



Wiltshire Council

Property Strategy

2008 to 2012

5 June 2008

CROSS-CUTTING SERVICE PLAN FOR PROPERTY

EXECUTIVE SUMMARY

The establishment of a new Wiltshire Council provides an exciting and challenging opportunity to develop a new Property Strategy for the authority. The Strategy will be developed alongside the 1C4W Transition Programme and Access to Services Strategy and will cover both support and operational services accommodation. The aim is to develop a plan for the review and subsequent rationalisation of the combined property assets of the new Council to create a base from which the authority can deliver its services in the most efficient and effective way.

After staff, property is an organisations second most valuable resource, the management of which should be strategically planned if Corporate objectives are to be achieved. The development of a Property Strategy and Implementation Plan for a combined property portfolio valued at around £500m is a significant long-term programme of work which will need to be properly resourced and overseen at a Corporate level.

Initial work on the rationalisation of the office portfolio has already begun with a scheme to refurbish 2 floors of the MECH building on the County Hall campus due to start later this year. This will provide modern, fit for purpose accommodation for staff displaced by the Waterside Scheme as well as the base for the new Shared Services Team. Work on the review of the operational estate is unlikely to start until the outcome of the One Council front-line workstreams is known later in the year.

There will undoubtedly be significant costs arising out of the implementation of the property Strategy over the next few years, and although every effort will be made to develop cost neutral solutions, it is inevitable that the work programme will require additional capital and revenue funding to be made available, if the long term goals of property rationalisation are to be achieved. The Capital and Assets Board will be responsible for high level monitoring of the overall property programme and associated budgets.

BACKGROUND

In February 2008, the County Council's Cabinet considered a report on a "*Property Strategy for the new Wiltshire Council*". The report identified the need for a new Property Strategy to be developed for both office and non-school's operational accommodation, alongside work currently being carried out as part of the One Council Transition Programme.

The report highlighted a number of key issues and concluded that the rationalisation of the combined property assets of all 5 Councils was important, not only in creating a more suitable base from which to deliver locally accessible services, but also as a means of delivering efficiency savings from the sale of surplus property and reduced running costs.

It was acknowledged that this was a long-term programme of work which needed to be properly planned, managed and resourced. The key organisational requirements to achieve success are:

- Corporate overview and engagement in the programme and its funding.
- Strategic leadership with a strong culture of challenge.
- Senior service representation at Programme Board level.
- Suitably experienced and qualified staff to take responsibility for the delivery of the planned solutions.

One Council For Wiltshire Objectives

The original submission to Government for One Council for Wiltshire identified the strategic aim as **“Creating stronger and more sustainable communities in Wiltshire”**. This remains the single aim that underpins the transition process.

In order to deliver this, three goals have been identified:

- **High quality, low cost, customer focussed services.**
- **Local, open, honest decision making.**
- **Working together to support Wiltshire’s communities.**

The Property Strategy for the new Council will specifically support these goals by:

- Reviewing existing property assets across all 5 Authorities.
- Rationalising the combined property estate to provide property solutions which best meet the Corporate, Service and Community needs for the future.
- Dispose of surplus property to generate capital receipts which can be reinvested.
- Ensure the buildings which are retained for service delivery are properly managed and maintained.

In further developing this Property Strategy, there needs to be a clear understanding of the following **key** issues:

- Business Plans drive the Property Plan and not vice versa.
- Property is a valuable, but inflexible resource that requires long-term strategic planning to deliver change together with continuous and consistent management supported at a high level within the organisation.
- Significant property efficiencies are only likely to be achieved through major changes in the way services are delivered.

Basic Property Details

(1) Current WCC Estate

- Number of Buildings - 700 (of which 275 comprises the schools estate)
- Asset Value - £320m (£224m of which relates to the schools estate)
- General Running Costs - £5m p.a (excludes the schools estate where costs are funded from their own delegated budgets)
- Condition - Varies from very good (mainly new school buildings funded through significant Government spending over recent years) to poor (limited funding available for the majority of the non-school building stock).
 - Current maintenance backlog figure £80m

- Geographical distribution - Widespread, based on historic service delivery pattern. Ad hoc service reviews in the past, but no consideration of x-cutting potential.

(2) New Council Combined Estate

- Number of buildings - 1,000
- Asset Value - £550m (excluding SDC Housing Estate)
- General running costs - Detailed cost information not yet available from District Councils.
- Condition - Similar to (1) above.
- Geographical distribution - Similar to (1) above.

(3) Overall Classification

| 1. <u>Early 1C4W Rationalisation</u> | | <u>WCC</u> | <u>DC</u> | |
|--------------------------------------|------------------------------|------------|-----------|---|
| <u>*Co-location opportunities</u> | Offices | ✓ | ✓ | |
| | Depots | ✓ | ✓ | |
| | Community Buildings | ✓ | ✓ | Libraries/Youth Centres/Leisure + Community Centres etc |
| 2. <u>Wider Opportunities</u> | DCE/DCS Operational Premises | ✓ | X | Potential for co-location with PCT? |
| 3. <u>Specialist Accommodation</u> | Schools | ✓ | X | |
| | Housing | X | ✓ | |
| | Commercial Investment Estate | X | ✓ | |
| | County Farms Estate | ✓ | X | |
| | Public Car Parks | X | ✓ | |
| | Gypsy Sites | ✓ | X | |
| | Public Open Space | X | ✓ | Parks, Allotments, Picnic Sites etc. |
| | Cemeteries/ Crematorium | X | ✓ | |
| | Miscellaneous | ✓ | ✓ | |

The New Council will inherit a combined property estate which is probably unsustainable, inefficient and unsuitable to meet future service needs. A complete review and rationalisation of the estate will need to take place exploring cross-cutting/co-location opportunities wherever possible.

A major review of the office accommodation portfolio is currently underway and a report setting out the options for change will be available later this year. A large project management company with wide experience of working with other local authorities on projects such as this have already been commissioned to support existing staff with this programme.

The school's estate will also be subject to further change as a result of the Government's Building Schools for the Future and Academies programmes. The County Farms Estate is in the middle of a comprehensive rationalisation programme, funded from the sale of surplus holdings.

The remaining operational estate will be reviewed following the completion of the 1C4W transition programme later this year.

The key objective of all these reviews will be to create a more sustainable and efficient estate better suited to the future needs of the new Authority. Rationalisation of the property assets will enable the re-investment of capital receipts from the sale of surplus property into new/improved facilities to meet identified needs.

Once the overall strategy is determined, an over-arching, prioritised and funded Action Plan will be developed to implement the programme of works over the plan period. Inevitably, the next 12 - 18 months will involve the transition of five property estates into one including detailed information gathering and merging existing systems and resources. The potential transformation opportunities including co-location with partner organisations will follow over subsequent years.

OFFICE ACCOMMODATION

Current Position

During the past couple of years, the County Council has developed a programme for the rationalisation of its office accommodation. This is a 5 year programme, fully funded from the sale of surplus property and associated revenue cost savings.

The agreed model is based on 4 main offices located in the key population centres, together with a small number of satellite offices in the more remote parts of the County and touch down points for mobile staff, located in a number of front-line premises.

This model will now be developed further to include the office accommodation currently occupied by District Council staff. The overall objectives remain:

- Co-location of office based staff in fit for purpose accommodation.
- Efficiency benefits in terms of better space utilisation, and reduced running costs, including energy savings.
- Disposal of surplus property to release capital receipts for re-investment.
- The implementation of new Ways of Working across the office portfolio.

Key Planned Activities

- 2008/09 -
- Waterside scheme and associated office implications including temporary decant of staff to enable refurbishment of 2nd floor MECH building.
 - Establishment of first phase of accommodation for Shared Services Team.
 - Review of Salisbury office accommodation options including the District Council's Bourne Hill office project.
 - Consideration of opportunities for some initial front-facing accommodation in Trowbridge and Salisbury prior to 1st April 2009.

- Review of current WoW policy in driving the necessary cultural change, to achieve planned efficiencies.
- Consideration of a Master Plan for County Hall in the light of the new Council requirements from 1st April 2009.
- Consideration of Community Board accommodation requirements.
- 2009/10 - • Waterside scheme - further staff relocations and the refurbishment of the first floor of the MECH building (due to complete Summer 2010).
- Implementation of the agreed solution for office based staff in the Salisbury area.
- Further rationalisation of County Hall.
- 2010/11 - • Review of office accommodation in the wider West Wiltshire area.
- 2011/12 - • Rationalisation of offices in the North Wiltshire and Kennet areas.

NB: The provision of satellite offices and touch down bases will roll-out as identified during the 5 year period.

- Key Risks -
- Business Continuity during the office moves.
 - Availability of sufficient space for temporary decanting requirements.
 - Deliverability of WoW space savings.
 - Scale of change within tight timescale.
 - Ability to deliver the wider programme on a cost neutral basis.

OPERATIONAL ACCOMMODATION

Current Position

The remainder of the combined, non-school, non-farm estate can be categorised as follows:

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|------|-------------------------|---|
| (i) | <u>Service Specific</u> | <ul style="list-style-type: none"> - Depots - Libraries - Leisure Centres - Youth Centres - Children's Centres - DCE/DCS Operational Buildings - Gypsy and Travellers Sites - Housing |
| (ii) | <u>Community</u> | <ul style="list-style-type: none"> - Halls. - Civic Buildings - Community Centres - Public Open Spaces, Allotments - Car Parks /WCs etc. |

- | | | | |
|-------|--|---|------------------------------|
| (iii) | <u>Economic Development/Regeneration</u> | - | Commercial Investment Estate |
| | | - | Land held for Regeneration |

This large range of property is widely dispersed throughout the County and has become established over time to meet the specific needs of service departments within each of the 5 existing authorities. Any previous property review is most likely to have been carried out on a service by service basis, rather than taking a holistic view of the overall estate.

Whilst some premises will be modern, efficient to run, well located and fit for current purpose, the majority of the estate will not meet all of these parameters and some may well fail to meet any. It is therefore essential that a detailed review of the whole estate is carried out and a rationalisation plan developed to ensure that the necessary changes are put in place to create an estate which meets the future needs of the new Council.

Current service accommodation reviews which are ongoing include:

- Highway Depots
- Learning Disabilities Accommodation
- Adult Residential Care Accommodation.

In terms of the County Council's current services, departments are also looking at wider opportunities for joint working/co-location in the following areas:

- DCS - In the areas of older people, mental health and disability services, there is the potential to move increasingly towards closer partnership working and sharing of accommodation with the PCT, external service providers, housing associations and the voluntary sector. Close working relationships already exist with the four District councils.
- With regard to Libraries, there remains the potential for shared use arrangements to be put in place at a local level in appropriate locations and customer contact points to be established in the larger communities.
- DCE - In terms of Children and Young Peoples Services, the aspiration remains to have staff co-located in fit for purpose accommodation which meets the needs of families and vulnerable children.
- For youth services, there is need to provide co-located young people's centres which would cover all aspects of youth work under one roof. Joint working with the voluntary and private sector is already under consideration.
- There is an urgent need to provide improved office accommodation for education staff who currently occupy some of the worst buildings in the Council's portfolio. This will be addressed as a priority under the current office review.
- ESD - There is potential to expand the existing highway depot review to include current District Council functions and possibly waste and some street scene services.
- The review of office accommodation will significantly impact on the department's office based staff.

Opportunities for wider cross-cutting co-location both within the New Council and with partner organisations will be factored into the review and rationalisation plan.

Key Planned Activities

2008/09

- The conclusion of the 1C4W frontline workstream service reviews will generate specific property related issues which will need to be taken forward, although these are likely to be service specific issues more related to transition rather than transformation at this stage.
- Work will continue on existing service reviews currently taking place within service departments. Where there is an opportunity to extend the scope of a review to reflect changes arising from 1C4W transition then that will be explored (eg., Current WCC depot review).
- Explore opportunities for local co-location of services as part of the One Council agenda for improved customer access.
- A number of key District Council projects are currently being reviewed as part of the transition work and this is likely to be a continuing process over the next 12/18 months (eg., the Bourne Hill office project).
- Further work will need to take place to develop a detailed strategy for the new Council to adopt in respect of the Transfer of Community Assets agenda which is being encouraged by the Government and is of particular interest to our colleagues in Town and Parish Councils, as well as those involved in wider community work. This is obviously an area of work which will support the overall aim of the New Council, ie., more sustainable communities.

2009/12

- Increasingly, the review of the combined property estate will start to consider wider cross-cutting, transformational issues related to the goals of the new Council. Co-location and shared use of buildings both within the new Council and with external partners are examples of the type of activity that will be considered. More detailed plans will be developed as issues begin to emerge.

Risks

- Business continuity during rationalisation.
- Scale of transformation change may take longer than anticipated.
- Ability to deliver the programme on a cost neutral basis.

GOVERNANCE/CAPACITY

Current Position

The County Council's Capital and Assets Board (CAB) has been established for some time and oversees Asset Management Planning within the Authority.

Its role includes:

- Co-ordination of Property, Finance and Corporate Asset plans.

- Responsibility for the Capital and Revenue investment and disposal programmes.
- Implementation of Property Standards and Policies.
- Agreeing and monitoring property performance indicators and targets.

The Board is chaired by the Director of Environmental Services and has Cabinet Member representation. Central and service departments are also represented on the Board.

At its meeting in February, Cabinet approved the Governance arrangements proposed in the Property Strategy report, which recommended that CAB took a lead role in the co-ordination and delivery of this important programme of work.

In terms of resources and capacity to develop and deliver the detailed implementation plan, it was agreed that the Council's existing Strategic Property Services Group would lead this work, supported by the District Councils property professionals. At the present time, each Authority, has its own group of property professional and technical staff who offer specialist services to their own Councils. These staff are supported by external consultants who provide additional capacity. The establishment of the new Council in April 2009 will require these teams to merge into a single Property Group which will provide a unified service to meet the needs of the new Authority.

Approval was also given to the recruitment of 3 Programme Managers to assist with the additional workload of the existing team.

As already indicated earlier in the report, further capacity will be provided by a company of external project managers who have now been appointed.

Key Planned Activities

2008/09

- Re-invigoration of CAB to manage additional corporate programme work, including the Corporate Property Strategy and Implementation Plan.
- Appointment of additional Programme Managers to increase capacity within the Strategic Property Services Group to deal with increasing work programmes.
- Appointment of an external project management company to assist in the development of the Corporate Property Strategy and subsequent Implementation Plan.
- Establishment of a single Property Group for the new Council prior to vesting date.
- Extend contracts of existing District Council external consultants to cover the first year of the new Council, following which a new consultancy framework will be in place.

2010 Onwards

- Review Governance and capacity issues to meet any changing requirements.

CONCLUSION

The new Wiltshire Council will inherit a diverse and valuable property portfolio which will require specialist management at a strategic as well as operational level. A comprehensive Property Strategy and associated Implementation Plan is being developed to address future needs for both office and operational buildings. In order to achieve the necessary changes, it is however essential that sufficient resources are made available to ensure appropriate management and funding of this significant programme of work over the next few years.