

APPENDIX (1)

Creating a Better Place: Medium Term Property Strategy

Portfolio Holder(s):

Councillor Sean Fielding, Leader of the Council and Portfolio Holder for Economy and Enterprise

Councillor Abdul Jabbar MBE, Deputy Leader and Cabinet Member for Finance and Corporate Services

Councillor Hannah Roberts, Cabinet Member for Housing

Senior Responsible Officer:

Helen Lockwood, Deputy Chief Executive People and Place

Report Author: Emma Barton, Director of Economy

27 January 2020

'Creating a Better Place' incorporates significant programmes of work that have been progressed over the past eighteen months in order to set out a comprehensive vision and strategic framework for the borough. These include the:

- Updated vision for Oldham Town Centre;
- Housing Strategy 2019; and
- Updated Medium Term Property Strategy

Creating a Better Place focuses on building more homes for our residents, creating new jobs through town centre regeneration, and ensuring Oldham is a great place to visit with lots of family friendly and accessible places to go.

Reason for Decision

The Council is facing unprecedented financial challenges and Cabinet have previously approved a Medium-Term Property Strategy to help provide clarity on the future requirements for every property and land asset with a view to confirming those for retention (and therefore supported by a detailed Asset Management Plan) or disposal (sale or transfer) to help reduce revenue implications and provide income generation opportunities.

An independent review of the Medium-Term Property Strategy (MTPS) has been undertaken to:

- review the progress to date against the objectives and targets, to challenge whether the targets are still fit for purpose, to determine whether amendments were needed to service work programmes, to test opportunities for acceleration, to maximise the use of resources; and
- look at processes, procedures, governance and structures to ensure any proposed amendments the MTPS would be adequately supported.

This report summarises the findings of this review and outlines new proposals to be included in the Medium Term Property Strategy (MTPS).

Executive Summary

Oldham Council is ambitious and bold, and it is on the cusp of an exciting programme of significant change which is essential to achieve its financial and wider objectives. This is in the context of a growing financial savings target and political momentum to deliver growth and change in the borough.

From a high level review of current projects or emerging ideas, the previously approved Medium Term Property Strategy (MTPS) revenue savings target of £4.5m by (2021 – 22) would not be realised, therefore through an evidence led approach the review has confirmed that a revised and enhanced revenue savings target of c. £11m could be achieved by (2023 – 24).

To ensure delivery, a new approach is needed for investment in property, together with an effective delivery capability, capacity and resource plan, including additional resources for support services.

The proposed new core areas of focus (which incorporate the key projects) are Housing, Regeneration (especially the Town Centre), Investments (direct and indirectly into property), and rationalisation of the Corporate Estate (land and property).

Recommendations :

Cabinet are asked to approve the following recommendations:

- Governance to centre on reformed Corporate Property Board, which brings together Senior Officers and Senior Politicians to inform and scrutinise strategic decision making.
- The Corporate Property Investment Strategy should be revised to reflect and balance a new approach to property investment, including risk profiles and governance arrangements.
- New focus is needed on public sector accommodation rationalisation to support zero carbon ambitions and utilisation of buildings and facilitate opportunities for major housing and regenerative benefits to the town centre.
- Reprofile the existing property service priorities / core areas to align with the new focus areas and review viability / feasibility assumptions and timescales to ensure alignment with the delivery of the savings targets.
- A realignment of resources to ensure effective and efficient work programmes are delivering against the new priority areas for the property portfolio.
- To help the property teams become more effective, many of the processes, procedures and systems used should be reviewed to ensure they are fit for purpose.
- Ensure there is a strong narrative, communications plan and engagement points/timescales to support this new work programme in conjunction with the progression and delivery of the

major projects which align with the investment proposals and the land / property decisions taken.

Cabinet: Appendix (1)

January 2020

Creating a Better Place

1.0 Background:

- 1.1 The Council is facing unprecedented financial challenges and Cabinet have previously approved a Medium-Term Property Strategy to help provide clarity on the future requirements for every property and land asset with a view to confirming those for retention (and therefore supported by a detailed Asset Management Plan) or disposal (sale or transfer) to help reduce revenue implications and provide income generation opportunities. This work is supported by Central Government's 'One Public Estate' agenda in seeking greater collaboration and cooperation across the public sector property estate with the co-location of services; sharing of resources to deliver financial savings and releasing assets to support residential development as a further Government priority.
- 1.2 An independent review of the Medium-Term Property Strategy (MTPS) has been undertaken to:
 - review the progress to date against the objectives and targets, to challenge whether the targets are still fit for purpose, to determine whether amendments were needed to service work programmes, to test opportunities for acceleration, to maximise the use of resources; and
 - look at processes, procedures, governance and structures to ensure any proposed amendments the MTPS would be adequately supported.
- 1.3 This report summarises the findings of this review and outlines proposals to be included in the Medium Term Property Strategy (MTPS).

2.0 Strategic Context for the Review:

- 2.1 The property services review was undertaken in the context of obtaining approval for a new set of exciting plans for property led change, including town centre regeneration with a new 'homes' focus as set out in the recently approved Town Centre Vision, plans for new public service accommodation, closer working with the Clinical Commission Group and One Public Estate, drive and direction from the new Housing Strategy, and a desire to review and expand property investments to help secure revenue funding.
- 2.2 The review involved scrutinising work programmes, performance reports, and technical documents, protocols, processes and systems. Several internal workshops took place and this was complemented by separate 'discovery' sessions with various officers from across the council to gain a greater understanding of ideas and opportunities for enhanced delivery, but also to understand any frustrations, key issues, challenges and risks.

3.0 Review Findings:

- 3.1 For ease of identification, the conclusions below summarise the thematic findings from the technical reports:

Strategy

- Refresh the MTPS to align with the new thematic areas, objectives and financial / milestone / performance targets;

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- Refresh the Investment strategy to ensure opportunities can be supported to increase revenue generation;
 - Re-prioritise the list of projects that sit within the thematic areas; identifying business case justification.

Targets

- Revise the objectives and associated activities in support of the new strategic approach to MTPS.
- Ensure activities focus on corporate estate consolidation / place-based integrated working / one public estate which links to the Housing Strategy and Town Centre Vision.
- Consider new approach to project delivery.

Culture / Delivery Function Structure

- Embrace a 'One Team' approach to bring together all internal and external stakeholders involved with the delivery of property services.
- Quick win - co-locate relevant groups of staff.
- Finance and Legal support should be an integral part of the strategic team and where necessary their resources increased to match the overall demand from programme requirements.
- Project management resources will be required to add pace to the programme and link to the role of the transformation lead

Processes and Procedures

- A revision is needed to the Property Protocols around disposals which ultimately needs much greater member support and more advanced work on 'why' and 'which' properties are being disposed of.

Governance

- To ensure that good investments are not lost through delays in the decision-making process, it is recommended Cabinet remains the decision making body, following recommendations from the Corporate Property Board (CPB).
- The Board will comprise Directors of Finance, Legal and Economy, Deputy Chief Executive and Portfolio Holders for Finance and Corporate Services and the Leader of the Council. A quorum of at least 3 members of the Board will be required to conduct business, including finance, economy and Member representation.
- Dedicated programme director (Head of Service level support) will provide technical capacity to ensure holistic strategic programme delivery, risk management, and interdependency alignment;
- Assets, Accommodation and Investment (AAI) Group will replace the Property Rationalisation Group to review and report on performance and risks to the work programme. This needs to include external stakeholders such as CCG / OPE and key internal functions such as the corporate estate, finance, legal and Unity partnership in order to act as one integrated team at Head of Service level;
- Each workstream within the AAI programme needs a dedicated lead / responsible officer (Head of Service) supported by a Transformation Project Management Officer to provide high level operational decisions, programme alignment, assurance, programme inter-dependencies, programme milestone management, financial milestone management, risk management, technical expertise and additional resources as required.
- Each workstream will need sub project / task boards to ensure collaborative working across the holistic work programme and to map interdependencies.

Example structure is indicated below:

Governance Structure	Membership	Support Resource
Cabinet	Senior Politicians	As existing
Corporate Property Board	Senior Politicians & Senior Officers	Transformation Director (property specialist)
Assets, Accommodation and Investment Group	Senior Officers and Heads of Service	Dedicated finance / legal support
MTPS Workstreams	Heads of Service and delivery officers	Dedicated Project Management Officer for each workstream
Task Groups	Delivery teams	

4.0 Consultation

- 4.1 Extensive consultation has taken place over the last 12-18 months through the development of the Town Centre Vision (refresh), the Housing Strategy, the Greater Manchester Spatial Framework, and more recently the Locality Asset Review (linked with the One Public Estate work), all of which are now formally adopted.
- 4.2 Consultation and engagement work has taken place with stakeholders, partners, Council teams and services, elected members, public sector organisations and different voices from our local communities to help clearly define regeneration ambitions, and to ensure that a vision was in place that was alignment with national, regional and local strategic priorities. The residential opportunities identified have been shaped by local people and stakeholders through engagement and consultation, especially with regards to ensuring the Council explores brownfield land in the first instance, to release the pressures on Green Belt land to meet our housing need.
- 4.3 Consultation has included face to face meetings, drop-in events, postal survey (to 15,000 residents of the borough), workshops, engagement meetings, briefing sessions, and stakeholder events.
- 4.4 Portfolio Holders have been consulted on the findings, and both staff and elected members have been engaged throughout this process to allow ideas and suggestions to be fed into the review work from the start.
- 4.5 Project consultation will take place at the applicable time in conjunction with standard practice for project development.

5.0 Financial Implications

- 5.1 The Council continues to be faced with an unprecedented financial challenge with uncertainty around funding arrangements. The indicative revenue savings of £10.961m (£10.461m from 2020/21 onwards) are expected to provide an opportunity to support the revenue budget.

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- 5.2 Only when estimates and timescales are sufficiently robust will they be incorporated into the Medium and Longer Term Financial forecasts.
- 5.3 In the meantime, the indicative nature of the projected programme will be used to outline the approach to the Medium Term Financial Strategy.
- 5.4 The existing budget reduction target for 2019/20 of £0.500m is expected to be delivered in full and the £0.250m support resource is already available to the service in 2019/20 by means of earmarked reserves.

(Sam Smith)

6.0 Legal Services Comments

- 6.1 External legal advice may be required from time to time to support the delivery of Council Projects as part of the Council's Capital Programme and aligned to the Medium-Term Property Strategy. This will dovetail with in-house legal teams and help to ensure all necessary steps are taken/documents are in place to protect the Council's position and commercial interests. Any such commissions will be obtained through lawful and compliant procurement exercises to ensure value for money and services are fit for purpose.
- 6.2 All work carried out/advice given will need to be governed by and in accordance with the Council's Constitution.
- 6.3 Any contracts for the supply of works, goods or services made in the name of the Council will need to comply with the Council's Contract Procedure Rules and all relevant EU regulations. All land transactions will need to comply with the Council's Land and Property Protocol. All financial transactions will need to comply with the Council's Financial Procedure Rules.
- 6.4 In developing the Medium-Term Property Strategy and Projects to support it alongside the Council's Capital Programme the Council will need to be mindful of the following;
- Procurement issues
 - State aid issues
 - The Council's Fiduciary Duty
 - Best Consideration
 - Vires Considerations
- 6.5 Part B of this report contains information as is detailed in Paragraph 3 of the revised Part 1 of Schedule 1A of the Local Government Act 1972. The exclusion from publication is justified for the reasons stated.
- 6.6 All legal issues will be reviewed and kept under advisement during the process and as Schemes and Projects come forward and progress.

(Rebecca Boyle)

7.0 Co-operative Agenda

- 7.1 The review of the management and disposal of corporate land and property assets provides numerous opportunities to support the development of a Co-operative Borough both through how decisions are taken and the engagement of key partners, service providers and communities in this; and the creation of new opportunities for development that includes more co-operative businesses. Decisions on which assets should be retained, managed and disposed of should be mindful of the need to maintain the infrastructure required to ensure partners and residents can still access the services they need and that place-based integration of services is supported.

(Jonathan Downes)

8.0 Human Resources Comments

- 8.1 Service review activity noted once work programmes and priorities are approved. Unions have been briefed and are supportive of the proposals. (Adele Savage)

9.0 Risk Assessments

- 9.1 This will be picked up with project development. (Mark Stenston)

10.0 IT Implications

- 10.1 None identified at this time. (Chris Petrie)

11.0 Property Implications

- 11.1 Corporate land and property assets are critical to this agenda and therefore the previously approved Medium-Term Property Strategy (MTPS) needed to be reviewed to meet the scale of the change required.
- 11.2 At a strategic level, the review has confirmed that the property portfolio can be a catalyst for building new homes, creating job opportunities, re-skilling residents through new apprenticeship opportunities, and re-engaging communities and partners through property / estate co-location and collaboration. (Jason McEwen)

12.0 Procurement Implications

- 12.1 None identified at this time. The procurement team will work closely with departments and provide the required support to ensure strategies are delivered successfully, and any requirement for goods, services, and works are procured in line with Council procedures, and where applicable, external legislation/public procurement law. (Dan Cheetham)

13.0 Environmental and Health & Safety Implications

- 13.1 In July 2019, the Council committed to becoming carbon neutral as an organisation by 2025 and to leading the borough to carbon neutrality by 2030. The MTPS is an essential transformational element in achieving these environmental targets and wider economic regeneration objectives such as building the green economy. (Andrew Hunt)

14.0 Equality, community cohesion and crime implications

- 14.1 None identified at this time.

15.0 Equality Impact Assessment Completed?

- 15.1 Not required at this time. This will be picked up with project development.

16.0 Key Decision

16.1 Yes

17.0 Key Decision Reference

17.1 ECEN-18-19