

# Annex III

## Corporate Property Asset Management Plan

### 2015/2018

**FOREWORD** by Councillor Bill McClements, Cabinet Member for Resources and Service Delivery



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.

A Council priority is Invest in Telford and to encourage jobs and enterprise we are using land assets to facilitate this. We have streamlined the planning process to offer free pre planning advice and give developers greater certainty and now aim to register all planning applications within three working days. Over the last 12 months there has been a significant increase in the number of applications, with permission for over 3,500 houses being granted. Besides regenerating areas of Telford this development will provide important income to the Council via the New Homes Bonus and Council tax which can help protect front line services. As can be seen from the section 6 within this report on and, our business winning approach has already attracted significant employment and development to Telford.

2014/15 has been an exciting time from an education perspective with major progress being made around the Building Schools for The Future Programme. All planned schools are now at contract stage with the final four secondary schools on site and underway with completion on three programmed for September 2015. Ercall Wood, which is a 900 place secondary in Wellington, opened in September 2014 on time and budget. At Newport the refurbishment and extension at Adams' Grammar School was also completed for September 2014 and provided new performing arts facilities and additional class bases.

The other most significant development to be delivered in 2014 is phase one of the £250m Southwater development. This project has seen the creation of an evening economy within Telford Town Centre comprising of an 11 screen IMAX Cineworld Cinema, Premier Inn hotel, 11 restaurants including tenants such as Nandos, Bella Italia, Zizzi and Chimichanga to name a few, a new multi-storey car park and a new Council building (Southwater One) to house the new Library and existing Council Customer First Point. The development now effectively links the shopping centre with The International Centre and Telford Town Park. We have worked closely with our public and private sector partners including Citygrove,

Southwater Event Group, and the Homes & Communities Agency to deliver this important development. Our investment in and commitment to Southwater has acted as a catalyst for further regeneration with owners of Telford Shopping Centre committing to a £200m revamp and extension of the shopping centre. Furthermore in November 2014 we announced that the University of Wolverhampton will be occupying the third floor of Southwater One bringing a higher education offer right to the heart of the town.

### **David Wright opening Southwater One to the public in July 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 was completed in spring 2012 and was opened by Lord Grocott in June 2012. The new building links well into the commercial heart of Wellington and has contributed towards the local economy. Building on this success we have just agreed a partnership with the Wellington Town Council to part fund a post to bring stalled sites to development. This may tap into funding streams which are available to pump prime development on sites such as The Clifton, the former bus depot and the former Charlton Arms site. In addition we are keen to bring back into use redundant space above shops whether this be for residential or office use.

At Hadley District Centre the first phase of the demolition of the 1970s precinct and flats was completed in April 2014. This is a £3.5 million scheme and includes six new retail units including a Tesco Express and Greggs as well as 24 houses and new public spaces. The second phase started in January and completed December including a new veterinary surgery and supermarket.

Brookside is another local centre undergoing transformation. Following extensive consultation with the community, planning permission was approved for a new local centre together with a refurbished Community Centre, road alterations and the creation of high quality public spaces. The four run down shops have now been replaced with three new units including a local convenience store and the tenants have relocated. Flats above the shop provide welcome housing as well as natural surveillance. In addition the scheme has seen the demolition of two blocks of flats and Wrekin Housing Trust are now on site delivering a new housing development. The new shops opened in January 2014 and the second phase including the refurbishment of the community centre and demolition of the flats started in March 2014 and is due for completion in March 2015.

Plans are now well underway to regenerate Hollinswood Local Centre with the demolition of the existing shops and public house and replacement with new shops and an Activity Hub for Social Services as well as enhancements to the community centre, landscaping and parking. This Hub is part of the ongoing rationalisation of services to replace existing premises at Halesfield and Lakeside which are no longer fit for purpose. Demolition of the Woodcutter started in January 2015.

A robust Asset Management Plan will inform decisions relating to Service Delivery, and bring major benefits to the 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. Emerging planning policy, 'Shaping Places' is currently being developed to take us through to 2031 with employment and residential sites having been consulted on in 2014. Shaping Places is focussed on "completing the New Town" and anticipates the borough's population will grow by 30,000 up to 2031. As a "Business Supporting, Business Winning" council we also welcome sustainable growth and through our Invest in Telford offer are actively pursuing this. However we recognise that continued growth and development of the area requires that services and facilities are constantly monitored and reviewed, resulting in challenges and opportunities for property holdings and Asset Management.

We are well placed to meet this challenge and critically in 2012/13 the Council was re-structured to integrate the traditional Planning and Economic Development roles alongside other property functions under a new service area of Development, Business and Housing. In 2013, the Skills function of the Council was also incorporated into the service area to create Development, Business & Employment, in recognition of the importance that skills play in the growth agenda and the direct link between development and employment This now provides a single point of contact for business, investors and developers and provides a seamless service from initial enquiry through identifying land/premises, supporting with the planning process to enabling the finished development. Our ability to support and deliver growth is critical in terms of securing a more prosperous future for the borough with growth helping to reduce unemployment and raise wage levels. Growth is also a key element of the Council's budget strategy going forward as we seek to take advantage of the government's initiatives to give local authorities greater control of their areas through New Homes Bonus and retention of business rates. 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 sets out our proposals to effectively manage our assets in this context and focuses specifically on the following areas;

- Property and associated land used for operational purposes
- 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.

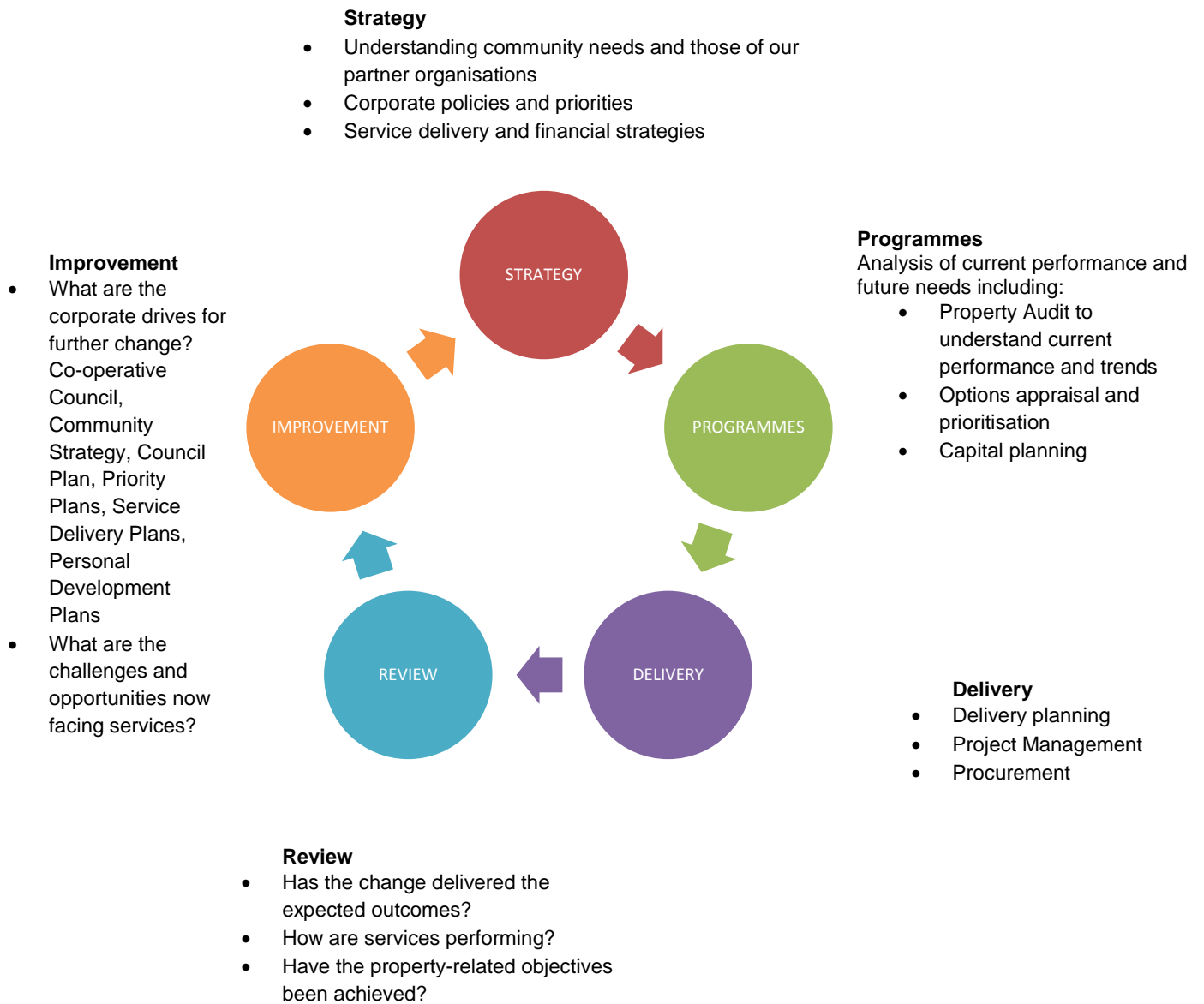
### **Asset Management Plan - Aims:**

- 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 “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:



### 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 a 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, 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. 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 facilitates 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 2015/16 has been submitted to Cabinet for approval in February 2015. This details the priorities set in accordance with the framework described in the Asset Management Plan.

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

In order to develop the capital programme an option appraisal is undertaken which consider; 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 capital costs or 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 demonstrates that 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 and a Sustainable Procurement Strategy is embedded our commissioning approach. We are innovative in ensuring sustainability is part of all new-build and refurbishment schemes.

**Key issues addressed in finalising the 2015/16 Capital Investment Programme include:**

- The delivery of 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**

2014/15 was primarily a year for consolidating the moves of the previous year and disposing of the vacated properties. Highfield House, 62 Wrekin Road and The Mount in Wellington have been sold for residential development, not only bringing further vitality and footfall to Wellington but again bringing revenue through the New Homes Bonus and Council Tax. Phase 2 of our ongoing property rationalisation programme included the opening of Southwater One in July 2014. This consolidated a replacement town centre library with the One Stop Shop function from Addenbrooke House, freeing up a floor. This floor has now been used to extend Cafe Go to produce further revenue and provide additional meeting rooms. The remaining space will be considered for a further phase of consolidation and staff moves. A second move in February 2015 will involve the relocation of Future Focus (careers advice) from Madeley to Southwater One enabling the lease on the current premises to be terminated and ensuring that this important provision for young people is in the most accessible location. This will dovetail with the University move reported earlier, which will provide synergies for the young people and students using the building.

As services constantly evolve and their property needs change we continually work with them to ensure their requirements are met.

**Southwater One**



To date, property rationalisation has resulted in a reduction in office space of 35% with the table below providing a summary of the buildings which have been disposed of, acquired and retained. Not only has floorspace been significantly reduced but there has been a considerable reduction in the number of buildings leading to greater integration and improved service delivery.

<b>Property</b>	<b>m<sup>2</sup></b>
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
	<b>17,650</b>
<b>New Buildings:</b>	
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
	<b>7,901</b>
<b>Retained:</b>	
Darby House	6,111
Granville	3,971
Strickland	322
Portico House	361
12-14 Court Street, Madeley (Planned disposal March 15)	154
	<b>10,919</b>
<b>Summary:</b>	
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

### Telford Town Centre

#### Southwater Development – Phase One



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. Over the last few years, regeneration has focussed on the Southwater area with the council and private sector partners looking to invest circa £250m to deliver a comprehensive mixed use development. Phase one of the development an 11 screen IMAX Cineworld Cinema, Premier Inn hotel, 11 restaurants including tenants such as Nandos, Bella Italia, Zizzi and Chimichanga to name a few, a new multi-storey car park and a new Council building, Southwater One, to house the new Library and existing Council First Point bringing services to the heart of the town centre. The development is offset by high quality landscaping and public spaces including a new Southwater Lake.

Also included within the development is a new Energy Centre (housed in the extension to the rear of the Ice Rink). The Energy Centre provides heat and hot water to Southwater One and the Ice Rink. It also has the capacity to connect to future development such as the apartments proposed on the remaining development land in Southwater. The development now effectively links the shopping centre with the The International Centre and Telford Town Park. The Council has worked closely with our public and private sector partners Citygrove, Southwater Event Group, and the Homes and Communities Agency to deliver this development.

David Wright M.P. opened Southwater One and the surrounding public realm to the public in July 2014 whilst the cinema and hotel opening followed in August 2014. The remaining restaurants opened throughout September and October 2014 with the official opening being held in October 2014 and attended by thousands of residents and visitors. Southwater is now a key asset within our wider “Destination” offer with work in 2015 focussing on the active promotion of the site for events and activities.

To the west of the development, on the site of the former Council offices, Asda opened their new 6,500 m2 store and petrol filling station in February 2014, having relocated from the northern quarter of the shopping centre.

Investment in Southwater has raised confidence levels amongst the private sector and acted as a catalyst for further investment. The owners of Telford Shopping Centre have announced a £200m investment in extensions to the Shopping Centre with the first investment to be focussed on the southern quarter, immediately adjacent to Southwater. Furthermore, in November 2014 it was confirmed that the University of Wolverhampton would be occupying the third floor of Southwater as a training and educational facility bring a higher education offer to the town centre for the first time. This completes the occupation of the building and will bring further vitality to the area.

Phase two of Southwater will see the development of apartments and additional space for bars and restaurants, adjacent to Southwater Lake. The apartments will be delivered as part of the Council Housing Investment Programme.

The Town Centre has also seen significant changes to its highway network to reflect the growth of the borough and the significant investment in town centre facilities and attractions. A number of key town centre roundabouts have been signalised and the one way box road system is in the process of being made two way to facilitate this growth. Works commenced in October 2013 and are due to be completed at the end of March 2015.



In conjunction with the Southwater development the Council has also put significant investment into both the adjoining Town Park and Ice Rink to encourage further visitors and generate income. An aerial rope course has been installed in an area of woodland just east of the new Visitor Centre. The course, which is operated by private company Closer to the Edge and opened in October 2013, includes zip wires and climbing walls. The facility is available for use by the general public as well as available for private bookings for parties, corporate bookings, educational bookings etc. In addition, a new adventure golf course has also been installed and is operated by the Council.

### **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. Another significant contribution was the reclamation 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. 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 adjacent residential development coming forward to link into the existing High Street. This will bring increased footfall to Dawley providing a significant stimulus to place shaping and regeneration.

Nearby the former Town Hall was refurbished in 2013 at a cost of around £175,000. Similarly a small refurbishment scheme was undertaken at Dawley Social Club. The club had suffered from a roof collapse over the function room and had been raising monies to repair. The Council assisted by over seeing a complete refurbishment including replacing the roof and floor together with redecoration of the room and bar. The refurbished function room and bar opened in October 2014.

## Dawley Social Club Refurbishment Summer 2014



## 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 includes a new Primary School, learning facility, play areas and shops. The second phase of private development started in December 2013 including a new doctor's surgery and housing and is due for completion in 2015.



## 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 has supported 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 have been renovated and occupied by private Investors. The largest of these has been the conversion of the former Bewise shop into the William Withering Public House by Wetherspoons. The former Library and Edgbaston House in nearby Walker Street have both been sold as redevelopment opportunities. Edgbaston House has been converted to flats and is now fully occupied. The library is due for refurbishment in early 2015 for a mixed residential and commercial scheme and a planning application has already been submitted. Further Properties such as The Mount, Highfield House and 62 Wrekin Road have also been sold and are at various stages of residential redevelopment.

To further bring forward more problematic sites such as the former Charlton Arms, the former bus depot and The Clifton Cinema we have entered into a partnership with the Town Council to part fund a post. As part of the 2020 Vision funding may be available to pump prime these sites and work with the owners to develop viable plans is underway.

## Views of Wellington Civic & Leisure Centre



## Hadley Local Centre

A major scheme to partly demolish (Phase 1 work) the 1970s shopping precinct and provide new retail and high quality public spaces secured Planning Consent and started on site in Summer 2012. Phase one, which was completed in March 2013, involved the removal of a number of flats, apartments and retail units and replacement with new retail provision including a Tesco Express and five smaller units including a Gregg's. Phase two, which included the demolition of the remaining flats a further three retail units including a veterinary surgery and the readying of a residential development site was completed December 2014.

### Phase Two Under Construction



### Completed Units January 2014



## 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 was a 1970s precinct incorporating four shop units, a Community Centre, Pastoral Centre and a Youth Building. Consultation, undertaken throughout 2012 with the Co-operative Council pilot group, Brookside residents, Public Sector Agencies, businesses and the third sector explored options for investment in the Local Centre. Following consultation it was agreed to rebuild the shop elements and refurbish the Community Centre to include the youth provision and make major improvements to the road access and public realm spaces. Construction work on the first phase including the new shops completed in January 2014 and the second phase is now nearing completion. This phase includes the demolition of the old shops and flats together with the refurbishment of the Community Centre. The shops are now demolished and the Community Centre nearing completion with a target date of March 2015.

### Brookside Construction January 2015



### **Hollinswood Local Centre**

A similar scheme to Malinslee and Leegomery is proposed in Hollinswood involving the demolition of the existing shops and public house. These will be replaced with new shops plus an Activity Hub for Social Services providing for people with disabilities. The Hub is part of a further rationalisation of property and restructure of Social Services which will involve changing the service they offer and closing Halesfield 22 and Lakeside which are both no longer fit for purpose. The scheme will be complemented by landscaping and parking improvements as well as enhancements to the Community Centre. The proposal went out to public consultation in the summer and planning was approved in November 2014. The Woodcutter Public House which had attracted anti social activity was purchased in July 2014 and was demolished as part of the enabling works in January 2015. Construction is planned to start in March 2015.

### **Woodcutter (Hollinswood) Demolition January 2015**



### **Building Schools for the Future**

The Council was awarded funding for Wave 4 of the Government's 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, Madeley and Phoenix, Dawley. At Abraham Darby 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 which opened Summer 2012. Phoenix started in November 2011 and included:

- 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.

In addition further smaller extensions were completed at:

- 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.

## Lakeside Academy – Under Construction



## Holy Trinity Academy – Under Construction



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 had to be retendered using Framework 2 as the new format. Using Erccall Wood Technology College as the sample school, the process of selecting a new contractor started in January 2012 with the successful bidder, Shepherds, appointed in the summer of 2012. Erccall Wood a 900 place Secondary School started in March 2013 and completed ready for the new academic year in September 2014. Adams Grammar school which was a refurbishment, new music centre and class rooms with a value of just over £3 million also completed for September 2014. The other schools listed below are all now underway and due to complete for September 2015 with the exception of Charlton, which is due to open in January 2016.

- Burton Borough- Refurbished secondary school
- Holy Trinity Academy - New build secondary school
- Telford Co-operative Academy - New build secondary school linked to Oakengates Leisure Centre
- Lakeside Learning Community - New build secondary, primary and leisure facility
- Charlton - New build secondary school

## Erccall Wood Technology College – opened September 2014



## Leisure Facilities

As part of the Council's Priority to improve the health and well being of communities a programme to extend and improve leisure facilities across the Borough has been implemented. An extension to Newport Swimming Pool costing £1million to include a new fitness suite and refurbished changing rooms started in October 2013 and finished in March 2014. The scheme was very well received and significantly increased use at the centre benefitting the public and increasing revenue to the Council.

Following the successful refurbishment and extension to Newport Swimming Pool to include a fitness (Aspirations) suite which opened in March 2014, schemes to improve Oakengates Leisure Centre and Horsehay Village Golf and Fitness Centre were also commissioned.

Oakengates was programmed for early summer 2014 completion and linked to the BSF scheme to co locate a new secondary school to the adjoining site a complete refurbishment to the existing fitness suite was undertaken. This included the refurbishment of all the changing facilities at the centre which will be shared with the new school.

The Horsehay Village Golf Club started in October 2014 and the £700,000 scheme is due for completion March 2015.

## Horsehay Village Golf & Fitness Centre



## Lodge Road, Donnington

As part of the Council's long term strategy around traveller sites a bid to redevelop an existing site with 13 pitches into a new site with amenity building, play area and 25 pitches received grant funding from HCA. The scheme totalling just over £2 million includes extensive ground works across previously mined areas and was carried out in two phases in order to reduce inconvenience to existing site occupiers. Phase one completed just after Christmas and the second phase is on track for completion at the end of March. The scheme will contribute towards 'New Homes bonus' for the Council and will significantly reduce illegal encampments across The Borough which currently cost the Council over £20,000 per annum to clear up.

## Pre-Construction



## Completion January 2015



## **Income Generation Opportunities**

As well as using our land and property assets to deliver regeneration we are also looking at using them to facilitate income generating opportunities. Examples include the Solar Farm and Housing Investment Programme.

### **Solar Farm**

The Council has just completed the building a 5MW capacity solar farm on 12 hectares of agricultural land at Wheatley Grange, Horton. The solar farm will be made up of more than 16,000 panels and will generate enough electricity to power more than 800 homes. Income generation is expected to start immediately with a net figure of £150,000 for the first year.

The planning application for the solar farm was approved by the Council's Planning Committee in April 2014 and Izen Energy systems were appointed following a tender process. They are a Belgium company who have a base in Staffordshire and have extensive experience of renewable energy projects.

The project forms part of our strategy to:

- become more environmentally and financially sustainable
- reduce our carbon footprint
- offset cuts in central government funding
- protect frontline services

### **Solar Farm under Construction**



### **Housing Investment Programme**

Telford & Wrekin Council is delivering an ambitious growth agenda which has seen major investment in Telford in support of the Council's vision. The number of households in the market rented sector increased by 63% nationally and by 68% in the West Midlands between 2001 and 2011. In Telford & Wrekin the market has effectively doubled from 5,839 to 10,793 households.

The Council will establish a Wholly Owned Company ("WOC") limited by shares to develop new homes to meet the Council's regeneration and growth objectives. The plans include building approximately 425 houses and apartments across 8 sites including the land at Hollinswood Strip, Randlay Lorry Park, Woodlands, Madeley Court, Newport Springfields, Matlock Avenue and Wildwood with a total investment value of approximately £52.6m. The WOC will create a number of jobs during the construction and operational phase, stimulating economic growth and regeneration opportunity.

The Borough is one of the fastest growing areas in the West Midlands and recognised as a national growth point. Key to delivering this project is:

- to provide the right quality homes:
- to provide places to live; and
- to improve the attractiveness of Telford to inward investors.

To continue this investment, the Council has recognised that it can influence and support economic regeneration by promoting housing investment using stalled and brownfield sites that it currently owns and therefore embarked on the Housing Investment Programme (“HIP”).



## 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 net revenue target of £5.2 million.

A UK commercial Market Survey completed by Royal Institution of Chartered Surveyors (RICS) in Q3 2014 reports ‘the recovery, in both the occupier and investment sides, retains plenty of momentum. Furthermore, progress continues to be widespread across all sectors and throughout most parts of the country. In the occupier market growth in tenant demand accelerated across the board, with the industrial sector again demonstrating the strongest results’.

The Regeneration & Investments Team continued to achieve in 2014, despite the continuing challenging economic conditions. The team has also, via a range of measures, delivered effective support to local businesses during the recent difficult economic climate. This included the offer of stepped or incentivised rents, deferred rent payment arrangements, and re-gearing of existing lease agreements. Revenue income to the Council has been maintained, costs associated with holding empty property reduced, in particular Business Rates, and jobs within the Borough safeguarded.

Regeneration & Investments continued throughout 2014 to implement its Property Disposal Programme. Completed in November 2010, the comprehensive portfolio review identified a number of underperforming assets in terms of income generation and those which were a significant drain on the repair and maintenance budget. The proceeds from such sales have been used to reinvest in modern buildings capable of providing income and capital growth, have reduced maintenance liabilities and will deliver new employment opportunities for the Borough. Examples of the investments made include a new 10,000sq/ft bespoke office/warehouse at Hadley Park let to Staubli (UK) Limited on a new 15 year lease, ten new retail units at Hadley Local Centre let to Tesco and Greggs amongst others, and the acquisitions of four new retail units within Southwater and a newly created office.

## Southwater

As part of the Council's delivery of the strategic regeneration project of Southwater as described within this AMP the PIP have invested in four new retail units and an office which have been let to national and regional operators namely Green King plc, Costa, Wildwood and Mimosa which combined generate some £385,000 per annum.



## Key Achievements of the Investment Portfolio in 2014

### Hadley Centre (new retail facilities)



- Completion of Hadley Centre Regeneration.
- Completed development of pre let, bespoke 10,000ft<sup>2</sup> office/warehouse at Hadley Park East
- Continued assistance to customers during the economic downturn, via stepped rents, payment arrangements, and re-gearing of leases. This helped ensure achievement of the income target, and safeguarded jobs within the Borough
- Completed refurbishment of The Business Development Centre, Stafford Park 4 and increased rental income by £65,000 for 2014
- Achieved a low void rate of 3.6% of the units, and improved the process to reduce the liability for Empty Property Rates
- Instructed external agent, Lambert Smith Hampton on a sole agency basis to market available office space and further increase revenue
- Refreshed the Estates & Investments website and regularly engaged in the use of other social media, such as Twitter to market available land and property

### Plans and Developments 2015

- Achieve the Investment Portfolio income target whilst continuing to be proactive in assisting local businesses

- Reduce the number of tenants who occupy by way of a licence by negotiating the grant of new leases, securing income for longer periods of time and increasing the investment value of assets held
- Continue the use of conditional break options linked to repayment of rent free incentives, surrender premiums, rent deposits and guarantees in return for lease flexibility
- Continue to reduce levels of current and former tenant debt and investigate alternative means of debt recovery
- Set and achieve clear revenue and void targets for each individual asset
- Set and effectively manage repair and maintenance budgets for each individual asset, ensuring expenditure is below approved levels
- Set and effectively manage service charge budgets for individual assets, ensuring expenditure is below approved levels
- Continue to refresh the Estates & Investments website, explore new means of marketing to attract new business and maximise revenue
- Continue to implement the Property Disposal Programme, reinvesting in assets capable of delivering revenue and capital growth, have reduced liabilities, ensuring the long term sustainability of the PIP
- Continue to explore potential development and investment opportunities presented via The Stewardship Agreement held with The Homes & Communities Agency
- Increase occupancy levels at The Business Development Centre to 95%
- Development of new properties capable of achieving the highest possible energy rating and conforming to national policies regarding sustainability and energy performance
  - Use of short term borrowing to bridge gap between disposals and acquisitions (£2m approved in December 2014)
  - Work with the Inward Investment & Business Support Teams to target specific sectors to help reduce voids in offices
  - Dispose of other poor performing assets such as Marsh Farm

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.

## **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, undertaken in 2010, was to undertake a detailed appraisal of each individual land asset by collating information from a number of sources into a single database.

The information obtained for each site includes:-

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 was 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

Approval has been granted for the disposal of all assets identified as “red” and to date six have been sold with nine currently with solicitors. Upon completion of the remaining nine sales, a capital receipt of £150,000 will have been generated for the Authority.

The Land Strategy identified a further 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. These sites are being reviewed on a rolling programme with currently an additional nine sites being identified for disposal.

Assets categorised as Green (land to be retained) are continually reviewed to ensure that where criteria/circumstances have changed the site’s 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**

A Stewardship Agreement signed in September 2012 appointed TWC to market, promote and sell HCA’s commercial sites. 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 has provided the opportunity for the Council to take a proactive approach in promoting the opportunities in Telford and to support the Councils wider agenda of growth within the Borough.

A number of sales have come forward since the establishment of the stewardship agreement, with 2014 seeing sales including:

The sale of 3.26 Ha site at Hortonwood completed in July 14 for a Waste Transfer Station.

The sale of 1.7Ha site at T54 completed in November 14 for an industrial warehouse. This development which has already started on site is the first development on T54 for some 15 years.

The sale of 0.59Ha site at Halsfield completed in January 15 for a plant hire business.

In addition to the agency work associated with the Stewardship agreement the Estates Team are also supporting HCA with the delivery of a range of planning applications for additional industrial development at Hortonwood and T54.

## **8.0 Asset Details & Performance**

The Statement of Assets is found in Appendix 1.

Three key measures against condition, energy use and space utilisation are contained in Appendix 2.

With reducing budgets, maintenance/refurbishment has been kept to a minimum across both Operational Property and Schools. However, the BSF programme is beginning to reduce the school maintenance back log as new and refurbished schools are being delivered as new Academies. On the Operational side, Property Rationalisation has also reduced the backlog of outstanding maintenance as services and staff are concentrated in modern buildings and old out, dated buildings, are disposed of.

As set out in Chapter 5, energy use 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 continues (Chapter 5).

## Appendix 1 - Fixed Assets Utilised by the Council

Category	Quantity	Total Values
Bus Stations	3	£864,000
Cemetery Building	1	£1
Changing Rooms & Pavilions	11	£1,156,000
Community Centres	5	£1,292,500
Travellers' Sites	2	£1,136,000
Hostels/Homeless Accommodation/Residential Homes	56	£6,183,500
Ice Rink	1	£3,230,000
Leisure Centres	7	£18,315,000
Libraries	8*	£1,322,000
Nursery Schools	1	£305,000
Offices	12	£20,237,500
Outdoor Activity Centre	1	£724,000
Primary/Infants/Junior Schools	51	£72,257,500
Public Conveniences	3	£136,800
Secondary Schools	1	£9,539,300
Academy Schools	9	£9
Ski Slope	1	£478,000
Special Schools	3	£6,486,000
Theatres	1	£1,780,000
Training/Day Centres & Residential Care	3	£1,738,000
Visitor Information Centre	1	£830,000
Youth Projects	3	£609,500
Pupil Referral Units	2	£728,500
Children Centres	2	£1,631,000
<b>TOTAL</b>	<b>188</b>	<b>£150,980,210</b>

\*Note: 4 of these Libraries now operating from other properties

### Operational Property Leased in from Property Investment Portfolio

Property Type	Quantity	Total Values
Offices	3	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	1
HLC Learning Community (Private Finance Initiative – PFI)	1
<b>TOTAL</b>	<b>2</b>

### Property Investment Portfolio - Details

Property Investment Assets	Quantity	Total Values
Smallholdings	1	£500,000
Offices	26	£14,069,000
Retail	30	£8,635,000
Industrial	41	£28,181,000
<b>TOTAL</b>	<b>98</b>	<b>£51,385,000</b>

### Other Misc. Sites

Category	Quantity	Total Values
Misc Sites	154	£23,296,500
<b>TOTAL</b>	<b>154</b>	<b>£23,296,500</b>

## **APPENDIX 2**

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

Telford & Wrekin Property Performance Indicators for 2014.

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 £29,010,270. The average for the previous Benchmark Group in 2011 which comprised similar sized authorities was £62,232,762.

T&WC figure is split as follows:

School Property	£21,529,991
Operational Property	£7,480,279

### Previous year comparisons

		2009	2010	2011	2012	2013	2014
Schools	P1-P3	£27,657,372	£29,352,678	£28,593,580	£30,652,623	£24,617,893	£21,529,991
Operational	P1-P3	£10,134,790	£11,080,659	£12,766,526	£8,770,020	£8,369,886	£7,480,279

The condition liability for operational buildings has reduced due to major investment in capital projects such as the Ice Rink refurbishment, Addenbrooke House and Southwater, along with the overall reduction in office accommodation by 34% in recent years. The figures here include estimates for new buildings which have been acquired and do not currently have condition surveys – these will be undertaken during the normal condition update rolling programme.

School Condition Surveys do not show the full reduction due to the investment of circa £1m in 2014/15. Surveys continue to be updated in 2015 and will reflect this investment in future updates. With this in mind, the condition liability for Schools shows a further decrease this year due to the opening of Lakeside, Sutherland, Wrockwardine Wood and Phoenix as Academies, which has helped reduce the overall condition backlog circa £3m. Further reductions are expected within the next 2 years due to the further Building Schools for the Future programme projects coming on stream.

### **Indicator 2A : Energy costs/consumption**

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

£ spend per m2 GIA                    **£10.31**

2011 Benchmark average            **£13.57**

### Previous year comparisons

Year	£ spend per m2 GIA
06/07	£10.75
07/08	£10.75
08/09	£16.59
09/10	£14.00
10/11	£13.46
11/12	£10.38
12/13	£12.11 (revised)
13/14	£10.31

**Comment:**

The cost of energy per m<sup>2</sup> decreased due to a fall in energy consumption in 2013/14. Total energy consumption (electricity and gas) in all buildings (operational, disposed and schools) has decreased by nearly 10% since 2012/13. This reduction in energy is most likely to be due to weather conditions as the winter 2013/14 was milder than in 2012/13.

Awareness campaigns targeted at staff to switch off lights, electrical equipment and reduce heating levels. We undertook energy audits of all operational buildings to review performance to identify and implement appropriate energy efficiency measures. The Low Carbon Schools Service has provided energy saving advice and support to schools since 2011/12. This programme enabled schools to make reductions to their energy consumption. We have implemented a number of projects to save energy consumption in schools and operational buildings during 2013/14.