



# Corporate Property Strategy & Asset Management Plan 2014 – 2018

## Appendix A: Delivery Plan

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## INTRODUCTION

This document is an appendix to, and should be read in conjunction with, the Corporate Property Strategy & Asset Management Plan (AMP) 2014-2018. It sets out how the council will deliver its property strategy and provides a tool-kit and manual for our asset management processes.

### A.1 SERVICE DELIVERY & ACCOMMODATION NEEDS

#### A.1.1 The *Workstyles* Programme – Our Accommodation Modernisation Plan

A.1.1.1 Our *Workstyles* programme is a key part of our corporate priority to modernise the council and *Workstyles* Phase 3 will continue to create revenue savings and capital receipts for the council over the next 5-8 years. This will provide investment to meet some significant ICT and backlog maintenance property revenue costs whilst furthering flexible working, improving the working environment and customer access.

*Workstyles* underpins the changes planned for the way we work and the delivery of services to our citizens. The overall implementation of this next complex, broad programme will take about two years, aiming to complete around December 2016.

A.1.1.2 Following a rigorous options appraisal, a special Policy & Resources Committee approved *Workstyles* Phase 3 in September 2013. This phase will centre on the vacation and disposal of Kings House and capacity & environmental improvements at Hove Town Hall to make the best use of redundant space for the public, staff and elected members through a comprehensive building refurbishment supported by modern technology. This would also enable about a quarter of Hove Town Hall to be released for alternative use as described below. This entails substantial investment but will enable improved service delivery to our customers and opportunities for significant productivity efficiencies, a modern working environment and a reduction in carbon emissions supported by appropriate technology.

Phase 3 will ensure that the vast majority of the council's staff are brought into the scope of the *Workstyles* programme. It will include the services and staff in Kings House and Hove, Brighton & Portslade Town Halls who have not been covered by previous phases, together with the relinquishing of further leased buildings and disposal of surplus property. Phase 3 will affect approximately 1,400 office based staff, excluding those working in council premises other than administrative buildings such as schools and the Housing Centre at Moulsecoomb and Members.

Committee approval has already been given for the disposal of the Victoria Road offices and part of the site at Portslade and some of this capital receipt will be used to refurbish Portslade Town Hall to create a corporate hot desk base and a joint Sussex Police and customer access point to include housing services.

A.1.1.3 The offices will be designed with the *Workstyles* blue-print promoting flexible working so that staff will have choices of work space depending on need and will provide flexible technology to include 'follow-me' desktop & telephony and an Electronic Documents Record Management (EDRM) system. A plan for staff engagement and the delivery of learning & development to manage the cultural shift required for modernising the council will be provided. This work, combined with the newly vacated and refurbished third floor space at Bartholomew House created under Phase 2, will provide sufficient accommodation for all staff currently in Kings House.

A.1.1.4 One Planet principles will be embedded within Phase 3 of the *Workstyles* programme by using our Sustainable Design Checklist, a new tool designed by Property & Design which sets out minimum standards for new build and refurbishment works. As a result the following additional elements will be incorporated into the Hove Town Hall refurbishment works with an estimated minimum 27% reduction in carbon emissions being achieved for the in-scope buildings:

- Replacing the existing single glazed curtain walling exterior with a modern double glazed energy efficient installation

- Replacing the existing oil fired heating and outdated cooling & ventilation systems with a modern energy efficient installation
- Extending the existing Photo Voltaic Panel installation
- Incorporating the latest low energy lighting technology including sensors which automatically alter lighting levels according to external conditions
- Waste generated through the *Workstyles* programme will be managed in a sustainable manner using third parties such as *Warpit* (<https://www.warp-it.co.uk>) and *Freegle* (<https://ilovefreegle.org>). *Workstyles* also encourages the use of electronic storage for data rather than paper files.

The introduction of flexible working and associated technology also presents an opportunity to reduce work-related travel. Having the technological ability to work from various locations, staff will be able to manage their day more efficiently such as completing their working day at an appropriate location rather than having to go back to their main base. This approach relies heavily on a cultural shift to flexible working, management techniques and HR policies to support it.

A.1.1.5 Phase 3 of the *Workstyles* programme is an estimated £16m project which will be funded through a combination of capital receipts, lease surrenders, contributions from the Asset Management Fund (AMF), existing capital maintenance funds and reserves. Any funding shortfalls will be met through borrowing with the financing costs being met through the anticipated revenue savings estimated at over £750,000 per annum.

A.1.1.6 The *Workstyles* refurbishment of Hove Town Hall will result in approximately 25% of surplus space in the south end of the building. The Policy & Resources Committee have approved the proposal to convert to offices and Property & Design are currently negotiating with organisations that have synergies with existing council services to form a potential public sector / voluntary sector collaborative hub.

#### A.1.1.7 **Workstyles Phase 4**

The scope of Phase 4 of *Workstyles* will cover all of those buildings and staff not included in Phases 1 to 3. This will include Brighton Town Hall for which we will be exploring options.

It is anticipated that planning for Phase 4 will commence in 2015 with a view to implementation during 2016 after the completion of Phase 3

## **A.1.2 School Place Provision**

A.1.2.1 We continue to monitor the primary numbers to ensure that we have sufficient capacity in the primary school sector. The main focus for the next few years will be looking to add provision in the secondary sector to meet the demand for places as children move through the system. We are currently looking at what options there are to expand existing provision and have recently undertaken a site search to identify possible sites for a new secondary school in Brighton. See also **AMP SECTION 3.8.**

We are working with all secondary head teachers in the city to look at how we can optimise provision of secondary places. All maintained schools in the city are involved in this discussion regardless of whether they are community, voluntary aided, academies or free schools. By taking this approach we will be able to determine the best solution for parents and pupils in the city.

### **A.1.3 Collaborative Working Initiatives**

Collaboration with other councils, public sector partners and others is a key element of our approach to delivering our asset management plan and examples of this are set out below.

#### **A.1.3.1 Public Sector Property Group**

This group, which is led by Property & Design, comprises property heads from public sector organisations operating within the city including the NHS, the universities, various central government organisations, the police, fire & rescue and ambulance services. The aim of the group is to identify potential joint working opportunities which may include co-location opportunities, joint procurement or shared facilities such as meeting rooms. The group also looks at land use in the city, supporting the City Plan and regeneration of significant sites and reports back at Chief Executive level to the various organisations through the City Management Board.

One outcome of this group has been the identification of the under-used Brighton General Hospital site as suitable for development. This is an exciting opportunity that will be grasped by the Group with the idea of setting up a project team to drive the redevelopment forward looking at a master-plan for the site which may include a school as well as housing and alternative health delivery models.

#### **A.1.3.2 Strategic Property Asset Collaboration in East Sussex (SPACES)**

A development of the Public Sector Property Group has been an invitation from East Sussex County Council for us to join their *SPACES* programme which is a similar, but wider ranging, initiative bringing together some of the same public sector groups plus the district authorities looking across the whole of the county and providing a different strategic view-point.

The Corporate Property Officer joined the *SPACES* board in May 2014 which is currently looking at setting the groups joint objectives for 2014 onwards. Initiatives being explored include collaborative procurement opportunities, shared hot-desks across the region and joint working through the *LINK* partnership (see below).

#### **A.1.3.3 Local Involvement Network (LINK)**

During 2011 Cabinet authorised the procurement of a shared wide area data network through the Sussex *LINK* (Local Involvement Network) Partnership. By connecting sites to the *LINK* core network the council will continue to provide connectivity and communications between its sites and the outside world including government networks via the Public Services Network (PSN). Migration to the PSN is essential to achieve a joined up 'network of networks' across the Southeast region using existing public sector infrastructure within each authority, a primary objective of the South East 7 (SE7) collaboration of local authorities. Linking separate networks will deliver a communications base upon which future shared services can be delivered to all public service agencies regardless of geographic boundaries resulting in efficiency and cost savings.

#### **A.1.3.4 The South East Seven (SE7) Group**

This group is formed from Brighton & Hove and Medway unitary councils and East Sussex, West Sussex, Hampshire, Surrey & Kent county councils with the aim of embedding collaborative working across the south-east of England region through the sharing of good practice and the identification of potential partnership projects. The SE7 group are divided into various project groups with Property & Design represented at the Asset Management work-stream. The current focus of this work-stream is on the following areas:

- **Property Asset Management System**  
Brighton & Hove have joined the SE7 PAMS framework set up by Hampshire & Surrey County Councils through the SE7 group and as a result has procured '*Atrium*' – an integrated asset management system – as described in **SECTION A.6.2** below.

- **Southern Construction Framework**

One of the priority areas for the workstream is its role on the Steering Group that will help determine the specification and requirements for the proposed Southern Construction Framework. This framework is a joint arrangement for the procurement of major building construction works covering the South West, South East and London which Brighton & Hove would have access to.

- **Asset Investment Strategy**

A common theme to turn property portfolios from operational to income generating investment portfolios has been identified. There is a desire to join up the approach across the region and to utilise expertise of each authority in asset acquisition for revenue income. The drive has historically been on maximising capital receipts but the need to start to generate income is currently emerging. As a result a workshop and meetings were held in early 2014 to discuss options further and to share knowledge and expertise. The council is looking into how this can assist our re-balancing approach to the urban portfolio and implications regarding service delivery.

- **Capital Programme Hub**

The SE7 group are collectively working on establishing pipeline projects for all authorities over the next eight years with the total estimated at up to £2bn. Mapping the demand would be beneficial to allow work to be joined up by area and organisation and will enable joined up strategic planning of the region's requirements for construction capacity across all tiers / value bands. Developing joint working in this area aims to ensure that arrangements are procured to operate on a consistent basis and provide better visibility of the region's pipeline. The Hub will invite all SE7 members to work together, entering into an Inter Authority Agreement to facilitate the sharing of resources and leadership for the proposed arrangement.

The Hub will allow regular dialogue with senior directors of contractors across the South East to increase competition when bidding. Whilst there is recognition that there are different procurement operating models across the SE7 authorities tailored to individual requirements there are still opportunities to share supply chains.

#### A.1.3.5 **Benchmarking Clubs**

We are members of the CIPFA NaPPMI (National Property Performance Management Initiative) bench-marking club which provides the opportunity to network with other authorities on asset management issues as well as providing property performance data for comparison purposes. See also **SECTION A.6.3** below for further details.

#### A.1.3.6 **East Sussex & West Sussex County Councils**

The council works closely with our neighbouring county partners in both policy & strategic areas such as energy management as well as on operational projects such as joint works and services contracts and collaborative procurement opportunities.

#### A.1.3.7 **City Deal & Brighton & Hove Economic Partnership & Greater Brighton Regeneration Board**

Through the City Deal and the Brighton & Hove Economic Partnership the council also works in partnership with other public sector bodies, design consortiums and developers on major comprehensive infrastructure projects for the city (e.g. Black Rock, Preston Barracks, Circus Street and the Brighton Centre) and with Registered Social Landlords on service related projects.

## **A.1.4 The External Market for Property Consultancy Services**

### **A.1.4.1 Consultancy Services**

Property & Design operate a mixed economy for consultancy services and procures its services through two routes:

- *Internal Consultancy Services:*  
Property & Design provide a full range of architectural, building surveying, hard & soft facilities management and estate management services to a variety of clients using our own in-house teams.
- *External Consultancy Services:*  
External consultancy services are used to manage the urban and agricultural commercial portfolios. Property & Design also use external consultants from the approved list for specialist services or to provide flexibility during busy periods.

### **A.1.4.2 Quantitative Benchmarking**

Property & Design benchmark their own technical fee levels against our current out-sourced external consultants together with other external architectural and building surveying companies when Property & Design commission work on behalf of internal clients in order to demonstrate a value for money service. This benchmark forms one of Property & Design's internal performance indicators.

Property & Design also utilise benchmarking services provided by the Chartered Institute of Public Finance & Accountancy (CIPFA) to ensure the value and performance of our property services and fees – See **SECTION A.6.3** below.

### **A.1.4.3 Qualitative Benchmarking**

Property & Design are developing a web-based method of collecting customer satisfaction data and feedback from all of our service users across all of our services during 2014. Qualitative assessment will be undertaken through Client Satisfaction Questionnaires sent to clients at the completion of significant projects and annually for on-going services such as energy & water management and the helpdesk.

## **A.1.5 Apprenticeships & Work Opportunities**

- A.1.5.1 The council has set itself a target of 70 apprenticeships in the Corporate Plan to be established across all services during 2014. An apprenticeship gives an opportunity to those with little or no work experience to earn a salary and gain a qualification while developing valuable workplace skills and experience. As part of this commitment Property & Design are recruiting three apprentices during 2014 - two building surveyors and one electrician. These appointments will be made on a two or three year rolling programme.

## **A.2 ONE PLANET LIVING**

### **A.2.1 One Planet Living Principles**

- A.2.1.1 If everyone consumed natural resources and produced carbon dioxide at the rate we currently do in Brighton & Hove, we will need not one, but three and a half planets to support us. The One Planet Living approach aims to create a future where it is easy, attractive and affordable for all of us to lead happy and healthy lives, using a fair share of the earth's resources.

In 2013 B&HCC became the world's first designated One Planet City when our Sustainability Action Plan was officially accredited by Bioregional for its plans to enable our residents to live well within a fairer share of the earth's resources. Bioregional is an award winning charity with an international reputation for developing sustainable solutions.

We are using ten 'One Planet Principles' of sustainability as a framework for a simple way to plan, deliver, communicate and mainstream sustainable development and a sustainable economy. Our action plan lists targets for each of the principles. Further information is available at:

<http://www.brighton-hove.gov.uk/content/environment/sustainability-city/one-planet-city>

## **A.2.2 One Planet Sustainability Action Plans**

A.2.2.1 Our Sustainability Action Plan (SAP) outlines how we will use One Planet Living (OPL) to meet the council's key priorities of creating a more sustainable city and modernising the council. It also forms a key element of the sub-regional Biosphere Reserve bid to UNESCO described in **SECTION A.4.2**.

The SAP is designed to reduce the city's ecological footprint – the amount of natural resources the city needs – and to make Brighton & Hove a more resilient city with a better quality of life, fit for the future through ingenuity, efficiency, technology, partnership working and behaviour change.

It sets out a long-term vision and a wide range of new measures that stretch the ambition in all areas of activity. It's a platform for securing new investment and grant funding by setting out a vision for the city's sustainable future. The SAP is divided into actions that the Council will take and city wide actions to meet the OPL objectives.

Property & Design are responsible for the council achieving three of the ten One Planet Council principles as described below:

### **A.2.2.2 Zero Carbon**

Making our buildings more energy efficient and delivering energy with renewable technologies wherever practicable to do so with a vision for as many council buildings as possible to be net zero carbon by 2025 and the city adopting a zero carbon trajectory. Progress is reported through the council's Organisational Health Report and Carbon Budget framework information in budget reports. Our high level objectives include:

- The council will set an accurate energy consumption baseline for its buildings by installing Automated Meter Reading equipment and then look to set specific reduction targets
- Continue to set annual 4% reduction target via council carbon budgets
- Buildings over which the council has direct influence will be energy efficient with new-build non-residential property designed by our in-house architectural team being BREEAM rated as 'very good'
- Where BREEAM is not required, new buildings and refurbishments will be designed to minimise energy demand by using a sustainable design checklist
- On-site renewable energy technologies will feature in new build and existing buildings where economically and practically feasible examples installed to date include photovoltaic (PV) panels, ground & air source heat pumps, wind turbines and solar thermal panels.
- Electricity supply will be sourced from genuine renewable sources

### **A.2.2.3 Zero Waste**

This follows a vision of efficient use of resources, reducing waste levels close to zero, and ultimately to send no waste to landfill. Progress is reported through the Organisational Health Report. Our high level objectives include:

- A waste reduction programme is to be implemented with waste reduction targets set and reviewed annually.
- The principles of reduce-reuse-recycle are implemented across the organisation and all staff take a responsibility for this.
- 85% recycling rate on internal operations within 3 years of setting a baseline.
- Over 90% of waste by weight generated by council construction and demolition work will be reclaimed or recycled.



#### A.2.2.4 Sustainable Water

This follows guidance from BioRegional that focuses on using water more efficiently, in buildings and in the products we buy. This supports healthy land use as well as avoiding pollution & flooding and adapting and preparing for severe weather events including flooding and drought.

Our high level objectives include:

- The council will set an accurate water consumption baseline for its buildings by installing Automated Meter Reading devices and then look to set specific reduction targets.
- Efficient water use across councils buildings and schools
- Reduction and better management of water leaks
- Land management – protect water quality for the city through improved management procedures of the City Downland Estate.

In partnership with the Environment Agency, the council has completed a review of farming activities on the City Downland Estate to better understand the relationship between farming operations and ground water quality.

The majority of farms on the estate volunteered to be independently appraised to ensure the accurate application of fertilisers and the improvement of chemical and oil storage facilities. The project team concluded that the estate tenants were farming in accordance with current legislation and best practice thereby minimising the potential risk of nitrate leeching into the chalk aquifer which holds much of the city's groundwater.

The project group investigated investment opportunities and most projects are now complete, including handling soil analysis to inform precision farming. Most farmers took part in having their machinery calibrated.

### A.3 REVIEW & CHALLENGE OF THE OPERATIONAL PORTFOLIO

#### A.3.1 Property Performance Review (PPR)

A.3.1.1 The current economic climate and the need to identify continuous savings in our operating costs has meant that the corporate landlord function must challenge services on their continuing use of buildings especially where the way future service provision will change or where a building is performing poorly or is unsustainable in terms of future maintenance costs.

One of the ways that Property & Design will undertake this challenge is through asset management property performance reviews that link to our Building Maintenance Strategy described in **AMP SECTION 3.7**.

All operational property where the council has a repairing obligation will be the subject of a rolling programme of Property Performance Reviews (PPRs).

The aim of the PPR process is to inform the council's Corporate Property Strategy by assessing the value for money offered by the retention of each asset and its relative fitness for purpose. The methodology for this is described below and results in each property being awarded a relative score for both condition and suitability.

A.3.1.2 We are aware that a building in poor condition may still represent a suitable building to the service department and vice versa and so a decision made on the basis of either condition or suitability in isolation may not necessarily be valid. We have therefore developed a decision matrix which plots the results of each building's PPR in two dimensions – condition and suitability, thereby allowing decisions to be taken overall which may include disposal, investment, change of use or maintaining the status quo.

A.3.1.3 As indicated above, a property that rates poorly for condition and suitability will be identified for possible disposal, a property that is unsuitable for the current users but in reasonable condition will be identified for possible change of use and a property that is considered suitable but in poor condition will be identified for possible additional investment. A property that is both suitable and in reasonable condition will be identified for continued priority maintenance.

During the period covered by this AMP our target is to complete PPRs to all operational buildings where the council retain maintenance and repair obligations. Further PPR reviews will then be undertaken on a rolling programme.

### **A.3.2 Condition Surveys**

A.3.2.1 The entire operational property portfolio has been surveyed and allocated an overall condition rating (A to D) together with a schedule of prioritised and costed maintenance requirements. This information feeds into our required maintenance performance indicators (see **SECTION A.6.3** below) and into the PPR process described above. A further round of surveys started in 2014 will be used to refresh our data for the 2014-15 financial year. The council then aims to carry out an annual 20% rolling programme of re-surveys to ensure that the condition of every property is assessed at least every five years. Currently (2014) over 90% of our property is rated as in good or excellent condition where the council has a repairing obligation.

### **A.3.3 Suitability Surveys**

A.3.3.1 Property & Design co-ordinate the collection of suitability data on behalf of the various service teams and directorates using a simple questionnaire format which is 'scored' based on a range of suitability themes including location, accessibility, environment, safety & security, space, facilities, appearance and current & future service delivery needs.

For low priority strategic buildings such as public conveniences and parks stores where many of the suitability factors will be irrelevant, service managers are asked instead to rate the building against a set of definition statements providing an overall assessment of their suitability.

### **A.3.4 Access Audits**

Property & Design has completed access audits to all council owned operational buildings with public access in accordance with the Equality Act 2010. Remedial works have been prioritised in annual rolling programmes in consultation with our client service departments and funded through an annual dedicated capital fund and individual planned maintenance budgets.

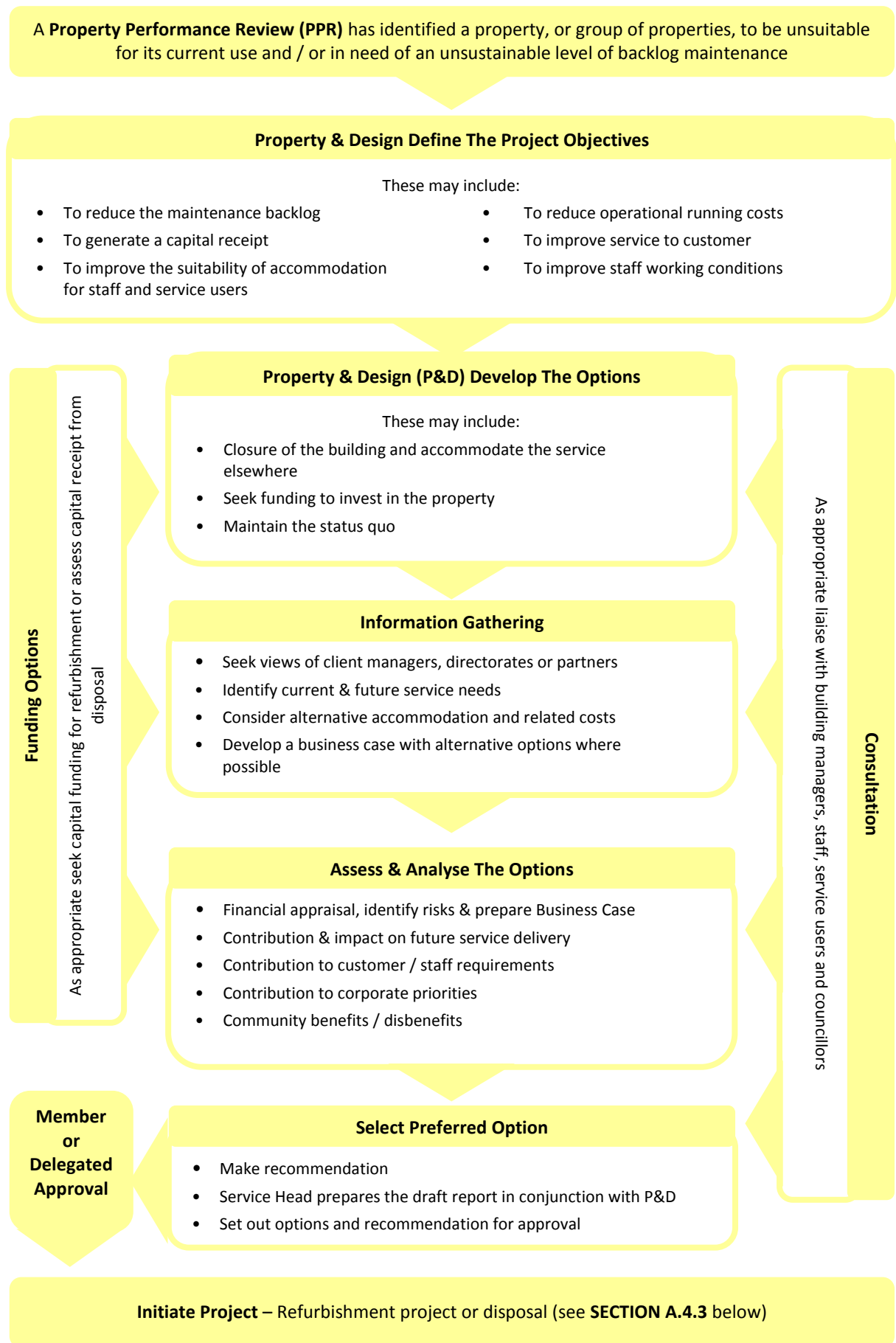
### **A.3.5 Service Challenge**

A.3.5.1 Operational property which is identified as performing poorly through the PPR process will be discussed with the occupying service, directorate, client or partner with a view to seeking alternative accommodation and / or disposal of the asset as described below.

Putting this principle into context, a typical options appraisal for a property highlighted as deficient through the Property Performance Review process is detailed in **FIGURE 1** below.

A.3.5.2 Under delegated powers, Heads of Service can only consider new property acquisitions after consultation and with the approval of the Assistant Director of Property & Design. New acquisitions will only be considered where the need for additional space is considered to be critical & necessary and all other alternative available building options have been considered and agreed as inappropriate.

**FIGURE 1: The Service Challenge process**



## **A.3.6 Surplus Operational Property**

- A.3.6.1 For operational properties, age, condition and changing service and legislative requirements are significant determining factors regarding the continued use of property. Once a property becomes surplus in terms of service need the building falls under the management of the Corporate Landlord and will be subject to the AMP process reviewing its condition, suitability and capacity as detailed above. All properties declared surplus to requirements fall to the centre through Property & Design to manage. A detailed option appraisal will be undertaken when the property is declared surplus to requirements and a range of disposal alternatives will be explored to include possible transfer to community groups or disposal as described in **SECTION A.4.3** below. In addition opportunities for development may occur within the operational portfolio either because we have identified the potential or an outside requirement arises. All council disposals must be approved through Property & Design delegations.
- A.3.6.2 Most property assets fall within the Corporate Landlord model and by default the revenue savings resulting from a disposal and the capital receipt will return to the corporate centre to support service delivery and corporate priorities. Where further investment is required to allow the service department to vacate the property then a full business case must be produced by the service department (in consultation with Property & Design) to seek approval to ring-fence part of the capital receipt for re-investment.
- A.3.6.3 The council's general policy is to use its own freehold properties for operational services. This policy allows the maximum flexibility of use within the portfolio by avoiding landlord's obligations and potentially high maintenance and rental charges that can be difficult to predict from year to year. Consideration is always given to vacating these properties, in conjunction with the service department, whenever the leases on these properties come up for renewal. In exceptional cases individual services and directorates can prepare business cases to seek leasehold premises where no suitable accommodation or space is already held by the council. In these circumstances the directorate must work with Property & Design under Corporate Landlord delegations to acquire a lease on beneficial terms for the council.

## **A.4 REVIEW & CHALLENGE OF THE NON-OPERATIONAL PORTFOLIOS**

### **A.4.1 Review & Challenge of the Urban Commercial Portfolio**

- A.4.1.1 The majority of the Urban Commercial portfolio is managed by external consultants Cluttons who are responsible for rent collection, landlord and tenant transactions, service charges and all day to day management issues. Cluttons have been very successful in minimising voids and arrears and maximising income by completing rent reviews and lease renewals in a timely manner. However, as much of the portfolio consists of ageing secondary and tertiary properties the ability for Cluttons to continue achieving increasing rents is limited as the quality of the stock declines.

In addition the existing portfolio was accumulated by the council rather than actively acquired and as an investment portfolio is unbalanced in term of risk. In order to provide an increasing return in the long term the council aim to rebalance the portfolio by identifying under-performing assets for disposal and ring-fencing receipts for reinvestment.

- A.4.1.2 The central objective in maintaining the investment portfolio is to obtain & increase revenue income to contribute to the support of the council's wider service delivery whilst identifying and taking advantage of disposal opportunities to generate capital or to increase income through lease extensions for example. These objectives also need to be balanced against the social and environmental development opportunities and corporate council priorities.

- **Portfolio Re-Balance**

As described in **AMP SECTION 3.4**, from a purely financial investment perspective the portfolio is not fully fit for purpose and returns over the medium to long term could be improved, and risk reduced, by re-balancing.

Such re-balancing may result in the disposal of secondary and tertiary properties that the council has held on to despite them not providing a secure return. This disposal will require careful management and capital receipts generated will be ring-fenced for further investment portfolio acquisitions in the primary sector across the industrial, retail and office markets, increasing the investment portfolio income.

- **Regeneration & Our Asset Management Strategy**

The non-operational portfolio is subject to annual strategic reviews in consultation with our external agents. Whilst the majority of the properties are income producing we remain vigilant for development opportunities that can address some of the city's needs in terms of housing and improved facilities – i.e. leisure, commercial, retail and industrial. These may arise when occupiers or developers seek to modernise their facilities, replace outmoded buildings or see an opportunity for a comprehensive land assembly and redevelopment and require a new long lease as security for funding. The existing lease is then surrendered in exchange for a new negotiated long lease from the council and a further premium payment. It is therefore of strategic benefit to the city for the council to seek disposals through long leaseholds rather than freeholds so we can exert our influence and gain on future opportunities.

We work closely with the regeneration team supporting city regeneration through major projects and the City Deal as described in **SECTION A.5.4** below.

Further regeneration opportunities may exist through joint venture schemes with private investors for individual sites or properties and we will continue to work with our agents to identify and consider these. In the case of our industrial estates, which are predominantly let on long ground leases, the council has limited opportunity to promote redevelopment with the individual tenants unless working in partnership with them.

A.4.1.3 The in-house Property & Design estates team manage a small proportion of the urban investment portfolio where cases in the main are sensitive.

## **A.4.2 Agricultural Commercial Property**

A.4.2.1 Since its publication in 2006 the agricultural commercial portfolio has been managed in compliance with the council's City Downland Estate policy (formerly the Downland Initiative) with a focus on achieving access, wildlife conservation, education and local food production. Much of the agricultural portfolio lies within the South Downs National Park which became fully operational in April 2011. Despite the council's limited control over the land due to existing agricultural tenancy constraints, our external consultants, Smiths Gore, have achieved many successes by negotiating with tenants at rent review and lease renewal. It is our intention to retain the agricultural portfolio to pursue these and similar objectives under the City Downland Estate policy and the Biosphere Reserve partnership.

More recently we have identified non-core assets for sale to raise up to £2m in capital receipts for reinvestment in to the agricultural estate and to support the council's capital strategy. The disposal of such non-core assets has little effect on income stream and it is intended to continue with the identification of disposal of such non-core assets where beneficial to do so.

**Core Assets** are defined as those that should be retained by the Council long term because they fulfil a number of strategic objectives such as financial, social or environmental benefits

**Non-Core Assets** are those which could be considered 'tradable' and could be disposed of (subject to meeting appropriate criteria) because they do not fulfil the criteria of a 'core asset'.

- **Investment Strategy** - The Council is not actively seeking to enlarge the Agricultural Estate but will consider acquisition where there is a strategic estate management reasons in doing so and/or improving access to the Downs.
- **Disinvestment Strategy** - Consider disposal of the asset having regard to timing, future development opportunity, tenure, current performance of asset, expected future performance of asset and the current market conditions.

- **Reinvestment in the Retained Estate** - The Council will seek to identify opportunities on the Estate to invest where such investment will help to underpin, maintain and increase future rental income or provide social benefits in accordance with our City Downland Estate Policy and The Space to Be Initiative.

A.4.2.2 We recognise that almost all investment based assessments of the rural estate do not take into consideration the environmental & social benefits that they can provide to their communities. The benefit of the City Downland Estate to the City is much more than its capital value and income stream. The less obvious and harder to quantify reasons for retaining the Estate include the Council's ability to control and manage a significant area of land immediately surrounding the city with access by residents and visitors to open space, fresh air and a vast area for recreation in its many forms.

A.4.2.3 **City Downland Estate Policy** – This policy fits with the Biosphere Project and its over-arching aim is to sustain natural resources by working in partnership with relevant stakeholders and potential beneficiaries and pursuing an economically sustainable approach for the council and its tenant farmers. The aims of the policy include agriculture, land use & groundwater protection, public access & recreation and wildlife & landscape conservation.

A.4.2.4 **Development at Home Farm, Stanmer** – The Stanmer Estate is a 485 ha public park situated in the South Downs National Park and part of our non-operational rural portfolio. The council is developing a long-term master-plan with the aim of restoring and protecting its historic buildings and landscape, enhancing its natural features and making it more accessible for all. Included in the master-plan will be improvement proposals for the derelict farm buildings and vacant plots to bring them back into use. The council is seeking funding from both the 'Parks for People' fund and a Heritage Grant.

#### A.4.2.5 **The Brighton and Lewes Downs Biosphere Partnership**

The council is the lead partner on the Brighton and Lewes Downs Biosphere Partnership which submitted a successful bid for the local area - based on the chalk block between the River Adur and the River Ouse - to be designated as a UNESCO Biosphere Reserve.

Biosphere Reserves are internationally recognised as 'sites of excellence' to explore and demonstrate conservation and sustainable development in practice. The objectives are to conserve & enhance nature, to support human development that is sustainable and to encourage environmental knowledge, learning, awareness and engagement.

The success of this bid, announced in June 2014, will lead to international recognition for the good work already being carried out in the area in protecting and enhancing the environment.

Brighton & Hove Downs is the first new world biosphere in the UK in 40 years and the first ever in south-east England.

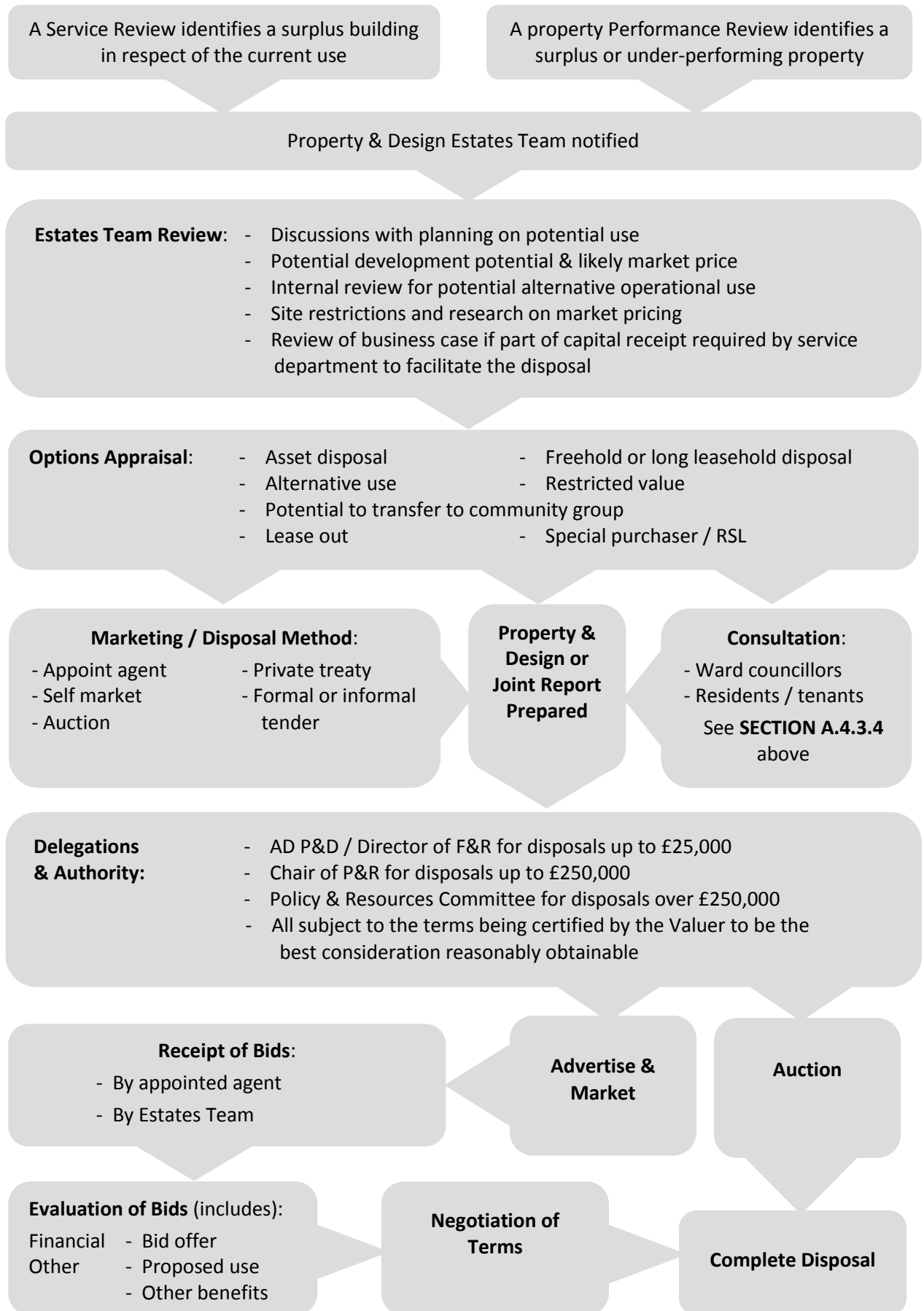
### **A.4.3 Property Disposal Process**

#### A.4.3.1 **Non-Operational Disposals**

Each non-operational asset is held for specific reasons which may include income generation, future highways potential or other socio-economic reason to further corporate priorities. During regular property reviews this reason is challenged and assets which are subsequently deemed to be surplus can be disposed of using the process summarised in **FIGURE 2** below.

The timing of disposals is crucial in achieving 'best consideration' which the council has a duty to do under Section 123 of the 1972 Local Government Act. This requires the council to reach the best value transaction possible but which may take into account other factors and benefits than just the overall sale price. As a prudent property owner the council proposes to continue to treat each disposal on its own merits and to work with our consultants and take advice on the marketing and timing of each case.

**FIGURE 2:** The property disposal process



#### A.4.3.2 Identification of Future Disposal Opportunities

During 2014 Property & Design will be reviewing the list of sites that have been identified for potential disposal or development. This process is at an early stage and will require consultation with all relevant parties and an assessment of risks and other implications. Initially these properties will be largely drawn from the non-operational portfolio although the PPR process is expected to identify additional possibilities from within the operational portfolio. The identification of operational properties where buildings are surplus by virtue of condition, suitability or need for future service delivery will continue as a priority in order to 'recycle' buildings or dispose of them to achieve capital receipts and avoid escalating expenditure on inadequate buildings.

Redundant properties will be subject to a series of steps to ensure that no opportunities are overlooked to obtain 'best consideration' whilst avoiding possible last minute problems. The legal background of each property is checked before embarking on disposal and wherever possible the title will be registered to ease the legal process at disposal.

In addition, planning enquiries are made to establish the potential for alternative use to maximise sale value and where appropriate planning permission will be sought to secure the most beneficial market use for the property. The alternative use value will be assessed at that stage. If not covered by an existing disposal consent approval will be sought for the disposal of the property which will then be marketed by the most appropriate method. Prior to being offered on the open market, ward Councillors will be advised together with relevant officers in the council.

#### A.4.3.3 Significant Site Disposals

The council's control of a number of employment sites and other major properties (such as the Brighton Centre) means that opportunities arise both from council initiatives and as a result of market interest. Such proposals are usually significant, entail comprehensive land assemblies with various parties and can take time to come to fruition. Discussions are continuing on a number of commercial development sites and major projects across the city. In these instances Property & Design work in collaboration with the council's regeneration, housing and City Deal team as appropriate to facilitate development of the opportunity.

#### A.4.3.4 Consultation Process

Consultations are undertaken at three separate levels for a property transaction:

##### **Level 1 – Consultation by Property & Design**

Property & Design consult other internal departments, the client, the agents and relevant parties prior to seeking approval to sell or lease. As part of this procedure, Ward Councillors are informed of the proposed property transaction and invited to query or obtain any further information. These briefings may be of a commercially and financially sensitive nature and need to be undertaken in an appropriate manner.

##### **Level 2 – Consultation by Developer**

Once the disposal or lease is approved and terms have been settled the selected developer will be in a position to progress their design against the background of the planning and pre-application process. It is the developer's role to consult with the local community and other interested parties on their particular scheme as the design develops and evolves. Schemes are almost invariably refined or amended in the light of those consultations.

##### **Level 3 - Local Planning Authority**

When the developer has concluded consultation with the local community, other interested parties and the Local Authority planning team and amended or refined the design scheme it would then be in a position to make a formal planning application.



There are statutory procedures for the Local Authority planning team to consult with neighbours and local communities. At this stage planning officers can take account of the local community's comments and objections in a more meaningful way in relation to the specific scheme which is presented to them.

**Informal Planning Guidance Notes** may be prepared at the request of Property & Design to assist the marketing process and to enable developers to make their bids on the same information. They replace the individual discussions that developers would have had with individual planning officers and ensures that consistent advice and guidance is given. Notes of this nature have been prepared on a non-prejudicial basis for specific development sites and the wording is phrased in a way that makes clear its informal status. It is not a Planning Policy Document with the status of a Supplementary Planning Document which would have entailed widespread consultation.

## **A.4.4 Property Lease-In & Lease-Out Process**

### **A.4.4.1 Property Lease Out**

The process of leasing out property must be transparent and fair to all potential bidders and is summarised in **FIGURE 3** below. All proposals for leased out property must be assessed under Corporate Landlord and gain approval through Corporate Landlord delegations.

### **A.4.4.2 Property Lease In**

The council's policy is to avoid leasing in buildings wherever possible due to the higher and more uncertain cost of rented property and the relative inflexibility imposed by third parties and legislative liabilities. Our strategy for several years has been to take advantage of break clauses wherever possible to reduce our reliance on leasehold assets. Any proposal to lease in a property must demonstrate that a robust review of existing properties has taken place and that no suitable accommodation is available within our existing portfolios. All proposals for leased in property must be assessed under Corporate Landlord and gain approval through Corporate Landlord delegations.

### **A.4.4.3 Corporate Landlord Delegations**

The council's Constitution and Scheme of Delegations were approved by Members in March 2013 to formalise arrangements and to enable the Corporate Landlord model to be implemented.

These amendments ensure that all Service Heads, clients, directorates and partners can only dispose of, or acquire properties under Corporate Landlord. Once an asset is declared as being surplus to requirements, it will transfer to Property & Design for identification of future use or disposal.

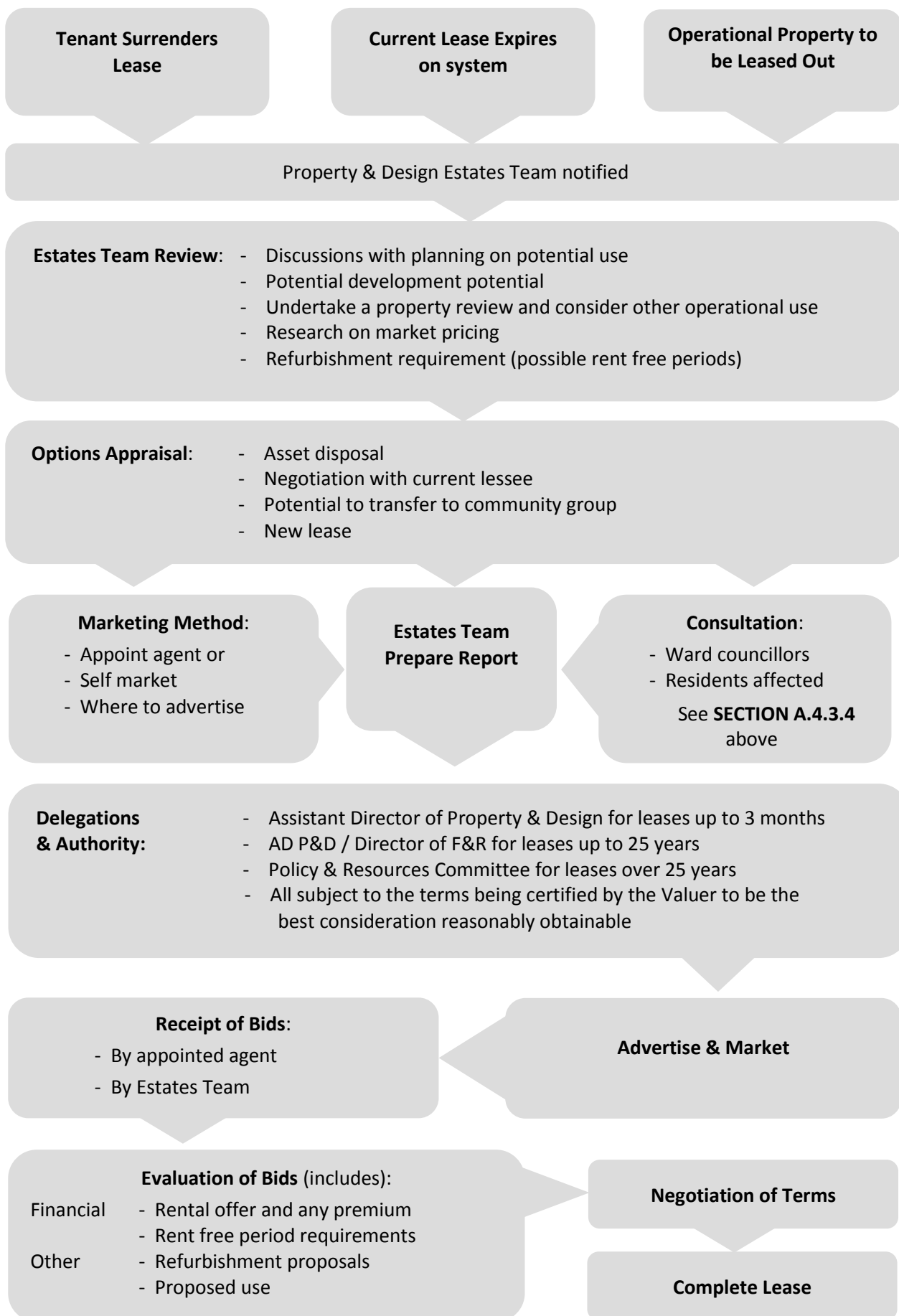
Property & Design will lead on the grant and termination of leases to ensure that the best market terms are obtained and to oversee issues relating to termination, such as dilapidations and other tenant's obligations to ensure expert settlement and avoid any disadvantage to the council.

Under Corporate Landlord all property disposals, acquisitions and lease arrangements are authorised through Property & Design to maintain a consistent and expert approach. Where property issues need prior Committee approval, reports must be made through Property & Design as appropriate, and / or prepared as joint reports where the client service department has initiated the requirement through a service need.

Other aspects of Landlord & Tenant management, such as lease renewals, rent reviews, issues relating to landlord's consent, change of use and alterations will be negotiated by Property & Design under Corporate Landlord to utilise market knowledge and Landlord & Tenant expertise whether the council is the landlord or the tenant.

The only exception to this is for housing where statutory enabling powers exist for those acquiring land by virtue of legislation such as Right to Buy and Leasehold Enfranchisement.

**FIGURE 3:** Leasing out a property



## **A.4.5 Community Asset Transfer & The Localism Act**

### **A.4.5.1 Community Asset Transfer**

B&HCC have long supported the principle of community asset transfer wherever appropriate but recognise that entering a formal contract with a large corporate body can be off-putting to small community groups. We have therefore developed a Community Transfer Lease which is a simplified form of agreement clearly setting out the rights and responsibilities of the parties in plain English. This has encouraged several community groups to take over the management of our community centres to the benefit of the local areas.

#### **CASE STUDY**

##### **THE OPEN MARKET SITE REDEVELOPMENT**

The Open Market is a council owned site which has been used as a traders market since 1926 but fell into decline after the 1970s. The Open Market Traders Association came together to propose a redevelopment plan to include a new covered market promoting fresh, healthy produce, affordable housing and an arts and craft hub run on a not-for-profit basis. This provides a community benefit as well as kick-starting redevelopment of the wider area. Although B&HCC did not have the funding to provide the necessary investment in the market, they agreed to transfer a long leasehold interest in the site to a not-for-profit trust set up by the traders for a peppercorn rent. The old Open Market has now been demolished and the new market opened in the summer of 2014. This is managed by the Brighton Open Market Community Interest Company as a social enterprise for the benefit of the local community.



### **A.4.5.2 Localism Act 2011**

The Localism Act introduced the Community Right to Bid with the aim of keeping valued land and buildings in community use by giving local people the chance to bid to buy them, if and when they come onto the market. It provides the opportunity for eligible community groups to nominate any public or private land and buildings which fulfil the criteria set in the Act to be part of a register of 'Assets of Community Value' which is held and managed by the council. If an asset on this register is subsequently offered for sale, the right is triggered.

The Community Right to Bid does not give a right of first refusal to community organisations to buy an asset that they successfully nominate for inclusion on the local authority's list but does give time for them to put together the funding necessary to bid to buy the asset on the open market.

## **A.5 FINANCING & DELIVERING THE ASSET MANAGEMENT PLAN**

### **A.5.1 Capital Programme**

#### **A.5.1.1 Brighton & Hove City Council's Capital Investment Strategy 2014 to 2017**

The Medium Term Financial Strategy links to the Asset Management Plan and Corporate Property Strategy through the capital and revenue budgets and programme of work. Future year allocations will need to be reviewed in line with capital receipts projections. An element of the estimated resources is contingent on planned disposals of surplus assets part of which is generated through Right to Buy receipts from the sale of council housing.

Proposed Capital Resources 2014-17 (source: P&R Report dated 13 February 2014):

<b>Capital Resource Funding</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>
	<b>£ ,000</b>	<b>£ ,000</b>	<b>£ ,000</b>
Government Grants (Single Pot)	20,099	22,639	23,241
Government Grants (Ringfenced)	7,698	1,761	500
Capital Receipts	4,733	5,642	9,910
Capital Receipts HRA	3,558	4,897	675
Capital Reserves	934	0	0
HRA Capital Reserves	1,040	500	500
Specific Reserves	1,476	1,370	1,215
External Contributions	75	0	0
Direct Revenue Funding (General Fund)	1,947	1,550	1,550
Direct Revenue Funding (HRA)	24,593	22,600	23,500
Council Borrowing	9,805	7,627	1,347
Temporary Funding	4,017	3,093	(7,110)
<b>TOTALS:</b>	<b>79,975</b>	<b>71,679</b>	<b>55,328</b>

Further details of the summary information can be found in the report of the Director of Finance & Resources to the Policy & Resources Committee dated 13<sup>th</sup> February 2014 and subsequent annual update reports.

#### A.5.1.2 **Asset Management Fund (AMF)**

The Asset Management Fund (AMF) is a capital fund to support property improvements, property related Health & Safety requirements and access improvements under the Equality Act 2010. It forms part of the council's Capital Strategy and for 2014-15 consists of a budget of £1.0 million funded from capital receipts.

The AMF is managed by Property & Design through a process of annual bids with set evaluation criteria including justification for need, the business case, benefits and links to the council's strategic priorities and fulfilment of statutory obligations. During 2014-15 the AMF will support compliance issues including asbestos, Legionella control and fire precautionary works as well as contributing to *Workstyles* Phase 3.

### **A.5.2 Revenue Programme**

A.5.2.1 Property & Design manage the council's £3.828m [2014-15] annual corporate maintenance budget (PMB) for planned and term cyclical works including statutory test and inspections to operational properties. These include civic offices, historic buildings, leisure facilities, park buildings, farmlands, car parks, social care premises and commercial properties where the council retain a repairing obligation but exclude council housing and school buildings which are maintained from separate budgets. Our process for prioritising expenditure is detailed in our Corporate Building Maintenance Strategy summarised in **AMP SECTION 3.7**.

Under our Corporate Landlord model Property & Design also manage a £1m budget for reactive maintenance, £1.4m for utility bills, £1.9m for business rates and £0.4m for rents and service charges.

## A.5.3 Development Opportunities in Brighton & Hove

### A.5.3.1 Housing

Residential property prices have increased rapidly in the city in recent years making it difficult for first time buyers to purchase homes whilst high rents in the private sector have resulted in significant gaps between the local housing benefit and average market rents. Added pressure is applied to the housing market with the city having a high proportion of single person households (36.4% as opposed to the national average of 30.2% [2011 Census]).

The current City Plan identifies eight development areas with a target of 11,300 new homes by 2030. As requested by the Planning Inspector the council is now looking at all land on the urban fringe between the urban area and the South Downs National Park to identify potential sites for an additional 1,500 units. This will include looking at underused parks and allotments.

Property & Design, as part of the Estates Regeneration Programme Board, will be acting as developer to identify and develop council owned sites for housing using our in-house architectural team.

### A.5.3.2 Redevelopment Sites

The demands for capital development in the city are high and driven by the need to build on the city's cultural and heritage tradition whilst improving the quality of life for its citizens. This means that traditional approaches to capital investment will not meet demand and the city council and its partners need to pursue innovative solutions.

## A.5.4 Major Projects

A.5.4.1 Property & Design are involved in many of the major project programme boards to advise on design, procurement and land & property matters. The current list of major projects that Property & Design are involved in include:

**Circus Street** - The proposal for the site, dubbed 'Grow Brighton' is to build a high-quality sustainable mixed use development providing a new university library and teaching space for the University of Brighton; employment space, from corporate office down to move on space and managed workspace for the creative industries; residential units, student accommodation, ancillary retail and a state of the art dance studio for South East Dance.

**Black Rock Site** – Current research and feasibility work is being shared with the newly constituted Black Rock Project Board including how the site might be brought forward. This is expected to result in a report to the Policy & Resources Committee by the Spring of 2015. Bids for Growth Funding are also being explored which may assist with any forthcoming development proposals by supporting additional costs relating to site infrastructure and service diversion works.

**Brighton Centre** - Options continue to be considered for the future of the convention centre which include plans for a new-build centre if a fully funded scheme can be achieved in partnership with Standard Life. A retrofit and full refurbishment of the current building is not considered viable at present as this would require an improvement to the overall business case which would not be nearly sufficient to fund the estimated additional £50m of works required to achieve a long term solution.

**Preston Barracks** - Redevelopment of the council owned 2.2 hectare brown-field site to create a mixed-use development that will act as a regenerative catalyst for this part of the city.

**New England House** - To establish a future vision for New England House as a large scale, high profile and visible managed business centre focused on the digital media and creative industries as the flagship project of the Greater Brighton City Deal. In September 2014 the Economic, Development & Culture Committee granted delegated authority to procure and award a contract to facilitate the Brighton Digital Exchange offering ultrafast cost-effective broadband for local creative & digital companies.

**King Alfred** - Securing the long-term replacement of the outdated sports facilities currently on offer at the King Alfred Leisure Centre including consideration of options for the wider regeneration of the King Alfred site.

**Brighton & Hove Albion Community Stadium Released Land at Falmer** - The long-term redevelopment of the former Falmer School land not required for the Brighton Aldridge Community Academy (BACA).

## **A.5.5 Project Options Appraisal**

A.5.5.1 It is essential in the current financial climate and with limited resources that only appropriate and agreed projects are pursued. The council operates a mandatory template for business cases to ensure that projects are initiated properly, receive sign off at the appropriate level and can be properly resourced.

The template has two parts:

- Outline business case: containing enough information to decide whether the project should be pursued and a full business case prepared; contains options at a high level
- Full business case: explores each option in detail and indicates a preferred option

Approval of the business case will depend on the size and scope with 'significant' projects requiring sign-off by the Executive Leadership Team and smaller projects by individual Heads of Service. Projects deemed as 'significant' are those which are instigated corporately, politically contentious or sensitive, carry a high level of risk, are likely to have significant capital or revenue implications but offer significant savings and require significant cross-council support.

Management support for these projects is through the council's Performance, Improvement & Programme team. This includes the Project Resource Group which is a virtual network of support service representatives which can be used to encourage forward & resource planning and to offer advice and input to business cases as part of their approval process.

## **A.5.6 Procurement of Construction Related Works**

Property & Design procure their works contracts through a variety of routes depending on the value and nature of the work to ensure that the most appropriate method is chosen to maximise value for money. In order of value the options available to us include:

### **A.5.6.1 Small Works**

For works up to £25,000 (or consultants up to £10,000) the council's policy is to employ local contractors defined as having a Brighton & Hove 'BN' postcode or one of the adjacent postcodes of 'TN', 'RH' or 'PO'. The only exception will be where the work is of a specialist nature and suitable contractors cannot be sourced in the local area. Contract officers are obliged to seek competitive quotations for one-off projects.

Property & Design compile a small works list of local companies who have applied and meet our minimum standards for health & safety. This list is refreshed and circulated to council contract officers and schools on a quarterly basis.

For higher value works the only exception to the use of *ConstructionLine* are where a suitable framework or partnering agreement is in place as described below.

### **A.5.6.2 Framework Agreements**

Property & Design are currently [March 2014] undertaking a feasibility study on future procurement options for our annual reactive maintenance programme across corporate buildings, schools and social care with a view to introducing framework agreements from 2015-16 onwards. This will reduce reliance on our existing approved lists, provide more cost certainty, reduce transactional costs and allow us to explore further supply chain economies and improvements.

Property & Design also use other frameworks procured by other public bodies wherever possible to avoid duplication of effort. Such frameworks, including the example in the following case study, provide greater budget certainty, savings from economies of scale and far shorter project lead-in times. For the past three years a suite of our planned maintenance projects have been procured to local contractors using the Sussex Cluster Contractor Framework originating from the Improvement and Efficiency South East (IESE) initiative.

Working in close collaboration with Property colleagues at East Sussex County Council, this open-book form of procurement adopts similar principles to the Strategic Construction Partnership. Benefits include simpler, quicker and reduced risk procurement, time & cost predictability, using resources more efficiently and supporting local SMEs.

Property & Design continues to work closely with neighbouring county, district & borough councils, housing associations, Health Trusts, Universities, East Sussex Fire & Rescue and Sussex Police and in 2013 re-procured the Sussex contractor framework for 2013-2017 through an EU public procurement compliant procedure. It is anticipated that further collaborative working will result in greater efficiencies and savings through cross-client packages of works. A pilot of Brighton & Hove City Council and East Sussex County Council school's planned maintenance projects is being procured collaboratively for 2014-15.

#### A.5.6.3 **Strategic Construction Partnership**

Property & Design pioneered a five year strategic construction partnership in 2003 with a local constructor and including quantity surveying and structural engineering consultancy services procured through the Egan principles outlined in the Rethinking Construction initiative. This partnership was recognised nationally for best practice.

Projects to a value of £12.6m were procured during this first partnership mainly for education new-build projects but also including civic office refurbishment works. Performance of the partnership was monitored through contract performance indicators including customer satisfaction surveys to demonstrate continuing value for money.

Due to its success and value for money a second £40m five year strategic partnership was entered into during 2008. During the life of this partnership which ended in 2014, a total of £41million of capital projects were successfully designed and completed including major school expansions, refurbishment of an existing building to create a new school, phases one and two of our *Workstyles* refurbishment works, refurbishment of two city car parks and the construction of the Whitehawk Hub including a new public library. During this partnership the constructor employed a high percentage of local labour and sub-contractors and the partnership as a whole created 105 apprentices across the main construction disciplines. Of these 93% are still employed in companies within the partnership. Overall it is estimated that partnering has produced savings of between 2% and 5% on traditional contracts prices, notwithstanding the savings on time. Property & Design have procured under OJEU a third four year partnership that commenced in 2014.

#### A.5.6.4 **ConstructionLine Pre-Qualification**

For all other works over £25,000 (or consultants over £10,000) and below the current EU threshold a more formal tendering process is required and contractors to be invited to tender are selected at random from our approved list. Contract officers can still select up to 50% of each tender list by nominating contractors who have recently and successfully completed similar works. The council use *ConstructionLine* which is a national database of pre-qualified contractors and consultants and hold our own list of companies who have expressed an interest in working for the council within it.

## **A.5.7 Procurement of Construction Related Supplies & Services**

### **A.5.7.1 Energy Procurement**

Property & Design undertake corporate procurement of the council's energy supplies for electricity (100+Kw and sub-100Kw portfolio), gas and oil for all council buildings. This capitalises on the council's large buying power, achieving value for money and enabling us to secure our total electricity supplies from renewable sources minimising the council's CO<sub>2</sub> emissions. We are currently purchasing electricity and gas through a Central Purchasing Body whose contract expires in 2016 which also provides an energy management service. With the purchase of our own energy management software solution in 2013 (see **SECTION A.6.2** below) and AMR installation programme we are currently considering alternative procurement options for the future.

### **A.5.7.2 Soft Facilities Management Services - Building Cleaning, Security, Waste & Re-Cycling**

Property & Design have procured corporate wide four year OJEU compliant contracts for soft FM services – building cleaning, security and waste / re-cycling. Each contract is based on a full specification of our requirements and evaluated against both financial and quality criteria.

All corporate landlord managed properties are automatically included in these contracts which offer a consistent, monitored and value for money tested service benefiting from economies of scale. Other buildings including schools and housing are encouraged to be part of the contract and in these cases the costs are re-charged to the services to take advantage of the benefits.

## **A.6 MONITORING PERFORMANCE & DATA MANAGEMENT**

### **A.6.1 Open Government & Data Transparency**

A.6.1.1 Brighton & Hove City Council actively support the Government's data transparency agenda and view our asset management database (see **SECTION A.6.2** below) as a vital step in using ICT to reduce duplication in systems, improve accuracy of data & facilitate the publication of up-to-date information through our website. Open access to our data is a key part of our Corporate Plan.

A.6.1.2 The first stage of this was the publication of the city's public sector asset map in March 2012. This map, hosted and managed by the council, contains details of property assets owned or occupied by our public sector partners including the NHS, the Police, Fire & Ambulance Services, the Universities and Central Government departments. The current interactive map and guide can be viewed by following this link:

<http://www.brighton-hove.gov.uk/content/council-and-democracy/council-property-and-land>.

The property attributes published will continue to be updated and enhanced as a result of developing central government requirements, feedback from website users and good practice.

### **A.6.1.3 Recording of Officers Decisions**

The Openness of Local Government Bodies Regulations 2014 introduces new requirements regarding officer decisions. With effect from August 2014 certain officer decisions have to be recorded and published with the record including certain prescribed information.

### **A.6.2 Data Management Systems**

A.6.2.1 In 2013 the council invested in a new fully integrated web-based asset management software system – *Atrium Property Asset Management System* – procured through an SE7 collaborative framework led by Hampshire & Surrey County Councils. Property & Design went live on the system during 2014.

The *Atrium PAMs* system offers the council a fully integrated property terrier which will be available to all registered users throughout the council and lies at the heart of our asset management process. Updated information will be available to all staff with the following components:



- **Property Terrier** - Our definitive record of land and property assets owned or leased in by the council.
- **Estates Management** - Acquisition and disposal information together with historic & future leases & assignments.
- **Valuations** - Property and insurance valuations will be fed into the database.
- **Geographical Information System (GIS)** - *Atrium* contains a GIS viewer with the ability to link each asset record to our central mapping system ensuring that both textual and graphical data accurately relate to each other. Layers within the GIS system allow users to view a colour coded record of what the council owns, leases or has sold overlaid onto the Ordnance Survey map.
- **Asbestos & Fire Safety** - This provides a record of asbestos containing materials and fire safety issues within our operational properties including survey results, risk assessments and prioritised action plans. This will support us in meeting and fulfilling our statutory duties.  
The database is linked and referenced to our library of CAD floor plans. Any building managers across the council will be able to view the records for their property through a web-link on a read-only basis. **Legionella** risk assessments and records will continue to be stored on the system provided by the current term maintenance contractor, Hertel Solutions Ltd, but this will be reviewed at the end of the current contract.
- **Other Surveys** – Including condition, suitability and sufficiency.
- **Helpdesk & Reactive Maintenance** – Our premises team will log all property helpdesk calls on *Atrium* and process reactive maintenance works orders and authorise payments. *Atrium* will provide a detailed repair history and property running costs for each asset.
- **Statutory Compliance** – Term maintenance contract work relating to mechanical & electrical statutory and good practice requirements will be logged onto *Atrium*. The system has the ability to flag up missed certificates to provide reassurance that full compliance is maintained.

**Electronic Property Information Mapping Service (e-PIMS)** – This is a central government property database which the council will be using in collaboration with the SPACES group (see **SECTION A.1.3** above) as an aid to identify public sector property ownership across Sussex and the location of any surplus property.

#### A.6.2.2 Property Performance System

In addition Property & Design have developed in-house a complementary system for our property performance records with each entry linked to the *Atrium* database using the Unique Property Reference Number (UPRN). This system offers the following additional components:

- **Property Information** - General property information held will include the service directorate, responsible client officer, GIA data, property age, current use and general description.
- **Condition and Suitability** - Data from the rolling programme of condition and suitability surveys is entered into the database to provide up to date information which will be used to inform our property performance indicators and future planned maintenance programmes.
- **Performance Reviews** - The system automatically undertakes property Performance Reviews (see **SECTION A.3.1** above) and updates the results as new condition and suitability data is fed in to it. The system also allows us to view “live” updates on the NaPPMI property performance indicator results (see **SECTION A.6.3** below) both at individual property level as well as by property category and overall.

#### A.6.2.3 SystemsLink

Property & Design purchased the *SystemsLink* energy and water management software during 2013. The software receives our Automatic Meter Reading (AMR) data and translates this into usable information. AMR data is collected on a half hourly cycle and received on a day plus one basis. The software offers us the following key features:

- A dedicated energy management tool which can be used to carry out detailed analysis of consumption and cost data, analyse trends including comparisons of usage across similar sites, generate reports, factor in external influences such as external temperatures, degree days, issue alerts on unexpected consumption data as a means to identify excessive energy or water use including leaking water pipework.
- An awareness tool allowing individual building users to view energy and water consumption for their own sites as a means to educate and encourage energy saving measures.  
This includes the ability for schools to use energy and water consumption data for their own buildings as a curriculum teaching aid. Roll-out of this function commenced during early 2014.
- Support for the information required to generate statutory Display Energy Certificates (DECs) and to meet our obligations under the statutory Carbon Reduction Commitment (CRC) requirements including an audit trial of data and data changes.

#### A.6.2.4 Financial Information System

Our Financial Information System comprises a web based ordering system and a financial management system both supplied by Civica Financial Systems Ltd. The former system meets e-government requirements particularly in relation to e-procurement and provides improved controls on the raising and authorisation of purchase orders. The latter provides a flexible management and reporting tool allowing budget holders to monitor their own financial expenditure.

#### A.6.2.5 Housing Management Systems

The housing management team hold their Housing Revenue Account residential property management data in *OHMS* – the Open Housing Management System - which is an integrated database system including property details, tenancy details, rent accounting and property repairs and maintenance ordering system. Housing management have also invested in *APEX*, a business planning and modelling tool designed specifically for the asset management of social housing and *ProVal* which is software for calculating housing development financial viability and rent modelling.

### A.6.3 Property Performance Indicators & Bench-Marking

#### A.6.3.1 National Property Performance Management Initiative (NaPPMI)

The council has adopted the NaPPMI Property Performance Indicators as recommended and overseen by the Chartered Institute of Public Finance & Accountancy (CIPFA). The NaPPMI indicators cover the areas detailed below in respect of the council's operational assets:

<b>PI 1A</b>	Current Property Condition	<b>PI 3</b>	Suitability Assessment
<b>PI 1B</b>	Required Maintenance	<b>PI 5</b>	Office sufficiency & cost
<b>PI 1D</b>	Reactive / Planned Ratio	<b>PI 6</b>	Property Running Costs
<b>PI 2</b>	Energy & Water Consumption	<b>PI 7</b>	Project Time & Cost Predictability

Further details are provided in Appendix B which contains the annual PI update

#### A.6.3.2 Local Performance Indicators

In addition to the NaPPMI PIs, the council also collects data for local PIs including:

- Local PIs for the performance of the non-operational portfolios collected and monitored through our urban and rural estate management contracts.
- Comparison of costs between Property & Design's in-house architectural and building surveying services and external consultants.
- During 2014, Property & Design are setting up a suite of additional local property PIs to include customer satisfaction levels that will be regularly reviewed and reported back to the Director.
- *Workstyles* performance including revenue savings and floor area per full time equivalent staff.

### A.6.3.3 Corporate Performance Indicator Results

The Annual Performance Update Report is presented annually to the Policy & Resources Committee and reviews our corporate performance progress as an authority and as a city during the previous year. Specifically the report shows progress in the following areas:

- Our organisational measures of success as they relate to the Corporate Plan and the council's organisational health measures.
- How well the priorities in the Sustainable Community Strategy are being delivered.

Property & Design contribute to the Annual Performance Update Report where relevant.

### A.6.3.4 Property Performance Indicator Results

Property & Design subscribe to the CIPFA Asset Management service providing us with the opportunity to benchmark our performance against other local authorities. These include:

- The National Property Performance Indicators (NaPPMI) – These are reviewed and reported on annually and retrospectively once all annual data has been collected. Comparisons year on year are analysed to establish trends and to target additional resources where appropriate and to set revised targets where necessary. The council subscribe to the CIPFA bench-marking service where our results can be compared and benchmarked against other authorities across the country. **APPENDIX B** to the AMP contains the latest PPI data and commentary which is updated annually and available to view and download at:

<http://www.brighton-hove.gov.uk/index.cfm?request=c1152664>

- Property Related Professional Services – A CIPFA exercise undertaken during 2014 to compare fee scales paid by local authorities for professional services including architecture and building surveying. Benchmarked results for our in-house services placed our fees in the lower quartile in most categories and below average in the remainder demonstrating value for money for our current clients.
- Property Services Value for Money – This CIPFA exercise is carried out annually to collect data on a range of nearly 100 performance indicators across various property related services including design work, maintenance work and asset & energy management. This allows us to benchmark our results against other authorities.
- Corporate Landlord Health-check – An on-site assessment carried out by CIPFA during 2014 to review progress and the maturity of our new Corporate Landlord operating model. Verbal feedback was that the model has bedded in well based on the information provided.

## A.7 OUR ASSET MANAGEMENT ACTION PLAN

### The Asset Management Action Plan 2014 to 2018

The tables below summarise the actions identified within the AMP for completion between 2014 and 2018. Future AMP updates will report on our progress against each of these actions.

#### AMP Section 2.8: Property Objective A

- To complete a full round of property performance reviews on our operational property with a focus on social care properties and establish a three year rolling programme of subsequent reviews in order to identify poorly performing buildings.
- To develop action plans for assets assessed as unsatisfactory during the PPR process.
- To invest in the maintenance and upkeep of our key service and historic buildings in the city.
- To develop a five year capital programme aligned to the capital strategy for our schools to meet future pupil place requirements in the City.
- To improve the quality and availability of social housing and continue to develop sites.
- To update and refresh the Corporate Building Maintenance Strategy to cover the period 2014-18.

- To use our Asset Management Fund and other funding streams to address issues and ensure compliance with our obligations under the Equalities Act and Statutory Health & Safety requirements.

#### **AMP Section 2.8: Property Objective B**

- To complete the third phase of our *Workstyles* programme to include the disposal of Kings House and the refurbishment and full occupation of Hove Town Hall.
- To explore the remaining areas and services to be '*Workstyled*' under further phases to include Brighton Town Hall.
- To investigate further property related budgets that can transfer under Corporate Landlord including remaining budgets for soft FM services – cleaning, security & waste.
- To use our Corporate Building Maintenance Strategy to ensure correct and consistent prioritisation of our resources.
- To investigate all suitable procurement options for our maintenance & construction programmes and to monitor our performance to ensure the best value options are used.
- To agree our Services for Schools offer to the city's schools.
- To establish a robust system of customer feedback monitoring, to identify and problem areas and to take action to resolve these.

#### **AMP Section 2.8: Property Objective C**

- To implement the agreed actions from our One Planet action plan for Zero Carbon, Sustainable Water & Zero Waste.
- To continue to improve the status of our groundwater by working with partners to protect the city's water supply – reduce pollutants, minimise water loss and reduce consumption.
- To further develop our sustainable design policy and implement the measures in all possible projects to reduce waste and future energy use.
- To develop and promote further internal recycling and re-use initiatives through the use of *Warpl* & *Freegle* to reduce our waste.
- To develop the business case for a programme of energy efficiency measures within our retained operational property.
- To complete our programme of installing Automatic Meter Reading (AMR) equipment and use the data to reduce energy and water consumption.
- To investigate energy procurement options for gas, electricity and oil supplies and finalise our strategy.

#### **AMP Section 2.8: Property Objective D**

- To undertake a comprehensive review of our non-operational portfolios to identify non-performing assets and to develop action plans for each one.
- To implement the new urban commercial investment portfolio strategy for re-balancing of the portfolio through disposal and re-investment.
- To implement the new agricultural investment portfolio to identify and dispose of non-core assets.
- To support the Advisory Board on improvements to the City Downland Estate.
- To support the Heritage Lottery Fund (HLF) bid for Stanmer Park including the development of Home Farm.
- To lead on the City Deal investment in the flagship New England House creative and digital hub.
- To support the Biosphere Reserve programme.

### AMP Section 2.8: Property Objective E

- To actively seek potential development opportunities throughout the city using our own land property assets to pump prime larger developments.
- To increase the supply of ready to develop housing sites by identifying opportunities to build homes on council land.
- To act as developer and use our in-house teams to design and develop suitable sites for residential use in conjunction with the housing and regeneration boards.
- To support the development of new extra care housing & supported accommodation units to help people with complex needs to remain in the community.
- To develop options for our key regeneration sites, land assemblies and disposals through project teams, programme boards and collaborative working with partners including the Preston Barracks, Brighton Centre, Black Rock, Circus Street & King Alfred sites.
- To support the development of the Seafront Strategy.
- To support the work of the Public Sector Property Group including working on development options for the under-used Brighton General Hospital site.
- Continue to collaborate and work with other groups including SPACES and through the SE7 partnership.
- To provide Property & Design support to all major infrastructure projects.
- Support the City Deal, Local Enterprise Partnership (LEP) and Brighton Regional Economic Growth Board in achieving the regeneration outcomes for the city.

### Section A.6.3 & Appendix B

- Targets for our NaPPMI performance indicators are reviewed and reported on an annual basis. See **APPENDIX B** to this document for the latest targets and results.

## A.8 PUBLICATION LIST

For further information on documents referred to in the AMP please use the links below:

AMP Section	Topic & Further Information Link
2.2	Brighton & Hove: The Connected City – Community Strategy <a href="http://www.bandhsp.co.uk/">http://www.bandhsp.co.uk/</a>
2.3	Brighton & Hove Economic Strategy <a href="http://www.brighton-hove.gov.uk/sites/brighton-hove.gov.uk/files/downloads/economicdevelopment/economic_strategy_2008-2016.pdf">http://www.brighton-hove.gov.uk/sites/brighton-hove.gov.uk/files/downloads/economicdevelopment/economic_strategy_2008-2016.pdf</a>
2.3	The Greater Brighton City Deal <a href="https://www.gov.uk/government/publications/city-deal-greater-brighton">https://www.gov.uk/government/publications/city-deal-greater-brighton</a>
2.4	The City Plan <a href="http://www.brighton-hove.gov.uk/content/planning/local-development-framework/city-plan">http://www.brighton-hove.gov.uk/content/planning/local-development-framework/city-plan</a>
2.5	The Corporate Plan <a href="http://www.brighton-hove.gov.uk/content/council-and-democracy/performance/corporate-plan">http://www.brighton-hove.gov.uk/content/council-and-democracy/performance/corporate-plan</a>
2.6	Medium Term Financial Strategy <a href="http://www.brighton-hove.gov.uk/content/council-and-democracy/performance/medium-term-financial-strategy">http://www.brighton-hove.gov.uk/content/council-and-democracy/performance/medium-term-financial-strategy</a>
3.7	Corporate Building Maintenance Strategy <a href="http://www.brighton-hove.gov.uk/content/council-and-democracy/council-property-and-land/asset-management-plan-and-corporate-property">http://www.brighton-hove.gov.uk/content/council-and-democracy/council-property-and-land/asset-management-plan-and-corporate-property</a>

3.9	Local Transport Plan <a href="http://www.brighton-hove.gov.uk/content/parking-and-travel/travel-transport-and-road-safety/local-transport-plan">http://www.brighton-hove.gov.uk/content/parking-and-travel/travel-transport-and-road-safety/local-transport-plan</a>
3.9	Seafront Strategy <a href="http://present.brighton-hove.gov.uk/Published/C00000705/M00004040/AI00030988/\$SeafrontStrategyNovFinalDraftVersion.pdfA.ps.pdf">http://present.brighton-hove.gov.uk/Published/C00000705/M00004040/AI00030988/\$SeafrontStrategyNovFinalDraftVersion.pdfA.ps.pdf</a>
3.10	Corporate Procurement Strategy <a href="http://www.brighton-hove.gov.uk/sites/brighton-hove.gov.uk/files/Corporate%20Proc%20Strategy%202014_0.pdf">http://www.brighton-hove.gov.uk/sites/brighton-hove.gov.uk/files/Corporate%20Proc%20Strategy%202014_0.pdf</a>
App A	Biosphere <a href="http://www.brighton-hove.gov.uk/content/environment/biosphere-project">http://www.brighton-hove.gov.uk/content/environment/biosphere-project</a>
App A	One Planet Living <a href="http://www.brighton-hove.gov.uk/content/environment/sustainability-city/one-planet-city">http://www.brighton-hove.gov.uk/content/environment/sustainability-city/one-planet-city</a>
App A	Open Data – Asset Map <a href="http://www.brighton-hove.gov.uk/content/council-and-democracy/council-property-and-land">http://www.brighton-hove.gov.uk/content/council-and-democracy/council-property-and-land</a>
App A	AMP Pls <a href="http://www.brighton-hove.gov.uk/content/council-and-democracy/council-property-and-land/asset-management-plan-and-corporate-property">http://www.brighton-hove.gov.uk/content/council-and-democracy/council-property-and-land/asset-management-plan-and-corporate-property</a>
App A	Statement of Accounts <a href="http://www.brighton-hove.gov.uk/content/council-and-democracy/council-finance/statement-accounts">http://www.brighton-hove.gov.uk/content/council-and-democracy/council-finance/statement-accounts</a>

## **A.9 SUMMARY OF BRIGHTON & HOVE CITY COUNCIL'S PROPERTY PORTFOLIOS**

### **Overview of Our Land & Property Portfolio**

Brighton & Hove City Council has a diverse land and property asset portfolio valued at just under £1.96 billion in 2014 including a non-operational property portfolio of approximately £222m and a housing portfolio of a little under £570m.

Summary of land & property holdings as at 31.03.14 based on the Statement of Accounts:

<b>Category</b>		<b>Valuation @ 31.03.14</b>	<b>% of total</b>
Residential Council Housing		£ 570m	29.1%
Operational	Schools	£ 485m	24.7%
	Other Land & Buildings	£ 683m	34.9%
Non-Operational	Urban	£ 160m	8.2%
	Agricultural	£ 30m	1.5%
	Surplus & Disposal	£ 32m	1.6%
<b>TOTALS:</b>		<b>£ 1,960m</b>	<b>100%</b>