

AGENDA MANAGEMENT SHEET

Name of Committee Resources, Performance & Development
Overview & Scrutiny committee
Date of Committee 29 April 2008
Report Title Corporate Property Strategy
Summary A new 10 year Corporate Property Strategy has been developed to inform and direct the management of the Council's land and property assets
For further information please contact: David Soanes
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Would the recommended decision be contrary to the Budget and Policy Framework? No.
Background papers Corporate Property Strategy 2003 & Corporate Property Strategy framework 2005.

CONSULTATION ALREADY UNDERTAKEN:- Details to be specified

- Other Committees
- Local Member(s) n/a
- Other Elected Members Cllrs Booth, Atkinson & Haynes.....
- Cabinet Member Cllr Alan Cockburn
- Chief Executive SDLT paper 19 March 2008
- Legal Barry Jukes
- Finance Graham Shaw
- Other Chief Officers SDLT
- District Councils
- Health Authority
- Police

Other Bodies/Individuals

All Heads of Service, Property Officers Forum, various other officers

FINAL DECISION NO

SUGGESTED NEXT STEPS:

Details to be specified

Further consideration by this Committee

.....

To Council

.....

To Cabinet

.....

To an O & S Committee

.....

To an Area Committee

.....

Further Consultation

.....

Executive Summary

This new Corporate Property Strategy provides a clearly defined framework for managing the Council’s land and property assets over the next 10 years. It sets out our property vision and identifies six key workstreams together with the high level actions to be taken within each. It will be accompanied by an annual action plan which will detail the specific tasks to be undertaken to help deliver the vision.

Agenda No

Resources, Performance & Development Overview & Scrutiny Committee - 29 April 2008.

Corporate Property Strategy

Report of the Strategic Director of Resources

Recommendation

That Members recommend to Cabinet that the new Corporate Property Strategy is adopted

1. Executive Summary

This new Corporate Property Strategy provides a clearly defined framework for managing the Council's land and property assets over the next 10 years. It sets out our property vision and identifies six key workstreams together with the high level actions to be taken within each. It will be accompanied by an annual action plan which will detail the specific tasks to be undertaken to help deliver the vision.

2. Introduction

- 2.1 A new 10 year Corporate Property Strategy has been developed to replace the existing strategy developed in 2003, and the Corporate Property Strategy framework 2005. The strategy is attached as Appendix A.

3. Background

- 3.1 In 2000, the Government introduced the requirement for local authorities to develop and submit for assessment an annual Asset Management Plan (AMP), setting out the Council's progress against a number of pre-determined areas of work.
- 3.2 Warwickshire County Council's AMP was assessed as 'good' in 2003 and this meant they no longer had to submit an annual plan for Government approval. However, the Government, through the Use of Resources assessment of CPA, expect Councils to have in place an up to date Asset Management Plan (or Corporate Property Strategy).
- 3.3 Warwickshire County Council produced their first Corporate Property Strategy in 2003. In addition, a framework was developed in 2005 to assist in the development of a new strategy.

4. Strategy purpose and content

- 4.1 The Corporate Property Strategy provides a clearly defined framework for managing our land and property assets, and is intended to provide a context for decision making now and in the future. By necessity it is a long term strategy, due to the long lead-in times involved with developing property solutions, hence it covers the next 10 years.
- 4.2 As mentioned above, the Use of Resources section of the CPA assesses the Council's strategic management of its' assets. There are a number of areas where we need to improve and these are identified in the strategy. The strategy intentionally challenges the way WCC operates to ensure that processes and ways of working meet best practice and deliver required outcomes.
- 4.3 The strategy takes the following form:
- An explanation of how the strategy is positioned with other corporate plans and strategies
 - Our Property Vision for the next 10 years
 - Three case studies showing what our buildings should be like in the future followed by a summary of the key messages from the studies
 - Consideration of six workstreams and their associated high level actions:
 - Strategic Asset Management
 - Governance
 - Asset Review
 - Sustainability
 - Modern & Flexible working
 - Data Management
- 4.4 The strategy will be reviewed and updated every other year. Its implementation will be monitored by the Strategic Asset Management Forum (formerly the Accommodation Board), a cross-directorate group.

5. Annual Action Plan

- 5.1 An Action Plan will be developed on an annual basis to help deliver the property vision and workstreams.
- 5.2 The majority of the actions set out in the plan will already be in Group Business Plans. Most of the actions fall to staff within the Property service to deliver, but a number are the responsibility of other officers across the authority. The 2008/09 action plan has already been drafted in advance of the approval of the Corporate Property Strategy, as most of the actions which it contains **need** to be undertaken to improve our management of our assets.
- 5.3 The final version of the action plan will be brought to the Strategic Asset Management Forum for approval. Its implementation will be monitored by the Property Officers Forum, a cross directorate group of property managers which sits below the Strategic Asset Management Forum. Progress will be

reported to the Strategic Asset Management Forum and Resources O&S committee every six months.

6. Consultation

- 6.1 The Corporate Property Strategy has been developed over the last year during which input has been obtained from numerous officers across the authority. The most recent draft was circulated to all Directors and Heads of Service for comment as well as the Property Officers Forum and several other individuals. A number of comments were received and the draft amended.
- 6.2 Certain directorates have suggested that the strategy should place greater emphasis on their particular areas of work. Amendments have been made to reflect these views as much as possible whilst retaining the overall style and essence of the document.
- 6.3 The Action Plan has been put together over the last few weeks and again has received input from the Property Officers Forum and several other officers
- 6.4 The Strategy and draft action plan were considered by SDLT on 19 March and suggested amendments have been incorporated.

7. Resource implications

- 7.1 The Corporate Property Strategy contains some ambitious targets, which will require appropriate levels of resource to achieve. In setting these targets it is appreciated that they are aspirational and that it may not be possible to provide sufficient resource to fully achieve them within the timescales indicated.

8. Recommendation

- 8.1 That Members recommend to Cabinet that the new Corporate Property Strategy is adopted.

DAVID CLARKE
STRATEGIC DIRECTOR OF
RESOURCES

Shire Hall
Warwick

03 April 2008

Corporate Property Strategy Corporate Property Strategy 2008-2018



Above: Saltisford Office Park



Above: EPIC Centre,
Nuneaton



Above: SEN School Round
Oak

*Working for
Warwickshire*

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- David Clarke, Director of Resources
- Steve Smith, Head of Property

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6. Delivering the Vision

Appendix 1 – Details of the portfolio

NB: The term 'property' used throughout this document should be taken to cover both land and property assets.

Introductions to the Corporate Property Strategy

Alan Cockburn, Cabinet Portfolio holder for Property

I am delighted to present this new Corporate Property Strategy which we have developed to provide direction for the management of our extensive land and property portfolio.

As Elected Members, we recognise that having the right property is vital to enable the efficient delivery of the services which we offer to our customers. That may require us to develop new modern flexible assets, together with rationalising our portfolio where required. Also, as we increasingly work collaboratively with our partners to jointly deliver services, this will present opportunities for shared use of buildings.

Our property also has an important part to play in our commitment to sustainability, and in our drive to implement modern and flexible working throughout the organisation

I am confident that the implementation of this strategy will be an important element of our work to deliver excellent, value for money services to the citizens of Warwickshire.



David Clarke, Director of Resources

Property is one of the most significant areas of expenditure for this authority. It is vital therefore that it is well managed and I believe that this strategy clearly sets out the objectives which we must pursue to achieve this.

We must ensure that in an increasingly tight financial climate, our assets are providing value for money, by minimising running costs and disposing of those assets which are no longer required for service delivery.

The Use of Resources section of the Comprehensive Performance Assessment assesses the Council's strategic management of its assets and this strategy seeks to address those areas where we need to improve.

It is important that Property is recognised as a corporate resource and one thing I believe is particularly important is for us to break the link that currently exists between services and specific buildings – instead we need to see our assets as flexible spaces whose use should be maximised, thereby providing the optimal level of operational efficiency.

I am confident that the vision and objectives outlined in this document will help ensure that Warwickshire both continues to make best use of the resources available to us, and develops as an excellent authority.



Steve Smith, Head of Property

Our property is a valuable resource. It provides the means from which we deliver our services and manage our business. Using our property well to support service delivery can bring about great efficiency to the Council, produce a good rate of return on our asset value, enable service development, and enhance the whole customer experience.

It is therefore important that we have a clearly understood vision for our property that sustains future growth and development of joined up public services, and that we have meaningful strategies to deliver the vision.

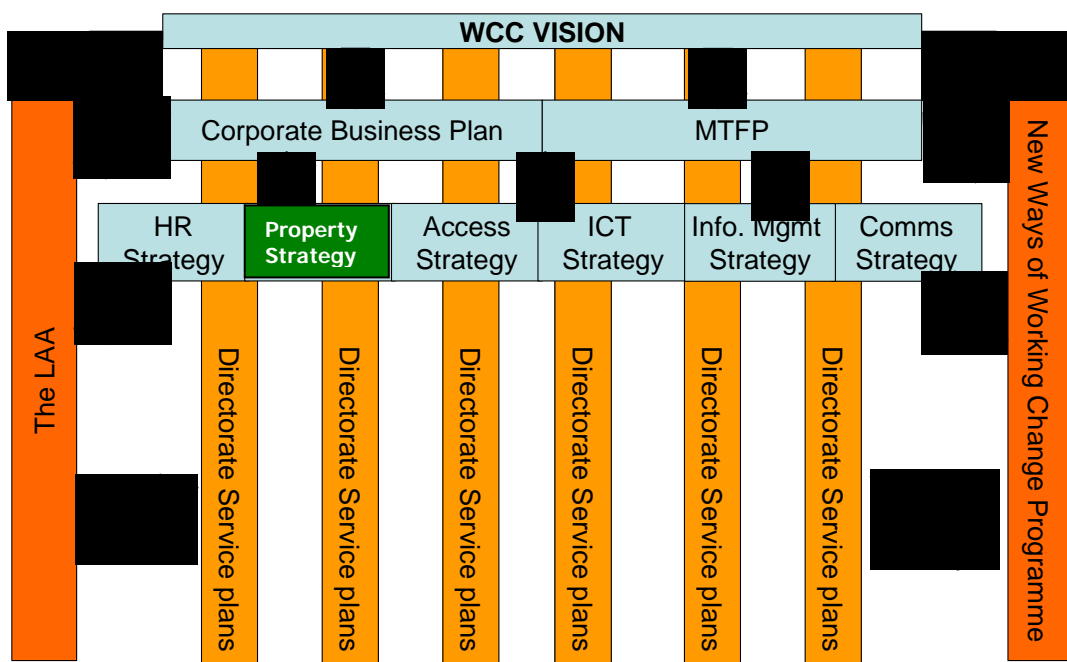
This strategy is about maximising the value from our property, meeting the challenges of integrating public services across agencies and supporting corporate objectives.

To be successful, the whole organisation has a part to play – in shaping services, articulating needs, and by using our property in efficient and innovative ways.



POSITIONING THE CORPORATE PROPERTY STRATEGY

The Corporate Property Strategy is just one part of our overall framework of Strategies and Plans. The diagram below outlines the important relationship between the Corporate Property Strategy and the other key elements of our planning framework. It is vital that all our strategies and plans are complementary, and managed together to ensure we deliver the Authorities overall Vision and Objectives. Developing this business alignment is a key objective for this Strategy



PURPOSE OF THE STRATEGY

1. WCC needs a clearly defined framework for managing its land and property assets. The property we occupy and from which we deliver our services communicate an image of WCC to our customers. This document sets out key principles to ensure that property makes a positive contribution to our service delivery.
2. Property is a corporate resource. WCC, through the New Ways of Working programme, is developing a more corporate approach to the delivery of its services. This strategy reinforces this approach in respect of the way WCC's property portfolio is viewed and managed.
3. Of necessity, this is a long-term strategy. The long lead-in times involved with developing property solutions (frequently over many months, and for strategic projects taking several years), and the recognition of property as a key resource, along with people, ICT and finance, mean that we need to have effective planning and with property that means taking a long term view, at least ten years ahead.
4. Our Property Strategy will complement the changes which we are making to the way we deliver services to our customers. It will reflect our development of integrated access to services with our partners at a local and countywide level.
5. This Property Strategy is intended to provide a context for decision making now and in the future. It will be reviewed every other year and be accompanied by an annual Action Plan and reporting to Members.
6. The Use of Resources section of the Comprehensive Performance Assessment addresses the Council's strategic management of its assets. There are a number of areas where we need to improve and these are identified in the strategy. The strategy intentionally challenges the way WCC operates to ensure that processes and ways of working meet best practice and deliver required outcomes.

OUR PROPERTY VISION

- WCC's vision for its property over the next 10 years is:



WHAT SHOULD OUR BUILDINGS BE LIKE IN THE FUTURE?

Case study 1 - Shire Hall

Joint Service Centre

Sarah finishes her shopping at Warwick market and makes her way to Shire Hall. It is so much easier now that lots of services have been brought together under one roof (a joint service centre) and that it is open on Saturday.



With its newly developed frontage, the building stands out as a major element of civic pride. Entering through the tastefully decorated reception, she recalls that before the recent refurbishment work she had only been into the building a couple of times and the place always seemed quite imposing, whereas it now has a much more welcoming feel for members of the public.

She first visits the new library to return some books and takes a few minutes to look at the 'Wartime in Warwickshire' exhibition adjacent to the help desk.

Passing back through reception she steps into the bright and welcoming One Stop Shop which handles queries related to all issues dealt with by the County

Council and Warwick District Council. Speaking to the customer service advisor, she reports the faulty street light outside her house – they have an IT link straight through to the right department who can fix this. She also asks for advice on the pension benefits her Gran is entitled to.

She lingers at the Police helpdesk where the friendly desk officer is only too happy to have a chat about the recent incidences of thefts from garden sheds.



She takes the opportunity to pick up a form about joining the local Credit Union and checks out some information about their savings and loans.

Finally she drops into the Post Office to pay her car tax and buy some stamps.

As she leaves the building she picks up some visitor information from the display racks in the reception area, and heads off home.

A new office environment

Bob, a Development projects manager, returns to Shire Hall having been on site for most of the day.

He is very pleased with his new office environment. Prior to conversion work, his team worked from a number of cellular offices, where each person had their own dedicated workstation and a large amount of the space was taken up by the storage of files. The space was inefficiently used and at many times of the day, only a few of the desks were occupied.

They now have a bright, well decorated open plan environment.

Most staff use the 'touchdown points' or get together in work teams in the breakout areas. All files are now available electronically and there is a very little storage within the building.

Bob and his colleagues all work flexibly, making full use of the mobile technology available to allow them to work from anywhere rather than being tied to a particular workplace.

Cllr Paul Stephens has half an hour between meetings so drops in to the new Cabinet room adjacent to the revamped Council Chamber. He plugs in his laptop and accesses all the forthcoming Cabinet papers. He discusses these with other Cabinet Members who are working in the office and together they view some plans and photos on the Interactive white board.

These arrangements have helped to improve efficiency in his busy schedule, and reduced his dependence on paper reports.

Case study 2 - North Leamington School

A delegation of Council Members from a London Borough Council arrive to visit the newly built North Leamington School.



As they step into reception they note the Energy Performance Certificate on the wall – the building is graded category A – the highest category and it has also achieved a BREEAM “excellent” rating.

Wherever possible, natural long lasting building materials have been used in its construction, and the building has been designed to provide comfortable conditions without the need for air conditioning, including allowing for predicted increases in temperature.

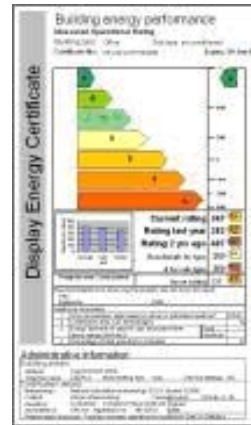
They are shown the smart meters which provide full details of energy consumption throughout the day and automatically send readings to the utility company.

The headteacher explains that the building is heated by a Biomass boiler, providing a substantial CO2

saving over conventional gas boilers.

This also means that more than 15% of the total site energy requirements are provided by on-site renewable energy sources.

Other sustainable features of the development include the use of rainwater for sanitary use and extensive efforts to enhance ecology and biodiversity in the grounds of the school.



He also explains that the school is a community resource for learning, with the sports hall, all weather pitch, theatre and adult education centre having extended community use.

The Members thank the headteacher and board their coach back to London, fired up to see a similar development in their patch.

Case study 3 - The Community Hub

Mike picks his children up from the Community Hub in their village.

Built on the site of the former primary school, when funds became available through the Primary Capital Programme to rebuild the school, the County Council had worked with the district and parish councils and the local church to develop a multi-purpose facility which would meet the needs of all residents of the village.

The village had an old community hall which was on its last legs, whilst the church needed to spend a fortune on repairs and access improvements to its medieval building.

The new building provides flexible space used as a school during weekdays, and by the church and wider community in the evenings and weekends.



Mike nips in to the community run shop which uses a small corner of the building. He then takes the children home. Later that evening his partner, Diane comes back to the Community Hub to play badminton in the hall – the same space used by the school during the day.

Key Messages from the Case Studies

- Where appropriate we will work with partners to develop Joint Service Centres bringing together a range of services under one roof.
- In Warwick this will be in Shire Hall, which will incorporate a One stop Shop (where the public can interact with all services of both the County Council and Warwick District Council), Library, Post Office and Police Information point
- We will increasingly accommodate our staff in modern open plan environments
- Storage space will be minimised and electronic data management will be rolled out throughout the organisation
- Staff will have the flexibility to work from anywhere, using mobile technology, rather than being tied to a particular workplace
- We are aiming to make all newly constructed buildings BREEAM 'excellent', and to achieve the highest category Energy performance rating
- We will explore the potential for developing our own renewable sources of energy, such as use of Biomass boilers and wind turbines
- We will proactively explore opportunities, with partners, to make better use of our buildings to deliver a range of services for the community



Stockingford Infants

Delivering the Vision

Delivery of the Property Vision will require significant work across a range of workstreams:

Strategic Asset Management

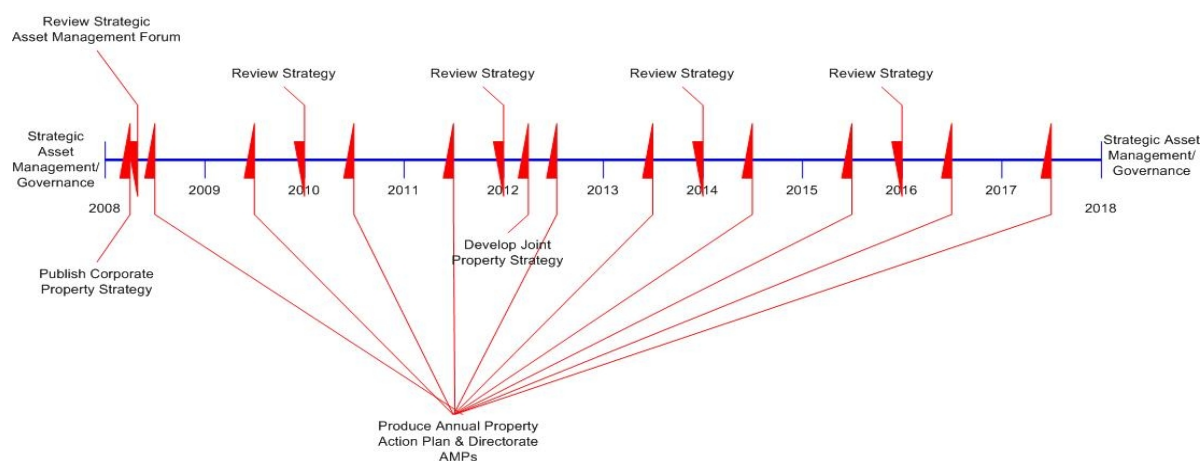
We will work towards the joint strategic management of our property portfolio with those of our major public sector partners

- through jointly determining the benefits of such an approach;
- by fully embracing the objectives of the Local Area Agreement, our role within Section 17 of the crime and disorder act, and the proposals for enhanced 2 tier local government working;
- by pro-actively pursuing co-location opportunities, for both public facing 'front door' services and back office functions;
- through working on a range of joint property related initiatives, such as electronic land and property mapping;
- eventually, through the development of a joint property strategy.

Governance

We will fully integrate asset management planning with business planning at corporate and service levels

- through the development of this strategy, and the production of an annual Action Plan that supports the WCC Vision Priorities, the Corporate Business Plan, New Ways of Working Change Programme, Capital Strategy and Capital Receipts Strategy;
- by presenting the Action plan for approval of the Strategic Asset Management Forum on an annual basis, and by reporting progress every six months to this forum and to Resources O&S Committee;
- by ensuring that the plan is developed with input from Directorate representatives and is presented alongside jointly developed Directorate Asset Management plans;
- through reviewing and improving the cross directorate Strategic Asset Management Forum (formerly the Accommodation Board) and Property Officers Forum and holding regular liaison meetings with directorates to support asset management;
- by ensuring that property investment proposals involve the more formal use of business cases with clearer benefits realisation, risk management plans and whole life costing.



Asset review

We will proactively use our property portfolio as a driver and enabler of change

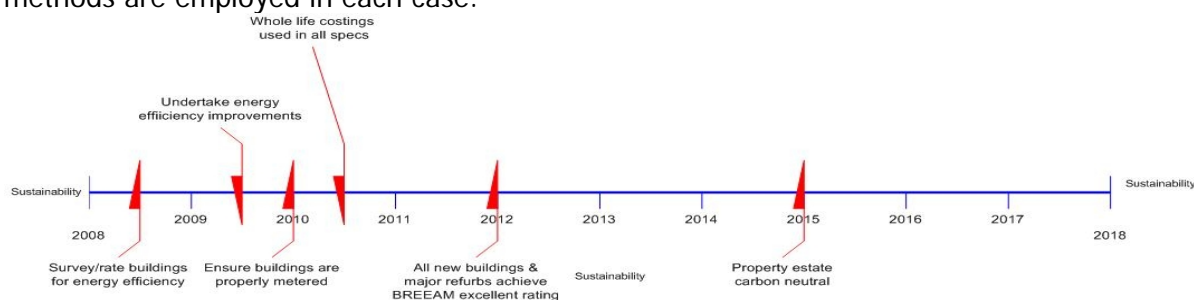
- by identifying opportunities to use our property assets to help develop services;
- by breaking the link between services and particular buildings, instead seeking to maximise use of our assets to deliver a range of services;
- by regularly and systematically challenging, through Area Property Reviews, whether our assets are required, fit for purpose and providing value for money to meet current and future needs;
- through rationalisation or disposal of underperforming or surplus assets, generating capital receipts for re-investment in service improvement;
- by transferring assets into community ownership in appropriate circumstances.

Sustainability

We will improve the sustainability of our property portfolio

- by evaluating our buildings for accessibility, adaptability, climate control, waste & water, and pollutants;
- by surveying and rating our buildings for energy efficiency (under the European Performance of Building Directive) and carrying out improvements to reduce CO2 emissions and running costs (using the Salix fund and other sources of finance);
- by reviewing running costs and addressing those which are above average;
- by ensuring that all our buildings are properly metered and that regular accurate readings are taken;
- by using an approach to Whole Life Cycle costing / Life Cycle Analysis as a standard methodology for assessing specifications and supporting procurement decisions;
- by assessing and conserving biodiversity including the protection, restoration and enhancement of species populations and habitats in all buildings and sites;
- by achieving BREEAM (Building Research Establishment Environmental Assessment Method) excellent ratings for all new buildings and major refurbishments;
- by ensuring that all retained assets are well cared for, in good condition and meeting all legislative requirements – to this end we will develop a separate maintenance policy to set out how we will address these issues;
- by ensuring that our assets are kept safe and secure and that we implement secured by design principles on all new developments and refurbishments;
- by taking steps (in tune with targets set for the Government Estate for 2012) to make Warwickshire County Council's estate be carbon neutral by 2015, including reduced energy use, use of renewables and off-setting the remaining balance.

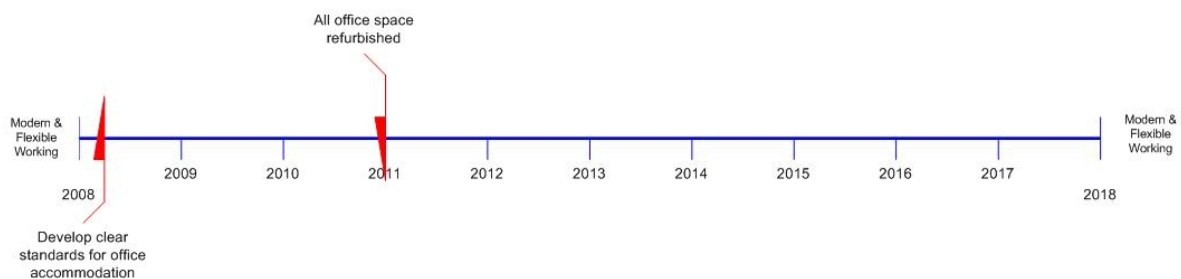
We will also ensure that we are undertaking capital development in the most efficient manner by regularly reviewing contracting approaches to ensure VFM and best procurement methods are employed in each case.



Modern and Flexible Working

We will achieve property solutions which encourage modern and flexible forms of working

- by developing and maintaining a clear set of office accommodation standards which will ensure a more consistent and corporate approach to office accommodation provision;
- by developing new office accommodation and adapting existing accommodation to provide a predominantly open plan, efficiently used space with limited numbers of dedicated workstations and high levels of hot desking;
- by embracing ICT developments such as video conferencing, VOIP and electronic data management;
- by reviewing the way in which accommodation is funded to provide a more equitable solution for all services and to determine how directorates can be given incentives to reduce space usage.

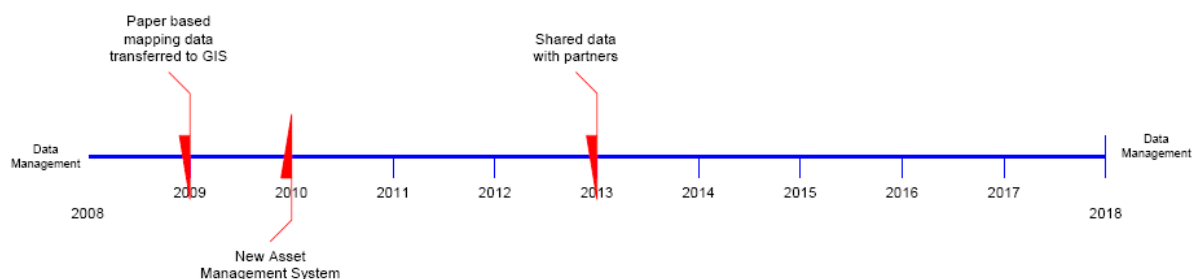


Data Management

We will ensure that we hold reliable up to date information on the performance, efficiency, value, suitability, condition and running cost of our property portfolio

- by replacing our property systems with a comprehensive asset management system to ensure that data is easily available to all staff from a single source;
- by developing clear processes for updating the information that we hold;
- by undertaking regular surveys for condition and suitability;
- by transferring all of our paper based land and property mapping data onto GIS and establishing a central library of mapping data;
- by reviewing and developing measures which assist us in evaluating the performance of our property, and pro-actively using the data collected to achieve improvements.

As we move towards the joint management of our property portfolio with partners, we will increasingly share our property data



Annex A

WCC LAND AND PROPERTY PORTFOLIO

Approx 550 assets including

- 249 schools supported by the LA (including VA schools not in Council ownership).
- 28 Youth Centres
- 19 Fire Stations
- 34 Libraries
- 10 Homes for Elderly People
- 56 Farms
- 45 Admin buildings
- 10 Business Centres (incorporating 270 units)

- Total Value of portfolio £981 million, as at 31/03/07

- Condition of the portfolio
 - A (Good)– 20%
 - B (Satisfactory) – 71%
 - C (Poor) – 7%
 - D (very poor) – 2%

- Cost of maintenance - approx £12 million spent pa (07/08) - with assessed repair requirements of approx £130 million excl fees (Schools £102m; All other property £28m)

- Suitability Scores (buildings are assessed against a number of criteria to determine how suitable they are for the delivery of the occupying service)
 - Good – 18%
 - Satisfactory – 62%
 - Poor – 20%

- Total Energy expenditure across the portfolio (Gas, Electricity, Oil and water) £8.6m