

Briefing Note

CITY OF
WOLVERHAMPTON
COUNCIL

Title: Strategic Management of Assets

Date: 14 January 2019

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Job Title: Head of Assets

Intended Audience:

Internal Partner organisation Public Confidential

1.0 Purpose or recommendation

- 1.1 To provide an overview of how the asset portfolio is managed in accordance with the Council's Corporate Plan, highlighting the Strategic Asset Plan, Disposal Strategy and delivery of the office rationalisation programme following the refurbishment of the Civic Centre.
- 1.2 To outline the future opportunities for how the Council continues to challenge, rationalise and invest in its asset portfolio via the 'Our Assets' Programme.
- 1.3 To recommend an outturn report on 2019-2020 Disposal Programme is submitted to Confident, Capable Council Scrutiny Panel Meeting on 12 June 2019.
- 1.4 To recommend an update report on Strategic Asset Plan is submitted to Confident, Capable Council Scrutiny Panel Meeting on 4 September 2019.

2.0 Overview

- 2.1 The council's property portfolio extends to over 1,900 separately listed land and building assets (not including social housing), with a current total book value of over £550 million (as at 31st March 2018) and a total floor area equivalent to approximately 82 football pitches.
- 2.2 The Council's Corporate Landlord Service manages the asset portfolio to ensure it remains fit for purpose and compliant with statutory regulations. Corporate Landlord identifies and recommends future use of assets, disposal and acquisition opportunities and investment programmes. All proposals relating to the asset portfolio are reported to the Council's Corporate Landlord Board.

3.0 Strategic Asset Plan

3.1 In October 2018, Cabinet approved the Council's Strategic Asset Plan 2018-2023. The Strategic Asset Plan clarifies the Council's approach to the management of its land and building portfolio, alongside its aspirational future aims, over the next five years. The Strategic Asset Plan is structured into three logical parts:

- **Asset Management Policy**

This part of the Plan establishes a clear mission and supporting principles for the management of land and buildings.

- **Asset Management Strategy**

Provides an overview of the asset portfolio together with the main priorities for managing and developing it over the next five years. As the Council delivers service changes, the asset portfolio will also need to support, flex and change (e.g. investment, rationalisation and disposal) and ensure the right assets are retained for the future.

- **Asset Management Action Plan**

The Action Plan supports the Policy and Strategy documents and will be used and adapted to manage programmes in relation to asset management. The Action Plan is split into three thematic sections to cover Strategic, Operational and Service Improvement actions that are scheduled over the next three years.

3.2 The full Strategic Asset Plan is detailed in **Appendix 1**.

4.0 Disposal Strategy

4.1 Capital receipts from property disposals are a critical part of the Medium-Term Financial Plan. It is important the Council has a predictable and resilient plan to accurately predict the time and amount of future receipts and demonstrate that best value is achieved.

4.2 The Council has a targeted disposal programme, to be delivered by 2020-2021, identified through asset rationalisation and the release of surplus assets. Disposal channels include sale on the open market, private treaty, auction, community asset transfer and WV Living.

4.3 The target for 2018-2019 is £9.6 million and Corporate Landlord are on target to achieve by 31 March 2019.

4.4 The target for 2019-2020 is £12 million and a programme of disposals has been identified.

4.5 A disposal dashboard is attached as an exempt item (by virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972) in **Appendix 2** detailing the breakdown of market and WV Living sales.

4.6 Corporate Landlord are currently implementing several initiatives to create a pipeline of future disposals for 2020-2021 onwards including:

- Targeting the top cost and risk buildings to consolidate their use, reduce cost where possible and analyse the feasibility of moving people and functions to facilitate disposals.
- Implementing Customer Relationship Management (CRM) within Asset Management to ensure the most cost-effective utilisation of buildings (including the Civic Centre) and using occupational cost analysis to identify and reduce costs and highlight future disposals.
- Progressing the feasibility of engaging a commercial property management partner to free up the Assets and Estates team to concentrate on their core work progressing consolidation and disposal opportunities.

5.0 Office Rationalisation

5.1 The majority of the Civic Centre refurbishment works are now complete (reviewing future works on the Mezzanine floor). A review of all office accommodation across the City was included within this project to identify how services could co-locate either within the Civic Centre or a reduced number of office buildings.

5.2 The review identified the future strategy for each asset (retain, invest or dispose) and a number of assets have either successfully been rationalised or are in the process of being so. A disposal dashboard is attached, as an exempt item, (by virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972) in **Appendix 3** and provides a breakdown on the office rationalisation programme which supports the Council's disposal programme.

6.0 Future Opportunities

6.1 There is an opportunity to build on the work that the Council has already undertaken on its own asset portfolio by collaborating with public sector partners across the City. This work will identify further opportunities for co-location, rationalisation and joint disposal programmes and is to be delivered through the 'Our Assets Programme.

6.2 'Our Assets' programme is one of five cross-cutting enabling programmes in the Council's Confident, Capable Council (C3) programme that supports the delivery of the Council Plan 2019-2022.

6.3 The programme aims to put in place the practice of city-based asset management, to enable public service providers (including the community and voluntary sector) to collaborate on strategic planning and management of their land and buildings as a collective resource across the city.

- 6.4 Public Sector partners within Wolverhampton are already successfully working together on one-off building projects collaboratively, such as Health and Social Care Hub Solutions and the proposed Public Sector Hub project on Broad Street car park (supported by One Public Estate). This programme aims to build on the success of these projects and adopt the approach at scale across the city. For example, there are opportunities to look at public sector 'campus' type arrangements, shared buildings and community/public service points.
- 6.5 This programme will be jointly led by the City of Wolverhampton Council's Assets Team and Strategy & Change directorate.
- 6.6 The 'Our Assets' programme is supported by the West Midlands Combined Authority and is being considered for a wider roll-out across the region.