

REPORT TO: Corporate Policy and Performance Board

DATE: 3 September 2013

REPORTING OFFICER: Strategic Director, Children and Enterprise

PORTFOLIO: Resources

SUBJECT: Land and Property Update

WARD(S): Borough-wide

1.0 PURPOSE OF THE REPORT

The purpose of this report is to provide members with an update in respect of activities relating to the Council's land and property portfolio.

2.0 RECOMMENDATION

That Members note the good progress being made in the management of the Council's land and property assets.

3.0 SUPPORTING INFORMATION

In managing the Council's land and property portfolio the Economy, Enterprise and Property Department has concentrated resources on the following areas:

- 1) Accommodation and Agile Working;
- 2) Maintenance of our Properties;
- 3) Investment Properties;
- 4) Disposals.

A summary of activities in each of these areas is provided below.

1) Accommodation

Members will be aware of the changes the Council has been implementing in relation to its office and depot accommodation. These changes are being made to deliver significant efficiency savings; improve the stock; meet service delivery objectives, whilst accommodating a reducing workforce corporately; generate income by attracting external tenants into our premises.

The Council's long-term accommodation plan is to reduce the number of office bases to three i.e. Rutland House, Runcorn Town Hall and the Municipal Building. Consequently a number of leases have not been renewed. These include-

- The Heath
- Grosvenor House
- Corporate Training Centre
- 10 Turnstone Business Park
- Midwood House

This has resulted in a number of office moves and an accelerated implementation of the Council's agile working policy.

It is estimated that since 2011/12 the accommodation budget has been reduced by 46% from £2,696,380 to £1,436,721. To achieve these results, the Council has adopted a more modern and agile way of working, where it has been appropriate to do so, work stations rather than individual's own desks have been provided. This has already resulted in the Council being able to reduce its accommodation costs.

Offices:

Runcorn Town Hall

Runcorn Town Hall was refurbished in 2008, however, the Council has continued to maximise space to enable us to accommodate an additional 30 work stations for the Clinical Commissioning Group (CCG) and 14 workstations for the Primary Care Trust.

Rutland House

Staff from Grosvenor House were relocated to Rutland House in May 2012. A refurbishment and modernisation of Rutland House was required to accommodate staff. However this resulted in an additional 80 workstations (290 in total) being created. Discussions with external agencies are continuing with a view to accommodating staff from other organisations at Rutland House.

Kingsway House

The Council will lease Kingsway House until 2017. An additional 45 workstations (250 in total) have been created.

John Briggs House

Some of the staff based in Midwood House were relocated to John Briggs House. Some minor refurbishment was required to mirror facilities at Rutland House and resulted in additional 25 workstations having being created.

Depots:

Lowerhouse Lane

Significant work has been undertaken at the depot over the last 3 years. This included a new salt barn, the motor transport workshop had a new roof and windows and the offices at the front of the site were refurbished. Recently, the old office building on the upper part of the site was demolished and a new welfare facility has been provided. However, there are outstanding issues which need to be resolved. (subject to Executive Board approval on 5th September) work will comprise a refurbishment of toilets and changing rooms; improvements to the transport/meals on wheels building; demolitions of welfare block and archive store as well as external hardstandings including access improvements.

Picow Farm

2) Maintenance of our Council Properties

Each year the Council's Property services team sets out how it proposes to allocate its maintenance budget. The available budget in 2013/14 is £2.29million which is a 10% reduction on 2012/13. The maintenance budget comprises:

Programmed Works

Response

Security

Servicing

Window Cleaning

Programmed work has allowed us to manage budget reductions in previous years, to ensure that future maintenance liabilities are reduced. However we are close to a point where further reductions will have an impact on the amount of programmed maintenance work that can be undertaken which will have a detrimental impact of the condition of our property portfolio.

3) Investment Properties

In March 2013, the Council's Executive Board approved an Industrial Estates options Appraisal, which set out recommendations for the future use of Marshgate, St. Michael's Industrial Estate, Oldgate, St. Michael's Industrial Estate, Dewar Court Astmoor Industrial Estate, Runcorn and Seymour Court Manor Park.

The options appraisal set out that over recent years there had been increased expenditure on these industrial estates due to their age, deteriorating condition and very high vacancy rates caused by difficult marketing conditions.

Members considered the appraisal in order to ascertain their feasibility and viability so as to formulate a strategy for their future management. Financial and options appraisals were also considered.

In conclusion, Members agreed to retain Marshgate, and Oldgate St Michael's Industrial Estate within HBC ownership and a sum is now being allocated from the maintenance budget to replace the roofs at each site. Regarding Dewar Court it was agreed that HBC would continue to retain this estate within its ownership.

However, Members agreed to the disposal of Seymour Court, Manor Park, Runcorn, but with a reserve price, and this is currently being marketed.

4) Disposal of Surplus Land and Buildings

A significant piece of work for the Council has been the collation of a schedule of the Council's additional assets. The schedule provides a list of sites and buildings identified as surplus. This represents a significant piece of work over the next five years, and will, of course be subject to review and as a part of the following. The programme aim is to continue to dispose of surplus sites to sustain the flow of capital receipts. Whilst these receipts will be modest over the next few years, they still represent an important income stream for the Council. A future consideration for the disposals programme will be the construction of the Mersey Gateway and it is probable that some sites will be added to the programme following construction in 2016/17.

4.0 POLICY IMPLICATIONS

Good progress has been made in meeting our corporate plan objective of 'creating the maximum effect on the quality of life in the communities of Halton through the efficient use of the Council's resources'.

The Council's Asset Management Working Group, (Chaired by the Strategic Director for Policy and Resources), provides a good forum for discussing and making recommendations to Members on key strategic land and property issues. It oversees the corporate programmed maintenance schedule and accommodation planning process for the year ahead, receives regular updates regarding income and occupancy levels relating to the Council's Investment Properties.

5.0 OTHER/FINANCIAL IMPLICATIONS

There are no direct financial implications arising out of the report. However, good management of the Council's land and property portfolio has enabled the Council to make significant revenue savings as outlined earlier in the report.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

None.

7.0 RISK ANALYSIS

There are no risks arising from this report.

8.0 EQUALITY AND DIVERSITY

It is worth noting the important role the Council's agile working policy plays in supporting a flexibility and accessibility for our workforce.

Recent changes and improvements to our accommodation have enabled us to improve the working environment for all our staff.

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

There are no background papers under the meaning of the Act.