

# Property Strategy

2019 – 2024

Version I

## Executive Summary from Cllr Mark Deaville, Cabinet Member for Commercial

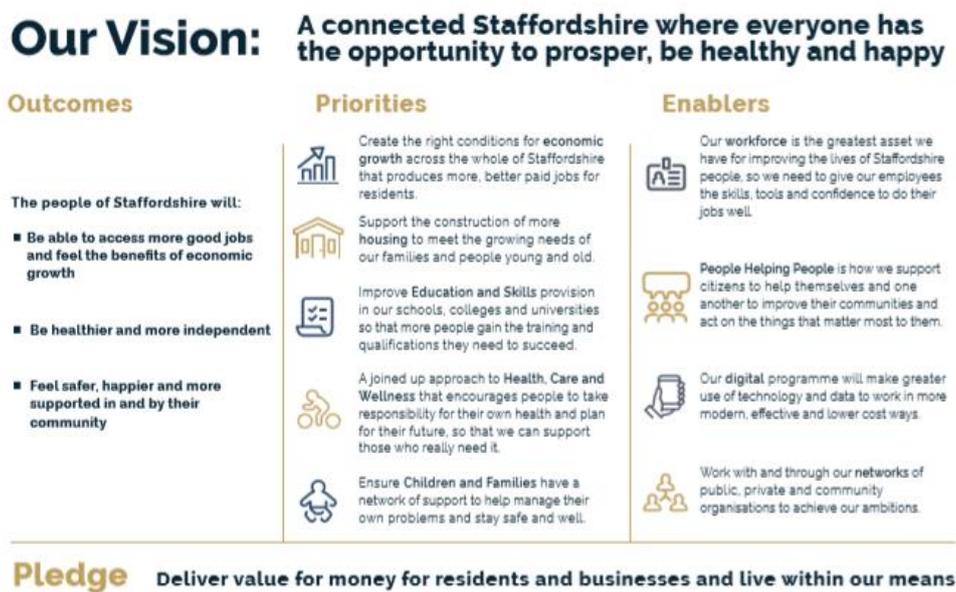
Property is a key resource which, if well managed, contributes to an organisation's success. For Staffordshire County Council, property is the environment in which people work, and from which services are delivered. As a result, it can have an impact on both employees, the residents of Staffordshire and have a significant impact and influence on the efficiency and effectiveness of our activities.

With the pressure on us to deliver ever higher quality services at an even lower cost, property must contribute to the delivery of quality and cost effectiveness. This Property strategy sets out, at a high level, a broad framework for considering property at the most strategic level so that we can understand the costs and benefits of our decisions.

### Section 1: Property Strategy Introduction

Property assets are an important contributing factor to the quality of public services, supporting the delivery of services to our citizens, promoting wellbeing and confidence and acting as a spur for wider growth and prosperity.

With technology, new ways of working and models of delivery, coupled with the need to respond to the public sector financial constraints, we are managing and developing our assets to support transformation. This Property Strategy provides a framework to support the councils overarching vision and priorities by delivering collaborative property solutions.



Staffordshire County Council has a number of key strategic challenges:

**Key Strategic Challenges:**



**Economic growth**

Encouraging more growth in higher value sectors, creating 'better jobs' while ensuring we have a balanced economy.



**Attainment and higher-level skills**

Raising aspirations, attainment and skills at all ages to reduce inequalities and develop a workforce that is fit for the future economy.



**Ageing population**

Prevalence of long-term and multiple conditions is placing increasing demand on the public sector. Encouraging people to take more responsibility for their health and wellbeing is key.



**Health and social care transformation**

Continuing to transform a system that is severely clinically and financially challenged through the Sustainability Transformation Partnership (STP) is fundamental.



**Reducing demand on the children's system**

Stopping the increase of children and families entering social care through a community-based approach to early help.

This strategy sets out our aims in relation to the management and use of the County Councils property assets. We need to ensure that our land and properties provide value for money, meet the needs of customers, maximise opportunities for integrated and partnership working, support regeneration and economic growth across the county, including the disposal or reconfiguration of assets, promote efficiency and effectiveness, considers wellbeing and where possible, adds social value and ensure compliance with related statutory and regulatory codes. The strategy also links to the key strands of the MTFS (Medium Term, Financial Strategy), specifically creating the right conditions for our economy to grow; encourage housebuilding to meet growing demand; using council assets such as land and buildings or money held in reserve to generate income; and continuing to reduce costs by finding new and more efficient ways of working.

In order to meet the aims of the strategy, we will ensure that:

- Our buildings are fit for purpose, providing good quality accommodation for our staff. Ensuring that the service we provide are in the right place and integrated with other service providers to meet the needs of our residents.
- We will ensure that SCC property assets deliver best value. Surplus property will be decommissioned, sold or repurposed for innovative use to support the core activities. Property assets will also be fully utilised by maximising rents, leases. This will also include ensuring the best return for the people of Staffordshire and we will continue to work in partnership and support the delivery of services by the community and third sector organisations.
- We will use our assets, where possible, to support regeneration, economic growth and supporting housing development by working in partnership with others to maximise shared opportunities, using the One Public Estates programme.
- Building efficiency will be core, promoting energy efficiency, space utilisation, smarter working, using technology and sharing common facilities.

The strategy encourages all to challenge the current perception of property need, seeking and promoting innovative solutions, working in partnership across the public, private and voluntary sector.

## Section 2: Context

All of Staffordshire County Council assets are treated as a corporate resource. The corporate estate is changing, but currently occupies 249 non-school assets at an annual cost of circa £9,300,000 per annum. That equates to 256,000 m<sup>2</sup> of space which is the equivalent to 36 football pitches.

The assets, which can be land or building, are and property held by Staffordshire County Council can be split into two types:

1. Operational property supports the delivery of either frontline services direct to the public such as libraries, registrars, children's centres or Support service such as administrative offices, and highway depots.
2. Non-operational property, which provides a rental income or a capital receipt through disposal or opportunities to support regeneration initiatives, such as surplus office accommodation and former playing fields.

This strategy, as well as providing a framework to support the councils overarching vision and priorities, considers the latest Government initiatives and guidelines for local authorities. This includes recommendations contained in:

- Local Government Act
- Localism Act 2011
- CIPFA's Strategic Property Asset Management Framework doc (Aug 2018)
- RICS Property Asset Management Guidelines 2012
- A guide to community-centred approaches for health and wellbeing 2015

The Councils Medium Term Financial Strategy brings together the financial factors, aligns with the Corporate Priorities, and is updated annually covering revenue and capital budgets. The MTFs sets out the need for Corporate Property to:

- Have a robust and proactive approach to property rationalisation.
- Recognise the need for a Corporate Property Strategy & Formal Asset Management approach.
- Approves the commencement of an assumption's validation study based on an approved Corporate Property Strategy and Property Asset Planning approach
- Supports the implementation of the Commercial Investment Strategy

The Strategic Infrastructure Plan supports the construction of more houses in Staffordshire. When disposing of assets, the potential to maximise housing development opportunities will be considered.

We are also responsible for ensuring that we provide enough primary and secondary school places for future needs. Since the Academy legislation in 2010, over 215 of the 400 Staffordshire school have converted to Academy's, Trusts or Free Schools. We continue to work with the DoE and the Regional Schools Commissioner to convert the remaining Staffordshire schools as and when required.

In July 2019, Staffordshire County Council declared a 'climate emergency' and said that more needed to be done across Staffordshire to meet the Government's commitment to net zero carbon emissions by 2050.

As a result, the county council's climate change strategy will be refreshed with new stretching targets for Staffordshire. This comes on the heels of the launch of the new 'Air Aware Staffordshire' campaign, which seeks to tackle a growing problem across Staffordshire in terms of increasingly harmful levels of air pollution, which is part of the work already underway to reduce air pollution by working with schools, business and residents across Staffordshire to travel more sustainably.

Staffordshire County Council has embraced smarter working and the use of digital solutions to create a 21st century workforce that is focused on delivering outcomes with bureaucracy minimised through use of digital and technical solutions. We have already seen how using our buildings more efficiently and introducing smarter working gives employees more control over 'how' they work. It can significantly improve their work / life balance and has the potential to reduce levels of stress by cutting down on travel time, fitting other activities or responsibilities into their routine, and reducing their journey costs to work. A modern and more fitting approach to designing and providing further workspace should be to consider the tasks and activities in the first instance, that is, what types of spaces and places do colleagues need in order to deliver their best work. This will look different for different groups of staff (personas); however, where possible should be the starting point for new developments of improvements to existing properties.

### Section 3: Summary of assets

Schools Assets by phase and Academy/Maintained:

Phase	Number of Maintained Schools		Number of Academy Schools		Grand Total
	Count	Percentage	Count	Percentage	
Nursery	2	100.00%	0	0.00%	2
First	28	54.90%	23	45.10%	51
Infant	5	45.50%	6	54.50%	11
Junior	5	55.60%	4	44.40%	9
Primary	112	49.30%	115	50.70%	227
<b>Primary Phase</b>	<b>152</b>	<b>50.70%</b>	<b>148</b>	<b>49.30%</b>	<b>300</b>
Middle	4	28.60%	10	71.40%	14
High	14	25.00%	42	75.00%	56
Sixth Form College	0	0.00%	1	100.00%	1
<b>Secondary Phase</b>	<b>18</b>	<b>25.40%</b>	<b>53</b>	<b>74.60%</b>	<b>71</b>
PRU	6	100.00%	0	0.00%	6
Special	9	39.10%	14	60.90%	23
<b>Grand Total</b>	<b>185</b>	<b>46.30%</b>	<b>215</b>	<b>53.80%</b>	<b>400</b>

Non-Schools Assets with Buildings:

Category	Number of Assets	Sum of GIA	Sum of Site Area m <sup>2</sup>
Archives / Central Record Storage / Museum	6	5,637	7,198
Area Service Office	11	17,643	28,209
Central Administration Office	2	21,510	9,566
Commercial Use	1	5,048	12,110
Community Living	2	255	8,818
Complex Needs	6	3,263	18,279
Consumer Services	1	51	55
Country Parks	12	2,616	13,739,336
County Asset - Commercial Asset - Third Party Controlled and Managed	8	20,275	59,466
County Asset - Community Asset - Third Party Controlled and Managed	30	13,541	162,705
County Asset - Grounds Depot - Third Party Controlled and Managed	1	254	2,204
County Asset - Itinerant Housing - Third Party Controlled and Managed	1	0	12,436
County Asset - Outdoor Education - Third Party Controlled and Managed	3	6,066	147,693
County Hall	1	4,584	2,139
Data Centres / Third Party Offices	1	3,766	2,206
Day Centres / Care Training Centres	6	3,877	16,077
Depot - Countryside	1	528	5,238
Depots - Highways	10	7,010	67,133
Economic Regeneration Site/Project	5	3,509	1,374,179
Enterprise Centres	9	19,631	149,773
Historic Features	2	8	37
Household Waste Centre - Third party Managed	14	3,296	91,201
Innovation Centre & Offices	1	920	8,662
Libraries	38	23,752	41,681
Library - Third Party Controlled	1	40	65
Local Service Offices	16	9,235	21,922
Registrars	1	469	251
Residential Homes	10	9,570	48,047
Residential Home - Third Party Operated / Managed	12	16,103	39,730
Storage Facilities	2	1,438	1,938
Sure Start / Children Centre / Nurseries	18	9,177	45,640
Surplus Assets - Awaiting alternative use / Disposal	44	40,057	276,434
Surplus Assets - Awaiting alternative use.	1	3,704	1,509
<b>Grand Total</b>	<b>277</b>	<b>256,833</b>	<b>16,401,937</b>

## Non-Schools Land Only Assets, by primary function:

Category	Number of Assets	Sum of Site Area m <sup>2</sup>
Car Parks	11	23,966
Country Parks	37	7,047,807
County Assets - Commercial Asset - Third Party Controlled and Managed	5	439,823
County Assets - Community Asset - Third Party Controlled and Managed	15	282,176
County Asset - Grounds Depot - Third Party Controlled and Managed	1	1,874
Depots - Highways	7	19,934
Economic Regeneration Site/Project	6	705,661
Highway Land	1	553
Sure Start / Children Centre / Nursery	1	169
Surplus Asset - Awaiting alternative use / Disposal	35	962,056
Waste Management / Land Reclamation	18	1,221,308
<b>Grand Total</b>	<b>137</b>	<b>10,705,327</b>

Land Assets in the tables above are recorded as a discreet property/land only asset that is either managed separately or isolated by physical features such as roads e.g. Cannock Chase Country Park consists of several property assets where they are separated by roads.

## Section 4: Governance

Leadership and an effective decision-making structure are essential for the success of this strategy. In 2017 a review of the property decision making process was undertaken and a revised decision-making structure was introduced involving the establishment of a property sub-committee of the cabinet and delegations to officers.

For the full schedule of decision-making levels for property matters (December 2017) see:

<https://www.intra.staffordshire.gov.uk/governance/decision/property.aspx>

The Property sub-committee is responsible for decisions on of the Councils assets. Its purpose is to exercise delegated powers to consider and make decisions on all land and property transactions where the County Council has an interest and the value of that transaction is between £200,000 and £2million. It will advise the Cabinet on the contents of the property strategy for the use of land and property in which the County Council has an interest, including Economic Regeneration Sites, Schools, County Farms and Enterprise Centres.

The Cabinet will decide on all decisions of £2m or above.

It is essential that our decisions respond to the need for transformational change in order to deliver a responsive service across Staffordshire. We will therefore work closely with colleagues supporting Digital and Workforce change programmes.

We aim to provide the right buildings, in the right place to meet future delivery needs. We must use our assets to ensure that we deliver value for money, cost effectiveness and

efficiency leading to high levels of satisfaction, compliance with related statutory and regulatory requirements.

We know that local authorities are changing as a response to the pressure of demand increases, population growth and a reduction in funding from central government. It will be the responsibility of all involved in asset management to ensure that we make best use of our assets, that we understand and challenge services on their future property requirements and identify and dispose of those assets that are performing poorly, do not represent value for money and promote effective property solutions.

## Section 5: How we will deliver the property strategy

The Property team will undertake a range of activities which support the delivery of the Property Strategy in an accountable and transparent way. These will include:

Property Budgets	£000
<b>Management of Pooled Buildings</b> - Budget ensures that property meets its legislative and statutory requirements, reactive, planned and preventative maintenance	11,600
<b>Entrust Contract Management</b> - Entrust provide property related services including facility management to schools, design, development and project management for refurbishments, maintenance of buildings and equipment, service testing, compliance and asset management and energy management.	6,600
<b>Other Corporate Capital Programme 2019/2020</b> - Cabinet approves the annual corporate capital investment programme to deliver the councils priorities	15,200
<b>Schools Capital Programme 2019/20</b> – Cabinet approve the annual maintenance / improvement projects and basic need / pupil place provision projects	37,668

The MTFS strategic strands will also underpin the work of the Property team:

- Maximise the economic value of the estate and promote modern, more effective ways of working
- Provide accommodation to support the needs of the services and their users
- Work in partnership with colleagues involved in digital transformation programmes to deliver modern, digitally enabled services with staff utilising flexible working practices
- Provide an informed view of the future use of land and property and identify surplus land and housing opportunities
- Ensure assets contribute to social, community and strategic objectives
- Ensure that all assets decisions consider the possible commercial opportunities

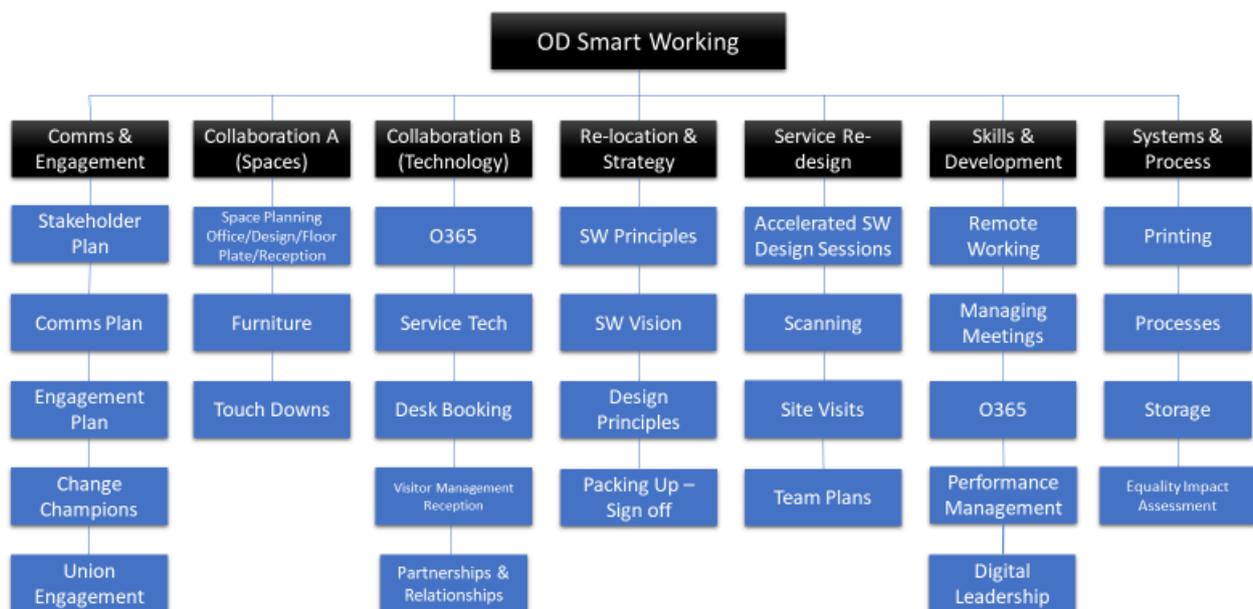
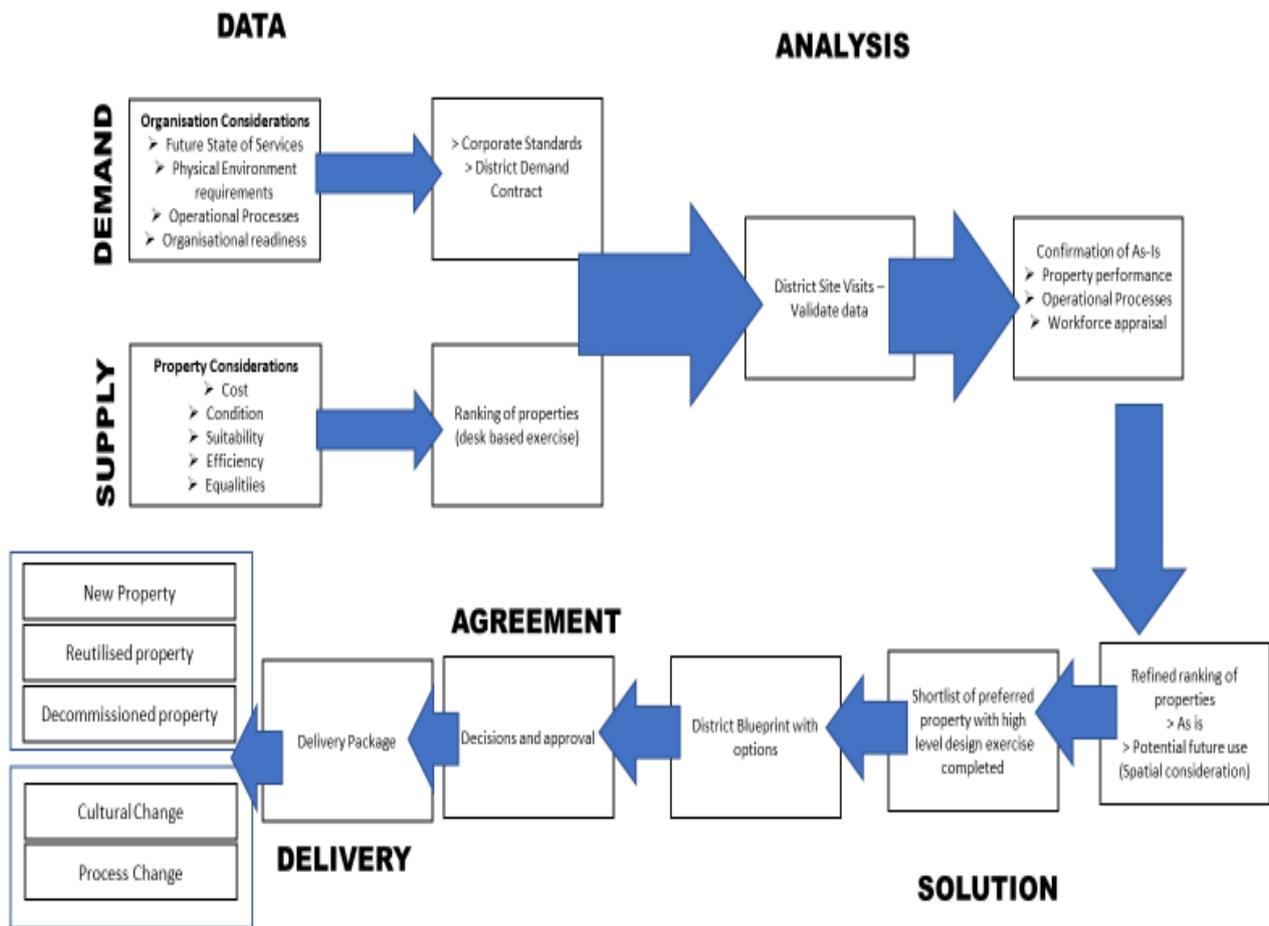
The Property Strategy is integral with the wider SCC strategic priorities; therefore, they will work in partnership with other teams and services within SCC. The team will also work in partnership with external partners, engaging with stakeholders in order to deliver on major

capital schemes, targeting investment and property decommissioning to reduce risk and backlog maintenance having identified poorly performing properties.

The implementation of the Property Strategy will be measured and monitored through the successful delivery of the projects identified in the MTFS work programme, demonstrate savings and income generation through better use of our property assets. We will utilise the annual staff survey to ensure that we are providing efficient and effective office accommodation for our staff.

In order to deliver the MTFS priorities, an Asset Management Process has been formalised, with the process based on the following principles:

- That property is a corporate asset not service owned
- Maximisation of space utilisation including front-line and back office staff
- Agreed timescales for implementation and completion
- Change is supported by colleagues in Organisational Development, ICT and transformational change teams
- Any change management process is undertaken in part with service areas
- Any change will be based on the needs of all users in a building, formed from their collective spatial requirements
- We will draw on good practice and lessons learnt from Castle House, Stafford Borough Council and Staffordshire Place 1
- Co-location opportunities will be reviewed and proposed at a local level to deliver better outcomes for service users and staff



### One Public Estate and the Sustainability and Transformation Partnership

Staffordshire County Council has been committed to the One Public Estate (OPE) and Sustainability and Transformation (STP) Partnership for many years. In January 2019, the OPE Board and the Local Estates Forum (STP) aligned, leading to the creation of the OPE/STP Executive Estates Programme Board. The board provides a system wide

approach to facilitate the better use of the public sector estate, help meet locally determined service delivery, housing and growth opportunities, identify efficiencies and opportunities which will have a positive impact on spend, service delivery and customer satisfaction.

Both initiatives are ground in several core principles:

- Taking a strategic approach to asset management and rationalisation
- The need to transform services to bring about change and challenge the way services are delivered
- The need to work across the public sector, getting more from collective assets including a more efficient use of assets and resources
- Creating economic growth and supporting local regeneration
- Delivering a more integrated, customer focused service
- Generating efficiencies through capital receipts and reduced running cost
- Developing a modern, fit for purpose infrastructure
- Transformation to improve service delivery by providing the right service at the right time which could result in greater integration of services, co-located work space
- The need to stem demand across the public sector

The board has also focused on enabling a cultural shift across the initiatives which promote personal responsibility by:

- Empowering the community to support itself
- Putting people are the heart of decisions
- Promoting a greater understanding of the needs of people
- Enabling a change in personal and community culture moving away from public sector reliance.
- Supporting people through social action
- Building capacity within the voluntary sector and community
- Targeting specific needs in specific communities thus moving away from universal support.
- Acknowledging the importance of good quality housing and a prosperous society

Staffordshire County Council is committed to working in partnership. We have many examples where we have worked with other public, private and voluntary sector organisations to achieve a common purpose. We have been able to address specific issues, in the short and long term, based on the key principles of openness, trust and honesty. Collaborative working is at the heart of improving outcomes and making local services cost effective.

## **Section 6: Medium Term Financial Strategy**

### **Financial Planning**

One of the key financial planning strands of the MTFS is to utilise council assets such as land and buildings to help support the sustainability of services and provide the resources to help support the financing of capital expenditure. This includes supporting the delivery of one-off resources to support the MTFS through capital receipts arising from the property rationalisation programme and the disposal of part of the County Farms estate. The

forecast receipts arising from these programmes is approximately £50m over the next three financial years.

### Property Specific Savings

Included within the MTFS are specific revenue savings targets around the consolidation of staff in central Stafford into Staffordshire Place 1 and savings from a wider property rationalisation programme across the whole of Staffordshire.

These targets are-

MTFS Savings	2019/2020 £000	2020/2021 £000	2021/2022 £000	2022/2023 £000	2023/2024 £000
Central Stafford Office consolidation	687	687	687	687	687
County wide property rationalisation programme	1,000	2,100	3,200	3,600	3,700

How we use our assets is changing as the demands of modern ways of working challenge the traditional assumptions of what we want from buildings today. We must ensure that our workspace is adaptable and can change and flex as work styles evolve.

As outlined in the table above, the Medium-Term Financial Strategy requires the generation of capital receipts and revenue savings. It is envisaged that property rationalisation will reduce the estate portfolio by 52%, generating capital receipts and on-going revenue savings of £3.7m by 2022.

By working with services and our partners, we have explored the issues and opportunities including multiple innovative, collaborative and interactive work settings solutions with a view to achieving cost-effective and fit for purpose space, which is flexible and can be reconfigured to meet future needs. The increased functionality and reduced costs of mobile technology and telephony, as well as more secure and reliable remote access to digitally generated and stored information, has enabled our staff and services to adopt smarter ways of working. By considering how we use our buildings more effectively, we have also been able to release redundant land and buildings, together with opportunities for sale and leaseback or opportunities to consolidate.

### Property rationalisation process

