

Cabinet

Meeting to be held on 26 November 2015

Report of the Head of Asset Management

Electoral Division affected: All

Property Strategy – Neighbourhood Centres

(Appendices 'A' and 'B' refer)

Contact for further information:

Matthew Tidmarsh, 01772 533243, Head of Asset Management,

matthew.tidmarsh@lancashire.gov.uk

Executive Summary

This report sets out a methodology to achieve a sustainable long term reduction in the County Council's corporate property portfolio to align with the aspirations of the Corporate Strategy and to enable the future successful delivery of public facing services. Appendix 'A' (with appendices 1-3) recommends a 'long' list of premises from which multi-functional Neighbourhood Centres could be selected and form the basis for service delivery.

If the proposed strategy is approved, the premises from this long list that would remain as Neighbourhood Centres would be based on:

- Need as determined by analysis of the Indices for Multiple Deprivation (IMD) across 34 Service Planning Areas (SPAs).
- Approved service delivery budget options.
- A dispassionate analysis of chosen datasets as described within the strategy document.

Recommendations

It is recommended that:

1. approval be given to the proposed strategy for the reduction of the County Council's corporate operational property and methodology for the delivery of public facing services from a series of multi-functional 'Neighbourhood Centres'.
2. approval be given for the evaluation of identified datasets and subsequent consultation on the recommendations for the final selection of premises to become Neighbourhood Centres.
3. approval be given for contact to be made with relevant public sector partners, including the voluntary sector, to explore opportunities for co-location and sharing of service delivery.

4. that approval be given for the estimated cost of works required to premises to deliver the Property Strategy (Neighbourhood Centres) to be added to the Capital Programme, and that detailed phasing of the required expenditure be provided in subsequent reports.

Background and Advice

The County Council's property portfolio excluding schools is a significant asset comprising in the order of 500 operational sites. It is likely that in the coming years the ability to operate from these various sites will be severely diminished as a result of the budgetary challenges facing all service areas. As a consequence it is sensible to consider the extent of this portfolio and determine how a targeted reduction could be best achieved.

The attached proposed strategy considers how this could be undertaken and recommends the transformation of certain premises into 'Neighbourhood Centres' which would provide a range of targeted front facing publicly accessed council services compared with the present approach which relies heavily on single function premises, e.g., Libraries, Children's Centres.

A total of 220 premises have been selected from the total property holdings of the County Council to be considered in the proposed review. Certain premises are out of scope as being completely unsuitable for front facing public service delivery e.g., Homes for Older People, Children's Homes, Outdoor Education Establishments, Landfill sites etc.

It is proposed that the reduction in premises from 220 be based upon need assessed in a series of 34 Service Planning Areas (SPAs) across the County using the 2015 English Indices of Multiple Deprivation. Application of this approach would deliver a reduction of 108 premises.

Approval of the proposed strategy would enable detailed analysis and consultation to identify the candidates for inclusion in the 'Neighbourhood Centres' portfolio and by exception, which premises would be recommended for disposal.

Consultations

The proposed strategy for the reduction of corporate property holdings has been discussed with relevant service heads with a view to ensuring that the final recommended list of premises to remain as Neighbourhood Centres would align operationally with various delivery plans, e.g., the Libraries Strategy and the Wellbeing, Prevention and Early Health Strategy.

Risk Management

The Property Strategy (Neighbourhood Centres) will provide the premises framework for the delivery of other key strategies and plans in the County Council. Not approving the draft strategy would mean that the County Council is potentially unable to progress work to ensure the delivery of appropriately targeted and financially viable services for the future. It would also mean that the sustained long term reductions in revenue

running costs and a reduction in necessary capital investment in premises would not be realised.

Equality Analysis

Members are asked to note that a separate report for this meeting has been prepared by the Director of Governance, Finance and Public Services. The report outlines in detail our obligations in terms of the Equality Act 2010 and specifically highlights section 149 of the act that refers to the Public Sector Equality Duty (PSED). In addition, the report explains how the legislation is applied in practice.

The Equality Analysis is attached at Appendix 'B'.

Financial

If the proposals contained within the report are approved there will be a reduction in revenue running costs from corporate premises. An initial investment in condition, suitability and sufficiency of the remaining premises would be required but this would to some degree be offset by the capital receipt from owned or freehold premises vacated and disposed of and the reduced requirement for investment in condition works of the vacated premises. The detail of the likely financial implications based upon the analysis from a scoping exercise undertaken to estimate the impact of the proposed strategy is as follows:-

Total current running costs of 220 premises	£6.4 million
Estimated running costs reductions	£1.95 million
Estimated condition based investment required (based on 112 premises from scoping exercise)	£8.4 million
Estimated condition based investment cost avoidance (based on work no longer required to 108 vacated premises from scoping exercise)	£8.6 million
Estimated capital receipt from sale of vacated premises	£11 - 14 million
Estimated dilapidations costs (terminated or surrendered leases)	£1-1.5 million
Estimated possible suitability investment required (20% of remaining 112 premises from scoping exercise)	£20 million

Property Asset Management

If the proposed strategy is implemented there would be a sustained long term reduction in the size of the corporate property portfolio. Based on the scoping work undertaken to inform the proposed Property Strategy, there would be a reduction in the corporate property portfolio of some 108 premises.

List of Background Papers

Paper	Date	Contact/Tel
Corporate Strategy: Consultation http://council.lancashire.gov .uk/ieListDocuments.aspx? CId=122&MId=5070	12 August 2015	Dave Carr, Head of Service, Policy, Information and Commissioning (Start Well) 01772 532066