

GROWTH, RESOURCES AND COMMUNITIES SCRUTINY COMMITTEE	AGENDA ITEM No. 3
23 OCTOBER 2023	PUBLIC REPORT

Report of:	Cecilie Booth, Executive Director of Corporate Services	
Cabinet Member(s) responsible:	Councillor Andy Coles, Cabinet Member for Legal, Finance and Corporate Services	
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LOCALITY ASSET REVIEW – UPDATE

RECOMMENDATIONS	
FROM: <i>Simon Lewis</i>	Deadline date: 23 October 2023
<p>It is recommended that Growth, Resources and Communities Scrutiny Committee:</p> <ol style="list-style-type: none"> 1. Resolve that the press and public be excluded from the meeting when discussing Appendix 2 on the grounds that the item contains exempt information under Paragraph 3 of Schedule 12A of Part 1 the Local Government Act 1972, as amended, and that it would not be in the public interest for this information to be disclosed as it relates to the financial or business affairs (past or present) of the Council. 2. Notes the Locality Asset Review Overview, Recommendations and Financial and Benefits Case and makes any comments prior to submission to Cabinet in November. 3. Notes that Directors will revert back to Growth, Resources and Communities Scrutiny Committee in January, subject to Cabinet Approval of the Locality Asset Review, and after a wider consultation exercise with operators of the sites and the wider public, with further details of the proposed Locality Asset Review recommendations. 4. Notes the Draft Community Asset Transfer Policy contained in Appendix 1 and make any comments prior to submission to Cabinet for approval in November. 	

1. ORIGIN OF REPORT

1.1 This report was requested following a recommendation made by the Growth, Resources and Communities Scrutiny Committee that asked Officers to revisit the information contained within the original exempt appendix.

2. PURPOSE AND REASON FOR REPORT

2.1 This report sets out the principles and findings of the localities review of council property including community buildings, leisure facilities and libraries. It also includes a proposed draft Community Asset Transfer Policy which will support the implementation of the Locality Asset Review.

2.2 This report is for Growth, Resources and Communities Scrutiny Committee to consider under its Terms of Reference No. Part 3, Section 4 - Overview and Scrutiny Functions, paragraph No. 2.1 Functions determined by the Council:

10. Strategic Financial Planning

2.3 There is an exempt annex attached to this report that is NOT FOR PUBLICATION by reason of paragraph 3 of Schedule 12A of Part 1 of the Local Government Act 1972 because it relates to the financial or business affairs (past or present) of the Council. The public interest test has been applied to the information contained within this exempt annex and it is considered that the need to retain the information as exempt outweighs the public interest in disclosing it.

3. TIMESCALES

Is this a Major Policy Item/Statutory Plan?	NO	If yes, date for Cabinet meeting	
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4. BACKGROUND AND KEY ISSUES

4.1 Overview

The localities review of property assets encompasses all Peterborough City Council’s community assets together with some service buildings including libraries, leisure facilities, adjacent green spaces, children’s centres and contact centres. It is a combined review supported by officers from the council’s Estates Team as well as those officers managing the various services delivered from and supported by the assets. In total some 79 assets have been considered as part of the review.

The localities review covers the following:

Property	Number of properties
Community buildings	36
Libraries	10
Leisure facilities (including green spaces and Lido)	7
Children’s centres (including contact centres)	17
Others	9
TOTAL	79

The review captures the current management data held, compliance status and condition information for each building and reflects several criteria informing the asset strategy and action plan in the report. The following aspects were used to assess each property:

- Location
- Condition and potential capital costs
- Management status and leasing arrangements
- Running costs
- Compliance
- Fit for purpose
- Service requirements
- Repurpose opportunities.
- Sustainability for us and for disposal
- Development and regeneration potential

The data held on the sites contained with the localities review is not complete for every property, some are also in need of investment. The stock is therefore generally not in good condition and is likely to deteriorate further in the future without some form of intervention. There is also a greater need for clarity over the responsibilities for each site's regulatory requirements in terms of property management and health and safety.

Prior to undertaking the Locality Asset Review, officers committed to reviewing and refreshing the Community Asset Transfer Policy. This was to ensure that it remained relevant and is drafted in such a way as to support the Locality Asset Review and repurposing of assets deemed surplus. The draft policy is proposed to be included as an addition to the Cabinet submission in November. The outcome will be that the Locality Asset Review Report and its recommendations can be aligned and supported by a refreshed Community Asset Transfer Policy, a copy of which is referenced at Appendix 1.

A report is being prepared which sets out a strategy and action plan for a portfolio of buildings reviewed with the intention of reducing the number of assets, producing a disposals and repurposing plan for those deemed surplus and making proposals to ensure that the remaining assets are fit for purpose.

A list of the proposed sites under consideration to be repurposed is attached as Exempt Appendix 2. At this point no decisions have been made regarding which sites may or may not be repurposed. If Cabinet approves recommendations to be included in the November report, further consultation and engagement with the operators of the sites and public will be undertaken before any final decision is taken.

The key deliverables of the review are as follows:

- A smaller portfolio of locality assets.
- An investment plan to ensure retained assets are fit for purpose to be funded wholly or in part via the disposals plan.
- A review of the overall compliance liabilities for both the council and the occupiers to ensure clarity over accountabilities for the repair, maintenance, and compliance requirements for the property.
- A wider engagement plan for the operators of the site and members of the public to inform and shape any final recommendations
- A disposals/repurposing plan for assets deemed surplus to requirements.
- A report with a localities strategy for the council's buildings being reviewed and establishing the minimum standard service provision within the estate.
- Identification of opportunities to work with partners in terms of use of assets and service provision.
- A financial appraisal of the options examined, the key risks, next steps and a series of recommendations.

The Localities Strategy forms part of the remit of the 'Sustainable Future City Council' portfolio board. A review of locality assets was referenced in a report to Cabinet in September 2022 in relation to the Disposals Plan, with further work to be carried out in preparation of the Asset Management Plan to be considered by Cabinet in a future meeting. The report references the Cultural Services review and communities partnership and prevention hubs model.

The localities review has involved a number of council departments working together including Communities, Leisure, Libraries, Planning and Finance. The intention is to ensure that the council makes best use of its buildings and incorporates the partnership and prevention hubs principles. These are being reviewed as part of taking forward the action plan for the Localities Estate. Further conversations are also ongoing with Children's Services over the Family Hubs and other partners in providing a joined-up approach to providing council services in council buildings.

Recommendations

The review has resulted in identifying a number of sites that could be potentially disposed, repurposed and redeveloped. Using the asset criteria set out in the report it is recommended that a number of sites have the potential to be repurposed, sold, or redeveloped. This is not a definitive list and further engagement is required with members, operators of the site and the public before a final determination can be made.

The review of the locality assets represents the beginning of a process for the buildings and sites reviewed. Phase 2 of the review will involve looking at optimising the retained properties in the estate. It is recommended that this includes further discussion with public sector partners on a One Public Estate basis and also working with communities, leisure, libraries and other services making best use of council assets.

5. CORPORATE PRIORITIES

- 5.1 The executive summary and draft recommendations form one of the key deliverables arising from the Sustainable Future City Council Portfolio Board and will deliver assets that are fit for purpose and more financially sustainable. This will enable them to be properly maintained in the longer term as well as releasing assets that can either generate capital receipts or can be reallocated under the proposed Community Asset Transfer Policy.

6. CONSULTATION

- 6.1 The provisional outcomes and recommendations of the Locality Asset Review have been shared with CLT and political Group Leaders. There has also been a Members' Open Day where all members were invited to discuss the provisional outcomes and recommendations and to put forward their own proposals.
- 6.2 The intention is for the Locality Asset Review Report and recommendations to be issued for Cabinet approval in November. Following this further engagement and consultation will take place with the public and operators and users of the locality assets. Before a final implementation plan is delivered it is proposed to revert back Growth Scrutiny Committee for final comment.

7. ANTICIPATED OUTCOMES OR IMPACT

- 7.1 The anticipated outcome is to incorporate any feedback from the committee prior to submission of the report to Cabinet.

8. REASON FOR THE RECOMMENDATION

- 8.1 The reason for the recommendation is set out in the Executive Summary and draft recommendations, these are to deliver:
- A smaller portfolio of locality assets.
 - An investment plan to ensure retained assets are fit for purpose to be funded wholly or in part via the disposals plan.

9. ALTERNATIVE OPTIONS CONSIDERED

- 9.1 The key alternative option would be to not implement a review of locality assets and to retain the status quo. This is not a viable option as the Council cannot afford to bring its current estate into an acceptable standard and therefore a rationalisation of the assets is required to reduce the operational costs and maintenance backlog.

10. IMPLICATIONS

Financial Implications

10.1 Financial Case

Based on the proposed initial recommendations set out above information on the income, revenue costs, backlog maintenance (information is historic and likely to be higher in real terms) and potential value can deliver the following potential benefits.

- Revenue saving of circa £400,000 per annum
- Loss of circa £100,000 per annum from lettings (although this is expected to be retained through relocating the occupiers to other Council buildings).
- Saving of up to £3.9m of capital required to be spent on the assets to be disposed
- Capital receipts of circa £4m from disposals which in turn delivers further Revenue benefits by reducing the Council's borrowing and MRP commitments.

It should be noted that there may be some costs incurred to enable specific sites to be repurposed and sold, these will be reviewed and determined on a case by case basis, with a view to ensuring best value is achieved.

Legal Implications

10.2 None.

As noted in the Community Asset Transfer Policy 2023, "transfer of community assets may usually involve a transfer at less than market value, at a reduced cost, peppercorn rent or free of charge."

The Local Government Act 1972 General Disposal Consent (England) 2003 Circular 06/03 removes the requirement for authorities to seek specific consent from the Deputy Prime Minister and First Secretary of State for any disposal of land where the difference between the unrestricted value of the interest to be disposed of and the consideration accepted is £2,000,000 or less.

Equalities Implications

10.3 None

11. BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985

11.1 None

12. APPENDICES

12.1 Appendix 1 – Draft Community Asset Transfer Policy Appendix 2 - Localities Asset Review Report – Summary (Exempt)

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