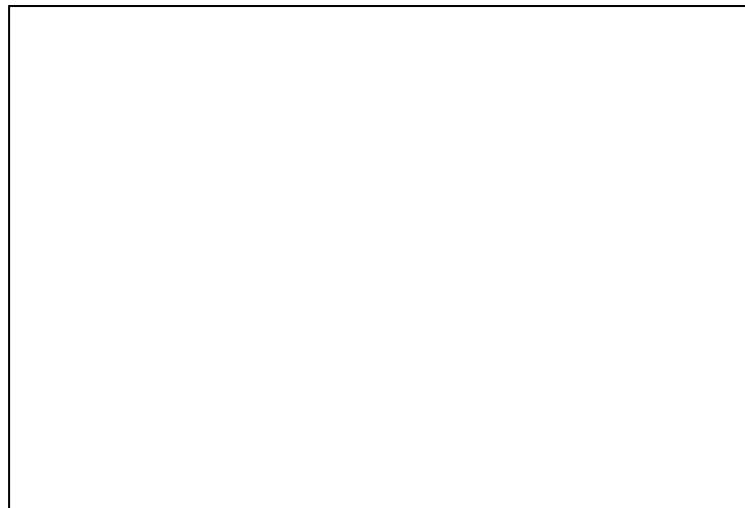


**NEWCASTLE-UNDER-LYME  
BOROUGH COUNCIL  
ASSET MANAGEMENT  
STRATEGY  
2013-2016**



Version – 3/1/13

Classification: NULBC UNCLASSIFIED

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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 Council 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.

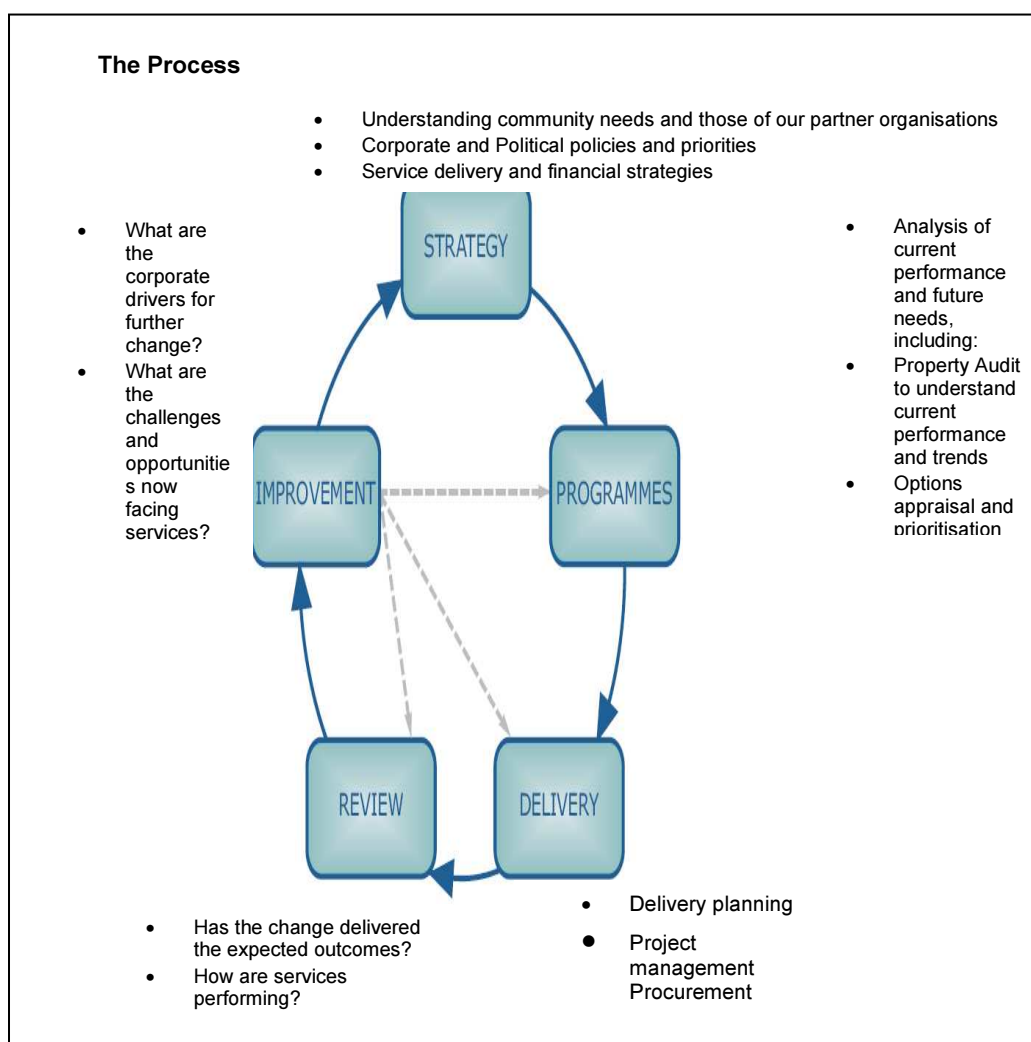
### **2.2 MAIN ELEMENTS OF GOOD ESTATE MANAGEMENT**

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 – last year's 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 its 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 has been let to other public sector partner organisations which include the Staffordshire and Stoke-on-Trent Partnership Trust, Staffordshire County Council and Staffordshire Police. This has produced:

- a significant annual revenue income;
- a reduction in running costs to the Borough Council;
- a reduction of carbon emissions from the Council;
- potential for improved partnership working and;
- potential to deliver more seamless public services.

### **Depot review**

The Council reviewed its depot facility 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 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.

### **Green Space Audit and Strategy**

The Council has conducted an audit of green space in the Borough and assessed the needs of the community to ensure that it is adopting the right approach to green space provision, management and maintenance. The North Staffordshire Green Space Strategy (jointly commissioned with Stoke on Trent City Council) has been developed to direct resources into the areas which provide the greatest benefit to the community and to identify areas where disinvestment, change of use or disposal may be appropriate.

## **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 2012 the Council's property assets were in the Asset Register at £76,910,129. 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.

The Council owns and manages approximately 1800 acres of land for the purpose of providing parks, gardens, outdoor sports facilities, children's playgrounds, Local Nature Reserves, woodlands, allotments, cemeteries, footpaths and cycle ways for the benefit and enjoyment of the public.

### (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 three 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 in order to both promote economic growth and to optimise rental income.

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 recent weak global economic conditions, the Council 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, on land which we held as a result of an intervention in the market to deal with a heavily contaminated parcel of land.

### 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
- 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 to provide funds for capital programme expenditure
- 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 – Delivering effective estate management
- Leaner and Greener II – Putting Building to Work
- Penfold Review
- Laying the foundations of a Housing Strategy for England
- The Localism Act - Community Right to Bid
- Community Infrastructure Levy (CIF)
- The National Planning Policy Framework

##### **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
  - Inspection and repair/maintenance of assets including tree stock, playground stock, railings and structures, footpaths and roads etc

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

Council Plan – 2013/14 to 2015/16

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

Medium Term Financial Strategy 2013/14-2015/16

Capital Strategy 2012-2015

Revenue Budget 2013-2013

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

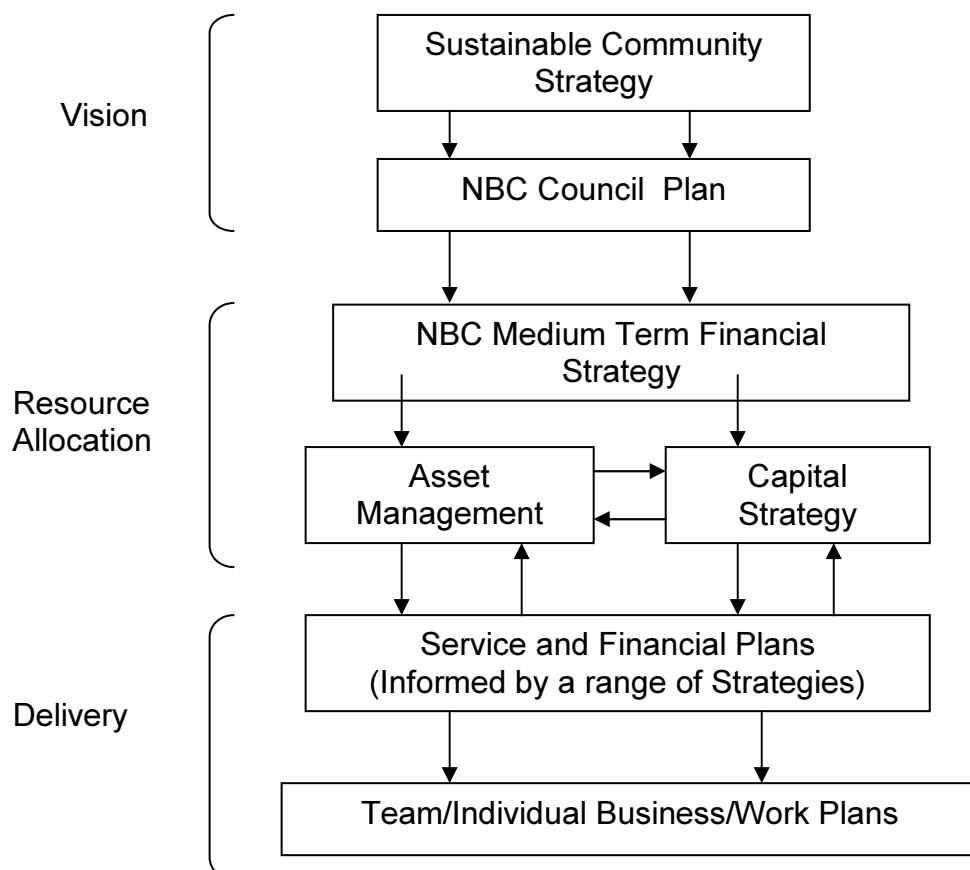
The Staffordshire Compact and Third Sector Commissioning Standards 2009-2012

Safe and Stronger Community Strategy 2012-2017

Health and Wellbeing Strategy (emerging)

Contaminated land Strategy 2007

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



### **Links to Council Plan**

The Council Plan (2013/14 to 2015/16) has four main priority areas which are:

- A Clean, Safe and Sustainable Borough
- A Borough of Opportunity
- A Healthy and Active Community
- Becoming a Co-operative Council which Delivers High Quality Community Driven Services

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-O-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

A number of other performance indicators have recently been introduced in relation to the performance of contractors employed by the Council.

### **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 adopting a number of different approaches to community engagement and management of assets. The approaches range from a totally devolved community management structure where the asset is leased to an organisation who then assume complete control of it including repairs/maintenance, running costs etc and who also receive and control income generated by the asset e.g. letting to Newcastle Rugby Club through to a supported management structure where the Council retains responsibility for the costs associated with the asset and the income generated by it e.g. football pitches, to a “stewardship” role for the community where volunteers or Friends Groups provide an input and influence to the Council’s management decisions.

In some cases this involves 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 Special Adventure Playground
- Kidsgrove Citizens' Advice Bureau

There are also a number of examples of community green spaces which are managed and/or leased by local community groups, including:

- Audley Millennium Green
- Lyme Valley Allotments

In addition the Facilities team have assisted community groups/sporting organisations in relation to project managing improvement schemes recent examples include the rebuilding of the bowls pavilion at Westland Sports Ground and the refurbishment of the Sports Centre in the Lyme Valley.

### **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.

### **Capital Programme and Stock Condition**

Another key area relates to the maintenance and repair of the significant operational land and 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 2012-14. Provision is made in the Council's General Fund Revenue Programme annually to meet the ongoing costs relating to land and property maintenance

A stock condition survey is reviewed at regular intervals in order that a clear record of the condition and repair of the assets is maintained. This enables the identification of major repairs requiring capital investment and assets which require urgent attention due to health and safety will be flagged to ensure that the Council complies with its Statutory requirements.




A stock condition review has been carried out in 2012 and moving forward the repairs identified have been categorised as Red (urgent repairs required to meet Health and Safety obligations or similar imperative), Amber (repairs which can be left in abeyance for a time but will result in deterioration of the asset as time goes on) and Green (repairs which can be put in a planned maintenance programme spread over a number of years).

This has enabled preparation of an indicative costed and planned schedule of capital works over a 5 year period to enable better planned maintenance and capital accounting planning.

In view of the current lack of capital funds, work of this nature is kept to a bare minimum but this will impact on future capital costs since the fabric of assets will deteriorate over time and maintenance work will become more costly due to this.

Summary table of the likely stock condition survey cost requirements 2013/18

2013	2014	2015	2016	2017
£225,000	£2,776,060	£2,068,680	£1,501,880	£948,685
£225,000	£301,600			
	£595,510			
	£1,878,950	£1,993,680	£1,501,880	£948,685

-  Requires immediate attention due to Health and Safety reasons or financial which would leave the Council exposed if not carried out.
-  Repairs which can be left in abeyance for a time but will deteriorate as time goes on
-  Requires attention and advisable to be carried out in programmed years to avoid further deterioration / cost.

**Current planned maintenance / improvement**

The Council will be moving towards a planned maintenance programme in the next few years based on the Stock Condition Survey. Given competing priorities for expenditure and limited available capital funds the Council has adopted a targeted approach to investment for 2012/13 and into 2013/14 as follows:

- Former St. Giles and St. George’s School – Maintain whilst seeking appropriate end use.
- Newcastle Town Centre Street Market - Procure and place new market stalls on site (target for completion Summer 2013)
- Hassell Street pedestrianisation – complete scheme Spring 2013



- Ironmarket taxi rank work completed during 2012.
- Civic Offices - Work has been completed on the refurbishment of part of the basement, first and second floors which has allowed Staffordshire and Stoke-on-Trent Partnership Trust and the Police to take occupation thereby producing additional rental income, reducing costs and improving the asset. Essential works to upgrade the electrical system will be undertaken in 2013/14.
- Accommodation Review – Undertake further work to establish the medium/long term accommodation needs of both the Borough Council and other public sector partners in order to secure more efficient occupation of operational buildings.
- Silverdale Community Facility – Completion of the construction of outdoor sports pitches/parking facilities and facilitate commencement on construction of the community building (funded entirely through developer contributions).
- Essential works will be undertaken during 2013/14 at several community centres along with a tenanted property whilst minor works will be carried out at The Museum.

As with the capital programme, due to limited availability of revenue funds, planned maintenance work has continued at minimum levels for 2012/13 and a more reactive approach has been adopted and this will continue into 2013/14. Consequently it is inevitable that the condition of property assets will deteriorate until a more proactive maintenance programme can be funded. With regard to maintenance of land this is restricted to urgent health and safety works and prioritised works to preserve reasonable levels of amenity.

### **Structures – Bridges, Watercourses etc**

An asset register of all structures for which the Council are responsible is to be prepared. Once completed a full inspection programme will be implemented to monitor the condition of the structures and identify any repairs. A risk based approach for future inspection regimes will then be undertaken.

### **Carbon Reduction/Energy Efficiency**

The Council monitors energy use in all operational properties. It is seeking to reduce energy usage over the next 2 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 developed a Carbon Management Strategy which identified 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 implemented in spring of 2012 using this grant money as follows:

- Automated Meter Readers (AMRs) were fitted on Gas and Electricity supplies to the council's 5 highest energy-consuming buildings. Additionally the majority of operational buildings have had electricity AMRs fitted at no cost to the Council.
- Bathpool Ski/Rugby Clubs - Cavity wall insulation.
- Museum - Low Energy Lighting & double glazing.
- Knutton Depot offices - Cavity Wall insulation.
- Knutton Depot - 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.
- St Georges Chambers – Lighting controls, Cavity wall and loft insulation.
- Civic Offices – Lighting controls

It is estimated that the above schemes will result in a reduction in the annual energy costs of around £17,500 per year (which provides a pay back within the first two years on the cost of installation).

Further work is being carried out to source external funding and technical initiatives in order to implement more of the planned projects (set out in the Carbon Management Plan) which would reduce the Council's carbon footprint and save both energy and costs.

Additionally other initiatives currently being explored include:-

- LED lighting
- BIO MASS projects (wood burners) which can be provided at no capital cost to the Council.
- Heat recovery schemes

### **Strategic Property Review**

It is essential that the Council has an efficient property assets approach to ensure that all opportunity to maximise use, rental income, resources and management are taken.

Over the next 12 months each property asset will be scrutinised in detail in terms of operational use, maximisation of use, rental income, maintenance cost, capital requirements and general overheads in order

that individual property needs or failings can be identified and this will deliver an overall strategic plan for the property assets.

## 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
- Land associated with operational property
- Parks and Open Spaces
- Historic Buildings/Monuments
- Allotments
- Sports facilities and pitches
- Community Centres
- Off-street car parks
- Fee paying car parks
- Structures bridges, watercourses etc
- CCTV infrastructure

\*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:

- 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 responsible 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.

#### **Strategic Housing Land Availability Assessment (SHLAA) and Site Allocations and Policies Local Plan (Local Plan)**

The emerging Local Plan will formally allocate land for development and direct how land throughout the Borough - publicly and/or privately owned - can be used to meet future needs for housing, retailing, employment, leisure and recreation. There is a statutory requirement placed upon the Council to prepare and maintain up-to-date planning policy documents of this nature.

Once adopted, the Local Plan will influence how planning applications are determined and without such a Plan in place, the Government has indicated there is a presumption in favour of development where it can be shown to be sustainable.

The expectation is that the Local Plan will be in place by the end of 2014. The length of time is, in part, a reflection of the amount of public consultation which needs to take place before the Plan can be adopted.

During the 20 years prior to 2006, around 8,000 new homes were planned for and built in the borough.

The Newcastle-under-Lyme and Stoke-on-Trent Core Spatial Strategy has identified a need for 5,700 homes to be built between 2006 and 2026.

The SHLAA serves as an evidence base to demonstrate that the Borough has a potential, or theoretical, supply of land to accommodate the number of new homes required to meet local needs. This housing need has been identified by the Newcastle-under-Lyme and Stoke-on-Trent Core Spatial Strategy. This evidence base feeds in to the preparation of the Local Plan.

The SHLAA 2012/13 report contains sites that are owned by the Borough Council; the said sites are listed in Appendix 2 along with a number of other sites which could be explored in the future that are not currently contained within the SHLAA. National policy guidance encourages local authorities to identify surplus, potentially developable

land, in order to facilitate necessary development that will contribute towards economic growth and meet identified needs.

Any future disposal of such council-owned sites will be advised by the emerging Site Allocations and Policies Local Plan Document where full consultation will be undertaken with the general public. This process will determine the acceptability or otherwise of such development, in principle, prior to any disposal decision. It would then be a matter for the council to determine as land owner, on a case by case basis, which sites it might wish to dispose of; any such process would be the subject of separate consultation processes.

### **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 land at Loggerheads to the Fire Service and the disposal of redundant offices at Newcastle Cemetery.

A Green Space Audit and Strategy was undertaken in 2007 which identified those sites which are key to providing for the needs of the community and also those which are not required to meet the adopted local standards for green space.

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 Appendices 1 –2).

There will however be some circumstances in respect of certain disposals, such as the disposal of disused public toilets, where a public consultation process will not be necessary or may be scaled to a more proportionate 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 approach to consultation in each case will seek to ensure that any public/stakeholder consultation is proportionate to the particular disposal.

### **Staffordshire Strategic Property Review**

Staffordshire County Council invited all District Councils across the County, along with Stoke-on-Trent City Council and other public bodies including the NHS and the Police to participate in a project to review the public sector estate within Staffordshire.

The project had the following two main objectives:

- 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.

External consultants were engaged to co-ordinate/manage the project. The report to identify the findings of this project was published in February 2012. One of the primary aims of the review was to identify specific rationalisation opportunities. There were three joint development opportunities identified within Newcastle Borough which are now the subject of joint delivery arrangements to take the schemes forward. These are:

- The rationalisation of the office estate within the Newcastle area
- Newcastle Town Centre redevelopment (Ryecroft, the former Sainsburys and the Civic Offices sites)
- Knutton urban village (site of the former Knutton Recreation Centre and adjacent land and buildings)

### **Car Parks**

In view of the Council's aspirations for strengthening the Town Centre economy it will be important to keep these car parks under review with a view to either optimising their use or to facilitate regeneration.

### **Commercial Portfolio (income generation)**

The commercial portfolio (including the Market) in 2011/12 generated a gross income circa £1.1 million and provides business accommodation for over 200 small to medium sized businesses.

### **Community Centres Review**

The Council's Cabinet has agreed to the establishment of a dedicated Community Centre commissioning and capacity building team to review and modernise community centre provision; there are currently 15 such centres with the Borough.

The aim is to develop options for the long term sustainability and management of the Community Centres in partnership with the community and voluntary sector and by April 2014 to review the management arrangements linked to these options and implement the proposals.

## **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 the regeneration of a redundant industrial site on Lower Milehouse Lane, Newcastle which has had a catalytic effect on the wider area, along with investment in a number of housing-led initiatives in the wider area.

### **Newcastle Town Centre Redevelopment**

In 2011 the Borough Council in partnership with Staffordshire County Council purchased the former Sainsbury's premises with a view to forming a potential retail led regeneration of the Ryecroft area of the Town Centre. Consultants have been appointed and are in the process of completing a marketing strategy report which will include advice on current market conditions and a development brief.

### **Newcastle Town Centre Public Realm**

The Borough Council is working in partnership with Staffordshire County Council to bring about the following improvements to the Town Centre:

- A new taxi rank has been created by the Queens Gardens on the Ironmarket and the disabled parking has been modernised.
- A new bus lane has been created on Barracks Road and the bus station has been re-aligned to take buses out of Hassell Street
- A daytime taxi rank is to be created in lower High Street (spring 2013).
- The market will be realigned to follow the pedestrian flow in the Town Centre with new stalls in place by mid 2013

### **Shared Accommodation/Public Sector Hub**

The Authority shares accommodation with its public sector partners examples of which are listed below:

- Civic Offices is shared with Staffordshire County Council, Staffs Police and the Staffordshire and Stoke-on-Trent Partnership Trust.
- Kidsgrove Town Hall is shared with Staffordshire County Council, Staffs Police and Kidsgrove Town Council
- Part of the Guildhall is being used by Staffs Police as their Enquiry Office

### **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

### **5.3 Funding and Investment Strategy**

In the current economic climate and following the Strategic Spending Review, government funding for Council projects (e.g. RENEW Housing project) has been severely restricted and in some cases stopped. Consequently this Council along with others is having to generate funding from other sources one of which is through the disposal of assets which no longer support service delivery. The capital receipts from these disposals will allow the Council to develop an investment strategy which is aligned with communities needs and requirements.

## 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 who reports directly to the Executive 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).

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 Council 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 Council Plan, as well as the service-specific Service and Financial Plans.

### **Day to Day Asset Management Planning**

The Head of Assets is responsible for Assets, Facilities Management, Engineering and Car Parks. 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 Operations 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 along with the CAPS Uniform system are used to manage, record 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. These systems are supplemented by a database of statutory inspections.

<b>Land and Property Disposals to Generate Capital Receipts – Approved and ongoing 2012</b>				
<b>Address</b>		<b>Site Area (Acres)</b>	<b>Site Area (ha)</b>	<b>Position Statement</b>
Plot D Apedale Road Chesterton		4.5	1.821	Land to be used for industrial development purposes. Sale to be completed subject to resolution of planning issues
38 Market Street Kidsgrove				Retail Premises -Sale . Contract is with prospective purchaser's Solicitor
Grove Ave, Kidsgrove		0.22	0.089	Land is to be used for residential development purposes. An offer for site has been received
Sands Road, Harriseahead		0.16	0.064	Land is to be used for residential development purposes. Planning application approved for single residential dwelling. Site to be sold at auction.
<b>Land and Property Disposals to Facilitate Regeneration objectives – Approved and ongoing 2012</b>				
Brunswick Street/Nelson Place (Jubilee Baths site)		0.47	0.190	Marketing has commenced. Expression of interest received currently under consideration
Former St. Giles and St. George's School, Newcastle				The premises are being marketed

Classification: NULBC UNCLASSIFIED

Former Sainsbury's Supermarket, Liverpool Road and Civic Offices Merrial Street, Newcastle		6.4	2.59	The Borough Council have entered into a Joint Venture Agreement with Staffordshire County Council and purchased the former Sainsbury's supermarket, in order to assemble a site for a comprehensive retail led scheme of development. Specialist retail consultants, Cushman & Wakefield have been appointed to find a development partner
High Street Knutton, (Recreation Centre site)		5.31	2.148	A joint Officer Working Group (with Staffs County Council SCC) has been established with a view to a joint sale ie. to include the Knutton Enterprise Centre. Soft market testing commenced.

Classification: NULBC UNCLASSIFIED

<b>Potential Future Disposals – 2012-2014 under investigation and subject to approval</b>				
<b>Address</b>		<b>Site Area (Acres)</b>	<b>Site Area (ha)</b>	<b>Position Statement</b>
Land Silverdale Road, Newcastle (0.56 ha)		1.38	0.558	The sites either side of this land have been redeveloped however it forms part of a designated flood plain. This may limit the developability of the site and any use is likely to be industrial/commercial in nature.
Land at Birchenwood, Liverpool Road, Kidsgrove		0.75	0.303	Commercial uses to be explored once ground conditions clarified.
Land Lyme Valley Road, Newcastle		0.12	0.048	Land to be marketed for commercial purposes

**Potential residential land identified in the Council’s Strategic Housing Land Availability Assessment**

**IMPORTANT NOTE – INCLUSION OF SITES IN THIS LIST DOES NOT INDICATE A COMMITMENT TO DISPOSE OF OR DEVELOP ANY INDIVIDUAL SITES; IT WILL ENABLE THE PLANNING MERITS OF COUNCIL-OWNED LAND TO BE CONSIDERED, ALONG WITH LAND IN OTHER OWNERSHIPS, AS PART OF THE SITE ALLOCATIONS AND POLICIES LOCAL PLAN PROCESS BEFORE THE COUNCIL MAKES ANY DECISION AS LAND OWNER (see pages 21 & 22).**

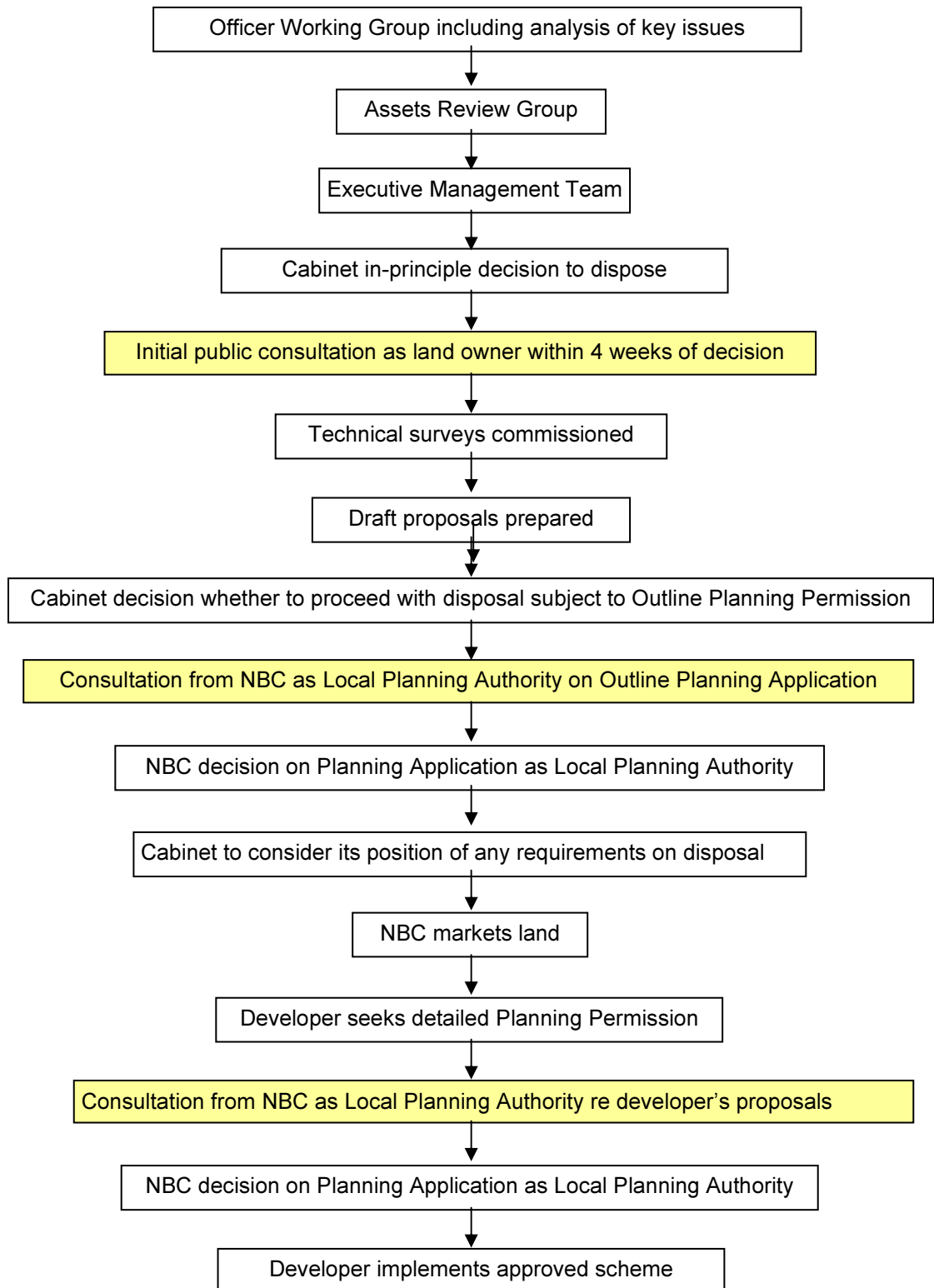
	<b>Site Area (Acres)</b>	<b>Site Area (Ha)</b>
Hillport Ave, Porthill	0.67	0.271
Deans Lane, Red Street	3.360	1.36
Whitehill Road, Kidsgrove	8.426	3.41
Heathcote Street, Kidsgrove	0.73	0.295
Kinnersley Street Kidsgrove	1.507	0.61
Church Lane, Knutton	1.680	0.68
Cotswold Ave, Knutton	0.444	0.18
Market Drayton Road, Loggerheads	12.449	5.038
Eccleshall Road Loggerheads	5.559	2.25
Bower End Lane, Madeley	0.97	0.392
Arbour Close Madeley	1.037	0.42
Sandy Lane, May Bank	2.075	0.84



Gallowstree Lane, Westlands	0.667	0.27		
Cambourne Crescent, Westlands	1.440	0.583		
Riley's Way Bignall End	0.410	0.166		
Stephens Way, Bignall End	1.366	0.553		
<b>Other potential land disposals to be explored (not currently in SHLAA)</b>				
<b>IMPORTANT NOTE – INCLUSION OF SITES IN THIS LIST DOES NOT INDICATE A COMMITMENT TO DISPOSE OF OR DEVELOP ANY INDIVIDUAL SITES; IT WILL ENABLE THE PLANNING MERITS OF COUNCIL-OWNED LAND TO BE CONSIDERED, ALONG WITH LAND IN OTHER OWNERSHIPS, AS PART OF THE SITE ALLOCATIONS AND POLICIES LOCAL PLAN PROCESS BEFORE THE COUNCIL MAKES ANY DECISION AS LAND OWNER (see pages 21 &amp; 22).</b>				
Surrey Road, Whitehill	1.457	0.59		
Talke Road, Bradwell			6.251	2.53
Land off Whitmore Road, Seabridge	4.373	1.77		
The Racecourse, Silverdale	13.689	5.54		

**APPENDIX 3**

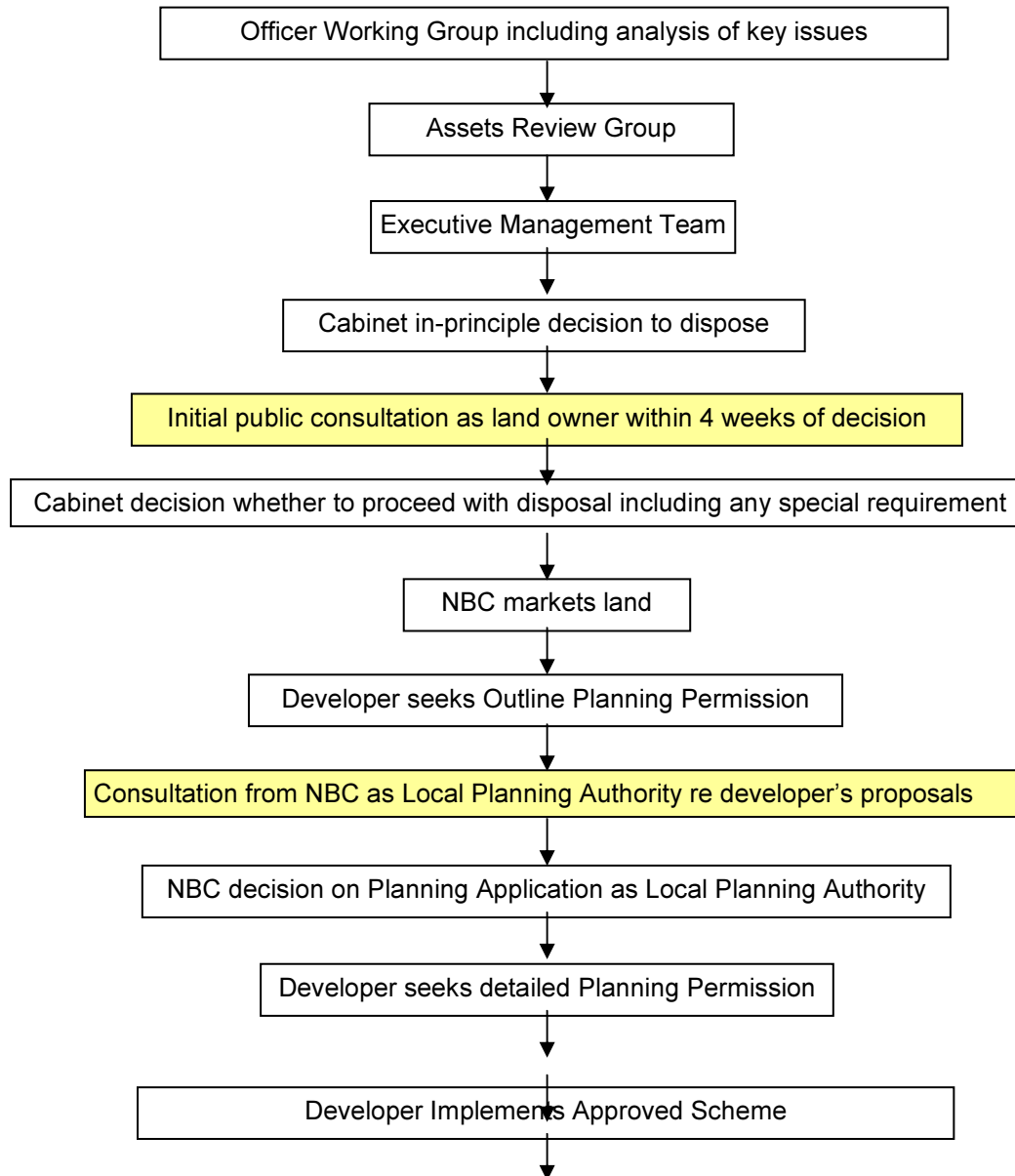
**Typical consultation approach in cases where unclear planning policy and Newcastle Borough Council seeking Planning Permission prior to disposal**



**NB. Attention is drawn to the council's proposed approach to consultation as both land owner and as local planning authority.**

**APPENDIX 3**

**Typical consultation approach in cases where clear planning policy and Newcastle Borough Council NOT seeking Planning Permission prior to disposal of significant asset**



**NB. Attention is drawn to the council's proposed approach to consultation as both land owner and as local planning authority.**