

15 January 2015		ITEM: 8
Corporate Overview and Scrutiny Committee		
Asset Management		
Wards and communities affected: All	Key Decision: Non key	
Report of: Ian Rydings, Head of Asset Management		
Accountable Head of Service: Ian Rydings, Head of Asset Management		
Accountable Director: Steve Cox, Assistant Chief Executive		
This report is public		

Executive Summary

This report provides a summary of the Council's strategic asset management activity with particular reference to;

- the Council's asset management strategy adopted by Cabinet in 2011.
- the asset management delivery plan agreed by Cabinet in 2012.
- property disposals which have taken place since the adoption of the strategy
- future planned disposals, and
- the current activity of reducing the number of operational buildings used by the Council.

1. Recommendation(s)

1.1 The Corporate Overview and Scrutiny Committee are requested to note the contents of this report.

2. Introduction and Background

2.1 Asset Management is defined by the Royal Institution of Chartered Surveyors as; "the activity that seeks to align the asset base with the organisation's corporate goals and objectives. It ensures that the land and buildings asset base of an organisation is optimally structured in the best corporate interest of the organisation concerned."

2.2 Cabinet has developed the Council's strategic approach to asset management in a number of stages. In October 2010, in advance of a substantive asset management strategy, Cabinet agreed high level policy objectives and policy principles for its future management of its property

portfolio. It was agreed at this time the Council's property holdings should in future be;

- managed strategically to support corporate aims and objectives.
- held and managed in support of service delivery.
- used to provide Value for Money and deliver efficiencies and savings for the future.
- procured and managed in a way that minimises the impact on the environment.
- used to support the regeneration of the Borough.
- used to support the activities and development of Thurrock's communities and the Council's partners.

2.3 In February 2011, Cabinet considered and approved a substantive Asset Management Strategy. This amplified the principles already agreed, and added further contextual information; in particular a summary of the Borough's major regeneration projects, an articulation of the strategy's relationship with the Corporate Plan and Medium Term Financial Strategy and more detailed reference to the range of improvement actions needed to progress asset management in the Borough.

2.4 During 2011, with externally funded support from Improvement East, the Council worked on a more detailed delivery plan for the strategy and as a consequence the Asset Management Delivery Plan was agreed by Cabinet in February 2012. From this point the asset management strategy has been moving to deliver 2 key aspects of the strategy;

- Achieving a lean, agile operational asset base by concentrating administrative operations in the Civic Offices In Grays (redesigned to support flexible working practices to maximise the building's efficiency) coupled with a light local service offer delivered from re-designed or newly constructed community hub buildings.
- To maximise financial returns from the sale of surplus property to support the Medium Term Financial Strategy.

2.5 The progression of the asset management delivery plan is regularly reported to Cabinet – typically twice each year. In one of these update reports in July Cabinet resolved to establish a cross party Member Working Group for Property Disposals to provide whole Council scrutiny of key asset decisions.

2.6 In a further update to Cabinet of the progress of the Asset Management Delivery plan in January 2014, Cabinet agreed a disposals protocol, specifying the processes and governance relevant to planned and opportunistic property disposals. This protocol is attached to this report at Appendix 1.

3. Issues, Options and Analysis of Options

3.1 The Council has a wide range of property ownerships throughout the borough – in total adding up to around 600 different property interests. Under the Local Government Transparency Code 2014, Council's will be required to publish details of their property interests, in a prescribed format, by February 2015. Thurrock Council published this information in advance of the code requirements, in June 2014, and the information can be accessed from the following link;
https://www.thurrock.gov.uk/sites/default/files/assets/documents/land_premises_201406.pdf

3.2 **Property Disposals.** This section of the report seeks to update Corporate Overview and Scrutiny Committee on the current position in respect of property disposals.

3.2.2 Table of Asset Disposals to date

Former asset	Disposal price	Date of disposal
167, Bridge Road, Grays	£275,000	December 2012
Land at Schoolfield Road (II), West Thurrock	£575,000	May 2013
Old School, Rectory Road, West Tilbury	£250,000	October 2013
King Street Car Park, Stanford-le-Hope	£350,000	December 2013
Land at Baker Street, Orsett	£114,750	January 2014
28, Hampden Road, Grays	£96,200	January 2014
Quebec Road former church hall, Tilbury	£50,000	March 2014
Street Farm, South Ockendon	£1,000,000	March 2014
Peaceful Row lorry park, West Thurrock	£857,850	July 2014
Brooke Road car park, Grays	£177,500	July 2014
Land at Thames Road, Grays (part of Grays Beach Park)	£216,000	October 2014
Total disposals since adoption of the Asset Management Strategy	£3,962,300	

3.2.3 A further four property disposals, already agreed by Cabinet, and with prices and purchasers agreed, are anticipated to complete before the end of the current financial year. These are; 152 and 160 Bridge Road, Grays, Quince Tree Nursery, South Ockendon and the former Graham James infant school, Stanford le Hope. The cumulative value of these agreed disposals is £1,385,000, which will bring the total disposal figure to £5,347,300 by the end of 2014/15.

3.2.4 During the next financial year 2015/16 a smaller number of higher value disposals are anticipated to complete. They are not detailed specifically in this publically accessible paper due to their current commercial sensitivity, but in total they are expected to amount to a further £6.5m in capital receipts bringing the total to in excess of £11.5m.

3.2.5 In the longer term there will be a need to focus on the disposal of a number of surplus and relatively valuable Council owned sites in South Ockendon.

These disposals are considered to be closely related to the regeneration of that area, and master planning work is taking place now to ensure that the best is made of this opportunity both in terms of neighbourhood regeneration, and the capital receipts benefit.

3.2.6 Further disposals are expected to be identified as a consequence of the Council's reduced use of operational buildings. Additionally, opportunistic disposals may arise to be dealt with as determined in the disposals protocol at Appendix 1. Such disposals will always be managed by the Officer Assets and Resources Board, with appropriate reference to the Member Working Group and Cabinet.

3.3 Operational property. This section of the report is intended to provide an update on the current thinking and state of progress with regard to the reduction in the number and size of operational properties used by the Council.

3.3.1 The contraction of services, and the equipping of the Civic Offices to operate for flexible working has enabled the Council to make and pursue ambitious plans to reduce its reliance on a number of operational properties held throughout the borough. This will result in revenue and capital savings, and provides the potential for revenue income if released properties are let, or capital receipts if they are sold.

3.3.2 The transformation of the Civic Offices has already enabled significant savings as the staff move from external sites to its central base. So far a number of operational buildings have been closed, including Crown House (Grays), Corringham Local Housing Office, Integration House (Grays), South Ockendon Local Housing Office and Station House (Grays). Additionally significant staff numbers have already moved from the Culver Centre, enabling a part closure and savings. The Pupil Support Service remains at the Culver Centre pending the building of a new facility which will enable the closure and disposal of the Culver site.

3.3.3 However, as at December 2014 the Council, across all of its services was still operating from 39 operational bases across the borough. Directors' Board have recently considered these sites individually and have provisionally categorised them into one of five groups for further action as shown in the table below.

Category	Property	Lead service
Close and dispose of or let	Purfleet Caretaking Office	Housing
	Careline Building, Stifford Clays	Housing
	Brisbane House Community Flat, Tilbury	Housing
	Tilbury Housing Office	Housing
	Riverside Youth Centre, Tilbury (subject to review)	Children's Services
	Chadwell Housing Office	Housing

Category	Property	Lead service
	(subject to review)	
	Stanford Youth Development Centre	Children's Services
Modernise IT as necessary in short term	Culver Centre	CEDU
	Phoenix Centre, South Ockendon	Children's Services
	Oak Tree Centre, Grays	Children's Services
	Carer's Centre, Grays	Adult Social Care
	Thameside Complex, Grays	Corporate
	One Stop Shop, Grays	Children's Services
	Curzon Drive Depot	Environment
Modernise IT and develop staff hub facilities (subject to the library review consultation)	Purfleet Local Housing Office	Housing
	Aveley Library	Children's Services
	Oliver Close Depot	Environmental Services
	Blackshots Library	Children's Services
	Tilbury Library	Children's Services
	Corringham Library	Children's Services
	Stanford Library	Children's Services
	East Tilbury Library	Children's Services
Modernise IT and continue with existing use	Aveley Children's Centre	Children's Services
	South Ockendon Centre	CEDU
	Bell House Day Care facility	Adult Social Care
	Ockendon Children's Centre	Children's Services
	Grangewaters Outdoor Education Centre	Children's Services
	Thameside Children's Centre	Children's Services
	Civic Offices	Corporate
	Grays Adult Education Centre	Children's Services
	Sunshine Centre, Tilbury	Children's Services
	Little Pirates Nursery, Tilbury	Children's Services
	Flagship Centre, Tilbury	Children's Services
	Chadwell Information	Children's

Category	Property	Lead service
	Centre	Services
	Abbots Hall Children's Centre	Children's Services
	Stanford Children's Centre	Children's Services
	Collins House, Corringham	Adult Social Care
	East Tilbury Children's Centre	Children's Services
Continue with existing use	Community Flat, Purfleet Garrison	Housing

4. Reasons for Recommendation

4.1 This item is brought before Members for information and discussion.

5. Consultation (including Overview and Scrutiny, if applicable)

5.1 There is an on-going consultation process with officers through the Assets and Resources Board and with Members through the cross party Member Working Group on Property Disposals.

6. Impact on corporate policies, priorities, performance and community impact

6.1 There is no direct impact on corporate policies arising from this report. However the general management of the Council's land and property portfolio clearly has a far reaching impact on corporate policies, priorities, performance and the community. The high level policy objectives of the asset management strategy, as outlined in paragraph 2.2 above, are intended to ensure alignment with Council priorities and community aspirations.

7. Implications

7.1 Financial

Implications verified by: **Jonathan Wilson**
Acting Chief Accountant

The report itself has no financial implications. However the financial implications of asset management decisions are considered by the Officer Assets and Resources Board, and at Member level by the Member Working Group on Property Disposals, and Cabinet. The forecast value of capital disposals is factored into the Medium Term Financial Strategy and the Council's capital programme.

7.2 Legal

Implications verified by: **David Lawson**
Deputy Head of Legal & Deputy Monitoring Officer

There are no direct legal implications arising from this report. Legal advice for asset management decisions is achieved by legal representation on the Assets and Resources Board, and through the in house legal management of all property disposals.

7.3 Diversity and Equality

Implications verified by: **Rebecca Price**
Community Development Officer

There are no direct diversity implications following from this report. However, in terms of the wider asset management strategy, clearly such a fundamental strategy as that relating to the Council's ownership, use and management of land and property has the potential to impact significantly on the lives and wellbeing of people from minority groups.

The strategy aligns with the aims and high level objectives contained in the corporate plan. Each property will be managed to support the well-being of the Borough's communities. Work strands and projects which emanate from the strategy will be considered in the light of individual equality impact assessments to ensure that not only are adverse impacts mitigated, but that the needs of those from protected groups are addressed as far as possible.

8. Background papers used in preparing the report (including their location on the Council's website or identification whether any are exempt or protected by copyright):

Cabinet Paper 6th October 2010 – (Precursor to Asset Management Strategy);

Cabinet Paper 18th February 2011 – (Adoption of Asset Management Strategy);

Appendix to Cabinet Paper 18th February 2011 – (Asset Management Strategy document);

Cabinet Paper 22nd February 2012 – (Adoption of Asset Management Delivery Plan);

Appendix to Cabinet Paper 22nd February 2012 – (Asset Management Delivery Plan document);

Cabinet Paper 11th July 2012 (Asset Management Delivery plan update and establishment of Member Working Party on Property Disposals);

Cabinet Paper 8th January 2014 – (Asset Management Delivery Plan update, and adoption of disposals protocol);

9. Appendices to the report

Appendix 1 attached – is the Land and Property Disposals Protocol.

Report Author:

Ian Rydings

Head of Asset Management

CEDU

Appendix 1; Land and Property Disposals Protocol

1. Introduction

1.1 The Asset Management Service team will ensure that a comprehensive register of the Council's property assets and their values are maintained, as set out in the signed off accounts.

1.2 The Council's Asset Management Strategy commits the Council to holding property only in support of the following objectives;

- the growth and regeneration of the Borough,
- efficient and effective service delivery,
- the well-being of the Borough's communities,
- the capital programme and revenue budget

Any property to which none of those reasons apply will be declared surplus and the Council will seek to maximise its value or regeneration potential, pending disposal in a time and means considered to bring the most benefit to the Borough.

2. Prioritised Assets Disposal Strategy

2.1 Consequently, a prioritised assets disposal strategy will be prepared and maintained. Prioritisation decisions will be assessed against the following guiding principles:

1. The need for the efficient management of the Council's assets.
2. Achieving capital receipts; either to achieve savings or to re-invest in the Council's approved capital programme.
3. Rationalisation of the Council's estate to reduce running costs.
4. To meet the best interests of Thurrock residents. This might in some circumstances mean that land is disposed of at less than market value (including for nil consideration) when in support of overriding community objectives.
5. Achieving the Council's growth and regeneration priorities; particularly in ensuring the supply of land for housing growth

2.2 The Assets team will necessarily focus its resources on the successful disposal of assets in this prioritised disposals strategy

3. Third Party approaches

3.1 The Council will pro-actively and constructively consider credible approaches from third parties to acquire specific Council assets not on the prioritised list through a two stage approach:

- Whether, in principle, the Council wishes to dispose of that particular asset.
- Whether it wishes to place the asset on the prioritised list within the disposal strategy

3.2 This view will be taken against the guiding principles in 2.1 above.

3.3 If the Council decides it does not wish to dispose of the asset and/or does not wish to place the asset on the priority list, a reply to this effect will be sent to the third party within 20 working days.

3.4 If the Council is prepared to prioritise the disposal of the asset, then in most cases a transparent marketing process will follow, in which the original enquirer will be invited to participate.

3.5 By exception, and on a case specific basis; for example where an enquirer is determined to have “special purchaser” status, or in the pursuit of community objectives, disposal maybe arranged directly with the enquiring party. In these cases a formal asset valuation for the proposed use will always be carried out; either by the Council’s qualified valuers or if more appropriate, by an independently commissioned professional valuer.

4. New Council Assets for Disposal

4.1 The Council may decide to bring forward its own alternative assets for disposal. Each asset will be assessed against the guiding principles in 2.1 above, before being placed on the list. An asset valuation will be carried out in each case prior to disposal; this might be by the Council’s own qualified valuers, or if more appropriate by an independently commissioned source.

5. Governance

5.1 Decisions to dispose of Council assets will be made in accordance with the Council’s constitution.

5.2 The cross-Council Member Working Party on Property Disposals will develop, progress and monitor the assets disposals strategy, making recommendations to Cabinet as timely and appropriate.

5.3 The Corporate Property Group of Council officers will meet to consider the disposals strategy, making recommendations to the Member Working Group for onward recommendations to be made to Cabinet.

6. Marketing and Promotion

6.1 To accelerate the disposal of assets the Council will, as necessary, pro-actively market and promote sites for disposal, engaging directly with the property market.