

JOINT CORPORATE PROPERTY STRATEGY 2009-2012



VISION

“To support the integrated delivery of Public Services across the County through highly accessible and adaptable, community based, multi functional buildings, shared by public agencies”

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Section 1 - Foreword

The council published its Corporate Asset Management Plan earlier this year. That document mapped out how the Council would address government expectations to achieve efficiencies, transform public services, give communities more power and address climate change.

Since preparation of the Asset Management Plan, the government has introduced the Operational Efficiency Programme (OEP) and the Total Place initiative to examine the totality of public sector expenditure within geographical areas. The OEP and Total Place challenge public sector organisations to examine asset ownership and usage with a view to identifying and exploring opportunities for shared service delivery.

In Herefordshire, we are taking that task forward. The council and NHS Herefordshire already operate a deep partnership and we have integrated a number of support and frontline services. We are continuing the process for further integration so that we improve our delivery of frontline services to our customers and clients.

Through the Hearts of Herefordshire initiative, in co-operation with our public sector partners in the emergency services, we are consulting with local communities to understand more fully the needs of those communities, to re-examine how we currently provide services and consider how we can improve our capability and capacity to deliver better services at the local level.

This is therefore an opportune time to bring forward this Joint Corporate Property Strategy for the Council and NHS Herefordshire to support delivery of integrated public services.

Section 2 – Executive Summary

- 2.1 The Joint Corporate Property Strategy aims to support and help deliver integrated public services across the county. It is clear that greater integration of service delivery is a national driver of policy that has been taken forward in Herefordshire. Significant progress has been made to date and co-location of teams and the sharing of accommodation for support staff is already in place. However, there is much more that can be done and this strategy sets the framework within which these decisions can be made.
- 2.2 At the time of writing the Council and NHS Herefordshire are embarking on a shared service review. The joint strategy is designed as a framework of strategies and policies which are flexible and robust enough to respond to changes in service delivery identified by this review and to meet future changes to models of service delivery.
- 2.3 The joint strategy also responds to the introduction or extension of mobile service delivery and flexibility of working practices.
- 2.4 The high level aims of the Joint Strategy are to: -
- Contribute to the Corporate Plan and other Corporate Strategies.
 - Provide a framework, which defines the role of property in support of service delivery.
 - Provide a rationale for the ownership, occupation and management of Council and NHS property assets, including its use, acquisition and disposal.
 - Optimise the property portfolio in terms of its efficiency, effectiveness and sustainability.
 - Respond to the expectations and aspirations of the Organisational Efficiency Programme and the Total Place agenda.
- 2.5 Within those high level aims, a number of initial strategic aims come forward, particularly related to rationalisation of office accommodation:
- A hub and spoke model of office provision, with the capacity and flexibility to accommodate the deep partnership and other public and third sector organisations.
 - The hub will provide a single, strong, shared administrative centre based around the current Plough Lane office in Hereford.
 - A network of accessible locality offices based in the five market towns will provide the spokes of the model.
 - The capacity and flexibility to provide integrated delivery of public sector services at a local level.
 - The retention of the Shire Hall and Town Hall in Hereford. These two landmark buildings will continue in beneficial public sector occupation and use. Public access and facilities will be improved.
- 2.6 The joint strategy indicates that we will challenge where we hold assets to ensure we achieve value for money. This is relevant given the indications about the future direction of national policy requirements for the public sector's considerable property estate.
- 2.7 The joint strategy will inform our future use of all land and property assets owned or occupied by the Council and NHS Herefordshire.

- 2.8 The joint strategy covers all operational and non-operational land and property, whether owned or leased and which provide either direct or indirect services to the public.
- 2.9 The joint strategy not only states our vision for our property but also contains a series of discrete but linked policy and strategies to supports its delivery. It includes a joint accommodation strategy covering how we will provide joint back office provision as well as integrated local facilities.
- 2.10 Included in the joint strategy is our approach to Community Asset Transfers. This is the first time a policy for this important element for managing our estate has been in place. It recognises that asset transfers play a role in sustaining service delivery and that it is not always appropriate that we keep and maintain existing assets.
- 2.11 Asset transfer also has a role within the Total Place agenda, as a way of supporting sustainable communities.
- 2.12 Mapping of the public sector asset ownership throughout the County has commenced. GIS maps showing such ownership is available for the market towns. Work is well underway to create the GIS mapping for assets in Hereford City.
- 2.13 Property is a valuable corporate asset. If managed well, it can enhance and improve service delivery.
- 2.14 It is worth noting the council owns two main categories of property: operational and non-operational properties whilst NHS Herefordshire only holds operational property. This is an important distinction
- 2.15 Operational property either provides:
- Frontline services direct to the public, e.g., schools, libraries, community hospitals, health clinics; or
 - Support services, e.g., administrative offices, vehicle depots
- 2.16 Non-operational property provides:
- Rental income which supports the council's revenue budgets, which helps to keep Council Tax levels down;
 - Capital receipts through disposal of surplus properties, which support the capital programme to build, e.g., new schools or extensions to existing properties.
- 2.17 This Joint Strategy highlights the corporate drivers to retain property assets so that we can provide more effective and efficient services to the public
- 2.18 This document also identifies a suite of underlying policy and strategy documents, which support and inform the decision making process.

Section 3 – Vision

Our vision for our joint corporate property strategy is as follows:

“To support the integrated delivery of Public Services across the County through highly accessible and adaptable, community based, multi functional buildings, shared by public agencies”

- 3.1 We believe that a number of key objectives support this vision. These objectives are central to any decision making around our properties and are as follows:
- To improve and simplify access to public services.
 - To enable service integration and agile working.
 - To enhance the working environment for employees and partnership staff.
 - To provide a catalyst for physical and social regeneration.
 - To release budget for reinvestment in frontline services.
 - Continue to ensure that the quality of the physical environment of NHS assets contribute to the wellbeing and recovery of patients.
- 3.2 Within the joint accommodation strategy in Section 4 and in Appendix 1, a number of strategic projects are identified, which will support the achievement of the objectives noted in 3.1 above. In particular, the rationalisation of office accommodation in Hereford will be a key part of the integration of public sector service delivery across Herefordshire.
- 3.3 We aim to achieve:
- A hub and spoke model of administrative office provision, with the capacity and flexibility to accommodate the deep partnership and other public and third sector organisations.
 - The hub will provide a single, strong, shared administrative centre based around the current Plough Lane office in Hereford.
 - The spokes of the model will be a network of accessible locality offices based in the five market towns and the Golden Valley.
 - The capacity and flexibility to provide integrated delivery of public sector services at a local level.
 - The retention of the Shire Hall and Town Hall in Hereford. These two landmark buildings will continue in beneficial public sector occupation and use. Public access and facilities will be improved.
 - Mapping of public sector ownership in Herefordshire.
 - Geographical reviews of all Council and NHS operational properties.
 - Identification of the investment needed to improve the condition and suitability of retained operational properties.
 - Identification of properties no longer suitable for service delivery and therefore surplus to operational requirements and available for disposal, either to achieve a capital receipt or a community asset transfer.

Section 4 – Accommodation Strategy for the Joint Administrative Estate

- 4.1 The main body of this section which provides the detail around the joint administrative estate is contained in **Appendix 1**.
- 4.2 The following principles have been adopted as part of the consolidation of the administrative estate:-
- A hub and spoke model for the countywide provision of services.
 - A strong central administrative hub, based around the existing Plough Lane office site.
 - The spokes of the model will be co-locality offices centred around the Market Towns and Golden Valley.
 - Where suitable, the co-location of compatible public sector partner activities in pursuance of the Operational Efficiency Programme and the “Total Place” Agenda.
 - Efficiency and delivering value for money
 - Improved outcomes for local people
 - Care closer to the patient
 - Excellence in service delivery
 - A focus on customers’/users’ experience
 - Incremental carbon reduction target delivery.
 - Better ways of working for staff
- 4.3 In addition:
- a. Any accommodation strategy must support and take into account other joint strategies and plans.
 - b. Opportunities to exploit Information Technology will be considered when planning new office layouts. Modern office and flexible working practices benefit from the introduction of IT solutions. The introduction of Wi-fi technology into office space wherever possible, with the in-built flexibility that this provides, should be considered.
 - c. Future flexibility needs to be built into any works undertaken in conjunction with office moves to facilitate and reduce future costs.
 - d. Implementation of an Electronic Document and Records Management System (EDRMS) and a policy on document retention is a necessity to reduce space requirements.

Section 5 – Approach to the Management of Operational and Non-Operational (tenanted non-residential) Property

5.9 Operational Property

The Council and NHS Herefordshire hold operational properties for the purpose of service delivery. The Council holds tenanted non-residential property (TNRP) for investment and socioeconomic purposes – or both.

- 5.2 The purpose of the approach for operational property is to identify those properties, which are key to the delivery of core services to the public.
- 5.3 Once identified, future investment of both capital and revenue expenditure will concentrate on those core properties.
- 5.4 The retained portfolio of operational properties will be maintained and improved to attain a level of physical condition, which is at least satisfactory. (See Appendix 4, paragraph 4.1)
- 5.5 The retained portfolio will be suitable for service delivery in terms of both condition and sufficiency.
- 5.6 The following paragraphs explain the process of identification of investment needs and prioritisation of capital and revenue expenditure.
- 5.7 The framework for the management of operation and non-operational property consists of five elements:-
- Strategic Objectives
 - Principles of Property Holding
 - Responsibilities of Owners
 - Property Review and Option Appraisal
 - Capital Investment Prioritisation
- 5.8 The strategic objectives for our corporate property are:
- Optimise the contribution property makes to the Council and NHH strategic and service objectives
 - Prioritise investment in our operational assets to meet service delivery needs
 - Seek innovative value for money solutions to our procurement and staff accommodation needs.
 - Ensure the maximum return from our investment property and land holdings
 - Reduce the environmental impact of our operational property assets
 - Use our assets to pump prime new development, re-development and urban regeneration
- 5.9 The principles behind holding property for service delivery are:
- All property is a shared corporate asset, owned by the Council or NHH not the service occupiers.
 - A cross service approach to agreeing property priorities and asset utilisation is adopted.
 - Property should only be held that meets the objectives of the Community Plan and/or the joint Corporate Plan.

- Council and NHS properties should be managed to satisfy defined service delivery needs while enhancing benefits and gains from the property portfolios.
- Over time, all Council and NHS premises are suitable and sufficient for their purpose, in a satisfactory condition, accessible to all and able to meet statutory requirements.
- Existing and new property assets are managed in an efficient, sustainable and cost effective way in terms of their use of energy and other resources, their property management and other running costs.
- The return from non-operational property is optimised.

5.10 Responsibilities:

Asset Management and Property Services (AMPS) are responsible for the maintenance and improvement of operational property assets including social care premises, schools and civic buildings for the Council. The Resources Directorate (NHS) has similar responsibilities for their operational properties. The joint strategy will support the prioritisation of investment in key assets taking into account service needs, levels of maintenance required, energy efficiency, health & safety issues and accessibility. The Corporate Buildings Maintenance Strategy is contained within **Appendix 4**.

5.11 To ensure that the above objectives are met, a systematic and cyclic programme of property reviews and option appraisal are undertaken.

5.12 Three Types of review are generally undertaken:

- **Single Service Review** - this will be an examination of some or all property holdings for an individual service.
- **Single Property Review** - an investigation into alternative uses of an individual building site no longer required for its original purpose.
- **Comprehensive Area Review** - a review of all property owned by the authority in a defined area which may include other structuring bodies.

5.13 Each of these reviews involves an assessment of “fitness for purpose” and incorporates the following:

- **Suitability:** How well the premises meet the need of the service, i.e. the customers and staff. The suitability survey looks at characteristics of each type of internal space and external area, plus some health and safety aspects.
- **Sufficiency:** Focuses on total areas in relation to known service requirements
- **Condition:** Concentrates on the physical state of the building elements and provides a basis for developing planned maintenance programmes (including health and safety considerations)

5.14 This process involves the engagement of service users and stakeholders and is undertaken in accordance with the governance arrangements set out in the Constitution.

5.15 Identified priorities from the review process are considered for capital investment through their prioritisation and option appraisal of capital projects scheme.

- a) Prioritisation and Option Appraisal for Capital Projects (Scheme Selection and Prioritisation) The prioritisation and option appraisal for capital projects within the Council is captured within the annual service planning cycle and referred to as “Scheme Selection and prioritisation” (SSP). This process is overseen by the Capital Strategy and Monitoring Group.

The Council follow the guidelines and principles contained in the CIPFA Local Government Directors of Finance Publication “Capital Planning and Option Appraisal – a Best Practice Guide for Councils” 2006.

- b) Prioritisation and Option Appraisal for Capital Projects are two distinct but interlinked processes. All bids for allocation of corporate capital funds require bids pro-forma to be completed before the schemes are assessed for prioritisation for financing within the Council's capital programme. Once funding has been allocated, further Option Appraisal is then undertaken to decide the most effective means for delivering a project.
- c) NHS capital is accessed by a business case process to the SHA. Capital in the next two comprehensive spending reviews is likely to be scarce. NHS receives a block allocation of circa £1m per annum which traditionally purchases equipment and contributes to backlog maintenance programmes. The NHS does not have any borrowing facility and the deeper partnership offers the opportunity for greater flexibility in how we use the estate and funding to support service delivery. Within the NHS there is a Scheme of Delegation which details at what level Outline Business Cases need SHA prior approval. Major capital schemes would also require Board approval.

5.16 The process of capital scheme prioritisation is undertaken by the CSMG with recommendations going to the Accommodation Board and then to JMT (Joint Management Team) and Cabinet or PCT Board. Further detailed option appraisal is then undertaken on the method of service delivery by the individual project management teams and boards.

5.17 **Non-Operational Property or Tenanted Non-Residential Property (TNRP)**

The term TNRP refers to local authority assets which are let to third parties e.g. retail, industrial or agricultural properties. Such assets may be held for investment or socioeconomic purposes. There are no non-operational assets held by NHS Herefordshire.

The portfolio plays a vital role in providing much needed rental income. The revenue received is used to offset the costs of providing direct and indirect services to the public. This in turn reduces the impact on Council Tax.

The general investment portfolio fulfils a wider economic well-being role by providing premises for new and established businesses to grow and bring prosperity to the County.

Work will commence in the New Year to review the Council's non-operational investment portfolio. Although the terms of reference and scope of the review are yet to be formally agreed, the following vision is proposed as the basis of this review:

- The Council should only continue to hold tenanted non-residential property if at least one of the following criteria applies:
 - i) The investment return from the premises meets or exceeds a target previously set under the MTFs process.
 - ii) There are other significant social, community or strategic advantages to retaining the premises.
 - iii) The legal tenure of the premises and/or any statutory constraints preclude disposal.

- On properties that are to be retained within the portfolio of tenanted non-residential properties the management principles adopted should be:
 - i) To maximise occupancy levels.
 - ii) To maximise rental levels consistent with a balanced tenant mix and prevailing market values.
 - iii) To continuously review the contribution that the premises make to social, community or strategic objectives and set tenant management policies (other than rent) to maximise these.

5.18 **Smallholdings Policy and Management Strategy**

It is important to acknowledge the Council has a significant number of farms. The Smallholdings Estate plays specific roles by providing opportunities for new entrants into the farming and agricultural industries and creating the framework for environmental protection and improvement of the countryside.

Details of the Smallholdings Policy are available on the Council's website at:

[http://intranet/mgintranet/Published/C00000251/M00002844/AI00015943/\\$SmallholdingsPolicyManagementPrinciplesfinal170609.docA.ps.pdf](http://intranet/mgintranet/Published/C00000251/M00002844/AI00015943/$SmallholdingsPolicyManagementPrinciplesfinal170609.docA.ps.pdf)

Section 6 – Operational Efficiency Programme, Total Place and Community Building Strategy

6.1 The **Operational Efficiency Programme** announced as part of the 2009 Budget proposals is a Government commissioned investigation into operational spending across the Public Sector. The aim of the programme is to make it possible to delivery efficiency savings alongside continuing to increase investment in frontline services. The programme consists of five main strands. These are:

- Back office operations and IT – which has recommended better management information, benchmarking and review of costs and better governance of IT-enabled change programmes to achieve £4 billion of savings a year on back office operations, and £3.2 billion of savings a year on IT spending;
- Collaborative procurement – which has identified that £6.1 billion of savings a year are possible through harnessing the public sector’s collective buying power by buying more goods in a collaborative way and driving more procurement spending through collaborative channels:
- Asset management and sales – which has concluded that there is potential for the Government to realise greater value from its commercial asset base, and reports progress on studies into specific assets (including British Waterways, the Dartford Crossing, Land Registry and the QE II Conference Centre) that were launched in 2008 Pre-Budget Report. It was also identified that a number of further assets that will be the subject of a second wave of studies to ensure that their commercial potential is being considered and fully harnessed:
- Property – which has found that up to £1.5 billion of annual running cost efficiencies could be achieved by 2013-14, rising to £5 billion a year over a ten year period. Furthermore, £20 billion of proceeds from property sales (excluding council housing) may be possible over a ten year period. To achieve this, it is recommended a series of specific incentives and mechanisms, including the creation of a small, strategic central property function to drive the efficiency and rationalisation agenda across the public sector:
- Local incentives and empowerment – which has made a series of recommendations aimed at empowering professionals to collaborate and innovate, and creating the space for this by reducing burdens on the frontline. This includes taking forward the new “**Total Place**” programme that will map flows of public spending in local areas and make links between services to identify where public money can be spend more efficiently.

6.2 **Total Place**

The Council and NHS Herefordshire together with organisations in the wider Herefordshire Partnership are working to establish solid foundations for their approach to Total Place. This is being done through a number of key themes and associated projects. Funding from DCLG and the West Midlands RIEP, for instance, in relation to developing fresh approaches to customer insight is playing an important part.

- The Herefordshire Partnership vision of “Herefordshire being a place where people, organisations, business work together, within an outstanding natural environment, bring about sustainable prosperity and wellbeing for all,” is a central theme of all the Partnership’s work in this area.
- Herefordshire’s approach to Total Place which derives directly from the Herefordshire Partnership’s vision identifies five themes for development:
 - Getting a much more complete, rounded view of the needs and wishes of individual customers and groups that is shared by partners.
 - In particular, understanding the needs and wishes of individual localities.
 - Using that understanding to prioritise and commission flexible, cost effective services that will meet those needs.
 - Empowering and supporting communities and individuals to take maximum and possible responsibility for their own health and well being.
 - Ensuring that all public sector expenditure and assets are directed to the achievement of these ends and provide excellent value for money.
- To inform the Total Place agenda, the Strategic Asset Management team of Asset Management and Property Services has mapped all publicly owned assets in the County. This has been done on a Geographical basis, initially around Hereford City and the 5 principal market towns, although of late has been extended to the Golden Valley and Mortimer Ward areas to support the work around ‘reaching the hearts of Herefordshire’.

The work involves plotting all publicly owned land and property alongside those properties in which we have a leasehold interest.

The aim of the work is to provide a platform upon which a dialogue can be undertaken with partners to identify co location and shared premises opportunities. By seeking cooperation in the planning of locality bases where the costs of front line public service provision can be shared across partners, we will be better able to support improvements in customer service and demonstrate value for money. There are also significant opportunities for delivering on partners carbon reduction commitment targets (NI 185 & NI 186).

The work will also help to inform the wider accommodation strategy, facilitate discussions with the 3rd sector over potential community asset transfers and contribute to the Use of Resources Assessment, in particular KLOE’s 3.1 and 3.2 (use of National Resources and Management of Assets).

6.3 **Community Building Strategy**

Carrying forward the Total Place agenda and in particular “empowering and supporting communities and individuals to take the maximum possible responsibility for their own health and wellbeing” theme is assisted by the Community Building Strategy.

The Council in consultation with the Herefordshire Partnership are developing a Framework for a Partnership Strategy for Community Buildings in Herefordshire. The Rural Access Partnership will be responsible for the strategy with progress and updates also being provided to the Herefordshire Community Development Partnership. Both Partnerships report into the Stronger Communities Policy and Delivery Group and hence the Herefordshire Partnership Board. The Community Buildings Strategy will form an integral element of the emerging Total Place Agenda for Herefordshire and its principles are already influencing the thinking around the "Reaching the Hearts of Herefordshire" pilot initiatives.

Section 7 - Disposal of Property Assets

- 7.1 The Council and NHS hold land and buildings solely for, or in support of, the efficient and effective delivery of services to the local community. The Joint Strategy will identify, over time, properties that no longer serve a need for operational service delivery. When a property is no longer required for this purpose the procedures in the Disposal Policy will apply. **(see Appendix 2)**. NHS is subject to a different financial regime namely the capital receipts from the sale of surplus property cannot be assumed to be retained as currently discussions are required with the SHA.

Section 8 – Community Asset Transfer

- 8.1 The Local Government White Paper – Strong and Prosperous Communities published in October 2006 includes Community Management and the ownership of Assets and states "managing or owning assets particularly on the basis of a longer-term lease or through transfer of the freehold can revive under utilised assets and provide a foundation for other community action". The Quirk Review, "Making Assets Work," examined the effectiveness of existing powers and policies and considers how they might be better promoted. The review has considered any safeguards necessary to review assets being taken over by unrepresentative groups who might not act in the interests of the local community. Communities who wish to take over the management or ownership of a local asset will be able to use the Community Code for Action (CCFA) to ensure that their Local Authority considers their request seriously. The Council therefore required a strategy for making community based asset decisions, with written policies on the opportunities for community transfers. This policy **(see Appendix 3)** closely aligns to the Disposal Policy.

JOINT CORPORATE PROPERTY STRATEGY - APPENDIX 1

Joint Accommodation Strategy



JOINT ACCOMMODATION STRATEGY

1.0 Background

1.1 When Herefordshire Council came into being as a result of Local Government reorganisation in 1997, it was faced with the prospect of having to deliver its services through a large number of disparate offices of poor quality and suitability for at least the medium term. The problem of corporate accommodation was highlighted as a weakness in a number of performance inspections in recent years, and as the management of assets now forms part of the Comprehensive Area Assessment Use of Resources Judgement for both the Council and NHS Herefordshire, the imperative to deliver a long term sustainable accommodation framework is now increasingly important for the future credibility of both organisations. The interim Accommodation Strategy, rolled out of the summer of 2008, laid down the basis of joint working and established a number of integrated teams across the “deep partnership” alongside the sharing of premises to improve organisational efficiency. The long term Joint Accommodation Strategy builds on these principles and introduces opportunities for shared service provision not only across the “deep partnership” but also across the wider public sector by responding to the Operational Efficiency Programme (OEP) and developing the concept of “Total Place”.

2.0 Principles underpinning the Strategy

2.2 In formulating the proposed strategy, the following principles have been applied:-

- Single location for support service roles (Plough Lane)
- Improved outcomes for local people
- Excellence in service delivery
- A focus on customers'/users' experience
- Efficiency and delivering value for money
- Incremental carbon reduction target delivery.
- Better ways of working for staff
- A hub and spoke model to the countywide provision of services
- Where suitable, the co-location of compatible public sector partner activities in pursuance of the OEP and the “Total Place” Agenda.
- Care closer to the patient.

The strategy also strongly supports the theme of “organisational improvement and greater efficiency” as identified in the Vision for Herefordshire and Corporate Plan.

- Staff will have the right access to workstations and support to do their jobs.
- Accommodation will be shared by services where possible.
- Workstations will offer a standard specification where possible.
- Office layouts will be flexible and allow staff to move without reconfiguration.
- More meeting and breakout space will be provided.
- Most on-floor storage will be replaced with electronic and fast retrieval archiving.

- Staff location will be planned carefully by service and working need.
- There will be a single corporate landlord.
- Recharges will be appropriate to service requirement and services will have the opportunity to influence those charges based on appropriate usage of space.
- Measures and charges must incentivise teams to use space better.
- Facilities must be available to maintain client confidentiality.
- Facilities will be considered to allow staff to work outside traditional office space.
- The Council and NHSH will invest in making the working environment attractive to staff.
- Office accommodation must contribute towards meeting the objectives of the business and community plans.
- Service needs change over time and office accommodation has to be able to satisfy these.
- Poor, not fit for purpose accommodation leads to user dissatisfaction.
- Underused property is an unnecessary drain on resources.
- Office ownership and running costs are a major and rising expense to the Council and NHSH.

3.0 Scope of the Strategy

3.1 The strategy aims to cover in-scope, all operational properties of the Council and NHS Herefordshire excepting the following categories:-

- Investment properties (other than those currently used for operational service delivery)
- Smallholdings (which are subject to a separate policy and strategy).
- Schools
- Other educational accommodation where it forms an integral part of buildings used primarily for delivering the school curriculum.

4.0 Dependencies which will influence the Strategy

4.1 At the time of drafting, 4 significant programmes yet to report were deemed to have an unquantified and unqualified impact on the strategy. These were:-

- The Customer Services Strategy
- The Shared Services Review (Partnership)
- The Provider Services Review/Transforming Community Services (TCS) (NHS Herefordshire)
- The Estates Strategy incorporating Primary Care estate (NHS Herefordshire)
- The Integrated Commissioning Strategy

4.2 Once these programmes are concluded, the Joint Strategy will address any issues raised.

5.0 A Framework for the Joint Accommodation Strategy

5.1 This framework should be considered in association with the detail contained within the Council's Corporate Asset Management Plan 2009/2012, and the Joint Corporate Property Strategy 2009/2012.

5.2 Elements of the Framework

- a) A joint back office provision at Plough Lane, Hereford and consideration of the future of the Belmont Abbey site.
- b) A multi agency front office in Hereford City (The Hereford Centre).
- c) A series of locality offices in the Market Towns and the Golden Valley which provide both customer service points and other frontline services such as health and social care, library services and tourist information.
- d) An Integrated Records Management facility to incorporate a modern customer facing archive service, a modern records store, data centre and other complimentary services.
- e) An integrated Community Equipment Store and support service facility for use by the “deep partnership” and potentially other 3rd sector partners.
- f) The potential use and development potential of the Town Hall and Shire Hall.
- g) Other significant corporate properties.
- h) “Total Place” and Community Asset Transfer
- i) Joint Commissioning Strategy
- j) Mental Health Services procurement
- k) Review of the provision of Health and Social Care services
- l) Future development of the Victoria House site

5.3 Proposed Office Accommodation Standards

The Council and NHS aim to achieve a space allocation of 8m² per person (FTE) within any new open plan office buildings. Where cellular buildings are retained, the target will be 10m² per person (FTE).

6.0 The Framework in Detail

6.1 The Joint back office provision at Plough Lane Hereford.

- 6.1.1 The purchase of the Plough Lane offices, along with some 4 acres of adjoining land will provide an integrated back office solution. Subject to final Council approval and planning consent being obtained, the plan is to provide a back office solution to accommodate approximately 1700 non-front facing staff in a combination of new build and refurbishment which will supply 1200 flexible work stations and associated support facilities. An initial scoping of staff intended to reside in these offices was undertaken in 2007/2008 and will now be updated in early 2010 as improvements in ICT technology will impact on the ability to work more flexibly across different locations and settings. In addition, NHS currently has a lease with Belmont Abbey General Trust which commenced originally in August 1994 and is due to end 2014. The lease is due for renegotiation in 2013. The Joint Accommodation Strategy and the outcome of the Provider Services Review will impact upon NHS decision to extend the lease or consider vacating the property.

6.2 A Multi Agency Front Office in Hereford City (The Hereford Centre)

- 6.2.1 A Multi Agency front office is planned to replace the current Garrick House Info in Herefordshire facility when it is incorporated into the Edgar Street Grid development in early 2011. A Project Board has been formed under the Chairmanship of the Director of Regeneration which includes the Council, NHS Herefordshire and West Mercia Constabulary (Herefordshire Division). Work has been undertaken to scope the potential massing footprint, services to be incorporated within the facility and options for location. The Board will use the Customer Services Strategy to formulate proposals. There is also consideration being given to enlarging the scope of the provision to

incorporate other front facing activity such as the Connexions Service when it transfers to Council control in April 2010.

6.3 A series of locality offices in the Market Towns and Golden Valley which provide both customer service points and other front line services such as Health and Social Care, library services and Tourist Information.

6.3.1 The former Herefordshire Customer Services Strategy established the principle of integrated customer service points in the Market Towns as part of the Info in Herefordshire programme. Whereas this programme enabled significant integration of Council services at a local level, especially at Bromyard where leisure and Cultural services have been included, the model is yet to be fully established in both Ross-on-Wye and Ledbury (although plans are well advanced in each location). In Leominster, where the first Info in Herefordshire was established, there still remains a significant challenge to further rationalise front facing customer services in the Town. The Golden Valley area also provides its own challenges for front line service delivery due to the sparsity of population settlements and the lack of suitable infrastructure from which to locate operations. (This area is currently being focused upon as part of the "Reaching the Hearts of Herefordshire" initiative).

6.3.2 Other aspects of locality provision involve intervention services such as Children Services, Health and Social Care and other provider services. With the support of external funding from the Department of Children Schools and Families, the Children and Young Peoples Directorate (CYPD) are fairly well advanced in their planning and delivery of Multi Agency colocation locality centres in the Market Towns as part of the "No Wrong Door" initiative. These are planned to be located alongside existing educational establishments or other CYPD occupied premises. Whereas the Provider Services Review will be considering the future of Health and Social Care provision, some significant progress has already been made in rationalisation and consolidating Adult and Social Care teams within Council owned accommodation. There is, however, some scope for further economies and efficiencies in this area, especially in Leominster where staff are spread across a number of unsuitable locations.

6.3.3 The remaining elements of locality provision largely involve cultural or leisure provision. The Regeneration Directorate are currently reviewing future Tourist Information Centre provision and the Environment and Culture Directorate have undertaken some preliminary work around the feasibility of a Cultural Services Trust. Many cultural and leisure facilities now require significant investment to bring them up to a level of today's market expectations and every effort will be made to seek opportunities for investment or replacement on the back of the recovery of the housing market. Due to the age and legacy of some of those facilities which predate this Council, serious consideration should be given to relocation if and when commercial opportunities present themselves.

6.4 An Integrated Records Management Facility to incorporate a modern customer facing archive service, a modern records store, data centre and other complimentary services.

6.4.1 The current County Archive Service base at Harold Street, Hereford has recently had its accommodation inspected by The National Archive Inspectors. Although an interim solution has been commissioned, the requirements of the Archive Inspectors for an ongoing license will require a new facility to be commissioned.

6.4.2 The Modern Records Unit currently housed at Merchant House and Blueschool House in Hereford, although able to satisfy the environmental conditions for storage is now reaching capacity. Even with a tightening of the Document Management Policy and the roll out of Electronic Document Records Management, the demand for space currently outstrips supply. This position will be further pressured with the service taking responsibility for the Records of the “deep partnership”. In addition to the current demand, 3 critical issues face its ability to operate from its existing premises. These are:-

- a) The current Merchant House facility is leased, with the lease expiring in 2014. It does not represent value for money to renew the lease when the building is not sufficiently “fit for purpose”.
- b) The Blueschool House facility will (at a timescale yet to be confirmed) be lost to the Edgar Street Grid development. Again, this property is rented with the lease income going to ESG. The operational staff based there will move to Plough Lane when constructed.
- c) In order to move back office staff from the 12 or more offices that they currently occupy to Plough Lane, it has been estimated that the current storage capacity will need to double in the first instance. Although this will reduce overtime, the expansion of the archive service and partner demand may well fill any spare capacity created.

6.4.3 The 3rd major element of this proposal involves the Data Centre currently housed and being upgraded at the Thorn offices. The current solution will only be effective for up to 5 years, a period that is co terminus with the present lease on the building. This adds to the business case to consider a more permanent Council owned solution.

6.4.4 Should the business case for a new facility be approved, there is a strong rationale behind relocating the Civil Registers (currently based at the Town Hall in poor storage conditions) and the Local Collections Service (currently inadequately stored in the Broad Street Library basement) to be housed in this new facility. Other considerations for storage at this base could be the library store and Mobile Library Service which are currently based at the Shire Hall.

6.4.5 A site for this potential facility has been identified at Rotherwas, and should the Data Centre be incorporated into the proposal, there is the opportunity to install a combined heat and power unit which would further reduce the carbon footprint of the site. The current buildings housing the various services outlined above are among the worst performing energy consumers in the corporate portfolio.

6.5 An integrated community equipment store and support service facility for use by the “deep partnership” and potentially other 3rd sector partners.

6.5.1 A need has been identified to relocate the existing community equipment store from Unit 3, Thorn Depot to a Council owned, more fit for purpose facility. The lease costs represent poor value for money and staff have to share facilities with Amey for which they pay a high service cost. Sharing the building with Amey also prevents reassignment of the building lease in full to Amey.

6.5.2 As part of the discussions to scope the requirements, it was found that there were a number of similar type operations undertaken by NHS Herefordshire in numerous leased properties. Some initial work was undertaken by a project manager from the Primary Care Trust, but he has since moved to a different role and a new project lead is needed to take the project forward. The initial massing work identified a structure of some 18,000 sq feet being needed to house the various services proposed and a suitable vacant Council owned property (in need of refurbishment) has been identified for this purpose. The offset rental expenditure would cover the prudential borrowing needed to realise the accommodation and additionally improve the value of a significant Council owned asset.

6.6 The potential future use and development potential of the Town Hall and Shire Hall

6.6.1 As a consequence of other aspects of the accommodation programme already mentioned, the reliance upon the Town Hall and Shire Hall to provide space to house back office services will be significantly reduced. As there is a Council commitment to retain both buildings in freehold ownership, a study was undertaken during the summer of 2009 to identify potential future uses of both buildings.

6.6.2 The Shire Hall currently has approximately 50% of its floor area leased on a long term basis to the Ministry of Justice. The Court Service has expressed a desire to extend their use of the first floor area due to the practical issues around witness security. The library service occupies the area below the Assembly Hall and the CCTV control room is located on the upper floor. The Assembly Hall is underutilised due to poor access and marketing and represents a real opportunity to create a vibrant City Centre entertainment venue with flexible use to include a refurbished Council Chamber and public meeting place. For this to be realised appropriate access will need to be created alongside a new entrance and visitor support services. This will need to be carried out with a recognition that capital funding is limited.

6.6.3 When Plough Lane is completed, the Town Hall will no longer need to house Benefits and Exchequer Service and thus significant spare capacity will be created. The other significant occupants are the Registration Service, Children's Social Care, the Citizens Advice Bureau and the Hereford City Council. The capacity created could accommodate the remainder of the Democratic Services Team, enhanced accommodation of Hereford City Council and a range of cultural services such as Museum Collections and the City Tourist Information Service. Discussions have taken place with Hereford City Council Town Clerk to identify the potential space and accommodation needs for the City Council. This dialogue has identified suitable opportunities to improve their accommodation.

6.6.4 Further work will need to be undertaken to fully scope the opportunities and challenges for future use of these buildings.

6.6.5 The aim is to retain both of these landmark buildings and to increase the usage of the buildings by the public, through improving public access and providing additional facilities or services in these buildings.

6.6.6 In preparation for potential adaptation of these buildings, updated condition surveys have been commissioned. These surveys will identify any areas of inadequacy with particular reference to disabled access, fire risk assessment, other statutory compliance and improvement to customer facilities.

6.7 OEP and Total Place

- 6.7.1 The Hearts of Herefordshire initiative is helping to address the Operational Efficiency Programme and Total Place Agenda.
- 6.7.2 The Herefordshire Council has the upper tier Local Authority for the area has undertaken a mapping exercise of all public sector ownership in the County on a geographical basis. This includes the principle Market Towns and the Golden Valley areas. This exercise will form the basis for informed decision making on how to move forward with the Total Place agenda.
- 6.7.3 The proposals for the rationalisation of office and support buildings in Hereford have partly addressed the OEP and Total Place and we have begun the mapping of wider public sector ownership in Hereford.

6.8 Other significant Corporate Properties

- 6.8.1 Outside the principal accommodation venues to house Council Services, there will remain a number of significant properties which due to their heritage status will not be used for service delivery. These include the Old Priory in Leominster and the Ledbury Heritage Store. Such buildings are not immediately marketable and extremely expensive to adapt for community use. Consideration will need to be given as to how the Council would wish to deploy these properties as they will be very expensive to upkeep and have a high carbon footprint.
- 6.8.2 Also needed to be retained for the foreseeable future are the Thorn Unit 3 Depot and associated land and structures (leasehold) and the land at the former Grafton Depot for delivery of frontline services by Service Delivery Partners Amey and Focsa. In the long term, our interests in these facilities could be disposed of.

6.9 Total Place and Community Asset Transfer

- 6.9.1 Earlier this year the Council and NHS Herefordshire began considering how they might approach the OEP and the “Total Place” agenda and pilot projects badged as “Reaching the Hearts of Herefordshire” were initiated. As the work in this area develops, and communities begin to engage with the empowerment aspects of the programme, it is possible that approaches will be made to the Council and PCT to consider Community Asset Transfer of assets considered as potentially surplus to service delivery. To support this process, Asset Management and Property Services have drafted both Asset Disposal and Community Asset Transfer Policies for consideration. In adopting these policies, potential capital receipts may not be realised as a result of transfer of assets.

6.10 Joint Commissioning Strategy

- 6.10.1 A Joint Commissioning Strategy will aim for more integration (both vertical and horizontal) and maximise co-location of service provision to provide seamless packages of care. This is unlikely to be achievable within the existing traditional estate provision.

6.11 Mental Health Services Procurement

6.11.1 NHS is currently preparing to tender for the provision of Mental Health services from specialist Mental Health providers. The preferred provider is anticipated to be known by December 2009. Currently NHS provides Mental Health services from the Stonebow Unit which is a NHS owned property. It is envisaged that NHS will continue to own this property and will as part of the contractual process grant a licence to operate to the preferred provider. However, given this is a complex procurement there are a number of issues still to be addressed regarding this decision.

6.12 Review of Provision of Health and Social Care Services

6.12.1 NHS estate within Herefordshire is worth millions of pounds and also generates significant costs – money which therefore cannot be spent on direct patient care. Therefore we need to get maximum use and value from our buildings, and keep overheads efficient. It also means improving energy efficiency and our environmental impact. NHS, Hereford Hospital Trust and the Strategic Health Authority supported by KPMG are working on opportunities to deliver through the redesign of care pathways to deliver patient care closer to home whilst still ensuring services remain of high quality and clinically safe. This may result in a rationalisation of estate across the health economy in Herefordshire within the context of the joint corporate property strategy. Conversely the redesign of care pathways which will result in a greater volume and range of services being provided in primary care and community settings which may require some investment in primary and community care buildings. The work is clinically led by a Transition Board. A consultation will take place in late spring 2010 around options for the integration of services the outcome of which may result in significant estate management issues.

6.13 Future Development of the Victoria House Site, Eign Street

6.13.1 The Victoria House site has significant backlog maintenance issues. The building was used until November 2008 to accommodate a small number of administrative staff. However the building was vacated due to the deteriorating condition of the building. The Victoria House site is well placed to deliver patient care services with good transport links, parking and accessibility. The future options around the site are being finalised but one option may be for a new facility to deliver children's services in a more integrated way. Given the backlog maintenance and security management issues at the children's development centre on the Ross Road, new premises on the Victoria House site may be a preferred option.

7.0 Resources needed to deliver the programme

The above Strategy and resulting programme of works, if approved in whole or part, will need significant resourcing beyond the existing revenue and budgets and staffing complement of Council and NHS Herefordshire Officers. Examples of such transformation programme where undertaken by other Authorities has involved some form of partnering with an industry sector specialist in construction and space management. There is no shortage of competent specialists in the market able to provide us with the bespoke support needed.

The total cost of the programme and the timescale for delivery has yet to be calculated. The only proposals that have been substantially worked up are

those for the Plough Lane and back office. It is anticipated that the programme will be phased although some decisions will be forced up upon the Council by external forces e.g. lease expiry and ESG development. Sources of funding are expected to be capital receipts, prudential borrowing and savings from both lease rentals and efficiencies from smarter working practices.

JOINT CORPORATE PROPERTY STRATEGY – APPENDIX 2

Disposal Policy



APPENDIX 2

ASSET DISPOSAL STRATEGY

1.0 INTRODUCTION

Where property assets are not meeting the Partnership objectives then a process of rationalisation and disposal should be adopted for surplus/under-performing assets to comply with the DCLG Guidance on Asset Management.

(The latest DCLG publication is “Building on Strong Foundations – A framework for Local Authority Asset Management”:

<http://communities.gov.uk/documents/localgovernment/pdf/20.pdf>)

The development of a strategy for the rationalisation or disposal of surplus or under-performing assets is also necessary to achieve Level 4 under the CAA Use of Resources Key Lines of Enquiry (KLOEs).

(There is full guidance at the OGC site:

http://www.ogc.gov.uk/news_2005_4330.asp).

2.0 OBJECTIVES

The objectives of the strategy are to:-

- 1) Complement the Asset Management Plan policy of only holding assets that meet the Authority's objectives for operational property and socio-economic or investment estates;
- 2) Enable actual and latent capital value tied up in potentially surplus assets to be realised;
- 3) Reduce or remove liabilities;
- 4) Unlock the benefits of regeneration;
- 5) Enable local Development Plan/Framework policies to be realised, and;
- 6) Optimise the proceeds or land use benefits of particular disposals for the benefit of the Authority and its community.

3.0 DEFINITION OF A DISPOSAL

“The transfer of the freehold, or a leasehold interest for a period greater than seven years, to a third party or a Private Finance Initiative (PFI) scheme”.

4.0 STATUTORY POWERS

In most cases the Authority's power of disposal is a general power contained in Section 123 of the Local Government Act 1972. This provides that the consideration should not (except with the consent of the Secretary of State) be for less than that can reasonably be obtained.

For regeneration schemes appropriation for Planning Purposes may be considered.

For Housing Accommodation the Local Government Act 1988 Section 25 and its general consent regime apply (General Housing Consents 2005). Under these powers, disposals of land for the development of housing accommodation to registered social landlords may take place at less than the best price .provided this is

a Freehold transfer or a Leasehold interest with 99 years or more remaining. The accommodation to be developed must be provided for the elderly or vulnerable, and the Authority must not enter into any service level agreement or management arrangement for the accommodation. There is however, an overall cap of £10m upon the "gratuitous benefit" that may be granted (the aggregate value of combined transfers and disposals at below market value in any financial year).

The recent 'Wellbeing' powers to economic, social and environment wellbeing in the Authorities area can be supported by disposals at an undervalue in accordance with the provisions of the Local Government Act 1972, General Disposal Consent (Circular 06-2003 England).
<http://www.communities.gov.uk/publications/planningandbuilding/circularlocalgovernment>

Some property disposals are compulsory transfers driven by statute rather than through the identification of surplus assets. Examples are the creation of Academies, Foundation and Voluntary Aided Schools, Right-to-Buy provisions in the Housing Acts, and the transfer of the whole of the housing stock. Whereas the Housing provisions are no longer relevant to this Authority, it is recommended that specific policies are created to cover other forms of statutory transfer.

5.0 DEFINITION OF SURPLUS/UNDER-PERFORMING ASSETS

Property should be declared surplus if: -

- 1) It makes a poor or zero contribution to the delivery of the Authority's services, either directly or indirectly, or generates insufficient income and has little or no potential for future service delivery or community regeneration purposes;
- 2) An alternative site has been identified which would achieve a lower cost and/or more cost effective service delivery (i.e. has lower opportunity cost);
- 3) Following vacation there is no potential for future alternative service delivery or regeneration;
- 4) It suffers unsatisfactory condition, suitability, sufficiency, or environmental standards for service delivery, or has adverse running costs, and the problems cannot be rectified by economic capital investment, so replacement is required;
- 5) A change in service delivery methods results in the property no longer being required.

Property should be deemed to be under-performing if:

- 1) Part of it is vacant and likely to remain vacant for some time;
- 2) The alternative use value is higher and the service can be relocated elsewhere and still leave a net capital receipt;
- 3) The beneficial use or financial return (both revenue and capital growth) generated from it is below that which could be achieved from an alternative use, or a disposal and alternative investment opportunity;
- 4) It repeatedly scores poorly in property performance assessments, owing to unsatisfactory condition, suitability, sufficiency, or environmental standards for service delivery or has adverse running costs.

6.0 IDENTIFICATION OF ASSETS FOR DISPOSAL

6.1 The identification of a property asset for potential disposal will arise in a number of ways as follows: -

- Local Plan designation and development of a Local Development Framework;
- Asset Management reviews;
- Value for Money reviews;
- Service reviews declaring property no longer meeting operational needs;
- It has potential for development or redevelopment and service can be relocated;
- The five yearly asset valuation process identifies development/alternative use;
- Approaches from outside parties (Eg: developers, adjoining owners);
- Entering into development partnerships such as Local Asset Backed Vehicles (LABVs) or Local Housing Companies (LHCs);
- Request from a community group or public body to the transfer of an asset;
- Statutory duty to transfer arises;
- Land registry searches;
- Monitoring planning applications;
- Request for variation of covenants.

6.2 Property Performance Reports

The assessment of property performance differs according to the property type concerned. The nature of the assessment is explained below:-

Operational Property:

Assessed against criteria for condition, suitability, sufficiency, or environmental standards for service delivery, and appropriate benchmarks (see Appendix One for template);

Socio - Economic Property:

Assessed against criteria for corporate goals and objectives for fostering sustainable communities, economic development and regeneration;

Investment Property:

Assessed against criteria for income and capital growth yield, rent arrears, property voids and appropriate benchmarks.

6.3 Incentives to identify surplus assets

Property should be held centrally, and managed as a corporate resource. Proceeds from disposals should go to the centre, but services could be given incentives to identify and release assets, for example by being able to retain a portion of the running costs if paid for by the service area. This portion should however, reduce over a period of years.

Asset Management & Property Services will work directly with service providers to provide targeted professional property skills, as this has also been found to be a successful method of identifying surplus property assets.

6.4 External consents and formal notification of a disposal

External consents are required to effect the sale of certain types of surplus properties (Eg: DCFS consent for the disposal of school playing fields and potential Academy land and public open space that has to be advertised). These consents should be identified, and the process commenced at the earliest opportunity, as it can take some considerable time to obtain these consents.

(School site restrictions:
<http://www.teachernet.gov.uk/docbank/index.cfm?id=10943>).

Ownership in a trustee capacity needs to be carefully considered as it may need the consent of the Charity Commission.

6.5 Decision making process

The Herefordshire Council and NHS Herefordshire Constitutions clearly explain their governance arrangements in particular the property decision-making process, both to declare property surplus, and to deal with commercial procedure.

7.0 MANAGEMENT OF SURPLUS ASSETS

7.1 Data collection

A corporate schedule of the use and allocation of all property is maintained in accordance with CIPFA guidance on local authority asset registers and as contained in the Statement of Recommended Practice. It is held by the Strategic Asset Management's Land and Property Information Service.

All surplus and potentially surplus property is identified within the Asset Register (and held by the Property Terrier). The schedule is updated on a continuous basis to reflect any developments.

7.2 Property holding costs

The costs of holding the property between declaration as surplus and disposal are met by the service directorate. Where an alternative use is identified from a third party, the property may be transferred to the Resources Directorate and appropriated for use as an investment asset as opposed to an operational property.

7.3 Suitability for other Council uses

Before land and buildings are formally declared surplus, the requirements for use for other Authority purposes should be considered. A procedure is being developed to inform other of the Authority's service deliverers and partner agencies where appropriate, as soon as possible, that a property is to become surplus.

7.4 Site investigation and Town Planning

Once a property has been identified as potentially surplus, the Head of Asset Management & Property Services should establish whether there are any constraints on the site (Eg: Title, legal, planning, statutory authorities, etc).

8.0 DISPOSAL POLICY

8.1 Property disposals

All disposals should be arranged and managed by the respective Directors of Resources of the Council and NHS. The Authority should obtain the best consideration by the most appropriate method of disposal, but consideration does not necessarily need to be financial.

There should be regular liaison with all stakeholders between a property being declared surplus and the completion of a disposal. In particular, the party responsible for the day-to-day management of the property should be kept regularly informed of developments to an agreed timetable.

Consideration should be given at all times, to the confidentiality of a disposal particularly until a property is formally declared surplus and until exchange of contracts.

8.2 Disposal at less than best consideration

The General Disposal Consent makes provision for an Authority to dispose of land at less than full market value, where it considers that the purpose for which the land is to be disposed of is likely to contribute to the promotion or improvement of the economic, social or environmental wellbeing of the whole or part of its community (or any person resident or present in its community); and the difference between the unrestricted or market value of the land to be disposed of and the disposal consideration or 'undervalue' (sale price plus monetary value of voluntary conditions imposed) does not exceed £2 million.

A valuation should be undertaken to identify the 'undervalue', and best effort should be made to financially value the economic, social or environmental benefits to the Authority and community, which justify a disposal at less than best price. (The supporting evidence for such justification should come from a "sponsoring service").

In cases where the 'undervalue' exceeds £2 million then the consent of the Secretary of State will need to be obtained.

If the disposal is to be at less than best price then this shall be considered within the context of the Authority's Capital Programme as the opportunity cost of a foregone open market disposal.

Where a disposal is undertaken at less than best price, then to protect the Authority's interest in the event of subsequent disposals, there should be included where appropriate, an asset lock, claw-back or uplift clause, restrictive covenants, ransom strip retention, user rights, or right of pre-emption.

The overriding factor to be considered for disposals at below best price is whether it is within the Authority's powers to do so, and the reasons should be well documented and transparent. To avoid the possibility of a challenge to a decision to sell at less than best price (for example by a Council Tax payer or other interested party) it is important that there is evidence of a clear link to the furtherance of Corporate objectives.

8.3 Method of disposal

The most appropriate method of disposal, for the majority of cases, should be adopted from the following and dependant upon a formal options appraisal.

OPEN MARKET

Method	When to use
Private Treaty	Limited interest and a narrow valuation band. A disposal can have a closing date and be by way of sealed bids in cases where considerable interest is shown after marketing;
Auction	Wide interest, no obvious purchaser and easy to allocate a reserve. Speed and best price can also be demonstrated;
Tender - Formal	Wide interest, land ownership not complex, no uncertainties regarding the grant of planning consent with obligations to be placed on a purchaser that are clear and capable of specification in advance. Also appropriate where there is a wide valuation band;
Tender – Informal	To identify a preferred bidder and enable further detailed terms or proposals for development to be negotiated. Appropriate for sales where there are uncertainties, particularly planning, and for large or complex development or regeneration sites, and where proposal may need to be developed in co-operation with the authority to meet corporate objectives and to achieve best consideration. Allows for the use of conditional contracts, including clauses which provide for further sums to become payable (claw-back) upon the grant of planning in the future, or improvement in market conditions (overage). Legal advice should be sought at the outset in respect of major disposals to ensure that they meet the Authority's internal and external procurement rules and regulations.

SPECIAL PURCHASER

Sale to adjoining owners or lessees where special circumstances appertain. Typical examples are a conditional disposal where the Authority is selling for a particular purpose (e.g.: to a developer for regeneration, to a nominated housing association for social housing development) or where it is of limited size and value, and the adjoining or local landowner is the only potential or likely purchaser (e.g.: garden extensions).

Exchange of land may be appropriate where it will achieve the best consideration for an authority and is advantageous to both parties.

Sales to former owners under the Crichton Down rules:

<http://www.communities.gov.uk/publications/planningandbuilding/circularcompulsorypurchase2>

8.4 Disposal of non-surplus or under-performing assets for Community Regeneration

The Authority may also dispose of property that is not formally classified as surplus or considered to be under-performing: To developers for community regeneration schemes by way of Local Asset Backed Vehicles (LABVs), or to Local Community Housing Companies (LHCs) or nominated registered housing associations for the development of affordable housing and extra care schemes.

In these cases it is recommended that appropriate policies be developed, in particular to determine whether disposals will take place at the best price that can be reasonably obtained, or whether prices are to be discounted to achieve the targeted outcomes of the proposed schemes. For example, the Authority may choose to sell land to housing associations for a nominal sum to maximise the use of the housing corporation grant monies in exchange for nomination rights. Or it may choose to sell to a Registered Social Landlord at market value but provide a grant by way of subsidy so that the level of grant is transparent.

It is also beneficial in some circumstances to transfer land for a development by way of a building licence agreement transferring the legal interest in the land and taking the capital receipt upon completion of the development; or alternatively transferring the legal interest at the outset but reserving a right of pre-emption at historic cost should the development not proceed by a certain date.

One of the benefits of such disposals is that through appropriately worded conditions or covenants greater control can be exercised through the land transaction than through the Authority's planning controls.

8.5 Private Finance Initiatives (PFI)

PFI is another form of disposal in which the control of the land and building asset together with risks relating to availability and maintenance, etc., are transferred to the contractor for the length of the contract. The local authority has service use of the asset and a reversionary property interest. Disposals of property under major PFI or other similar public sector works contracts will be subject to European Procurement rules.

8.6 Transfer to the community

The Herefordshire Council has developed a separate strategy for the transfer of assets to the community, a charity or another public body. Such a transfer will only take place if it is supported by a robust business case, the transferee has sound long-term management and governance arrangements, the proposed use for the property meets the Authority's objectives and community strategy, and there is an agreed time-scale within which a disposal is expected to be completed, and certainty of funding.

Disposals under the Community Assets Transfer scheme (see the 'Quirk' Report) will need to comply with the scheme as advised by DCLG. (The Development Trust Association web site is: <http://www.dta.org.uk/>)

8.7 Tenure

In cases where the Council does not wish to exercise any control over the future use of the property (other than through the planning process) then the disposal of the freehold will obtain the best price. However, in most instances the Council will want to exercise some control of the future use of the land, and in such cases a leasehold disposal is recommended for a term necessary to ensure the satisfactory completion of the scheme. (Eg: A leasehold transfer to the community may need to be for at least 25 years to obtain the necessary grant funding). Additional control can be exercised through a Service Level Agreement (SLA) between the Authority and the operator.

It is now becoming standard practice for major regeneration disposals to be negotiated by dedicated teams of valuation, finance and legal professionals representing the Authority, the developer and funding bodies. Unless the Council has the necessary skills in-house, it is recommended that it considers the use of appropriate private sector specialists for these types of disposals.

8.8 Late Bids

Guidance from the Local Authority Ombudsman recognises the problems caused by late bids. The Guidance states that difficulties are less likely if exchange of contracts takes place as quickly as possible after a disposal decision is made. Until a legally binding contract has been entered into, the Authority has a duty to consider a late bid. This should be explained to any purchaser when disposing of land by private sale or negotiated/informal tender.

In considering late bids, the Authority should assess the likelihood of the late bid proceeding to completion in a timely manner, and consider the possibility of it being used as a spoiling or delaying tactic. It may in some cases be appropriate to ask the late bidder and other interested parties to submit their best and final bids in a sealed envelope by a set time.

A late bid may be rejected for sound commercial reasons. (Eg: If there is no real certainty of it leading speedily to a conclusion, or a contractor is suspected of using it as a spoiling tactic).

9.0 DISPOSAL PROCESS

9.1 Timing

This needs to be considered against the background of the Council's budget and capital programme requirements, the prevailing state of the market, local and regional planning frameworks, and the potential of property values increasing in the future. Consideration should also be given to the prospect of obtaining planning consent, particularly where there is potential for redevelopment, or investment in the property prior to disposal, to enhance its value and make it more attractive to the market.

In times when market conditions are not appropriate for a disposal, a temporary use should be found for a property as the Authority will otherwise have to pay void rates, and occupation will help with security. In cases where there is an external letting then this should be by way of a contracted-out lease under the Landlord and Tenant Act 1954, so that vacant possession can be easily obtained.

9.2 Marketing strategy

An appropriate marketing strategy will need to be developed for use by either the in-house or external consultants undertaking a disposal, with all costs (legal, consultants, marketing and agency) being charged to the appropriate property cost centre. Costs should also be recovered from the purchaser whenever possible.

9.3 Valuations

A valuation of the property for disposal should be undertaken at the earliest opportunity in the process and continually reviewed throughout the disposal process. Where it is decided to negotiate in-house a disposal to a single party, rather than offer the property on the open market, it may be appropriate to obtain a valuation from a third party (e.g. The District Valuer).

9.4 Negotiations

All negotiations for disposal should be conducted by a suitably qualified property professional, preferably a member of the Royal Institution of Chartered Surveyors.

Ombudsman guidance recommends that all negotiations should be conducted at the offices of the Authority, and with two people negotiating. Clearly both conditions may be unrealistic for every case, but often there will be circumstances when one or both are appropriate to ensure and demonstrate that the Authority's disposal policy is being adhered to.

10. PERFORMANCE MANAGEMENT

A disposal strategy should set milestones, manage risks and regularly report progress; and each individual disposal should form part of a wider programme of disposals aimed at achieving Corporate Plan objectives.

11. EQUAL OPPORTUNITIES

The Council must ensure that any disposal complies with their equal opportunities policy.

JOINT CORPORATE PROPERTY STRATEGY – APPENDIX 3

Community Asset Transfer Policy



COMMUNITY ASSET TRANSFER STRATEGY

1.0 Purpose of the strategy

- 1.1 The purpose of the strategy is to set a transparent, positive and proactive framework to enable asset transfer from the Council to the third sector to happen and be successful in the long-term.
- 1.2 The term 'asset transfer' here relates primarily to leasehold or freehold arrangements at less than best consideration, or in giving Third Sector Organisations (TSOs) 'first-refusal' on a commercially-based disposal.

2.0 Policy statement on community asset transfer and third sector organizations (TSOs)

- 2.1 The Council supports strong and sustainable TSOs as key partners in the delivery of services and in providing a link with local communities. Working in partnership with thriving TSOs can greatly help the Council in achieving the outcomes as enshrined in its Sustainable Community Strategy and Local Area Agreement that will be of great benefit to local communities.
- 2.2 The Council recognises that the way its physical assets are managed can have a positive impact on the long-term strength of the third sector and local communities more generally. Through asset ownership, TSOs can grow and become more secure, gaining access to sources of additional investment that the Council itself may not be able to access. The Council's aim is to ensure that the way assets are managed strongly underpins the wider corporate aims and where appropriate, will use asset transfer as a means of enabling TSOs to become sustainable on a long-term basis. To be successful, asset transfer requires a long-term partnership approach on the part of the Council and the receiving TSO.

3.0 What is Asset Transfer?

- 3.1 For the purpose of asset transfer, an asset is defined as land or buildings in the freehold ownership of the Council. The asset will need to be identified within the Council's Asset Register, assigned a valuation from a professionally accredited source and be identified for potential transfer under the Asset Management Strategy.
- 3.2 Asset transfer covers both transfer of management as well as transfer of ownership. The level of asset transfer may vary from:
 - Community management;
 - Short/medium term lease;
 - Long leasehold;
 - Freehold.
- 3.3 "Transfer" is generally considered to relate primarily to leasehold or freehold arrangements at less than best consideration, or in giving community-led organisations "first refusal" on a commercially-based disposal.

- 3.4 It can cover both transfer at market price (in the case of first refusal) or transfer at some concession. There are also several possible categories of asset transfer:

	Surplus property	Non Surplus property
Nil consideration/with endowment	Transfer for social value and/or better management	Generally as part of a partnering or procurement arrangements
Less than market value	Social value creates a discount in sale or lease cost	Generally as part of a partnering or procurement arrangements
Off market sale	A community purchaser may provide opportunities for gaining greater social value	Service agreement to deliver council services or within a partnership (e.g. co-location)
Open market sale	N/A	N/A

- 3.5 There will be conditions under which the asset must revert to the Council under the terms of a leasehold arrangement, for example:

- In the case of bankruptcy;
- In the case of corruption;
- If the anticipated benefits of transfer are not realised.

- 3.6 Each disposal will include an asset lock (where this does not prevent the third party body from leveraging in additional funding). This prevents the asset being sold on for pure financial gain – unless this was the intention of both parties and disposal will assist with the delivery of intended benefits.

- 3.7 There may be other constraints on the rights or responsibilities which are transferred along with the asset. These will be assessed on a case by case basis.

4.0 Aims of Community Asset Transfer

- 4.1 The Council's physical assets include land, buildings and other structures used for a variety of different social, community and public purposes. For some of these assets community management and ownership could deliver.

- Benefits to the local community; Benefits to the community can arise from: building confidence and capacity; attracting new investment and reinvigorating the local economy; and securing stronger, more cohesive and sustainable communities (See Quirk Review Section 4)
- Benefits to public sector providers can arise from: the creation of a new partner able to tap into additional resources; the ability to engage with a more cohesive local community; new service provision complementing and augmenting statutory services (See Quirk Review section 4)
- Benefits to the organisation include: financial security; increased recognition; power; management capacity and organisational development; and through having a secure base opportunities to expand and diversify. (See Quirk Review Section 4)

- 4.2 Public assets are rarely used by everyone, their 'value' being locked-in to a particular use or a particular group of people. Changing ownership or

management offers opportunities to extend the use of a building or piece of land, increasing its value in relation to the numbers of people that benefit and the range of opportunities it offers. Community-led ownership offers additional opportunities to secure resources within a local area and to empower local citizens and communities.

4.3 Assets will be transferred to community groups by the Council in order to promote the widest public value that can be achieved in relation to, for example:

- Community empowerment;
- Area-wide benefits;
- Building the capacity of the third sector and encouraging a sustainable third-sector;
- Economic development and social enterprise;
- Improvements to local services;
- Value for money.

5.0 National policy context

5.1 The 2006 *Local Government White Paper* confirmed the Government's intention to increase opportunities for community asset ownership and management, and promoted asset transfer as part of a local authority's 'place-shaping' role. The Secretary of State for Communities commissioned Barry Quirk, Chief Executive of LB Lewisham to carry out a review into the barriers preventing community asset transfer. It also indicated that a fund would be established to help with this, later announced as the £30 million Community Assets Fund managed by the Big Lottery Fund.

5.2 The 'Quirk Review's' findings *Making Assets Work* were published in May 2007. All the Review's recommendations were accepted by the Government and published a week later as an implementation plan in *Opening the transfer window: the government's response to the Quirk Review*. The Government's plan for taking the review forward included a demonstration programme with local authorities and their partners, a guide to managing risks in asset transfer and a series of regional awareness-raising workshops.

5.3 The Quirk Review found that a careful increase in the community's stake in an asset can bring a wide range of additional benefits for the community, the organisation receiving the asset and the local authority facilitating the transfer. The benefits of community ownership and management can outweigh risks and opportunity costs.

5.4 The Government's Empowerment Action Plan published in 2007 includes actions relating to the transfer of assets and to a programme of support for community anchors, including the availability of further funding to support the development of anchors.

5.5 In July 2008 CLG White Paper "Communities in Control: real people real power" confirmed ongoing support for the Quirk review, announced the establishment of a national Asset Transfer Unit, extended the Advancing Assets programme by a further year and announced a £70mn community builders fund. The origins of this agenda go back to the ODPM's 2003 *Communities Plan (Sustainable Communities: Building for the future)*. This acknowledged that sustainability is only possible where local communities play a leading role in determining their own future development.

6.0 Local policy context and links to other strategies

6.1 The Council's Asset Management and Transfer policy documents related to Community Asset Transfer include:

- Sustainable Community Strategy for Herefordshire;
- Corporate Plan;
- Regeneration strategy;
- Local Development Framework;
- Asset Management Plan;
- Local Area Agreement.
- The Herefordshire Compact.
- The Herefordshire Community Development Strategy.

7.0 Principles underpinning the Council's asset transfer policy

7.1 The Council's policy on community asset transfer is underpinned by the following principles which are divided into three sections:

- A) Principles for a proactive strategy;
- B) Principles of responding strategically to a disposal opportunity;
- C) Principles of good process.

A) A proactive strategy:

- The Council will seek to implement the policy *proactively* (through awareness raising, outreach and support, etc) to encourage appropriate groups to take on an asset, linked to its ongoing programmes of support to the third sector;
- Any proposed asset transfer must support the aims and priorities of the Council as set out in adopted policy;
- The Council views its policy on community asset disposal positively as part of a long-term programme of support to, and partnership with, the third sector.

B) Responding strategically to asset transfer:

- The Council will take a Strategic approach to Asset Transfer through regular reviews of the asset transfer potential of its assets, and the establishment of priorities linked for example, to priority neighbourhoods, the exit-strategies from regeneration programmes, or the potential of particular high-profile cases;
- Once the policy framework has been established within the Council, opportunities to extend the approach to other public bodies through the Local Strategic Partnership will be sought.

C) Establishing a good process:

- The Council will have a transparent corporate process for asset transfer which includes a clear point of first contact and clear stages and timescales for each party;
- The Council will adopt an agreed method of assessing the benefits of the transfer (linked to corporate priorities) which allows a comparison with market disposal;

- Any disposal at less than best consideration will be accompanied by a service level agreement (SLA) identifying the benefits and how these will be monitored and measured, together with the remedies available to both parties if the SLA is not met.

8.0 Assessing asset transfers

8.1 The asset transfer decision is essentially a choice between:

- Maintaining existing position (i.e. retention of the asset);
- Expenditure on other services or priorities made possible as a result of a 'commercial' disposal;
- The benefits generated by the transfer of the asset to a TSO and local communities more widely

8.2 In assessing proposals for asset transfer, the Council will attempt to measure the relative benefits and risks of these three options in order to justify its decision and the level or discount proposed; as well as benefits to Council priorities such as objectives from the Sustainable Community Plan.

8.3 Critical to the success of any transfer is having a clear rationale backed by a robust business-case demonstrating the ability of the recipient to manage the asset effectively, including an assessment of the financial and organisational capacity of the organisation. A social benefit assessment framework will be applied by the Council. Further details of this framework are available from the Council's Community Regeneration or Strategic Asset Management services.

8.4 The organisation wishing to take on an asset would also need to provide a 'business case' for transfer at the outset and would be advised to contact the Council before preparing their business case.

Elements of the business case

- What needs will the transfer meet?
- What benefits will result from the transfer?
- What will be different and how will it be measured?
- Capacity of the TSO to manage the asset – to be assessed using framework contained in DTA 'health-check' (see Appendix 2)
- Business case for future uses of the asset e.g. cash-flow forecasts
- Type of transfer sought and why
- Statement from sponsoring department supporting the proposal
- Terms of any Service Level Agreement
- Capacity building plan and how this will be delivered
- Details of 'fall back' arrangements should the transfer prove to be not sustainable

9.0 Risks of Community Asset Transfer

9.1 The assessment framework (contained in full in Appendix 1) identifies the potential risks of transfer and the forms of mitigation that may be taken to reduce these. In summary these are:

- Lack of capacity within the third sector organisation;
- The community empowerment objectives proposed by the asset may be weak or under developed;
- Lack of knowledge of the asset (especially where a listed building is concerned);

- Asset may not be used in the public interest, or access may be limited;
- Lack of clarity between respective roles of the Council and Third Sector Organisation.

10. The asset transfer process

10.1 In considering the potential for asset transfer the Council will follow the process as set out in the diagram attached as appendix 1. Key milestones in this process are set out in the table below with indicative timescales.

Applications for Asset Transfer from community groups will be progressed through the following stages:

Asset transfer process – key stages

Stage	Who is responsible	Timescale for completion (to be added following further discussion)
Identify need in community for physical base	Council and local partners and community	
Assets for potential transfer identified	Third Sector Organisation (TSO) or Council following asset review	
TSO identifies building for transfer. Complete business case for transfer	Community (with sponsoring department assistance)	
Complete initial assessment using assessment framework –establish level of discount (if applicable)	Sponsoring directorate in consultation with Asset Management and Property Services of Resources Directorate.	
Recommendation on transfer –yes refer to Members; no, provide full feedback. Identify alternative solution.	Council cross-departmental group on assets. (Accommodation Board via Shared Property Review Group).	
Decision on transfer	Member Cabinet Group	
If yes, negotiate terms	Council legal and property departments and TSO	
Agree SLA (if required) and monitoring arrangements - successfully transfer asset	Council Asset Management and Property Services division in consultation with Legal Services and sponsoring directorate and TSO.	
Total transfer process		

Note: Appendices mentioned in the above text are for scheme evaluation purposes only.

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JOINT CORPORATE PROPERTY STRATEGY – APPENDIX 4

Corporate Buildings Maintenance Strategy



APPENDIX 4

Corporate Buildings Maintenance Strategy

1.0 Introduction

- 1.1 The purpose of the buildings maintenance strategy is to set out a strategic framework within which to identify, prioritise, plan, manage and monitor the maintenance of the Council and NHS operational property portfolios. It will identify how we can move from the current position in terms of identified maintenance backlog to an agreed standard of repair for the property portfolios in the future. This recognises that not all buildings can or necessarily should be maintained at the highest standard of repair, in terms of their importance to service delivery, or if it has been agreed they have a limited life span.
- 1.2 It will attempt to balance the customers' aspirations for the suitability of premises to which they have access and the ability of the Council and NHS to resource that need.
- 1.3 This strategy is reliant on the information that the Operational Property Strategy (OPS) provides. The OPS identifies the core properties for service delivery and identifies their suitability in terms of condition and sufficiency.
- 1.4 The strategy relates to maintenance of the retained operational portfolio. There must be a clear division between maintenance and capital works. The OPS process will identify maintenance and capital items.
- 1.5 Maintenance should ensure:-
 - meeting department service delivery needs which reflect the standards to which assets are maintained;
 - priorities based on the impact of condition on service delivery and risk;
 - minimising the whole-of-life costs of assets;
 - ensuring the most effective use of maintenance resources to meet the Audit Commission's benchmark of 70% planned, 30% reactive spend;
 - appropriate information exists for service users.

2.0 Key Aspects

- 2.1 The building maintenance strategy will inform the decision making process with respect to required expenditure:
 - to maintain retained properties to an agreed standard.
 - to reduce backlog maintenance.
 - to ensure statutory compliance.

2.2 Statutory compliance has a major influence on how the Council and NHHSH utilises its properties. The Council and NHHSH has a legal duty to protect its employees and customers. Amongst other statutory regulations, the Control of Asbestos Regulations, the Control of Legionella Bacteria Regulations and the Regulatory Reform (Fire Safety) Order place the onus on the employer and building managers to ensure compliance.

3.0 Specific Compliance

3.1 Asbestos Register

3.1.1 The Council and NHHSH will maintain an Asbestos Register. The Register details the location and type of asbestos present in premises, including an assessment of the risk, according to the location and type of asbestos identified. It requires:-

- To provide an assessment of the risk of the likelihood of anyone being exposed to fibres from these and preparation of a plan setting out how the risks from the materials are to be managed.
- Take the necessary steps to put the plan into action.
- Review and monitor the plan periodically.
- Provide information on the location and condition of the materials to anyone likely to be working on or disturb them.

3.1.2 With respect to the Council's non-operational (investment) portfolio, the responsibility for compliance lies with the tenant. The tenants are advised of their responsibilities under the Regulations.

3.2 Legionella

3.2.1 The regulations require a Risk Assessment to be carried out on all buildings managed by an employer to identify areas of high risk. The regulations also require a re-assessment of all properties every two years.

3.2.2 A comprehensive survey of Council and NHHSH properties has been undertaken. Identified works are included in the annual expenditure programme.

3.2.3 As with the Asbestos Regulations, the responsibility for compliance with the Legionella Regulations lies with the tenants for the Council's non-operational portfolio. NHHSH is responsible for compliance with the Legionella Regulations for its estate.

3.3 Fire Safety

3.3.1 The Regulatory Reform (Fire Safety Order) 2005 places responsibility for fire safety on the employer or appointed person for each building.

3.3.2 The Order places the responsibility for fire safety firmly on the employer or "responsible person" for that building. There is a requirement for the "responsible person" to assess the risks of fire and take steps to reduce or remove them. The order makes employers responsible for everyone inside and outside their premises, not just employees.

3.3.3 As with the Asbestos Regulations, the responsibility for compliance with the Fire Safety Order lies with the tenants for the Council's non-operational

portfolio. NHSH is responsible for compliance with the Fire Safety Order Regulations for its estate.

3.4 While the above regulations have been highlighted due to their high profile public impact, all statutory regulations are equally important and the Council and NHSH have obligations to ensure compliance.

3.5 The Council and NHSH will ensure that processes and procedures are in place to comply with statutory legislation and will respond to the introduction of future legislation as required.

4.0 **Targets**

4.1 In conjunction with the Operational Property Strategy (OPS):

- All Council and NHSH owned and managed operational properties will be surveyed as part of an ongoing five-year rolling programme.
- All operational properties will be allocated a Condition Rating based on the survey reports:
 - A – Good, B – Satisfactory, C – Fair, D – Poor.
- All planned maintenance to operational buildings will be prioritised using the matrices in the OPS.
- 80% of all operational properties rated as “essential to service delivery” are to have an overall property rating of A or B by 2012. The SPRG will monitor and review these targets annually and update as required.
- NHS guidance on maintaining estates stipulates that there should be a methodology in place to establish and manage the physical conditions of buildings as based on the condition rankings stated in the Estate Code (NHS Estates 2001). This states that all NHS buildings should be maintained to Category B standard as a minimum.

4.2 By continuing to survey each of our assets on a rolling five-year programme we aim to develop five year programmes of preventative works which have been prioritised on a consistent basis. This will allow us to more accurately predict future funding requirements and ensure that available funds are targeted to the right buildings allowing us to control further increases in our reported required maintenance.

4.3 Maintenance standards will produce like for like replacement or will update materials, fixtures and fittings to comply with statutory standards.

5.0 **The EU Energy Performance of Buildings Directive 2002**

5.1 The Energy Performance of Buildings Directive 2002/91/EC which came into force in January 2006 placed a responsibility upon public bodies to comply with articles 7, 8 and 9 within 3 years of the inception date. These involved the issue of Display Energy Certificates (DECs), Energy Performance Certificates (EPCs), the inspection of boilers and the inspection of air conditioning systems.

5.2 Display Energy Certificates show the actual energy usage of a building, the operational rating, and help the public to see the energy efficiency of the

building. This based on the energy consumption of the building as recorded by gas, electricity and other meters. The DEC must be clearly displayed at all times and clearly visible to the public. A DEC is always accompanied by an Advisory Report that lists cost effective measures to improve the energy rating of the building. DECs are only required for buildings with a total useful floor area over 1,000m² that are occupied by a public authority and institution providing a public service to a large number of persons and therefore visited by those persons. They are valid for one year. The accompanying Advisory Report is valid for seven years.

- 5.3 Energy Performance Certificates were introduced as part of Home Information Packs which first came into effect in August 2007 in England and Wales for domestic properties with four or more bedrooms. Rental properties, which have a certificate valid for 10 years, required an EPC on any new tenancy commencing on or after 1st October 2008. There is also a requirement for EPCs on the sale, rent or construction of buildings other than dwellings with a floor area greater than 500m² from April 2008.
- 5.4 Inspections: from January 2009 the inspection of boilers and air conditioning systems were introduced in accordance with articles 8 and 9 of the Directive.
- 6.0 **Compliance**
- 6.1 The Council and NHSH will ensure statutory compliance.

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