

Corporate Property Asset Management Plan

2016/2020

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 and 15. 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.

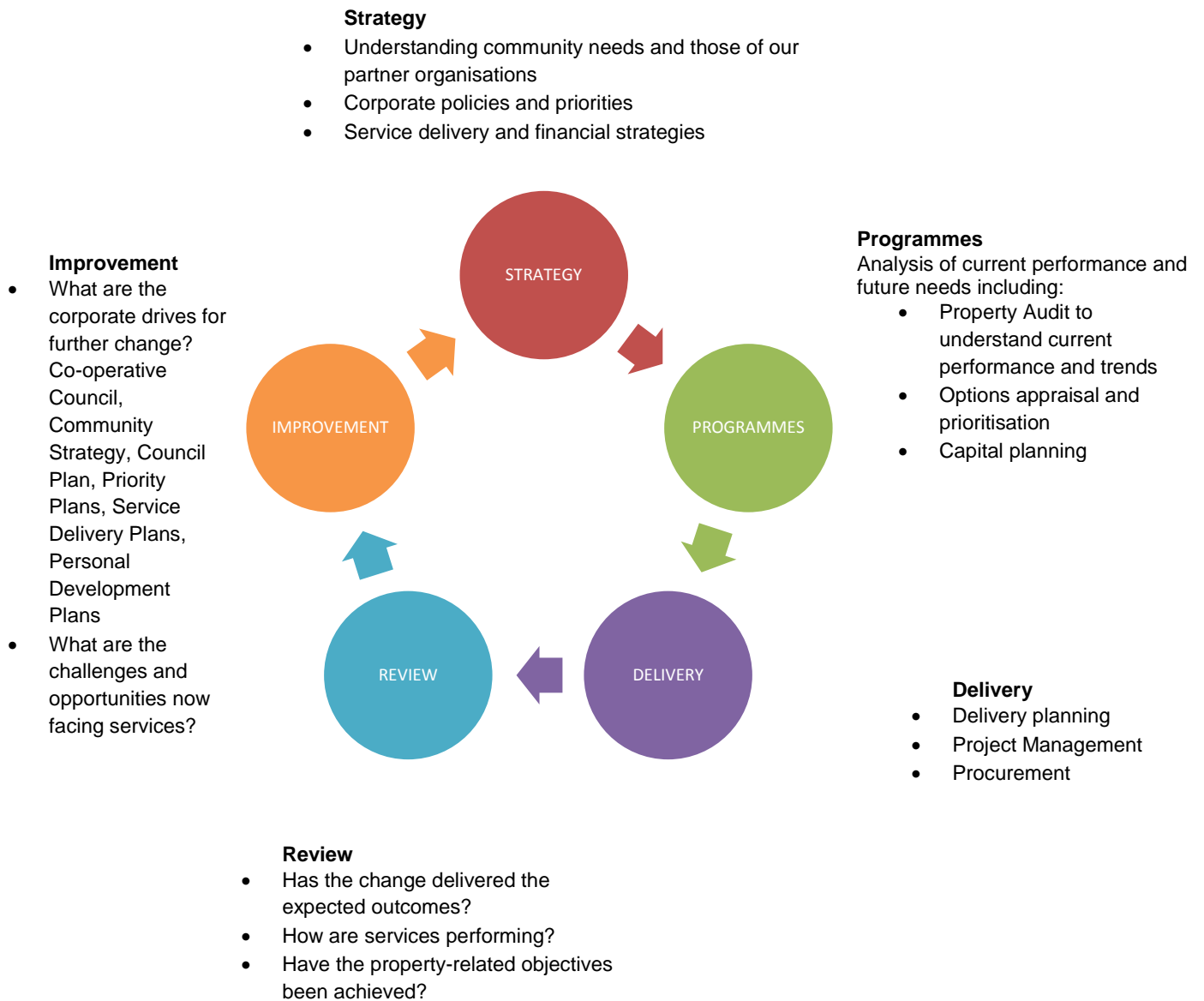
Asset Management Plan - Aims:

- 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 dependent 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 ongoing 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/ArchiCAD 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 2016/17 has been submitted to Cabinet for approval in February 2016. 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 2016/17 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

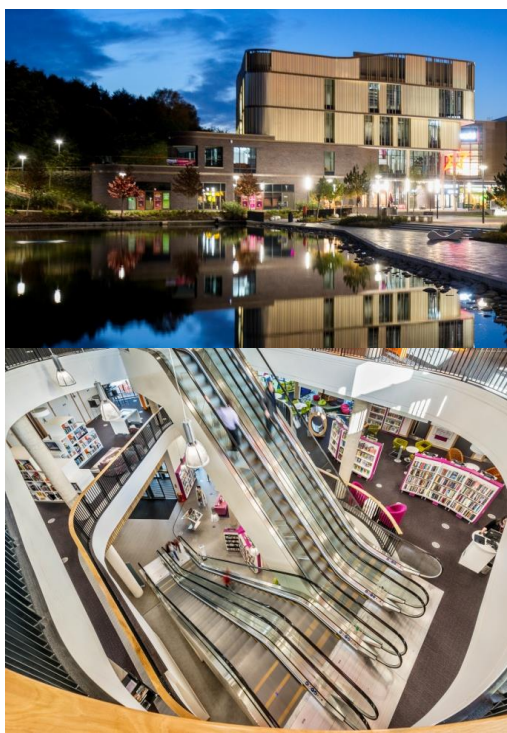
Property Rationalisation/ New Ways Working

Changing Work Patterns and Culture

2015/16 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. The conversion of 62 Wrekin Road is now complete and The Mount, Highfield House and the Former library are also well towards completion. 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 involved 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 dovetailed with the Universities move reported earlier, which will provide synergies for the young people and students using the building. In July services were re located from Whitechapel House into Addenbrooke House and Euston Way to further reduce running costs by maximising use of space in existing buildings.

Following the Autumn Statement and the spending review a raft of service re structures are planned for next year. This is likely to lead to further accommodation moves to reduce space and cost and most importantly maintain service delivery.

Southwater One



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 and hotel proposed on the remaining development land in Southwater. The development now effectively links the shopping centre with 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. A series of successful events have been held throughout 2015 including a lantern parade around the lake, a Boyzone concert in the Arena and choir singing at Christmas.

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 potential development of apartments and additional space for bars and restaurants, adjacent to Southwater Lake, a new hotel and associated car parking. The apartments will be delivered as part of the Council Housing Investment Programme. In December the refurbishment and extension of Meeting Point House was approved which will include bars and restaurants on the ground floor and a small theatre on the first floor. Hoardings went up before Christmas and the main works are due to start in January.



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. The majority of the centres have now been rebuilt or significantly refurbished.

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 completed in late 2015.



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. The final phase is to re develop the car parking area with private rented housing under the Housing Investment Programme. (See later)

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 completed in March 2015. This phase included the demolition of the old shops and flats together with the refurbishment of the Community Centre.

Brookside Construction January 2015



Hollinswood Local Centre

A similar scheme to Malinslee and Leegomery is nearing completion in Hollinswood. This involved the demolition of the existing shops and public house. These are being 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 2014 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 started in March 2015. The shop phase opened in December and the Activity Hub is programmed for completion in March 2016 with the demolition of the flats in January 2016.

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 Telford Langley, 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 Telford Langley School together with 8 court sports hall, community sports provision and BMX track. Site setup started in February 2012 and completion was 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.

Charlton School – Under Construction



Telford Priory School – Opened September 2015



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. Other schools listed below completed for September 2015 opening with the exception of Charlton, which is due to complete in March 2016.

- Burton Borough, Newport- Refurbished secondary school
- Holy Trinity Academy, Priorslee - New build secondary school
- Telford Priory School - New build secondary school linked to Oakengates Leisure Centre
- Telford Park School - New build secondary, primary and leisure facility
- Charlton - New build secondary school

Erccall Wood Technology College – opened September 2014



Lawley Village Academy

Elsewhere across the school portfolio a number of extensions, kitchen refurbishments, boiler replacements, re-roofing and other improvements have been undertaken. The largest project has been the construction of Lawley Village Academy a 7 class base Primary school with the capacity to extend to 14 class places when surrounding residential development completes. This opened in January 2016.



The Meadows Class Base Extension

At The Meadows, Ketley we were appointed to co-ordinate and design the provision of additional class rooms to accommodate the schools increased requirements with the inclusion of additional toilets, office space and MUGA facility. The buildings form creates an open and inclusive learning space while still corresponding with the scale of the various existing buildings.

It was designed and built using Passive House Principles with careful detailing to minimise thermal bridging and the specification of a SIPS system.

The building has an airtightness value of 0.94 m³/hour/m² at 50 Pascal and includes a range of other features such as triple glazed windows to further minimise air and heat loss and an MVHR system, providing essential ventilation and using exhaust air to heat incoming air to enable the purging of CO₂ during any weather without affecting the learning climate.



Extension Projects

Apley Wood Primary School saw the building of a new reception in October 2015 as did John Fletcher, Madeley which also saw extensive re-roofing works of well over £100,000. In the rural community Tibberton Primary school a new kitchen installed together with re wiring as part of the cyclical planned maintenance.

At Captain Webb, Dawley an interesting scheme was implemented. This including taking advantage of the modern accommodation at the former Phoenix School which had closed and incorporating it via a linking corridor with the Primary School. Together with extensive landscaping and fencing works a new reception was added to the school as well.

The Council also runs an educational and outdoor pursuit centre at Arthog, near Fairbourne, Gwynedd which caters for many schools within The Borough. This year we undertook an

extensive refurbishment which included new boilers, reception area and improvements to the accommodation block which totalled around £700,000.



Leisure Facilities

As part of the Council's Priority to improve the health and wellbeing 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 completed in April 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 included 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 2014 and the second phase completed 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.

A scheme to replace the temporary transit site from Snedshill to Lodge Road was submitted to planning in November 2015 and works on the new site expected to start in January 2016.

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 has started immediately with a net figure of £180,000 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 constructed the facility on behalf of the Council with completion occurring on ____

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 completed



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 has established 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 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. Construction started in summer 2015 and the first houses at Woodlands and Randlay are expected to be occupied in March 2016. Further phases are undergoing feasibility studies at sites in Hadley and Southwater, Telford Town Centre.

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 gross revenue target of £5.2 million.

The Regeneration & Investments Team continued to achieve in 2015, 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 2015 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 into investments 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 prominent town centre car park at Hall Court and a new retail development within Southwater which has recently started on site with completion due in Summer 16.

In addition to the recycling of receipts generated to invest the Council has also set up a £20million Growth fund utilising prudential borrowing to invest in investment opportunities either of existing premises or new build.

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 in 2014 which have been let to national and regional operators namely Green King plc, Costa, Wildwood, Wolverhampton University and Mimosa which combined generate some £385,000 per annum.



Key Achievements of the Investment Portfolio in 2015

- 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
- Introduced new measures for debt collection through the use of High Court enforcement, which has resulted in the recovery of difficult long standing debts.
- Income at The Business Development Centre, Stafford Park 4 increased by a further £15,000 in addition to the increase in rental income by £65,000 for 2014
- Achieved a low void rate of 3.08% of the units, and improved the process to reduce the liability for Empty Property Rates
- Continued to engage in the use of other social media, such as Twitter to market available land and property
- Negotiated the surrender of the last farm business tenancy and successfully marketed the disposal of the land and farm house at Marsh Farm, generating a net receipt of over £600,000 against a previous rental income of £5000. The monies generated will be invested to generate an income in excess of £60,000 per annum.
- Effectively managed the repair and maintenance budgets ensuring expenditure is below approved levels

Plans and Developments 2016

- Achieve the Investment Portfolio income target whilst continuing to be proactive in assisting local businesses
- Bring forward new developments utilising the newly created growth fund.
- 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 effectively manage repair and maintenance budgets for each individual asset, ensuring expenditure continues to be 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 90%
- Development of new properties capable of achieving the highest possible energy rating and conforming to national policies regarding sustainability and energy performance
- Work with the Inward Investment & Business Support Teams to target specific sectors to help reduce voids in offices

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 2015 seeing sales including:

The Sale of 0.23Ha site at T54 for industrial development.

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.

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

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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 Halesfield 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 has reduced the school maintenance back log as new and refurbished schools have been 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

1.1 Operational Property

Category	Quantity	Total Values
Academies	10	£10
Bus Stations	3	£572,300
Cemeteries	3	£3
Changing Rooms & Pavilions	11	£1,159,000
Children Centres	2	£1,631,000
Community Centres	5	£1,417,500
Day Centres	2	£935,000
Golf Course	1	£2,010,000
Hostels/Homeless Accommodation/Residential Homes	58	£6,157,000
Ice Rink	1	£3,230,000
Industrial Estates and Units – Operational (non PIP)	1	£279,400
Leisure Centres	7	£17,078,000
Libraries	8*	£5,829,000
Nursery Schools	1	£305,000
Operational Offices	10	£14,876,734
Outdoor Activity Centre	1	£724,000
Primary Schools (Maintained/Foundation/VC/VA)	51	£105,398,300
Public Conveniences	3	£134,000
Pupil Referral Units	2	£728,500
Secondary Schools (Maintained/Foundation/VA)	3	£29,203,600
Ski Centre	1	£478,000
Special Schools	3	£6,459,000
Theatres	1	£2,003,000
Travellers' Sites	2	£1,136,000
Visitor Information Centre	1	£830,000
Youth Projects	3	£609,500
TOTAL	194	£203,049,087

*Note: Value is for 7 Libraries, Wellington Civic is included with Offices value.

1.2 Operational Property Leased in from Property Investment Portfolio

Category	Quantity	Total Values
Industrial Estates and Units (PIP)	2	£151,160
Offices	2	£519,900
Training / Day Centre	1	£208,400
TOTAL	5	£879,460

1.3 Operational Property Leased in from Private Sector

Category	Quantity	Total Values
HLC Learning Community (Private Finance Initiative – PFI)	1	
Offices	3	
TOTAL	4	

1. Other Property Assets

2.1 Property Investment Portfolio (PIP)

Category	Quantity	Total Values
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Depot	1	£1,304,000
Industrial	39	£27,650,600
Offices	26	£14,510,500
Retail	31	£14,874,600
Smallholdings	1	£600,000
TOTAL	98	£58,939,700

2.2 Other Miscellaneous Sites and Property

Category	Quantity	Total Values
Allotments	10	
Amenity Sites	4	
Assets held for sale	46	
Assets Under Construction	9	
Car Parks	29	
Community Centres - leased out	8	
Leased out property – non PiP	3	
Miscellaneous Sites	173	
Open Space and Recreational Areas	181	
Regeneration Sites	8	
TOTAL	471	

APPENDIX 2

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

Telford & Wrekin Property Performance Indicators for 2015.

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 £25,745,750. 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	£18,939,529
Operational Property	£6,806,221

Previous year comparisons

		2010	2011	2012	2013	2014	2015
Schools	P1-P3	£29,352,678	£28,593,580	£30,652,623	£24,617,893	£21,529,991	£18,939,529
Operational	P1-P3	£11,080,659	£12,766,526	£8,770,020	£8,369,886	£7,480,279	£6,806,221

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 2015/16. Surveys will continue to be updated in 2016 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 **£7.30**

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
14/15	£7.30

Comment:

The cost of energy per m² decreased due to increased gross internal area 2014/15, but total energy consumption (electricity and gas) in all buildings (operational, disposed and schools) has increased by 10% since 2013/14. The gas consumption has decreased slightly by less than 1% since 2013/14, but electricity consumption has increased by 15%, despite of energy audits undertaken at all operational buildings and schools.

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. A number of projects to save energy consumption in schools and operational buildings have been undertaken and savings on energy consumption and energy bills have been achieved in those properties. However, with rapid decrease of budget available for energy efficiency projects since 2014/15, only few energy efficiency projects were available to be funded. Next year, savings in electricity are expected for community centres, as mix of energy efficient and LED lighting was installed in Sutton Hill Community Centre in February 2015. We were able to help some schools with their energy saving lighting refurbishment in 2014/15, such as Hollinswood Primary, William Reynolds Primary and Lilleshall Primary.

LED lighting in the community room in Donnington Lifelong Learning Centre is planned for retrofitting in early 2016. In Darby House, new LED lighting in staircase will take place in early 2016. A number of schools should see savings on their gas bills due to installation of valve insulation jackets in their boiler room in November 2015. Insulation jackets will help to improve energy efficiency by eliminating heat to escape from valves. These LED lighting and valve lagging insulation projects will show savings in 2016/17.