

<b>CABINET</b>	<b>AGENDA ITEM No. 8</b>
<b>12 FEBRUARY 2024</b>	<b>PUBLIC REPORT</b>

Report of:	Cecilie Booth, Executive Director Corporate Services and Section 151 Officer	
Cabinet Member(s) responsible:	Councillor John Howard, Deputy Leader and Cabinet Member for Corporate Governance and Finance	
Contact Officer(s):	Simon Lewis, Service Director Commercial, Property & Asset Management Felicity Paddick, Head of Estates	Tel. 01733 452522

## **LOCALITIES ASSETS REVIEW - UPDATE**

<b>RECOMMENDATIONS</b>	
<b>FROM:</b> Cabinet Committee	<b>Deadline date:</b> February 2023
<p>It is recommended that Cabinet:</p> <ol style="list-style-type: none"> <li>1. Notes the Localities Assets Review's initial findings and recommendations for each of the sites highlighted in Phase One as shown in Appendix 1 and provides any comments.</li> <li>2. Agrees that sites deemed suitable as being surplus to requirements (up to a maximum disposal price of £500,000) authority will be delegated to the Executive Director of Corporate Services in consultation with the Cabinet Member for Governance to take all necessary steps to implement effect the disposal.</li> <li>3. Agrees that where any proposed sale or repurposing of an asset is at a price in excess of £500,000 the decision to proceed will be brought back to Cabinet for specific approval to dispose on a case by case basis.</li> <li>4. Notes that Directors will continue to provide regular, quarterly updates to Cabinet on the progress of these sites.</li> <li>5. Notes the proposal to focus on the Council's education sites under Phase 2, where officers will work with Academies and Maintained Schools to investigate opportunities to improve community usage across buildings, to repurpose surplus properties and to divest of surplus land if deemed appropriate. The expectation is that a report on Phase 2 will be brought back to Growth, Resources and Communities Scrutiny Committee in the Summer.</li> </ol>	

### **1. ORIGIN OF REPORT**

1.1 This report was requested from Finance and Sustainability Working Group.

### **2. PURPOSE AND REASON FOR REPORT**

2.1 This report sets out the findings of Phase 1 of the Localities Review of Council property including community buildings, leisure facilities and libraries. It also sets out the approval route for the repurposing of assets and provides details of the sites proposed in Phase 2.

2.2 This report is for Cabinet to consider under its Terms of Reference No. 3.2.8

To determine policies or strategies that will have a significant impact on two or more wards.

And 3.2.9

To promote the Council's corporate and key strategies and Peterborough's Community Strategy and approve strategies and cross-cutting programmes not included within the Council's major policy and budget framework.

### 3. **TIMESCALES**

Is this a Major Policy Item/Statutory Plan?	<b>NO</b>	If yes, date for Cabinet meeting	<b>N/A</b>
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### 4. **BACKGROUND AND KEY ISSUES**

#### 4.1 **Overview**

Cabinet approved the Localities Assets Review in November 2023. At the time the Cabinet paper included an Exempt Annex of 28 assets under consideration in Phase 1. Following the necessary engagement with the operators and users of the sites, this list along with the initial proposals, is now set out in full in Appendix 1.

The key deliverables of the review are as follows:

- A smaller portfolio of localities 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.

#### **Phase 1**

Since Cabinet approval, Officers have reviewed 28 sites under Phase 1 of the Locality Asset Review. This included community centres, libraries, youth centres, vacant sites and leisure sites. Officers have met with operators and users of these sites as well as attended public meetings supported by Elected Members. The feedback received from this engagement has been incorporated into Officers conclusions and associated recommendations set out in Appendix 1.

In most cases it is too early to make specific recommendations regarding opportunities to retain, repurpose, invest or dispose of any site. The conclusions set out in Appendix 1 deal with each site on a case-by-case basis and recommends moving certain sites forward for approval through the governance process.

Most sites listed will require more time to consider options and proposals and make clear recommendations. This may include developing business cases for the repurposing of assets and/or giving communities time to raise funds to either purchase their assets or to secure occupation by way of the Community Asset Transfer Policy. On this basis officers are proposing to continue to report to Cabinet on a quarterly basis with updates and recommendations in relation to these sites.

## **Phase 2**

Officers are proposing to focus on school and other education sites as part of Phase 2. There are a number of reasons for this recommendation, they include:

1. Following the divestment of the management of this service from Cambridgeshire County Council, the council has taken responsibility for schools with this presenting an opportunity to consider the estate with a fresh pair of eyes.
2. Many schools became academies several years ago. Academies utilising former council school sites usually occupy land and properties under a 125 year lease.
3. Since the academisation it is evident that some schools and academies have determined that all or part of their estate could be put to a better use. This is not possible without the council, as landlord, providing consent.
4. Opportunities exist to engage with schools and academies to incorporate new community uses into the sites, to repurpose land and buildings no longer needed and to generate capital and revenue income streams (that will be shared between the parties) from divesting surplus assets.
5. This review will also include maintained schools.

There are a number of statutory requirements and obligations around repurposing school buildings, and these need careful consideration and planning. Neither the council nor the schools can act independently in this matter and close collaborative working is needed. As it stands the council has never undertaken a review of this type and the governance framework set out by the Locality Assets Review provides suitable governance for the exercise.

## **Conclusion**

The review has resulted in identifying a number of sites that could be potentially disposed, invested into, repurposed and 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 localities assets represents the beginning of a process for the buildings and sites reviewed.

Phase 2 of the review will focus on school and education sites (both academies and maintained schools).

## **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 enabling 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 Before Cabinet approval in November, officers shared details of the sites and draft proposals in Phase 1 with the Corporate Leadership Team, elected Members (via an open day), Scrutiny Committee and Group Leaders.

Following Cabinet approval, further engagement and consultation has been undertaken with the public and operators and users of the localities assets, this includes attending public meetings at various sites as well as ongoing meetings and consultation with operators. In addition updates have been provided to the city's Members of Parliament, council Members, Group Leaders and the Leader and Deputy Leader of the Council.

The original Localities Review included an indicative timetable for delivery. This will be updated after Cabinet considers the report and recommendations in February.

- 6.2 In anticipation of Phase 2 focussing on schools and academies officers have already notified key stakeholders of these proposals and, subject to Cabinet approval of the proposals at the meeting in February, would look to commence this in March 2023 and to conclude by the end of Summer 2024.

## **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 Localities 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 cease the review of Localities 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 Based on the proposed initial recommendations the expected potential benefits are still on track to be delivered. This will be reviewed following the outcome of the Cabinet Paper in February and as the programme develops.

It remains the intention that some of the savings and capital receipts may be reused on the retained portfolio of Localities assets. This will be reviewed on a case by case basis.

### **Legal Implications**

- 10.2 As the review progresses and recommendations are finalised, legal consideration will need to be given when implementing any of the proposals.

### **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 – Schedule of Sites, Initial Proposals and Recommendations.