



REPORT TO: CORPORATE COMMITTEE 30 AUGUST 2022

SUBJECT: PROPERTY ASSET MANAGEMENT APPRAISAL

BY: DEPUTE CHIEF EXECUTIVE (ECONOMY, ENVIRONMENT AND FINANCE)

1. REASON FOR REPORT

- 1.1 This report provides a progress update on outstanding key recommendations set out within the Property Asset Management Appraisal (PAMA).
- 1.2 This report is submitted to Committee in terms of Section III B (28) of the Council's Scheme of Administration in relation to asset management.

2. RECOMMENDATION

2.1 It is recommended that the Committee:-

- (i) considers and notes the updates and progress achieved to date in relation to the remaining recommendations;**
- (ii) notes the merging of the Depot and Store reviews to ensure maximum benefits can be derived from the reviews; and**
- (iii) notes the new timescales for the remaining outstanding recommendations, with future reporting for recommendations 5-7 being provided through updates on the Improvement and Modernisation Programme.**

3. BACKGROUND

- 3.1 The Policy and Resources Committee on 12 December 2018 (paragraph 6 of the minute refers) approved a report which detailed recommendations aimed at improving how the Council manages and maintains its property assets. The same Committee on 29 October 2019 approved a report detailing the Property Asset Management Appraisal (PAMA) Improvement Plan with the status of actions (paragraph 13 of the minute refers). The Council meeting of 30 June 2021 approved a report which outlined progress and indicated that delays to progress had been sustained due to the COVID-19 pandemic and changes of senior lead officers (paragraph 9 of the minute refers).
- 3.2 **Appendix I** of the report lists those remaining outstanding recommendations from the original 2018 report and provides an update to each

recommendation. Restrictions arising from the pandemic and staffing changes have impeded intended progress against some of these recommendations. Recommendations 5-7 are also reported through the Improvement and Modernisation Programme and so will be removed from PAMA updates in future to avoid duplication.

4. PROGRESS UPDATES

Recommendation 2 – Devolved School Management (DSM) Tenant Protocol

- 4.1 As previously stated this has been delayed by COVID-19. However, in addition to this with the changes to the Council structure with the establishment of the Learning Estate Team, and the delays in completing the appropriate changes to the Housing and Property Change Management Plan, this has been further delayed. The final changes to the Housing and Property Change Management Plan were approved at the Corporate Committee on 14 June 2022 (paragraph 17 of the minute refers). Staff in the Learning Estate Team and the Asset Management Corporate Buildings Team have commenced the review with the intention that the outcome will be reported as appropriate prior to 31 March 2023.

Recommendation 5 – Depot Review

- 4.2 Following the appointment of the Head of Housing and then Property Asset Manager, the work undertaken previously on the Depot Review has been critically assessed, taking into account changes to working practices due to COVID which are to remain post COVID-19 restrictions, considering lessons learned from other Local Authorities and the effect of the Council's Climate Change strategy and route map.
- 4.3 The review has highlighted potential opportunities which were not available when the initial review was being drafted along with the significant challenge of achieving NetZero by 2030. It should be noted that a number of the main principles which were developed remain valid. The principles proposed for the future of our operational property will broadly be fewer locations, better integrated working permitting shared locations, higher quality properties maintained to higher standards and being as efficient to run as is financially viable. As part of this critical review of the work undertaken, it has been highlighted that Recommendation 6 – Review of storage space, should not be progressed in isolation from Recommendation 5. To that end, the review is now being considered as a wider portfolio review looking at all properties which are currently used for depot and/or storage purposes. The purpose of this is to increase the opportunity to deliver benefits from this wider scope and reduce the risk of retaining underutilised properties.
- 4.4 The update on the Depot and Store review will be reported to the next Economic Development and Infrastructure Committee in September. A business case will be prepared to consider options which meet the Council's strategic and operational requirements. It should be noted that this review will also work in line with the Office Review as that is moved forward to ensure consistency within our portfolio given the interdependencies.

Recommendation 6 – Review of storage space
4.5 Now being progressed as part of the Depot Review as detailed above.

Recommendation 7 – Leisure Review and Museum Buildings
4.6 The Leisure review has now concluded with the delivery of the service continuing to be managed in house. A report to Education, Children's and Leisure Services Committee on 24 November 2021 confirmed this position. Condition surveys are being undertaken on our sport and leisure facilities to inform development of a long-term capital plan for these facilities. The museum review has still to resume and future progress will be determined by resource allocation in line with corporate priorities. Meantime, the Council has a legal responsibility for the care of museum artefacts and therefore the existing museum and store will continue to be maintained to a high standard until such time as an alternative delivery model is established.

Recommendation 10 – Housing Revenue Account Assets
4.7 The formal review of Housing Revenue Account land and buildings is still to be progressed. In the meantime appropriate property assets are being reviewed on a when necessary basis to ensure best use/value to the Housing Revenue Account. A formal holistic review will commence when resources permit. The estimated completion date of 31.3.24 is considered to reflect appropriate management of resources given competing priorities and ongoing ad hoc asset based reviews when required.

Recommendation 12 – Develop a Landlord Charter for Property Assets
4.8 With the changes of building usage as a result of the COVID-19 pandemic, the need to ensure building occupiers comply with appropriate Health and Safety requirements is critical. Further, as property assets are utilised by differing services the need for clarity around who is responsible for what is important. To that end, the Housing and Property Service is engaging with all Heads of Service to establish the protocol for services occupying property assets. The desire is to change the ethos within the Council to a position where it is recognised that property assets are Council assets for use by the most appropriate service and managed by Housing and Property to provide the best possible service delivery location.

4.9 A document setting out roles and responsibilities covering occupation of operational assets will be developed, consulted upon and rolled out across the property asset base in the next 12 months.

Recommendation 13 – Reduce ICT systems that store property information
4.10 Work is continuing on understanding the data that is held on properties and where. Workshops have been undertaken with a consultant to establish what property information is held and where with the intention that the output from the consultant's work is various recommendations on how to store property data and ensure that future new build property data can be seamlessly integrated with existing property data. Outcomes from the workshops are due early autumn 2022 with the intention that this will lead to development of property information business case to centralise property information in one central common location which can be accessed by all appropriate officers.

Recommendation 14 – Baseline performance indicators should be developed

- 4.11 As noted in the June 2021 report the development of these indicators was being delayed until the new Asset Management Structure within Housing and Property was in place and the new permanent Head of Housing and Property Services was in post. The Property Asset Manager post was filled in February 2022 which has further delayed the development of the performance indicators. These will now be developed for implementation from 1 April 2023.

- Recommendation 15 (i) – Combine Repairs Budgets for Property/Education
- 4.12 Following the completion of the Housing and Property Change Management Plan and the development of the Learning Estate Team, in light of these changed circumstances the key driver for the repair budget for Education to be combined with the budget for the other corporate buildings has been removed. As the teams work together to improve the condition of the Council's property portfolio the merit or otherwise of the budgets being separate will be reviewed as appropriate. It is, however, considered that this recommendation, which no longer reflects corporate asset management arrangements, is now complete.

- Recommendation 15 (ii) – Review of Property/Education Staffing Structures
- 4.13 The review has now been completed with the final changes to the Housing and Property structure reported and approved at the Corporate Committee on 14 June 2022. This recommendation is now complete.

5. SUMMARY OF IMPLICATIONS

(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))

This project forms part of the Improvement & Modernisation Programme of Work that supports the Council priority of a financially stable Council.

(b) Policy and Legal

None.

(c) Financial implications

This report has no financial implications. However, the office/depot/stores review which will be reported in due course will look to deliver revenue savings but will require some capital expenditure with these implications detailed in a future report.

(d) Risk implications

There are no specific new risks outlined in this report with any risks in relation to the remaining actions will be outlined in future reports.

(e) Staffing implications

There are no staffing implications associated with this report.

(f) Property

As set out in the report.

(g) Equalities/Socio Economic Impact

There are no equalities/socio economic impacts arising from this report.

(h) Climate Change and Biodiversity Impacts

The importance of minimising the use of carbon and making our properties as efficient as is viable is an underlying requirement for all Asset Management decisions going forward. This report has no direct impacts. However, the forthcoming review of the Depots and Stores will integrate our climate change strategy into our property decision-making process. The Council's commitment to be net zero by 2030 will influence the options considered across the Council's estate and where this cannot be achieved the full business case will be presented to Council to enable consideration of further mitigation measures and offset that may be necessary.

(i) Consultations

Consultations on this report have taken place with the Head of Financial Services, Head of Educational Resources and Communities, Head of Economic Growth and Development Services, Head of Environmental and Commercial Services and Lindsey Robinson, Committee Services Officer and any comments have been incorporated into the report.

6. CONCLUSION

6.1 This report provides an update of actions to be taken forward as part of the PAMA Improvement Plan. It provides information on those actions now complete and revised completion timescales for those that remain outstanding.

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Background Papers:
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