



Haringey Council

Report for:	Overview and Scrutiny Committee – 29 th April 2013	Item No.	
Title:	Council Property Portfolio and Property Review		
Report authorised by	Lyn Garner – Director of Place and Sustainability		
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Ward: (N/A)	Report for: Non-key decision		

1. Describe the issue under consideration

The report provides Overview and Scrutiny Committee with an overview on the council's property portfolio, strategy and objectives, current reviews and activities so that the Committee can consider the scope of its planned review.

2. Cabinet Member Introduction

The council's property holdings represent a significant resource that should be aligned to achievement of the council's overall objectives. The current review in particular is enabling the re-shaping of the portfolio to reflect service delivery, regeneration and financial priorities.

3. Recommendations

The Committee is asked to comment on the areas to be covered in the review.

4. Alternative options considered (not applicable)

5. Background information

Overall principles and objectives

- 5.1 The council's property is utilised and managed as a resource that can be deployed to support the council's plans and objectives and delivery of effective services. Consequently, the over-riding principle is that the use of council buildings should support (and be justifiable in terms of) contribution to the council's overall objectives and business plan.
- 5.2 Property contributes to the achievement of council objectives in the following ways:-
- **Service delivery** - To support quality service delivery through providing premises that best meet the service needs in terms of overall suitability (including location, condition, facilities).
 - **Regeneration** - Identifying and creating opportunities for physical and economic regeneration (e.g. by contributing to regeneration scheme site assembly or promoting sustainable work spaces)
 - **Financial** - Generation of capital receipts to support the capital programme and achievement of revenue savings through efficiencies.
- 5.3 Since the implementation of Corporate Property Management in recent years, it has been possible to strengthen and better co-ordinate property management across the council in line with the principle of corporate ownership and decision-making on strategic and significant issues related to property. For instance, a single prioritised repair and maintenance programme has now been put in place.
- 5.4 Budget reductions and changes in service delivery in recent years have led to a reduction in the council's overall portfolio and the ongoing need to find further efficiencies and deploy the remaining portfolio to best effect. The following assumptions currently guide strategy in considering property requirements in the future:
- A changing focus will see public services increasingly delivered across a wide range of service providers including public, voluntary and third sector as well as private sector.
 - Less building based provision or disengagement from "non-core" services leading to a reduction in overall building requirements
 - Disposal or transfer of assets as part of contracted, externalised or commissioned services or community demand.

Property Review

- 5.5 The Property Review currently being undertaken is re-aligning the portfolio in response to the changes outlined above. This also includes reviewing the council's asset holdings to explore and determine options for re-shaping the estate - including

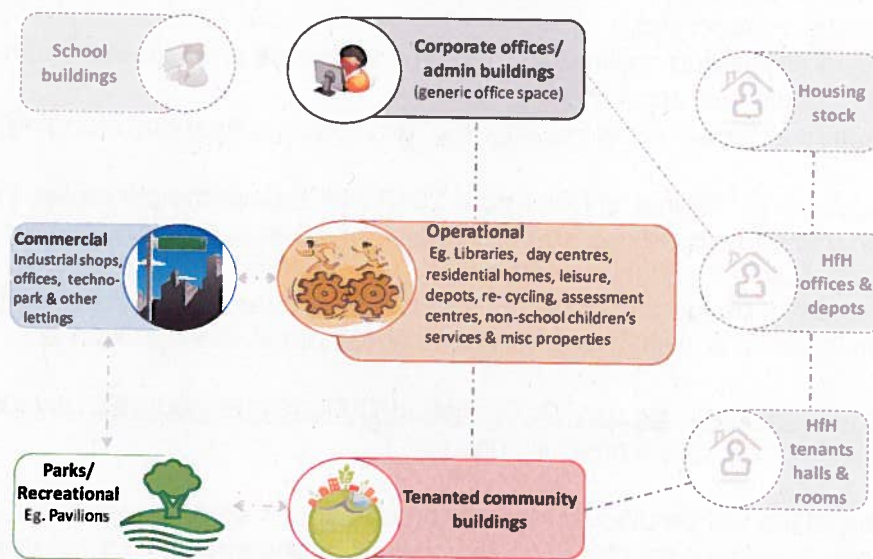
opportunities to achieve key regeneration and community priorities, release locked-in value and secure savings in running costs.

5.6 The diagram below illustrates the main types of property which the council holds. However, in practice uses often cross over between different types of buildings so these are not necessarily rigid boundaries as to usage. With a declining number of properties, it has become increasingly important to look flexibly across all portfolios for opportunities to meet service accommodation needs and achieve rationalisation of usage where possible.

The following properties are not included in the current review so are not specifically covered in this report:

- schools and housing stock as they are not directly managed by the council
- operational buildings (e.g. leisure centres) that have transferred to external managing agencies. Parks buildings such as pavilions which generally remain under control of Leisure Services with several leased to external organisations, some of which provide leisure related or community facilities.
- Properties on long leases to partner organisations

Council Buildings - Overview



The review is focusing on the areas of the overall portfolio highlighted above and more detail on each area is provided below along with information of the buildings in each area provided as appendices.

5.7 In reviewing properties, two key principles have been adopted:

- There should be an identifiable benefit or reason for holding each property, whether because of a service delivery need or an identified future objective such as regeneration.
- Where retention of a property is no longer justified, locked in potential should be released either through direct disposal to generate a capital receipt or by deploying the asset towards some other beneficial objective such as regeneration.

A standard format has been used to assess the future requirement or options for individual properties which considers a range of factors from fitness for purpose to potential for regeneration. Relevant interests and users have been consulted as appropriate on options emerging from the process.

Review activities

5.8 Community Buildings portfolio

This part of the review is focusing on aligning the use of the portfolio with the Voluntary Sector Strategy objective of enabling fairer access to assets and community spaces by providing support to Voluntary Sector organisations in accessing and sharing high quality premises.

As well as improving usage and widening access, the review also aims to improve the overall quality, suitability and sustainability of the portfolio and shares with other parts of the property review, an additional objective of identifying regeneration opportunities.

The principal activities of the review initially have been:

- Evaluation of buildings – condition, investment need and suitability for other options (e.g. regeneration).
- Analysis of usage and community benefit – the range and extent of community activity enabled and supported
- Assessment of tenant sustainability (e.g. governance, financial standing)

Following a report to Cabinet in December 2012 (link below) the principles for future decisions on individual buildings and tenancies has been agreed and further work is currently underway in conjunction with community buildings tenants to validate the desktop analysis of usage and generate a better understanding of community benefits currently arising from activities and services carried out in these buildings

<http://www.minutes.haringey.gov.uk/Published/C00000118/M00006015/AI00031702/PropertyReviewCouncilCommunitybuildings.pdf>

Improvement plans will be discussed with tenants and in some cases there will be a need to consider options for changing the current arrangements to meet the objectives of the review. If this is required options appraisals will be prepared following engagement with the relevant communities and reports will be submitted to obtain decisions.

Corporate offices and administrative buildings

5.9 The number of buildings in the office portfolio has reduced significantly over recent years by consolidating back office, administrative and technical services in larger buildings that support generic space efficient layouts.

5.10 The review of offices has focussed on the following key activities in the past year:

- Addressing changes and reductions in the council's staffing establishment and working with directorates and business units to further consolidate teams into the core portfolio to be retained in the longer term. This is enabling the release of a

number of smaller buildings, some of which have already been disposed and others are being programmed for vacation and disposal.

- Reviewing the Smart Working office standards to achieve even greater space utilisation by improving facilities to support team working and productivity. This has resulted in proposals for further reducing the total space to be retained for back office functions and thereby contribute to financial efficiency.
- Reviewing options for individual buildings within the offices portfolio to assess scope for leveraging these assets to contribute to social and economic regeneration and wider council priorities.
- Seeking accommodation solutions for the relocation of a range of specialist services and functions to enable the release of buildings surplus to requirements.

Subject to completion of the above strands of work and consideration of all options, the review will make recommendations on the medium to long term office portfolio requirements. Currently it is anticipated that the main offices will remain in Wood Green with disposal of the Civic Centre site achieved in line with the existing Accommodation Strategy. On this basis, the office portfolio based on the existing office cluster in Wood Green could be as follows:

(Wood Green offices)	Tenure	Comments
River Park House	Freehold	Large building supporting space efficient use
Woodside House	Freehold	Suitable for ancillary and non-standard administrative functions
Alexandra House	Leasehold to 2021	Large building supporting space efficient use with potential for regeneration in longer term.
48 Station Road	Leasehold to 2023	Less space efficient buildings with potential for regeneration in longer term. Current projections indicate that a target of releasing one of these buildings within the next 3 years may be feasible
40 Cumberland Road	Leasehold to 2026	

Current issues:

- Offices in Wood Green and Tottenham - Decisions about the future provision of Customer Service Centres (e.g. size, format and location) will influence plans for long term office accommodation in Wood Green and Tottenham. Options are currently being explored, and will include consideration of any opportunities for triggering wider regeneration schemes in conjunction with providing council office premises.
- Civic meetings and functions - there has been a longstanding intention to dispose of the Civic Centre site subject to re-location of services and functions from the building. The more specialist re-provision required for council meetings and ceremonial functions (such as weddings) is currently subject to exploration of options that could make best use of building capacity available within the existing portfolio.

5.10 Corporate Operational buildings

These are buildings from which services are (or were) delivered directly. A number have become surplus to council requirements because of service changes and have either been sold or earmarked for incorporation in wider regeneration plans. To date five properties have been sold producing capital receipts of around £5m as well as reducing premises running costs and longer term repair and investment liabilities.

The first priority has necessarily been to consider buildings that have become surplus to council requirements but the review is also looking at all operational premises to identify opportunities for rationalisation or regeneration as well as establishing the long term plans or potential for buildings that are currently being retained.

Where appropriate a structured approach has been adopted looking at groups of similar properties (e.g. depots, residential homes) in addition to reviewing properties on a case by case basis.

Once a property has been identified as surplus to occupying service requirements, consultation takes place with a cross-service group inviting expressions of interest if premises could be put to a suitable alternative use. If no such proposals are forthcoming, the property is declared surplus to council requirements and suitable for disposal. A further evaluation is undertaken of the benefit that can be derived from surplus property, whether through direct sale to generate capital funding or to meet some other council objective such as longer term physical or economic regeneration.

The process is ongoing and involves looking across all portfolios and at all potential uses in considering how properties can best be utilised.

5.11 Commercial portfolio

The commercial portfolio was last reviewed in 2008/9 when there was a strong focus on financial performance and regeneration potential on a property by property basis. The current review will additionally look at the over-arching aims and objectives of holding the portfolio, particularly in relation to the council's economic regeneration objectives. A working group has been established and will progress the review over the summer. Key activities will be:

- To clarify the principles and focus for holding the council's commercial property portfolio
- To redefine the regeneration principles of the portfolio (i.e. creating opportunities for new businesses as well as existing tenants).
- Repositioning the portfolio and modelling the optimum size in terms of income, capital, regeneration and community benefits.
- Consider options for managing the portfolio.
- Consider regeneration and redevelopment opportunities and links with the council's current regeneration plans.
- Link with other areas of the Property Review.

5.12 Upcoming milestones

Offices and operational portfolios	
Draft long term plan for consolidation of office portfolio, options for future provision of Civic functions and proposals for customer service centre.	July 2013
Decisions on property disposals, refurbishments and rationalisation programme	September 2013
Recommendations for other operational properties to realise housing, regeneration and financial outcomes as appropriate	On-going
Community buildings	
Complete tenant engagement to assess community benefits and scope for widening access	July 2013
Recommendations for changes based on prioritised needs and opportunities to realise regeneration and community benefits	September 2013 on going
Commercial estate	
Final report of the independent property consultancy on options for the future retention and management of the portfolio	September 2013
Recommendations for changes to realise social and economic regeneration benefits from the portfolio and improve financial efficiency.	November 2013

6. Comments of the Chief Finance Officer and Financial Implications

It is assumed that the costs of this review can be contained within existing budgets. If there are any additional costs, funding will need to be identified and agreed before related work can be undertaken.

7. Head of Legal Services and Legal Implications

Legal Services note the content and have no further comments at present.

8. Equalities and Community Cohesion Comments

Equalities and community cohesion implications of emerging proposals will be considered and impact assessments will be carried out as appropriate.

9. Policy Implications

The review objectives are in line with Corporate Asset Strategy.

10. Reasons for Decision (not applicable)

11. Use of Appendices

Appendices 1 – 4 - details of community, office, operational and commercial portfolios respectively.

12. Local Government (Access to Information) Act 1985 (See link para 5.8).

