

Corporate Property Asset Management Plan 2012/2015

FOREWORD by Councillor Bill McClements, Cabinet Member for Resources

Land and Property Assets are a key issue for the public sector and provide a significant contribution to the delivery of the Co-operative Council's vision, ambitions, priorities and services. Through investment, effective prioritisation of planned maintenance and property 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. The majority of Council Services are provided indirectly through land and property. Therefore, ensuring that properties meet both our service and staff 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 was completed in 2011 at Newport Girls High School. In addition to this, new developments such as Lightmoor Primary School and Old Park Primary School are providing high quality educational facilities for our young people. Linked to this, Building Schools for the Future funding provides a huge opportunity to transform education and leisure services within local communities. Progress on the Abraham Darby site continues with the recent opening of the Primary School and Leisure provision in January 2012. We look forward to further developments as part of the overall BSF programme following completion of the BSF programme consultation. We secured funding from the Lawn Tennis Association which facilitated the construction of a new tennis centre on the site of Oakengates Leisure Centre; the facility was opened in April 2011.

Oakengates Tennis Centre



The Regeneration of our Borough Towns, Local Centres and Telford Town Centre are key priorities. The Borough Towns are being developed co-operatively in partnership with local communities, businesses, Town and Parish Councils and our Regeneration Partnerships. The built environment plays an important role and whenever possible, property will be used as a catalyst for change. Wellington Civic & Leisure Centre is due to open in March 2012. This scheme involves a new library, registry office and co located Council services for up to 220 staff as part of our approach to rationalising property.

With Telford Town Centre there are plans to bring a mixed use development linking the Shopping Centre with the Telford International Centre and Telford Town Park. The

infrastructure and enabling works are almost complete and the extension to the Telford International Centre was completed in the Summer of 2011. Recently, the Council has submitted a major detailed Planning Application for Southwater including a cinema, hotel, bars & restaurants and a multi storey car park. The Council plans to refurbish the Ice Rink, provide a Community Hub Building to focus public sector services at the Heart of our town centre including a new Library.

Image of proposed Cinema and Hotel from Southwater Square



Property Rationalisation including New Ways of Working will reduce our space requirements by around 20 percent which will significantly reduce revenue costs as well as provide the potential for capital receipts. The use of Darby House and the new Wellington development will be the basis of our office needs with the final buildings being part of a separate assessment in 2012.

The Dawley Regeneration Programme has continued, following the re opening of High Street, Dawley to traffic together with the high quality public realm improvements and major infrastructure works on the brown field 90 acre site which were completed in January 2012. The first phase of its re development is the construction of the new multi million pound investment in a replacement Phoenix School with a site set up planned for March 2012.

Following the fire damage to Malinslee Local Centre, the Local Centre is being rebuilt by the Council and is due to open in Spring 2012. Sutton Hill Local Centre Regeneration was completed in June 2011.

A robust Asset Management Plan will inform decisions relating to Service Delivery, and bring major benefits to local communities.



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1.0 Statement of Context

The Council's "Local Development Framework" core strategy was adopted a number of years ago and runs to 2016, and The Central Telford Area Action Plan (CTAAP) was adopted in Spring 2011. The continuing growth and development of the area ensures services and facilities are constantly monitored and reviewed, resulting in challenges and opportunities for property holdings and Asset Management. The Approach to the Asset Management Plan is split into 3 main areas

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

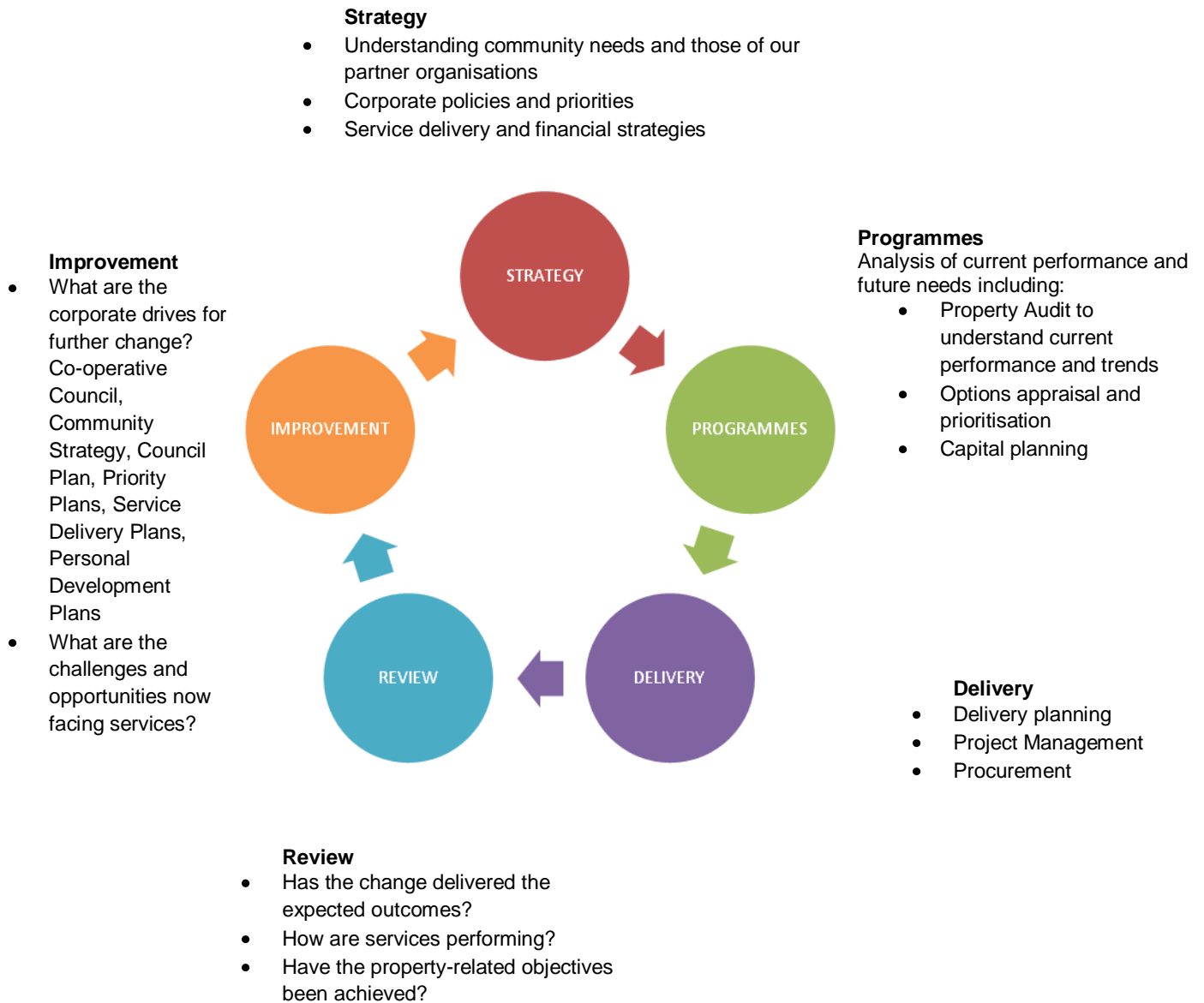
The Land Strategy, Operational Property Strategy and PIP Strategy all inter link to form a comprehensive approach to Asset Management covering Council property assets within Telford.

Asset Management Plan - Aims:

- Ensure Assets are fit for purpose
- Maximise the use of Assets
- 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 co-ordinated and consistent with council priorities
- Manage a simple and robust performance measurement system
- Provide comprehensive and accurate data to assess Property Performance and to support and facilitate improved service delivery
- Use land and buildings to facilitate the "Place Shaping" agenda and the enabler of Regeneration in Borough towns, local centres etc
- 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 Co-operative approach details the Strategic Asset Management decision-making links within and across Services:



3.0 Data Management

The ability to make informed Property decisions is dependant upon collating and 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 into 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 provides greater exchange of information; and streamlined property database linked to a help desk. The software is Internet based and provides a direct link to customers and stakeholders, enabling access to live information in a user friendly environment.

▪ The Asset Register:

The Council maintains a central 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. Property 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

A comprehensive Asbestos Database is held incorporating 'Type 2 Enhanced Surveys' as part of the Asset Management Data, ensuring that quality and up to date information is retained. In accordance with the Council's Asbestos Management Plan, 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 ensuring suitability of premises in relation to Service Delivery has been carried out. 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 analysis of 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 buildings to ensure resources are allocated in the right areas to reduce the carbon footprint. Carbon Reduction Commitment (CRC) has led to the Council obtaining accurate readings of all energy consumption and staff resources have been established to target high use buildings raising awareness amongst occupiers. The first CRC national league table was published in Autumn 2011 and has placed Telford & Wrekin Council at number 304 out of 2,100 Organisations. The league table ranks the United Kingdom's leading Public and Private Sector Organisations by the work they have done to date relating to carbon management.

This is an encouraging start which will improve as the BSF and Property Rationalisation programmes continue.

The first use of photovoltaics, taking advantage of the attractive feed in rates, has been agreed with a private operator as part of the Wellington Civic & Leisure development. Whether further agreements will be viable under the revised feed in rates will require careful analysis. Also at Wellington, the photovoltaics have been combined with a ground source heating system, which is another first for the Council. In addition, water harvesting has been installed at Hadley, Old Park and Short Wood, together with sedum 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. Combined with the property rationalisation programme this is expected to lead to a major reduction in the Councils carbon footprint.

▪ Measured Surveys

Accurate, comprehensive, measured Building Surveys are available on AutoCAD for all properties.

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, in the following areas (list not exhaustive):

- Review of office accommodation
- Repair and Maintenance Programmes
- Capital Programmes
- BSF
- Property Rationalisation
- Borough Towns and Local Centre Regeneration

Maintenance Programme

The planned Maintenance Programme for 2012/13 has been submitted to Cabinet for approval in February 2012. 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 in finalising the 2012/13 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 the PIP will maintain income levels
- Climate Change/Energy Efficiency/CRC

5.0 Operational Assets

Property Rationalisation/New Ways Working

The Council has a diverse range of Land and Property, often of varying standard. The current climate, linked with the spending review and the need to make savings and demonstrate Value for Money has focussed further attention on Property. The various restructures and the reshaping of the Council's services will result in further changes in the requirements for Property and therefore the solution has to be flexible to accommodate change in service delivery. This offers opportunities to review/rationalise Property influenced by Central Government initiatives such as;

▪ Place Shaping

Using Council Property Assets together with other Public Sector Assets to facilitate further opportunities in significant regeneration benefits across the Borough. Linking to Regeneration Initiatives (section 6) across many towns, communities are enjoying major investments and improved services, under pinned by Property as the catalyst.

▪ Partnership Working

Under the Total Place Agenda the Council has worked with other Public Sector bodies to bring together the mapping of almost all Public Sector ownership within the Borough. An exercise to identify clusters and opportunities for further co location is being assessed. 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 and Project Lead on three projects outside of The Borough. The first two were at Craven Arms and Cleobury Mortimer, which involved extending and refurbishing the existing fire stations. The third and more complex project recently completed was the rationalisation of the Headquarters Building at Shrewsbury by remodelling their current accommodation.

▪ Sustainability and Environmental issues

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.

▪ Efficiency Agenda

Telford & Wrekin Council is planning to achieve 20 percent efficiency savings on non salary budgets. Property running costs are a significant element of this. By consolidating services in a reduced number of Properties through New Ways of Working will contribute to savings.

▪ Government Challenge

Central Government is challenging all Public Sector Organisations on how and what services they deliver. The property and location that these services are delivered from is a critical element of this challenge. To meet the current challenges, the Council is adopting New Ways of Working Policies to maximise space usage and to share accommodation with partners.

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 and increasingly reliant on ICT. All office accommodation will deliver flexible space and maximise use.

6.0 Regeneration Opportunities Across The Borough

Management of Homes and Communities Agency (HCA) Assets

Chapter 7 Section 3 examines the land holding 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 a facilitator and enabler of development. It will provide the opportunity to complete the New Town in line with the original vision as set out 40 years ago.

Telford Town Centre

Southwater Infrastructure Works - January 2012



The Regeneration of Telford Town Centre is a key priority for Telford & Wrekin Council, 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. Outline 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. This year, a 5,500 square metre extension to Telford International Centre was completed by Southwater Event Group whilst Telford & Wrekin Council have delivered major engineering works to re-grade the site and bring in services to create a series of plots ready for development as well as define locations for high quality public realm to connect the shopping centre to the Telford International centre and Telford Town Park through Southwater. The new Town Park Visitor centre is progressing very well with a planned opening in Spring 2012.

Town Park Visitor Centre - January 2012



In December 2011, a detailed Planning Application was submitted for an 11 screen cinema, an 82 bedroom hotel, 7 restaurants and a multi storey car park which will be crucial in the development of Southwater as Telford Town Centre's principal leisure destination. In spring 2012 a detailed Planning Application will be submitted for a Community Hub Building which will include a replacement library and the Council's main point of customer access. In addition, significant refurbishment works are planned for the ice rink, to include the creation of a soft play area, a new restaurant unit and an energy centre which will be central to the creation of a district heating scheme within Southwater.

Works to enhance public spaces, through the creation of Southwater and International Squares, a new Main Street and a new and improved Southwater Lake will play a crucial role in linking together these developments in an easily accessible and pedestrian friendly manner.

Borough Towns and Local Centres

The Regeneration of the Borough to stimulate investment and development is critical. With reduced funding there is a need to be creative with the use of our assets to facilitate and achieve this.

Dawley

The Regeneration of parts of Dawley & Malinslee is well underway with the completion of the school amalgamation of two Primary Schools at Old Park Primary in September 2009 together with the opening of the new public realm in High Street, Dawley during November 2010. This is combined with a proposed new retail, health facilities and housing. Another significant contribution will be the bringing back into beneficial use of around 90 acres of spoil mounds and land fill on the edge of Dawley. This was one of the largest civil engineering projects undertaken since the old 'Telford Development Corporation' and involved the movement of 1.3 million cubic metres of material. The overall development of this site will start with the new Phoenix Secondary School on about 25 acres with an adjacent 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.

Land Reclamation at Dawley



Malinslee Local Centre

Malinslee 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 in 2010. An option appraisal was undertaken to explore alternative forms of redevelopment. In Spring 2011 Cabinet approved the construction of the new centre with the intention of residential development once the housing market returns. Construction started in November 2011 and the build will be completed in Spring 2012. The finished development will include new Primary School, PCT learning facility, play areas and shops.

Wellington

The Wellington scheme combines the existing leisure centre with a new library, registry offices and Council office accommodation which started in March 2010 and is due for completion in March 2012. 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. Spurred on by this investment several long term empty shops including the former Barley Mow Pub in Crown Street and the Fox & Hounds Pub in Duke Street are now being renovated and occupied using Private Investment. In Spring 2012 the former Library and Edgbaston House in nearby Walker Street will be marketed as a redevelopment opportunity. Further Properties such as The Mount, Highfield House and 62 Wrekin Road will be marketed later in 2012 as part of the Property Rationalisation process.

Wellington Civic & Leisure Centre



Randlay Local Centre

Randlay local shops were identified as having a structurally unsafe roofing system. Additionally the adjoining Community Centre required substantial investment to bring it up to a suitable modern standard. Again, rather than simply rebuilding or 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 a new Community Centre attached to Randlay Primary School. A residential care operator has purchased the site and construction is due to be completed April 2012.

Construction of Randlay Shops - January 2012



Hadley Local Centre

A multi million scheme to partly demolish (Phase 1 work) the 1970s shopping precinct and provide new retail and high quality public spaces has recently secured Planning Consent. The Phase 1 scheme will remove a number of flats and apartments and retail units and replace with new retail provision including a Tesco Express.

Brookside Local Centre

As part of the Council's co-operative approach, Brookside has been identified as a key area of focus and investment and has become a pilot area for the Council in relation to this initiative. The Centre is 1970s precinct incorporating four shop units, a Community Centre, Pastoral Centre and a Youth Building. Consultation will start in February 2012, working with the Co-operative pilot group, Brookside residents, Public Sector Agencies, business and the third sector to look at options for investment in the Local Centre which was identified as a high priority in previous consultation from 2008.

Building Schools for the Future

The Council was awarded funding for Wave 4 of the Governments Building Schools for the Future (BSF) Programme. This is a one off chance to completely transform secondary education and community buildings within the Borough. Property & ICT lead and advise on all 'Technical' aspects of this Project and are responsible for delivery of the programme.

In order to deliver transformational change, the Council has considered co locating Secondary Education with Primary Schools and Leisure/Community facilities. In certain cases this will involve closing facilities, disposing of the sites and re locating elsewhere.

In October 2009 after an extensive evaluation process Kier Construction were appointed and work started at Abraham Darby in Spring 2010. This includes a 420 place Primary School which opened in January 2012, a new leisure provision with 4 court sports hall and 6 lane swimming pool which also opened in January 2012 together with a 900 place Academy due to open mid 2012. In November 2011 Kier were appointed to deliver the following schemes:

- New 900 place Phoenix Secondary School together with 8 court sports hall, community sports provision and BMX track. Site setup will be from February 2012 and completion is September 2013.
- Mount Gilbert, Dawley. New skills centre and internal alterations
- Newport Girls High School, Newport. A new multi use hall, removal of demountable classrooms and 4 new class bases.

The reduction in funding announced in October 2010 necessitated a further assessment of the programme. Combined with this and as part of the Government Regulations the BSF contract has to be retendered using Framework 2 as the new format. Using Ercall Wood as the sample school, the process of selecting a new contractor started on the 9 January 2012 with the successful bidder planned to be appointed in the summer of 2012. The suggested changes to the programme are being consulted across the Borough at the present time.

The proposal as part of the consultation includes:

- Ercall Wood - New build secondary school
- Burton Borough- Refurbished secondary school
- Priorslee - New build secondary school
- Oakengates - New build secondary school linked to Oakengates Leisure Centre
- Lord Silkin - New build secondary school
- Charlton - New build secondary school
- Adams Grammar – Refurbishment

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 and their values based on CIPFA valuation principles are contained in the Authority's Asset Register (see Section 10). The PIP has an annual revenue target of £6.2 million.

Independent assessments measuring performance of the PIP are undertaken annually. The most recent report by GVA Grimley completed in July 2010 recognised that, 'The Council's Portfolio out performed the IPD benchmarks by a considerable margin' for the year 2009/10. Challenging times were experienced in 2010/11 with increasing instances of tenant default and falls in market rents below that of five year previous felt across all sectors. As part of their Annual Review, GVA Grimley will be analysing the performance of the portfolio for 2010/11 and the final report will be provided in February 2012. The Estates & Investments Team have continued to support local businesses throughout the recession by offering stepped or incentivised rents and entering into deferred rent payment arrangements. This in turn, has helped to maintain revenue income for the Council and avoid void rates liability. This commercial approach has helped to both maintain Revenue for the Council and safeguard jobs within the Borough's local economy. The Estates & Investments Team continued to enjoy particular success in 2011, despite challenging economic conditions, completing 150,000ft² of new lettings and undertaking a significant number of lease renewals retaining the majority of the Council's tenant's base.

GVA Grimley's assessment and the Spending Review 2010 prompted a compressive review of the PIP. Completed in November 2010, the review identified a number of assets considered to be underperforming in terms of income generation and those where age and condition were a significant drain for the reduced repair and maintenance budget in 2011. The process successfully identified 26 Assets suitable for disposal and placed a further 18 under review. A Disposal Programme has since been developed and is now being implemented through the sale of surplus Assets. The proceeds of these sales are being used to reinvest in modern buildings which are capable of providing income/capital growth, with reduced maintenance liabilities and those that will help deliver new employment opportunities for the Borough. Recent examples include the acquisition of Industrial Units at Queensway which are a high quality Business Park. Such investments will maintain the balanced mix across the property sectors, spreading the overall risk to the Council.

Key Achievements of the Investment Portfolio in 2011

- Estates & Investments re-branded to reaffirm identity in the market place
- New Estates & Investments web site established enabling customers to view all available Land and Property increasing customer awareness of the Estates & Investments Service and the opportunity to generate new business
- Automated email alerts system established capturing all enquiries received via the Estates & Investments web site
- Property Enquiries database established ensuring that every enquiry is actively pursued and the outcome recorded to maximise the opportunity of new lettings
- Tenant's Handbook outlining the standard terms and conditions offered when leasing from the Council updated and made available as a download from the web site
- Assisted customers during the economic downturn, via payment arrangements, agreeing to defer payments and restructuring of leases. This will ensure progress towards achieving income target, and safeguard jobs within the Borough

- Completion of new quality retail facilities at Sutton Hill Local Centre
- All properties previously identified as containing asbestos containing materials re-surveyed
- Disposal of Unit B Stafford Park 2 to 'Inchcape' ensuring the development of a new state of the art Volkswagen Car Showroom and the creation of employment opportunities in the Borough
- Acquisition of modern high quality industrial premises at Queensway Business Park
- Randlay Local Centre development - new shops (see 6 Borough Town Regeneration)
- Malinslee Local Centre development - new shops (see 6 Borough Town Regeneration)

Plans and Developments 2012

- Achieving the Investment Portfolio income target whilst being proactive in assisting clients in the current economic downturn
- Continue with the Property Disposal Programme and reinvestment to ensure long term sustainability of the PIP
- Obtain external assessment from GVA Grimley on the performance of the PIP for the financial years 2010/11 and 2011/12
- Continue to develop and update the Estates & Investments website as a means of attracting 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 quality new retail stores and Community Centre in Randlay Local Centre
- Completion of quality new retail stores in Malinslee Local Centre
- Commence Phase 1 Regeneration works at Hadley Local Centre to deliver new high quality retail stores
- Completion of Energy Performance Certificates for all remaining industrial properties
- React to legislative changes introduced by The Energy Act 2011 by identifying any properties with the lowest energy efficiency E or F and consider a programme of refurbishment or whether these should be included within the Disposal Programme.
- Continue the use of conditional break options linked to repayment of rent free incentives, surrender premiums, rent deposits and guarantees at a time of on-going 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 energy rating and conforming to national policies regarding sustainability and energy performance.

- Identifying and securing any external sources of funding, to help finance the development of new investment property.
- Continue to reduce both current and former tenant debt following the introduction of Agresso, the Council's new accounting and financial monitoring system.
- Set and effectively manage Rent, Repair and Maintenance and Service Charge budgets for individual assets.
- Establish links with One Telford to improve after care and business advice given to customers of the Council with further improvement of our rates of retention.
- Refer precedent lease to external solicitors for a 'health check' in order to ensure that the covenants reflect changes in Legislation and continue to protect the Council and enable effective management of the Portfolio.
- 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

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

For 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 will require further investigations 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 as well as taking into account the Council's budget position 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 has been established to investigate these Amber Sites. Assets categorised as Green (land to be retained) will continually be reviewed on a rolling 5 year programme (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 (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 T&WC. Positive discussions continue to take place between HCA and T&WC as to how to take this opportunity forward with the management of the commercial land holdings being given to T&WC (subject to approvals) in early 2012.

8.0 Asset Details & Performance

The Statement of Assets is found in Appendix 1. A raft of Performance Indicators are collected and compared with other similar Local Authorities via the Octopus Benchmarking Group. Three key measures against condition, energy use and space utilisation are contained in Appendix 2.

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 are delivered. 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 photovoltaic technology and ground source heat pumps etc.

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

Appendix 1**Fixed Assets Utilised by the Council**

Category	Quantity	Total Values*
Emergency Planning Centre	1	£200,000
Bus Stations	4	£889,000
Cemetery Building	1	£1
Changing Rooms & Pavilions	12	£1027,500
Community Centres	5	£1,303,500
Travellers' Sites	2	£1,070,000
Hostels, Homeless & Sheltered Accommodation	2	£1,798,000
Ice Rink	1	£1,500,000
Leisure Centres	5	£13,688,000
Libraries	8	£3,202,000
Nursery Schools	1	£279,000
Offices	16	£12,442,750
Outdoor Activity Centre	1	£617,000
Primary/Infants/Junior Schools	52	£95,158,600
Public Conveniences	3	£134,800
Secondary Schools	8	£33,580,000
Academy Schools	5	£5
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	6	£2,953,500
Youth Projects	5	£609,000
Pupil Referral Units	1	£430,000
Children Centres	2	£1,860,000
TOTAL	148	£182,396,656

Operational Property Leased in from Property Investment Portfolio

Property Type	Quantity	Total Values
Offices	7	See PIP table for asset value
Training / Day Centre	1	See PIP table for asset value

Operational Property Leased in from Private Sector

Property Type	Quantity
Offices	2
HLC Learning Community (Private Finance Initiative – PFI)	1
Jigsaw (PFI)	1
TOTAL	4

Property Investment Portfolio - Details

Property Investment Assets	Quantity	Total Values
Smallholdings	1	£400,000
Offices	31	£16,872,750
Retail	31	£6,944,200
Industrial	31	£29,429,600
Miscellaneous/Ground Rents/rationalisation	154	£19,834,500
TOTAL	248	£73,481,050

Appendix 2

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

General indicator comments as per AMP 2012/2015 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.

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 £41,360,106. The average for the Benchmark Group which comprises similar sized Councils is £62,232,762. The T&WC figure is split as follows:

Operational Property	£12,766,526
School Property	£28,593,580

Previous year comparisons

		2007	2008	2009	2010	2011
Schools	P1-P3	£26,491,290	£25,277,205	£27,657,372	£29,352,678	£28,593,580
Operational	P1-P3	£10,173,636	£11,984,120	£10,134,790	£11,080,659	£12,766,526

The condition liability for Schools has reduced due to the investment in School stock and the increase in number of Schools becoming an Academy, when a School becomes an Academy the condition liability is removed from the Council.

The liability for Operational Properties has increased as repairs on properties due to be rationalised have not been carried out. This liability will decrease as the Rationalisation programme gathers momentum.

Indicator 2A : Energy costs/consumption

The running cost for all Operational Buildings (gas/electric) including schools is:

£ spend per m2 GIA	£13.46
Benchmark average	£13.57

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
10/11	£13.46

It is encouraging to see that energy consumption has fallen even though there was a particularly hard winter. 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, the increasing use of computers and ICT across Buildings has and will continue to increase consumption. Whilst we are just under the benchmark average, Property Rationalisation and Building Schools for the Future will reduce this in 2012/13. New Schools will be built to modern standards and refurbished Schools will have their efficiency improved via better insulation and heating systems.