

REPORT TO: Corporate Policy Performance Board

DATE: 1 November 2016

REPORTING OFFICER: Strategic Director Enterprise, Community and Resources

PORTFOLIO: Physical Environment

SUBJECT: Property Services Update

WARD(S) All

1.0 PURPOSE OF THE REPORT

1.1 The purpose of this report is to provide an update to Members on initiatives and actions which 'Property Services' has delivered during the last 12 months. The report also identifies some future work priorities which, it is hoped will be of interest to Members.

2.0 RECOMMENDATION: That

- 1) **Members note the contents of the report; and**
- 2) **Members welcome the progress being made on a wide range of land and property related initiatives and actions.**

3.0 SUPPORTING INFORMATION

For the purposes of this report the term 'Property Services' comprises The Asset Management and Operations teams which sit within the Council's Economy Enterprise and Property Department (EEP). The Asset Management Team's primary focus is to manage the Council's land and property and strategic assets, but also supports the wider Council in bringing forward and implementing the borough's major physical development sites (including town centres, housing regeneration, watersides and brownfield land reclamation).

The Operations team is responsible for a number of areas of work but its main purpose is to ensure that the Council's accommodation is fit for purpose, and meets the needs and expectations of members, officers and the public.

It should be noted that the management of the Council's markets is overseen by the Regeneration (Town Centres) team which also sits within the EEP department.

A snapshot of the initiatives and actions that the respective teams have worked on and overseen during the last 12 months is set out below. It is worth mentioning

that the workforce has been reduced by approximately 30% during the last five years.

Property Operations

Norton Priory Museum

The Norton Priory Monastery to Museum 900 project was completed in August 2016. The project consisted of rebuilding and extending the existing museum, there now being new facilities including, the refurbished undercroft area, extensive exhibition space, education rooms, archive storage space in addition to office, café and welfare facilities. The project was completed in line with the original programme and budget and since it's opening has attracted positive reviews and large number of visitors in excess of expectations.

Runcorn Hill Park

The new pavilion café building has now reached final completion with the end of defects period being reached this summer. The pavilion has been a great success over the first 12 month period with the café facility attracting significant numbers. In addition to the main pavilion, the lakeside pavilion was completed and handed over to the model boat club, as was the bowls pavilion was to the bowlers. The other improvements to the lake and park area have now been completed, the overall result having a real positive impact on the facilities on offer in the park to the benefit of the local community.

Frank Myler Pavilion

The new Frank Myler Sports Pavilion has now also reached final completion with the end of defects period being reached with summer. The new pavilion's facilities include 10 separate changing rooms with showers, associated referees and disabled changing and shower rooms, together with office accommodation, social room, meeting room and associated kitchen facilities. Since the buildings completion additional improvement works have now been completed to the external pitch areas, hard standings and perimeter fencing.

Fairfield Primary

The upgrading of the infant facilities, (Phase 1 works), were completed in September 2016. Works to upgrade and extend the Junior facilities are currently on site and due for completion next spring following which phase 3, the all-weather pitch will be installed.

Police Station & Magistrates Court

Following agreement with Cheshire Police in respect of Halton acquiring the site, the demolition of the Police Station and Magistrates Court were completed in September 2016. The project was delayed slightly, this being due to the extensive amounts of asbestos that were found in the building which had to be carefully removed before the main demolition works could be undertaken. The project proceeded very smoothly with very little disruption to the surrounding area and the site is now ready for redevelopment in due course.

Hough Green Park

A feasibility study has recently been completed in respect of the proposed new

pavilion building in the park with provision for improved gardeners facilities, a public toilet and park room. We are currently in the process of preparing tender documentation with a view to going out to tender in due course, site works due to be undertaken during 2017.

Grangeway Court

The works to upgrade the residential accommodation at Grangeway Court have been completed this summer. 4 of the blocks have been fully refurbished and 1 partially refurbished, there now being a number of newly refurbished residential units of varying size available as short term emergency accommodation for families in need. The scheme has also allowed 3 of the blocks to be deemed surplus to requirements as such this has enabled us to create a developable site for disposal in due course, which will generate a capital receipt in the future.

Weston Primary

A project has been recently completed at Weston Primary to infill the existing external courtyard area to create an additional classroom to be used as a specialist IT facility.

Education maintenance programme

The Education maintenance programme for 2016/17 consists of 15 separate projects with an overall estimated value of £950k, which is similar to the past few years. Many of the projects were successfully completed during the school summer holidays, the remaining few will be completed in due course. The remaining projects from the 2015/16 programme were completed earlier in 2016. Over the past few years circa 12 to 15 separate projects have been undertaken each year on Education premises.

Carbon Emissions Reduction

Carbon emissions have fallen again, this being the 7th time in the last 8 years. The figures for 2015/16 show an overall decrease in emissions of 5.9% since 2014/15 and were 4.9% below the target for the year. The overall emissions of 19,874 tonnes is broken down into the following five categories:- School Buildings 7730t, Corporate buildings 5781t, Unmetered supply 4637t, Fleet Transport 1370t, Business Mileage 356t. There was a reduction in emissions across all areas other than fleet transport which saw a 15.7% increase. Street Lighting had the largest annual reduction in the amount of 12%. The target for 2016/17 has now been revised to 19,675 tonnes CO₂e.

Procurement of new term contracts

The Operations team, in conjunction with the procurement division, have successfully appointed contractors to deliver the main electrical, mechanical, and general building term contracts over the next 3 years following a lengthy procurement process. The 3 contractors, KDE, Sure and Link contracting have all settled in well and are all delivering a good quality level of service.

Accommodation Moves

The Operations team have delivered a number of accommodation moves over the past 12 months. 28 workstations were made available on the 1st floor of the Municipal Building by undertaking a number of moves, to accommodate the newly

formed integrated front door team alongside other front line service teams. More recently discussions have been ongoing with HM Courts & Tribunal Service in respect of accommodating 90 of their staff at 3rd floor level in Rutland House. Work is currently ongoing to facilitate this which consists of relocating Halton People into Jobs into the old Direct Link building in Runcorn Town Centre, and relocating some of the Children's Services teams onto the 1st floor. The move will ultimately generate circa £90k in annual income for the authority.

Delivery of R&M SLA to schools

The FM team have once again successfully delivered a property repairs and maintenance service to 45 Schools & Children's Centres across the borough looking after all their property maintenance needs.

Delivery of Markets Capital Programme

In December the Council's Executive Board approved a capital programme for the market which has resulted in some refurbishment work being undertaken this has included:

Indoor fanlight lighting, indoor market uplighters and bulkhead lighting now complete;

Outdoor market lighting 75% complete with some positive feedback received from traders,

CT meter replacement and indoor market stall lighting is on-going;

Re-roofing works were tendered in August, however no tenders were returned.

This work will be re-tendered in November with a view to starting on site Jan 2017 anticipated completion June 2017;

There are further plans to install photovoltaic panels, exterior works, a new market office and agile work areas. This work will follow once the re-roofing works have been completed.

General

In addition to the one off items mentioned above the operations team have overseen the general maintenance and property management of the Council corporate property portfolio consisting of circa 100 separate properties. Services have included the general maintenance of the buildings together with servicing of all the building's plant, the provision of condition surveys, asbestos surveys, fire risk assessment surveys, display energy certificates, statutory testing, caretaking and security and cleaning services. In delivering the above over the past 12 months 6071 orders have been raised and 12,372 invoices processed equating to an annual spend of circa £12.3m.

Property Services - Asset Management

The Asset Management Team has also focused on a wide range of projects during the last 12 months.

Disposals

Disposals over the last 12 months have yielded £9.67 million including:

1. Peel House Lane (Former Fairfield School Site)
2. Latham Avenue (Former Grange School Site)

3. Phase 2 Lakeside, Castlefields
4. Expressway Industrial Estate
5. John Briggs House
6. The Establishment

It is worth noting that the Capital Receipts Received during the period 2010 – 2016 are in excess of £24 million and have served to either support a number of capital schemes in the borough, or have been used to offset the Council's borrowing requirements.

Investment Portfolio

The Investment portfolio is healthy and demonstrates good occupation levels.

NAME	NO OF UNITS/PLOTS	NO. OCCUPIED	CURRENT OCCUPATION
Industrial estates and plots	8	6	88%
Commercial	28	27	94%
Leisure sites	18	16	88%
Ground Leases	142	142	100%
Other	69	69	100%
TOTAL	265	260	98%

Business Rates

The current period of valuation is coming to an end in March 2017. Savings made during 2010 – 2017 will be £1,027,189.

Asset / Insurance Valuations

The Council's asset valuations completed within agreed time frame and to the satisfaction of internal and external audit. This year's valuation programme will commence October 2016.

Sale of Industrial Estates

The Council is in the process of selling its Industrial Estates. The Purchasers currently undertaking surveys whilst legal are progressing the contracts.

Regeneration Projects

The team is engaged in supporting a wide range of regeneration schemes:

1. Former Crosville Site – Leases for Costa and Marstons are agreed and with the respective legal teams.
2. HBC Fields Phase 1 – The Ground breaking ceremony took place on Friday 7th October.
3. Picow Farm Road an application for outline Planning for housing has been submitted. If Planning permission is granted the team will proceed with the sale of the site.
4. Halton Sports / Murdishaw Ave – discussions are ongoing with Aldi,

- with a planning application expected shortly.
5. A planning application has been submitted for new offices, laboratories and workshop for lease to LPW on Waterfront. Agreement for lease close to completion
 6. Johnson's Lane – one plot has been sold, two are with legal and a third offer is under consideration

Future Priorities

There are a number of activities that the Asset Management Team will be supporting in conjunction with other services within the wider Economy, Enterprise and Property department:

- Accommodation Plan to be implemented to reduce the Council's estate, where appropriate to reduce expenditure and promote more efficient service delivery.
- Disposals – A review of surplus Council's assets as well as future opportunities will need to be considered.
- Continued working with regeneration colleagues on various projects:
 1. Bayer – preferred developer selected, the Development Agreement will need to be concluded and the developer can commence ground remediation
 2. HBC Fields – complete disposals to Alstom and dispose / develop remaining land
 3. Halton Lea Healthy New Town – support in site assembly associated with Masterplanning.
 4. One Public Estate – work to develop a funding bid
 5. Runcorn Old Town – consider options for next phases of development.
 6. Development of a whole site approach to the Kingsway Leisure Centre area
 7. Preparing for Business Rates Revaluations coming into force April 2017.

Markets

As mentioned above, the borough's markets are managed by the Council's Economy, Enterprise and Property Department. Members may be interested in a snapshot of recent activities that have been undertaken during the last 12 months.

Members are advised that many of the activities reflect decisions arising out of a report to the Council's Executive Board last December 2015. Executive Board Minute 84 refers. In summary, the Executive Board agreed a number of options regarding the future management and operation of the markets. A decision was taken to retain the management of the market 'in house'. The Executive also agreed to allocating capital funding for the updating of the markets internally and externally.

Widnes Market: Mystery Shopper

Halton Council previously commissioned a mystery shopper assessment for Widnes Market over the Christmas period 2014/2015. This was undertaken by an independent company called Storecheckers who have 25 years' experience of mystery shopping research and training and who have worked within numerous market settings.

All of the indoor stalls along with all three day regular traders from the outdoor market were surveyed by Storecheckers during February and March 2016.

The results from this years' exercise were excellent, with businesses within Widnes Market scoring 77.8% overall. This allowed for a highly successful press campaign to promote the market setting as a whole which was linked to the launch of Love Your Local Market fortnight 2016.

The overall average rating for the businesses included in the assignment was 77.8% - a slight improvement on last year's score.

Market Averages:

	2015	2016	% Change
Stall Appearance	97.0%	96.6%	-0.4
Staff Image	93.5%	94.6%	+0.9
Products and Pricing	90.4%	90.6%	+0.2
Town/ Market Knowledge	83.1%	87.3%	+4.2
Initial Contact	80.6%	82.2%	+1.6
Service	77.4%	67.7%	-9.7
Overall Impression	72.5%	75.5%	+2.3
Sales	65.6%	75.7%	+9.3
Average	77.4%	77.8%	+0.4

Love Your Local Market 2016 (LYLM)

The Love Your Local Market event took place during May over a fortnight period. Seven community organisations took part with six of these being located within the new public area within the Indoor Market. Two of these community organisations have since promoted their offer within the public area twice a month.

Seven new businesses took advantage of the two stalls for a tenner promotion which helps to encourage new businesses to start up in the market.

Public Area

Santander has used the public area to promote their business services available to market traders. Such services included business advice for small businesses and business start-up advice.

The Women's' Organisation has also used this area to promote training courses suitable for small businesses. Such courses include book keeping

Healthwatch Halton use the public area on a monthly basis to promote healthy living within the borough.

Halton Local Offer, Widnes Growing Together and Cheshire Fire and Rescue have booked to use this space also during the next couple of months.

Promotions Partnership – Riverside College

The market has a promotions partnership with Riverside College. Seven traders have reported that they are interested in taking part in the project which is enough to allow Riverside to work up a project for their business studies students based on their syllabus requirements.

The market has also liaised with traders to promote their businesses via a discount scheme. This will enable students to gain discount at certain stalls with the longer term aim being to increase the number of young people visiting the market.

Marketing and Promotions Coordination

Members are advised that there are two budgets for marketing and promotions at the markets. A small budget is derived from a monthly contribution or levy that each trader makes to support activities at the markets. Halton Borough Council also allocates funding from its central marketing budget to support activities.

Recently, the Operational Director has been meeting with traders to ensure that promotions activities are consistent with the expectations of traders, but at the same time, are effectively coordinated, realistic and deliverable.

Discussions have also focused on traders taking more of a lead on the development and delivery of promotions activities.

Furthermore, discussions have also considered the need to ensure that any promotions activity benefits the market as a whole, rather than individual traders. Traders should be commended for their positive input and as a result, with support from the Council, traders are organising the following events and activities:

Halloween activities;

Halton Haven Coffee Morning on 18th November;

Christmas Grotto;

Coach Parties to the Market;

Christmas Voucher Scheme

Media Coverage on Radio Merseyside

Christmas Lights and Decorations

Leaflet Drops

Advertisements in the local and regional press including trader 'a day in the life of'

features.

The success of these events will be properly evaluated and will determine whether these activities will be supported in the future.

The Council's Marketing and Promotions team is currently developing a programme which will complement these activities.

Market Arrears and Debt Management

Members asked the markets office to introduce a more proactive approach to reducing the level of rental arrears. This has resulted in traders being challenged much earlier if they get into debt and a speedier terminations process for non-payment of rent. For ex-traders the Council's legal team has rigorously pursued any outstanding debts.

In October 2015 rental arrears in the markets totalled £203,514. This was made up of £146,195 from ex traders and £57,319 from current traders. As at October 2016 the rental arrears in the market totalled £119,201. The arrears comprise £86,927 from ex traders and £32,276 with current traders

A total reduction of £84,313 has been achieved with a reduction of £59,268 from ex traders and £25,043 from current traders.

Whilst, it is pleasing to see a fall in the amount of arrears, this does have a bearing on the levels of occupancy in the market and this is considered in the section below.

Footfall Counters and Occupancy Rates

More accurate Footfall Counters have been introduced into the market. In the future, a monthly report will be produced. Data collected to date reveal the following:

- From 11th April 2016 – 29th September 2016, Widnes indoor Market had 1, 049, 330 visits.
- On average the monthly footfall rate is: Indoor: 162403 and outdoor 78489.
- In quarter 2 of 2016, the most visitors came during June for both the indoor and the outdoor market: 188 812 and 91862 respectively.
- In quarter 3 most visitors came in July 191661 visiting the indoor market and 87886 visitors to the outdoor market.
- A typical week in June and July shows that Wednesday and Saturdays were the most popular days for visitors to both the indoor and outdoor markets.
- The stall vacancy rates are usually higher during the winter months.
- The number of vacant stalls in 2016 has been higher than previous years with the exception of February and April.
- Footfall has fallen in general for the indoor market over the last two years.
- Footfall has fallen on flea market days over the last 2 years although there

- have been individual weeks that have surpassed previous years.
- Occupancy rates are currently running at 79% from 82% on the previous year.

New Traders and Commodities Panel

To try to increase occupancy levels, the introduction of a 'new traders and commodities' panel has speeded up the decision-making process in regard to the consideration of new trader applications and requests for changes to commodities. Rather like a planning application, existing traders are consulted, but the final decision rests with a panel comprising a trader representative, the portfolio holder for physical environment, a markets officer and the Operational Director for Economy, Enterprise and Property.

A review of the protocols which govern the type and number of commodities and stalls selling similar goods is currently taking place. The review will consider whether there should be a limit on the number of stalls selling similar goods, or whether potential traders selling commodities in short-supply should be incentivised to move to the borough's markets.

Wi-Fi Connectivity

Unfortunately, progress on the introduction of Wi-Fi connections at Widnes market has been slow. Traders can now access WiFi but public accessibility has not yet been enabled.

4.0 POLICY IMPLICATIONS

- 4.1 There are no further policy implications associated with this report.

5.0 OTHER/FINANCIAL IMPLICATIONS

- 5.1 There are no negative financial implications for the Council arising out of this report. Falling debts but increased vacancy rates should balance out. It is, therefore, expected that markets income for 17/18 will remain broadly in line with previous years, where the markets generate a small operating surplus.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

6.1 Children & Young People in Halton

N/A

6.2 Employment, Learning & Skills in Halton

The markets allow potential entrepreneurs and fledgling businesses the

opportunity to set up in a supportive and low risk environment. We have been working with our Employment Learning and Skills team to promote training and employment opportunities through the building and maintenance contracts awarded.

6.3 **A Healthy Halton**

N/A

6.4 **A Safer Halton**

N/A

6.5 **Halton's Urban Renewal**

Markets contribute to supporting the respective town centres. It also encourages local residents to 'shop local'.

Other schemes outlined in the report serve to improve the physical environment of the borough.

7.0 **RISK ANALYSIS**

7.1 There is a risk that the Council does not see a return on its investment in the markets through increased footfall in the markets and wider town centres and an increase in traders paying rent.

8.0 **EQUALITY AND DIVERSITY ISSUES**

8.1 Access to the markets has improved to ensure that our markets remain accessible for all.

9.0 **LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

None.