

Public Document Pack

Date of meeting **Wednesday, 7th March, 2012**
Time **7.00 pm**
Venue **Committee Room 1. Civic Offices, Merrial Street,
Newcastle-under-Lyme, Staffs ST5 2AG**
Contact **Geoff Durham**

Economic Development and Enterprise Overview and Scrutiny Committee

AGENDA

PART 1– OPEN AGENDA

- 1** **Apologies**
- 2** **DECLARATIONS OF INTEREST**
 1. To receive declarations of interest from Members on items included in this agenda
- 3** **To Receive an Update from the Cabinet Member for
Regeneration and Planning regarding the Asset Management
Strategy**
- 4** **Report to Cabinet on 18th January 2012** **(Pages 1 - 4)**
- 5** **Report to Cabinet 1st February 2012** **(Pages 5 - 6)**
- 6** **Minutes from the Cabinet Meeting held on 1st February 2012** **(Pages 7 - 10)**
- 7** **Asset Management Strategy** **(Pages 11 - 38)**
- 8** **URGENT BUSINESS**

To consider any business which is urgent within the meaning of Section 100B(4) of the Local Government Act 1972

Members: Councillors M Olzewski (Chairman), I Gilmore (Vice-Chair), A Beech,
E Boden, D Clarke, M Holland, D Loades, D Richards, I Wilkes, G Cairns,
P Hailstones, S Olszewski, K-N Taylor and R Studd

'Members of the Council: If you identify any personal training / development requirements from the items included in this agenda or through issues raised during the meeting, please bring them to the attention of the Committee Clerk at the close of the meeting'

Officers will be in attendance prior to the meeting for informal discussions on agenda items.

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ASSET MANAGEMENT STRATEGY

Submitted by: Head of Regeneration and Assets

Portfolio: Regeneration and Planning

Ward(s) affected: All wards within the Borough

Purpose of the Report

To seek Cabinet approval, in principle, for the Asset Management Strategy dated 2012–2014.

Recommendations

- (a) That Members approve, in principle, the Asset Management Strategy 2012- 2014.
- (b) That officers report back to the next Cabinet meeting for a final decision following receipt of comments from the Transformation and Resources Overview and Scrutiny Committee.

Reasons

The Strategy is a key document, which along with the Council's Capital Strategy and Medium Term Financial Strategy, forms the basis of the Council's Use of Resources.

1. **Background**

- 1.1 The Council's Capital Strategy and Asset Management Strategy are key documents evidencing the Council's approach to its Use of Resources. This Strategy provides a clear framework for understanding the value and condition of property owned by the Council so that, in turn, investment decisions can be taken to optimise the use of the said land/property to meet the needs of the Borough's residents, businesses and visitors. This Strategy along with the Council's Capital Strategy seeks to demonstrate alignment with, and delivery of, the Council's ambitions as set out in the Corporate Plan.
- 1.2 The Economic Development and Enterprise Overview and Scrutiny Committee reviewed the strategy at its meeting on 5 January 2012 and made no comments. The Transformation and Resources Overview and Scrutiny Committee will consider this strategy at its meeting on 18 January 2012.

2. **Issues**

- 2.1 This Asset Management Strategy seeks to provide a robust and formal approach to the management and use of the Council's land and property assets. The Strategy explains the types of property we own and the rationale for so doing. It also summarises the potential ways in which investment can be funded highlighting the manner in which the Council invests in both its operational and commercial portfolios to meet the Corporate Plan's objectives. The Strategy also explains the structures/systems relating to management and decision-making.
- 2.2 Furthermore, it refers to the Council's need to proactively generate its own capital through the identification and disposal of surplus assets. Finally, to the need for strategic acquisitions within the ring road to arrest the decline in the town centre retail offer.

3. **Options Considered**

3.1 **Option 1 – Do nothing**

If the Council did not prepare an Asset Management Strategy and Plan it would not be possible to either manage assets dynamically or demonstrate the rationale for investment; thereby exposing the Council to criticism that it had a weak approach to the management and use of its physical resources.

3.2 **Option 2 – Prepare Asset Management Strategy / Plan**

The preparation of a Strategy enables the Council to establish some key principles about managing assets both strategically and dynamically in the context of Corporate Plan priorities. Having an Asset Management Plan provides a clear programme to optimise property investment in the context of the Strategy.

4. **Proposal**

4.1 Option 2 is proposed.

4.2 (a) That Members approve, in principle, the Asset Management Strategy 2012- 2014.

4.3 (b) That officers report back to the next Cabinet meeting for a final decision following receipt of comments from the Transformation and Resources .Overview and Scrutiny Committee.

5. **Reasons for Preferred Solution**

5.1 This strategy embodies current Government thinking in respect of asset management and enables the Council to demonstrate the prudent use of its physical resources. It is considered appropriate to consult the respective Overview and Scrutiny Committees prior to any final decision being made.

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

6.1 The Asset Management Strategy enables achievement of priority outcomes in all four of the Council's corporate priorities.

7. **Legal and Statutory Implications**

7.1 The Council has a duty, both fiduciary and operationally to utilise its Assets for the benefit of the Community.

8. **Equality Impact Assessment**

8.1 Planned investment in the Council's operational portfolio will achieve compliance with the Disability Discrimination Act 2005.

9. **Financial and Resource Implications**

9.1 These are set out in the document in terms of planned investment in the operational portfolio.

10. **Major Risks**

- 10.1 The main risk is that failure to prepare an Asset Management Strategy and Plan will adversely affect the Council's ability to demonstrate optimum use of its physical resources (assets).

11. **Key Decision Information**

- 11.1 The report is referred to in the Forward Plan.

12. **List of Appendices**

Appendix - Asset Management Strategy/Plan – available upon request, the Members' Room and on the Council's website.

13. **Background Papers**

Various reports and guidance documents from Government and the Audit Commission relating to Asset Management.

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ASSET MANAGEMENT STRATEGY

Submitted by: Head of Regeneration and Assets

Portfolio: Regeneration and Planning

Ward(s) affected: All wards within the Borough

Purpose of the Report

To seek final Cabinet approval for the Asset Management Strategy dated 2011/12 – 2013/14.

Recommendation

That Members approve the Asset Management Strategy 2011/12 – 2013/14.

Reasons

The Strategy is a key document, which along with the Council's Capital Strategy and Medium Term Financial Strategy, forms the basis of the Council's Use of Resources.

1. Background

- 1.1 The Council's Capital Strategy and Asset Management Strategy are key documents evidencing the Council's approach to its Use of Resources. This Strategy provides a clear framework for understanding the value and condition of property owned by the Council so that, in turn, investment decisions can be taken to optimise the use of the said land/property to meet the needs of the Borough's residents, businesses and visitors. This Strategy along with the Council's Capital Strategy seeks to demonstrate alignment with, and delivery of, the Council's ambitions as set out in the Corporate Plan.
- 1.2 The Economic Development and Enterprise Overview and Scrutiny Committee reviewed the strategy at its meeting on 5 January and made no comments. You reviewed a report and the strategy itself at your last meeting (18 January 2012) and resolved to delay making any decision until the Transformation and Resources Committee had had the opportunity to pass comment on the strategy.

2. Issues

- 2.1 The Transformation and Resources Committee, at its meeting on 18 January 2012, reviewed the strategy and, following clarification of a few detailed points, resolved to make no adverse comments on the document.
- 2.2 In view of the latter it has not been necessary to make any changes to the strategy. Consequently the document has not been reproduced in this agenda so, in making any decision, members should refer to the previous agenda for the substantive report and strategy as necessary.

3. Previous Cabinet decision

- 3.1 18.1.12 – initial report and draft strategy.

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CABINET

Wednesday 1 February 2012

Present:- Councillor Sweeney – in the Chair

Councillors Bannister, Howells, Jones, Miss Reddish and Studd

1. DECLARATIONS OF INTEREST

There were no declarations of interest.

2. MINUTES

Resolved:- That the minutes of the meeting held on 18 January 2012 be agreed as a correct record.

3. REVENUE AND CAPITAL BUDGETS AND COUNCIL TAX 2012/13

A report was submitted to enable Cabinet to recommend the 2012/13 General Fund Revenue Budget and the 2012/13 Capital Programme to Full Council in February 2012 and to consider the comments from the Transformation and Resources Overview and scrutiny Committee.

The Chair of the Transformation and Overview Committee was in attendance to feedback comments from the Committee meetings on 18 and 25 January 2012. The Committee had discussed many areas including the £523k budget shortfall gap and the impact of the £60k subsidy from the Government, the upkeep costs of Jubilee 1 and Knutton Recreation Centre and the maximisation of income streams from car parking and Jubilee 2.

The Council tax level was debated and concerns had been raised regarding the knock on effect of a 0% increase this year on future Council Tax levels. There was however no recommendation that Council Tax should be increased. The Committee had also requested additional information for its meeting on 25 January which included detail on the insurance fund, a breakdown of the 60 FTE jobs that had been removed from the Council's structure and information of the remaining potential savings identified in the service reviews carried out in 2010.

The Chair of the Transformation and Resources Committee thanked Officers for the provision of all the requested information and congratulated them on a well written and comprehensive report.

The good work and valuable contribution of the Scrutiny Committee was also noted.

Resolved:- (a) That it be recommended to Full Council that the revised minimum balances requirement be £1,500,000 with the excess of £350,000 above the current levels being transferred to the Contingency Reserve (£80,000), the Insurance Fund (£120,000) and the Provision for Bad Debts (sundry debtors) (£150,000)

(b) That the 2012/13 General Fund Revenue Budget and the Capital Programme 2012/13 as detailed in the report to Cabinet dated 18 January 2012 be recommended to Full Council for approval together with a recommendation that there be no increase in the Borough's council tax for 2012/13.

(c) That the contribution from the Budget Support Fund be £179,000.

4. SITE ALLOCATIONS AND POLICIES DEVELOPMENT PLAN DOCUMENT - ISSUES AND OPTIONS CONSULTATION PROPOSALS

A report was submitted requesting Cabinet to consider the timetable, likely scope and consultation arrangements for the site allocations and policies development plan document issues and options paper.

All Councils were required to have such a plan and the timetable for Newcastle would be extended to allow for a significant public consultation process following which a set of policies would be agreed. It was reiterated that no sites had been singled out yet and would not be until the consultation process had been completed which could be up to 2 and a half year in the future.

Resolved:- (a) That the revised timetable set out in Appendix A now be adopted.

(b) That Cabinet agree the consultation proposals set out in this report.

(c) That a further report be submitted in June/July to the Planning Committee with a revised Site Allocations and Policies Development Plan Document draft Issues and Options Paper for public consultation purposes, incorporating a set of generic development management policies and taking into account a revised Infrastructure Delivery Plan together with details of the public consultation arrangements.

(d) That a map be provided to all Members in June indicating all sites that formed part of the development plan document and a further and final map be produced for all members at the conclusion of the consultation process.

(e) That Cabinet receive in June/July the recommendations of the Planning Committee with respect to the above revised Site Allocations and Policies Development Plan Document Draft Issues and Options Paper, incorporating a set of generic development management policies and taking into account a revised Infrastructure Delivery Plan, for consultation purposes together with details of the public consultation arrangements.

(f) That at the above stage it be advertised that the entire process is open for public comment and a generic email address be provided for this purpose.

5. ASSET MANAGEMENT STRATEGY

A report was submitted to seek final approval for the Asset Management Strategy 2011/12 – 2012/14.

The Strategy had now been scrutinised by both the Economic Development and Enterprise Committee and the Transformation and Resources Committee and no

additional comments had been returned and it was therefore unnecessary to make any changes to the document that Cabinet had originally discussed and agreed at its meeting on 18 January 2012.

Resolved:- That the Asset Management Strategy 2011/12 – 2013/14 be approved.

6. REGISTER OF LOCALLY IMPORTANT BUILDINGS AND STRUCTURES IN NEWCASTLE-UNDER-LYME SUPPLEMENTARY PLANNING DOCUMENT

A report was submitted requesting Cabinet to consider the recommendation of the Planning Committee to adopt the Register of Locally Important Buildings and Structures in Newcastle under Lyme Supplementary Planning Document (SPD).

A draft Register of Locally Important Buildings and Structure Supplementary Planning Document (SPD) had been agreed by Planning Committee in July 2011 for consultation purposes. The period for consultation had ended on 23rd September 2011. The buildings and structures on the list would be protected by the Council and would be at levels below those classed as listed. A preliminary list existed at the moment but it was very dependant upon local action and knowledge and it was agreed that all LAPS and Parish Councils be made aware of the list and requested to submit any buildings or structures that they were aware of for inclusion.

A standard approach was required for the additional of buildings and structures to the list and there would be a nomination process followed by assessment from an independent panel working from a standard set of criteria. Further discussions would be held regarding whether to release the current list at a future meeting.

Resolved:- That information be provided to LAPs and Parish Councils regarding the nomination process and that further discussion be held regarding the distribution of the current list.

7. LOW CARBON FUND

A report was submitted to update Cabinet Members of progress regarding the Improvement and Efficiency West Midlands Low Carbon funding in support of capital projects delivering carbon savings.

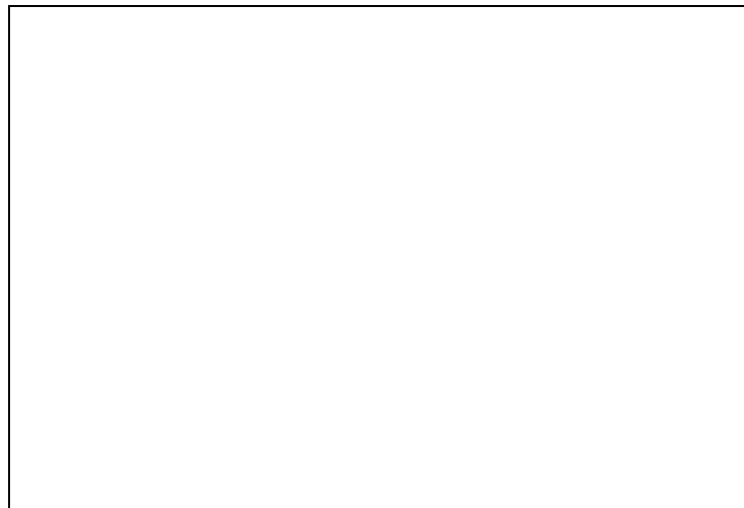
It was confirmed that the Council was on track to meet the April deadline for identifying areas for the funding and it was hoped that all orders would be in place by the end of March and work commencing.

Resolved:- That the actions taken to date be noted

S SWEENEY
Chair

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



Version 11 (final)

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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. Additionally it is vitally important that users of Council-owned land or premises, along with other stakeholders (including local residents), are afforded the opportunity to comment upon Council decisions affecting property. This may be particularly important in cases where the Council is seeking to dispose of, or disinvest in, land or property. In such cases consultation will be proportionate to the scale and nature of any such decisions.

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.

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.

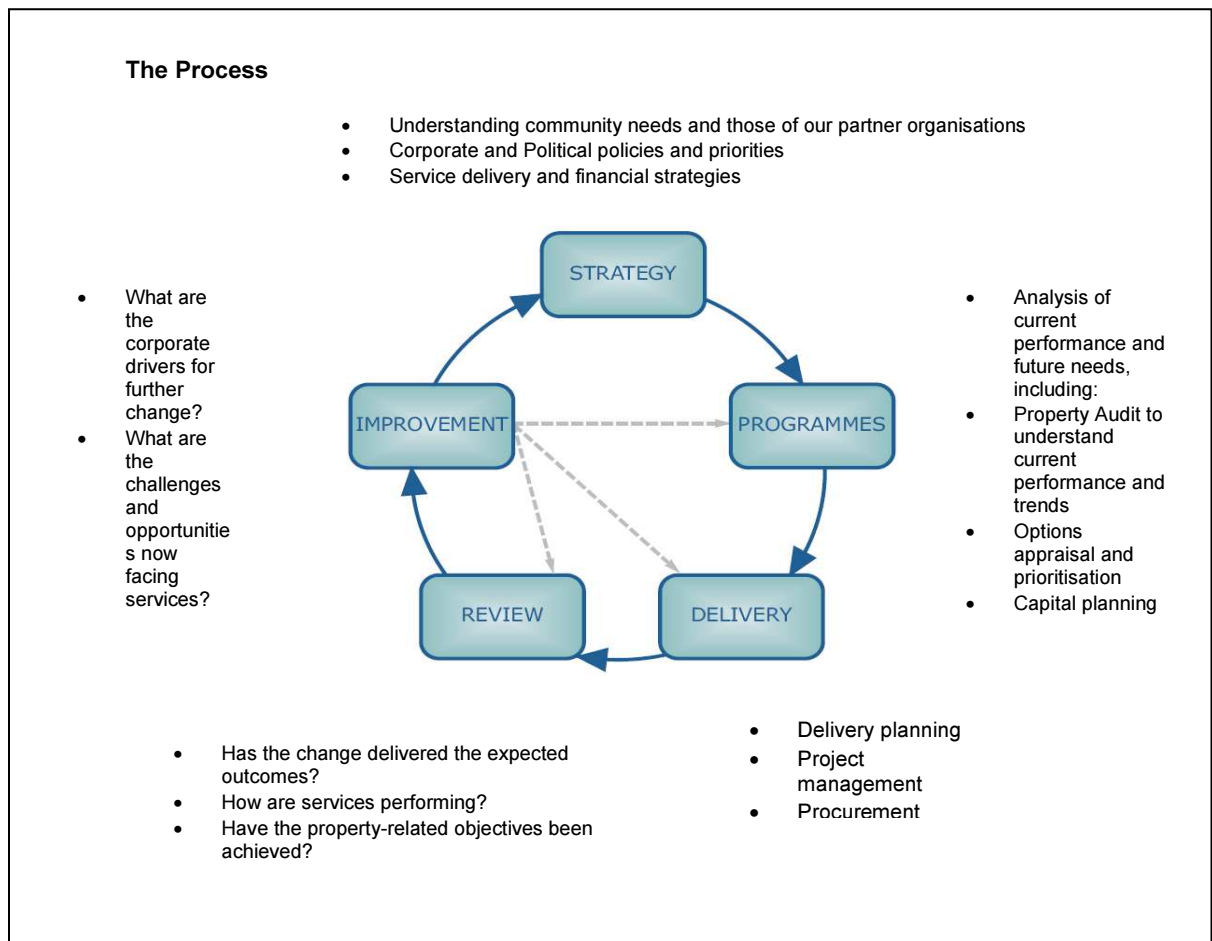
There have been big reductions in funding provided to local authorities, central government and its agencies, arising from the need to restrain public expenditure owing to the ongoing economic recession and to rebalance public finances. At the same time, the Council's own resources available to finance 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 (see section 4)

(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. Whilst the basic approach to the commercial portfolio lettings is market driven there may be occasions where the Council's economic regeneration objectives influence this position. Any such adjustment to purely market-led criteria has to be approached with caution to avoid distorting the market and creating a spiral of decline in investor confidence. A commonly used approach, particularly in difficult economic conditions (such as those prevailing over the past two years), is to incentivise prospective tenants with rent-free periods as opposed to reducing market rental levels; it is intended that this practice will continue for the foreseeable future..

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.

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

PROTECT - PERSONAL

- 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
- 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

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

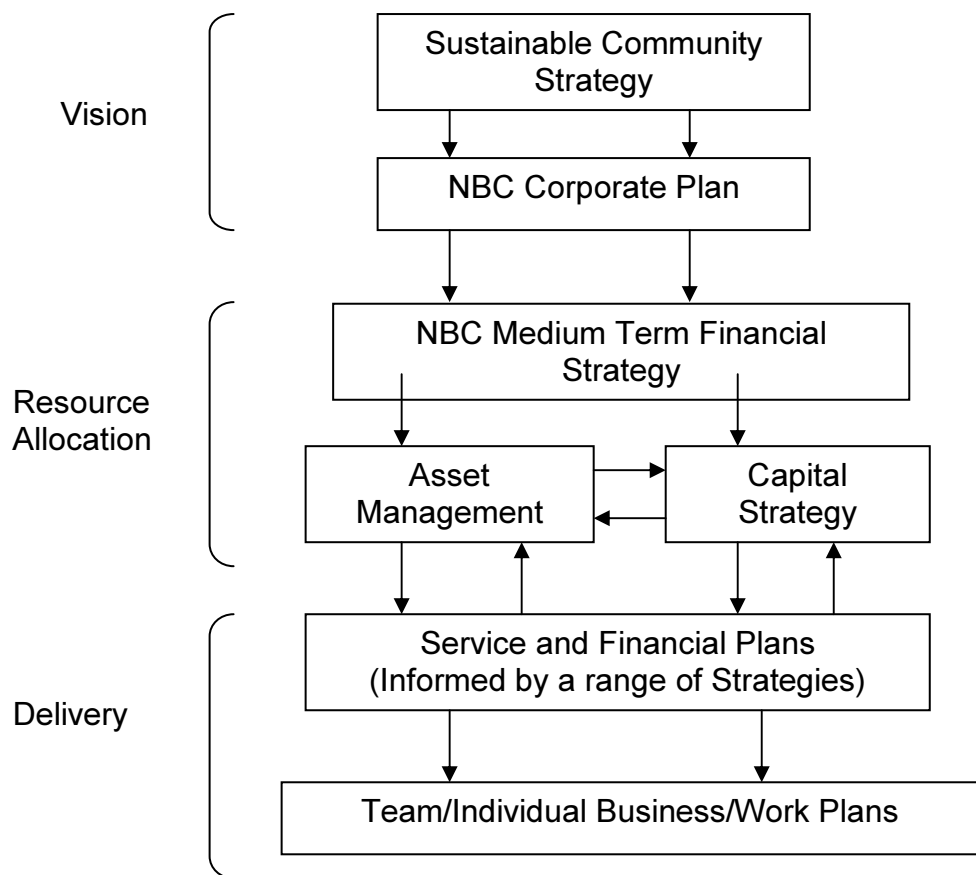
Corporate Plan – 2011/12 to 2013/14

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 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:

- Automated Meter Readers to be fitted on Gas and Electricity supplies to the 5 highest energy consuming buildings which the Borough Council owns.
- Bathpool Ski/Rugby Clubs - Cavity wall insulation.

PROTECT - PERSONAL

- Museum - Low Energy Lighting.
- Knutton Depot offices - Cavity Wall insulation.
- Knutton Depot workshop & external yard - Lighting controls.
- Alexandra Road Changing rooms - Cavity wall insulation.
- Kidsgrove public offices - Cavity Wall insulation.
- Crematorium, House, Toilets, Canteen area - Cavity Wall insulation.
- Merrial Street Toilets - Installation of low energy hot water system.

At the time of completing this Strategy the precise programme of works was being finalised, in consultation with the West Midlands Low Carbon Fund and a Cabinet decision will be required before the end of 2011/12. 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 as follows:

- 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 – secure occupation of partner agencies and undertake 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 Council owns an eclectic mix of over 180 properties (buildings) ranging from crematoria to sports centres to industrial premises. As previously indicated (section 2.5) the Council's property assets are divided into two portfolios – the operational and commercial portfolio – see below:-

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 services 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):

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

*These 2 assets are now surplus following completion and hand over of Jubilee 2 in December 2011.

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 land and property, leased/rented to other parties and generating income which include:

PROTECT - PERSONAL

- Town Centre Retail Premises
- Industrial Units
- Offices
- Keele Golf Centre
- Ground Leases including the multiplex cinema
- Market
- Town Centre Car Parks
- Former Sainsbury's supermarket (owned in conjunction with Staffordshire Council for regeneration purposes)

Asset Transfers between Portfolios

There are occasions where assets can be transferred between portfolios as a result of changes to service delivery or corporate priorities; examples include the following:

- The Guildhall which transferred from the commercial portfolio to the operational portfolio.
- Pitfield House (Brampton Park) which was originally within the operational portfolio and is now let on a commercial basis as a Children's Nursery.
- Former Audley Council offices which is now let on a commercial basis to a local business.

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 and consultation

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 some circumstances in respect of certain disposals, such as the recent disposal of disused public toilets, where the public consultation process will not be necessary or may be scaled back to a more appropriate level. Other examples could include land or property where the future use is consistent with the present use (e.g. a shop premises in a shopping parade) where there is unlikely to be any public interest at stake. The main issue will be to ensure that any public / stakeholder consultation is proportionate to the particular disposal.

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:

- 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

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

6.0 ARRANGEMENTS FOR ASSET MANAGEMENT PLANNING

6.1 CORPORATE MANAGEMENT STRUCTURE REGARDING ASSET MANAGEMENT

The diagram at Appendix 3 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 (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 prioritised activities through disposing of these assets at best value 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.

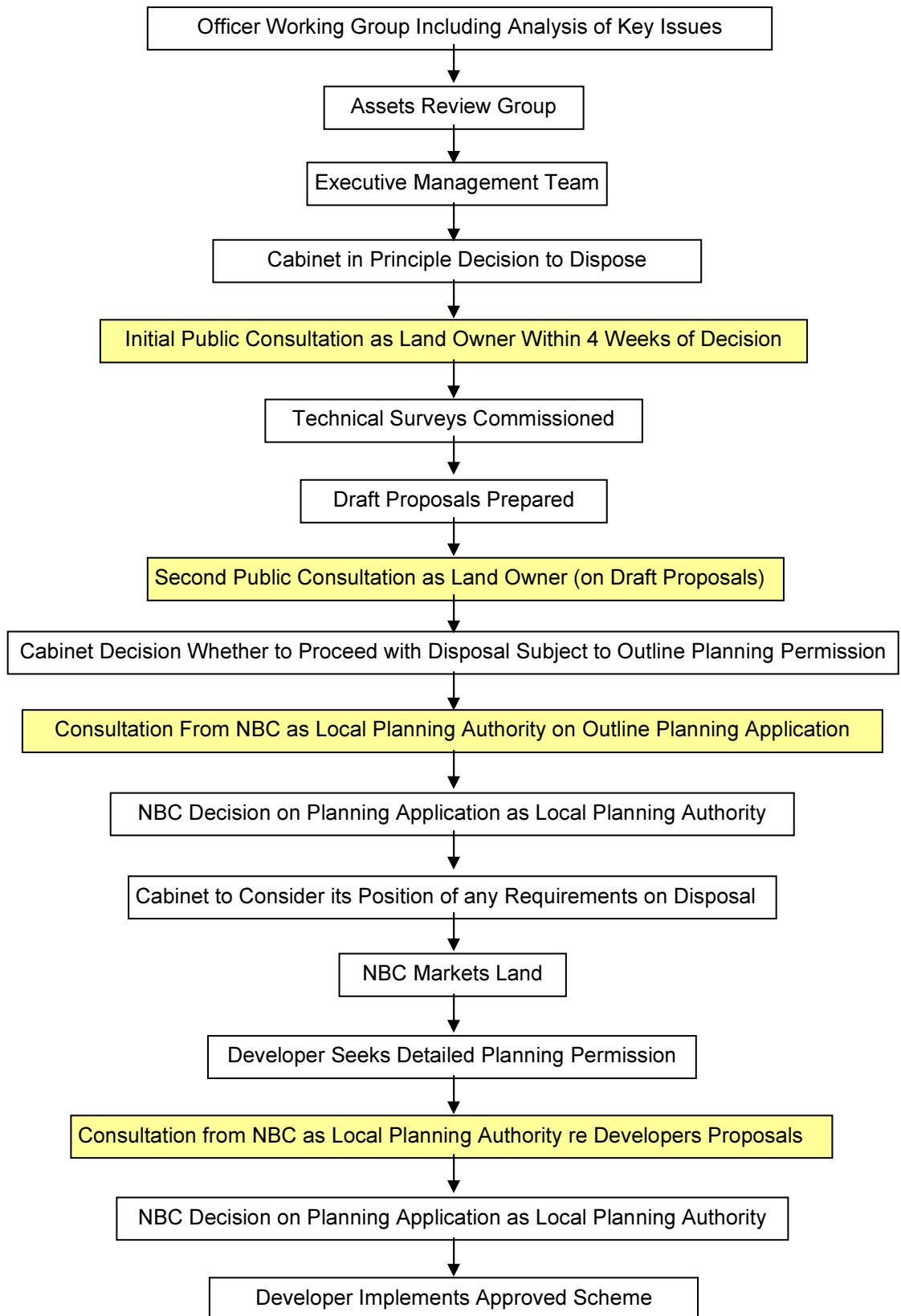
APPENDIX 1

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.

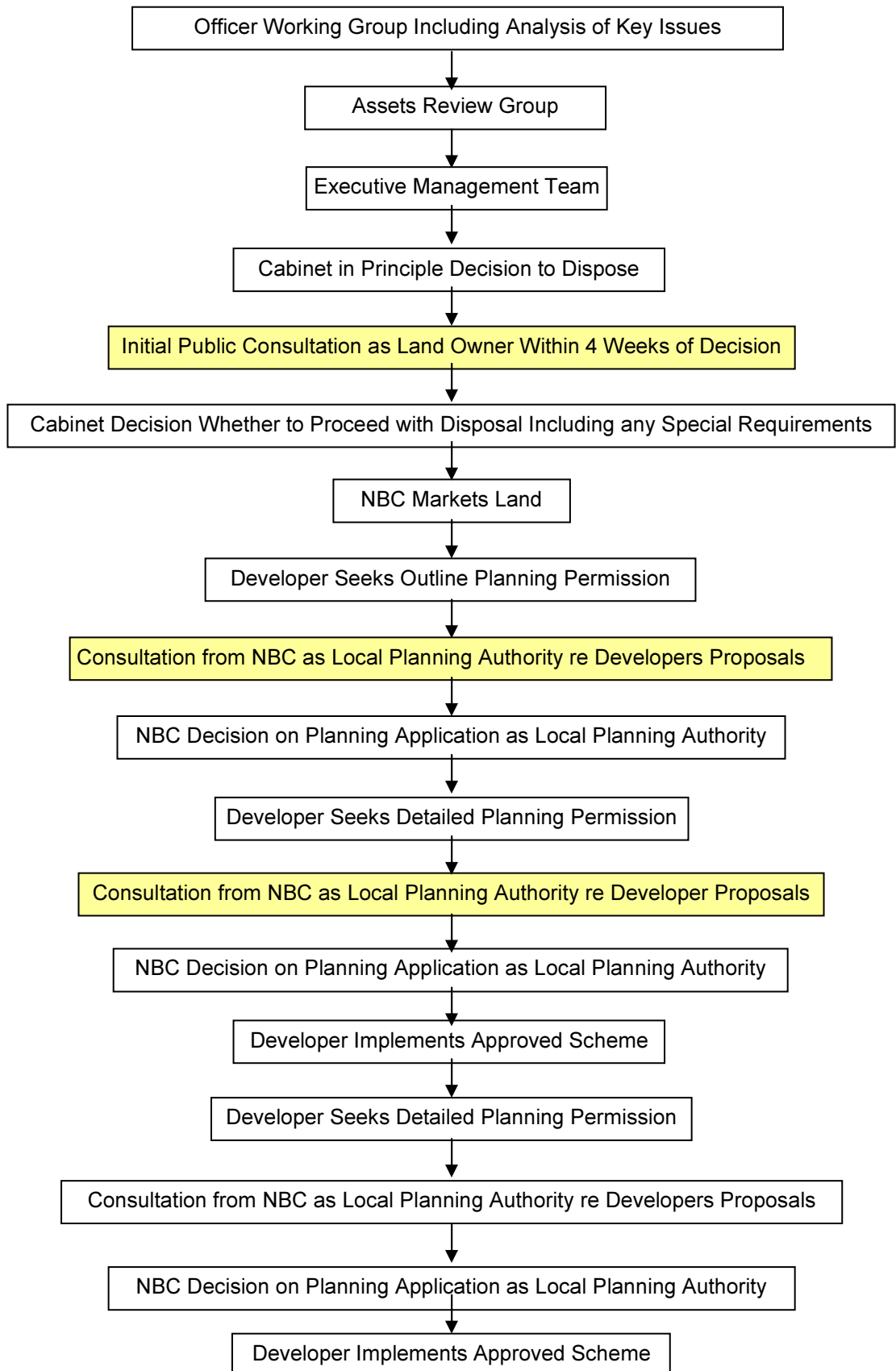
APPENDIX 2

In cases where unclear planning policy and Newcastle Borough Council seek Planning Permission prior to disposal



APPENDIX 2

In cases where Newcastle Borough Council NOT seeking Planning Permission prior to disposal of significant asset



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

