

Report to: Audit, Best Value and Community Services Scrutiny Committee (ABVCSSC)

Date of meeting: 8 November 2016

By: Chief Operating Officer

Title: Property Updates

Purpose: To provide various property updates in response to feedback from the Audit, Best Value and Community Services Scrutiny Committee (ABVCSSC) meeting held on 27 September 2016.

RECOMMENDATIONS: The Audit, Best Value and Community Services Scrutiny Committee is recommended:

- 1) To note Property updates provided in relation to the Property Organogram,
- 2) To note updates with regards to Solar Projects (3),
- 3) To note the list and location of Surplus Properties
- 4) To note the investigation into the use of 'Meanwhile Use' and existing policy for interim use.

1 Background

1.1 Property Policies updates were submitted to ABVCSSC in September and stimulated discussion around various Property related topics. This report provides those updates.

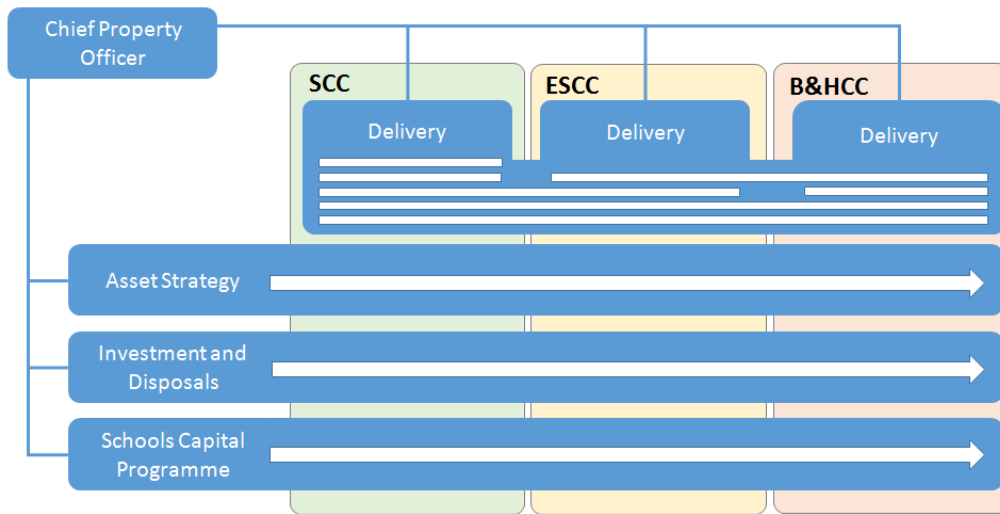
2 Supporting Information

2.1 Property Organogram and explanation of the Property Staffing Structure.

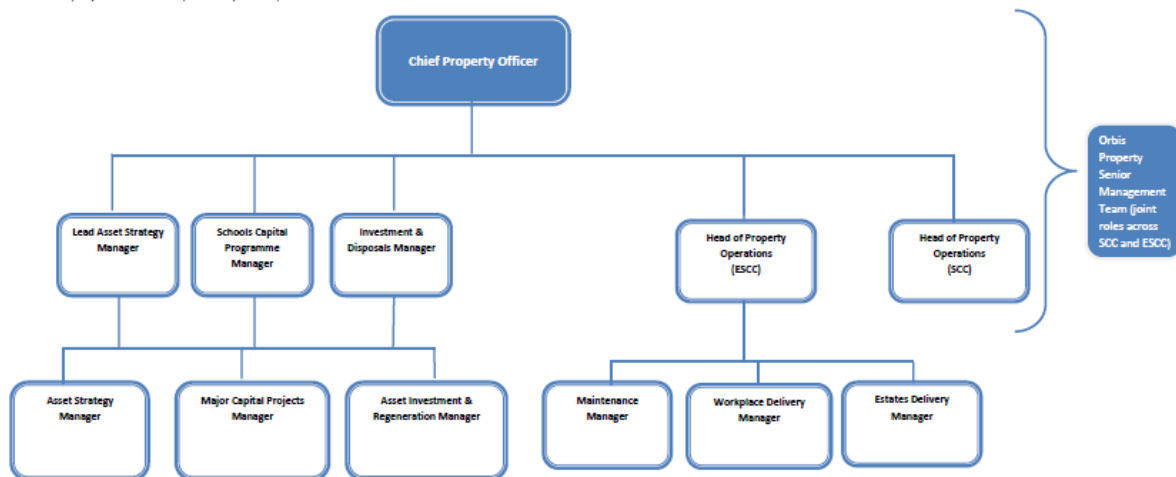
Background

2.1.1 As part of Orbis, the Property department is undergoing a process of integration which involves a change and rationalisation to the structure. The following organogram shows the structure as at September 2016. The Senior Management Team (SMT) level underwent a consultation process earlier this year and the structure was confirmed. The work to establish the supporting team's structure is underway.

The diagram shows the matrix management in place and the Property Department's organogram.



Orbis Property service- Joint SMT plus locality leads September 2016



2.1.2 The Property service is arranged in four functional areas.

- **Delivery** - responsible for the operational management of the estate (e.g. facilities management) and will be the primary day to day point of contact within the authority.
- **Asset Strategy** – responsible for the strategic management of the estate across all partner organisations, ensuring that the property portfolio is made best use of.
- **Investment and Disposals** – for the buying and selling of property across all partner organisations.
- **Schools Capital Programme** – responsible for the schools build programme, across all partner organisations.

2.1.3 Each partner authority within Orbis has an individual Delivery function. The Delivery function is led by a manager who acts as the local property lead within the respective authority. In ESCC, this is the Head of Property Operations. Whilst each authority has an individual lead, teams and contracts within that function may be shared across authorities. Work to develop this, and achieve the savings targets for 2017/18, is underway.

2.1.4 The other three functions: Asset Strategy, Investment and Disposals, and the Schools Capital Programme work across all authorities and there is a shared lead so that one overall manager is responsible for each of the respective functions.

2.2 Solar Projects Update

2.2.1 Installation work completed in December 2016. The last system to be commissioned was County Hall on 24th December. The three sites are:

- County Hall, Lewes
- Eastbourne Library, Eastbourne
- Linden Court, Eastbourne

Solar PV - Financial Appraisal	County Hall	Eastbourne Central Library	Linden Court
Total Annual Benefit	£ 6,437	£ 5,100	£ 6,227
Annual Running Costs	£ 705	£ 705	£ 705
Net Annual Benefit	£ 5,732	£ 4,395	£ 5,522
Tender Costs per quotes	£ 33,142	£ 30,290	£ 30,350
One Off Capital Costs	£ 9,066	£ 6,259	£ 7,294
Payback Period (years)	7.36	8.32	6.82

Linden Court has delivered 116% against expected return to the end of September.

Eastbourne Central Library has delivered 117% against expected return to end September.

Further enhancement work completed:

2.2.2 Monitoring equipment was installed at the 3 sites in September 2016 and is currently being set-up on the suppliers' system to allow data to be sent to ESCC. Once data is being received automatically, email alerts will be set-up to trigger if performance is below tolerance. This will allow any dip in performance to be investigated and rectified swiftly.

Future projects

2.2.3 Following a 60% reduction in the feed-in tariff for projects installed after 15th January 2016, Finance reviewed the business case for the remaining schemes and determined that it was not possible to achieve the required payback.

2.2.4 There are a number of community organisations actively pursuing solar PV, using local share offers to fund schemes. With community funded schemes, the installer retains ownership and leases the roof space from the customer. The site enters a Power Purchase Agreement (PPA) with the installer to purchase generated electricity, so the benefit to site is a slightly lower unit rate than supplied by the grid. The current price per unit via a PPA is understood to be around 7 or 8p/kWh, compared with an average grid rate of around 10p/kWh for ESCC sites. Energy have acted to facilitate community funded schemes with schools.

2.3 Property Pipeline (please refer to Appendix 1 - List of Surplus Properties).

Background

2.3.1 Once an asset is declared surplus, the process within ESCC is for responsibility to pass from the service to the estates team, who then consider and pursue best value outcomes (as otherwise noted in the ESCC Disposals policy).

2.3.2 The nature of property interests, and the need to ensure best value is secured, leads to a range of choices and options, activities and stages through which each asset will pass ahead of its disposal or onward investment.

2.3.3 In essence a disposal can support a number of corporate objectives and drivers across the spectrum of best value, social value, investment and regeneration.

2.3.4 The County Council is a substantial owner of land and property interests, covering both “operational” assets (ie admin offices, schools, non schools and highways) and “non-operational” assets (i.e. those held as investment or for a strategic purpose).

2.3.5 At present 54 assets are inhand (refer to Appendix 1) as surplus properties.

2.4 ‘Meanwhile Use’

2.4.1 Comments at the ABVCSSC noted that a Meanwhile Use Policy could be utilised to facilitate temporary occupation of vacant properties and space. The SPACES programme, which facilitates the occupation of vacant property and space between partners, will be providing a separate update to ABVCSSC in due course. The ABVCSSC requested ‘the development of a more formal Meanwhile Use policy’. Work to develop this is in progress.

Definition

2.4.2 ‘*Meanwhile use*’ is a term used to describe the temporary use of vacant buildings or land for a socially-beneficial purpose. It has become more widely practiced since the Meanwhile Project was established in 2009. Meanwhile Space is the delivery arm of the Meanwhile Project, set up to enable community uses of vacant property and sites. It provides a range of tools, such as Meanwhile use leases.

2.4.3 A commitment was made to look into the implementation of Meanwhile Use policies across the District and Boroughs in the county. The results were:

Name of Council	Meanwhile Use Policy
Eastbourne	No evidence of one
Hastings	No evidence of one
Lewes	Reference to Meanwhile use in plan for Vacant Historic Buildings (web address below)
Rother	No evidence of one
Brighton & Hove	No evidence of one

Lewes: http://www.lewes.gov.uk/Files/plan_vacant_historic_buildings.pdf see section: 4.7

Note: A draft Meanwhile Use policy has been appended to this report. Please note, this work is in progress (see Appendix 2).

2.4.4 In terms of the current policies and the references to interim use: the following references are included:

2.4.4.1 Reference to Interim (or Meanwhile Use) from the current Disposal's Policy:

'We will consider **interim uses** where this does not conflict with longer term disposal plans, is at nil cost to the council, in order to ensure best use of resources, reduce costs and where possible stimulate local economies.'

and 'The grant of a licence will remain the preferred route when considering **interim uses**, so there is no conflict with longer term disposal plans.

2.4.4.2 Reference to SPACES within the current Acquisitions Policy:

'Principle 4 – Work in partnership - And empower our communities

Challenges

- To secure revenue savings and reduce our total building footprint
- To **facilitate joint services collaboration where possible**

Pledges

- The Council's property portfolio will exploit opportunities, such as **SPACES**, for co-location between Council functions, and where possible with **partner organisations**. Co-location can create savings in comparison to individual units of accommodation and may provide convenience for service users and staff.'

2.4.4.3 Reference to community consultation and needs assessment in the current Lease and Rent Policy

‘Principle 4 – Work in partnership

Challenges

- ***To ensure the community has been fully consulted before and during the disposal process*** and that equality issues have fully addressed

Pledges

- We will make ***detailed option appraisals to ensure that we have assessed each disposal reflects the needs of the community.*** ‘

Summary

2.4.5 The consideration of Interim uses and community use for vacant space and property is included in our current policies and practiced when considering the best value option for the future of surplus council assets and space. A ‘Meanwhile Use’ policy is not being widely practiced by the District and Boroughs within the County.

3. Conclusion and reasons for recommendations

3.1 This report provides updates relating to the Property function in answer to topics raised at ABVCSSC in September.

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Appendices:

Appendix 1 - List of Surplus Properties

Appendix 2 - Meanwhile Use draft guidance