

Corporate Property Asset Management Plan

2011/2014



February 2011



Telford & Wrekin
COUNCIL

FOREWORD

Land and Property assets are a key issue for the public sector and provides a significant contribution to the delivery of the Council's vision ambitions, priorities and services. Through investment, effective prioritisation of planned maintenance and rationalisation, real improvements are being made across the Borough.

At a time of significant budget constraints, it is important to continue to manage and utilise our assets effectively, and examine how they can be better used and rationalised to 'encourage town place' and regenerate our 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.

Refurbishments, improvements and extensions have been carried out to a number of schools including Lawley Primary and a significant extension is underway at Newport Girls High School. In addition to this, new developments such as Lightmoor Primary school which opened in September 2010 and Old Park Primary School are not just providing high quality educational facilities for our young people, but also provide new housing, an improved retail centre tailored to current needs including doctor's surgery and Children's Development Centre, in collaboration with the Primary Care Trust. Building Schools for the Future funding provides a huge opportunity to transform educational and recreational service within local communities, further contributing to the "Place Shaping" agenda and The Borough Towns Initiative.

The regeneration and transformation of our Borough towns and Telford Town Centre is also a priority. The Borough towns are being 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.

At the Town Centre there are plans to bring a mixed use development linking the shopping centre with the International Centre and Telford Town Park with the infrastructure and enabling work starting on site in December 2010. Phase 1 of the infrastructure works including re forming the lake will be completed by May 2011.. The Civic Offices are being funded at no cost to the public through the sale of the existing Civic Offices site for a retail development. These offices together with Darby House and the new Wellington Civic development provide the three main bases for Council staff accommodation. The space requirement has been significantly reduced via New Ways of Working which will allow us to deliver a robust property rationalisation programme.

The Dawley and Malinslee Borough Towns Initiative is a major regeneration programme, the re opening of the High Street to traffic and high quality public realm improvements was completed in October 2010 and major infrastructure works on the brown field 90 acre site started in October 2010. Wellington Borough Town Initiative involves a £9 million new library, registry office and co located services for up to 220 staff at the existing Civic and leisure facility is due to open September 2011. Leegomery Local Centre following its fire damage was rebuilt by the Council and opened in February 2010. Sutton Hill centre re construction started in September 2010 and is due for completion in Spring 2011.

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

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1.0 Statement of Context

Telford & 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 and the outcome of The Central Telford Area Action Plan (CTAAP) will be known during Spring 2011 following an examination in public during Autumn 2010..

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.

The plan is split into 3 main areas

- Operational Property and associated Land
- Property Investment Portfolio (Property held for investment purposes)
- Land (held for disposal or future operational use)

The Land strategy, Operational Property strategy and PIP strategy all inter link to form a comprehensive and over arching approach to Asset Management covering all property assets within Telford.

Asset Management Plan - Aims:

- Ensure assets are fit for purpose
- Ensure assets are located in appropriate locations for service delivery
- Deliver an integrated approach to Asset Management across the Authority
- Reinforce a corporate approach for holding property and outline objectives
- Ensure Asset Management decisions are planned in a co-ordinated manner and consistent with council priorities
- Manage a simple and robust performance measurement system
- Provide comprehensive and accurate data to facilitate analysis of Property
- To support and facilitate improved service delivery
- Use land and buildings as an enabler to the "Place Shaping" agenda and the enabler of regeneration in Borough towns, local centre etc.
- 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 Links to Key Plans and Objectives

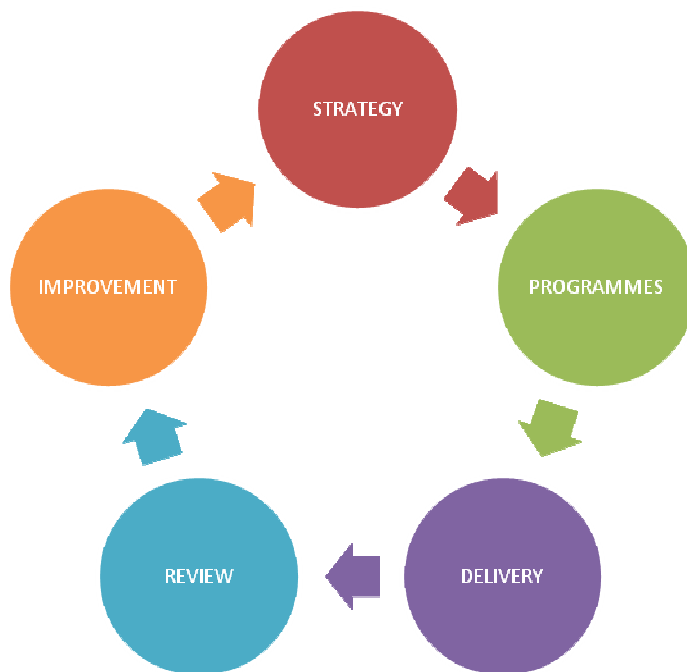
The Council's Vision and Priority Plans identify Key priorities for the Council (see Appendix 1). From 2011/12 this process will be revised in accordance with the Council's priority plan. The table below details the strategic Asset Management decision-making links within and across Services:

Strategy

- Understanding community needs and those of our partner organisations
- Corporate policies and priorities
- Service delivery and financial strategies

Improvement

- What are the corporate drives for further change? Council Vision, Community Strategy, Council Plan, Priority Plans, Service Delivery Plans, Personal Development Plans
- What are the challenges and opportunities now facing services?



Programmes

Analysis of current performance and future needs including:

- Property Audit to understand current performance and trends
- Options appraisal and prioritisation
- Capital planning

Review

- Has the change delivered the expected outcomes?
- How are services performing?
- Have the property-related objectives been achieved?

Delivery

- Delivery planning
- Project management
- Procurement

3.0 Data Management

The ability to make informed property decisions is dependant upon collating and constantly updating accurate data

Core Data

All Council property data is recorded on a Property Management System, which is designed to accommodate all forms of property data in a central location. The Property Management software brings all the main functions such as Asset Management, Capital Projects, Service Asset Register and Help Desk Software together into one integrated solution. This will provide greater exchange of information and streamlined property database linked help desk. The software is Internet based will provide a direct link to customers and stakeholders, enabling them to access data and information in a user friendly environment. As the software is internet based it will also enable officers to work more flexibly.

- 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.

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.

- Condition & Suitability

Condition surveys of all schools and operational buildings have been completed and are re-assessed as part of an on going re-survey process. Operational data is captured across all service areas and work is prioritised according to the data, allowing a transparent planned programme of work to be implemented. Similarly this enables informed decisions on investment disposal.

- Asbestos

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.

In accordance with the Council's Asbestos Management Plan 2009, 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.

- Access

Accessibility to properties is paramount to the delivery of services. Comprehensive Disabled Access Audits of operational properties (excluding schools) 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).

- 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 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 carbon footprint. CRC's has led to the Council obtaining accurate readings of all energy consumption and a team has been established to target high use buildings raising awareness amongst occupiers. Similarly the opening hours at evenings and weekends of major buildings will be limited to key meeting rooms and small mobile work areas reducing energy usage.

The first use of photovoltaics taking advantage of the attractive feed in rates has been agreed with a private operator at Wellington Civic. A similar arrangement is being looked at the proposed Civic Offices. Combined with the property rationalisation programme this is expected to lead to a major reduction in the Councils carbon footprint. Water harvesting has been installed at Hadley, Old Park and Short Wood together with cedum roofs to minimise water run off. Web enabled 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, improving efficiency.

- Measured Surveys

Accurate, comprehensive, measured building surveys are available on AutoCAD.

4.0 Programme Development and Implementation

The Decision Making Process

The information contained in the Asset Management system allows informed, property related decisions. 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):

- Schools AMP
- Review of office accommodation
- Repair and maintenance programmes
- Capital programmes
- BSF
- Property Rationalisation
- Borough Towns Initiative

Maintenance Programme

The planned maintenance programme for 2011/12 has been submitted to Cabinet for approval in February 2011. 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

Option appraisal processes take account of the different outputs required. They 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. 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.

Telford & 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.

Key Issues Addressed Within our Asset Management Approach to Finalising the 2011/12 Capital Investment Programme Include:

- The delivery of the capital projects to underpin and support improved service delivery
- Property Rationalisation, planned investment in retained buildings to reduce maintenance back log
- Regeneration – support and project management to all regeneration projects
- Repair and maintenance programmes for property investment portfolio will maintain income levels for the Council redevelopment opportunities within the property investment portfolio
- Climate Change/Energy Efficiency/Carbon Reduction Commitment (CRC)

In consultation with Community Groups assessing benefits of transferring management/ownership of buildings to community groups. A number of community centres, have been transferred to Parish Councils.

- Building Schools For The Future Programme reassessment of funding

5.0 Operational Assets

Property Rationalisation/ New Ways Working

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. The current climate linked with the spending review and the need to make savings and demonstrate value for money has focussed attention on Property. The Council has implemented a number of restructures with the most recent involving Heads of Service which resulted in a reduction in the number of posts. Restructures across service areas are programmed during 2011. This has reduced the cultural and physical barriers between services and created a more open infrastructure. A key element of this is the removal of portfolios, having strategic Directors and a greater emphasis on matrix management to manage the Council's business.

The ongoing need to re shape the Councils services and change service delivery leads to continual changes in Council structures which in turn impacts on property. Linked with this maintenance budgets will be significantly reduced in future years. This offers major

opportunities to review / rationalise property. 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
- Council re-shaping services
- Sustainability and environmental issues
- Efficiencies agenda
- Government challenge

- Place Shaping

Using Council Property assets together with other public sector assets facilitates Property & ICT in bringing significant regeneration benefits across the borough. Linking to the Borough Towns Initiative (section 9) many towns are enjoying major investments and improved services under pinned by property as the catalyst.

- Partnership Working

Under the Total Place Agenda in 2010 the Council was instrumental in bringing together all public sector bodies and plotting all public sector ownership within the Borough. An exercise to identify clusters and opportunities for co location is now underway. 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, Property & ICT have acted as Client adviser on three projects outside The Borough. The first two were at Craven Arms and Cleobury Mortimer, which involved extending and refurbishing the existing stations. The third and more complex project currently underway is to rationalise the Headquarters building at Shrewsbury by remodelling their current accommodation estimated at £3.5 million build cost. The excellent relationship established across these projects is being mirrored in Telford with a review of accommodation linked to Council needs and opportunities for co located services.

- Sustainability and Environmental issues

The Council's commitment to climate change is demonstrated with "A Climate for Change"; document for the community of Telford & Wrekin. 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 smaller premises. The revised Carbon Reduction Commitment which comes into effect from April 2011 forces all public authorities to review their carbon consumption and brings in significant additional taxation if they do not. As a result of this legislation the Council is reviewing data management and staff resources in this area with a cabinet report planned for later in 2011.

- Efficiencies Agenda

Telford & Wrekin Council is planning to achieve 20% efficiency savings on non salary budgets. Property running costs are a significant element of this. By consolidating services in properties services can also contribute significant savings from their own budgets.

- Government Challenge

Central government is challenging all public sector organisations on how and what services they deliver. The property and location these services are delivered from is a critical element of this challenge.

- New Ways Working

There is potential to release both capital and revenue costs from the Council's Operational Property. In November 2009 Property & ICT became the pilot study across the council for New Ways of Working with office accommodation. This reduced the number of desks required at that time from 73 to 59 and the area reduced from 150square meters. The findings from this study have been published and it has been agreed to roll this out across all council accommodation.

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 staff are completely mobile increasingly reliance on ICT. Public sector 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. Council occupation rates have been monitored within Civic Offices and Darby House which has been used to identify existing space standards to create a baseline across services. The accommodation strategy is based upon the following buildings;

Civic Offices
Darby House
Wellington Civic Offices

The first and third buildings will be delivered to BREEAM excellent and Darby House significantly refurbished. This will permit the disposal and surrender of leases on offices which had inefficient space standards, were expensive to maintain and had high running costs.

Property Rationalisation

The New Ways Working principles will allow a strict rationalisation programme to be pursued reducing the gross amount of space occupied from 30,960 square metres to 23,094 square metres and the number of properties occupied from 28 to 16. Combined with the new Civic Offices at the Town Centre which offers new space and the chance to re locate services according to public need, decisions will be made based on a scoring system. Reflecting location, condition and suitability of the property including energy efficiency and life cycle costings.

6.0 Regeneration Opportunities Across The Borough

Management of Homes and Communities Agency (HCA) Assets

Chapter 7 Section 3 examines the land holding still within Telford. The management of HCA assets is a significant opportunity to shape how the Borough is developed in line with the localism agenda and to support the new role HCA have as facilitator and enabler. It will provide the opportunity to complete the New Town in line with the original vision as set out 40 years ago.

Town Centre Regeneration

The regeneration of Telford Town Centre is a key priority for T&WC, partners and the region. The regeneration will underpin and support growth, stimulate and attract investment in the Borough and create a Town Centre responding to the needs of the community. Planning Consent was obtained in March 2010 and sets the context for regeneration through the

establishment of land use zones to include residential, commercial, bars, restaurants, hotels, retail and leisure. Southwater will see the creation of a high quality Southwater Square ,main Street up to the boundary of the International Centre and a new Southwater Lake adjacent to Southwater Square. Collectively these improvements will create a series of distinctive, interlinked and pedestrian dominated routes and spaces throughout Southwater which will more effectively link the shopping centre, town park and events facilities at The International Centre creating a lively and vibrant street scene. Infra structure works for the development started in December 2010. The Learning & Media Centre (LMC) encompassing a new and improved Telford Library and potential for relocation of Meeting Point House costing is due for construction in 2012. The developments will be high quality, iconic, BREEAM Excellent buildings and will act as exemplars and catalysts to other developments within Southwater defining quality parameters. Further plots will then be available for development as offices, retail and leisure uses.

Milestone	Start	Finish
Enabling Works (including infrastructure)	Autumn 2010	Winter 2011
Public Realm	Autumn 2011	Summer 2012
Learning & Media Centre	Summer 2012	Summer 2014

Borough Towns Initiative

The regeneration of Borough towns is a key Council priority. With reduced funding we are having to be more creative with the use of our assets to facilitate and achieve this.

Dawley & Malinslee

The regeneration of Malinslee and Dawley is well underway with the completion of the school amalgamation of two primary schools at Old Park in September 2009 together with the opening of the re paved High Street Dawley during November 2010. This is combined with a proposed new shopping centre, health facilities and housing. The biggest contribution will be the bringing back into beneficial use of around 90 acres of spoil mounds on the edge of Dawley. The development will be underpinned by the new Phoenix secondary school and adjoining retail development. This will link into the existing High Street bringing much needed footfall to Dawley providing a significant stimulus to place shaping and regeneration. The remaining land will be used for housing and leisure uses.

Wellington Centre

Wellington's new Civic scheme combining existing leisure centre with new library, registry offices and Council offices started in March 2010 and is due for completion September 2011. This has partly been funded through property rationalisation. This will support the regeneration of Wellington by consolidating a significant number of staff in a purpose built, central, land mark building, in partnership with the Town Council thus providing increased footfall to support the local economy. In addition the police will be provided with an office for their Community Officer. This will be on the edge of the retail core and will have strong links between the two areas. Combined with this funding the public realm works and de cluttering of Wellington's streets was delivered. This work started in June and should be completed by April 2011. Spurred on by this investment several long term empty shops including the former Barley Mow pub in Crown Street and the Fox & Hounds in Duke Street are now being renovated and occupied using private investment.

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 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 due to the “Credit Crunch.” In January 2009 Cabinet approved the construction of the new centre with the intention of later residential development once the market returns. Construction started in February 2009. The build will be completed in spring 2010.

Randlay

Randlay is a similar centre to Leegomery but in this case 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 suitable 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 new shops and importantly for the community a new community centre attached to Randlay Primary School. A residential care operator has purchased the site and construction is due to start in spring 2011.

Oakengates

In October 2010 it was proposed to remodel Oakengates by re engineering and re paving the bus station and main roads of Market Street and Oxford Street, together with partial demolition of the 1960s shopping precinct owned by the Council and introduction of a retail store on Limes Walk.

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’. Property & Design advise on all ‘Technical’ aspects of this project.

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 January 2009. This included an Outline Planning Application for the first pilot school the Abraham Darby School submitted in November 2009.

In October 2009 after an extensive evaluation process Kier Construction were appointed as the “preferred bidder”. This contractor will provide all the schools with Abraham Darby to the first started in Spring 2010. The delivery of this programme to time and budget will be challenging and staff resources will need to be carefully considered. The reduction in funding announced in October 2010 has necessitated a re plan of the proposed works and a revised bid has been submitted with the support of Partnership for Schools.

7.0 Property Investment Portfolio (PIP)

The Authority holds a number of individual sites for investment, regeneration and economic development purposes. Details of all assets are contained in the Authority’s Asset Register and their values (see Section 10) based on CIPFA valuation principles. The property investment portfolio (PIP) has an annual revenue target of £6.2m.

Independent assessments measuring performance of the PIP are undertaken on an annual basis. The most recent report by GVA Grimley dated July 2010 recognised that, ‘The Council’s Portfolio out performed the IPD benchmarks by a considerable margin.

Challenging times are expected in 2010/11 with increasing instances of tenant default, difficulties re-letting and decreased rental income as market levels fall below those of five

years previous. Recovery from the credit crunch is underway but expected to be weak, and whilst output rose by 0.4 in the final quarter of 2009 and 0.3 in the first quarter of 2010, uncertainty remains. Rents generally will be lower at the end of 2010 than at the start, but 2011 should see a return to growth'. Property & ICT has continued to support local businesses throughout the recession whilst trying to protect revenue streams for the Authority. This has extended to agreements and deferred rental payments helping to safeguard jobs in the Borough, and maintain the local economy. The estates & Investments service continued to enjoy great success in 2010 despite challenging economic conditions and achieved lettering totalling 350,000

GVA Grimley's assessment and the Spending Review 2010 prompted a compressive review of the PIP. Completed in November, the review identified a number of assets that are not performing in terms of income generation and those whose age and condition will be a significant drain on a repair and maintenance budget to be reduced in 2011. The review analysed every item of income and expenditure from 2005 to 2010, together with liabilities emanating from condition and asbestos surveys completed in 2009. The indicators against which the performance of each asset was then assessed were:

1. Condition

Previous levels of repair and maintenance expenditure, and an examination of future liabilities expressed as a percentage of current capital value. Future liabilities were reported in the context of a reduction in the repair and maintenance budget in 2011.

2. Net Return

The impact of changes in income, expenditure and capital values on the overall net return. Prospects of increases in light of typical void rates and conditions within the different market sectors.

3. Portfolio Mix

The impact that a disposal of the asset would have in terms of meeting the PIP income target.

4. Community Benefit

Whether the asset is used for a purpose that directly benefits the local community.

5. Regeneration

Whether the asset located within a regeneration area, or a catalyst for the Authority's Borough Towns Initiative.

The buildings were then categorised according to the Traffic Light System below:

% Compliance	Traffic Light Indicator	Actions Arising
0-35	Red	Asset suitable for disposal
36-70	Amber	Asset to be reviewed
71+	Green	Asset to be retained

The process has identified 26 sites suitable for disposal and a further 18 for review. Those considered suitable for disposal will be sold. The sales will be timed to achieve best consideration, and coincide with the acquisition/development of replacement investments in

order to maintain income streams. A total of 40 sites were rated green, considered to be performing well in all aspects and may be retained at the present time.

There is a need to transform the assets held within the PIP, disposing of those assets nearing the end of their useful life and reinvesting the proceeds in modern buildings capable of providing income/capital growth, have reduced maintenance liabilities and will help deliver new employment opportunities for the Borough. The new investments will seek to maintain the balanced mix across the property sectors, spreading the overall risk to the Authority.

The Authority has continued 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 a £1 million fit out by Property & ICT of Euston House on behalf of the Telford & Wrekin Primary Care Trust. The project which was completed in January 2011, will enable the PCT to deliver high quality Musculoskeletal and Ophthalmology services direct to patients in a community setting. Property & ICT is also undertaking appraisals to design, build and lease Doctors Surgeries, improving the coverage of care throughout the Borough. Working in partnership with the PCT will ensure the best use of public sector assets and funding.

Property & ICT work in conjunction with the Authority's Economic Development Unit, Business Link and Shropshire Chamber of Commerce to secure new lettings of its properties, attract inward investment, and help create jobs within the Borough.

Key Achievements 2010

- External assessment on the performance of the Property Investment Portfolio undertaken by GVA Grimley for the financial year 2009/10.
- Condition and asbestos data relating to the Property Investment Portfolio analysed and the extent of repair and maintenance liabilities understood.
- Comprehensive Review undertaken of the Property Investment Portfolio, and sites scored against the following criteria:
 1. Condition
 2. Financial Return
 3. Portfolio Mix
 4. Regeneration
 5. Community Benefit
- A business like approach to managing the PIP with ownership and responsibility. Strong improvements through financial management and property management in the proactive approach to managing the PIP
- Performance Management embedded within the approach to managing the PIP covering a range of areas such as rental income, repair and maintenance, voids, debt management, investment
- Continued to source alternative sources of funding with which to help finance new developments, and improve condition of existing assets. An example is the funding from The Townscape Heritage Initiative. Supported by the Heritage Lottery Fund the fund has been used to improve the external appearance of 9 New Street, Wellington, a listed building within a Conservation area and Borough Town's Initiative.

- Energy Performance Assessments undertaken for all investment properties (with the exception of properties with a low energy usage). The Energy Performance Certificates can now be issued electronically to customers. The certificates shall also serve as a guide to improving the energy efficiency of those assets to be retained.
- Property & ICT are continuing to develop robust debt recovery procedures, in conjunction with the Authority's Business Revenues and Legal Services Business Units. The levels of current and former tenant debt can now be viewed in a graphical format enabling assessments to be made regarding levels and achievements.
- Assisted a number of our customers during the economic downturn, via payment arrangements, agreeing to deferred payments and restructuring of leases. This has helped ensure progress towards achieving of Investment Portfolio income target, and helped safeguard jobs within the Borough.
- Developed strong links with the Council's Economic Development Service, transforming enquiries into new business that generates revenue for the Authority and creates new jobs in the Borough. The Economic Development Service also offers a business support service to customers of Property & ICT.
- Greater use of conditional break options, surrender premiums, rent deposits and guarantees, reducing risk during a time of market uncertainty.
- Established Rent, Repair and Maintenance and Service Charge budgets for individual assets. Regular meetings held with Finance to ensure actual spend throughout the financial year is operating to budget.
- Development of new properties capable of achieving the highest possible BREEAM rating, conforming to national policies regarding sustainability and energy performance. An example being the new Leegomery Local Centre completed April 2010. Continued reinvestment in properties for the Investment Portfolio, that offer rental and capital growth, reduced liabilities and help achieve the overall rental income target that exists for the Property Investment Portfolio.
- Review of current marketing and promotional practises undertaken and an Enquiries database established.

Plans and Developments 2011

- Obtain external assessment from GVA Grimley on the performance of the Property Investment Portfolio for the financial year 2010/11.
- Complete a planned programme of disposals and reinvest the proceeds to ensure the long term sustainability of the Property Investment Portfolio.
- Develop an Estates & Investments web site, increasing customer awareness and opportunities to generate new business.
- Develop and implement a planned programme of repair and maintenance works, and enforcement of lease covenants. The programme will ensure that the overall condition of assets within the investment portfolio is effectively managed.
- Completion of a new retail store in Oakengates

- Completion of new retail in Randlay and Sutton Hill. The development will achieve a 'very good' BREEAM rating, and conform to national policies regarding sustainability and energy performance.
- Continue the greater use of conditional break options linked to repayment of rent free incentives, surrender premiums, rent deposits and guarantees at a time of market uncertainty.
- Continued reinvestment in properties for the Investment Portfolio, that offer rental and capital growth, reduced liabilities and improved energy efficiencies.
- 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.
- Achieving the Investment Portfolio income target whilst being proactive in the assistance of clients in the current economic downturn.
- Continue to reduce both current and former tenant debt.
- Effectively manage Rent, Repair and Maintenance and Service Charge budgets against targets set for individual assets.
- Review performance of assets within the Investment Portfolio based on financial information for 2010/11 and combine disposal and reinvestment strategy based on the Traffic Light Scoring system.

Land Strategy (Including TWC & HCA)

TWC Land Assets

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 300 hectares (Ha). 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 has been 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

In specific issues such as planning, regard has been made to the adopted Local Development Framework and the sites current land allocation, together with a view on future development potential.

The information collated has been used to categorise each land asset. A traffic light system of categorising has been adopted as follows:

Red	Land suitable for disposal
Amber	Land that may be suitable for disposal, further investigations are required before a recommendation is made e.g. Engineering study, Planning application etc..
Green	Land to be retained

The assessment was completed in 2010 with the detailed appraisal of the 358 assets categorised as follows:

Category	Number of Assets
Red	17
Amber	107
Green	234

The assets identified for disposal (red) could be sold through a range of methods including private treaty, informal tender and auction. The timing of the individual disposals will be at a point when best consideration can be achieved and following relevant approvals.

The land strategy has identified some 107 “Amber sites” that could be suitable for disposal but where further studies/investigations are required before the assets can be sold e.g. Engineering studies, ecological surveys, Planning applications etc. A programme will be established to investigate these Amber sites over the next 5 years.

Assets categorised as green (land to be retained) will continually be reviewed on a rolling 5 year program (20% per annum) to ensure that where criteria/circumstances have changed the sites development /disposal can come forward.

The Land strategy, Operational Property strategy and PIP strategy all connect and form the approach to Asset Management within Telford.

HCA Land Assets

The HCA's land ownership in Telford amounts to some 755Ha. These assets are split between strategic (sites include Lawley, East Ketley & Lightmoor) and non-strategic assets (which have three distinctions, namely Sites with residential potential, Sites with employment potential and Other land). In early 2010 the HCA's land and Property Working Group undertook a review of the HCA's strategic and non-strategic assets and how these might best be managed between the area and corporate teams. Following this, a paper was considered by the HCA's West Midlands Management Board in July 2010 for the future management and disposal of assets. The paper outlined a proposal whereby all or some of the HCA's assets in Telford could be transferred or managed by TWC. Positive discussions continue to take place between HCA and TWC as to how to take this opportunity forward, with the proposed solution being assessed in 2011.

8.0 Asset Details & Performance

The statement of assets is found in Appendix 2.

A raft of Performance Indicators are collected and compared with other similar Local Authorities via the Octopus Benchmarking Group. 3 key measures against condition, energy use and space utilisation are contained in Appendix 3.

In summary with reducing budgets maintenance/refurbishment has been kept to a minimum across both Operational property and schools. This has led to a rise in condition back log. However BSF will substantially reduce the school back log as new and refurbished schools come on stream. On the Operational side Property Rationalisation will reduce the backlog of outstanding maintenance as services and staff are concentrated in key modern buildings and old out dated buildings are disposed of.

Energy use as we have seen in Chapter 5 is increasingly important from both an environmental and financial viewpoint. Whilst we have pursued a programme of eco friendly initiatives such as bio mass boilers, increased insulation etc this has been offset by increasing use of technology powered by electricity in buildings. It is expected that further significant reductions in usage can come from both the BSF and Property Rationalisation programme which will both utilise modern technologies including photo voltaics, ground source heat pumps etc.

Similarly space utilisation should further improve from current standards as Property Rationalisation gathers momentum (Chapter 5).

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 21st 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: Active Lifestyles:

- To maintain, refurbish and develop leisure buildings which help to maintain a healthy and well educated community such as refurbishing Newport Swimming pool.
- Development of the Building Schools for the Future (BSF) programme including community leisure provision such as Abraham Darby Learning Community.
- Working with sports governing bodies to secure funding and develop facilities of the highest quality such as Oakengates Tennis Centre and Telford AFC pitches.

Priority 2: Adult Care and Support:

- Develop co-location strategies with external partners to improve support to community e.g. Primary Care Trust, Fire Service. Partnership development with PCT at Euston House.
- To ensure that buildings are adapted to ensure that the needs of people with disabilities are encompassed within service delivery.

Priority 3: Children and Young People:

- 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. Abraham Darby Academy is being constructed at present.
- 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 the Primary Capital Programme in consultation with Children & Young People.

Priority 4: Community Focussed and Efficient Council:

- 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
- Undertake Equalities Impact Assessments on all major projects to ensure that the needs of the local communities are embedded within the design process.
- Maintaining property assets to a high standard in line with good Asset Management principles and Service Delivery requirements
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

Priority 5: Community Cohesion and Protection:

- 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 and to inform 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 6: Environment and Rural Area:

- 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.

Priority 7: Housing Regeneration and Prosperity:

- Town Centre regeneration to provide vibrant heart to Telford with employment, leisure, retail and housing opportunities
- Regeneration of Borough Towns. Including new Offices, Library and registry office in Wellington, re paving Wellington, Dawley High Street re paving, Newport High Street repaving, Victoria Park improvements.
- Working with Wrekin Housing Trust and other social housing providers to bring forward sites for housing.
- Development of the Building Schools for the Future (BSF) programme embedding 'every child matters' principles at the heart of decision making.
- 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

Appendix 2

Fixed Assets Utilised by the Council		Total Values
Emergency Planning Centre	1	£200,000
Bus Stations	4	£119,000
Cemetery Building	1	£1
Changing Rooms & Pavilions	12	£1,019,000
Community Centres	5	£1,303,500
Travellers' Sites	2	£1,070,000
Hostels, Refuges, Homeless & Sheltered Accommodation	2	£1,798,000
Ice Rink	1	£1,500,000
Leisure Centres	5	£8,932,000
Libraries	8	£2,869,400
Nursery Schools	1	£279,000
Offices	14	£10,110,750
Outdoor Activity Centre	1	£617,000
Primary/Infants/Junior Schools	55	£87,599,300
Public Conveniences	3	£134,800
Secondary Schools	10	£35,517,000
Ski Slope	1	£367,000
Special Schools	3	£5,738,000
Swimming Pools	2	£1,769,000
Theatres	1	£1,780,000
Training/Day Centres & Residential Care	7	£5,584,000
Visitors Centre (Spout Farm)	1	£250,000
Youth Projects	5	£609,000
Joint Service Facility (Swan Centre)	1	£1,191,000
Pupil Referral Units	1	£430,000
Children Centres	2	£1,805,000
First Point Centres - Former Hadley Library	1	£60,000
TOTAL	150	£170,748,087

Operational Property Leased in from Property Investment Portfolio

Property Type	Quantity	Total Values
Offices	7	See PIP table for asset value
Training / Day Centre	2	See PIP table for asset value

Operational Property Leased in from Private Sector

Property Type	Quantity
Offices	5
HLC Learning Community (Private Finance Initiative – PFI)	1
Jigsaw (PFI)	1
TOTAL	7

Property Investment Portfolio - Details

Property Investment Assets	Quantity	Total Values
Smallholdings	1	£400,000
Offices	28	£17,846,700
Retail	30	£7,828,600
Industrial	30	£20,966,600
Miscellaneous/Ground Rents/rationalisation	151	£25,201,000
TOTAL	240	£72,242,900

Appendix 3

Telford & Wrekin Property Performance Indicators for 2010

General indicator comments as per AMP 2011/2014 with the note that all indicators are available for inspection in Property & ICT and that contained in this AMP report are those considered most appropriate.

Indicator 1Bi : Required maintenance by cost expressed as a total cost in Priority levels 1–3

Priority 1–3 covers a 5 year maintenance period

The total cost of priority level 1 – 3 works for all operational property (including schools) is £40,433,337. The average for the Benchmark group which comprises similar sized authorities is £62, 232,762. T&WC figure is split as follows:

Operational Property	£11,080,659
School Property	£29,352,678

Previous year comparisons

		2007	2008	2009	2010
Schools	P1-P3	£26,491,290	£25,277,205	£27,657,372	£29,352,678
Operational	P1-P3	£10,173,636	£11,984,120	£10,134,790	£11,080,659

Both figures have risen. The primary reasons for this is reduced expenditure in both schools and leisure centres pending Building Schools for the Future and reduced expenditure on Operational Property pending Property Rationalisation programme.

Indicator 2A : Energy costs/consumption

The cost for all operational buildings including schools is:

£ spend per m2 GIA	£14.00
Benchmark average	£12.11

Previous year comparisons

Year	£ spend per m2 GIA
04/05	£8.08
05/06	£5.91
06/07	£10.75
07/08	£10.75
08/09	£16.59
09/10	£14.00

It is encouraging to see that energy consumption has fallen. The main reasons for this have been awareness campaigns to staff to switch off lights and heating together with energy efficiency measures in buildings when alterations/refurbishments or boiler replacement occurs. Against this increasing use of computers and ICT across buildings has and will continue to increase consumption. Property Rationalisation and Building Schools For The Future will again significantly reduce this. New schools will be built to modern standards and refurbished schools will have their efficiency improved via better insulation and heating systems. Property Rationalisation will increase the number of buildings and concentrate services in a small number of modern efficient buildings.

Translated Introduction

If you require any part of this Telford and Wrekin Council Corporate Asset Management Plan 20010/2013 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.

