

County Council

Report Title:	Annual Property Report and Asset Management Plan 2016
Meeting Date:	8 December 2016
Lead Councillor(s):	Cllr. Richard Smith MVO, Cabinet Member for Finance and Heritage; James Finch, Cabinet Member for Highways and Transport
Local Councillor(s):	All Councillors
Director:	Geoff Dobson, Director of Resource Management
Assistant Director or Head of Service:	Duncan Johnson, Assistant Director, Corporate Property
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Brief summary of report

1. This report sets out how the Council is using its property assets effectively as a resource and how those assets are supporting the Council's overall objectives.

Action recommended

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| <ol style="list-style-type: none"> 2. That the Council notes that the property assets of Suffolk County Council (the Council) are being used effectively as a resource; and that those assets are supporting the Council's overall priorities and objectives. 3. That the Council agrees the proposed focus and direction of approach for property assets including the Single Public Sector Estate (SPSE) and the One Public Estate initiative (OPE). |
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Reason for recommendation

4. Property is a fundamental resource of the Council and plays a major role in the discharge of its functions. It is important that councillors, staff, users, tenants and the public of Suffolk are aware of the use to which property assets are put and how they impact on the overall budget of the Council.
5. Property plays a critical role in contributing to the delivery of the Council's corporate objectives.
6. New ways of working and changes to service delivery have had a significant impact on the Council's relationship with its property. As some services have been divested and changed the Council has moved from a position of

predominantly 'owner occupier' to one of 'part owner occupier and part landlord.'

7. Property has been a catalyst for change to enable other parts of the Council to meet its objectives and deliver services differently.

Alternative options

8. The Council can recommend an alternative strategy to the Cabinet Member for Finance and Heritage.

Who will be affected by this decision?

9. Property users, tenants, staff and visitors to the Council's sites and buildings, together with the Corporate Property Division, Directorates, and Partner organisations.

Main body of report

10. A prudent organisation needs to understand what assets it owns and occupies, what condition they are in, their suitability for the purpose for which they are held, and what opportunities exist to make changes. With this information it is possible to develop a Strategic Asset Management Plan (SAMP) which will identify the resources and timescales required to bring the council's assets in to line with the requirements and objectives of the council. It is the nature of modern local government that roles and requirements regularly change and therefore the SAMP needs to be regularly reviewed and able to evolve in response to internal and external changes.
11. The report outlines the current Strategic Asset Management Plan and explains how the Corporate Property Division, together with Concertus Design and Property Consultants Limited, Vertas Property Management and Barley Homes (Group) Ltd contribute to the effective use of the Council's resources, providing property solutions to support directly the Council's delivery of services as well as supporting the transformation programmes.
12. The report demonstrates where Corporate Property assets and services are helping the Council to further the corporate objectives.
13. The SAMP has been created to assist the council in achieving the objectives listed below. These objectives are regularly applied to individual assets as part of a driver for continuous improvement
 - a) Optimising rental returns from all assets not directly occupied by the council.
 - b) Understanding and controlling property revenue costs while seeking to protect the asset value, manage future costs, and preserve functionality of premises.
 - c) Realising capital receipts from assets that are no longer required and where possible disposing of liabilities to minimise risk.
 - d) Ensuring buildings are kept healthy and safe and can therefore remain open.
 - e) Championing transformation of the property estate and the use of assets to facilitate corporate change.

- f) Operating change control to ensure property use is effective and efficient and strategically managed.
 - g) Liaising with District and Borough Councils regarding future housing development potential.
 - h) Continuing to lead on the development of a Single Public Sector Estate in Suffolk to reduce costs and increase sharing with partners.
 - i) Providing cost effective, fit for purpose, accommodation for the delivery of core services.
 - j) Supporting the Council's Transformation Programmes.
 - k) Balancing the interests of the community with that of Suffolk as a whole.
 - l) Working with service planners, to identify, acquire and secure new assets in a timely manner to meet anticipated need
 - m) Commissioning works to adapt and to new build
14. The remainder of the report is structured into four sections which demonstrate how these SAMP objectives are met by outlining the key areas of Property activity in which the council has been involved through its Corporate Property function, over the last 12 months and looking ahead. These sections are:
- a) The Property Service
 - b) Corporate Initiatives
 - c) Supporting the council and its services
 - d) Managing the property estate

The Property Service

15. The Corporate Property service has reduced to a team of 13fte, following the transfer of the Property Management team to Vertas in July 2016. Professional consultancy services are supplied by Concertus Design and Property Consultants Limited, the Council's wholly-owned Property Services Company. "Soft Facilities Management" (management of services within buildings) and "Hard Facilities Management" (building management) services are provided via Vertas the Council's wholly-owned Facilities Management (FM) company. As part of this service Vertas oversee maintenance works provided via an external contractor framework.

Corporate Property Team

16. The Corporate Property team provides overall assurance that the Council's property and property services align with the Council's strategies and priorities, plans and oversees major changes in the property estate and identifies how future council property needs will be met. The team is supported by Concertus Design and Property Consultants Limited providing professional consultancy services to the Council and other clients and Vertas Property Management who act as the Council's agents overseeing the day-to-day running of the Council's portfolio, ensuring the Council's landlord and employer responsibility in relation to premises management are met and by keeping buildings healthy, safe and open.

17. The principle responsibilities of Corporate Property are:
 - a) Managing property change.
 - b) Taking a strategic lead on corporate property related risks.
 - c) Maintaining property data.
 - d) Making strategic decisions and providing strategic advice.
 - e) Identifying and implementing changes to council property holdings to ensure optimal occupation and use, so that they are fit for purpose.
 - f) Providing high level review of asset performance.
 - g) Leading and promoting the Single Public Sector Estate.
 - h) Setting strategic property budgets.
 - i) Acting as strategic landlord for the Council's property.
 - j) Acting as the strategic link to services to produce and maintain service asset management plans.
 - k) Overseeing the County Farms estate.
 - l) Commissioning work and services from external consultants, primarily Concertus and Vertas.

Governance

18. The Director of Resource Management has authority to approve property transactions. This authority has been delegated to the Assistant Director (Corporate Property). Delegations below this level are set out in Corporate Property's quality management procedure.
19. The following principles will be followed:
 - a) Items of a significant or controversial nature can, following discussion with the Cabinet Member for Finance and Heritage, be referred to Cabinet for a decision
 - b) Decisions will be made in consultation with the appropriate Cabinet Member when relevant, for example: off market sales and sales at less than market value
 - c) Less-than-best value disposals below £2m can be approved by the Director of Resource Management
 - d) Less-than-best value disposals of more than £2m require Secretary of State approval
 - e) The Director of Resource Management has authority to agree acquisitions providing they are not more than market value and are approved within the Capital programme or funded by another approved budget.

Vertas

20. The Property Management team successfully transferred to Vertas on 1st July 2016. The Corporate Property team has retained two posts to incorporate two formal Client roles for the services being delivered by Vertas.
21. The following principal responsibilities are effectively being delivered by Vertas:
 - a) Ensuring the Council's landlord responsibilities are met across its estate.

- b) Making decisions to keep premises healthy, safe and open.
- c) Managing Corporate Property budgets
- d) Maintaining property data, including property conditions and premises compliance.
- e) Developing and commissioning capital and revenue improvement work programmes.
- f) Procuring property management and maintenance contracts.
- g) Stimulating energy efficiency across the estate.
- h) Developing and delivering premises management training including e-learning modules

Concertus Design and Property Consultants Limited

- 22. Concertus Design and Property Consultants Limited provide professional and technical advice to the Council. They deliver the majority of the Council's property capital programme, and projects in a wide range of multi-disciplinary services.
- 23. Since 2013, Concertus has developed a unique and forward thinking brand and increasingly works in the wider Eastern Region for public and private sector clients.
- 24. Concertus has grown over 20% in the last 12 months and continues to invest heavily in its people, with training and development of its staff. Almost 20% of its team are undergoing dedicated training which will lead to graduate or professional qualifications.
- 25. Concertus is currently managing over 880 active and varied projects.
- 26. In collaboration with the Council and many other public sector partners Concertus is delivering many joint partner projects. It continues to help those organisations create joint property solutions that are delivering savings and efficiencies to the public sector. These projects include working with Fire and Police to deliver joint operational stations and supporting the Mildenhall Hub project to deliver a new and exciting multi agency single property solution for public service delivery.

Barley Homes (Group) Limited

- 27. Following approval by the Council, St Edmundsbury and Forest Heath in late 2015, Barley Homes (Group) Limited was incorporated in March 2016 as a company, jointly owned by Forest Heath District Council (25%), St Edmundsbury Borough Council (25%) and Suffolk County Council (50%). The primary function of Barley Homes is to generate capital and revenue income for the councils through the development of new housing for sale and rent, initially on land owned by one of the councils. The establishment of the housing company is one of the many ways that the council is planning to generate income to offset the reduction in central government grants.

Facts and Figures

The Council's property portfolio

28. As at October 2016 the Council recorded that it owned or leased or occupied properties at 1219 sites. A 'site' in this respect is a physical property interest:
- a) 433 sites are operational schools (see chart 1 for breakdown)
 - b) 232 sites are used for operational non-school purposes (see chart 2 for breakdown)
 - c) 345 sites are let to third parties (see chart 3 for breakdown)
 - d) 209 sites are currently directly managed, including non-operational land and building. This category includes woodland and small, un-let areas of County Farms, land in hand, areas of public space, land and buildings held for future use, assets to be sold and assets held for other strategic purposes.

Chart 1: Operational school sites (including academies and free schools)

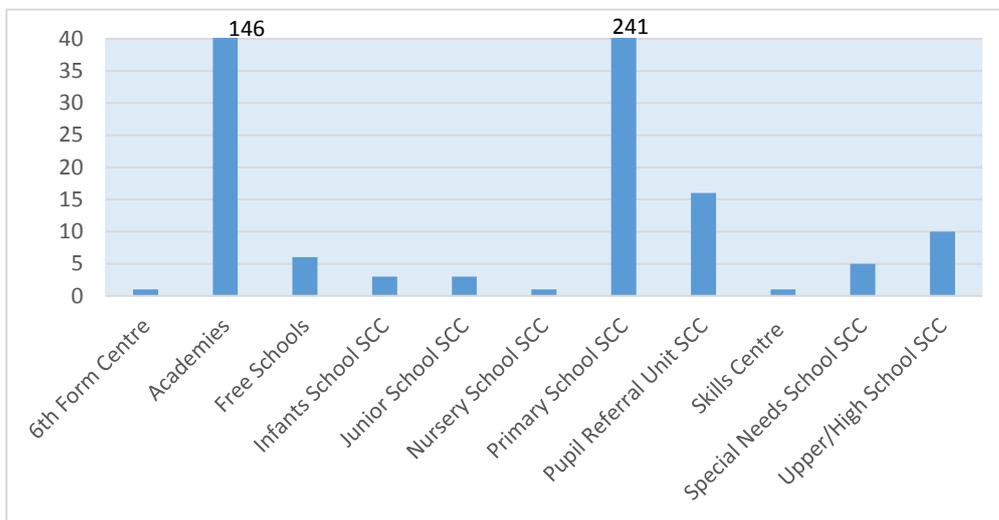


Chart 2: Operational non-school sites

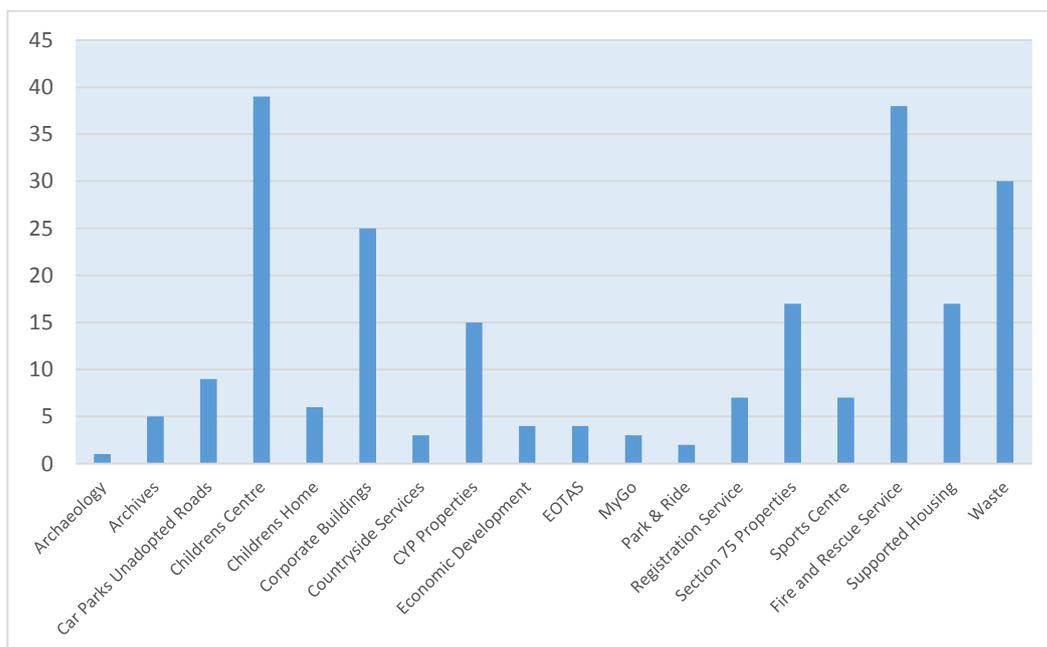
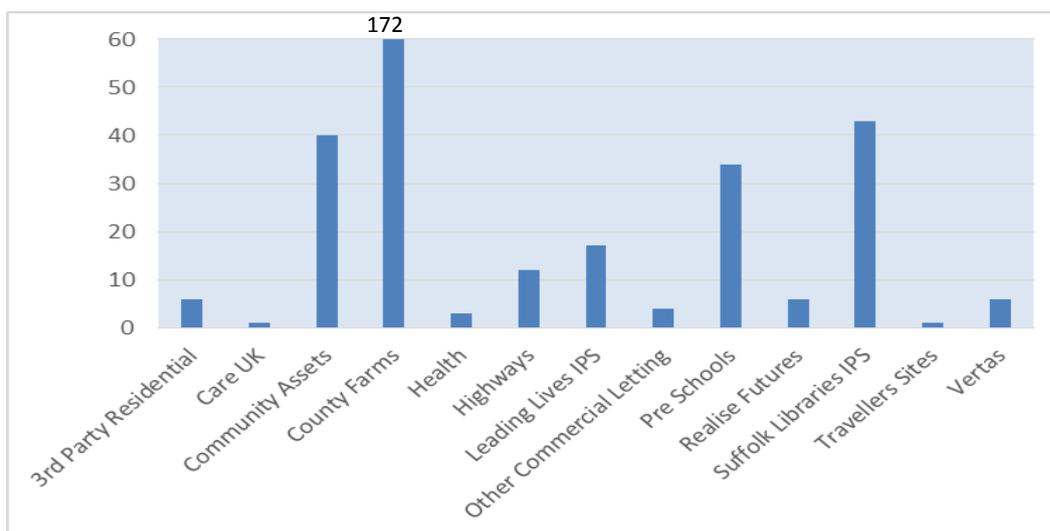


Chart 3: properties let to 3rd parties



Key activity areas for Corporate Property in 2016, to support the Council’s priorities:

Raise educational attainment and skill levels

29. Supporting the completion of the Schools Organisation Review (SOR) by continuing to provide solutions and alternatives to property issues. New and extended properties have been commissioned and designed with the specific user group as the primary focus
30. Working with Children and Young Peoples Service (CYP) on Education and Learning Infrastructure Planning (ELIP) helping to develop asset management plans to support the anticipated changing and growing pupil numbers.
31. Working with CYP and other Council officers on Education site issues
32. Assisted in negotiations to ensure the availability of a site for a new high school at Moreton Hall and addressing complicated ownership issues and links to the wider strategic development of land east of Bury St Edmunds.

Support the Local Enterprise Partnerships (LEPs) to increase economic growth

33. Continue to develop the “Grow Your Future” initiative on the County Farms estate, and in concert with appropriate partners.
34. Help identify suitable land and buildings for schemes and initiatives.
35. In Bury St Edmunds the Council is working with St Edmundsbury Borough Council (SEBC) regarding the early opening up of employment land at Moreton Hall facilitated by the new Eastern Relief Road
36. Providing opportunities and support for Barley Homes (Group) Limited, to bring forward Council owned sites for residential developments in Suffolk

37. In West Suffolk the Council is involved in a One Public Estate programme of work in partnership with the District Councils and the LEPs, to provide and support growth.
38. Working with New Anglia LEP, the Council has purchased the 9 acre former Wessex Foods site at South Lowestoft Industrial Estate which is within the Enterprise Zone and is promoting redevelopment as business units (minimum 22,000 square feet) for rent/sale. In phase 1 new units will occupy approximately 2.7 acres of the land and subsequent phases will focus on the remainder of the site being offered for sale/rent to businesses/developers wishing to construct units, or land for future development by the Council (potentially in partnership with other organisations)
39. The Council owns the Orbis office building in north Lowestoft. This building provides office and ancillary accommodation for rent/hire, aimed particularly at businesses in the offshore renewable sector. Management of the premises is, until 2017, contracted out to Norfolk and Waveney Enterprise Services.
40. In Mildenhall the Council is negotiating the sale of former farm land for expansion of successful local businesses and is seeking, through the local planning process, to have further land designated for business development.

Support those most vulnerable in our communities

41. Assisting Adult and Community Services (ACS) to identify how specialist housing solutions can be achieved for their customers
42. Supporting the completion of the transition of older people to the new Care UK residential homes
43. Supporting community/care farming on County Farms land

Empower local communities

44. Corporate Property has a key role in enabling Community Asset Transfers and leases of premises no longer required for direct service provision. In some properties the Council hosts community organisations.

Maintain roads and develop Suffolk's infrastructure

45. Maintaining a good and professional relationship with Kier who lease highway depots from the Council and assisting with their transformation programme
46. Advising on property matters and strategies associated with highway schemes.

Corporate Initiatives

Suffolk's Single Public Sector Estate (SPSE)

47. The Suffolk Property Partnership (SPP) is an established group of senior property officers from across the public sector in Suffolk. The group is chaired by the Council's Assistant Director (Corporate Property) and meets quarterly.
48. Through the SPP the Council and partners share information to identify and maximise opportunities for collaborative working and thereby the SPSE. This will often depend on other partners' priorities around timing, decision making and funding, which need addressing before opportunities can be realised.

49. At the start of the SPSE initiative in 2010 the Council shared only four of the thirty four corporate office buildings which it occupied. Today the total number of office locations has been reduced from thirty four to eighteen, and sixteen of these are shared with other partners and organisation.

Table 1: Corporate (office) estate building numbers

	2010	2014	2016
Council sole occupier	30	9	2
Shared buildings	4	12	16
Total Council occupation	34	21	18

50. The partner organisations that the Council shares buildings with include District and Borough Councils, Suffolk Police, East of England Ambulance Service, Clinical Commissioning Groups, Norfolk and Suffolk NHS Foundation Trust, East Coast Community Health, the Department for Work and Pensions, East of England Local Government Association, Community Action Suffolk and the Citizens Advice Bureau. In addition to this a number of buildings are shared with contracted partners including Suffolk Libraries IPS, Leading Lives, Realise Futures CIC and Sensing Change.
51. One of the priorities for Corporate Property for 2017, and beyond, is to look at further opportunities to create space in its main corporate office buildings to accommodate partner organisations. This will help improve the Council's revenue position, by sharing property costs, while enabling the significant benefits that can be achieved from co-locating and integrating services such as between health and social care. The Norfolk and Suffolk NHS Foundation Trust already occupies space in the Council's HQ building at Endeavour House.
52. The Council has identified capacity within its corporate estate in Ipswich to accommodate the headquarters and back-office functions of Babergh and Mid Suffolk District Councils who will relocate from their current locations in Hadleigh and Needham Market. This is being enabled following analysis of desk usage across a number of buildings, introduction of technical solutions and cultural change which has highlighted where potential capacity exists.
53. These moves, which are programmed to take place during 2017, presents the Council with a significant challenge to drive through the cultural change and organisational change needed to release the space required by its partner authorities but the prize is a real opportunity to work even closer and support the concept of delivering a single public estate through co-location. The moves will also pave the way for the formation of an Ipswich and Central Suffolk Property Partnership, which is the basis of the recent One Public Estate bid (see section 61).

The One Public Estate

54. The One Public Estate (OPE) is a national initiative delivered in partnership by the Cabinet Office Government Property Unit (GPU) and the Local Government Association (LGA). It provides practical and technical support and funding to councils to deliver ambitious property-focused programmes in collaboration with other public sector partners.

55. The Council has been a partner to successful OPE bids in 2014 (with Norfolk County Council and West Suffolk Councils) and in 2015 (with West Suffolk Councils, the Local Enterprise Partnerships and the West Suffolk CCG). The focus of the 2015 bid was:
 - a) To provide an integrated estates strategy for the whole public sector in West Suffolk under the auspices of a West Suffolk Property Board
 - b) A Mildenhall place-shaping project, preparing deliverable long-term plans for the future of RAF Mildenhall when USAFE leave in the 2020s; the shorter-term release of Council owned land (County Farms) to deliver homes and jobs over the next 1-10 years; and the co-location and integration of all public services on one site in the Mildenhall Hub.
56. The West Suffolk Property Board was convened in 2016 and includes Councillors and Officers from 14 public sector organisations including local and central government, health services, blue light services and Local Enterprise Partnerships. The Board is regarded by the OPE programme as a strong exemplar of partnership and management and has been funded through the programme until 2018. A programme of collaborative property work across West Suffolk has been developed and is being overseen by the board and the GPU is keen to see Suffolk build upon the West Suffolk model across the county.
57. For the Mildenhall focus, specialist consultancy using OPE funding has been working to evaluate potential future uses for the RAF Mildenhall airbase. The study included a market assessment of a variety of land uses; employment led, housing led, aviation led and mixed use. Using findings from the assessment an RAF Mildenhall steering group (FHDC, the Council, Chamber of Commerce and LEPs) produced a Vision and Prospectus for alternative uses at RAF Mildenhall. The vision focusses on a mixed-use option of aviation, housing, and extension to the Mildenhall industrial estate.
58. This was published and consulted on during September and October, with results showing concerns regarding infrastructure and contamination on the site and a broad support for continued aviation use. For the vision to be deliverable would require significant road improvements and OPE funding has been used to commission a transport assessment to understand the transport needs alongside other planned developments in the town.
59. The Vision and Prospectus is being updated to reflect feedback from the consultation and will be presented in the near future.
60. More detail around progress on the Mildenhall Hub project itself is outlined in paragraph 67.
61. In September 2016 the Cabinet Office and LGA launched a further phase of its OPE Programme after additional funding was announced by central government to continue the programme. The Council has again partnered with other authorities and has submitted a bid, which has been successful, with the aim of creating an Ipswich and Central Suffolk Partnership for the creation, initiation and delivery of key transformational property projects. The principle partners to the bid are the Council, Ipswich Borough Council, Babergh and Mid Suffolk Councils, with other partners such as NHS, CCG, DWP and University of Suffolk being invited to join.

62. The Partnership will lead with a catalyst scheme around creating a public sector hub in Ipswich, serving the town and its hinterland, by co-locating public sector partners alongside the Council and Ipswich Borough Council. The scheme would provide clear integration benefits and give further opportunity for integrated car parking solutions and green travel arrangements.
63. The formation of the Partnership will help to create an environment within which further schemes will be developed. Potential opportunities have been identified including a range of partners, enabling a co-operative approach to other sites. The work has the potential to deliver service transformation and support local growth aspirations through:
 - a) the co-location and integration of public services on one campus in the county town
 - b) more co-ordinated planning and delivery of property projects
 - c) the release of publicly-owned land to deliver homes and jobs
 - d) financial savings and capital receipts
64. The opportunity to bring an additional two District Councils within the Ipswich campus provides a real opportunity to improve access to public services and with clear integration benefits. Collectively there is the opportunity for increased joined-up working, integration of services, sharing of running costs and improved partnerships for future projects.
65. The new partnership will need: A Property Information Board (cross-sector) to provide governance to the Partnership Mapping and publication of council assets. A bold business plan with specific projects to achieve OPE targets (receipts, savings, homes and/or jobs).

The Mildenhall Hub

66. Work continues on this innovative scheme to co-locate the majority of the public estate in Mildenhall onto a single site, radically improving services, achieving savings and releasing land for housing and growth. The core partners in this project are Forest Heath District Council, Mildenhall College Academy, Suffolk Police, Anglia Community Leisure, West Suffolk CCG and the County Council. The project aims to bring together primary and secondary education, leisure services, health centre, library, early year's childcare and emergency services, all onto one shared site.
67. During 2016 a final business case was completed and signed off by the partners, and appointments were made to the Project Management (Sweett Group) and Architects (Concertus) for the scheme.
68. The architects have completed site layouts and are on schedule to complete concept designs for pre-application consultation before Christmas 2016. A full range of other consultants have now been appointed to carry out surveys and the project is on track to submit a planning application in the first quarter of 2017, with a view to the site being completed by September 2019.
69. As part of its commitment to the scheme the Council has undertaken to meet the cost of the initial archaeological investigations that are required alongside other design and pre-planning surveys. These investigations are taking place now.

West Suffolk Operational Hub

70. St Edmundsbury Borough Council, Forest Heath District Council and the County Council are working together to develop a new combined vehicle depot, waste transfer station and public household waste recycling centre on a single site in Bury St Edmunds. This is proposed to meet modern requirements and to realise operational efficiencies through co-locating similar services.
71. Twenty new sites put forward during public consultation in January and February 2016 were investigated by the councils with the result that land at Hollow Road Farm, near Bury St Edmunds, was selected as the best location for a West Suffolk Operational Hub.
72. In June 2016 St Edmundsbury Borough Council and Forest Heath District Council voted to move forward with the WSOH project. The final decision about whether a hub is built on land at Hollow Road Farm will be the responsibility of the Local Planning Authority (St Edmundsbury Borough Council) Development Control Committee. The County Council already has the necessary democratic decisions in place as a result of their Energy from Waste project.

Blue Light Integration

73. There are now five joint Fire and Police station sites in Suffolk (at Framlingham, Debenham, Elmswell, Ixworth and Woodbridge) along with a number of Fire Stations which accommodate Ambulance vehicles and staff, (most recently at Bury St Edmunds). Corporate Property has provided strategic advice and support to Suffolk Fire and Rescue Service as part of the Blue Light Integration Programme. Further collaborative projects have been advanced through 2016 following a successful bid to the Department of Communities and Local Government (DCLG) for £4.94 million of grant funding, to extend the co-location of Police and Fire services, and potentially East of England Ambulance Service (EEAS) teams.
74. In Felixstowe a public consultation was held and planning consent has been obtained, for an extension to Felixstowe Fire Station to accommodate a relocated Police service. Works have commenced on site and are due to complete in March 2017.
75. Similarly, in Beccles and Saxmundham partners have agreed to relocate the Police services onto the Fire Station sites. The planning and delivery of these works and moves will take place during 2017. A further collaboration project has recently been identified for Newmarket, again for the Police to move to the Fire Station site, which is also adjacent to the Ambulance Station.
76. In Stowmarket a site is being sought for a new-build facility that would replace the existing Fire and Police stations. This will enable the sale and redevelopment of existing sites to meet local and OPE objectives.
77. In Clare work is underway to identify collaboration opportunities.

Health and Social Care Integration (HaSCI)

78. In December 2014, chief executives from health and adult social care signed up to a new model of integrated care (HaSCI). The new model aims to help people to be healthier and independent for longer and reduce the costs of health

and social care. Corporate Property is continuing to contribute to this initiative. Corporate Property has played a leading role in facilitating the early examples of the successful co-location of integrated teams in Lowestoft, Sudbury and Bury St Edmunds.

79. Corporate Property continue to be engaged in working with ACS to develop property solutions to support HASCI

Creating Smarter Workplaces

80. In conjunction with the Council initiatives of “Free me” and “Unified Comms” Corporate Property has been investigating how the Council office accommodation can best support staff to fulfil their duties in a flexible way whilst optimising use of the space available. Paragraphs 164 -165 outline how better use of office space will enable partners to move into Endeavour House alongside Council staff. In support of this Corporate Property have been considering how areas of office layout and furnishings might be changed to meet future needs. A staff consultation produced in excess of 400 responses and issues under consideration include:

- a) Dedicated project areas
- b) Quiet working areas
- c) Better short term hot desk facilities
- d) More meeting spaces
- e) Confidential working areas

Corporate Transformation Programmes

81. Corporate Property is continuing to provide support, advice and guidance to the Corporate Transformation Programmes and other corporate initiatives where there are property implications.

Supporting Divestments

82. Corporate Property has continued to give advice and support to services which are being divested and the client elements retained in the Council.
83. Corporate Property continue to work with divested services to support their accommodation needs. This year OPUS expanded their office space within Endeavour House
84. In 2016 Corporate Property worked with Vertas, HR, IT and the Finance team to ensure a smooth transfer of the Property Management team to Vertas and their relocation to Beacon House
85. Corporate Property are working with Schools’ Choice to provide for their accommodation requirements in preparation for their divestment in 2017.

The County Farms Estate (Cabinet Responsibility: Cllr. James Finch)

86. The County Farms estate comprises 5,100 hectares, or 12,601 acres, of land, dwellings and farm buildings, the majority of which are tenanted. There are 93 agricultural lettings, 24 commercial lettings and 5 residential lettings.
87. Following the 2012 Policy Development Panel (PDP) the Estate continues to be managed to reflect the identified need to enhance and optimise revenue returns, generate capital receipts and to support other corporate priorities.

88. In 2016 lettings were offered via two routes; larger holdings were offered by informal tender on the open market, and smaller properties were included in the 'Grow Your Future' programme. This process will be repeated in 2017, when such suitable properties become available.
89. In 2016 three larger vacant holdings totalling approx. 362 acres were offered by informal tender. Twenty bids were received for the two bare land and one fully equipped holdings, and all applications were analysed and scored. The Scoring Matrix was based on the following criteria:
 - a) Suitability of proposed use against Suffolk Strategic Priorities.
 - b) The applicants experience and training relevant to the holdings proposed use.
 - c) The practicality of the proposed business plan.
 - d) Likelihood of success and progression.
 - e) Overall quality of the application.
 - f) The financial (rent) offer.
90. All three properties were successfully let at substantially increased rental levels.
91. The "Grow Your Future" programme was established in 2014. The Council is working with Easton & Otley College and Eastern Enterprise Hub (EEH) for a third year on this innovative approach to encourage rural enterprise. The programme is overseen by a board which includes representatives of the council, Easton and Otley College, EEH, Country Landowners Association (CLA) and Framlingham Farmers. Final decisions on granting of tenancies are taken by the Corporate Property Programme Board in the usual way.
92. In 2016, the Council offered six 'Grow Your Future' sites for which prospective tenants ("aspiring entrepreneurs") could submit proposals. Outline proposals were submitted in December 2015. Two applicants were interviewed with one being successfully offered a tenancy. The successful applicant was presented with a Certificate at the Suffolk Show.
93. To ensure consistency, maximise the likelihood of commercial viability and assist the selection process, the successful bidder was offered a package of support on preparing business cases through Eastern Enterprise Hub.
94. The 'Grow Your Future' programme is being repeated in 2016/17. The emphasis is being altered to encourage training and mentoring and is seeking to encourage potential entrepreneurs to source suitable properties from a much broader spectrum of providers, rather than being reliant on the Council.
95. The County Farms estate is being managed to maintain an increasing income, at the same time as freeing up assets for sale. Re-letting opportunities have allowed the re-alignment of rents to current market levels, increasing the overall rental return on the Councils assets. In 2016 the estate produced gross income of just over £1.41 million, an increase of 23% from 2015. Disposals of ex-County Farms property are anticipated to produce capital receipts totalling £1.8 million (ten year average of £1.99m per annum)
96. The neighbouring Councils of Norfolk and Cambridgeshire both have large County farms estates and there has been increased joint working and sharing of best practice. In September 2016 the Cambridgeshire Asset Manager

(Rural) started working within the County Council (1 day per week) under a resource sharing arrangement. This has served to re-enforce relationships and exchange of good practice.

97. A systematic review of the County Farms estate has been initiated. This is likely to take a number of years to complete and is specifically intended to identify and bring forward for disposal, sites which are suitable for non-farming uses. Success will be measured in terms of increased levels of capital receipts. The need to obtain planning permission, and supporting evidence can, however, result in significant delay between identification and sale.
98. The County Farms estate continues to support the Greenest County agenda. County Farm tenants are encouraged to enter land into national environmental enhancement initiatives and almost all are, as a minimum, part of the "Entry Level Stewardship Scheme", sponsored by Natural England whereby they receive grants to enhance wildlife habitats and other environmental schemes.
99. The Council is engaged in active dialogue with District Councils as they produce Local Development Frameworks, to identify opportunities for County Farm land to contribute to the changing face of Suffolk. Currently this is particularly relevant to future development potential at Chilton (Sudbury) and in the Mildenhall area.
100. In support of the Caring for Vulnerable People Corporate Priority, the Council has leased land at West Row to a community enterprise providing an outdoors environment for vulnerable adults. In addition, County Farms tenants run a Care Farm at Undley. A further project has been established on the northern Lowestoft fringe.

Disposal of major assets

101. Corporate Property evaluates the best use for assets such as former schools and residential care homes which are surplus to service requirements. Options include sale to raise maximum capital receipts, sale/transfer at less than best price to encourage outcomes which support Council services or objectives, re-use by other Council functions, community transfers, or the generation of long or short term revenue (rents) for commercial benefit.
102. In 2015/16 the total completed sales generated capital receipts of £4.2m, split across the estate as follows:
 - a) Premises released by Riverside project £606,500
 - b) Former Care homes £2,070,000
 - c) Schools/caretakers houses £540,000
 - d) County Farms £1,307,300
 - e) Other £197,432
103. Within 2016/17 financial year as at 31 October 2016, sales were completed of £7.1m, and a further £5.9m is with solicitors pending completion. The majority of these receipts have arisen from the sale of former care homes and schools that have become vacant.
104. Long term property solutions can take time to resolve and interim management can be an issue. It is standard practice to inspect properties when they are declared surplus and at intervals thereafter, to review security arrangements and carry out any security works or other measures deemed necessary. The

Council's insurers consider many empty sites to be high risk and in some cases they require 24-hour on-site security. Corporate Property aims to keep the time that holdings are vacant to a minimum, to avoid unnecessary costs and risks. Sometimes, however, decisions about future action requires input from non-Corporate Property interests, prolonging the process.

105. In an effort to reduce these costs, an organisation employing staff from the former Brigade of Gurkhas has provided a more cost effective security role. The Gurkhas currently oversee two major assets. The use of their service has the added benefit of supporting the principles of Suffolk's Military Covenant
106. The Secretary of State has the power to require a council to transfer unused school sites to free school or academy trusts at nil value. Whilst no capital receipt will be realised, holding costs can still be incurred in the interim.
107. Secretary of State for Education (SoSE) approval is required before a school site can be sold for a purpose other than education. A separate SoSE approval is also required before a school playing field disposal can occur. When a school playing field is potentially surplus first priority is given to other local schools for reuse. If the land has been used by a community group within 6 months prior to school closure, the playing field must remain available for community use for a minimum of 10 years (unless the facility is re-provided close by). Should a local school not want the additional land the Council must still maintain it for community use, or find a local group willing to take it over.
108. With the incorporation of Barley Homes (Group) Limited, it is likely that in the future the Council will transfer potential housing development sites at market value to the new housing company.
109. The Council wishes to promote residential development on land it owns to assist meeting housing targets, optimise capital receipts, share in the benefits of "New Homes Bonus", and via Barley Homes (Group) Limited to create future revenue streams from residential lettings. In addition the Council can promote the needs of special needs groups such as housing for older people and for people with physical or learning difficulties, who may otherwise be in expensive residential care.

Supporting the Council and its services

110. The principle purpose of the Council owning and occupying property is to support the delivery of services, either directly or via partners. Corporate Property works closely with council service directorates to support their changing roles and methods of delivery.

Adult and Community Services (ACS)

111. Adult and Community Services continue to review their service provision through a number of key programmes including HaSCI, (Health and Social Care Integration), SLCC (Supporting Lives Connecting Communities) and changes as a result of the Care Act. All of these lead to closer working relationships with Partners, in particular with Health. HaSCI has led to the development of Integrated Neighbourhood Teams (INT) with pilots at Sudbury and Kirkley in Lowestoft, providing flexible working space in Health partner properties. Work is underway towards enabling cost-neutral solutions to further property sharing.
112. Care UK have completed the development of all ten new care homes identified in their arrangement with the Council. Of the 13 Care homes closed and

returned to the Council nine have been sold, one is on the market, one sold subject to contract, one is held for development by Barley Homes (Group) Limited and another is under discussion for reuse by a partner organisation

113. The Council is Landlord to a number of services divested by ACS including Suffolk Libraries, Leading Lives (LL), Sensing Change and Realise Futures. Corporate Property provide strategic advice to assist with changes in contractual arrangements with a view to maximising value for money from property. The continuing move to personalised care budgets will impact on the type and nature of future property requirements.
114. ACS work with a number of Registered Social Landlords (RSL) and support providers to facilitate supported housing for their customers and Corporate Property provides housing support in some instances. RSLs are considered better placed to provide the property support for these customers and discussions are continuing to transfer the remaining Council-controlled houses to RSLs. This model of supported housing focuses on enabling customers to maximise their skills and independence with the aim of reducing reliance on paid support.
115. Suffolk Libraries continue to seek opportunities to host other services within their buildings, which are supplied by the Council. Examples of successful schemes to date are: public access points for some district and borough councils along with outreach services for Children's Centres.

Public Health and Protection (PHP)

116. Corporate Property and Concertus have recently been working with Public Health (PH) and their service contractor to deliver a new permanent family planning and sexual health clinic, on part of the former Shire Hall site, in central Bury St Edmunds. The temporary "Orwell Clinic" premises in Ipswich remain in use pending decisions on a long term solution. Corporate property continues to give strategic property advice to PH in relation to its service contracts.
117. Changes to Suffolk Fire and Rescue Service (SFRS) property are being supported and delivered by Corporate Property and Concertus. The Vertas Property Management team works closely with SFRS to identify maintenance and improvement priorities to its buildings. Under the Blue Light Integration programme the service is being supported to deliver a number of further shared premises for Fire, Police and Ambulance.
118. With the separation of Archaeology into two arms, Contracting and Conservation, the statutory Conservation service which was formally based at 9/10 The Churchyard Bury, St Edmunds, has moved. Following capital investment to create modern fit-for-purpose stores and offices the service has transferred to Hollow Road, Bury St Edmunds, a formally under-utilised ACS asset owned by the Council.

Children and Young People's Services (CYP)

119. Corporate Property are working with CYP Early Years team to source property solutions for the predicted sufficiency shortfalls (based on the forecasts supplied by Government) as a result of the Government initiative to offer up to 30 hours 'free' pre-school childcare for eligible working families from September 2017.

120. Former school sites which are declared surplus by CYP as a consequence of the Schools Organisation Review (SOR) programme, or other changing circumstances, become the responsibility of Corporate Property. Corporate Property manage the transfer, holding and disposal or reuse of these premises with a view to minimising costs and risks whilst finding the best long-term solutions.
121. The Schools Organisation review is now complete. The new high school in Bury St Edmunds was completed on 28th November 2016, the high school had been operating from a former middle school site, as a temporary measure.
122. Concertus have delivered the SOR projects and are currently working on a project to benchmark the costs of education building projects, with the Education Funding Agency. A report is expected to be published early in 2017.
123. 110 of the Council's former Local Authority schools are now run by Academy Trusts, with more expected to convert over the next few years. The Council is required to transfer school premises to Academy or Free School Trusts, via a 125 year lease, on terms prescribed by Secretary of State. If, however, educational use ceases the sites revert to the Council.
124. Whilst such trusts, as tenants, are responsible for repairs, maintenance and all day to day running, including compliance with statutory regulations, this does not entirely remove the council from ongoing involvement in the site. As landlord, the Council may inspect the property at reasonable intervals and, if necessary, can issue a 'repairs notice' requiring that works are carried out. Should the tenant wish to make any significant alterations the Council, as the landlord, will need to give formal consent.

Resource Management (RM)

125. Corporate Property, together with Concertus Design and Property Consultants Limited, have been providing project management and estates advice in support of the provision of new Waste Transfer Stations in Lowestoft and Bury St Edmunds. Corporate Property continues to provide advice concerning other Household Waste Recycling centres as necessary.
126. Corporate Property continues to support the Highways divestment arrangements with Kier, through its role as Corporate Landlord. Leases are on commercial terms, and the Council, as Landlord has responsibilities, which are managed. Dialogue continues to take place as the contract develops.
127. Corporate Property is providing strategic property advice and support for land matters associated with Highways schemes, such as the proposed river crossings at Ipswich and Lowestoft and construction of Rougham Tower Avenue (Eastern Relief Road) at Moreton Hall, Bury St Edmunds.
128. Strategic input to major planning and development schemes such as at Morton Hall, Bury St Edmunds, particularly around infrastructure delivery and s106, has been provided by Corporate Property.
129. Corporate Property have supported the divestment of the Archaeology Contracting services, providing strategic advice and also ensuring appropriate accommodation is available for the Archaeology Conservation Service which will remain in the Council.

130. Corporate Property are carrying out a project at Beacon House to provide the Coroners Service with office and courtroom spaces for a centralised Countywide service. This will avoid the substantial costs of hiring spaces around the county, with the advantage of the location being adjacent to Police at Landmark House, thereby supporting cross-working.

Managing the Property Estate

131. Council property assets need to be pro-actively managed to ensure statutory compliance, manage risk, meet contractual obligations and ensure asset efficiency and value for money. A fundamental objective is to ensure that properties are healthy, safe and open for use.
132. Targets have been set for financial savings against property budgets and these are being achieved through a programme of rationalisation and property reduction, facilitated by a mix of property, technology and workstyle changes.
133. An annual review of all planned maintenance is undertaken and then reviewed on a quarterly basis to ensure optimal use of resources and alignment with changing requirements.

Strategic Landlord

134. Historically, the Council has primarily owned premises for its own occupation, to enable the direct delivery of its services. In recent years, as a result of the Council's programme of divestments, community transfers and the government's Academies and Free School initiatives, the Council has assumed a significantly increased landlord role. The role of Strategic Landlord continues to grow with a total of 439 properties where at least part of the premises are occupied by a third party, usually via leases. This includes Academies, Free Schools, Pre-Schools and Libraries.
135. There is a general policy to charge market rents for premises that are let to third parties. Whilst if the Council is commissioning a service this may add to the contract cost, it avoids state aid issues and drives commercially driven behaviours. There are, however, some exceptions, principally:
- a) Community Asset Transfers: in some cases premises are made available at less than market rent to encourage the development of community capacity.
 - b) Historic arrangements: in the past a range of lettings have taken place at less than market value to partner organisations or to encourage delivery of services, although this is generally avoided in new lettings.
 - c) Libraries
136. Leases are formal contracts that require ongoing management by the Council. Tenant and Landlord obligations are explicitly defined within the lease meaning there is often limited scope for discretion around the extent and timing of maintenance works. The council is contractually bound to provide services to tenants and account for them when levying service charges. There is also a requirement to ensure lease renewals, rent reviews and service of notices are all dealt with in a timely manner to protect the Council's interests.

Corporate Property – Revenue Expenditure

137. Corporate Property has an annual budget of £7.96m (2016/17); detailed in table 2 below

Table 2 : Property Expenditure

	£'m
Operation Assets Running Costs	6.04
Non-Operational Assets	0.07
Management, Staff & Overheads	0.73
Property Management Services in house (Apr - Jun)	0.57
Property Management Services delivered by Vertas (Jun - Mar)	2.17
Net contribution from County Farms	-1.20
Return from Concertus	-0.42
2016/17 Corporate Property Budget	7.96

138. County Farms makes a net contribution of £1.2m towards the budget being the value of rents collected (£1.34m 2016), less the cost of maintenance. Changes to county farms rents almost exclusively occur at 10th October (Michaelmas) each year therefore any impact is spread over two financial years.
139. The vast majority of the net annual property budget is spent on running the Council's operational property assets. This expenditure includes energy, maintenance, non-domestic rates, and Facilities Management (cleaning, security etc.).
140. Since 1 July 2016, Vertas are employed to continue all the work previously provided to the Council by the in-house Property Management Team. For this they will receive four equal quarterly payments from Corporate Property on 1st April, 1st July, 1st October and 1st January. In addition, Vertas Property Management receive direct income from Schools and academies, CYP, Early Years and divested organisations. They also receive a fee related to capital works they oversee. Any entirely new work commissioned in the future will attract an extra fee. Corporate Property have two staff dedicated to providing a client role, managing the Service Level Agreement (SLA) the council has with Vertas. The SLA contains targets and Key Performance Indicators (KPIs) and there are monthly performance review meetings, between representatives of the council and Vertas.
141. Expenditure on Non-operational assets varies year-on-year according to the type and number of assets that are held. Generally the Council seeks to minimise the number of assets in this category through re-use or disposal. These assets include:
- Un-let county farms land
 - Heritage assets
 - Non-operational highways land
 - Public space

- e) Other land and buildings including property held for future sale, property held for future use and property held for strategic purposes.
142. Vertas manages maintenance across the operational estate, excluding schools, on behalf of Corporate Property. This is divided between:
- a) Planned Maintenance
 - b) Statutory Test and Inspections
 - c) Reactive Repairs
143. In addition to the revenue maintenance budget, a Capital works budget of £1m (2016-17) is also managed by Vertas.

Keeping buildings healthy, safe and open

144. The Council as landlord and employer is legally responsible for the safety of tenants and occupiers of its premises in relation to legislation and standards.
145. The Council has a duty of care for the safe operation of its premises and the responsibility to train its staff to ensure they understand their local responsibilities and are competent in effective premises management. The Health and Safety Executive (HSE) expects the Council to share best practice, set standards, and provide evidence as to how it is meeting its obligations.
146. Prior to 1st July 2016 Corporate Property's own in-house Property Management team provided services to ensure these responsibilities were met. After this date, and following Property Management's transfer to Vertas, these services are now provided to Corporate Property by Vertas Property Management.
147. Vertas procedures involved in providing these services are accredited to the Quality Management ISO9001 standard and are audited annually by external auditors.
148. The Council's mandatory safety policy HS48 requires all Council-occupied sites, including maintained schools, to have completed a service level document for premises-related safety. This Service Level Plan (SLP) identifies the duties and responsibilities of premises users, and both Vertas and Corporate Property in respect of premises health and safety.
149. The SLP identifies a responsible person for each premises. The responsible person ensures that the relevant checks, monitoring and maintenance tasks listed are carried out.
150. Reactive repairs are reported to Vertas who prioritise these depending on the nature of the issue and the impact this will have on keeping the building healthy safe and open.
151. Vertas analyse reactive repair requests to identify reoccurring breakdowns and provide Corporate Property with information to enable remedial actions to be identified and, where necessary, assist with the planning of capital improvement works.
152. Most of the Council's non-school estate is funded directly via Corporate Property budgets although some services still hold their own budgets for their operational properties, such as fire stations and Children's Centres.
153. Vertas has the expertise to make informed day-to-day decisions about how the property portfolio is maintained. Corporate Property sets the budgets and

priorities based on the policies and political aspirations of the Council. Capital and revenue budgets for capital improvements, statutory tests and inspections, maintenance and repairs, are managed by Vertas under the direction of Corporate Property.

154. Schools do not pay rent or service charges so are offered the opportunity to purchase, if they wish, Services from Vertas covering Statutory Maintenance regimes and emergency response. It should be noted that where schools choose to opt out, this leaves the Council open to greater risk of poor practices and prosecution for non-compliance
155. Individual schools and Academies are responsible for the revenue repairs and maintenance of their school sites. Vertas provide schools with the option to purchase “Core” and “Core Plus” maintenance packages giving them the confidence that works are carried out to meet statutory responsibilities.
156. Both the “Core” and “Core Plus” maintenance packages provide all statutory test and inspections that are required on operational sites, plus a 24/7 reactive service.
157. Academy leases state that the Academy is responsible for the maintenance of their sites. The Council is the landlord and retains some responsibility for ensuring the premises are compliant with statutory requirements. Currently 49% of Academies procure support from the Vertas team.

Council offices and the working environment

158. Corporate Property continues to strive to optimise the use of the Council’s office assets. Occupation arrangements need to be reviewed and changed to reflect changes in staffing, services (e.g. as result of transformation programmes), technology, work styles and changing priorities (including the need to work with partners). As a result, there is continuous “churn” within the estate and Corporate Property take a lead in the space allocations and the change control process.
159. In September 2016 Mid-Suffolk and Babergh District Councils voted to support moving their staff to Endeavour House as part of their Public Access Strategy. This supports our vision for third party co-location in Council buildings. Corporate Property have set up a programme to free up the space necessary to accommodate colleagues from the District councils and to look at associated issues such as car parking, the office environment and green travel.
160. Space will be created by some team moves across the Ipswich Offices and also linking closely with Free Me to support staff to work differently, reducing pressure on the traditional office environment.
161. To support the Mid-Suffolk and Babergh District Councils moves part of the first floor of Beacon House is being refurbished as corporate offices. This will re-house council staff currently in leased accommodation at the Mid-Suffolk offices in Needham Market and also a smaller number of staff from the Endeavour House campus.
162. Desk occupation surveys undertaken in 2015 were repeated in the autumn of 2016. They were undertaken in Endeavour House, Constantine House and Landmark House (council areas only) as per the previous year, and also included jointly commissioned surveys of both the Council and district areas of West Suffolk House and Riverside Road. The proposal is that these surveys

should be repeated annually to identify areas where there might be pressure and those which are underused. This is part of a programme to optimise use of assets and identify opportunities for further revenue efficiencies.

Conclusion

163. Property assets are a fundamental resource of the Council. They provide a critical role in contributing to the delivery of the council's corporate objectives, principally by accommodating staff and services of the council and its partners and by generating income and capital receipts. In Suffolk property has been successfully used as a catalyst for change in both service delivery and wider culture.
164. There are, significant costs associated with owning and running sites and buildings and these costs need to be managed and minimised. The council uses asset management planning to identify how its property interests need to change in response to changing service delivery models, technology and financial imperatives, with a view to providing fit-for-purpose accommodation which is healthy and safe, at optimal cost. The council is a key player in promoting and delivering multi-agency property solutions under the Single Public Sector Estate initiative, to improve service delivery and drive down costs.
165. Suffolk County Council has a small in house Corporate Property team which is responsible for strategic asset management planning and commissioning of property services, principally from the council's wholly-owned companies, Concertus Design and Property Consultants Ltd and Vertas.
166. The council is asked to note that the property assets of the Council are being effectively managed and used in support of the council's overall priorities and objectives.

Sources of further information

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| a) None |
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