



DRAFT PORTFOLIO HOLDER DECISION NOTICE

PROPOSED INDIVIDUAL DECISION BY THE PORTFOLIO HOLDER FOR FINANCE AND RESOURCES

TOPIC – ESTATES DIVISION BUSINESS PLAN

PROCEDURAL INFORMATION

The Access to Information Procedure Rules – Part 4, Section 22 of the Council's Constitution provides for a decision to be made by an individual member of Cabinet.

In accordance with the Procedure Rules, the City Secretary and Solicitor, the Chief Executive and the Director of Finance are consulted together with Chairman and Vice Chairman of the Principal Scrutiny Committee and all Members of the relevant Scrutiny Panel (individual Ward Members are consulted separately where appropriate). In addition, all Members are notified.

Five or more of these consulted Members can require that the matter be referred to Cabinet for determination.

If you wish to make representation on this proposed Decision please contact the relevant Portfolio Holder and the following Committee Administrator by 5.00pm on Monday 26 March 2007.

Contact Officers:

Case Officer: Tony Langridge, Tel: 01962 848 528, Email: tlantridge@winchester.gov.uk

Committee Administrator:

Frances Maloney, Tel: 01962 848 155, Email: fmaloney@winchester.gov.uk

SUMMARY

Approval is sought to the detailed Business Plan for this Division. The Business Plan sets out the key tasks that the Division will undertake over the coming five years, with SMART (Specific, Measurable, Agreed, Resourced and Timed) targets (both through actions and performance indicators) by which progress will be measured and monitored. The Plan also gives additional information about the role of the Division, the resources allocated to it (in terms of both staff and budgets) and the key risks that are being addressed through its work.

Key actions to be undertaken in this Division are:

- To project manage the Council's property input into the Silver Hill redevelopment scheme
- To project manage the Council's flexible working scheme
- To prepare in liaison with Property Services a three year estimate of maintenance requirements for all operation property to inform the Council's capital programme
- To seek the letting of Avalon House once vacant and plan for the disposal of Hyde Historic Resources Centre.

The Head of Division is satisfied that the actions put forward in this Business Plan will work towards the Council's corporate objectives, as set out in the Corporate Strategy 2007-12 or otherwise ensure that the Council meets the statutory obligations place on it by central Government. Other than where indicated, these actions can be achieved within the resources available. Plans are in place, or will be developed, to ensure that targets shown for key performance indicators can be achieved in the timescale shown.

PROPOSED DECISION

That the Business Plan for the Estates Division be approved as attached.

REASON FOR THE PROPOSED DECISION AND OTHER ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

Business Plans form an important part of the Council's performance management process as they set out the key actions for the coming year. The Business Plan put forward for adoption sets out the actions that will best help the Council achieve its corporate objectives and meet its statutory obligations within the resources available to it, as far as can be seen in the light of current circumstances. While alternative approaches would be possible in many parts of the Plan, the actions being recommended are believed to give best value to the authority.

FURTHER ALTERNATIVE OPTIONS CONSIDERED AND REJECTED FOLLOWING PUBLICATION OF THE DRAFT PORTFOLIO HOLDER DECISION NOTICE

The Resources Scrutiny Panel will be consulted on this Business Plan.

DECLARATION OF INTERESTS BY THE DECISION MAKER OR A MEMBER OR OFFICER CONSULTED

None

DISPENSATION GRANTED BY THE STANDARDS COMMITTEE

N/A

Approved by: (signature)

Date of Decision

Councillor Frederick Allgood – Portfolio Holder for Finance and Resources

Estates Division Business Plan 2007 - 2012

1. Brief Description of the Service and its Purpose

Estates provide property and facilities management, advice to the Council. This covers both operational and non-operational property assets. The service also liaises with the Housing and Health service with reference to housing assets and housing enablement. The division leads the input into the Silver Hill Renaissance project from the landowner prospective.

Estates' Cabinet representation is through the Finances and Resources portfolio holder.

2. Links between Council strategic priorities and services

Strategic Priorities	Division Responsibilities
Economic Prosperity	To ensure that the Silver Hill development progresses and adds to the vibrancy of Winchester City centre. To promote the provision of business start up business space in Winnall
High Quality Environment	To promote sustainable development at Silver Hill including new quality public realm To encourage and implement best practice in the use of energy and other construction related activity undertaken by the Council
Safe and Strong Communities	To ensure that the Silver Hill development delivers new high quality facilities including Shopmobility, primary care facilities, public toilets and a new bus station
Efficient and Effective Council	To project manage the flexible working project. To bring forward proposals for new sustainable civic offices integrated with the Guildhall. To improve the management of the Council's operational property through better planning of property maintenance

3. Summary of Progress in 2006/07

The Silver Hill mixed use redevelopment scheme has made steady progress in the year leading to the submission of a planning application. The Council has retained a good professional working relationship with Thornfield and can look forward to further progress with some confidence.

The acquisition of a lease in the West Wing has provided a step improvement in the quality of the Council's office accommodation in an interim use before new civic offices are procured. A draft masterplan for the new offices project and surrounding area has been produced to help define the scope for development on the Colebrook Street site. The development of the business case and the appointment of project management support has however slipped mainly due to the pressure of work elsewhere.

The facilities function has integrated well into the division and significant progress has been made in reordering the office accommodation and having input into the future of the museum storage informing the decision on the future of Hyde House and Barn. The major series of office moves consequent on the acquisition of the West Wing has assisted providing new office layouts which are more conducive to flexible working.

The Trinity Centre project at Durngate has progressed to the point that all lease terms are agreed and a lease is expected to be signed by the end of the year. Heads of terms have been agreed to provide a new business and innovation centre at Winnall in conjunction with Basepoint plc.

A further assessment of an achievable repairing programme for Hockley Viaduct has been undertaken and is due for Cabinet consideration in the near future.

4. Service Priorities 2007/08 – Key Priorities

A) Key Service Priorities 2007/08

Target No.	Why are we doing this?	What will we do?	When will we do it?	How will we measure our success?	How much time / money will it take?	Who's Accountable?
1.	To facilitate the redevelopment of the Silver Hill development	To project manage the Council's property input into the Silver Hill redevelopment scheme	Ongoing	The grant of planning approval and confirmation of compulsory purchase order	Direct consultant's costs met through the scheme. 30-40% of Chief Estates Officer's time	Chief Estates Officer
2.	To improve the organisation & efficiency of the Council's workforce	To project manage the flexible working initiative	Ongoing	A positive result from the evaluation of the proof of concept activities	25% of Facilities manager's time Consultants and enabling costs to be assessed	Facilities Manager
3.	To replace obsolete office accommodation	To bring forward proposals for the redevelopment of new offices on the Colebrook Street site	Ongoing	Appointment of project manager. Business case and procurement route agreed	£150,000 consultant's costs 20% of Chief Estates Officer's time	Chief Estates Officer
4.	To better plan the maintenance of operational property	In liaison with Property Services prepare a 3 year estimate of maintenance requirement for all operational property to inform the capital programme	October 2007	An agreed 3 year programme	Staff time £75,000 provision for surveys awaiting budget approval	Facilities Manager/ Senior Estates Surveyor

Target No.	Why are we doing this?	What will we do?	When will we do it?	How will we measure our success?	How much time / money will it take?	Who's Accountable?
5.	To dispose of surplus accommodation	Seek the letting of Avalon House once vacant and plan for the disposal of Hyde Historic Resources Centre	Avalon let by 4 th quarter HRC terms agreed by 3 rd quarter	Letting of Avalon and disposal terms for HRC agreed	Staff time and costs in exempt report	Chief Estates Officer/ Senior Estates Surveyor

B) Other Service we aim to deliver 2007/08

Why are we doing this?	What will we do?	When will we do it?	How will we measure our success?	How much time / money will it take?	Who's Accountable?
To monitor the development of a new home for the Trinity Centre at Durngate	Monitor the development of the Durngate site by Trinity.	Ongoing	Practical completion of a quality building & the grant of the lease.	Officer time and legal costs	BB
To complete the current office moves	Organise the full occupation of the West Wing and the reordering of City Offices	Finish Sept 2007	All divisions satisfactorily accommodated - within budget	Staff time and capital budget of £395,000	CW/TL
To ensure continued access to Hockley Viaduct	To implement a rolling programme repairs to maintain the structure it in a safe condition	Start Sept 2007	Safe access maintained	A minimum of £400,000 over 5 years Regular inspections	TL/SG
To promote low carbon management	To seek out opportunities of lowering the Council's carbon footprint and encourage others to take similar actions	On going	Implementation of two initiatives in the year	Officer time and estimated £10,000.	TL
To promote the development of a business start up centre Winchester	To bring forward the development of the Basepoint business and innovation centre at Winnall.	Ongoing	Start of construction by December 2007	Cost provided in exempt report	TL
To consolidate museum storage	To identify and specify the requirement for current and future museum storage, to scope the project and present options	July 2007	CMT to agree preferred option to present to Cabinet	Staff time	BB/EA

5. Resource Implications

A) Financial

2005/06 Revised			Service Activity	2006/07 Estimate			FTEs	Notes
Exp. £000's	Income £000's	Net £000's		Exp. £000's	Income £000's	Net £000's		
332	(331)	1	<i>Estates Business Unit</i>	308	(311)	(3)	5.00	<i>Managed on behalf of Local Economy</i>
679	(2,346)	(1,667)	<i>GF Property</i>	772	(2,480)	(1,708)	0.00	
16	0	16	<i>Local Christmas Lights</i>	19	0	19	0.00	
135	(135)	0	<i>Facilities</i>	132	(132)	0	3.00	
1,422	(1,422)	0	<i>Office Accommodation</i>	1,501	(1,501)	0	0.00	
2,584	(4,234)	(1,650)	Total	2,732	(4,424)	(1,692)	8.00	

B) Workforce

KEY EXTERNAL DRIVERS	KEY INTERNAL DRIVERS
<ul style="list-style-type: none"> • Silver Hill scheme delivery • Pressure to raise more revenue/capital • Being a sustainable Council 	<ul style="list-style-type: none"> • Silver Hill – resources to manage project • New office accommodation – resources to manage project • Office management – Facilities management resource pressures on existing stock • Aspirations of staff for more flexible working • Energy management and the cost of energy
Workforce Implications	
<ul style="list-style-type: none"> • Integration of facilities and cover for functions and skills • Project management admin and support requirements • Skills broader base less low level work wider brief • Flexibility working in new areas • Cross department working the taking of responsibility for key priority area 	

6. Key Performance Indicators

Indicators 1 and 2 are regularly reported to Resources Scrutiny Panel indicator 3 is reported annually as part of the Asset Management Plan

Ref. No.	What does this show?	Who reports this?	Achieved 2004/05	Achieved 2005/06	Estimate 2006/07	Target 2007/08	Target 2008/09	Target 2011/12
Local 1	Voids as a percentage of properties to let. <i>Measure of Efficient use of Asset.</i>	<i>Chief Estates Officer</i>	5.54%	0.84%	3.61%	<1%	<1%	<1%
Local2	Rent Arrears as a %age of commercial property income [30 days + arrears] <i>Measure of Efficient Management of Income Collection</i>	<i>Chief Estates Officer</i>	3.03%	3.88%	3.35%	3.5%	3.5%	3.5%
Local 3	%age Right To Buy Valuations completed within 4 weeks <i>Efficiency Indicator.</i>	<i>Chief Estates Officer</i>	93.3%	92.3%	92.0%	100%	100%	100%

<i>National Indicator</i>	2004				2005				2006				Target 2007 - 2012							
1A) %age gross internal floor space in condition categories A-good B-satisfactory C-poor & D-bad	<i>Operational</i>		<i>Non operational</i>		<i>Operational</i>		<i>Non operational</i>		<i>Operational</i>		<i>Non operational</i>		<i>Operational</i>		<i>Non operational</i>					
	A	1.91%		0.00%	A	1.88%		0.00%	A	0.00%		0.00%	A	0.00%		0.00%				
	B	97.74%		92.92%	B	97.62%		96.90%	B	99.50%		97.10%	B	99.50%		99.50%				
	C	0.35%		7.08%	C	0.50%		3.10%	C	0.50%		2.90%	C	0.50%		0.50%				
	D	0.00%		0.00%	D	0.00%		0.00%	D	0.00%		0.00%	D	0.00%		0.00%				
1B) Backlog of maintenance by cost expressed i) as total value and ii) as a % in priority levels in 1 urgent 2 essential and 3 desirable	<i>Operational</i>		<i>Non operational</i>		<i>Operational</i>		<i>Non operational</i>		<i>Operational</i>		<i>Non operational</i>		<i>Operational</i>		<i>Non operational</i>					
	%	£000s	%	£000s	%	£000s	%	£000s	%	£000s	%	£000s	%	£000s	%	£000s				
	1	0.0	0	0.0	0	1	0.76	25	2.55	20	1	0.0	0	0.0	0	1	0.0	0	0.0	0
	2	55.4	1886	6.5	50	2	60.27	1980	40.15	315	2	67.9	3115	75.3	579	2	50.0	2000	80.0	500
	3	44.6	1519	93.5	708	3	38.97	1280	57.27	449	3	32.1	1470	24.7	190	3	50.0	1000	20.0	100
		<u>3405</u>		<u>758</u>			<u>3285</u>		<u>784</u>			<u>4585</u>		<u>769</u>			<u>3000</u>		<u>600</u>	
2) Overall average internal rate of return (IRR) for each of the following portfolios:																				
A) Industrial 'Investment' Property	12.26%				12.13%				11.80%				4% above MLR							
B) Retail 'Investment' Property	9.53%				9.55%				8.19%				3% above MLR							
3) Total annual management costs per m ²	£0.96				£0.99				£1.25				£0.75							

<i>National Indicator</i>	2004	2005	2006	<i>Target 2007 - 2012</i>
(Gross Internal Area) for the property portfolio [Strategic Management]				
4A) Repair & maintenance cost per m ² Gross Internal Area for operational buildings	£6.04	£7.25	£7.77	£7.00
4B) Energy costs per m ² GIA (gas, electricity, oil solid fuel) for operational buildings	No data	£4.73	£4.53	£5.50 [reflects rise in energy prices]
4C) Water costs per m ² GIA for operational buildings	No data	£1.27	£1.65	£1.50
4D) CO2 emissions in tonnes of carbon dioxide per m ²	No data	0.0392 tonnes	0.0296 tonnes	0.025 tonnes

7. Proposals for Consultation

What Research or consultation do we intend to carry out	How will we be doing it?	When will we be doing it?	How will we use the results?
Estates have no plans for consultation in the year			

8. Key Elements of Risk Management

Area	Risk number	Rating	Cluster and MAP link	Short name	Risk ownership	Cause	Consequence	Action required
Strategic	10	C2	Managerial	Failure to complete Silver Hill Development	Steve Tilbury	Failure of Project Objective	(1) Objectives not met (2) Economic decline (3) Impact on resources (4) Decline in other areas (5) Adverse media attention	Maintaining dedicated project risk analysis and project plan
Estates	3006	C3	Physical	Security of Council buildings / contents	Tony Langridge	Failure of security measures to deter/prevent unauthorised access	Staff at increased risk, loss of property. Loss of Income. Loss of records. Failure to deliver service. Waste of emergency services time.	Continual evaluation of security and procedures to ensure that Council property is secure at all times.
Estates	3007	C3	Financial	Void inspection	Tony Langridge	Lack of timely inspection. Property management failings. Weather damage. Unauthorised access.	Loss of revenue. Property devalued. Cost of repair. Reputation damaged. Possible loss of listed building.	Regular recorded inspections with immediate follow up of identified risks.
Estates	3024	C3	Physical	IT services Avalon House and other D S sites	Tony Langridge	Disaster recovery requirements Good quality ICT contractor service	System downtime poor infrastructure inadequate service	Contingency planning project in place to raise awareness implement actions to reduce risk

Area	Risk number	Rating	Cluster and MAP link	Short name	Risk ownership	Cause	Consequence	Action required
Estates	3028	C3	Physical	Knock on effect of Silver Hill on D S matters	Tony Langridge	High profile project media attention	Resource intensive likelihood of project creep loss of reputation	Maintaining dedicated project risk analysis