

REPORT TO:	Corporate Policy & Performance Board
DATE:	29th January 2019
REPORTING OFFICER:	Strategic Director Enterprise Community & Resources
PORTFOLIO:	Physical Environment
SUBJECT:	Property Services Update
WARDS:	Borough-wide

1.0 PURPOSE OF THE REPORT

The purpose of the report is to provide an update to Members on initiatives and actions which Property Services has delivered during the past 12 months. The report also identifies some future work priorities which it is hoped will be of interest to Members.

2.0 RECOMMENDATION: That Members note the content of the report and welcome the progress being made on a wide variety of Property related matters.

3.0 SUPPORTING INFORMATION

For the purposes of this report the term 'Property Services' refers to the Asset Management and Operational teams which sit within the Council's Economy Enterprise and Property Department (EEP). The Asset Management Team's main focus is the management of the Council's land, property and strategic assets. They also support the wider Council in bringing forward and implementing the Borough's major physical development sites which includes town centres, housing regeneration, watersides and brownfield reclamation.

The Operations team is responsible for a number of areas of work, the main purpose of which is to ensure that the Council's accommodation is fit for purpose and meets the needs and expectations of Members, officers and the public alike.

Following an internal restructure it should be noted that from October 1st 2018 the management of the Council's Markets now sits within the Operational Team. The responsibility for the strategic lead is now the responsibility of the Technical & Property Support Manager who leads the Technical Support and Market teams.

A snapshot of the initiatives and actions that the respective teams have worked on and overseen during the past 12 months, and will be prioritising over the next 12 months is set out below.

3.1 Property Services - Asset Management

The asset management team has focussed on a wide range of projects during the last 12 months

Disposals

Generated £1.9 m in capital receipts, including for land sold for employment and residential development.

Continue to prepare sites for marketing for residential development at Canalside, Castlefields and for employment use at HBC Field, Widnes and plots at Johnsons Lane, Widnes.

Option agreement for the Waterloo Centre, Library and land at Egerton St Runcorn completed.

Background preparation for a draft disposal programme of potentially surplus sites, subject to member consideration and approval.

Acquisitions

Acquisition of Broseley House Widnes completed

Supported the acquisition of care homes , Madeleine McKenna , Mill Brow Widnes, former assisted living at Orchard House Hough Green Road Widnes and land at Crow Wood Lane Widnes as a site for a potential care facility.

Commenced negotiations for the acquisition of properties in connection with the Widnes Loops highway scheme.

Asset valuations

This year's programme commenced Oct 2018 and the team are working closely with Finance to ensure the project will be completed within agreed timescales and to the satisfaction of internal and external audit.

The non-operational assets producing an income have been categorised into commercial and investment properties in the Council's ledger. Previously the income was allocated to a number of different codes which made final account purposes difficult. The categorisation was based on the CIPFA definition of investment but the definitions have not been formally documented. The definition of the investment and commercial categories has been agreed with Finance and the assets allocated accordingly.

Insurance valuations

The team have been working closely with the Insurance and Legal services to keep such valuations up to date.

Estate management

Negotiated 12 lease renewals; 6 rent reviews, with 8 new leases – underway.

Lease for Unit 37 Astmoor completed.

Re tendering of the provision of property guardians contract as a way to secure the Council's vacant buildings whilst the future use is under consideration or pending a sale.

Belvedere, Runcorn – assisting with the consideration of the vacant property to be converted to a residential nursing home.

Management of the Hive development with appointed agents Matthews Goodman.

Commencing work on the termination of the lease for Kingsway House Widnes, to provide revenue savings to support the Council's budget challenges.

Occupancy levels of the revised commercial portfolio are at 97% and the investment portfolio at 100%.

Mersey Gateway Regeneration Key Impact Areas

To continue to provide support in terms of advice on all property matters, strategic development, cost estimates, landlord and tenant matters and appointing and managing external property consultants where required.

The Projects that the team is focussing on supporting are:

- Runcorn Vision and in particular the Runcorn Station Quarter
- Kingsway development and leisure relocation
- Mersey Gateway handback land
- St Michael's golf course lease
- HBC Fields and management of Newstead Farm
- Gorsey Point
- Widnes Loops
- Sci-Tech Daresbury
- Astmoor masterplan

3.2 Property Operations

Indicated below are the main projects that have been managed by the team over the past 12 months.

Widnes Market refurbishment

The market has been substantially reroofed within the past 12 months which has created a much brighter environment internally. The electrics and lighting have also been upgraded which has helped to reduce energy consumption, and over the coming weeks we will be assessing other possible improvement works.

Crow Wood Park New Pavilion Building

Works are currently on site in respect of the new Pavilion building for Crow Wood Park, with completion being anticipated in early Summer. This along with other external works carried out by our open spaces colleagues will help transform the facilities within the park for the benefit of local residents.

The Bridge School Vocational centre.

The new vocational centre was developed by refurbishing a vacant industrial unit on Arkwright Road in Runcorn. The works were undertaken throughout the early part of the year and the facility was opened for the start of the school year in September 2018.

Belvedere- Proposed Care Home

A feasibility study has been carried out in respect of converting Belvedere, which is currently surplus to requirements, into a 30 bed care facility for older vulnerable people with complex needs whose numbers are steadily increasing and who can no longer live independently without 24-hour care and support. Capital funding is currently being sought and a bid has also been submitted to the One Public Estate fund to obtain funds for developing the project to tender stage.

Oakmeadow- Refurbishment

Works to convert the first floor offices back into residential accommodation to again create more bed space for the elderly started on site prior to Christmas with the relocation of staff members out of the building to other office space. The actual works to convert the space are due to start in January.

Millbrow Care Home

A significant amount of improvement works have been carried out at Millbrow, over the past 12 months. Externally redecoration works, roof repairs and resurfacing of the car park have all been completed together with improvements to the grounds. Internally the heating has been upgraded by the provision of new boilers, and the fire alarm system has also been significantly upgraded as have other fire safety measures.

Karalius Suite refurbishment

The refurbishment of the Karalius Suite is currently on site and due for completion by March. The works are to enlarge and upgrade the facility to

enable the Stadium to operate in the future with 2 function suites rather than 3, thus allowing the Halton Suite to be refurbished in due course for Office accommodation to fit with our accommodation strategy.

Halton Lodge Primary & Beechwood Primary SEMH units

Feasibility studies have been completed at both Halton Lodge and Beechwood Primaries with regards the provision of Social, Emotional and Mental Health (SEMH) units. The units will each cater for up to 6 pupils in foundation stage/Key Stage 1 with Social, Emotional and Mental Health challenges. Documentation is currently being progresses with a view to tender the works in the near future.

Kingsway Quarter- Master Planning.

The master planning exercise in respect of the Kingsway Quarter site was completed early in 2018. There were 5 main options highlighted with regards the proposed future redevelopment of the area, and consideration in respect of how the site is best developed will now been considered over the coming months.

Education maintenance programme

Works on the 2018/19 schools maintenance programme have progressed throughout the year with 13 of the 15 projects having been completed at a total cost of circa £825K. The final 2 projects will be completed in due course. We have also been working with Education colleagues on the draft programme for 2019/10, and a report in respect of this is due to go to Exec Board this month.

Corporate Maintenance programme

Works on the 2018/19 Corporate maintenance programme have also been progressing throughout the year with numerous projects having been completed. One of the larger projects currently on site is the reroofing of the old archive store at Picow Farm Depot which is due for completion in late January following which an internal refurbishment of the space will be undertaken to improve storage facilities for Open Spaces

Merseygateway Handback Sites

Property Services have been working with the Mersey Gateway Crossing Board and Merseylink over the past 12 months in respect of all the temporary use areas that will ultimately be handed back once all works are completed. Numerous meetings and site visits have taken place with a view to ensuring the sites are handed back in accordance with the requirements of the project agreement which will enable the sites to be brought forward for development in the future.

Consultant Services Contract

The existing consultant services contract was retendered during 2018 as the existing arrangements expired in November. The new contract was awarded to Cassidy & Ashton and commenced in mid-November. We are now in a transitional period where the previous consultant, Arcus, will be finishing the

existing contracts they were working on, all new work now going to Cassidy & Ashton.

Accommodation Moves

Throughout 2018 plans have been put in place to ensure we vacate Kingsway House by October 2019 when the lease expires, saving in the region of £300k revenue costs in the process. To facilitate this we completed the refurbishment of some of the 1st floor accommodation within Kingsway Learning Centre in 2018 to create 2 office bases and a large agile working area, the Revenue & Benefits staff having moved into the office space.

On completion of the refurbishment of the Karalius Suite at Halton Stadium, previously mentioned, further works will be undertaken at the Stadium in order to create enough capacity to relocate the majority of the remaining staff from Kingsway House, to facilitate us vacating the building by Oct 2019.

3.3 Facilities Management

The general day to day running of the operational estate from a Facilities Management perspective has been ongoing throughout the past 12 months. Cleaning, response maintenance, the asbestos management regime, the water hygiene management regime, the provision of condition surveys, fire risk assessment surveys, mechanical and electrical testing together with all other servicing of plant & equipment is a constant throughout the year which requires extensive management to ensure these functions are undertaken appropriately and the comply with current legislation where applicable.

Energy

Carbon emissions were again reduced slightly in the period 1st April 2017 to 31st March 2018, which was the last full reporting year.

The overall emissions for 2016/17, excluding Academies which are now no longer included in the Authorities figures, amounted to 16,043 tonnes, the emissions for 2017/18 were 14,811 tonnes which equates to a 7.6% reduction. Energy consumption did actually rise slightly but as the kw/h-CO2 conversion factor has been reduced due to the greater mix of renewable energy being generated the overall CO2 emissions have reduced.

The breakdown is as follows:- School Buildings 4894t, Corporate buildings 5252t, Unmetered supply 3045t, Fleet Transport 1277t, & Business Mileage 343t. Street Lighting had the largest annual reduction in the amount of 22%.

The target for 2018/19 has been set at 14,663 tonnes CO2e, a 1% reduction over 2017/18. It should be noted however that since the last full reporting year the Authority has acquired both Millbrow and Madeline McKenna care homes which will generate a significant amount of consumption in the current year, so whilst a 1% target appears small, in reality it will be very difficult to achieve.

Reducing carbon emissions is again something we will be focussing on over the next 12 months following on from the publication of the Government's Clean Growth Strategy in October 2017 and further guidance published in July 2018 in respect of the new voluntary target of 30% reduction in carbon emissions by 2020/21, based on a baseline year of 2009/10. The guidance also outlines the new 'Emissions Reduction Pledge 2020' which has been introduced, which local authorities as well as the wider public sector are encouraged to sign up to and report against the new targets.

3.4 Technical Support & Markets Team

Accommodation Moves

The Technical Support team has delivered several staff relocations in the last twelve months:-

1. April 2018 – relocation of Benefits team from Kingsway House to Kingsway Learning Centre, being the 1st phase of emptying Kingsway House by October 2019 when the lease runs out.
2. June 2018 - Relocation of approx 70 staff from 3rd floor West Rutland House, to 1st floor Rutland House and Grangeway Community Centre.
3. December 2018 - To allow for the refurbishment of 1st floor Oakmeadow Centre back to residential units, the relocation of over 40 staff to Peelhouse Family Centre, Warrington Road Childrens Centre and Kingsway Learning Centre

Technical Support Team

Responsible for the effective handling of enquiries through the Property Services Helpdesk, and the processing of maintenance requests to ensure the council's accommodation remain fit for purpose.

Processing approx 3,000 emergency response orders annually, and processing 13,000 invoices annually with a value of approx £12million. Assisting the Facilities Management team by updating P2 property database with asbestos surveys, fire risk assessment, condition surveys, servicing records and energy information.

Keeping the terrier and P2 updated with land and building ownership details along with new leases/licenses for tenanted properties.

Markets

Following a restructure within Economy, Enterprise and Property from 1st October 2018 the Markets are now managed by the Technical and Property Support Manager.

Christmas 2018

The Widnes Market traders set up and arranged for a free Santa's Grotto which included a photo with Santa and a present for every child. This was run

every Saturday in December upto Christmas and Sunday 23rd December. It included a festive waiting area with face painting and characters walking around the market. Over 1500 children met Santa over the 5 days.

Saturday 15th December we had the Santa's reindeer parade and the local Harts and Voices Christmas choir singing festive favourites.

WireFm carried out regular broadcasts daily throughout December advertising the free Santa's grotto and photo with Santa. Also WireFM carried out a live broadcast from the Market on Saturday 8th December carrying out interviews with traders and customers.

BBC Radio Five Live visited Widnes Market on Christmas Eve morning to do an outside broadcast. Interviews with traders and members of the public started from 8am and the discussions were about markets and the high street and how trade has been affected by the rise of internet shopping.

BBC Radio Merseyside brought their Christmas Toy Appeal Bus to the Market on Saturday 1st December collecting toys for local children.

Future promotional events

As part of the restructure in October 2018 a new part time position was created at Widnes Market office for a Sales, New Business and Marketing officer, the main purpose of the job being to promote the positive image of the market by developing and leading on a wide range of marketing and communications events, and to be responsible for attracting new traders to the market and to work with existing traders to ensure their businesses thrive and grow.

We are going to begin a programme of promoting the traders themselves through a "meet the traders" profile system. Information will be collected from each trader including their trading history, along with photos and these will be turned into a profile to be used on the market website and also on the main social media platforms (twitter, facebook and Instagram).

Promotions to be run on the TV screen in the public/events area of what's on and the stallholder profiles.

Market Traders have access to their own promotions budget and the market staff will support the traders on the delivery of their promotion activities and also ensure they complement the current market promotions. Some events being looked into for the future are:-

- Young Traders Market
- Easter Egg Hunt
- Art Competition
- Spring Instagram selfie comp
- Mothers Day promotion
- Street food festival
- Farmers Market

These events will need to be properly evaluated and staff are currently developing an in depth programme.

Market Arrears and Debt Management

As at the 4th January 2019 the rental arrears totalled £136,945. This was made up of:-

- £52,921 from ex traders, most of which are on payment plans.
- £82,024 from current traders, however £64,527 of this was from the latest issued invoice dated January 2019. The remaining £17,497 is being actively pursued by the Debt Recovery team,

A new regime of issuing letters to traders for unpaid invoices has seen the rental arrears reducing recently.

Market Protocols

The market protocols were last updated in 2014 and some of these are now outdated and do not reflect the current operation of the market. Some of the items which will be reviewed will be the opening/closing times of the market, encroachment, new trader applications and request for new commodities.

4.0 POLICY IMPLICATIONS

4.1 There are no further policy implications associated with this report

5.0 OTHER IMPLICATIONS

There are no negative financial implications for the Council arising out of this report.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

6.1 Children and Young People in Halton

None

6.2 Employment, Learning and Skills in Halton

None

6.3 A Healthy Halton

None

6.4 A Safer Halton

None

6.5 Halton's Urban Renewal

None

7.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

7.1 None for the purposes of the Act