**PMI 4 A, B, C and D – Building accessibility surveys**

Objectives

- To monitor progress in providing access to buildings for people with disabilities
- To monitor the progress at which local authorities carry out access audits
- To enable key decisions to be made

**INDICATOR 4A - % of portfolio by GIA sq.m., for which an access audit has been undertaken by a competent person**

Access audits have been undertaken on 100% of the school property portfolio and 100% of Operational properties (Operational properties as part of BVPI 156 criteria).



**INDICATOR 4B - Number of properties, for which an access audit has been undertaken by a competent person**

Access audits have been undertaken at 74 schools and 73 Operational properties (Operational properties as part of BVPI 156 criteria, i.e. are open to the public).

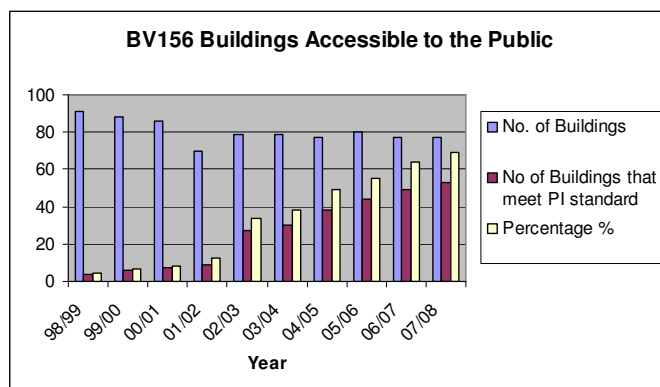
**INDICATOR 4C - % of portfolio by GIA sq.m., for which there is an accessibility plan in place.**

A strategic accessibility plan has been developed for 100% of school properties.

## INDICATOR 4D - Number of properties, for which there is an accessibility plan in place.

An accessibility plan has been developed for 74 schools.

## INDICATOR BV156 – Accessibility to Public Buildings



Although not a national indicator the Authority still collect data to assess the Accessibility to public buildings. As of January 2009 the Authority has 74% of its building areas that are open to the general public are deemed to be fully accessible.

## LOCAL INDICATORS

Suitability / Sufficiency surveys of Telford and Wrekin Council's Operational properties started early in 2006 and cover a range of questions under the following headings Location, Environment, Safety & Security, Space, Fixtures & Fittings, Image, External Areas and Equalities & Diversity.

The results of the questionnaire provides useful information on service delivery issues and provides a number of local indicators designed to monitor the performance of our Operational buildings that Condition surveys do not report on and provides an overall assessment of the building's ability to deliver the service i.e. is the building 'fit for purpose'.

The methodology to undertake this overall assessment grades the buildings as Good, Satisfactory or Poor and after one complete set of survey results the following overall assessments have been found:

Number of Properties graded Good, i.e. performing well and above 75% = 50 properties.

Number of Properties graded Satisfactory, between 50 – 74% = 9 properties

Number of Properties graded Poor i.e. not performing as desired and below 50% = 11 properties

The above gradings are taken forward into an overall property rationalisation process, along with all other property related data to determine whether each property requires continued maintenance, major investment or should be considered for disposal.

Other Local Indicators being collected but in the early stages of data capture are:

Number of security incidents logged per month for all our schools

Annual % reduction in our vandalism budget for schools

Asbestos samples within schools or operational properties that are high or medium in material assessment.

## **Appendix 1**

### **Corporate Vision**

The wider Corporate Vision of the Authority seeks:

*“A successful, prosperous and healthy community which offers a good quality of life to all the people of Telford and Wrekin that reflects the needs and opportunities of the 21<sup>st</sup> Century”*

Creating a successful, prosperous and healthy community is dependent on all parts of the community and local organisations and agencies working together in a ‘joined up’ way. Together with our partners on the Local Strategic Partnership, the Council is committed to realising a shared agenda of community priorities that support the delivery of the Vision. The seven shared priorities, together with our key focuses for action that we have identified. Each of the AMP drivers which will contribute to their achievement are identified as follows:

#### **Priority 1: Transforming Telford & Wrekin:**

- To maximise revenue income from the Council’s investment portfolio within sound estate and asset management principles and having due regard to supporting the local economy and job creation
- To contribute to a dynamic economy via a capital spending programme
- To create a vibrant place via the provision of public buildings, areas, schools, etc
- To develop the Town Centre regeneration programme
- To participate in the regeneration of Borough towns and in particular, the redevelopment of Woodside and Leegomery local centres, Sutton Hill, Dawley, Brookside and Wellington
- Redevelopment of Hadley Park Industrial Estate
- Construction new offices at Donnington

#### **Priority 2: Giving Children & Young People the Best Possible Start in their lives**

- To deliver value for money, well constructed and designed school buildings and other learning facilities (e.g. school amalgamations) in which people can learn and develop.
- Development of the Building Schools for the Future (BSF) programme embedding ‘every child matters’ principles at the heart of decision making.
- Continue with the modernisation programme for schools to improve condition and suitability of the schools.
- To ensure delivery of the construction projects relating to amalgamation of schools.
- Delivery of construction projects relating to Children’s centres, post 16 agenda and wrap around care in partnership with school clusters and the BSF agenda.
- Delivery of the Primary Capital Programme in consultation with Children & Young People.
- Maintaining property assets to a high standard in line with good Asset Management principles and Service Delivery requirements

#### **Priority 3: Maintaining a High Quality, Attractive and Sustainable Environment:**

- To ensure that the public areas are maintained to a high standard
- To seek enhancements to the environment of public and office areas
- To provide attractive, energy efficient public buildings and schools within a quality environment
- To strive towards an excellent BREEAM rating in relation to school provision.

- To ensure environmental principals are embedded within Land Disposal and the Planning Process, E.g. Eco Homes Standards.

#### **Priority 4: Creating a Safe, Strong and Cohesive Community:**

- To improve the safety and sense of well being on estates and local centres for the public, by continuing to improve security and safety measures through risk assessments, guarding and other sustainable methods
- To provide safe schools in which to learn and study
- Support and work with local police forces and community safety officers, to ensure they target resources where the Council is suffering a high level of incidents (working with Business watch also) and to inform of planned construction projects.
- Undertake Equalities Impact Assessments on all major projects to ensure that the needs of the local communities are embedded within the design process.

#### **Priority 5: Promoting Healthy Communities and Improving the Quality of Life of Vulnerable and Older People**

- To participate in the proposed development of Dothill Day Centre, Downing House, Stirchley Day Centre.
- Develop co-location strategies with external partners to improve support to community e.g. Primary Care Trust, Fire Service.
- To maintain, refurbish and develop leisure buildings which help to maintain a healthy and well educated community.
- To ensure that buildings are adapted to ensure that the needs of people with disabilities are encompassed within service delivery.
- To participate in the further development of the “Sports Village” concept TSLEC, centred around the Bucks Head, TCAT, Wrekin College and Hadley Learning Community.

#### **Priority 6: Strengthening the Local Economy & the Skills of Local People**

- Redevelopment of Hadley Park Industrial Estate
- Construction new offices at Donnington
- Development of the Building Schools for the Future (BSF) programme embedding ‘every child matters’ principles at the heart of decision making.

#### **Priority 7: An Efficient, Effective and Customer-Focused Council that delivers Value-For-Money for the Community:**

- Provide and maintain appropriate assets, property and infrastructures (e.g. ICT/eGovernance) to successfully support service delivery.
- Property Review and rationalisation of office accommodation and new ways of working.
- Seek appropriate methods of procurement (i.e. Term Contracts) to ensure that value for money and high service delivery is provided