

**DERBYSHIRE COUNTY COUNCIL  
IMPROVEMENT AND SCRUTINY COMMITTEE – Resources**

**31 May 2018**

**Review of Operational Property**

**1. Purpose of the Report**

To inform the Committee of the progress made by the working group conducting the review of operational property.

**2. Information and Analysis**

This is the first progress report of the review of operational property. The members of the working group are Cllrs Kemp (Chair), Wharmby, and Moesby. The aim of the review is to ascertain whether the Council's current approach is sustainable and sufficiently robust to ensure that the authority's property portfolio is fit for purpose and cost effective.

At the first meeting of the working group, Members received a briefing from Jo Hollick (Assets and Facilities Manager) about the actions undertaken following the 2013 scrutiny review of non-operational property. These actions are detailed in Appendix 1. Key points to note are that:

- It is now standard practice to advise Local Members of any land and property in their division that is to be declared vacant and sold, so that they have the opportunity to raise and discuss any issues.
- Since the establishment of the East Midlands One Public Estate (OPE) initiative the County Council is working more closely with its public sector partners to consider land and property collectively rather than in isolation.
- A 25 year option appraisal model is in use for property rationalisation schemes and is now considered standard practice.
- A Corporate Landlord function (CL) was introduced in Corporate Property in 2015 and this is now embedded in the everyday management of the council's land and property.

The working group also received a briefing from Matthew Scarborough, the Programme Manager for the OPE. Members were informed that OPE is a Cabinet Office and LGA initiative that grew from the government property unit's aspiration to work across the public sector to achieve economies of scale, greater integration and to encourage regeneration in identified areas. A copy of the presentation is given at Appendix 2 which summarises the programme activity and funding received to date.

DCC is the host and submitting authority for the programme in the North Midlands (covering Nottinghamshire and Derbyshire). The focus of OPE is on collaboration and

addressing national issues at a local level. It aims to create well connected places where communities can live, work and access the services they need. It is a whole system approach that considers how new housing developments will impact on health and education services in the area and what employment opportunities exist or can be developed in the locality. OPE projects might lead to housing provision, more effective and efficient services (through single point hubs) and closer integration with neighbouring authorities and public organisations. In essence the four main principles of the programme are:

- To generate capital receipts (either from the sale of surplus land or assets to a reconfiguration programme or from the supply of housing)
- To reduce operational costs by ensuring that buildings are fit for purpose.
- To identify opportunities for service integration that will achieve economies of scale through co-delivery of services,
- To ensure collaboration with partners in order to achieve better value for money from public assets

### **Officer's Recommendations**

The Committee notes that the review of operational property is ongoing.

**Cllr Tony Kemp**

## **Chairman – Improvement and Scrutiny Committee Resources**

## Review of Non-Operational Property

### Recommendations Action Plan – Comments as at 17 April 2018

Recommendation No.	Recommendation Wording	Responsible Officer	Progress report date	Action Required	Comments (as at 17/04/2018)
9.1	The proposal to dispose of the County Council's non-operational holdings is supported, subject to the additional recommendations of this report.				
9.2	That the Director of Property liaises with local Members who have expressed concerns, or offered suggestions, in respect of those properties deemed surplus within their Divisions (as set out in the appendix to the report)	Director of Property	To I & S Resources Cttee 13 March 2014 (written report deadline 5 March)	Group Manager (Assets) to co-ordinate responses to members and provide summary for March I & S Resources Committee.	Extensive member consultation was undertaken during 2014 to address any concerns that members had regarding any properties deemed surplus in their divisions at the time.  It is now standard practice to advise Local Members of any land and property that is to be declared vacant and sold in their divisions so that they have the opportunity to raise and discuss any issues.
9.3	The Director of Property, in consultation with the Director of Finance	Director of Property/ Director of Finance/	To I & S Resources Cttee 13 March 2014	Group Manager (Assets) to produce lists of dwellings by district and co-	This exercise was undertaken but none of the district councils or housing associations expressed any

	and the Director of Legal Services, pursues the opportunity to dispose of appropriate properties to social housing providers	Director of Legal Services	(written report deadline 5 March)	ordinate contact with district council housing departments via the Space Derbyshire Project. Any negotiations of terms to be undertaken by the Estates Team.	<p>interest in any of the properties available at that time.</p> <p>Under the One Public Estate (OPE) initiative, the County Council is now working more closely with its public sector partners to consider land and property collectively rather than in isolation. For example, joint bids are submitted to the Cabinet Office for funding to undertake feasibility studies to rationalise the public estate and create new shared service hubs.</p>
9.4	The Director of Property liaises with the county's district and borough councils and other public sector organisations to adopt a partnership approach to the future of the County Council's non-operational property, whether for housing or other uses.	Director of Property	To I & S Resources Cttee 13 March 2014 (written report deadline 5 March)	Group Manager (Assets) to produce lists of properties by district and co-ordinate contact with district and borough councils and other public sector organisations via the Space Derbyshire Project. Any negotiations of terms to be undertaken by the Estates Team.	This is now embedded as part of the North Midlands OPE partnership (see 9.3 above).

9.5	The Director of Property, in consultation with the Directors of Finance, develops a structured assessment system to assess each individual property (above an appropriate agreed value) against 25 year projections in order to measure best-value options for its future use or disposal	Director of Property/ Director of Finance	To I & S Resources Cttee 13 March 2014 (written report deadline 5 March)	Group Manager (Assets) to arrange meeting with officers from Property and Finance to discuss a 25 year model and a protocol for its application.	<p>The 25 year option appraisal model is in use for property rationalisation schemes and is now considered standard practice.</p> <p>A summary of the financial appraisal is included in any Cabco or Cabinet report submitted to members regarding property rationalisation schemes.</p>
9.6	The Asset Management System also to be used to assess operational property on a regular basis to give a continual appraisal to its usage/requirement.	Director of Property	To I & S Resources Cttee 16 January 2014 (written report deadline 8 January)	Group Manager (Assets) to provide summary of systems already in place to assess the suitability and use of operational properties (Assessments of Property Performance and Service Based Property Reviews) and provide examples of reports produced.	<p>The asset manager database is a software system used to hold data on all the Council's land and property. It is not a development appraisal system.</p> <p>The Asset and Facilities Management Team within the Corporate Landlord is continually working with colleagues in service departments to review operational properties in order to ensure they are fit for purpose and to identify properties that require improvement/replacement or</p>

					<p>are surplus to requirements. Property reviews include consideration of a property's location, running costs, functional suitability, current condition and future maintenance liability.</p> <p>Under the OPE initiative locality based reviews, in conjunction with our public sector partners, are also undertaken.</p>
9.7	<p>The concept of "Corporate Landlord" be explored further by the Director of Property in consultation with Strategic Directors and a report on this be brought to the Scrutiny committee in due course</p>	Director of Property	To I & S Resources Cttee 29 May 2014 (written report deadline 21 May)		<p>A Corporate Landlord function (CL) was introduced as in Corporate Property in 2015 and this is now embedded in the everyday management of the council's land and property.</p> <p>The CL actively manages all shared sites (sites where more than one department are in occupation) and takes a lead role in monitoring the statutory compliance of all the Council's land and property. The CL is also responsible for the Corporate maintenance Budget (CMB) that funds all repairs and maintenance, servicing and testing, grounds maintenance and a</p>

					<p>significant proportion of the cleaning and caretaking at all non-school properties. The CL actively monitors spend against this budget and procures repairs and maintenance works, ground maintenance works and cleaning and caretaking services from in house teams via an SLA or from external suppliers and contractors. The CL also determines the planned maintenance programme for the Council's non schools properties.</p>
9.8	<p>The disposal of property held by the County Council "in trust" is supported, providing that the previous owners' wishes and original intentions, when donating the property to the County Council, are protected.</p>			<p>Group Manager (Assets) to arrange meeting with officers from Property and Legal Services to discuss this further.</p>	<p>Work is on-going in conjunction with the Director of Legal Services to identify the land and property that is held in trust by the Council, so that measures can be put in place to ensure they are managed appropriately. For example, they will be clearly identified on the Council land ownership records and in the Asset Manager database. This will ensure that all the Council's legal obligations as Trustee are performed and if any land or property that is held in trust is deemed surplus and no longer</p>



					required by the Council, the correct process can be followed when disposing of it.
--	--	--	--	--	--

Update as at 17<sup>th</sup> April 2018.

# One Public Estate Programme

## Derbyshire North Midlands Partnership Presentation by

Matthew Scarborough – OPE Programme Manager

# The One Public Estate Programme

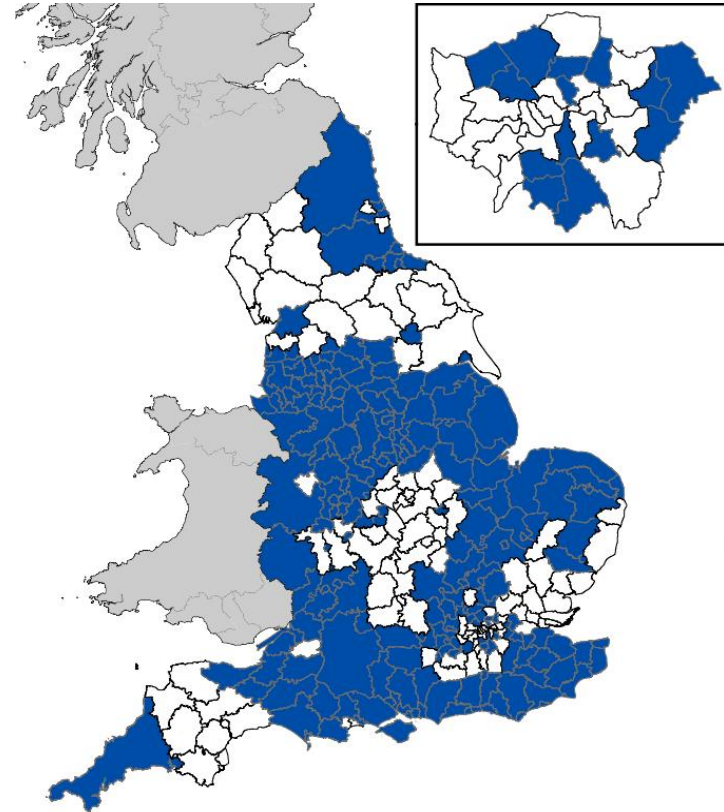
- One Public Estate (OPE) is a pioneering, transformational and enterprising national initiative which is supported and funded by the Cabinet Office and delivered in partnership with the Local Government Association.
- Designed to facilitate and enable local authorities to work successfully with central government and other agencies on property and land issues through sharing and collaboration to sustain, protect and improve services.
- Provides technical & practical support and funding to deliver ambitious property focused programmes
- All about getting more from collective assets, gaining knowledge, encouraging engagement and meeting priorities of communities.
- Grant Funding available to support programmes and Projects.





# National Position

- £31m to reach 95% by April 2018
- Working with:
  - 255 councils in 63 partnerships
  - 13 main government departments
  - Over 350 projects
- Already delivered:
  - £27.6m capital receipts
  - £20m running cost savings
  - Over 5,500 jobs
  - Land released for over 550 homes
- Housing and Planning Act





Cabinet Office

# The National Programme

## What will be delivered by 2019/20?



### Capital receipts



£615m

### Running cost savings



£158m

### Jobs



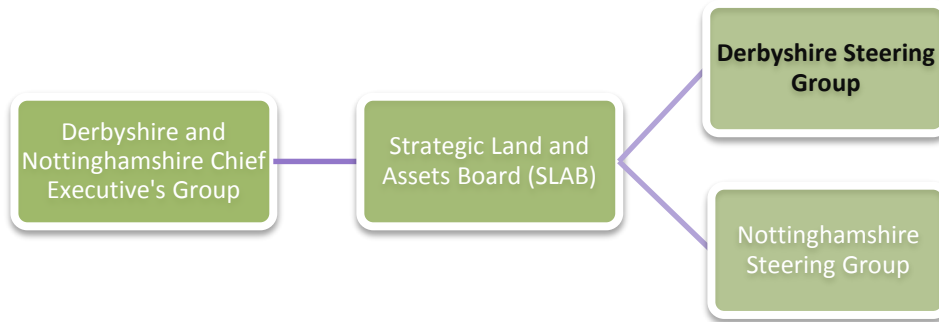
44,000

### Land released for housing



25,000

# Background & Programme Management



Derbyshire County Council are the Lead/Host Authority for the North Midlands programme and provide the strategic direction and support.

Joined the programme in 2015

Funding is available from Cabinet Office to support local programmes.

The **Strategic Land and Assets Board** (SLAB) is the strategic “umbrella” which brings the Nottinghamshire and Derbyshire OPE groups together and ensures that strategic and collaborative links are in place to share information, good practice and challenge.

The **Steering Groups** are chaired by senior executive officers from district/borough councils, who also chair the SLAB.

# The North Midlands Partnership

**19 Local Authorities** – Including Derbyshire County Council –  
Host/Strategic Lead

**Government Departments**

**Derbyshire and Nottinghamshire Sustainability and  
Transformation Partnerships.**

**10 Health organisations**

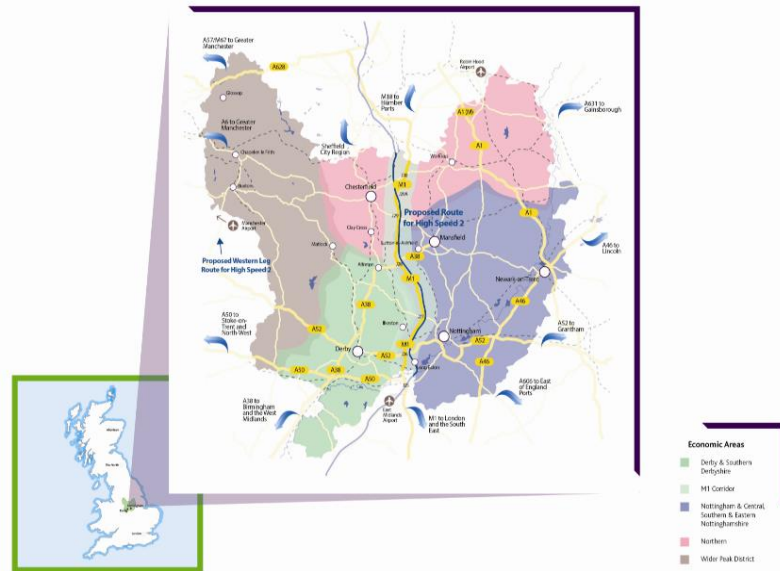
**12 Clinic Commissioning Groups**



**East Midlands  
Ambulance Service**



  
Cabinet Office



# Derbyshire OPE Programme

## The Derbyshire Steering Group

- ✓ Chair – Dan Swaine – C.E.O. N.E.D.D.C/B.D.C.
- ✓ Management : Matthew Scarborough - Programme Manager
- ✓ Members: Property and Regeneration professionals, transformation leads

*Derby City Council, N.E.D.D. C & Bolsover, High Peak Borough Council, Erewash Borough Council, South Derbyshire District Council, Chesterfield Borough Council, Derbyshire Dales District Council, Amber Valley Borough Council, Derbyshire Fire and Rescue, East Midlands Ambulance Service, Derbyshire Police, N.H.S., D.W.P., Homes England, Community Health Partnership, Government Property Unit and the Local Government Association.*

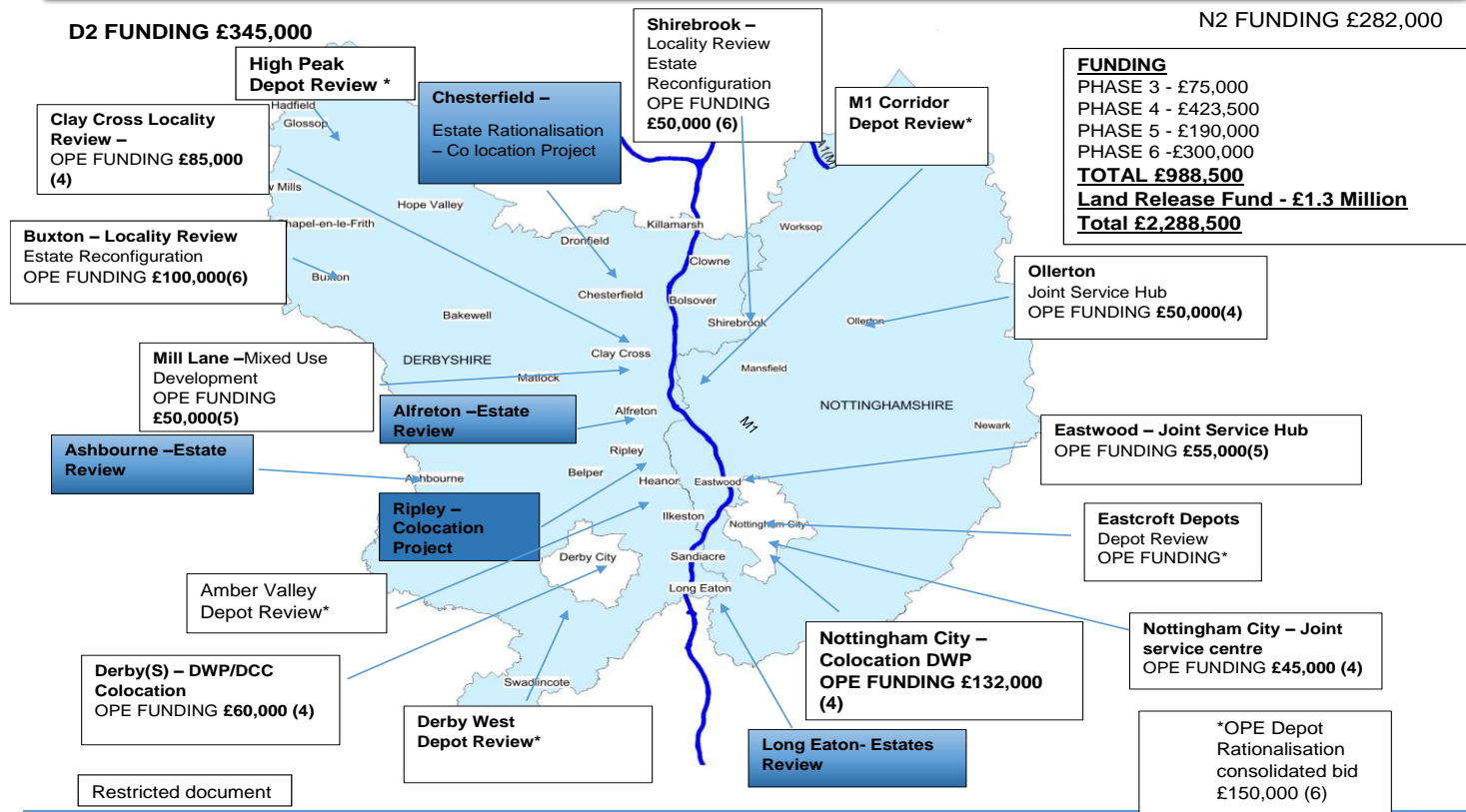


# Outcomes....

- A **systematic approach** to joint planning across the partnership.
- Identification of land/buildings which can be redeveloped or brought to the market to **stimulate economic growth, capital receipts and housing supply** - epims
- Estate **rationalisation** through colocation and integration.
- More effective and efficient buildings - “**fit for purpose**”.
- An understanding of **partnership priorities** and how local solutions can assist in addressing national issues.
- **Customer focused services**
- Projects identified which may require **assistance or capacity funding** from the OPE programme.
- **Assists and enables the delivery of the key priorities of the Council Plan**

# Programme Activity:

## North Midlands – OPE - Projects



# Current opportunities *for Derbyshire County Council....*



Service Integration  
Customer focused services  
Health and Social Care  
Co located community facilities  
Co delivery of Service  
Joint use of resources



Capital Receipts  
Sale of assets  
Capitalise on land sales  
“Oven ready” sites  
£1.45 Million – est.



Regeneration  
Housing Delivery  
Economic prosperity  
No of housing units - 150  
Extra care and supported living



Reduced running costs  
Reduced the councils  
maintenance liability  
Cost avoidance -  
Reduce the councils exposure to  
risk - £1.9 Million – est.

# *Opportunities for the North Midlands....*



Service Integration  
Customer focused services  
Health and Social Care  
Co located community facilities  
Co delivery of Service  
Joint use of resources



Capital Receipts  
Sale of assets  
Capitalise on land sales

**£28 million**



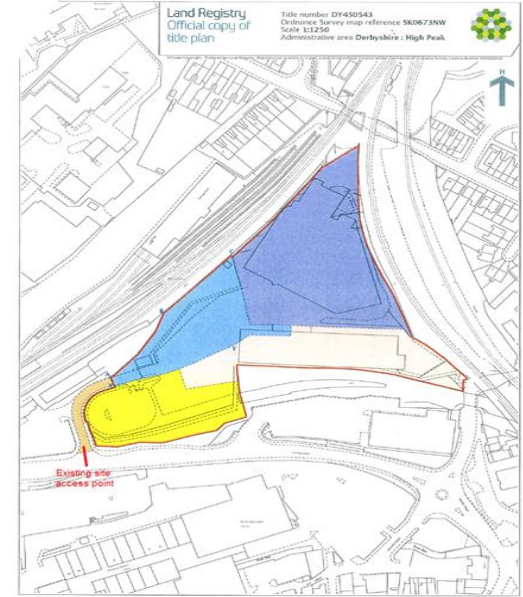
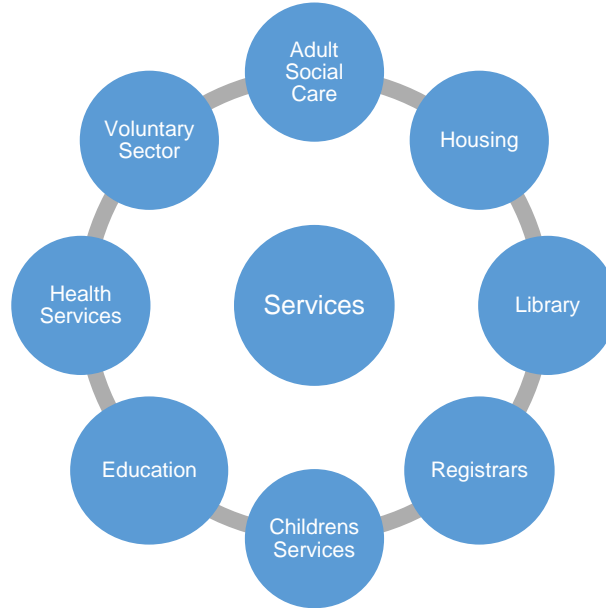
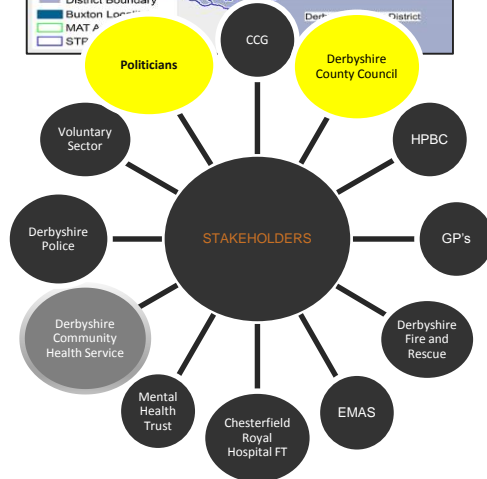
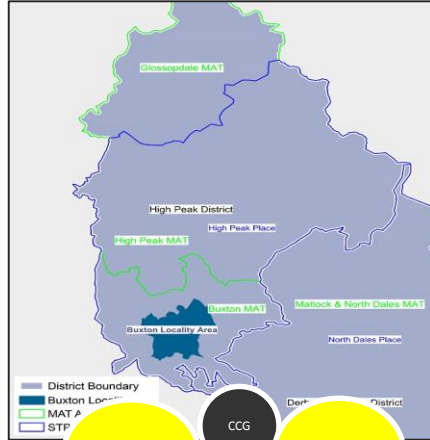
Regeneration  
Housing Delivery  
Economic prosperity  
No of housing units  
Extra care and supported living  
**Approx 2000 units**



Reduced running costs  
Reduced the councils  
maintenance liability  
Reduce the councils exposure to  
risk

**£20million**

# Case Study: Buxton Locality Review.



- Phase 6 OPE Bid- £100,000 Feasibility Study
- Opportunities – Service Integration, Community Cohesion, housing – 150 units, capital receipts - £2.9m, cost avoidance £3.14m.



# Future Challenges.....

- Funding opportunities for project delivery - Future Phases ?????
- Programme office funding post January 2019
- Political engagement and support at local and strategic level
- Maintaining interest across a large geographical area

Questions.....???

