

Corporate Property Asset Management Plan

2013/2016

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.

2012/13 has been an exciting time from a property perspective with the completion of a number of schemes and major progress on others. Perhaps the most significant was the opening of the new Abraham Darby Sports and Learning Community in the south of Telford. A multi million pound development to replace the original Abraham Darby secondary school, Madeley Court Leisure Centre and Woodlands Primary school. All three elements opened in September and the building offers a fantastic facility to both pupils and the wider community.

Abraham Darby Sports and Learning Community



The other most significant development has been the move of the Council offices combined with the Southwater Regeneration. With Telford Town Centre we are delivering a mixed use

development linking the shopping centre with the Telford International Centre and Telford Town Park. The infrastructure and enabling works are now complete and the extension to the Telford International Centre was completed in the Summer of 2011. The refurbishment of the Ice Rink was completed in time for the first game of the Telford Tigers Ice Hockey team in November 2012 and construction of a Community Hub Building to focus public sector services at the Heart of our town centre including a new Library starts in February 2013. The multi storey car park development started November 2012 with completion scheduled for February 2014.

Part of the Southwater redevelopment includes the sale of the former Council offices at Malinslee House to Asda who plan to redevelop the site in March 2013 with a new supermarket and petrol filling station development. The Council accommodation needs was developed around the purchase of Addenbrooke House which adjoins Darby House our other main office building in the centre which was completely refurbished over the summer. Staff started moving out of Civic Offices in November and all the moves were completed by Christmas. This acquisition has been a key part of our Property Rationalisation strategy which has seen the main office accommodation consolidated in 6 buildings down from 19. A number of the original buildings such as The Mount, Highfield House and 62 Wrekin Road are now being sold to realise capital receipts. Overall over 1,300 staff have been moved and have adopted 'New Ways of Working' where they will 'hot desk' and share desks in a flexible way of working. When all moves are completed the accommodation will have reduced from over 28,500 square metres down to around 18,600 square metres, a reduction of around 34% bringing £2 million of ongoing savings through reduced running costs.

Image of proposed Cinema and Hotel Southwater Way



The mixed use development of a Cineworld, Premier Inn and seven restaurants started on site in December 2012 and is planned for completion in February 2014.

The Regeneration of our Borough Towns, local centres and Telford Town Centre is a key priority. The Borough Towns are being developed in partnership with local communities, businesses, Town and Parish Councils and our Regeneration Partnerships. The built environment will play an important role and whenever possible, property is used as a catalyst for change. Wellington Civic Offices and Leisure Centre also completed in spring 2012 and was opened by Lord Grocott in June 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 all located at the refurbished Civic and Leisure facility. The co location of services has improved the service to customers and also reduced costs. The new building links well into the commercial heart of Wellington and has contributed towards the local economy.

The Dawley Regeneration Programme has continued, following the re opening of High Street, Dawley to traffic and high quality public realm improvements, major infrastructure works on the brown field 90 acre site were completed in January 2012. Construction of the new Phoenix School started in the summer of 2012 and is due for completion in September 2013.

At Hadley District Centre the first phase of the demolition of the 1970s precinct and flats started in June. This is a £3.5 million scheme and is due for completion in March 2013. This includes six new retail units including a Tesco Express and Greggs as well as 24 houses and new public spaces.

Brookside will be the next Local Centre to be rebuilt and following extensive consultation with the community a planning application for a new local centre together with refurbished Community Centre and road alterations was approved in December 2012 with a start on site planned for April 2013. This will replace the four run down shops with three new units including a local convenience store, removal of two blocks of flats, new housing development and high quality public spaces.

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

Demolition of Madeley Court Leisure Centre (relocated to Abraham Darby Learning Community)



CONTENTS

1.0 Statement of Context

Asset Management Plan/ Aims

2.0 Links to Key Plans and Objectives

3.0 Data Management

Core Data

4.0 Programme Development & Implementation

5.0 Operational Assets Key Drivers For Change and Initiatives

Building Rationalisation, New Ways Working

6.0 Regeneration Opportunities Across The Borough

Homes & Communities Agency Assets

Telford Town Centre

Borough Towns and Local Centres Regeneration

- Dawley & Malinslee
- Wellington
- Randlay
- Hadley
- Brookside

Building Schools for the Future

7.0 Property Investment Portfolio PIP and Land Assets

8.0 Asset Details & Performance

Statement of Assets

1.0 Statement of Context

The Council's "Local Development Framework" core strategy was adopted a number of years ago and runs to 2016 with 'Shaping Places' now being developed to take us through to 2031. 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. Critically in 2012/13 the Council was re structured to incorporate the traditional Planning and Economic Development roles within the other property functions under a new service area of Business, Development and Housing. This will provide a single point of contact for business, investors and developers and provide a seamless service from initial enquiry through identifying land/premises, planning permission to finished development. This is a key element of the Council's budget strategy going forward seeking to take advantage of the governments initiatives to give local authorities greater control of their areas through New Homes Bonus and retention of increased rateable values. As a New Town with approximately 100 hectares zoned for commercial development plus zoned residential development land as yet undeveloped Telford is well placed and these changes will facilitate growth as part of the budget strategy.

The Asset Management plan is split into three 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
- Ensure we invest in Property to protect income from services, providing a commercial approach
- 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 "Growth" agenda and be the enabler of Regeneration
- 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 Co-operative Council approach 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

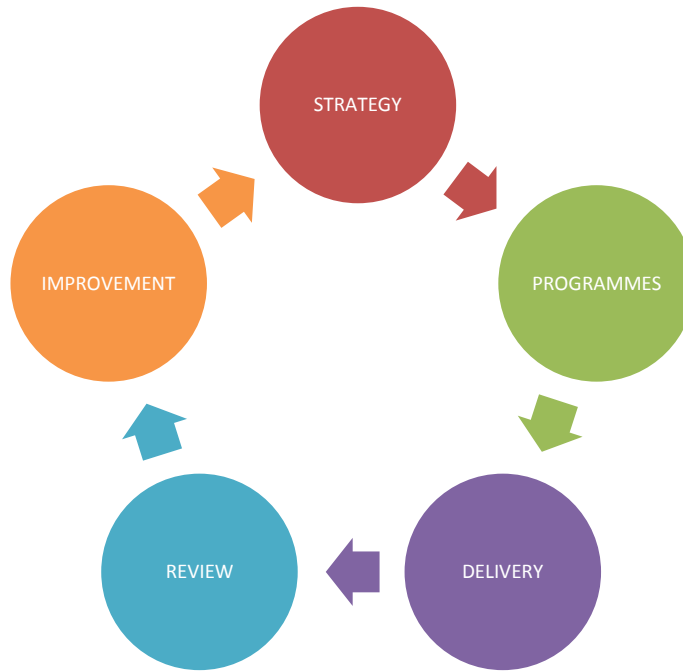
Programmes

Analysis of current performance and future needs including:

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

Delivery

- Delivery planning
- Project Management
- Procurement



Improvement

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

Review

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

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 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 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 them to access data and 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 publication of the first CRC national league table 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 completed on carbon management. This is an encouraging start which should improve as the BSF and Property Rationalisation programmes continue.

The first use of photovoltaics, taking advantage of the attractive feed in rates, has been completed 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 Learning Community, Old Park Primary and Short Wood Primary, 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 management 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
- Housing Investment
- Commercial Development

Maintenance Programme

The planned Maintenance Programme for 2013/14 has been submitted to Cabinet for approval in February 2013. 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 2013/14 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

Changing Work Patterns and Culture

Whilst 2011/12 was primarily a year for formulating policy and identifying buildings which no longer met the Councils operational needs through a combination of suitability or condition purposes 2012/13 has been a year of significant implementation. Following restructures across all Service Areas and the agreement of the New Ways of Working policy with Hot Desking and a separate designated file storage facility. 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 whilst all office accommodation delivers flexible space and maximises use. With the sale of the 1970s Civic Offices as part of the Southwater redevelopment it was agreed to re-locate into as smaller number of purpose built offices as possible. As a result Addenbrooke House was acquired as a key part of our accommodation strategy and the Councils’ offices concentrated in Darby House, Addenbrooke House, Southwater One (SW1) and Wellington Civic. Smaller buildings closed throughout the year and staff started moving out of Civic Offices in November 2012. All the moves were completed by Christmas 2012. Overall over 1,300 staff have moved and adopted New Ways of Working; as a result buildings have been freed up for either disposal or release from their lease (listed below). Overall, this has reduced the number of buildings we use and the floor area has reduced from 28,415m² to 18,820m² which is circa 34%.A number of the original buildings such as The Mount, Highfield House and 62 Wrekin Road are now being sold to realise capital receipts. The tables below list the retained, new and disposed of buildings.

Disposed Buildings:

Property	m²
Civic Offices, Town Centre	9,587
The Mount, Wellington	1,243
Highfield House, Wellington	641
Glebe Centre, Wellington	1,626
Ringway House, Wellington	210
62 Wrekin Road, Wellington	489
Pergo House, Donnington	129
Tan Bank Offices, Wellington	867
Station House, Madeley	141
Matthew Webb House, Dawley	319

Euston House, Town Centre	601
Wrekin Farmers, Bridge Road, Wellington	277
Upper House, Madeley	469
2 Landau Court, Wellington	184
4 Landau Court, Wellington	186
Edward James House, Hortonwood	475
First Point at Hadley	123
8 High Street, Hadley	83
	17,650
New Buildings:	
Whitechapel House, Priorslee	1,627
Addenbrooke House	3,538
Wellington Civic	1,573
Donnington House (part of Portico House)	336
Stafford Park 11, Unit B4	827
	7,901
Retained:	
Darby House	6,111
Granville	3,971
Strickland	322
Portico House	361
12-14 Court Street, Madeley	154
	10,919
Summary:	
Disposed	17,650
New	7,901
Retained	10,919
Total for New & Retained	18,820
Reduction in Space	9,749

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 growth and 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 Development (Southwater One, Premier Inn Hotel, Cineworld Cinema and restaurants)



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, obtained in March 2010, set the context for regeneration through the establishment of land use zones to include residential, commercial, bars, restaurants, hotels, retail and leisure. Since then considerable works have been undertaken with more planned for 2013.

During 2012, works have been completed on a brand new visitor centre for Telford Town Park and associated landscaping works. This highly sustainable building is located at the heart of the park's leisure offer and provides visitors with an excellent multifunctional facility comprising of a cafe, public toilets, a visitor information point and a class base for use by all schools in The Borough.

Meanwhile, Telford Ice Rink has undergone a significant refurbishment and extension to deliver a modern and vibrant regional attraction. Extensions to the building will house a "soft play" facility, catering for infants and juniors. In addition, a new standalone restaurant unit has been delivered to the front of the existing bowling and bingo building and will provide active frontage onto the new Main Street.

Telford Ice Rink (November 2012)



In December 2012, works commenced on an 11 screen Cineworld cinema, an 82 bedroom Premier Inn and seven restaurants, all of which have been pre let to leading national restaurant chains including Pizza Express, Nandos and Wagamama. This development represents a £25m private sector investment in the town, generating circa 200 new jobs.

Also in December 2012 works commenced on the construction of a new multi storey car park, with the demolition of Telford library. This 600 space facility will provide safe and convenient parking for visitors to Southwater and Telford Shopping Centre. Telford's central library is to be re-provided in an enhanced form in "Southwater One", which is a mixed use building, also containing a cafe and restaurant on the ground floor and a customer "First Point" on the second floor, providing help and advice on a range of council and other public sector services. Works are due to commence on Southwater One in February 2013, with the building opening in spring 2014. Landscaping work as part of the scheme will create new squares, a Main Street and a new Southwater Lake will provide high quality linkages between these developments.

Southwater One



Within the Town Park itself the new visitor centre opened in April 2012. A single storey structure of structural panel construction incorporating 'Passivhaus' principles of energy efficiency the building will provide a cafe, bike hire, meeting rooms and exhibition space .

Town Park Visitor Centre



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 & Malinslee

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 reclamation 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. Birse were procured through an OJEU tender and finished the works in January 2012. The first phase of the re development of this reclaimed land started in April 2012 with the new Phoenix Secondary School. This is on about 25 acres with an adjacent retail development linking into the existing High Street. This will bring increased footfall to Dawley providing a significant stimulus to place shaping and regeneration. The remaining land will be used for housing and leisure uses.

Aerial View of Paddock Mount Land Reclamation



Malinslee Local Centre

Malinslee was a typical local parade of shops constructed in the 1970's. A fire destroyed two of the four shops in 2010. An option appraisal was undertaken to explore alternative forms of redevelopment. 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 was completed in May 2012. The completed development will include a 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 completed Spring 2012. This has partly been funded through Property Rationalisation. It 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. The former Library and Edgbaston House in nearby Walker Street are being marketed as a redevelopment opportunity. Further Properties such as The Mount, Highfield House and 62 Wrekin Road are also being marketed as part of the Property Rationalisation process. A number are now under offer and the sale of the former Registry Office on Bridge Road has already completed.

Views of 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 of the new shops was completed in October 2012. The original shops are due for demolition in Spring 2013 and the care home construction will follow on.

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 secured Planning Consent and started on site in Summer 2012. 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 and 5 smaller units including a Gregg's. Completion is set for March 2013 and phase two will follow on immediately with the remaining flats being demolished and a further 3 retail units including a veterinary surgery due later in 2013.

Hadley Centre Pre Demolition



Site Ready for Development



Hadley Centre – New Retail Units Under Construction



Brookside Local Centre

As part of the Council's co-operative approach, Brookside has been identified as a key area of focus and investment. The Centre is 1970s precinct incorporating four shop units, a Community Centre, Pastoral Centre and a Youth Building. Consultation has been undertaken throughout 2012, working with the Co-operative Council pilot group, Brookside residents, Public Sector Agencies, business and the third sector to look at options for investment in the Local Centre. Following consultation it was agreed to rebuild the shops and refurbish the Community Centre to include the Youth provision and make major improvements to the road access and public realm spaces as well as changing the residential provision. A Planning Application was submitted in October 2012 and approval received in December 2012. The first phase of the contract is being tendered with the target of an April 2013 start on site.

Sketch of Brookside Local Centre



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 for the first phase and work started at Abraham Darby in Spring 2010. This included 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 opened Summer 2012. In November 2011 Kier were appointed to further deliver the following schemes:

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

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 Shepherds appointed in the summer of 2012. They will now deliver Ercall Wood followed by the other schools listed below. Some are still out for consultation but will broadly consist of the following programme across the Borough.

- 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

Phoenix School (under construction)



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.

A survey of the UK Commercial Market undertaken in the third quarter of 2012 by the Royal Institution of Chartered Surveyors (RICS) reported that in general occupier demand had weakened whilst supply had continued to edge upwards. A more recent overview by the RICS undertaken January 2013 titled The UK Economy & Property Market, confirmed economic activity in both manufacturing and service sectors had declined in the final quarter and advised 'as far as the commercial market is concerned, headline capital values and rents will be broadly flat over the course of the year'. Looking at the sector breakdowns, demand for offices fell whilst supply increased along with the level of inducements awarded to secure new lettings. The retail sector meanwhile shows the greatest fall in tenant demand and rental expectations. The contrast is provided by the industrial sector which is broadly stable. Financial analysts, Deloitte forecast in their Real Estate Predictions report 'although improvement will not be seen until the later part of the year, 2013 is expected to herald the beginning of the long awaited recovery in UK commercial property markets'.

The Regeneration & Investments Team has continued, via a range of measures, to provide effective support to local businesses during this difficult economic climate. These have included stepped or incentivised rents, deferred rent payment arrangements, and re-gearing of existing lease agreements. This in turn, has helped maintain revenue income for the Council, limited costs associated with holding empty property, in particular Business Rates and safeguarded jobs within the Borough. The Estates & Investments Team continued to enjoy particular success in 2012, despite challenging economic conditions, completing 130,000ft² of new lettings and undertaking a significant number of lease renewals retaining the majority of the Council's tenant's base.

Regeneration & Investments continued throughout 2012 to implement its Property Disposal Programme. Completed in November 2010, the comprehensive portfolio review identified a number of assets that were underperforming in terms of income generation and those which were a significant drain on a reducing repair and maintenance budget. The proceeds from these sales have been 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. Examples include the sale of The Glebe

Centre, Wellington, a detached office block constructed during the 1970's, sale of Stafford Park 15 industrial estate, acquisition of new Industrial premises at Queensway and development of new retail facilities at various local centres. The acquisition at Queensway increases the number of properties owned by the Council on the high quality business park to six. Such investments will maintain the balanced mix across the property sectors, spreading the overall risk to the Council.

The Glebe Centre, Wellington (sold)



Industrial units on Queensway Business Park (acquisition)



Key Achievements of the Investment Portfolio in 2012

- Achieved the income target set for the Property Investment Portfolio
- Completion of quality new retail facilities at Malinslee Centre (see 6 Borough Town Regeneration)

Malinslee Centre (new retail facilities)



- 6 Borough Town Regeneration)

- Completion of quality new Community Centre and retail facilities at Randlay Centre (see

Randlay Centre (new retail facilities)



- Commencement of Phase 1 Regeneration works at Hadley Local Centre, delivering six new retail units, and securing Tesco Express as an anchor tenant (see 6 Borough Town Regeneration)

Phase 1 Hadley Centre (under Construction January 2013)



- Energy Performance Certificates now held for all industrial properties
- Disposal of poor performing assets, including The Glebe Centre and Stafford Park 15
- Acquisition of new industrial premises at Queensway Business Park
- All properties previously identified as having asbestos containing materials re-surveyed as part of a the Council's duty to manage

- Assisted customers during the economic downturn, via stepped rents, payment arrangements, deferred payment arrangement and re-gearing of leases. This will ensure progress towards achieving income target, and safeguard jobs within the Borough
- External refurbishments of industrial workshop premises at Bradley Road, Donnington Wood, Cuckoo Oak, Halesfield 18, and Commercial Way, Oakengates.

Plans and Developments 2013

- Achieving the Investment Portfolio income target whilst being proactive in assisting clients in the continued economic downturn
- Continue to implement the Property Disposal Programme, reinvesting in assets such as the new restaurant and cafe units at Southwater One that are capable of delivering revenue and capital growth, have reduced liabilities, ensuring the long term sustainability of the PIP.
- Obtain an independent assessment of the PIP performance for the financial year 2012/13
- Refresh the Estates & Investments website as a means of continuing to attract new business and establish a strong working relationship with Telford Business Partnership
- 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
- Re-establish revenue and void targets for each asset
- Devolve the repair and maintenance budget down to asset level
- Complete Phase 1 Regeneration works at Hadley Local Centre to deliver new high quality retail stores, and Tesco Express as anchor tenant
- React to legislative changes introduced by The Energy Act 2011 by identifying assets with the lowest energy performance rating E or F. Consider a programme of refurbishment or whether these should be added to 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.
- Development of new properties capable of achieving the highest possible energy rating and conforming to national policies regarding sustainability and energy performance.
- Submit Full Application to secure ERDF Funding with which to refurbish and rebrand The Business Development Centre, at Stafford Park 4.
- 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.
- Continue to work with Business Support Officers on the provision of after care and business advice given to customers of the Council, further improving rates of retention.
- 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

- Undertake external refurbishment programmes of offices at Bishton Court, and Tweedale Court industrial estate with a view to improving their marketability, and securing new lettings
- Install new shop front to retail units at Limes Walk, Oakengates, and complete improvement works to cladding and lighting.

Land Strategy

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) have obtained Council approval for sale and have been marketed. Utilising both private treaty and auction, terms have been agreed for 13 of the 17 assets and are currently with solicitors for legal completion of the sales. Upon completion of the 13 sales a capital receipt of over £100,000 will be generated for the Authority. The remaining red assets will be marketed over the coming twelve months.

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. To date some 25 of these sites have been reviewed leading to an additional 5 sites being identified for disposal (subject to the necessary approvals).

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.

Management of Homes and Communities Agency (HCA) Assets

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. A Stewardship Agreement signed in September 2012 appointed TWC to market, promote and sell HCA's commercial sites. The sale of a 5 Ha site at Hortonwood completed in December will deliver a 7,500 sq m meat processing plant to be completed by July 2013. This is estimated to create around 160 jobs. A number of substantial enquiries are currently being processed at Hortonwood, Hadley Park East and Halesfield.

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	£160,000
Bus Stations	4	£889,000
Cemetery Building	1	£1
Changing Rooms & Pavilions	11	£1041,000
Community Centres	6	£1,981,000
Travellers' Sites	2	£1,070,000
Hostels, Homeless & Sheltered Accommodation	2	£1,825,000
Ice Rink	1	£1,500,000
Leisure Centres	6	£16,989,000
Libraries	8	£2,788,000
Nursery Schools	1	£305,000
Offices	11	£11,923,000
Outdoor Activity Centre	1	£617,000
Primary/Infants/Junior Schools	51	£93,599,100
Public Conveniences	3	£136,800
Secondary Schools	8	£33,791,000
Academy Schools	5	£5
Ski Slope	1	£367,000
Special Schools	3	£6,140,000
Swimming Pools	1	£645,000
Theatres	1	£1,780,000
Training/Day Centres & Residential Care	4	£2,255,000
Youth Projects	5	£654,000
Pupil Referral Units	1	£430,000
Children Centres	2	£1,631,000
TOTAL	140	£182,516,906

Operational Property Leased in from Property Investment Portfolio

Property Type	Quantity	Total Values
Offices	4	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	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	27	£14,021,831
Retail	32	£7,144,000
Industrial	31	£30,137,650
Miscellaneous/Ground Rents/rationalisation	166	£40,834,600
TOTAL	257	£92,538,081

Indicator 1Bi : Required maintenance by cost expressed as a total cost in Priority levels 1–3 Telford & Wrekin Property Performance Indicators for 2012.

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 £39,422,643. The average for the previous Benchmark Group in 2011 which comprises similar sized authorities is £62,232,762.

T&WC figure is split as follows:

School Property	£30,652,623
Operational Property	£8,770,020

Previous year comparisons

		2008	2009	2010	2011	2012
Schools	P1-P3	£25,277,205	£27,657,372	£29,352,678	£28,593,580	£30,652,623
Operational	P1-P3	£11,984,120	£10,134,790	£11,080,659	£12,766,526	£8,770,020

The condition liability for operational buildings has reduced due to major investment in capital projects such as the Ice Rink refurbishment and the overall reduction in Office accommodation by 34%. The figures here include assumptions for new buildings which have been acquired and do not currently have condition surveys – these will be undertaken during 2013-14.

School Condition Surveys do not show the reduction due to the investment of circa £1.5m in 2012/13. Surveys are due to be updated 2013/14 which will reflect this investment. With this in mind, the condition liability for Schools shows an increase this year, however within the next 2 years, a number of secondary schools are due to convert to Academy status, which is expected to reduce the overall condition backlog circa £8m.

Indicator 2A : Energy costs/consumption

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

£ spend per m2 GIA **£10.38**

2011 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
11/12	£10.38

It is encouraging to see that energy consumption has fallen. There continue to be awareness campaigns targeted at staff to switch off lights, electrical equipment and reduce heating levels. We are undertaking audits of all operational buildings to review performance to identify and implement appropriate energy efficiency measures. The Low Carbon Schools Service, a programme providing energy saving advice and support to schools was launched during 2011/12 and has enabled schools to make significant reductions to their energy

consumption. Against this, the increasing use of computers and ICT across Buildings has and will continue to increase consumption.

Whilst we are already under the benchmark average, the extensive property rationalisation that has taken place recently, combined with the Building Schools for the Future programme, are expected to reduce energy consumption costs further in the period 2012/13 and beyond. New Schools will be built to modern standards and refurbished Schools will have their efficiency improved via better insulation and heating systems.