

# Corporate Property Asset Management Plan

## 2014/2017

**FOREWORD** by Councillor Bill McClements, Cabinet Member: Finance & Enterprise



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 supporting existing and new businesses to 'Invest In Telford'. To create jobs and encourage enterprise we are using land assets to facilitate this. We have streamlined the planning process to give developers greater certainty and now aim to register all planning applications within 3 days. As can be seen from the section within this plan on Land this approach has already attracted significant employment and development to Telford.

2013/14 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 Phoenix Academy and Leisure Centre at Dawley, a £20 million development to replace the original Phoenix secondary school and leisure centre. Both elements opened in September and offer a fantastic facility to both pupils and the wider community. The 900 place school includes an 8 court sports hall the largest in the Borough and an external 3G sports pitch with floodlighting. Ercall Wood in Wellington is the third new build now well under way and on target for a September 2014 opening.

### Phoenix Academy and Leisure Centre



The other most significant development has been the ongoing regeneration of Southwater to deliver a mixed use development linking the shopping centre with The International Centre and Telford Town Park. Development continues rapidly in partnership with the private sector and includes Southwater One, a community building which will focus public sector services at the heart of the town centre and a 600 space multi storey car park. Adjoining this is a new multiplex Cineworld IMAX cinema and Premier Inn Hotel. A number of lettings have been confirmed with operators such as Wagamama and Nandos. Phased openings are planned for Summer 2014. Part of the Southwater redevelopment includes the sale of the former Council offices at Malinslee House to Asda who plan to open their new 6,500 m2 store and petrol filling station in February 2014.

### **Image of proposed Cinema and Hotel Southwater Way**



The regeneration of our Borough Town and local centres is also a key priority and these are being developed in partnership with local communities, businesses, Town and Parish Councils and our Regeneration Partnerships. The built environment continues to play an important role and whenever possible, property is used as a catalyst for change.

Wellington Civic Offices and Leisure Centre was also completed in spring 2012 and opened by Lord Grocott in June 2012. This scheme involves a new library, registry office and office accommodation for circa 200 staff as part of our approach to rationalising property. The collocation of services in Wellington, focussed on business, development and planning has improved our offer to customers by providing a 'one stop shop' for business related enquiries and has also reduced costs. The new building links well into the commercial heart of Wellington and has contributed positively towards the local economy.

The Dawley Regeneration Programme has continued, following the re opening of High Street to traffic and high quality public realm improvements, major infrastructure works on the brownfield 90 acre site were completed in January 2012. Following the opening of the school in September 2013, a community project, run in conjunction with 'The Friends of Dawley' and Cap Gemini, to refurbish the Town Hall, started in October and was completed in December 2013 for a Christmas opening. The remaining land is now being marketed for residential and commercial uses and will see the refurbishment of the Lord Hill public house.

At Hadley District Centre the first phase of the demolition of the 1970s precinct and flats was completed in April 2013. This £3.5 million scheme includes six new retail units including a Tesco Express and Gregg's as well as 24 houses and new public spaces. The second phase started in January 2014 and will include a new veterinary surgery.

Brookside will be the next Local Centre to undergo regeneration. Following extensive consultation with the community, planning permission was approved for a new local centre together with refurbished Community Centre and road alterations. 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. The new shops opened in January 2014 and the second phase, including the refurbishment of the community centre and demolition of the flats, will commence in March 2014.

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 with 'Shaping Places' now being developed to take us through to 2031. The Central Telford Area Action Plan (CTAAP) was adopted in Spring 2011 and covers the Telford Town Centre area. 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 and 2013/14 the Council was re-structured to align traditional Planning and Economic Development roles within the other property functions under a new service area of Development, Business and Employment. This provides a single point of contact for businesses, investors and developers and provides a seamless service from initial enquiry through to finished development. Support is provided throughout in relation to identifying land and premises, applying for planning permission and securing the right skills. As a New Town with approximately 100 hectares of available commercial land, as well as residential development land, Telford is well placed to deliver growth.

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)

These individual areas interlink to form a comprehensive approach to Asset Management covering all 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
- Ensure Asset Management decisions are co-ordinated and consistent with Council priorities
- Establish 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" 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

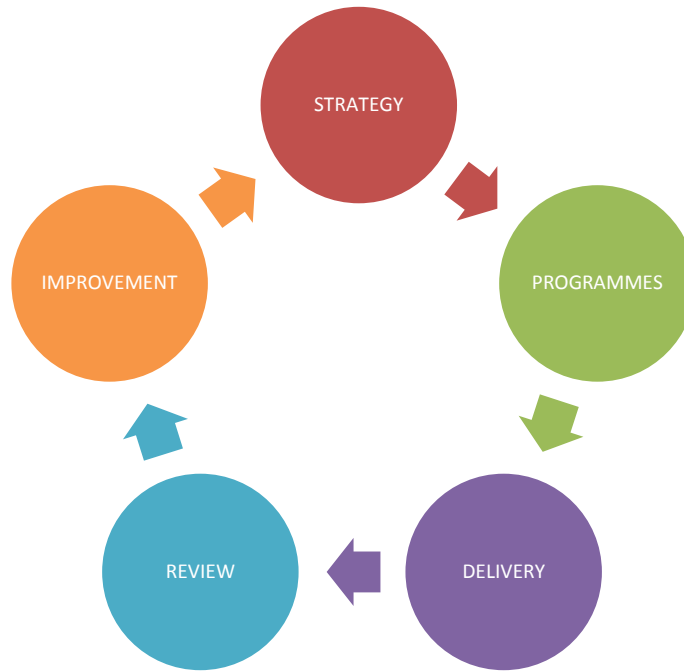
### Programmes

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
- 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 System 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 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 allocates resources to 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 to ensure 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 under 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. Obligations associated with the 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 Building Schools for the Future (BSF) and property rationalisation programmes continue.

The Council has worked with a private operator to install the first photovoltaics as part of the Wellington Civic & Leisure development. In doing so we have been able to take advantage of the attractive feed in rates, thus securing income for the council. Also at Wellington, a ground source heating system has been installed, which is another first for the Council. Under the Council's 'Invest to Save' initiative, installation of photovoltaics is to occur at two further Council properties; Addenbrooke House and The Place, in spring 2014. 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 Council's carbon footprint.

▪ Measured Surveys

Accurate, comprehensive, measured building surveys are available in AutoCAD for all properties.

#### **4.0 Programme Development and Implementation**

##### **The Decision Making Process**

The information contained in the Asset Management System enables informed, property related decisions to be made. This corporate planning process identifies requirements for the Property Portfolio. The Council utilises data on condition, suitability, access, sufficiency and asbestos, in decision making pertaining to 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 2014/15 has been submitted to Cabinet for approval in February 2014 and details the maintenance priorities established in accordance with the framework described in the Asset Management Plan.

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

In establishing the capital programme, consideration is given to; 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 initial capital 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 means 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.

Sustainability is also a key consideration in the asset provision, use and management process and we are committed to ensuring sustainability is part of all new-build and refurbishment schemes as well as embedded in the procurement process

## **Key Issues Addressed in Finalising the 2014/15 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 of all regeneration projects
- Repair and maintenance programmes for the PIP to maintain income levels
- Climate Change/Energy Efficiency/ CRC

### **5.0 Operational Assets**

#### **Property Rationalisation/ New Ways Working**

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

2013/14 was primarily a year for consolidating Phase 1 accommodation moves undertaken in the previous year and disposing of the vacated properties. The moves resulted in a 35% reduction in space. Phase 2, which will include the opening of the new Southwater One building in Southwater, will commence in Summer 2014. This will involve moving 'Firstpoint', the Council's customer facing function out of Addenbrooke House, freeing up the ground floor. Options to take advantage of this space and further reduce accommodation are currently under consideration. As services constantly evolve, and their property needs change, we continually work with them to ensure their requirements are met.

##### **Addenbrooke House**



##### **Southwater One (under construction Jan 14)**



### Buildings Vacated:

<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	154
	<b>10,919</b>
<b>Summary:</b>	
Vacated	17,650
New	7,901
Retained	10,919
Total for New & Retained	18,820
Reduction in Space	9,749

35% Reduction in Office Accommodation

## 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 represents 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, safeguard and create jobs and establish a Town Centre responding to the needs of the community. Outline planning consent, obtained in June 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 openings planned from summer 2014 onward.

Works have included a significant refurbishment and extension at Telford Ice Rink costing £4m to deliver a modern and vibrant regional attraction. Extensions to the building include a “soft play” facility, catering for infants and juniors and a standalone unit which has been let to restaurant chain Mimosas. A further 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



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 350 new jobs. Openings are planned throughout 2014.

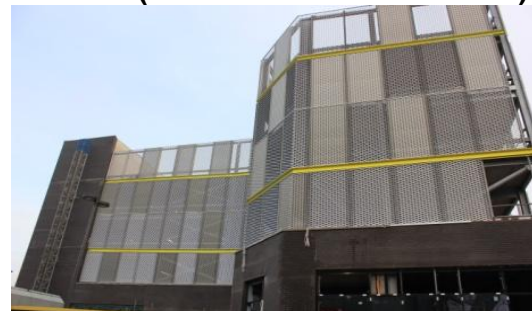
Also in December 2012, works commenced on the construction of a new multi storey car park, following the demolition of Telford Library. This 600 space facility will provide safe and convenient parking for visitors to Southwater and Telford Shopping Centre. Telford's central library is being re-provided 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. The building is on target to open in summer 2014. High quality landscaping is also being delivered and will be completed in phases between March 2014 and June 2014. Works include a large replacement lake, extensive paving works, striking soft landscaping and the installation of lighting, street furniture and public art.

To heat and power much of this development, an Energy Centre is being designed and built adjoining the Ice Rink. Final fit out, testing and commissioning is due for completion in summer 2014 to allow provision of heat and hot water to Southwater One and Telford Ice Rink. This will be managed and maintained in house by the Council with the aim of competitively procuring an Energy Services Company to operate this once new customers onto the scheme are confirmed.

### **Southwater One**



### **Car Park (under construction Dec 13)**



Within the Town Park itself an aerial ropes course opened in October 2013, adjacent to the new Visitor Centre. The course is operated by private company 'Closer to the Edge' and includes zip wires and climbing walls. The facility is available for use by the general public as well as available for private, corporate and educational bookings.

### **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 amalgamation of two primary schools at Old Park Primary completed in September 2009 together with the opening of the new public realm in Dawley High Street during November 2010. This is combined with proposed new retail, health facilities and housing. Another significant contribution will be the reclamation of around 90 acres of spoil mounds and land fill on the edge of Dawley, completed in January 2012. This was one of the largest civil engineering projects undertaken since the old 'Telford Development Corporation' and involved the movement of 1.3 million cubic metres of material. The first phase of the re development of this reclaimed land started in April 2012 with the new Phoenix Secondary School was opened in September 2013. 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



Following extensive consultation, the decision to refurbish the former Dawley Town Hall was taken in Spring 2013. The building had been unused for around 3 years. The refurbishment was undertaken by KRM Contractors in Autumn 2013 and completed for a Christmas opening. Within the building the Parish Council have their offices and a wide range of community and voluntary groups use the new facility.

## Dawley Town Hall Pre-Refurbishment



## Dawley Town Hall Opening December 2013



## Hadley Local Centre

Phase 1 of a multi million pound scheme to demolish the 1970's shopping precinct and flats above and provide 7 new retail units including a Tesco's Express and Gregg's, together with a high quality public space was completed in March 2013. The second phase to provide 3 further retail units including a veterinary surgery together with the repaving of the High Street is currently under construction and will be completed July 2014. The final phase of the development will be demolition of the remaining retail units and construction of new residential dwellings.

### Hadley Centre Pre Demolition



### Phase One Under Construction



### Phase One Complete Phase Two Under Construction



### Completed Units January 2014



### **Brookside Local Centre**

Brookside has been identified as an area in need of regeneration and investment and has been selected as a pilot project in which regeneration proposals will be developed by the community, in accordance with the Council's co-operative approach. The Centre is a 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 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 for the shops is due for completion in January 2014 and the second phase, to include the demolition of old shops and flats, together with the refurbishment of the Community Centre is due to start on site April 2014.

### **Sketch of Brookside Local Centre**



### **Brookside Construction January 2014**



### **Hollinswood Local Centre**

Hollinswood local centre has also been identified for regeneration and investment working with the Community concepts the strategy and scheme proposals will be developed.

## **Building Schools for the Future**

The Council has been awarded funding for Wave 4 of the Governments Building Schools for the Future (BSF) Programme, providing a one off chance to completely transform secondary education and community buildings within the Borough.

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

- Abraham Darby included a 420 place Primary School, a new leisure provision with 4 court sports hall and 6 lane swimming pool which all opened in January 2012 together with a 900 place Academy which opened September 2012.
- Phoenix opened in September 2013 and includes a new 900 place Secondary School together with 8 court sports hall, community sports provision and BMX track.
- 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.

The reduction in funding announced in October 2010 necessitated a further assessment of the programme and retendering using Framework 2. Ercall Wood was identified as the sample school and the process of selecting a new contractor started in January 2012 with the successful bidder, Shepherd Construction Ltd, being appointed in the Summer of 2012. Ercall Wood, a 900 place Secondary School, started in March 2013 and is due for completion in September 2014. The other schools listed below are due to start in 2014:

- 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)**



### **Ercall Wood (under construction)**



## **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. Two schemes are currently underway at Newport Swimming Pool and Oakengates Leisure Centre.

The extension to Newport Swimming Pool, which started in October 2013, is costing £1million and includes a new fitness suite and refurbished changing rooms. Completion has been delayed due to drainage problems and a leak to the swimming pool discovered as part of the routine maintenance, and is now expected in March 2014.

### **Newport Fitness Suite and Changing Room Refurbishment (December 2013)**



A similar scheme to improve Oakengates Leisure Centre started in November 2013. Programmed for early Summer 2014 completion and linked to the BSF scheme to collocate a new secondary school to the adjoining site a complete refurbishment to the existing fitness suite is being undertaken. This includes the refurbishment of all the changing facilities at the centre, which will be shared with the new school.

The Place in Oakengates has also undergone extensive external refurbishment with a new entrance and facade installed for the Christmas season. Designed by the Council's in house design team the new appearance and modern lighting scheme has been well received by local traders and members of the public and compliments the exciting programme of events being held there.

### **The Place, Oakengates**



## 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 £5.8 million.

An Economic & Property Market Review completed by GVA in Q3 2013 reports 'the improving economic growth gives grounds for optimism that the long awaited upturn is at last underway'. In terms of rental performance, whilst values have barely moved over the last two years the outlook for 2014 is much more positive. The Investment Property Databank observed that rental values grew 0.2% and 0.1% in Q2 and Q3 2013. Economic growth forecasts have been revised upwards and GVA expect to see all property rental growth of 2% in 2014. This figure is supported by the Royal Institution of Chartered Surveyors (RICS) in its UK Commercial Property Market Update, November 2013. The report observes that 'the occupier and investor markets look set to recover throughout 2014'.

Looking at the sector breakdowns, GVA report that 'the outlook for retail remains challenging, although a sustainable recovery should begin in 2014. Demand, meanwhile has strengthened in the industrial sector, mirroring the positive readings from CIPS (Chartered Institute of Purchasing & Supply) Business Confidence Surveys. The seasonally adjusted CIPS Purchasing Manager's Index® (PMI®) rose to a 28-month high of 54.6 which was the highest since March 2011 highlighting the continued improvement amongst business and consumers. Telford's office market remains challenging with an over supply of town centre space and stagnant rent levels. There are though early indications of an increase in the level of enquiries being received.

The Team has, 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. This activity has as far as possible maintained revenue income to the Council, reduced costs associated with holding empty property and safeguarded jobs within the Borough.

Regeneration & Investments continued throughout 2013 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 a reduced 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 include the sale of industrial assets at Unit B2 Halesfield 10, B4 Stafford Park 11 and Trench Lock 3, enabling the development of a new 10,000sq/ft bespoke office/warehouse at Hadley Park (pre-let to Staubli (UK) Limited on a new 15 year lease), seven new retail units at Phase 1 Hadley Local Centre let to Tesco and Greggs amongst others, and the planned acquisitions of four new retail units within Southwater. This investment will safeguard the revenue position of the portfolio in the medium to long term.

### Trench Lock 3



## Staubli, Hadley Park East



## Key Achievements of the Investment Portfolio in 2013

- Completion of 7 high quality new retail facilities at Phase 1, Hadley Local Centre securing Tesco as the anchor tenant

## Hadley Centre



- Disposal of poor performing assets, including B2 Halesfield 10, B4 Stafford Park 11, and Trench Lock 3
- Commenced 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 a £300,000 programme of refurbishment involving office premises at Bishton Court, and industrial assets on Stafford Park 15 Dawley Bank and Tweedale Court, improving their marketability, securing new lettings and improving revenue
- Commenced external improvements to retail units at Limes Walk, Oakengates, including new frontages, improved lighting and signage
- Successfully negotiated and secured the letting of 180,000ft<sup>2</sup> of space via new leases and renewals
- Achieved a low void rate of 6%
- 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 2014

- Achieve the Investment Portfolio income target whilst continuing to be proactive in assisting local businesses
- Obtain an independent assessment of the PIP performance for the financial year 2013/14
- 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
- Reduce the overall PIP void rate to less than 4%
- Ensure completion of leases for retail units at Brookside Local Centre, Phase 2 Hadley Centre, and Southwater, helping to secure the long term income position of the PIP
- Update service charge certificates and procedures, providing greater transparency to customers around service charge expenditure
- Review service contracts in place at Multi let properties with a view to procuring contracts that will deliver reductions in expenditure and improved levels of service
- 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.
- Explore potential development and investment opportunities presented via The Stewardship Agreement held with The Homes & Communities Agency
- Complete refurbishment of The Business Development Centre, at Stafford Park 4
- Increase occupancy levels at The Business Development Centre to 90%
- 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
- Development of new properties capable of achieving the highest possible energy rating and conforming to national policies regarding sustainability and energy performance
- Re-survey all properties previously identified as having asbestos containing materials as part of a the Council's duty to manage

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). Land Assets exclude 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 complete 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:-

- 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 site's 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

Council approval was obtained to sell the assets identified for disposal (red) and six assets have now been sold with an additional nine assets currently with solicitors. Upon completion of the remaining nine sales a capital receipt of £150,000 will be generated.

A rolling programme has been established to investigate the input required to sell the 107 sites categorised as Amber. To date a further 9 sites have been identified for disposal.

Assets categorised as Green (land to be retained) are continually reviewed 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**

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 including:

- The sale of a 5 Ha site at Hortonwood completed in December 12 has delivered a 7,500 sqm meat processing plant which opened in January 14. This is estimated to create around 160 jobs.
- The disposal and development of a new 10,000sqft facility at Hadley Park, Telford, which will be delivered in April 14 and will safeguard 18 jobs and create a further 20.
- The disposal of some 3 acres of employment land at Hortonwood and development of a new 60,000sqft warehouse which is currently on site and will be delivered in Spring 14, safeguarding 11 and creating 16 new jobs.

In addition we are currently dealing with a number of substantial enquiries for land opportunities at Hortonwood, Hadley Park East and Halesfield.

### **8.0 Asset Details & Performance**

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 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 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 gathers momentum (Chapter 5).

The Statement of Assets is found in Appendix 1. Three key measures against condition, energy use and space utilisation are contained in Appendix 2.

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

Category	Quantity	Total Values
Bus Stations	3	£870,000
Cemetery Building	1	£1
Changing Rooms & Pavilions	11	£1,168,500
Community Centres	5	£1,292,500
Travellers' Sites	2	£1,136,000
Hostels, Homeless & Sheltered Accommodation and Residential Homes	56	£6,262,500
Ice Rink	1	£3,330,000
Leisure Centres	6	£17,836,000
Libraries	8*	£1,322,000
Nursery Schools	1	£305,000
Offices	10	£13,306,200
Outdoor Activity Centre	1	£724,000
Primary/Infants/Junior Schools	51	£75,073,800
Public Conveniences	3	£136,800
Secondary Schools	1	£8,296,000
Academy Schools	9	£9
Ski Slope	1	£467,000
Special Schools	3	£6,486,000
Swimming Pools	1	£684,000
Theatres	1	£1,780,000
Training/Day Centres & Residential Care	3	£1,738,000
Visitor Information Centre	1	£830,000
Youth Projects	5	£644,500
Pupil Referral Units	2	£728,500
Children Centres	2	£1,631,000
<b>TOTAL</b>	<b>188</b>	<b>£146,048,310</b>

\*Note: 3 of these Libraries now operating from other properties

**Operational Property Leased in from Property Investment Portfolio**

Property Type	Quantity	Total Values
Offices	4	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
Queensway	1
<b>TOTAL</b>	<b>3</b>

**Property Investment Portfolio - Details**

Property Investment Assets	Quantity	Total Values
Smallholdings	1	£400,000
Offices	27	£13,851,800
Retail	33	£8,589,700
Industrial	42	£29,716,440
Miscellaneous/Ground Rents/rationalisation	153	£22,898,600
<b>TOTAL</b>	<b>256</b>	<b>£75,456,540</b>

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

Telford & Wrekin Property Performance Indicators for 2013.

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 £33,337,779. 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	£24,617,893
Operational Property	£8,369,886

### Previous year comparisons

		2008	2009	2010	2011	2012	2013
Schools	P1-P3	£25,277,205	£27,657,372	£29,352,678	£28,593,580	£30,652,623	£24,617,893
Operational	P1-P3	£11,984,120	£10,134,790	£11,080,659	£12,766,526	£8,770,020	£8,369,886

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% last year. The figures here include assumptions for new buildings which have been acquired and do not currently have condition surveys – these will be undertaken during 2014.

School Condition Surveys do not show the reduction due to the investment of circa £1.5m in 2013/14. Surveys are due to be updated during 2014 which will reflect this investment. With this in mind, the condition liability for Schools shows a decrease this year due to the opening of Abraham Darby, Lakeside, Sutherland, Wrockwardine Wood and Phoenix Academies, which has helped reduce the overall condition backlog circa £6m. 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	<b>£13.22</b>
2011 Benchmark average	<b>£13.57</b>

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
12/13	£13.22

The cost of energy per m2 increased due to a rise in energy consumption in 2012/13. Energy consumption in all buildings (operational, disposed and schools) has increased by nearly 20% since 2011/12. This increase was expected due to weather conditions as the winter 2012/13 was longer and colder than in 2011/12.

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.