



wakefieldcouncil
working for you

PROPERTY AND ASSET MANAGEMENT

**ASSET MANAGEMENT PLAN
2011-2016**

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INTRODUCTION

The 2011-2016 Asset Management Plan sets out how the Council's property portfolio will contribute to the Council's main aims/key priorities identified in the Corporate Plan 2011-2014. In accordance with best practice guidelines, school premises and highways assets are considered in a separate Asset Management Plan due to their specialist nature.

Wakefield Council operates a substantial property portfolio comprising of 364 operational properties and 481 investment properties with a total combined asset value of £200m.

With such a large property portfolio, asset management planning is essential in order to ensure that Council properties are fulfilling strategic goals adopted by the Council. The Council's property portfolio performs seven key functions:-

- 1 **Development and Regeneration** – As a consequence of our major district wide landholding the Council is able influence a number of major development schemes that deal with not just site specific but district wide issues.
- 2 **Operational Property** – Ensuring that operational properties are fit for purpose and are in the right location to serve the people of Wakefield. There are challenging relocation proposals to make the best use of new offices at Westgate by 2012 and further rationalisation programmes in respect of depot accommodation.
- 3 **Managing Investment Properties** – Wakefield Council is in the fortunate position of owning a varied and substantial investment property estate bringing in revenue funds for the Council which increase year on year. It is essential to preserve and maximise this income stream by pro-active property management to minimise letting voids within the estate.
- 4 **Capital Receipts** – In order to provide funds for capital projects, capital receipts from property sales are essential. Over five years the forecasted capital receipts are £39 million.
- 5 **Community Transfer** - A new community transfer policy will assist the Council in exploiting opportunities to increase the range of public facilities through asset transfer.
- 6 **Property Maintenance** - The property maintenance programme will ensure that the Council's buildings are safe and fit for purpose.
- 7 **Value for Money** – New valuation methods have been implemented in the move to International Financial Reporting Standards (IFRS) in order to ensure that the Council's Asset Register is up to date and is used to inform future decisions. In addition to IFRS, Property and Asset Management will be re-structured to ensure that the best service is provided and management systems are efficient.

The Asset Management Plan sets out key priorities for each of the above work areas.

STRATEGIC CONTEXT

Wakefield Council's Corporate Plan

The Council's Corporate Plan covers the period 2011 to 2014. This Plan is reviewed annually and outlines the Council's direction for future years.

This Corporate Plan is the key strategic planning document for the authority. It is supported by:

Document	Purpose
4 Year Financial Strategy	How we will make crucial financial savings and carefully spend the money that is available to us over the next 4 years in a way that provides value for money to residents
Capital Strategy	How the Council will finance significant investment in services over the next few years
Asset Management Plan	How the Council will use its land and buildings to maximum effect
Human Resources and Training Strategy	How the Council will develop staff to ensure excellent services are delivered to customers
Climate Change Strategy	How the Council will reduce carbon emissions and promote sustainability in the district
Local Development Framework	Spatial Planning Strategy for Wakefield

Council's Revised Strategic themes 2011 - 2014

The Council has identified the following priorities in the Corporate Plan 2011 - 2014:

- *Protecting the most vulnerable and those in most need*
- *Creating job opportunities, raising skill levels and helping local people into employment*
- *Increasing the number of affordable and new housing in the district*
- *Reducing health inequalities between different parts of the district*
- *Making the district safer by reducing the level of crime and anti-social behaviour in the district*
- *Creating a better environment*
- *Investing in the future through improving the district's cultural offer.*

Link Between the Corporate Plan and Asset Management Plan

The Asset Management Plan adopts a corporate asset strategy that identifies priority actions which link directly to the main aims/priorities listed in the Corporate Plan. The Asset Management Plan is also prepared alongside the Capital Investment Strategy in order to ensure that our plans are financially sustainable.

OVERVIEW OF ASSETS

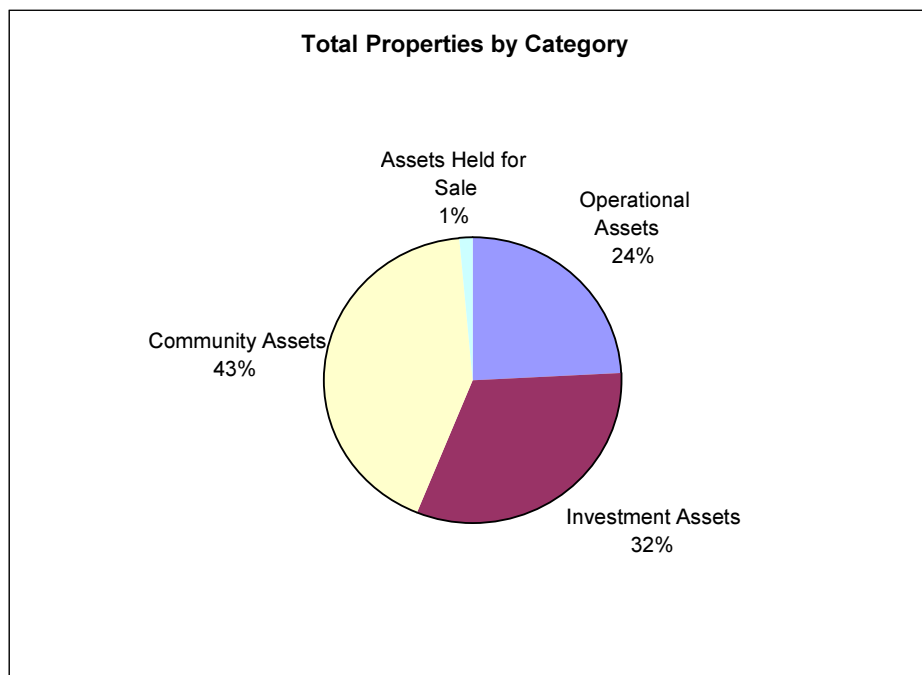
Property Portfolio

The Council's property portfolio excluding schools largely falls under two main categories: Operational Property and Investment Property.

The breakdown of property categories is as shown below:-

Category	Number	Asset Value (01/04/2009)
Operational Assets	364	£131,234,926
Investment Assets	481	£57,140,181
Community Assets	642	£6,223,580
Assets Held for Sale	21	£5,760,798
TOTAL	1508	£200,359,485

Total Properties by Category



Operational Property Breakdown

Operational Type	Number
Buildings	
Admin	30
Adult Education & Resource	22
Car Parks	58
Cemeteries & Crematoria	17
Community Centre	6
Depots	21
Traveller Sites	1
Homes & Social Care	36
Household Waste Sites	5
Houses	14
Libraries	24
Managed Workspace	8
Markets	11
Multi Storey CPs	1
Museums	7
Other Operational Assets	51
Parks & Open Space	39
Sports & Leisure	13
TOTAL	364

Investment Type Breakdown

Investment Type	Number
Agricultural	37
Development Sites	24
Ground Lease	127
Investments	129
Miscellaneous Assets	142
Shops	22
TOTAL	481

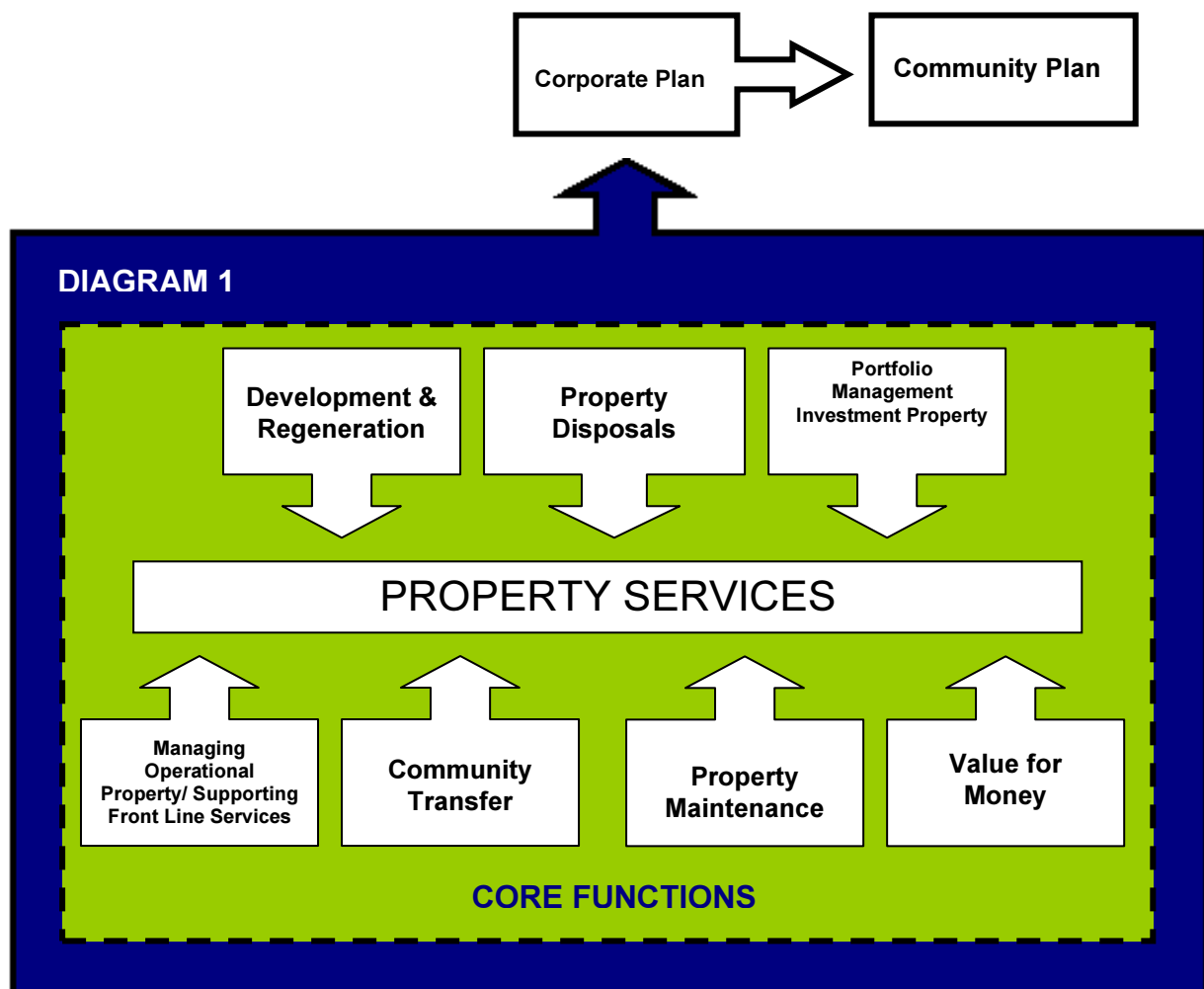
ASSET STRATEGY

Introduction

The corporate asset strategy identifies how the Council's property portfolio will meet the Council's strategic objectives over the next five years.

In order to achieve our corporate vision, seven key work areas have been established for Asset Management and associated strategies/workplans developed (see diagram 1 below), these are: -

- i Development and Regeneration
- ii Property Disposals
- iii Portfolio Management – Investment Property
- iv Managing Operational Property/Supporting Front Line Services
- v Community Transfer
- vi Property Maintenance
- vii Value for Money



DEVELOPMENT & REGENERATION

Background/Introduction

The Council as a major landowner is in a fortunate position to bring forward and be part of a number of major regeneration schemes that will have a significant influence on Wakefield District.

A pro-active approach is essential as the current market is challenging and opportunities must be fully exploited.

A number of exciting developments will shortly be completed for example; Trinity Walk, Westgate Offices and the new Hepworth Art Gallery. It is therefore essential that further developments come forward to build on that success.

The Council is currently working on the next phase developments as described in the regeneration workplan. In addition to specific developments a key part of the regeneration strategy is the provision of new and affordable housing across Wakefield. The Council owns a number of sites with potential for housing development and a balanced approach is required to ensure that affordable housing is delivered alongside the need for essential capital receipts.

In order to achieve quality affordable housing the Council is taking a pro-active role controlling major development schemes under partnership contracts through a framework agreement with private sector developers. Examples of this are Girnhill Estate in Featherstone that will shortly be brought forward in partnership with Strata Homes. A strong link between Property and Asset Management and Economic Growth and Strategic Housing Service is required in order to fully understand overall housing needs in the Wakefield District in order that projects can be brought forward.

Five Year Vision

To deliver new developments which will secure Wakefield's future as a key destination and a vibrant place to live and work.

Key Objectives

- To deliver schemes which are identified as priorities in the Council's Corporate Plan/Economic Growth Plan 2011-2014. Schemes should be brought forward as part of the Local Development Framework and accord to the latest strategic studies for example: retail capacity studies, employment land availability study etc.
- Ensure that development schemes take into account whole life costing and comply with the Council's Climate Change Strategy objectives.
- To identify opportunity purchases to assist the Council in meeting its strategic objectives, and to bring forward schemes which deliver new assets for the Council's property portfolio.
- To be fully aware of market changes/influences to maximise the effectiveness of the Council's property review exercise.

- To minimise the Council's exposure to project risk through use of sensitivity analysis in project appraisal.
- Manage schemes to predicted timescale and cost in accordance with formal project management approach.

Workplan

OBJECTIVES	ACTIONS	short	medium	long	ongoing	RESPONSIBILITY
REGENERATION	1 Master-planning work to identify development opportunities in the Civic Quarter working with other public sector partners / landowners	X				Regeneration & Economic Growth/ Property & Asset Management
	2 Progress Eastern Growth Corridor scheme including:- i) Master planning Work ii) Viability Appraisal iii) Development agreement			X		Regeneration & Economic Growth/ Property & Asset Management
	3 Complete acquisitions/ compensation settlements for Glasshoughton Coalfields Link Road and Hemsworth A1 Link Road	X				Regeneration & Economic Growth/ Property & Asset Management
	4 Carry out work to assess feasibility of Country Park proposal (Wakefield East) working with key landowners			X		Regeneration & Economic Growth/ Property & Asset Management
	5 Progress Housing Regeneration Schemes at:- Girnhill Estate , Featherstone City Estate, Kinsley & Fitzwilliam Fryston Colliery, Castleford Frickley Colliery, South Elmsall West End, Hemsworth Victor Street, South Elmsall Castleford Growth sites Affordable Housing schemes at: Kirkbygate, Hemsworth, Eagle Grove, Flanshaw, Harewood Lane, Upton, Madeley Road, Havercroft	X	X	X		Strategic Housing/Finance/ Property/Regeneration/ Legal
	6 Consider strategic acquisitions which maximise development potential in priority areas.				X	Regeneration & Economic Growth / Property & Asset Management

	<u>Years</u>
Short Term	1
Medium Term	2 - 3
Long Term	4 - 5

OBJECTIVES	ACTIONS	short	medium	long	ongoing	RESPONSIBILITY
REGENERATION	7 Identify opportunities to develop further affordable housing from Council sites as part of ongoing property review exercise			X		Regeneration & Economic Growth/ Property & Asset Management/Strategic Housing
	8 Bring forward Normanton Depot for redevelopment maximising opportunities for wider development			X		Regeneration & Economic Growth/ Property & Asset Management
	9 Progress development for sports facilities and housing in Walton.			X		Property & Asset Management
	10 Manage the Welbeck waste re-cycling project including restoration obligations, lease management and income generation through sustainable initiatives			X		Property & Asset Management
	11 Master planning work for Normanton and Knottingley		X			Regeneration & Economic Growth
	12 Assess feasibility of bringing forward mixed use affordable housing schemes using s106 funds from off-site developer contributions.			X		Strategic Housing/ Property Management/ Planning Transportation & Highways
	13 Deliver new supermarket development for Knottingley on the Council's former library site and land owned by private sector partner	X				Regeneration & Economic Growth/ Property & Asset Management
	14 Deliver new supermarket development on site of Stuart Road car park, Pontefract			X		Regeneration & Economic Growth / Property & Asset Management
	15 Deliver new hotel and office development on Bretton Hall Estate	X				Regeneration & Economic Growth
	16 Deliver Castleford Interchange project involving acquisitions and disposals of Council land	X				Regeneration & Economic Growth
17 Carry out review of Council garage sites & general improvement areas			X		Regeneration & Economic Growth / Property & Asset Management	

PROPERTY DISPOSALS

Background/Introduction

The Council, like all other public sector bodies, is facing a very significant financial challenge. How the Council addresses this challenge will inevitably result in a huge difference in how public services are run in the future.

In order to assist with this financial challenge, the Council must have in place a robust system for managing its property portfolio so that asset management forms part of a co-ordinated approach to managing change within the authority.

The five-year period for this Asset Management Plan will see the Council launching a fundamental review of how it carries out services in response to the Comprehensive Spending Review announced in October 2010 and the changing policy and service delivery landscape.

It is imperative that asset management responds to this review with continued support to the Medium Term Financial Strategy to optimise revenue and achieve the capital receipts targets, and to also balance these challenging targets against the need to ensure that asset management continues to play a role in the strategic direction of the Council and generate outputs and contributions for the well being of the City.

Five Year Vision

To achieve the Council's capital receipts target by disposing of surplus assets identified through a robust property review exercise and retaining where possible income generating assets.

Key Objectives

- To achieve the level of capital receipts to support delivery of the approved capital programme based on the following information: -

	2010/11	2011/12	2012/13	2013/14	2014/15
	£	£	£	£	£
Capital Receipts Assumptions	2,051,000	2,516,000	9,200,000	22,850,000	2,500,000
Loss of Rental Revenue Stream	95,000	10,000	10,000	10,000	10,000

- To focus on the sale of non-income generating assets to minimise income loss as far as possible in the early stages of the programme and then through a robust property review exercise.
- As the supply of surplus property and development land comes to an end, future disposals will be prioritised based on investment performance as identified in the performance management framework.

- Investment and disposal decisions are based on thorough option appraisal and whole life costs.
- Achieve efficiency savings through disposal of surplus operational property.
- Retain ground rent investments until marriage value can be realised from new development proposals.

The Council's capital receipt forecast should be agreed between Finance and Property & Asset Management in order to ensure that the programme is sustainable in the long term consistent with capital programme assumptions.

Workplan

OBJECTIVES	ACTIONS	short	medium	long	ongoing	RESPONSIBILITY
PROPERTY DISPOSALS	1 Continue current property review exercise in order to identify disposal opportunities				X	Property & Asset Management
	2 Manage a five year Capital Receipts programme which is reported to Asset Management Group on a monthly basis				X	Property & Asset Management
	3 Ensure that service reviews have property advice available at an early stage. This is the role of Asset Management Group reinforced by CMT				X	Property & Asset Management
	4 Any disposals with claw-back should be recorded on a legal register	X				Property & Asset Management/Legal Services
	5 Ensure that disposals achieve best consideration subject to General Disposal Consent 2003 schemes				X	Property & Asset Management
	6 Finalise Ackton Pastures development agreement		X			Property & Asset Management
	7 Develop marketing plans for Managed Workspace	X				Property & Asset Management

PORTFOLIO MANAGEMENT INVESTMENT PROPERTY

Introduction/Background

The Council's investment portfolio is extensive and made up of a wide range of assets including shops, offices, agricultural land, industrial units and ground leases. The total income generated each year is £1.7m. The portfolio provides essential revenue income with future growth through rent reviews and capital revaluations.

A key challenge over the next five years is to ensure that the estate is managed pro-actively in order that income opportunities are maximised. The ongoing property review exercise will also challenge investment performance and review the reason for holding some assets.

The Council's ground rent portfolio is significant as assets are district wide and such investments allow the Council to control development activity in Wakefield and share in marriage value for new developments.

Five Year Vision

For the Council's investment portfolio to generate increased income year on year through pro-active management and a policy which optimises financial return through sale/re-investment.

Key Objectives

- Property Management to maximise investment return in line with market conditions.
- Minimise letting voids through pro-active property management.
- Performance is challenged continuously and poorly performing properties are identified through benchmarking/performance measures. Assessments are made in respect of further investment or disposal.
- Undertake maintenance on a planned basis to maintain asset life, repairs to take into account whole life costing.
- To acquire new properties that generate a financial return for the Council greater than that obtained for alternative non-property investments held by the Council to enhance the income streams outlined above.

Workplan

OBJECTIVES	ACTIONS	short	medium	long	ongoing	RESPONSIBILITY
PORTFOLIO MANAGEMENT INVESTMENT PROPERTIES	1 Carry out a full property review exercise of investment properties			X		Property & Asset Management
	2 Re-profile the investment property budget to ensure that targets are set at realistic levels taking into account voids rates	X				Property & Asset Management
	3 Implement new management systems which will assist in providing a high standard of management information including a diary for key property action dates	X	X			Property & Asset Management
	4 All rent reviews to be carried out in accordance with lease terms			X		Property & Asset Management
	5 Carry out a full condition survey of investment properties in order to assist review process and develop a planned maintenance programme			X		Property & Asset Management
	6 Carry out gap analysis for investment properties in order to check compliance issues for health and safety obligations		X			Property & Asset Management
	7 Identify new income generating opportunities through Asset Management Group				X	Property & Asset Management
	8 Prepare an investment property performance report annually for Asset Management Group	X				Property & Asset Management
	9 Implement system to measure performance based on rental and capital growth as part of review exercise	X				Property & Asset Management

MANAGING OPERATIONAL PROPERTY/SUPPORTING FRONT LINE SERVICES

Introduction/Background

The Council is currently reviewing how it will deliver its services in the future and this impacts directly on asset management. Demand for property work is high as service departments are investigating numerous service delivery options, the outcome of which may lead to property disposals, purchases, new lease agreements to third parties or shared services.

In addition to the above the new Westgate offices will be completed in May 2012 and significant work is underway to ensure that all operational issues are considered before completion.

The Council's accommodation strategy included in appendix 2 is the focus for the current rationalisation programme of administration buildings and the aim will be to reduce the number of retained buildings from fourteen to ten properties. All office moves are co-ordinated by the Council's Accommodation & Space Management team in order to ensure that all occupancy is efficient and office accommodation requirements are considered strategically.

Property Management carry out a significant caseload advising service departments on a wide range of property matters and all property transactions are approved by the Corporate Property Officer either through delegated powers or in a recommendation to Cabinet.

Five Year Vision

To hold a rationalised portfolio which is fit for purpose and in the right place to serve the needs of the customer working collaboratively with partners where opportunities exist.

Key Objectives

- To understand the needs/requirements of services to ensure that their property holding is suitable for their requirements and is adequate for future service delivery.
- To ensure the majority of repairs are carried out under a five-year planned maintenance programme and that repairs take into account whole life costing.
- To minimise energy running costs and reduce CO2 emissions in accordance with the Council's Climate Change Strategy through energy management.
- To improve assets where opportunities allow for disposals/reinvestment.

- To evaluate opportunities for joint working with partners to achieve efficiency savings and integrated service delivery.
- Acquire new properties where a service need has been identified and as a solution to resolve issues identified in first round suitability surveys.
- To work towards an average floor space occupancy figure of 7.6 square metres as a basis for office reviews.
- To ensure that all Council property occupied by third parties is on formal lease agreements.
- To move out of leasehold accommodation into freehold properties.
- Maintain high quality ownership records, including CAD plans of each property.

Workplan

OBJECTIVES	ACTIONS	short	medium	long	ongoing	RESPONSIBILITY
OPERATIONAL PROPERTY/ SUPPORTING SERVICES	1 Manage Westgate relocation including: - i) Staff relocations ii) Building management iii) Service contracts iv) Security v) Cleaning vi) Commercial lettings	X	X			Property & Asset Management
	2 Carry out property review to further rationalise the Council's administration buildings and present to AMG as an accommodation plan	X				Property & Asset Management
	3 Review of Council Depots	X				Property & Asset Management
	4 Liaison with key partners to explore accommodation sharing opportunities		X			Property & Asset Management
	5 Manage leasing arrangements for the Hepworth Gallery	X				Property & Asset Management
	6 Ensure that all occupancy is on suitable lease agreements	X				Property & Asset Management
	7 Establish an accurate baseline for energy running costs in all Council buildings	X				Communities Energy Team

OBJECTIVES	ACTIONS	short	medium	long	ongoing	RESPONSIBILITY
OPERATIONAL PROPERTY/SUPPORTING SERVICES	8 Bring forward proposals to save on running costs and reduce the Council's baseline CO2 figure through energy efficiency initiatives using Salix Funding		X			Property & Asset Management
	9 Property advice on the best way forward for transfer of golf courses	X				Property & Asset Management
	10 Property Advice for the proposed transfer of Neighbourhood Nurseries	X				Property & Asset Management
	11 Identify sites for new burial grounds		X			Property & Asset Management
	12 Support the leasehold transfer of sites under the Waste Management PFI	X	X			Property & Asset Management
	13 Prepare a policy to protect the Council against land encroachments		X			Property & Asset Management
	14 Valuation advice for service reviews and regular liaison sessions with key clients				X	Property & Asset Management
	15 Complete lease agreement for Star House to PCT.	X				Property & Asset Management
	16 Continue supporting services through the transfer of assets				X	Property & Asset Management

COMMUNITY TRANSFER

Introduction/Background

The Quirk Review in 2007 'making assets work' focused on how to optimise the community benefit of publicly owned assets by considering options for greater transfer of ownership and management to community groups.

More recently the Localism Bill and the Government's Big Society vision have created a greater emphasis on delivery of services through the third sector and the community right to buy powers.

Five Year Vision

For Wakefield to be a place where third sector capacity has been realised to deliver successful projects based on community need based on a partnership approach.

Key Objectives

- To develop high quality district wide community facilities operated by third sector organisations working jointly with the Council.
- To create third sector capacity district wide to provide focussed services for the residents of Wakefield.
- To maximise opportunities to provide community services that are currently under threat due to current budget constraints.
- Community transfers should allow groups to source external funding using the property asset as a vehicle to draw down funding.
- Transfers should address community need as identified in the Council's Corporate Plan/Neighbourhood action plans.
- Projects should take into account whole life costing and energy efficiency measures.
- Projects should ideally achieve a revenue cost saving for the Council but retain community facilities.
- The Council adopt the role of facilitator but with a strategic overview of all transfer projects.

Workplan

OBJECTIVES	ACTIONS	short	medium	long	ongoing	RESPONSIBILITY
COMMUNITY TRANSFER	1 Community Transfer Policy approved by Cabinet	X				Transferring Assets Group
	2 To complete the following community transfers i) St Peters Church ii) Land at Altofts iv) Standbridge Community Centre v) Knottingley Community Centre	X	X			Transferring Assets Group
	3 To bring forward other projects with potential for community transfer			X		Transferring Assets Group
	4 To identify community need within Wakefield District through Neighbourhood action plans working with partners			X		Transferring Assets Group
	5 Model leasing arrangements developed for third sector transfers	X				Transferring Assets Group
	6 Ongoing liaison with third sector tenants to agree operating business plans			X		Transferring Assets Group
	7 Review existing community centre provision with a view to increasing use/investment through community transfer		X			Transferring Assets Group
	8 Provide property advice regarding a project to bring forward a central community sector hub in Wakefield		X			Transferring Assets Group
	9 Ensure that state aid implications are considered at an early stage of transfers and develop guidance for a consistent approach				X	Transferring Assets Group/Legal Services

PROPERTY MAINTENANCE

Background/Introduction

Facilities Management for the Council's property portfolio is currently managed as follows: -

- i) Administration buildings - Property & Asset Management (Premises Management)
- ii) Operational properties - Individual Service Directorates
- iii) Investment properties- Property & Asset Management (Property Management)

The Council's administration buildings are managed centrally within Property and Asset Management through a robust property management strategy that ensures essential works are undertaken, planned maintenance is promoted and project managed. Building compliance and statutory initiatives and action plans are managed consistently under the Safe and Well Managed Buildings Programme.

In addition to the above Property and Asset Management also have responsibility to manage legionella and asbestos in all Council buildings, another three hundred and thirty properties in addition to the main administration buildings.

A key challenge will be to ensure that all Council properties are managed to the same standard as the Council's administration buildings. Facilities management for the Council's other properties is decentralised and therefore is unlikely to be managed consistently throughout the authority.

The maintenance costs for the next five years for the Council's administration buildings have been assessed at £11,210,000. In order to address necessary repairs a capital budget of £4 million has been allocated in addition to existing revenue budgets

Five Year Vision

For Premises Management to develop into an all encompassing property, estate and facilities service to ensure compliant, safe and effectively managed buildings that are sustainable and fit for the purpose allowing the delivery of a range of Council services.

Key Objectives

- To be fully aware of property condition through up to date planned maintenance surveys.
- To take a planned approach to property maintenance and to shift the focus of maintenance closer to the Royal Institution of Chartered Surveyors (RICS) best practice ratio of 60% (Planned) – 40% (Responsive)
- To manage building compliance centrally in accordance with the Safe and Well Managed buildings programme.
- To take into account whole life costing in repair/refurbishment schemes.
- To bring forward energy efficiency projects using salix funding/existing funds.
- Exploit external funding possibilities using capital monies as match funding.

Workplan

OBJECTIVES	ACTIONS	short	medium	long	ongoing	RESPONSIBILITY
PROPERTY MAINTENANCE WORKPLAN	1 Prepare planned maintenance programme for retained buildings for approval by Asset Management Group	X				Property & Asset Management
	2 Ensure major repair schemes are carried out in accordance with maintenance surveys at Wakefield Town Hall and County Hall	X	X			Property & Asset Management
	3 Continue rolling programme of condition surveys for all operational properties to determine an accurate picture of overall condition and discuss prioritisation with services				X	Property & Asset Management
	4 Commission condition surveys for investment portfolio		X			Property & Asset Management
	5 Carry out an assessment of the Council's compliance liabilities in respect of the investment portfolio	X				Property & Asset Management
	6 Gap analysis report for facilities management across the authority including staffing costs / cost benefit analysis and recommendations to centralise. The report should consider fully compliance management	X				Property & Asset Management

OBJECTIVES	ACTIONS	short	medium	long	ongoing	RESPONSIBILITY
PROPERTY MAINTENANCE WORKPLAN	7 Implementation of new database to assist facilities management	X				Property & Asset Management
	8 Ensure that building repair decisions are fully integrated with service review process	X	X			Property & Asset Management
	9 Carry out random compliance checks to ensure conformity	X	X			Property & Asset Management
	10 Continue compliance work in respect of retained buildings	X		X		Property & Asset Management
	11 Work to ensure that the Hepworth Gallery lease arrangements are completed and maintenance arrangements are understood by Council/Trust	X				Property & Asset Management
	12 Restructure facilities to ensure that the service is focussed on building repairs and able to expand should FM be centralised	X				Property & Asset Management
	13 Prepare planned maintenance programme for retained buildings for approval by Asset Management Group				X	Property & Asset Management

VALUE FOR MONEY

Introduction/Background

Following a strategic review, Property Management and Facilities Management was brought together in order to ensure a more strategic approach to managing property. Architecture services are provided to the Council through a partnership arrangement with Norfolk Property Services (NPS).

In terms of value for money it is essential to ensure that asset management within Wakefield Council is efficient and effective.

A number of measures have been implemented in order to improve value for money for property management in Wakefield and provide for more strategic asset management. In addition to this new financial reporting requirements have been introduced under International Financial Reporting Standards and significant progress has been made in this area with Wakefield leading other authorities.

Our Vision

For the Council to have a full understanding of the value of its asset base managed through efficient systems to ensure value for money and for Wakefield to be a leader in Asset Management.

Current Position

Key Objectives

- To ensure that Property and Asset Management operate efficiently and information is shared between staff and partners where appropriate.
- To ensure that properties are valued under the 20% rolling programme and that material changes/impairments are valued to ensure that accounts properly reflect values.
- Service reviews are implemented to improve performance and ensure that the profile of the service is raised.
- Asset Management issues to be dealt with centrally by Asset Management Group.
- To develop a service which generates fees from collaborative working.
- To benchmark and collaborate with partners to ensure that the service is value for money.

Workplan

OBJECTIVES	ACTIONS	short	medium	long	ongoing	RESPONSIBILITY
VALUE FOR MONEY	1 To ensure that all property information is captured in new computer software and the system is a central base of information	X	X			Property & Asset Management
	2 Introduce electronic filing subject to corporate rollout programme			X		Space Management
	3 Approach other Local Authorities to investigate collaborative working process for example, Asset Valuations / Land Surveying	X				Finance/ Property
	4 Benchmark costs of service within Asset Management Planning Network to assess value for money		X			Property & Asset Management
	5 Carry out a review of Asset register to ensure that the valuation method is appropriate in current market	X				Property & Asset Management
	6 Ensure that all valuation work is captured within Property & Asset Management to assist rolling programme of asset valuations	X				Property & Asset Management
	7 Continue close liaison through monthly meetings with Property & Finance to ensure smooth implementation under IFRS				X	Property & Asset Management
	8 Monitor performance of NPS under partnership contract				X	Property & Asset Management
	9 Implement new property software	X				Property & Asset Management
	10 Review processes in Property & Asset Management to remove duplication and remove obsolete systems: - i) TR Process ii) Databases iii) GIS Info iv) Delegated powers	X X X X	X X	X		Property & Asset Management
	11 Service review of Facilities Management and Events and Functions	X				Property & Asset Management
	12 Establish regular liaison meetings with all service heads to discuss property issues and discuss review programme.	X				Property & Asset Management

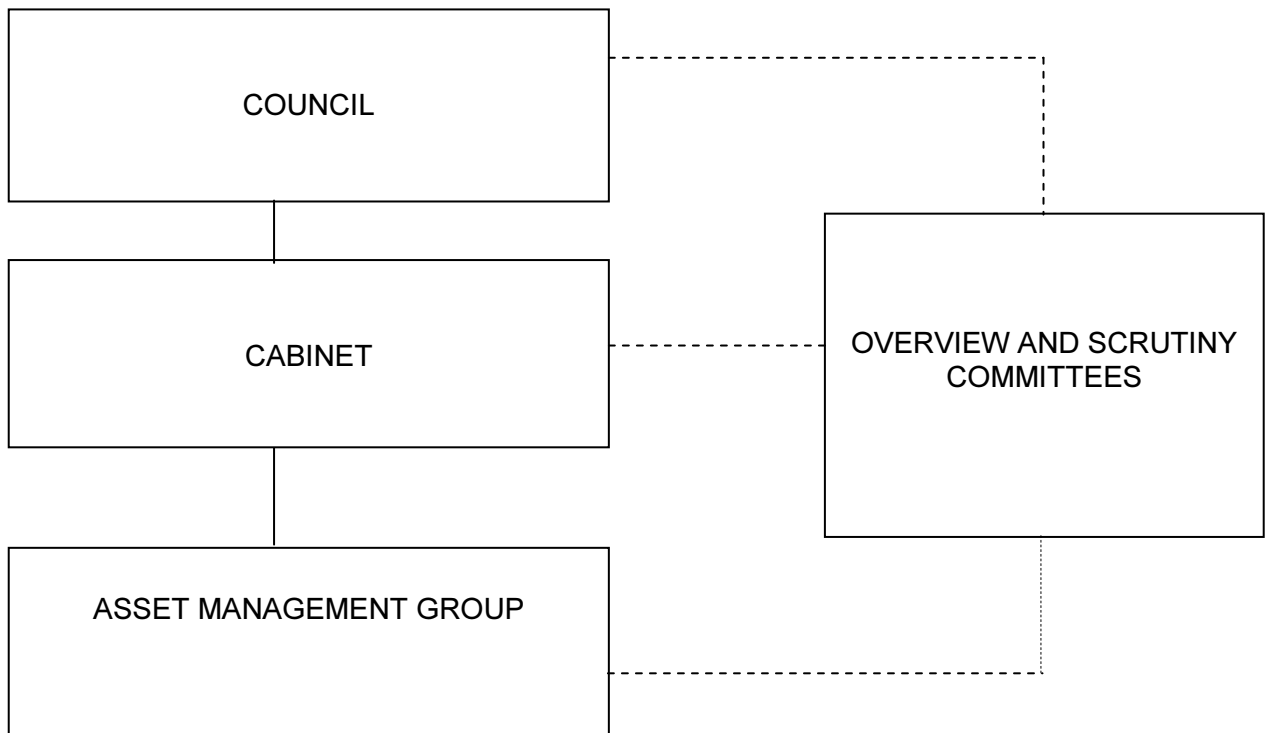
OBJECTIVES	ACTIONS	short	medium	long	ongoing	RESPONSIBILITY	
	13	Carry out rolling programme of insurance valuations alongside asset valuation programme to ensure that the Council is insured for the full re-instatement cost of its portfolio.				X	Property & Asset Management
	14	Ensure accurate property records are maintained through an up-to-date GIS system.				X	Property & Asset Management
	15	Preparation of CAD plans for key property transactions.				X	Property & Asset Management

ORGANISATIONAL ARRANGEMENTS FOR ASSET MANAGEMENT

Introduction

This section of the Plan aims to explain the Council's political and officer structures for managing its property assets.

Political Corporate Asset Management Structure



The Council

The Council has responsibility for approving the Asset Management Plan, Capital Strategy, and Capital and Revenue budgets.

Cabinet

Cabinet has responsibility for preparing the Asset Management Plan, Capital Strategy and the overall budget, along with the agreement of capital projects and the delivery of the same.

Asset Management Group

The Asset Management Group has the following Terms of Reference:

1. To agree the Council's Asset Management Plan for approval by Cabinet.
2. To consider all major property schemes prior to approval by Cabinet.
3. To consider property reviews of Council land and buildings in order to ensure that the Council properties are contributing to the main aims/objectives of the Council and are fit for purpose.
4. To identify properties at an early stage which are being considered by service directorates as surplus to requirements in order that a full property review can be carried out by Property Management in order to inform future decisions.
5. To agree the five year planned maintenance programme for Council properties prioritised in accordance with the Asset Management Plan.
6. To agree a sustainable disposal programme to support the Council's Capital Programme and five year financial strategy.
7. To recommend strategic acquisitions which assist key regeneration projects or provide new investment assets for the Council as part of the property review process.
8. To promote value for money and sustainability in all capital expenditure and the whole-life costing implications in respect of assets.
9. To consider the strategic property requirements of other public sector partners in the district in order to maximise opportunities from property sharing, disposal of surplus properties or joint venture arrangements.
10. To bring forward property development schemes which create new assets using external funding.
11. To consider annually performance management information in relation to the property portfolio.

The group meets every month throughout the year and has representatives from each service department. The group is chaired by the Director of Finance and Property.

Scrutiny Committees

Corporate Performance Overview & Scrutiny Committee are responsible for monitoring and reviewing the management of assets and facilities.

Corporate Property Officer

The Service Manager of Property & Asset Management as the Corporate Property Officer (CPO) has specific responsibility as the Council's most senior property professional for management of the property portfolio. The specific responsibilities of the Corporate Property Officer are set out below:

- The implementation of the asset management process across the Council to produce the requisite outcomes and performances;
- Providing advice to the Authority in respect of all property issues;
- To review the Council's Corporate Plan, service plans and the community plan to identify property implications;
- Forward planning to ensure the Authority's property assets support the delivery of corporate and service objectives;
- Assessing corporate drivers for future change and their implication for asset management;
- Annual interviews with Service Directors to discuss asset management and property suitability issues in relation to specific services;
- To maintain close links with service review lead officers to identify at an early stage any implications for assets;
- Developing and implementing performance measures including the utilisation of local and national performance indicators and benchmarking with partner authorities;
- To prepare the Council's Asset Management Plan.

PERFORMANCE MANAGEMENT FRAMEWORK

Overview

Performance monitoring is essential to ensure that the property portfolio is achieving strategic outputs. New indicators will be implemented this year, which are directly linked to the main aims of the Council. The performance indicators are reported annually to Asset Management Group in a report that describes and evaluates how the Council's asset base contributes to the strategic plan objectives.

Performance Indicators

It is recognised that an effective performance management framework is essential in delivering a well run Asset Management Service.

The Council are collecting the new COPROP performance management national property performance indicators. These are in summary:

PMI 1 Condition and Required Maintenance

This indicator highlights maintenance backlog and indicates the percentage of planned maintenance that the authority is undertaking. The emphasis of this measure is to ensure that property assets are fit for purpose.

PMI 2 Environmental Property Issues

Measurement of running costs for property (gas, electricity and water) and assess the level of CO2 emissions generated from property.

Local/Corporate Property Performance Indicators as summarised below:-

Ref	Indicator	Definition	Corporate Link
LPI 1	Performance of capital disposals against target set	% of financial value achieved against financial target.	Efficient and Effective
LPI 2	Annual Rental Growth (Investment Property)	Used to identify good/poor performance within the Property Portfolio.	Efficient and Effective
LPI 3	% Revenue Income achieved against target	Used to highlight annual investment property performance.	Efficient and Effective
LPI 4	Voids	Number of lettable units void as a % of the total units.	Efficient and Effective
LPI 5	Number of new Affordable Housing Units delivered directly through disposals of Council owned land	As stated.	Housing
LPI 6	Accident Management	Accident books on site, accident investigation procedures, trained building personnel, first aid provision.	Compliance
LPI 7	Asbestos Management in place and monitored	Central Asbestos risk log and database. Asbestos surveys on site with building specific management plans. Trained and competent personnel.	Compliance
LPI 8	Asbestos priority 1 works acted upon within 3 days of notification		Compliance
LPI 9	Cyclical statutory servicing of plant and equipment	Master cyclical database linked with repairs and planned maintenance action plan. Property Compliance policy and procedure guide. Identification of service schedules per building.	Compliance
LPI 10	Electrical safety management plan- portable and fixed systems	Cyclical servicing and schedule data. Remedial works orders data. Fixed electrical inspections completed with future schedule and planned maintenance plan.	Compliance
LPI 11	Fire Policy, Procedure and emergency evacuation management	Fire Policy and Procedures. Fire Risk assessments. PEEPS procedure. Temporary and standby fire systems. Redcare. Servicing and testing records.	Compliance

Ref	Indicator	Definition	Corporate Link
LPI 12	Gas Installation safety servicing and inspections	Gas Safe records and cyclical servicing data.	Compliance
LPI 13	Health & Safety House Keeping Essentials - Property Management	Risk assessment, safe systems of works, manual handling, COSHH, LOLER, Working at Height, First Aid.	Compliance
LPI 14	Legionella management plans in place and monitored	Central legionella risk log and database. Legionella surveys on site with building specific managements plans. Web based data base for prioritising non conformities. Trained and competent personnel. Dedicated compliance project team.	Compliance
LPI 15	Legionella priority 4 (high risk) non conformities acted upon within 3 days of notification	Web database and BSD repair ordering systems. Centrally managed data base and risk logs.	Compliance

Performance Targets(Annual)

PI	11/12	12/13	13/14	14/15	15/16
PMI 1*	UQ	UQ	UQ	UQ	UQ
PMI 2**	Baseline Work	MQ	MQ	UQ	UQ
LPI 1	90%	90%	80%	100%	100%
LPI 2	1%	1%	2%	2%	3%
LPI 3	90%	90%	100%	100%	100%
LPI 4	10%	10%	10%	10%	10%
LPI 5***	110	60	60	60	60
LPI 6	100%	100%	100%	100%	100%
LPI 7	100%	100%	100%	100%	100%
LPI 8	100%	100%	100%	100%	100%
LPI 9	100%	100%	100%	100%	100%
LPI 10	100%	100%	100%	100%	100%
LPI 11	100%	100%	100%	100%	100%
LPI 12	100%	100%	100%	100%	100%
LPI 13	75%	80%	85%	85%	85%
LPI 14	100%	100%	100%	100%	100%
LPI 15	100%	100%	100%	100%	100%

* PMI 1 performance targets are upper quartile of CIPFA Asset Management Network Authorities.

** PMI 2 requires a review of baseline data.

*** LPI 5 Affordable housing targets to be reviewed following completion of Strategic Housing Market Assessment study.

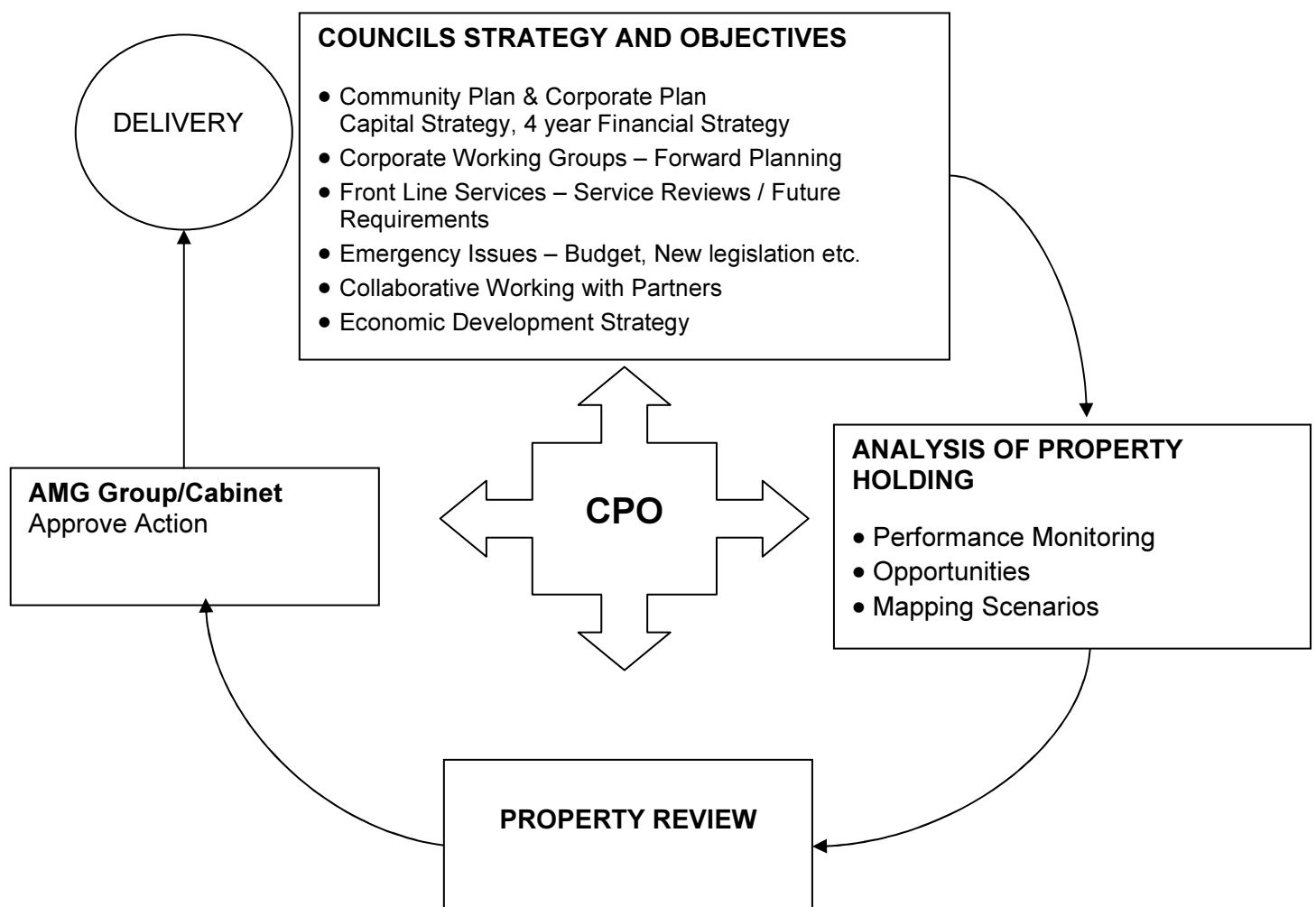
**** Compliance targets are generally 100% as compliance is statutory.

FORWARD PLANNING

Property Review/Suitability

A robust property review exercise is fundamental in developing an effective asset management strategy. The Council's second round review programme is currently underway and continuously challenges whether our current property holdings are achieving the Council's aims and objectives.

The review process is outlined below:



The property review process ensures that the Council's reason for holding property is clear and relevant. The review takes into account the Council's future property requirements, strategic issues, performance measures outlined in Section 8, and future maintenance liabilities. The standard property review sheet is included in Appendix 1.

For operational properties the views of the service managers are vital in understanding whether service properties are fit for purpose and are able to meet the future requirements of the Authority. The method of obtaining this feedback is through suitability surveys and structured interviews with service managers. In addition to more formal methods of consultation the CPO interacts daily with front line services and has a full understanding of their requirements.

Future Requirements

As shown in the Property Review process model above, the CPO plays an active role in strategy formulation in addition to a financial role in ensuring that sufficient monies are generated to fund the Council's Corporate Plan commitments. The CPO attends the working groups outlined below and provides a direct corporate link to Asset Management Group. The future requirements of the Authority can then be translated into Asset Management Policy.

- i Strategic Growth Points Board – To consider key redevelopment sites in Wakefield.
- ii West Yorkshire Public Sector Property Group – Public Sector Meeting to discuss public sector property issues within the District.
- iii Leeds City Region Capital Assets Pathfinder Group – To map ownership information with a view to further collaborative projects.
- iv Transferring Assets in the Community Programme.

Attendance at the above Working Groups is essential to providing a corporate understanding of property issues.

National Links

An important part of the Asset Management process and keeping up to date with latest information is membership of the CIPFA Asset Management Planning Network (AMPN).

Through this Group the CPO is made aware of future changes which affect Asset Management and the Council benchmarks performance information with member authorities.

The AMPN is a valuable source of information and member authorities share information on a number of issues.

APPENDIX 1

Property Review / Suitability

PROPERTY HOLDINGS REVIEW - ASSESSMENT SHEET

1. PROPERTY
2. PROPERTY CATEGORY
3. DESCRIPTION
4. FLOOR AREAS/SITE AREA

PHOTO

5. CONTRIBUTION TO COUNCIL'S MAIN AIMS/OBJECTIVES

	Low	Medium	High
Protecting the most vulnerable and those in most need			
Creating job opportunities, raising skill levels and helping local people into employment			
Increasing the number of affordable and new housing in the district			
Reducing health inequalities between different parts of the district			
Making the district safer by reducing the level of crime and anti-social behaviour in the district			
Creating a better environment			
Investing in the future through improving the district's cultural offer			

6. TENURE DETAILS

7. MAINTENANCE

7.1 Current Condition:

7.2 Actual Maintenance Cost (last Financial Year): £

7.3 Provisional Allocation in Planned Maintenance Budget: £

7.4 Planned Maintenance Requirements:

Year 1 £

Year 2 £

Year 3 £

Year 4 £

Year 5 £

Total £

8. RUNNING COSTS/ENERGY USE

8.1 Water:

8.2 Gas:

8.3 Electric:

8.4 Business Rates:

8.5 Management Issues:

9. COMMITTEE - Executive

10. PLANNING -

11. PERFORMANCE MEASUREMENTS

11.1 Capital Value

11.2 Income:

11.3 Frequency of Review/Next Review

11.4 Annual Rental Growth Rate:

11.5 Internal Rate of Return:

11.6 Investment Performance Matrix

Good Performance	B	A
	D	C
Poor Performance	High Investment	Low Investment

11.7 Suitability Matrix (Operational Properties Only)

High suitability	B	A
	D	C
Low Suitability	High Investment	Low Investment

12. COMMITTEE - Executive

13. OPTIONS Corporate/Financial/Service Considerations)

- 1 Retain
- 2 Dispose of Freehold
- 3 Lease the site to generate rental income

Corporate

Financial

Service Considerations

14. OTHER COMMENTS

15. RECOMMENDATION

APPENDIX 2

OFFICE ACCOMMODATION STRATEGY

OFFICE ACCOMMODATION STRATEGY

Overview

The Council's objective is to provide a modern corporate office estate where buildings provide for effective access for citizens and an environment that supports modern flexible ways of working.

Over the next five years we aim to: -

- Rationalise the number of office buildings from 27 to 10 through the Property review process, with a focus on freehold rather than leasehold ownership.
- Investing in retained buildings considering whole life costs and energy efficiency projects.
- Relocate over 2000 employees within the corporate estate (2012 Location Plan).
- Occupy the new Westgate building in May 2012, enabling modern ways of working to be deployed.
- Maximise utilisation of retained offices and workstations.
- Introduce arrangements that centralise the responsibility for and management of our buildings.
- Create more opportunities for joint working with partners and external agents through creative working environments and more effective space utilisation.

Other objectives include: -

- Buildings efficiency (cost/space used).
- Buildings effectiveness (productivity/availability/energy efficiency).
- Numbers of people working flexibly.
- Citizen and employee satisfaction levels.
- Supporting the environment and sustainability.

The centrepiece of the Council's accommodation strategy is the new Westgate office building, which will be completed in May 2012. The Building will be constructed to Bream excellent standards and will allow services to be centralised in one building in a highly accessible location. The design of the internal space will assist flexible working and commercial space will be provided in the development for income generation. The Westgate building will be a catalyst for the above office rationalisation programme to improve the Council's overall portfolio and lower running costs.

In order to achieve our objectives, the Accommodation & Space Management team have developed a number of protocols including the FC1 relocation request form that initiates any request for a move due to a change in team dynamics, a desire to utilise space more effectively or enforced due to a change in building or service need. Following completion of the FC1 form the entire process is managed centrally from inception to completion including building works required, IT infrastructure design layouts and service consultation. Suitability of the workspace environment is also assessed pre and post relocation or refurbishments work. Space utilisation surveys are carried out periodically supported by layout plans and photographs.

The above procedures also ensure an awareness of occupancy levels Council wide and steps can be taken to improve space utilisation, refurbishment of the work place environment and provide information on property related matters.

This Office Accommodation Strategy aligns with the Access to Services, E-Services and HR Strategies with the purposes of supporting significant transformation in how we work.

Disposal Programme

SCHEDULE OF OFFICES REVIEWED

Property Description	(O)wned/ (L)eased	(R)etain/ (D)ispose
County Hall, Wakefield	O	R
Wakefield Town Hall	O	R
Castleford Civic Centre	O	R
New Westgate Office, Wakefield (2012)	O	R
Newton Bar, Wakefield	O	D
Normanton Town Hall (Block A)	O	R
Normanton Town Hall (Rear Offices Block B & C)	O	D
Caldervale Road, Wakefield	L	R
Queen's House, Wakefield	L	D
257/259 Barnsley Road, Wakefield	O	R
1/3 Wakefield Road, Normanton	O	D
Pontefract Municipal Offices	O	R
Whitehall, Hemsworth	O	R
Featherstone Old Town Hall	O	R
Leeds Road (Print), Wakefield	L	D
Former Park School, Wakefield	O	D
1/3 Railway Terrace, Fitzwilliam	L	D
71 Northgate, Wakefield	O	D
82 Batley Road Offices, Wakefield	O	D
Chequerfield Offices, Pontefract	O	R
Grange View Offices, Outwood	O	R
Castleford Highfield House Offices	O	D
71(c) Northgate, Wakefield	O	D
5 West Parade, Wakefield	L	R
51 Westmead, Castleford	O	D
The Courtyard, Wakefield	L	D
Waterton House Offices, Wakefield	O	R

2012 Location Plan

Across the public sector, organisations are looking for ways of becoming more efficient and effective in delivering services to their customers. A prime means of doing this is to allow their people to become more productive and efficient in the way they work day-to-day. Modern ways of working have grown up over the past ten years, mainly as a result of new technology.

Wakefield Council wanted to look seriously at the opportunities such new ways of working might offer and looked to BT to provide an objective, research-based view of what this might mean and how it might be achieved. BT were commissioned to undertake a full study of the current situation, what the scope was for introducing new ways of working (in the context of a review of the Council's current and possible future office buildings) and how the Council's people might feel about it. The study found that there is considerable potential for improvement. Property savings could be realised and even when considering peak time occupancy, the Council can comfortably reduce its office space by 24%. This with more modern office design, could save a great deal in terms of operating costs.

Services relocating to the new Westgate Buildings are assumed to have reduced their workstation requirements in line with the BT average ratio of 130:100 (staff to workstations) equating to 76%. Where services have indicated a preferred number of workstations other than the BT ratio it has been highlighted that these figures will be challenged through Worksmart to ensure maximum efficiencies are made.

From the BT survey a location plan has been formulated which identifies staff and services within the entire accommodation portfolio and tracks movement of services Council wide around the district. The objective of the plan is to successfully relocate all employees Council wide within the retained portfolio from 2012 onwards.

Our aim is to allocate where feasible 7.6m² per workstation. This calculation allows for circulation areas and storage space. It is however acknowledged this may not be appropriate for all services, and where possible this space may increase or decrease above this set average dependant on service requirements.

We continually move towards standardisation of furniture and purchasing of smaller 1400 mm workstations (where required) will be used to maximise space utilisation within offices and create a more professional, uniformed working environment.

Service Consultation

Property and Asset Management issued a detailed service consultation to the 19 services identified to occupy the Westgate Office on the 22nd October 2010. Service managers and team managers were contacted and urged to complete this detailed questionnaire. Information obtained through this consultation has assisted in the process of challenging services in respect of their accommodation requirements and will inform the fit out and layout of the Westgate office.

Phase 2 of this consultation will inform and support the successful outcome of the 2012 Location Plan.

Depot Rationalisation and Transformation Strategy

This project is part of the Council's property review programme and is a parallel concept of rationalising and improving our depots and also how depot based services will be transformed in the future. The Depot Strategy was highlighted initially as part of the Office Accommodation Strategy where a recommendation was "that a full option appraisal of Council depots be brought within the remit of this strategy, and it was essential to examine all depot requirements and therefore the future depot needs across the Council should be brought within the scope of the strategy".

The scope of the Depot Transformation Project will be to reduce the depots carbon footprint and to re-engineer and challenge the way the Council runs their provision whilst fully supporting this transformation and creating a much more co-ordinated approach to in-house service delivery with fewer boundaries between services. There will be an open and consistent approach to introducing modern working practises on an incremental basis with development of organisational functions. There will be an emphasis on multi disciplinary teams providing a quality and efficient service with a focus on delivering services with a Neighbourhood perspective. Partnership working will be a major impact on this programme and will support environmental improvements.

WMDC depots are currently in a very poor state with a backlog of repairs and maintenance in excess of £4.5M. They are not fit for purpose nor are they all strategically located for the future alterations in service delivery.

The project brief broadly highlights the opportunity to rationalise the Council's depot portfolio and modernise current working practises, implement new technologies and systems and create capital receipts from the sale of land. It is a comprehensive review of the Council's current holdings knowing that much of our depot estate is far from fit for purpose. It will take into consideration how services operated from depots will develop and transform in the future. It is envisaged that:

- Services delivered by the Council will change in configuration and more joined up in approach.
- Some services will be commissioned/outsourced/arms length arrangement/partnership
- Sub-contracting of services.

The Depot Transformation Project will meet a number of objectives that will support the Council's long-term regeneration plans for Wakefield District. It is an opening to transform part of the Council through a culture change in order to provide a radical new way of operating. An improved built environment and partnership working will advance organisational performance and send powerful signals in order to raise levels of aspiration. Service realignment and maximising resources will improve space utilisation, operational efficiencies, value for money and support prospective partnership working.

Newton Bar Depot and Normanton Depot are to be viewed separately due to their size, location, valuation and regeneration potential.

Storage Rationalisation and EDRMS

In line with supporting the office accommodation strategy and the 2012 Location Plan there was a need to establish a project that will focus on addressing issues relating to storage and document management. The Council is working towards ensuring that documents are available in an electronic format to ensure that information can be shared between internal services and external partners.

Part of the vision for the Westgate office is to implement a paper light policy, this is based on two simple principles:-

1. Staff can print for meetings and reading, etc., but cannot file paper.
2. No paper store (other than absolutely necessary – e.g. retention of VAT receipts for HMRC) – all documents stored electronically.

To fulfil this vision, technical solutions are being implemented and a process of cultural change undertaken which will be driven corporately. Not developing an electronic storage solution will have a negative impact on the Council.

As a priority the project will need to focus on services who have been identified to move into the Westgate office, ensuring that the correct infrastructure is in place to support services to implement modern working practices that will help reduce/eliminate the need for paper filing.

Once solutions have been implemented to the service areas that are to occupy the Westgate office, a second phase of the project will be required to rationalise storage requirements within the remaining retained Council office-building portfolio. The second phase will focus on realising efficiencies through utilisation of space effectively and reducing paper based storage.