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ECONOMIC DEVELOPMENT AND ENTERPRISE OVERVIEW AND SCRUTINY COMMITTEE

Wednesday, 23rd November, 2011

Present:- Councillor M Olszewski – in the Chair

Councillors Mrs A Beech, Cairns D Clarke, Hailstones Holland Loades and Wilkes

1. DECLARATIONS OF INTEREST

There were no declarations of interest given.

2. MINUTES OF A PREVIOUS MEETING

Resolved:- That the minutes of the meetings held on 24 August and 28 September 2011 be agreed as a correct record.

3. BROADBAND PROVISION

The Council's Elections and Licensing Manager updated Members on the current position regarding the Working Group. A further meeting had been arranged for 6 December at which a representative from BT would be in attendance.

The County Council were carrying out an exercise for the whole County and these results would be available at the end of December. This Committee could then examine those statistics. There was a dedicated Project Officer at the County who could be contacted for more information.

Resolved:- (a) That the information be received.

(b) That the County be approached for more information.

4. HIGH SPEED 2 LTD

The Council's Elections and Licensing Manager updated Members on the current situation. The Government's decision as to whether or not to proceed would not be made until December and therefore it would be advisable to await the decision before progressing further.

Some concerns were raised regarding the re-opening of old lines especially where country parks or residential developments had been established.

Resolved:- That the information be received and the comments noted.

5. COMMUNITY INFRASTRUCTURE LEVY (CIL)

Members were advised that there was nothing further to report on this item.

Resolved:- That the comments be noted.

6. ECONOMIC DEVELOPMENT STRATEGY

Members were advised that there was nothing further to report on this item.

The Document was said to be easy to understand and needed a few minor amendments with regular reviews.

The Council's Regeneration and Economic Development Manager would report back to the February meeting of this Committee.

Resolved:- That the information be received.

7. FORWARD PLAN

Consideration was given to a report on items contained within the Forward Plan which were relevant to this Committee

The Chair had been approached by the Council's Head of Housing requesting that this Committee scrutinise the Strategic Tenancy Policy and the Housing Allocations Policy.

The Chair to Transformation and Resources Overview and Scrutiny Committee had asked if the Staffordshire Strategic Assets Review and the Assets Management Strategy 2012/13 to 2014/15 fell under the remit of this Committee. Members agreed that this was the case and requested that Scrutiny Briefs be brought to an extra meeting of this Committee to be held on 4 January 2012.

Resolved:- (a) That the information be received.

(b) That the Strategic Tenancy Policy and Housing Allocations Policy be scrutinised by the Committee in February 2012.

(c) That Scrutiny briefs be requested on the Staffordshire Strategic Assets Review and the Assets Management Strategy and be brought to the January meeting of this Committee.

M OLSZEWSKI
Chair

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

EXECUTIVE MANAGEMENT TEAM'S REPORT TO THE ECONOMIC DEVELOPMENT AND ENTERPRISE OVERVIEW AND SCRUTINY COMMITTEE

4 January 2012

1. WORK PROGRAMME – DRAFT BRIEFS FOR SCRUTINY

Submitted by: Member Services Officer

Portfolio: Regeneration and Planning

Ward(s) affected: Non-specific

Purpose of the Report

To enable the Committee to discuss the draft scrutiny briefs and agree their content prior to submission to the Overview and Scrutiny Co-ordinating Committee.

Recommendations

(a) That the draft brief for scrutiny be agreed.

(b) That the draft brief for scrutiny be submitted to the Overview and Scrutiny Co-ordinating Committee for final approval.

Reasons

Following the Scrutiny Peer Review it was agreed that the Overview and Scrutiny Co-ordinating Committee fulfil the role of the 'work planning group' and that all draft briefs for scrutiny be submitted to it for final approval.

1. **Background**

1.1 At the last meeting of the Committee it was agreed that the following topics be included on the work programme:

- Staffordshire Strategic Assets Review (Jeff Hamnett)
- Assets Management Strategy 2012/13 to 2014/15 (Louise Beeby)

A draft brief relating to the Asset Management Strategy is appended.

At the time of producing this agenda, Mouchel were working to a timetable which will provide a draft report to all the councils involved in the review by the end of the year. Mouchel anticipate having input from the respective councils by the end of January and the final report being available sometime in February.

Therefore there is nothing to add to the report until February when the final recommendations from the Mouchel report will be available.

2. **Issues**

2.1 Members are asked to consider the briefs appended to this report and to agree the content prior to submission to the Overview and Scrutiny Co-ordinating Committee.

3. **Outstanding Actions Agreed by the Committee**

3.1 None at present

4. **Outcomes Linked to Sustainable Community Strategy and Corporate Priorities**

4.1 The work programme of the Economic Development and Enterprise Overview and Scrutiny Committee lists items for Overview and Scrutiny activity. This activity will contribute to the following priorities in the Sustainable Community Strategy:

PE04	To identify NEETS (Not in Education, Employment or Training) and encourage their engagement
PL01	To improve the facilities and infrastructure across the Borough
PR01	To provide opportunities for up skilling the working age population
PR02	To enable young people to achieve their potential and encourage their investment in the local economy
PR03	To transform the perception of Newcastle and the North Staffordshire region
PR04	To maximise the benefits of investment coming to the Borough for businesses and local people

4.2 The committee's activities will also contribute to the corporate priority of creating a Borough of opportunity.

5. **Legal and Statutory Implications**

5.1 There are no legal or statutory implications directly arising from this report.

6. **Equality Impact Assessment**

6.1 There are no equalities issues directly associated with this report. Consultation items on the work programme, such as draft police should include equality impact assessments and the committee should seek to challenge report authors and decision-makers to ensure that all equalities and diversity issues have been discussed.

7. **Financial and Resource Implications**

7.1 There are no financial implications directly arising from this report.

7.2 The primary resource implication arising from this report is Members' and Officers' time and commitment to undertake Overview and Scrutiny activity. When monitoring the work programme it is the committee's responsibility to ensure that it does not overburden itself with work if Members are unable to commit to particular activities within an agreed timeframe.

7.3 There are no human resource implications arising from this report.

7.4 There are no ICT implications arising from this report.

8. **Major Risks**

8.1 There are no risks associated with this report.

9. **Key Decision Information**

9.1 Overview and Scrutiny does not have the power to make decisions and therefore this report does not propose any decisions which would be considered to be a key decision.

10. **List of Appendices**

Appendix A Assets Management Strategy 2012/13 to 2014/15 (Lead Officer – Louise Beeby)

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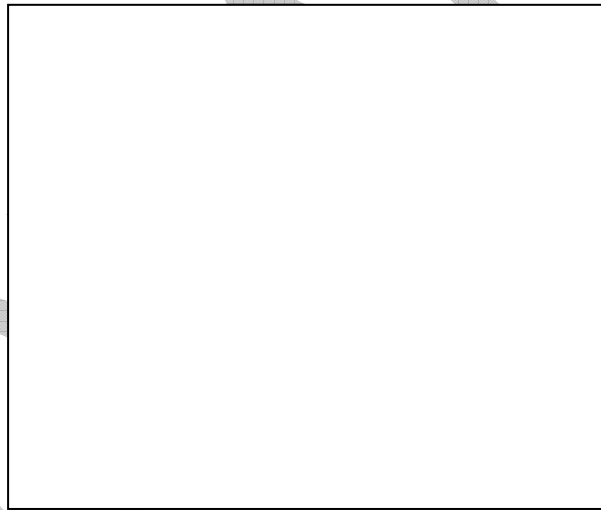
Brief for Scrutiny

<p>Topic to be Scrutinised</p> <p>Asset Management Strategy</p>
<p>Questions to be Addressed</p> <p>To review the contents of the attached Asset Management Strategy.</p>
<p>Outcome</p> <p>It is anticipated that the revised Strategy would facilitate the disposal of surplus land/property assets thereby providing capital receipts.</p>
<p>Background Materials</p> <p>Draft copy attached.</p>
<p>Evidence and Witnesses</p>
<p>Method of Scrutiny</p>
<p>Timetable</p> <p>Cabinet to consider Strategy on 18 January 2012.</p>
<p>Constraints</p>
<p>Members to Undertake the Scrutiny</p>
<p>Support</p>
<p>Newcastle Borough Council Corporate Plan Priority area(s)</p> <ul style="list-style-type: none"> • Promoting a Cleaner, Safer and Sustainable Borough. • Promoting a Borough of Opportunity. • Promoting a Healthy and Active Community. • Transforming our Council to Achieve Excellence.
<p>CfPS Objectives:</p> <ul style="list-style-type: none"> • Provides 'critical friend' challenge to executive policy makers and decision makers. • Enables the voice and concerns of the public to be heard. • Is carried out by independent governors who lead and own the scrutiny role. • Drives improvement in public services.
<p>Brief Approved by Overview and Scrutiny Co-ordinating Committee</p>

Signed:

Date:

**DRAFT
NEWCASTLE-UNDER-LYME
BOROUGH COUNCIL
ASSET MANAGEMENT
STRATEGY
2012-2015**



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1.0 INTRODUCTION

Property is a technically difficult asset to provide and maintain, slow to change and can be expensive to run. If the Authority is to get the best out of its use of land and buildings, it is important that it has a clear vision of what it expects from its properties, and that it resources them appropriately.

The property estate must be regularly reviewed and actively managed to ensure that it supports changing needs and offers continuing value for money. This management process depends on full engagement from Senior Officers, Councillors and from the operational service units that occupy the properties.

In order to demonstrate that the Council is managing its resources effectively, in the context of an overall aim of delivering efficient public services, the Council must produce a suite of key documents on an annual basis; the Asset Management Strategy/Plan is one of these documents (others include the Corporate Plan, the annual budget, the Capital Strategy and the Medium Term Financial Strategy). Up to date Government guidance and acknowledged best practice has informed the structure and context of this Strategy.

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2.0 ASSET MANAGEMENT – A STRATEGIC APPROACH

2.1 CONTEXT

The Borough of Newcastle-under-Lyme is part of the conurbation of North Staffordshire. It is the most populated district in Staffordshire with a population of around 125,000 and has an area of 81 square miles. The two main towns within the Borough are Newcastle-under-Lyme and Kidsgrove, but there is an extensive rural area in the west.

The industrial base of the Borough has changed significantly in the last century, with the closure of local coal mines and the development of the distribution sector. Service industries are the largest employers in the area, with the number of people employed in water, energy and construction industries being higher than average. The presence of Keele University with the development of its innovation centres for small businesses, new medical school and the growth in hi-tech, research and medical technology businesses demonstrates the potential for added value growth of the area. Newcastle town centre is recognised as being one of two strategically important centres in the North Staffordshire conurbation, with further growth predicated upon its good connections to major transport routes.

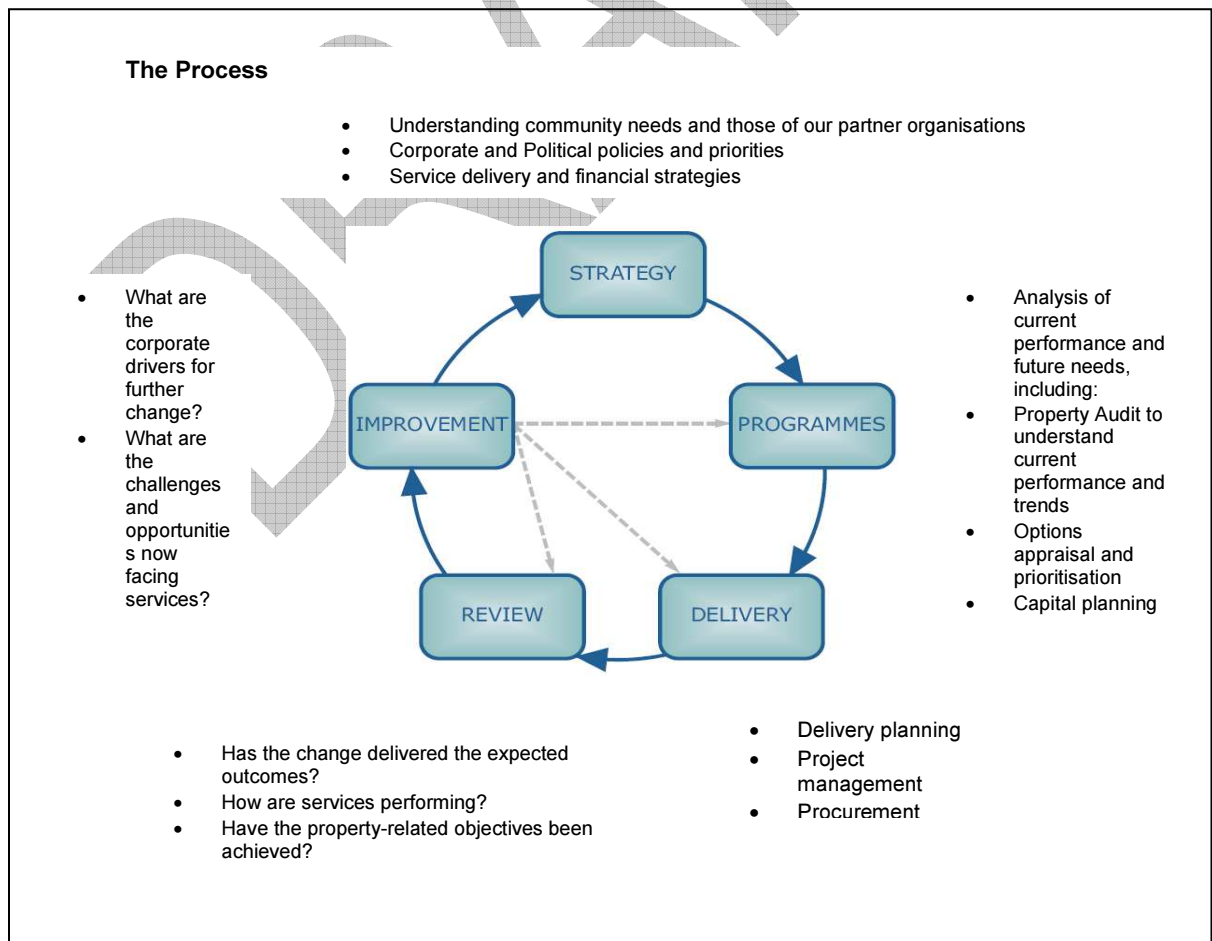
There have been big reductions in funding provided to local authorities, central government and its agencies, arising from the need to restrain public expenditure owing to the ongoing economic recession and to rebalance public finances. At the same time, the Council's own resources available to finance capital projects have diminished and will need replenishing before any substantial further capital investments can be made. Services are therefore under increased pressure to reduce costs and it is particularly important to keep fixed outgoings such as property related costs under review. The Council has initiated an Assets Disposal Programme (details set out in appendix 1). However given the current economic climate and the virtual stagnation of the property market, it will be important to balance the desire to dispose of surplus property assets with recognition of local prevailing market conditions. Each case should therefore be considered on its own merits.

2.2 MAIN ELEMENTS OF GOOD ESTATE MANAGEMENT

The main elements of good asset management for public authorities are listed below:

- Leadership – political, corporate and technical.
- Culture – establishing an environment that sets high standards and measures performance.
- Strong customer focus – consultation and feedback – the recent scrutiny review process of a proposed surplus land disposal programme demonstrated the importance of this element.
- Clarity of Structure, Roles and Responsibilities.
- Resources and Capacity – adequate staff, time and funding.
- Clear Governance – support of senior management and political leadership.
- Data – decisions should be properly informed.
- Sustainability – outcomes are sustainable organisationally, environmentally and financially.

In order to facilitate good asset management it is also necessary to design a process that can be readily understood by all interested parties and, most importantly, be clear to those involved with administering it. It is proposed to adopt a similar five stage process for asset management in this Council as described in the annotated diagram below:



1. Strategy

This document is the strategy at the head of the diagram which seeks to clarify the Council's approach to asset management, particularly balancing the corporate context with service delivery requirements.

2. Programmes

The programmes of work should be derived from the strategy and these will typically relate to investment in retained stock and disposal of surplus property.

3. Delivery

Delivery of agreed programmes is the vital ingredient that translates the strategy into action and recent experiences of managing capital projects, such as the building of the new Jubilee 2 centre, demonstrate the importance of good project management and effective procurement.

4. Review

Continual review is a key element of the process too in order to ensure that the property estate continues to support efficient service delivery.

5. Improvement

The latter should lead into improvement planning in order to ensure that any change in direction in corporate priorities can be responded to.

2.3 BENEFITS OF GOOD ASSET MANAGEMENT

- Improved services through better buildings and co-location of services
- Improvements in efficiency, which generate financial savings
- Reduced maintenance backlog
- Better utilisation of property
- Release of capital through sale of surplus assets
- Potential to drive regeneration outcomes both economic and housing growth

2.4 ASSET MANAGEMENT IN PRACTICE

Office rationalisation programme

The Council has reviewed the Borough's office accommodation in Newcastle town centre and has, as a result, consolidated the Borough Council staff in a more space efficient manner within the Civic Offices to free up space which is in the process of being let to other public sector partner organisations which include the North Staffordshire PCT, Staffordshire County Council and Staffordshire Police. This will produce:

- A significant revenue income per annum;
- a reduction in running costs to the Borough Council;
- potential for improved partnership working and;
- potential to deliver more seamless public services.

Depot review

The Council reviewed its depot facility two or three years ago and was able to rationalise the overall site in a manner that enabled the Staffordshire Fire and Rescue Service to build a new Community Fire Station on surplus land.

This has generated a significant capital receipt for the Council; facilitated delivery of a fit for purpose facility required by a key partner and; enabled improved service delivery and greater partnership working.

2.5 DEVELOPING A CLEAR PROPERTY STRATEGY FOR NEWCASTLE

Scale of Activities

- Newcastle-under-Lyme Borough Council is a significant property owner within its administrative boundaries with substantial legacies around the two main town centres of Newcastle and Kidsgrove as well as in the urban villages/rural hinterland.
- As at March 2011 the Council's property assets were in the Asset Register at £70,722,973. The properties are valued in accordance with RICS Appraisal and Valuation Standards (Red Book). This involves a variety of valuation methods dependant upon the particular asset and its use. This estate comprises a mix of property, some 220 buildings and various land holdings which form two distinct portfolios, the Commercial/Regeneration Portfolio and the Operational Portfolio.

(a) Operational Portfolio

This consists of land and buildings from which the Council carries out its own business activities/service delivery. This comprises a mix of 100 buildings that are typical of a local authority estate and result from the history of diverse activities in which local authorities have been involved in the past.

Examples include the newly built Jubilee 2 Health and Wellbeing Centre, the Civic Offices which is a 1960s building providing some 6,500 sq.m of administrative and civic space in the town centre and the works depot, located on the edge of the town, which provides workshops, stores and garaging for the Council's direct works departments.

The Council no longer holds social housing stock but still owns and maintains significant land holdings within these neighbourhoods.

(b) Commercial Portfolio

The Commercial Portfolio comprises land and buildings let to business tenants on the basis of open market rents, as well as the

Council's fee paying car parks. This Portfolio comprises 120 freehold buildings and 13 leasehold units: offices, town centre retail, a multiplex cinema and premises on industrial estates. There are also street markets and hybrid premises (operational properties which have an element of commercially let space within them), such as the lettings to Staffordshire County Council.

The Portfolio itself has arisen out of various regeneration initiatives that the Council has undertaken from the 1930s onwards when it undertook the development of the Lancaster Building shops and office complex at the time of an economic depression. In response to the current economic difficulties, the Council has invested significantly in this Listed Building through a comprehensive refurbishment to achieve a "very good" BREEAM standard.

In recent years, additions to this portfolio have included the construction of a small block of industrial units for the small business/new enterprise market at Church Lane (Knutton) which are now fully let. Additionally the Council facilitated the BREEAM "outstanding" commercial building at Chatterley Valley, known as Blue Planet.

The properties owned by the Council are categorised in more detail in Appendix 3.

2.6 ASSET MANAGEMENT POLICIES

Asset Management Policies will be influenced by various factors including current government policy; the needs of the community; the needs of the organisation in delivering services and economic conditions. Taking account of these the Council's key policies for asset management are as follows:

- The Authority will only hold sufficient property to meet a service need or strategic objective;
- Property is a corporate asset and will be managed as such
- Service demands on the estate will be met in the most cost effective manner available to the Authority;
- Properties held for service needs will be suitable for their intended purpose and;
- The condition of the Authority's estate will be maintained at the best level to meet the needs of the operational activities with best endeavours being used to optimise the environmental performance of all properties

2.7 PROPERTY-RELATED ASSET MANAGEMENT OBJECTIVES:

- Support improvements in service delivery
- Achieve optimum utilisation of property assets
- Invest available funding in areas of greatest need or opportunity

PROTECT - PERSONAL

- Raise awareness of spending on properties occupied by the Authority
- Formulate an “asset challenge” to Service Directorates
- Minimise the opportunity cost of holding land and property assets
- Minimise the environmental impacts of the portfolio
- Optimise capital receipts from disposal of surplus land/property
- Optimise income from the Commercial Portfolio
- Engagement with local community and third sector organisations
- Property should support the achievement of wider objectives e.g. social inclusion and regeneration

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3.0 THE WIDER POLICY CONTEXT

3.1 THE NATIONAL CONTEXT:

Government Policy

Many Government initiatives, policy statements and/or guidance influence the Authority's asset policies, including:

- The Quirk review of ownership of public assets
- The Gershon Review, and the drive to improve efficiency
- The Prudential Code for the management of capital finance
- Leaner and Greener Report – Putting Buildings to work
- Penfold Review
- Laying the foundations of a Housing Strategy for England

Statutory Responsibilities

The Authority as an employer, a landowner, a landlord and a provider of services, has a wide range of responsibilities with an accommodation implication including:

- Disability Discrimination Act 1998
- Management of the risks associated with property assets including regular maintenance and servicing to address matters such as:
 - Legionella – A managed programme of water testing is carried out
 - Asbestos – An on-going programme of surveys provided a register of the presence of asbestos across the portfolio
 - Fire Safety – The Authority undertakes Fire Risk Assessments in respect of its properties and tests fire safety equipment e.g. alarms etc on an annual basis
 - Gas Safety – Inspections and services are carried out on an annual basis
 - Electrics - An ongoing programme of periodic tests is carried out along with Portable Appliance Testing.
 - Lifts, pressure vessels, safety line, chimney maintenance - Checks are carried in accordance with best practice
 - Lightning Conductors – checked in accordance with best practice

NB: The above summary is not an exhaustive list of statutory inspections/maintenance arrangements.

3.2 THE LOCAL CONTEXT

The Asset Management Strategy draws from a number of strategic Council documents including:

A Sustainable Community Strategy 2008-2020

Corporate Plan – 2011/12 to 2013/14

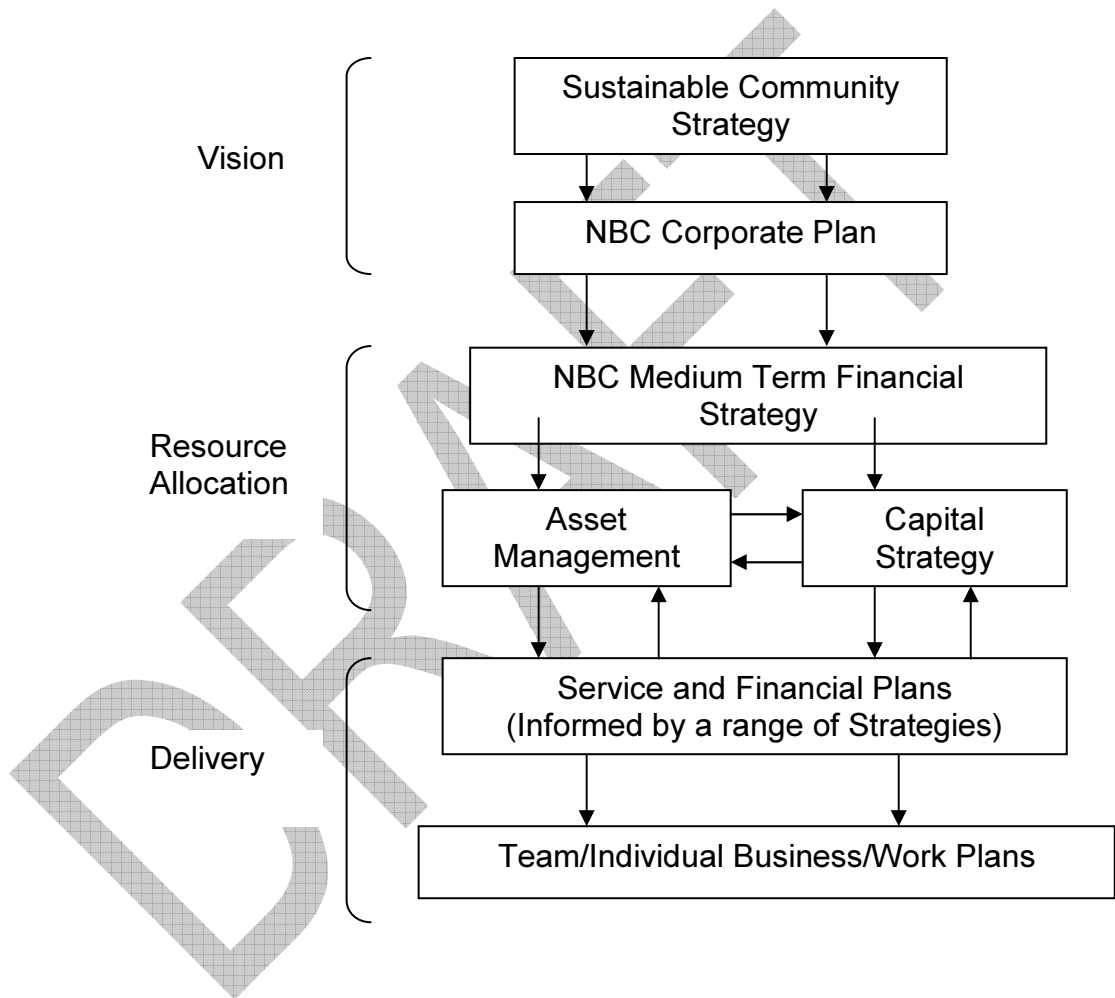
Newcastle-under-Lyme and Stoke-on-Trent Core Spatial Strategy 2006-2026

Medium Term Financial Strategy 2012/13-2014/15

Capital Strategy 2012-2015

Revenue Budget 2012-2013
North Staffordshire Green Space Strategy 2007
Economic Development Strategy 2012-2017
Housing Strategy 2011-2016
Strategic Housing Land Availability Assessment 2011
Carbon Management Plan 2011
The Staffordshire Compact and Third Sector Commissioning Standards 2009-2012

The diagram below shows the relationship the Asset Management Strategy has with key Council/partner strategies/plans



Links to Corporate Plan

The Council's Corporate Plan (2011/12 to 2013/14) has four main priority areas which are:

- Promoting a Cleaner, Safer and Sustainable Borough
- Promoting a Borough of Opportunity
- Promoting a Healthy and Active Community
- Transforming our Council to Achieve Excellence

It in turn sets out a number of key actions which the Authority will take to ensure that best use is made of its property assets which included:

- Aim for optimal use of the Council's asset portfolio
- Develop the Council's role in the Staffordshire and S-0-T Local Enterprise Partnership (LEP) with the aim of seeking funding for regeneration
- Make the Town Centre vibrant and attractive
- Promote high quality facilities for those who live, work or visit the Borough
- Ensure sustainable initiatives for the community and the environment

Performance Management Context

The performance of the Authority's estate is subject to scrutiny by the Economic Development and Enterprise Overview and Scrutiny Committee with oversight also being provided by the Transformation and Resources Overview and Scrutiny Committee.

Review of assets is an ongoing job for officers. Such reviews will inform the budget setting process as an ongoing matter but recognition of the effects of the property market on timing and amounts of capital receipts have to be allowed for.

The action logs of the Assets Review Group are reported to the Executive Management Team. Significant decisions re potential disposals or acquisitions are reviewed there and if agreed in principle then reported for a Cabinet decision. This may require consideration at the Capital Projects Review Group when capital expenditure over £20,000 may be required on a property or parcel of land.

The main performance indicators pertaining to the Council's operational and commercial property portfolios are listed below:

- Percentage of the investment portfolio which is vacant
- Percentage of investment portfolio in arrears
- Percentage of statutory inspections completed on time

Partner Organisations

Community leadership is often delivered through partnership, and it is probably seen in the best light when it tackles “cross-cutting” issues. The Newcastle Partnership brings together key players from the public, private and voluntary sectors. Our ability to lead and contribute to partnerships is increasingly important to help us secure improvements in service delivery through the physical estate for the residents, investors and visitors to the Borough.

Staffordshire and SOT Local Enterprise Partnership (LEP)

The Local Enterprise Partnership is a public and private sector partnership which will focus on enterprise and innovation initiatives which unlock the potential of the private sector to create employment and wealth to begin growing, restructuring or sustaining the local economy. It is anticipated that the Council will be increasingly expected to adopt an approach to the disposal of surplus land to facilitate economic growth and/or house building (consistent with Government policy).

Disposals to Third Sector

For a number of years, the Council has pursued a policy of disposal of Assets to the ‘Third sector’ through the engagement of active community groups.

The Council’s disposal strategy in respect of these groups recognises the strengths of pro-active community organisations – independence, specialist knowledge of particular activities, community focus and access to third sector funding streams.

The Council seeks to access and support these strengths for the benefit of the community by granting long leases of land and property to third sector organisations at nominal rentals. The grant of such leases, as opposed to outright disposal of the freehold, ensures that where such groups experience problems, (for example through loss of key members), the asset (land/property) returns to the Council (and the greater community) to be utilised again for a similar purpose or some other purpose outlined in the corporate priorities.

Examples of successful leases (typically of 20/25 year duration) previously established by the Council include:

Kidsgrove Ski Club
Newcastle Town Football Club
Newcastle and Hartshill Cricket Club
Newcastle Rugby Club
North Staffs Disability Group Adventure Playground
Kidsgrove Citizens’ Advice Bureau

Sustainability:

The Borough's Sustainable Community Strategy identifies the important issues that need to be addressed in order to enhance the quality of life of local communities.

The Council and its partners in the Newcastle Partnership undertook a rigorous community consultation exercise to establish three broad priorities within the Sustainable Communities Strategy (SCS) linked to the themes of 'People, Places and Prosperity'. Twenty-five priorities were identified in the context of these three priority themes and the Partnership is in the process of developing detailed Action Plans to address the said priorities.

Maintenance

Another key area relates to the maintenance and repair of the significant operational buildings. Whilst key properties remain under review (e.g. Civic Offices) a modest investment programme has been approved as part of the Council's Capital Programme and a longer term programme will need to be the subject of a refreshed survey in the expectation that capital funds will be available from 2012-14.

Carbon Reduction/Energy Efficiency

The Council monitors energy use in all operational properties. It is seeking to reduce energy usage over the next 3 years and where it carries out repairs/improvements to the properties it seeks to reduce its carbon footprint/energy use further as a direct result of these works, thereby saving costs.

The Council published a Carbon Management Plan in 2011 (accredited by the Carbon Trust). This involves the development of a Carbon Management Strategy - identifying the drivers for carbon management, targets and objectives to be achieved and the strategic themes considered.

In order to deliver the said objectives, the Plan sets out a number of projects; there are existing projects, planned/funded projects, near term projects and medium to long term projects.

In October 2011 the Council received a grant allocation of £35,000 from the West Midlands Low Carbon Fund to reduce the Council's carbon footprint which in turn will save money in respect of energy consumption. A number of energy saving proposals have been approved in principle and these are:

- Automatic meter readers at the Civic Offices, Bradwell Crematorium, Knutton Depot and Knutton Depot garage
- Cavity wall insulation at Bathpool ski/rugby club, Knutton Depot,
- Alexander Road changing rooms, Kidsgrove Town Hall and Bradwell Crematorium

PROTECT - PERSONAL

- Low energy lighting at Brampton Museum
- New water heaters at Merrial Street toilets

At the time of finalising this Strategy the precise programme of works was being finalised, in consultation with the West Midlands Low Carbon Fund. It is estimated that these schemes will result in a reduction in annual energy costs in excess of £35,000 in 2012-14.

Planned maintenance / improvement

The Council will be moving towards a planned maintenance programme in the next few years. Given competing priorities for expenditure and limited available capital funds the Council has adopted a targeted approach to investment for 2012/13

- Former St. Giles and St. George's School – Secure partners and completion of any agreed scheme of works.
- Newcastle Town Centre Street Market - Procure and place new market stalls on site (target for completion January 2013)
- Hassell Street pedestrianisation – complete scheme November 2012
- Ironmarket taxi rank work commences January 2012
- Accommodation Review – Further work to establish the medium/long term accommodation needs of both the Borough Council and other public sector partners.

4.0 THE CURRENT ESTATE

The following table lists the operational and commercial properties which the Council owns and its value as at 31.03.2011

Property Type	No of Properties
Agricultural Holding	1
Aviary	1
Bandstand	1
Cafe and Children's Activity Centre	1
Car Park - Multi	1
Car Showroom	1
Changing Rooms	1
Chapel	1
Community Centre	17
Crematorium	1
Day Nursery	1
Garage	1
House	3
Industrial	50
Industrial Nursery Unit	1
Licenced Premises	1
Museum	1
Office	20
Pavilion	13
Former Pump House	1
Pumping Station	1
Shop	43
Sports Centre	1
Store	7
Swimming Baths	1
Public Toilets	12
Total	184
Total Value	£31,361,217.89

5.0 PROGRAMMES

5.1 ASSET REVIEWS

Any aspiring organisation will continuously challenge its use of resources, and the Authority has instituted a programme of reviews of its operational property portfolio, which is used to deliver services. Property can be expensive drain on both capital and revenue budgets, and is slow to change. It is essential that the organisation has the right type of premises in the right locations, and accommodation must be sufficiently flexible to be able to be adjusted to the changing needs of the service market. It must also be used as efficiently as possible; vacant or under-used space is an expensive waste.

Surplus Assets Disposal Programme

Each year operational managers are challenged to ensure that any underutilised/surplus space is identified and where appropriate allocated for disposal. Disposals in 2011/12 included the sale of toilets at Butt Lane and the planned disposal of redundant offices at Newcastle Cemetery.

A car parking study was commissioned in Autumn 2011 which identified a number of Town Centre car parks that were under-utilised. In view of the costs associated with managing and maintaining such sites, along with the fact that some of the car parks are situated adjacent to potential redevelopment sites, it is intended to undertake further analysis during 2012/13 in order to establish whether some of these sites are potentially surplus (see appendix 1).

A detailed scrutiny process was undertaken during 2011 in respect of proposals to dispose of surplus land. The Overview and Scrutiny Committee report made a number of recommendations as to the way the disposal programme was dealt with, in particular with respect to public consultation. The Council's Cabinet has taken these recommendations into account and resolved that the Asset Management Strategy will be amended to reflect these recommendations (see Appendix 1 – current and proposed land disposals and Appendix 2 – public consultation arrangements). There will however be exceptional circumstances in respect of certain disposals, such as the recent disposal of disused public toilets, where the public consultation process will not be necessary. Other examples include brown field sites/buildings such as land at Silverdale Road, Newcastle (former Nursery/storage site).

Future Disposal of Surplus Land

Any future strategic land sales for housing development will be advised by the emerging Site Allocations and Policies Development Plan Document where full consultation will be undertaken with the general

public. This process will determine the acceptability or otherwise of such development prior to any disposal decision.

Review of Public Estate in Staffordshire and Stoke-on-Trent

The Borough Council is participating in a project led by Staffordshire County Council along with all the other District Councils and other public bodies including the NHS and the Police. This will review the public sector estate within Staffordshire.

The project has two main objectives which are as follows:

- Comprehensive identification of the Public Sector Estate across Staffordshire
- Analysis of the information to promote the most effective and efficient use of the combined assets.

A report to identify the findings of this project is in the process of being prepared by external consultants (completion anticipated by the end of March 2012). This will identify the physical, legal and strategic planning links between the particular assets of the various public bodies and hopefully create a list of potential joint development opportunities where these property interests come together (for example, the Ryecroft development site which is subject to a joint venture agreement between Staffordshire County Council and Newcastle Borough Council).

5.2 PARTNERSHIP AND COLLABORATIVE WORKING

Public Sector GIS based database

Staffordshire County Council is working in conjunction with Newcastle Borough Council and the other District Authorities to develop an intranet database which holds the land ownership details of all the Councils and other public bodies such as Police and Fire Authority etc.

Regeneration

The Authority has worked with various public sector partners to bring about the regeneration of various sites throughout the Borough.

Examples of this include:

- Redundant industrial site on Lower Milehouse Lane, Newcastle - the regeneration of this site has had a catalytic effect on the wider area.
- Former Sainsbury's premises - the recent purchase of this site in partnership with Staffordshire County Council to form a potential retail led regeneration of the Ryecroft area of the Town Centre.
- Newcastle Town Centre Public Realm – This scheme involves realigning the market to follow the pedestrian flow within the Town Centre

Shared Accommodation

The Authority shares accommodation with its public sector partners and at the time of writing, was seeking to extend this:

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- Civic Offices to be shared with Staffordshire County Council, Staffs Police and the Primary Care Trust.
- Kidsgrove Town Hall shared with Staffordshire County Council with potential inclusion of Staffs Police

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Facilitating Community Assets

- Disposing of part of the former Knutton Depot to Staffordshire Fire and Rescue Service (SFRS) to enable the construction of a Community Fire Station at Knutton Lane, Newcastle
- Disposing of land at Loggerheads to the SFRS to facilitate the construction of a community fire station

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6.0 ARRANGEMENTS FOR ASSET MANAGEMENT PLANNING

6.1 CORPORATE MANAGEMENT STRUCTURE REGARDING ASSET MANAGEMENT

The diagram at Appendix 4 shows the Council's structure in terms of Asset Management. Since January 2008 the Assets Section has been consolidated into the Regeneration and Development Directorate.

Portfolio Holder Responsibility

Asset Management falls within the portfolio of the Cabinet member with responsibility for Regeneration and Planning.

Corporate Property Officer

The Corporate Property Officer (CPO) is the Head of Assets and Regeneration who reports directly to the Director of Regeneration and Development (a member of the Executive Management Team)

Assets Review Group

The Assets Review Group is chaired by the Executive Director of Regeneration and Development with the CPO as Vice Chair, and meets bi-monthly (or more frequently if required). The overall objective of the Group is to review the performance of and provide strategic management for, the Authority's portfolio

Capital Programme Review Group

The Capital Programme Review Group (CPRG) meets monthly and is chaired by the Executive Director (Resources and Support Services), with the CPO as Vice Chair. This group controls capital expenditure.

The ARG and CPRG monitor the use of both Assets and Capital, and approve the release of Assets for specific purposes, having reviewed the business case for the use. Similarly they make recommendations to the Council's Executive Management Team (EMT) about Capital expenditure, having examined the business case, and subsequently monitor the capital expenditure programme.

The recommendations and decisions of these two groups directly inform the Council's Medium Term Financial Strategy and Capital Programme. In terms of broader governance arrangements the decisions of both groups have to be ratified by EMT (as is the case with all Corporate Working Groups).

The membership of the Assets Review Group ensures that the CPO receives direct and pertinent user information about the Council's Operational Portfolio. The ARG effectively provides feedback as to any asset management proposals/plans being considered either corporately or from a service perspective. Any plans or proposals requiring new capital expenditure require endorsement by the CPRG

before proceeding through the formal decision-making processes of Cabinet or Council.

The output from both the ARG and the CPRG will form the basis of the Council's Capital programme (which is reviewed annually along with the Corporate Plan and the Medium Term Financial Strategy).

As well as ensuring the efficient and effective use of the Council's property assets, the role of the CPO, ARG and the CPRG is to ensure a consistency between the Council's asset portfolio and the Council's Corporate Plan, as well as the service-specific Service and Financial Plans.

Day to Day Asset Management Planning

The Head of Assets and Regeneration is responsible for Assets, Facilities Management, Engineering and Car Parks and Economic Development. All the day-to-day work connected with this asset management planning is undertaken within this service area. Significant expenditure is allocated through the capital planning process whilst small scale works and reactive maintenance is funded from a Repairs and Renewals Fund.

6.2 ASSET MANAGEMENT DATA AND INFORMATION SYSTEMS

The Council's land ownership mapping system (terrier), property data, Asset Register and property management and maintenance records are held on one computerised system. Paper filing systems are used for other property management functions.

The Council subscribes to the IDOX Uniform suite of applications which includes the asset register and property management modules, which contains key property information. This system links with other modules throughout the authority, which means that departments such as Planning, Land Charges and Building Control, which use plan-based systems, will be able to access shared information.

The system also allows for each property to be given a unique property reference and will allow this reference to be linked to the National Land and Property Gazetteer.

6.3 HEALTH AND SAFETY

In 2010 the Council purchased a computerised health and safety system called BS Target 100. This system has the ability to manage and monitor all aspects of health and safety across the Council including the inspection and servicing of the building utilities and any other statutory inspections. It is now seeking to roll out this system to supplement the Council's existing statutory inspections database.

7.0 CONCLUSION

In conclusion the fundamental elements of this strategy deal with the need for efficient and effective use of the Council's property assets in order to provide effective and affordable services for the community they serve. In particular, this establishes the need to minimise the use of built space, where possible share that space with partner organisations and maintain and modernise that space where appropriate.

Furthermore, the strategy clarifies the ongoing need to identify surplus land/property assets, to align these with those of partner organisations (SCC) and to gain capital funding to support these activities through disposing of these assets at best price through the Assets Disposal Programme (see appendix 1). This is in line with Government Policy regarding the efficient use of assets to achieve the aims of the Community.

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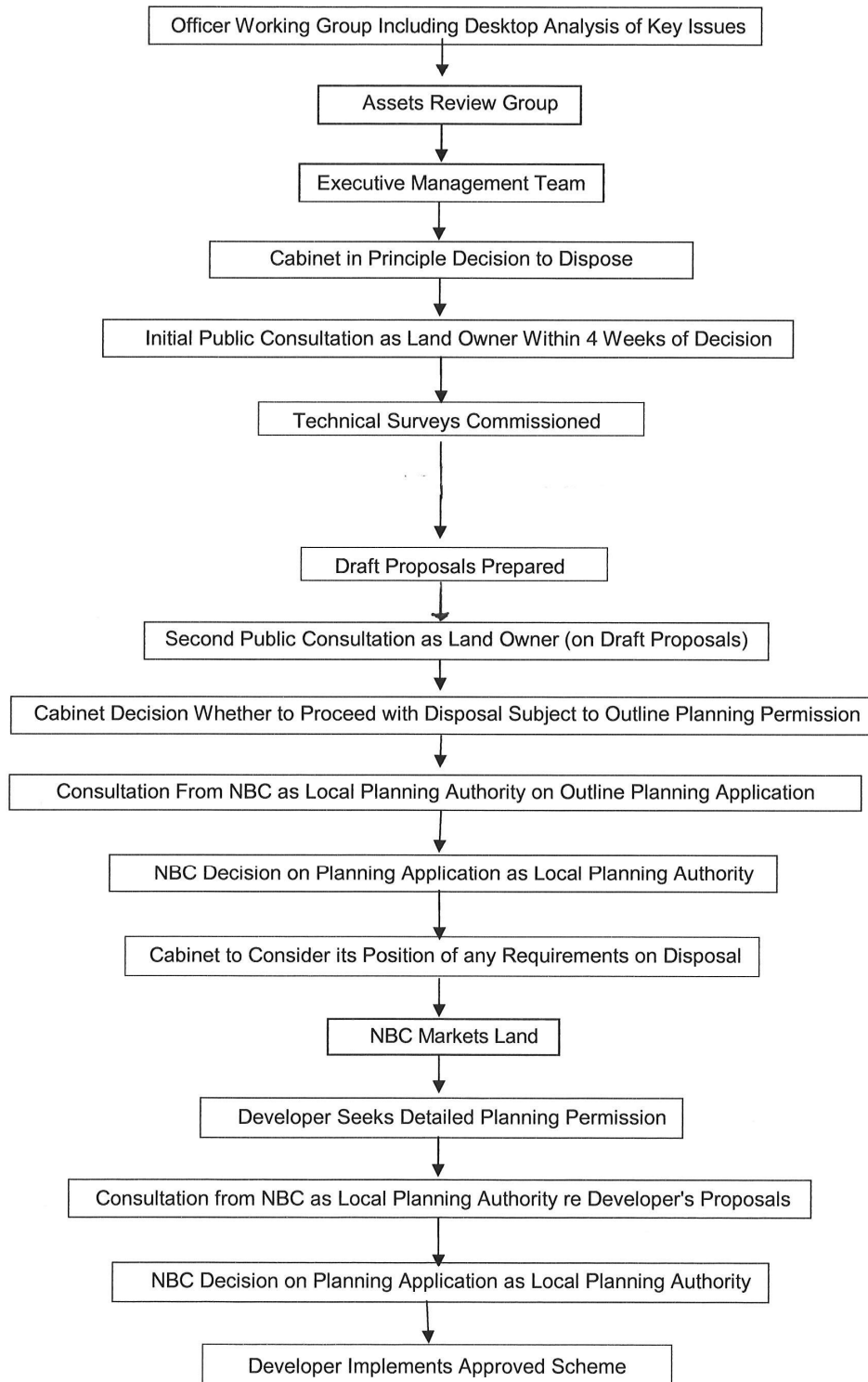
APPENDIX 1

Approved Disposals		
Address	Action	Position Statement
Plot D Apedale Road Chesterton	Land Disposal	Cabinet decision to dispose. Subject to resolution of planning issues potential to complete disposal by Summer 2012.
Cemetery Lodge Lymewood Grove Newcastle	Premises Disposal	Aim to dispose of building at auction either end Jan 2012 or mid March 2012.
Land at Market Drayton Road Loggerheads	Land Disposal	Cabinet decision to dispose and resolution to grant planning permission. Potential to complete disposal by end June 2012.
Jubilee Baths site	Land/Premises disposal	Cabinet decision to dispose. Marketing commenced.
Knutton Recreation Centre	Land Disposal	Cabinet decision to dispose. Potential disposal in late 2012 following developer procurement and public consultation.

Proposed Future Land Disposals		
Address	Action	Position Statement
38 Market Street Kidsgrove	Premises disposal	Premises requires substantial repair. Recommend to provisional negotiations commenced with current tenant if terms not agreed propose to dispose by Auction.
Land at Grove Ave Kidsgrove (0.22 acres)	Land disposal	Land formerly used for storage/plant nursery. Potential building plot with no planning permission propose to submit planning application and, if successful, dispose by auction.
Land Disposals to be explored 2012/13		
Town Centre car parks	Land Disposal	The 2011 car parking study identified a number of Town Centre car parks that were under-utilised. These sites will be monitored/reviewed with a view to possible future disposal.
Land Silverdale Road, Newcastle (0.56 ha)	land disposal	The sites either side of this land have been redeveloped however it forms part of a designated flood plain. This may mean low grade industrial/commercial use.

Appendix 2

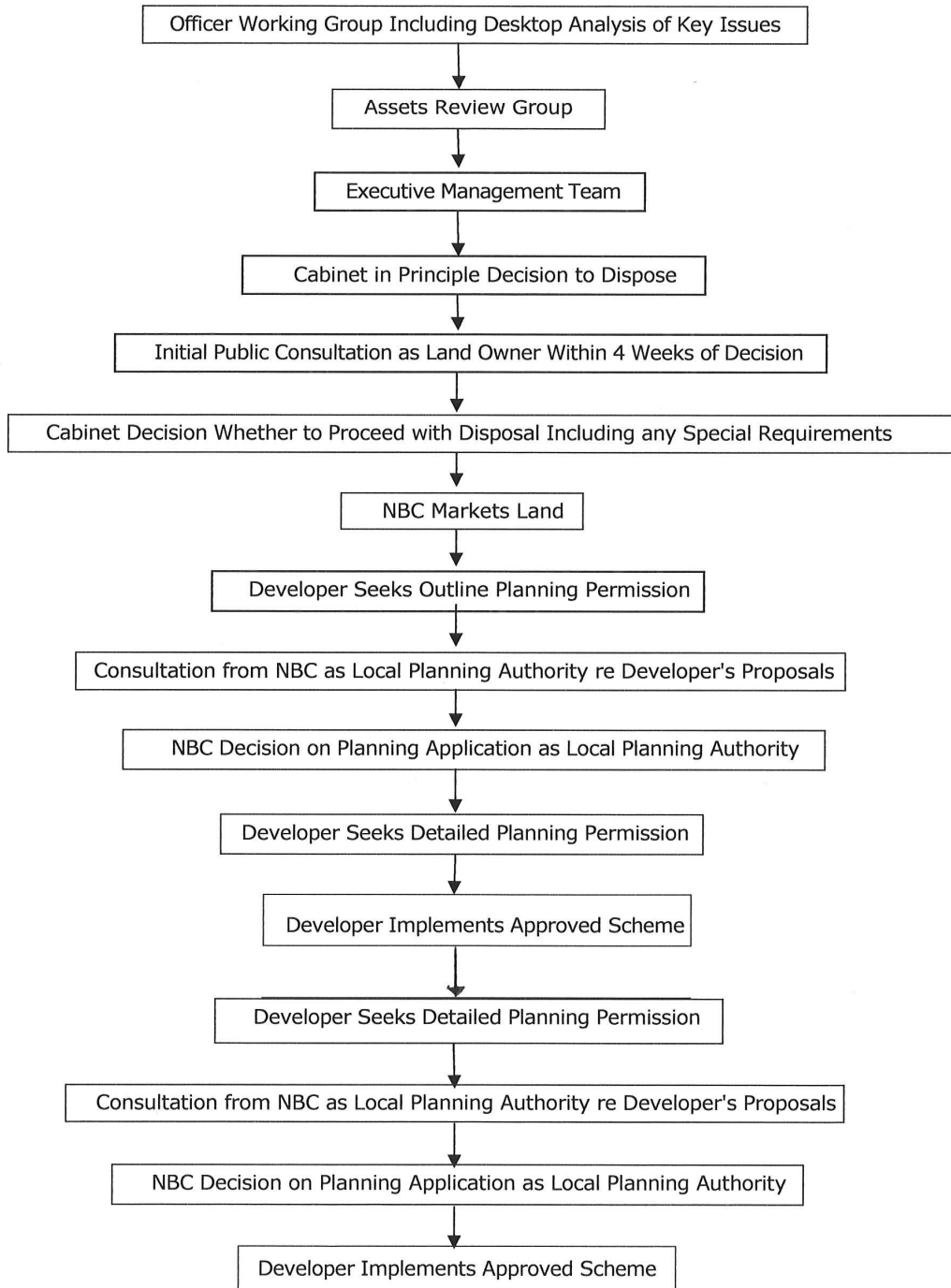
Indicative Decision-Making Process Relating to Surplus Land Disposals
cases where the Council seek planning permission prior to disposal



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Appendix 2

Indicative Decision-Making Process Relating to Surplus Land Disposals cases where the Council do not seek planning permission prior to disposal



Appendix 3

Operational assets

In broad terms this is property that is held, occupied, used or contracted to be used on behalf of the authority in the direct delivery of service for which it has a responsibility, whether statutory or discretionary or for the service of strategic objectives of the authority. For reasons of simplicity we also include 'Community Assets' in this category.

This category includes (not exhaustive list):

- The Civic Offices
- Guildhall Customer Contact Centre
- Kidsgrove Town Hall Customer Contact Centre
- Knutton Lane depot
- Jubilee Baths and Knutton Recreation Centre*
- Jubilee 2 Swimming Baths and Leisure Centre
- The Museum/Art Gallery
- Crematoria and Cemeteries
- Off-street car parks
- Land associated with operational property
- Parks
- Historic Buildings/Monuments
- Allotments
- Sports pitches
- Community Centres
- CCTV infrastructure
- Bridge and watercourse structures

*These 2 assets are now surplus as Jubilee 2 has recently been completed

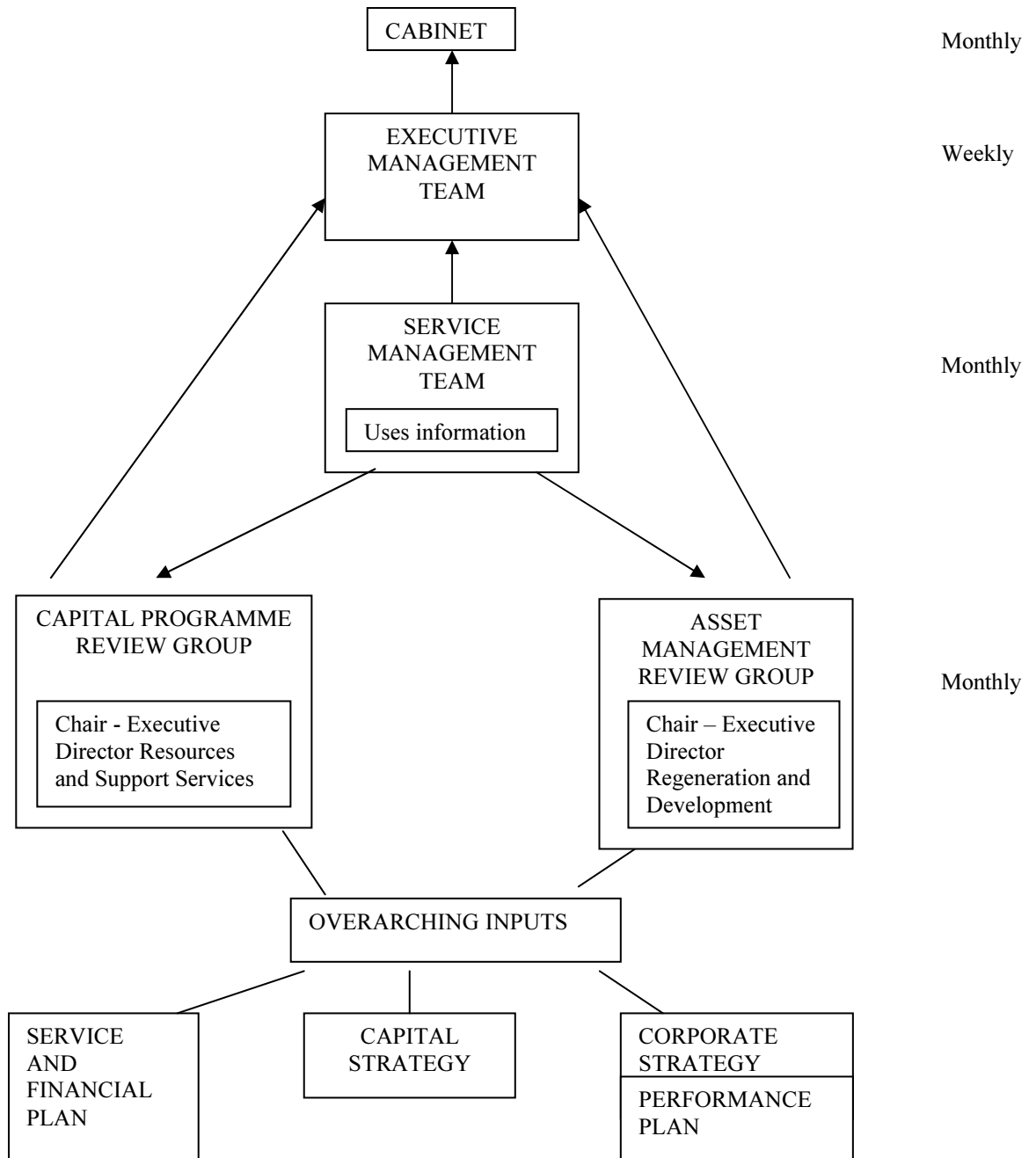
Commercial Assets

These property assets are those held by the Council but not directly occupied, used or concerned in the delivery of services, although they are likely to align with the authority's strategic objectives.

Examples in this category include (list not exhaustive):-

- Commercial property, leased/rented to other parties and generating income (not for delivery of Council services by a third party) which include town centre retail premises, industrial units and offices.
Keele golf course.
- Ground Leases

**Newcastle-under-Lyme Council's
Asset Management Plan Reporting Structure**



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