

# MEDWAY COUNCIL

## CABINET

16 DECEMBER 2003

### BEST VALUE REVIEW – PROPERTY AND PROPERTY SERVICES

Portfolio holder: Councillor Alan Jarrett, Finance

Report from: Neil Davies, Director of Finance and Corporate Services

Authors: Geoff Ettridge, Assistant Director – Health and Community Services and project leader for best value review of property and property services

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#### 1. Summary

1.1 This report presents the best value review of property and property services together with the recommendations of the Finance and Performance Management Overview and Scrutiny Committee.

#### 2. Decision Issues

2.1 The constitution requires overview and scrutiny to undertake best value reviews and recommend options for Cabinet's decision.

#### 3. Background

3.1 The property review commenced in January 2001 and was divided into three distinct phases:

- Review of the non-operational holdings of the council
- Review of the premises used to support service delivery – the operational portfolio and
- Review of the services and systems used to manage the property portfolio.

3.2 Progress was slower than anticipated because of the variable level of information available and the limited resources available to support the review. Detailed knowledge on individual properties rested with service managers within directorates; this had the collective consequence of no one person having an overview of the council's total property portfolio, and property decisions being taken on an ad hoc/individual basis.

3.3 In order for the review to progress it was necessary to collate information on all the properties owned or used by the council, and to determine standards against which individual properties could be evaluated. In the course of the review standards were defined to evaluate properties and later refined.

#### **4 Progress of the review**

4.1 Although the review took longer than anticipated reports were brought forward and progressed through developing the council's asset management plan and financial strategy.

4.2 The Finance and Performance Management Overview and Scrutiny Committee considered this matter at its meeting on 27 November 2003. Although some matters were considered previously by members, the report and appendices considered by the Finance and Performance Management Committee, provided details of the key issues and made recommendations as to the standards that should be adopted to evaluate individual properties and to inform the management of the portfolio as a whole. In this way a holistic view could be taken of the property portfolio and how it was managed. There was a considerable amount of material supporting the report and associated recommendations - copies of which were placed in the members' room. In summary the review:

- developed a vision statement that establishes high-level expectations the council should have for the properties it owns or uses;
- identified and collated information on non-operational properties and proposed whether they should continue to be held by the council;
- identified and collated information on operational premises and identified those that should be retained or receive investment, and those for which disposal / replacement may be the most cost-effective option;
- developed the concept of a 'Corporate Landlord' to promote the effective management of the portfolio and provide immediate revenue benefits/ penalties to directorates for relinquishing or acquiring more property;
- evaluated the means by which the council could invest in premises for delivering services.

4.3 The following considers each of the above matters in more detail.

## 5 Vision statement

5.1 The adoption of a vision statement (see appendix 1) was commended to members to underpin the management of the council's property portfolio and to guide future management, design and property investment decisions.

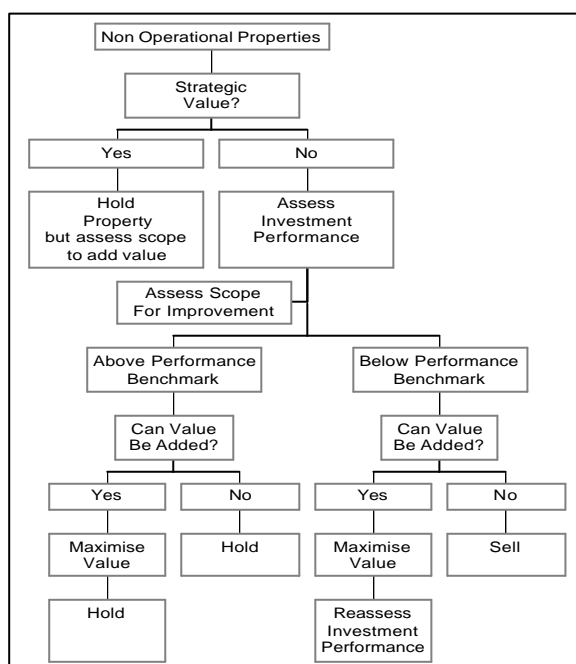
## 6 Non operational portfolio

6.1 In evaluating the performance of non-operational premises consideration was given to the 'strategic significance' of each of the properties and how well they were performing as an investment asset.

6.1.1 In determining whether a property was performing well as an investment asset a threshold of 6% was set - this being the rate of return the council was receiving at the time on its financial investments. A property was regarded as being strategically significant if it clearly contributed to the delivery of an adopted plan or policy of the council.

### 6.2 Categorisation of non-operational properties:

The following categorisation tree was used to categorise the non-operational properties:-



6.2.1 The outcome of the initial evaluation resulted in each property being placed with 1 of 4 categories:

- **Category A: High Rate of Return / strategically significant.** These properties are generating levels of income greater than if they were sold and the receipt was invested on the current money markets, and are linked with particular strategies or service plans: 30 Properties, valued at £2.56m, generating an annual income of £271,961<sup>1</sup>.

<sup>1</sup> Figures as of 2002

- **Category B: High Rate of Return / no strategic significance:** These properties are solely income generators: 19 Properties, valued at £10.68m, generating an annual income of £1.02m.
- **Category C: Low Rate of Return / strategically significant.** These properties may be untenanted premises in an area designated for a particular development or required for future service developments e.g. a new school: 17 Properties, valued at £14.08m, generating an annual income of £337,441.
- **Category D: Low Rate of Return / No strategic significance:** No discernable reason for the continued ownership by the council has been identified and the value of the property cannot be realistically or affordably enhanced: 32 Properties, valued at £2.95m, generating an annual income of £43,196.

6.2.2 Appendix 2 provides summary information and the 'allocated' categorisation, for each of the non-operational properties. Because of the commercial information contained in this appendix it needs to be classified as exempt.

6.2.3 Examination of the categories raises questions in respect of categories 'C' and 'D' properties.

- Category 'C' – Assuming that it is accepted that each of the properties are strategically significant – or will be within a reasonable timeframe – the options are to retain them as they are until required for their strategic purpose, investing in the properties in order to charge a higher rent and improve the rate of return, or invest in the properties to enable them to be used for operational purposes.
- Category 'D' – Without any discernable reason or advantage accruing from the council continuing to own these properties consideration needs to be given to disposing of these properties as they are not representing any significant value. They normally represent a liability and make a demand on resources to ensure they are being managed and maintained.

6.3 Having completed this work it was determined that 'strategic significance' needed to be better defined; it was therefore proposed that the following 'definition' was adopted in respect of categorising and evaluating non-operational properties.

6.3.1 Strategic Significance:

A property should be determined as being 'strategically significant':

- a. If it safeguarded, supported or facilitated a policy or plan – say in relation to a regeneration proposal, to safeguard a local plan designation or it protects the value of a related asset.
- b. If it was used to generate income and thereby help reduce the costs to the council of using the building. (This could come about through

subletting spare capacity/space or creating capacity for the sole purpose of achieving some subsidizing income – for instance flats over shops, GP surgeries in community centres etc.)

- c. If it was used to provide an indirect service for instance in the form of shops in a residential area, a café in a park, commercial starter units for small business or is used by an out-sourced service provider.

If a non-operational property did not fit one of these categories it was proposed that it be considered as an investment asset and treated accordingly.

#### 6.3.2 Investment asset:

In undertaking the initial evaluation a hurdle rate of return of 6% was set however this needed to be revised annually in order to have regard to the prevailing interest rates and the performance that could be realistically expected from a investment property in Medway.

#### 6.4 It was recommended to the Finance and Performance Management Overview and Scrutiny Committee: -

- that the methodology for evaluating and categorising of non-operational premises based on 'strategic significance' and / or achieving a hurdle rate of return, be adopted, and regularly applied to inform the management of the non-operational portfolio.
- that the 2004/05 asset management plan presents options for maximising the investment potential of the category C properties or the potential for using the premises to support the delivery of direct or indirect services.
- that category D properties are presented to members with a view to progressing their disposal.

## 7 **Operational portfolio**

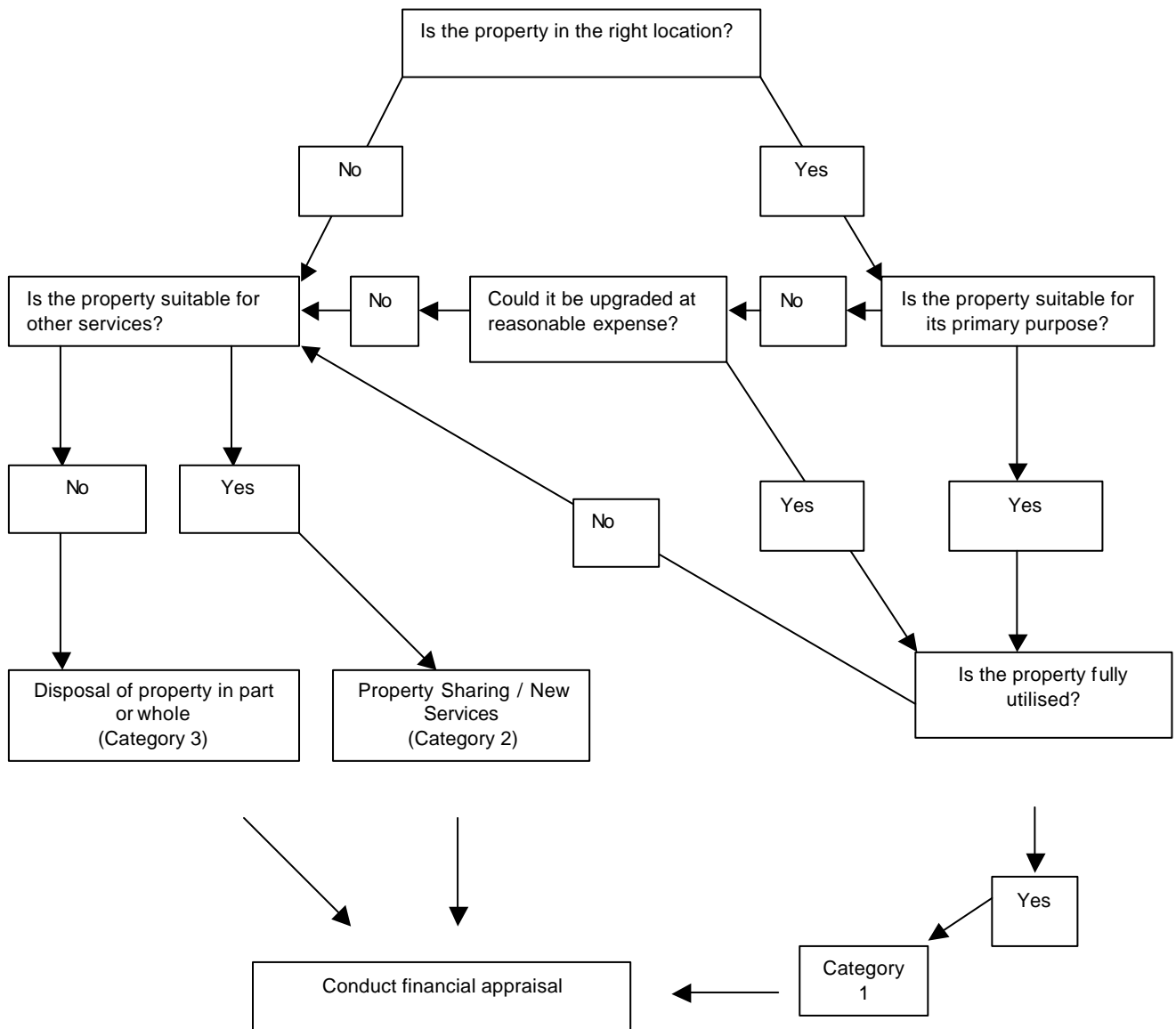
### 7.1 Through a process of consultation it was determined that operational properties should be evaluated within the following parameters:

- a. Location – is it in the right location / is it accessible to those who use the services provided from the particular property
- b. Is it fit-for-purpose in respect of the services that are provided from the property
- c. Does it require investment to make it more suitable or suitable for other services
- d. Cost of undertaking required capital works
- e. Revenue running costs

### 7.2 These factors were incorporated into a property evaluation template that was used to collate information on all properties used for operational purposes by the council. Once the information had been collated the following

categorisation tree was used to place operational properties into one of three categories.

### 7.3 Operational Premises – Categorisation Tree



### **Category 1 – Retain “as is”**

The property met location, function, utilisation, and financial requirements

### **Category 2 – Requires investment**

The property required upgrade, modernisation, or had capacity for alternative/complementary uses

### **Category 3 – Fails to meet any service requirements**

Failed to meet any service requirements or required considerable capital investment.

The outcome of this exercise is summarised in the following table but the full list of the operational properties and their classification is detailed in appendix 3.

#### 7.4 Categorisation of the operational portfolio

<b>Categorisation</b>	<b>Description</b>	<b>N°. of properties in each category</b>
Category 1	Retain as is	241
Category 2	Requires investment	101
Category 3	Fails to meet any service requirements	44
	Transferred to Non-operational	4
	Not categorised due to tenure or other restrictions	24
	<b>Total</b>	<b>414</b>

The following table provides summary information on the extent of capital investment that may be needed to bring each category of properties up to an acceptable standard.

*Estimated backlog maintenance and Disability Access (DDA) work by category and priority – excluding schools – based on 2002 figures.*

	<b>Category 1 (241)</b>	<b>Category 2 (101)</b>	<b>Category 3 (44)</b>	<b>Total</b>
DDA	£685,350	£3,629,000	£2,195,050	£6,509,400
Back Log Maintenance	£2,391,110	£6,883,600	£3,793,915	£13,068,625
Total	£3,076,460	£10,512,600	£5,988,965	£19,578,025
Total	£5,727,950	£11,926,200	£5,988,965	£21,418,629

7.4.1 Taken together the investment required in the category 3 equated to a 40% of the book value of the properties. This however masked some ‘extremes’ for example, such as Rainham Library, which required investment equal to its book value to deal with maintenance and DDA requirements. In summary, 11% of the operational portfolio fell within category 3 and accounted for 28%

(£6m) of the total investment required to address backlog maintenance problems and DDA requirements.

## 7.5 Future Approach

With baseline information collated onto a property database future appraisals of operational premises should be much easier but the template was still complex and potentially cumbersome to use. It was therefore proposed that operational premises were evaluated within the following three parameters and then ranked according to the cost of remedying any 'deficiencies'.

- Accessibility - is the property on a public transport route - does it matter for service users and staff getting to work. Is the building DDA compliant? These are YES / NO answers where No = potential failure unless cost of remedying the problems are low – in proportion to the value of the building.
- Sustainability - are the running costs of the property in the upper or lower quartile *for similar* properties. This would allow ranking, prioritisation and possible comparisons with benchmark data.
- Affordability - how much needs to be spent to deal with any deficiencies - backlog maintenance, DDA and/or reducing running costs into the lower quartile.

7.5.1 Any property requiring investment greater than, say, 50% of its book value would then be exposed to a detailed business appraisal to determine the comparative cost benefits of making the required investment or seeking alternative provision.

7.6 It was recommended to the Finance and Performance Management Overview and Scrutiny Committee: -

- that properties, beginning with those in category 2 – which required investment - were evaluated according to 'accessibility', 'sustainability' and 'affordability' and then classified using the Operational Categorisation Tree – and consequential decisions followed through;
- that a threshold of 50% was adopted as the initial basis for triggering a detailed business appraisal of the cost-benefits of making the required investment in an individual property to remedy any deficiencies;
- that priority was given to making investments in category 1 (fit for purpose premises) to ensure they did not deteriorate;
- that proposals were brought forward as part of the 2004/05 asset management plan for dealing with the 44 properties which were currently in category 3.
- that a five year rolling programme – starting in 2003/04 - was undertaken to review all property holdings in specific localities to ensure properties were still required and that maximum use was being made of all the properties in that locality. These locality reviews would



inform future annual asset management plans and assist in preparing the annual capital programme. (This proposal is examined further in the section considering the management of the portfolio.)

## **8 Property and strategic management of the portfolio**

- 8.1 Individual and independent performance reviews were undertaken of the three property management services – Design and Surveying<sup>2</sup>, Valuation and Asset Management<sup>3</sup> and Education and Leisure’s Planning & Review Service<sup>4</sup> - that dedicated approximately 50% of its time to asset planning and managing the delivery of the schools’ capital programme. Although not a focus for this review consideration was also given to the maintenance services / contracts used to undertake repair and to maintain the council’s housing stock, in order to determine whether this service could be combined for the purposes of the procurement of maintenance contracts for all properties owned or used by the council.
- 8.2 Details of each of the reviews were placed in the members’ room. In summary all the reviews confirmed that each of the services were performing well against relevant key performance indicators. However collectively there were gaps and differing standards applying to the management of individual properties and across the management of the portfolio as a whole. This weakness was not unique to Medway and the Audit Commission<sup>5</sup> had drawn attention to the need for local authorities to improve the management of their property assets. Further another Audit Commission report<sup>6</sup> highlighted the need for closer links to be established between the school and the corporate asset management plans.
- 8.3 With the properties used for the delivery of particular services being under the management and control of the directorate responsible for those services, there was little coherence in the way the portfolio was being managed as a whole. The management of the portfolio was complicated by the fact that unit managers made decisions about whether to undertake maintenance work, or whether to commission work directly, e.g., from local trades people. This level of delegation resulted in an *ad hoc* approach being taken to property maintenance.
- 8.3.1 During the review four arrangements were identified for the management and delivery of property services:
- A combined Asset Management Team – (Corporate + Education)
  - The establishment of a central maintenance service

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<sup>2</sup> Conducted by BPS Chartered Surveyors

<sup>3</sup> Conducted by BPS Chartered Surveyors

<sup>4</sup> Conducted by Cambridge Education Associates

<sup>5</sup> Hot Property. Audit Commission 2000 – placed in Members’ Room

<sup>6</sup> Improving School Buildings 2003 – placed in Members’ Room

The School’s Asset Plan is prepared in accordance with and evaluated by DfES and the Corporate Asset Plan by the ODPM.

- Creating a single Design and Project Management Team between Corporate and Housing Services
- Establishing a Corporate Landlord / Facility Management function

Attached as Appendix 4 is an appraisal of the alternative configurations that were considered for the Management and Delivery of Property Services

8.4 Of these four options the establishment of a Corporate Landlord function was thought to contain the greatest potential to significantly change the way in which the property portfolio was managed and investment decisions were made, and to meet the challenges presented to local authorities by the Audit Commission. The following presents more detail of this proposal.

#### 8.5 The Corporate Landlord

8.5.1 In establishing an internal landlord function that would be responsible for the management and maintenance of the property portfolio, directorates would have increased responsibility for specifying the premises they required. The 'landlord' – perhaps accountable through a single portfolio holder to Cabinet – would have the authority to maximise the use of the available space and to procure cost-effective premises that were of the prescribed standard. A charge would need to be established to meet the cost of this function - perhaps through an aggregation of relevant re-charges and service level agreement (SLA) payments. That would give a revenue benefit to services/directorates that relinquished space and impose a penalty on those taking on additional space.

8.5.2 The landlord would be responsible for making investment decisions in respect of repairs and maintenance – reactive and planned. This would avoid the tension experienced by service managers who sought to manage their budgets by not commissioning maintenance work or not procuring work via the Design and Surveying Service; this had the consequence of work not being undertaken or undertaken without regard to relevant standards. Through all work being procured through a central point there was potential for aggregating contracts or to employ a 'works team' that could undertake routine maintenance work under the supervision of an appropriately qualified engineer or surveyor.

8.5.3 For this model to operate it would not be necessary for all properties to be included in the arrangement. School governing bodies for example have delegated responsibilities for the school sites and premises they use and Foundation Schools governing bodies own their sites and buildings. However the more the better as this could maximise the benefits that could accrue from the more flexible use of the whole portfolio.

8.5.4 In addition to significantly changing the way in which the portfolio was managed, it could be possible, later, for the property management responsibilities to be merged with a wider range of facility management services – the funding of which could be achieved through 'merging' a number of the current SLA payments e.g. for phones, IT, post etc., into an asset charge.

- 8.5.5 Once rationalisation had been achieved the service could be subjected to competition with a private sector provider of these services.
- 8.6 It was recommended that further work was undertaken to develop the concept of the Corporate Landlord, to determine the resources it would require and the means by which a realistic (affordable) asset charge could be made that would provide incentives to rationalise and maximise the use of the council's property portfolio, and enable the essential investments to be made.

## 9 Gaining the required investment

- 9.1 Ernst & Young (E&Y) were commissioned to identify and evaluate the options that had been used by the public and private sector to gain investment in or to release capital from their property portfolios. They were further asked to identify people within these organisations that could be contacted for more information; all those identified were followed up but it may be worthy to note that private sector providers were prepared to talk about the benefits, whereas none of the public sector organisations ('beneficiaries') were able to find someone who was willing or able to discuss their experiences. A summary of E&Y's findings is given in the following table.

### Summary of Market Investment Options

Option	Adopted By
Traditional sale & lease back	Numerous
Structured sale & lease back	Abbey National
Joint venture	Numerous PFI / PPP arrangements
Total outsourcing	Dept Social Security, Prison Service, Inland Revenue
Securitisation	Welsh Water
Mortgage Finance	Not available to local authorities
LIFT Companies	LIFT Co to be established in Medway
Special Purpose Vehicles	Such as LIFT or the proposed Medway Renaissance

- 9.2 Advice from BPS Chartered Surveyors (who assisted the Asset Management Team in undertaking a review of its services and those of the Design and Surveying Team) was that none of these options should be progressed by the council until there was greater clarity as to the council's requirement of and for, property. To act before this clarity existed and before poorly performing properties had been removed from the portfolio could result in the costs to the council being much higher than they needed to be, and any 'savings' benefiting the organisation who took over the management of these properties.
- 9.3 In the main, property companies expected to make a surplus/profit from the 'additional' services they could provide – facilities management or indeed the services for which the properties were built – e.g., sports and leisure, residential care. Such arrangements needed to be service-led but there was potential for the transfer of these services as there were mature independent operators in these sectors.

- 9.4 Four main options were available to the council to gain investment in its property portfolio:
- from capital or borrowing;
  - disposal of existing operational or non-operational properties;
  - including new operational properties in the various regeneration schemes that exist in Medway;
  - as part of externalising the management or delivery of specific services e.g. office accommodation / facility management, leisure centres and residential services

9.5 The following recommendations were made to the Finance and Performance Management Overview and Scrutiny Committee:

- that directorate service plans identified alongside cost and workforce issues, the requirement for premises – in the short and medium term – and opportunities that may be available for securing investment in the premises they used/required from specific funds that were, from time to time, made available;
- that development and regeneration plans had regard to the service facilities that were needed within those development areas as well as the opportunities the schemes had for providing facilities for communities living in the proximity of these developments;
- that a rolling programme of locality reviews were undertaken to seek to develop property development plans funded in all or part, by capital receipts that could be realised through rationalising property holdings in an area, and that could enable collation of services.

## **10 Conclusions**

10.1 Members of the Finance and Performance Management Overview and Scrutiny Committee broadly welcomed the outcomes and recommendations of the review and acknowledged the considerable time and effort that had gone into it from both officers and members.

10.2 Different views were expressed on the merits of direct ownership and management as opposed to buying-in of property and associated services.

10.3 The committee agreed on the importance of the member role in key property management decisions, especially at the point of possible disposals. The importance of getting the starting point for any asset rental system was emphasised so that existing shortages or surpluses were not entrenched in the base position. The importance of getting the treatment of under-utilised space right was also cited, since a department relinquishing space to the corporate landlord might simply generate budget pressure for the council as a whole if it retained the associated budget provision.

- 10.4 Members expressed concern about the extent to which school property should be included in any corporate landlord role and agreed that this needed further consideration.
- 10.5 Some members stated that, though the Gillingham local property review was intended as an illustration rather than as a recommendation for action, its outcomes were attractive. The committee as a whole agreed that, while such local property reviews had merit, they should be firmly grounded in operational reality rather than conducted as an isolated exercise.
- 10.6 The committee emphasised that, whatever the detail of portfolio and property services management arrangements, they should be seen as a means to the ends of service delivery or securing a rate of return, rather than as an end in themselves.
- 10.7 The committee agreed the recommendations of the property and property best value review set out at 14.1 (i) to (xiii) subject to a number of additions set out at 14.1 (xiv) to (xix) below.

## **11 Director's comments**

- 11.1 The approach to this review has been very systematic and has ensured that the Council is now in a good position to strategically manage its property portfolio. As areas for improvement were identified, during the course of the review, they were incorporated into the Council's Asset Management Plan.
- 11.2 At the start of the review the Council's Asset Management Plan was evaluated as being 'satisfactory' as it was insufficiently 'strategic' however the most recent plan (2003/04) has been evaluated a 'good'.
- 11.3 The introduction of the concept of a Corporate Landlord is in line with best practice recommended by the Audit Commission and builds on the principle of directorate's identifying their medium to long-term requirements for premises. The construction of asset charges will be complex but does contain the potential for encouraging directorates to maximise the use of the space they have and to relinquish space they no longer require.
- 11.4 In keeping with the vision statement contained within this report, early discussions have taken place with Medway Police about the potential for co-locating a range of Council and Police services at Rainham Police Station. These initial discussions will be progressed to determine how such proposals might be taken forward.

## **12 Financial implications**

- 12.1 The sale of poorly performing non-operational properties will result in capital receipts. This will support new property acquisitions and improvements to the remaining property portfolio, but it will also result in reductions in the rent roll. These reductions in rental collections, which support the council's revenue budget, could be made good by new resourcing through the budget setting process. An alternative strategy is to use part of any capital receipts to

reduce the council's long-term debts. Debt reduction will have the effect of negating this rental loss through reduced long-term borrowing costs to the council.

- 12.2 Points relating to the need to neutralise the loss of rental income also apply in cases where non-operational properties are redesignated for operational use. Any potential loss of income needs to be taken fully into account in evaluating the business case.
- 12.3 Proposals to curtail the use of poorly performing operational properties will have the combined effect of reducing the maintenance and DDA backlog, and generating capital receipts to support the council's overall capital programme.

### **13 Legal implications**

- 13.1 There are no direct legal implications arising from this report. Specific implications relating to identified options will be addressed at the appropriate time. The council has a duty under section 123 of the Local Government Act 1972 either to secure best consideration where it disposes of land other than by way of a short lease or to obtain the consent of the Secretary of State. The council has a general fiduciary duty to the residents and taxpayers of Medway in the way it conducts its property dealings.

### **14 Recommendations**

- 14.1 The Finance and Performance Management Overview and Scrutiny Committee commend the following recommendations of the best value review to Cabinet:
- (i) that the draft vision statement is adopted and that it is used to underpin the management of the council's property portfolio and to guide future management, design and property investment decisions;
  - (ii) that the methodology for evaluating and categorising of non-operational premises based on 'strategic significance' and/or achieving a hurdle rate of return, is adopted, and regularly applied to inform the management of the non-operational portfolio;
  - (iii) that the 2004/05 asset management plan presents options for maximising the investment potential of the category C properties or the potential for using the premises to support the delivery of direct or indirect services;
  - (iv) that category D properties are presented for disposal;
  - (v) that properties, beginning with those in category 2 – which require investment - are evaluated according to 'accessibility', 'sustainability' and 'affordability' and then classified using the Operational Categorisation Tree;

- (vi) that a threshold of 50% of book-value is established as the initial basis for triggering a detailed business appraisal of the cost-benefits of making the required investment;
- (vii) that priority is given to making investments in category 1 (fit for purpose premises) to ensure they do not deteriorate;
- (viii) that proposals are brought forward as part of the 2004/05 asset management plan for dealing with the 44 properties which are currently in category 3;
- (ix) that a 5-year rolling programme – starting in 2003/04 - is undertaken to review all property holdings in specific localities to ensure properties are still required and that maximum use is being made of all the properties in that locality. These locality reviews will inform future annual asset management plans and assist in preparing the annual Capital Programme;
- (x) that further work is undertaken to develop the concept of the Corporate Landlord, the resources it would require and the means by which a realistic (affordable) asset charge could be made that would provide incentives to rationalise and maximise the use of the council's property portfolio, and enable the essential investments to be made;
- (xi) that directorate service plans identify alongside cost and workforce issues, the requirement for premises – in the short and medium term – and opportunities that may be available for securing investment in the premises they use/require from specific funds that are, from time to time, made available;
- (xii) that development and regeneration plans have regard to the service facilities that are needed within those development areas as well as the opportunities the schemes have for providing facilities for communities living in the proximity of these developments;
- (xiii) that a rolling programme of locality reviews are undertaken to seek to develop property development plans funded in all or part, by capital receipts that could be realised through rationalising property holdings in an area, and that could enable collation of services;
- (xiv) that the decision tree for non-operational property (paragraph 6.2) is amended to specifically show member involvement prior to the 'sell' box;
- (xv) that it is important that members are involved and engaged in the decision paths for both operational and non-operational property at the appropriate stage;
- (xvi) that in considering the development of the corporate landlord role the following issues need particular attention:

- ensuring that charges for space (and budgets to cover such charges) do not enshrine existing over or under provision;
  - ensuring that the relinquishing of under-utilised space does not generate budget pressures for the corporate landlord unmatched by savings elsewhere;
- (xvii) careful consideration should be given to the extent to which school property should be included in the corporate landlord role;
- (xviii) any local property reviews should be firmly grounded in operational service realities and focussed on practicable outcomes;
- (xix) property services and portfolio management proposals must be judged as a means towards the ends of service delivery or securing a rate of return.

## **15 Suggested reasons for decision(s)**

- 15.1 The recommendations contained in this report – as amended by the recommendations of the Finance and Performance Management Overview and Scrutiny Committee - will enable the proactive management of the Council's property portfolio and thereby ensure maximal value is obtained from the premises owned or used by the Council to support its strategic and service ambitions.

### **Lead officer contact**

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### **Background papers**

- Best Value Review of Property – preliminary options appraisal report on the non-operational property portfolio, Overview & Scrutiny Committee (Support Services) 7 February 2002.
- Best Value Review of Property – Operational Portfolio, Overview & Scrutiny Committee (Support Services) 12 June 2002.
- Recommendations on the future of various non-operational properties. Cabinet 21 January 2003.



### Proposed Property Vision

*Our property portfolio will contribute to the aspirations within the community plan helping to develop Medway into a fine and welcoming city, and will convey the Council's commitment to quality, equality and to customer service.*

*Our buildings will be used to provide a range of services, together with partner organisations, to consistently high standards. We will provide services where our customers are, focusing on the six centres of:*

- Chatham
- Rainham
- Rochester
- Gillingham
- Strood
- Hempstead Valley

*We will ensure that a range of integrated services are available from frontline service points in the above places, and where appropriate, maintain independent services from buildings that can be readily reached by public transport.*

*We will ensure that optimal use is made of all our buildings, and will encourage greater community access and use. We will also seek to share buildings with other agencies and appropriate community and voluntary groups as well as endeavouring to maximise income generation opportunities to keep costs down. Where our properties are not fit for purpose, and do not have other corporate or service priority we will dispose of them and re-invest in our key premises. When any new building is purchased or commissioned it will be in the context of our regeneration priorities, offering a lead and a stimulus to other developers; it will also be of a flexible and inspirational design that will maximise use and engender civic pride.*

*We will develop a single headquarters building for the Council, providing access to all our services, and to those of partner organisations. The headquarters building will be based in Chatham, demonstrating the Council's commitment to Chatham as Medway's city centre.*

*We recognise that services are not only focused around buildings and our approach will complement the Council's e-government strategy. Our vision for property will result in a more rounded offer, providing services where our customers require them and to consistently high standard. It will unlock resources that can be reinvested in our property portfolio and will ensure our properties and services will contribute to the betterment of the communities in which they are located.*

## Results of Best Value Review - Operational Properties

## APPENDIX 3

Our assessment of the portfolio has identified the following:

- Category 1                      241 operational properties Retain as is
- Category 2                      100 operational properties Require investment
- Category 3                      44 operational properties Fails to meet any service requirements

<b>Category 1</b>					
<b>Property</b>	<b>Backlog Maintenance</b>	<b>Priority 2</b>	<b>Priority 3</b>	<b>Priority 4</b>	<b>DDA</b>
Cornwall Road, Gillingham					
Mill Road Allotments, Gillingham					
Third Avenue Allotments Gillingham					
Twydall Road Allotments, Twydall					
Berengrave Allotments, Lower Rainham Road, Rainham					
Nor Marsh, River Medway					
Saltings, Motney Hill, Lower Rainham Road, Rainham					
The Paddock Car Park					
The Pentagon Centre Car Park	£11,000.00	£8,000.00	£3,000.00		£5,600.00
Solomons Road Disabled Car Park					
Church Street Car Park					
Union Place Car Park					
Richard Street Car Park					
Riverside Car Park					
Globe Lane Car Park					
Part of Union Street Car Park					
James St Car Park					
Sir John Hawkins Car Park					
Britton Farm Car Park, Jeffery Street, Gillingham					
Jeffery Street Car Park, Jeffery Street, Gillingham					
Littlewoods Car Park, James Street, Gillingham					
Cricketers Car Park, Orchard Street, Rainham					

Rainham Commuter Car Park, Station Road, Rainham					
Longley Road Car Park, Rainham					
Rochester Car Park, Corporation Street, Rochester	£45,000.00	£45,000.00			
Almon Place Car Park, Almon Place, Rochester					
Blue Boar Lane Car Park, Blue Boar Lane, Rochester					
Cathedral Garage Car Park, Northgate, Rochester					
Kings Head Car Park, High Street, Rochester					
Boley Hill Car Park, Epaul Lane, Rochester					
High Street No 2 Car Park, 244 High Street, Rochester					
Berkeley House Car Park, The Terrace, Rochester					
Acorn Wharf Coach Park, Acorn Road, Rochester					
Easons Yard Car Park, High Street, Rochester					
Car Park High Street No1, 234 High Street Rochester					
Union Street Car Park, Union Street, Rochester					
The Common Car Park, The Common, Rochester					
Commercial Road Car Park, Commercial Road, Strood					
Temple Street Car Park, Temple Street, Strood					
Rochester Castle,	£456,500.00	£32,750.00	£423,750.00		£73,250.00
Upnor Castle, High Street, Upnor	£519,450.00	£341,750.00	£177,700.00		£1,300.00
Clock Star Hill, New Road, Rochester					
Clock Junction of Batchelor Place & High Street, Chatham					
Sunlight Centre					
Hook Meadow Community Centre	£11,425.00	£2,700.00	£8,725.00		£26,600.00
White Road Community Centre	£31,300.00	£24,600.00	£6,700.00		£16,250.00
Capstone Farm County Park	£73,850.00	£57,375.00	£16,475.00		£26,700.00
Riverside Country Park	£7,900.00		£7,900.00		£8,400.00
Chaucer Centre, Chaucer Road, Gillingham	£800.00		£800.00		£13,550.00
Part of St Nicholas Church, High Street, Strood					
146 Wayfield Road Chatham	£11,650.00	£100.00	£11,550.00		£30,500.00
Portakabin, 118 Maidstone Road, Chatham					
Car Park at 148 High St, Rainham					
New Road, The Mount, Chatham					
Adjacent to 33 Cuxton Road, Strood					
105 Pier Road, Gillingham (South part only)					
Medway Tunnel Control	£6,200.00	£4,100.00	£2,100.00		
16-20 North Street, Stood					
LRC,Lenham Way, off Chilham Road, Gillingham	£6,200.00	£5,450.00	£750.00		£11,800.00
Twydall Library	£20,450.00	£950.00	£19,500.00		£35,200.00

Will Adams Memorial, Sovereign Boulevard, Gillingham	£23,100.00	£1,200.00	£21,900.00		£1,500.00
War Memorial, Mill Road, Gillingham	£2,200.00		£2,200.00		£3,000.00
Rainham War Memorial, High Street, Rainham	£3,150.00		£3,150.00		£300.00
Brook Pumping Station Museum, The Brook Chatham	£37,200.00		£30,500.00	£6,700.00	£30,700.00
Temple Manor, Knights Road, Strood	£18,550.00	£12,500.00	£6,050.00		
Eastgate Cottage	£19,200.00	£3,950.00	£15,250.00		£4,800.00
95 High Street	£73,000.00	£33,900.00	£39,100.00		£24,500.00
Former Allotments, Albany Road Luton, Chatham					
Sports Field, Merryboys Road, Cliffe Woods	£24,400.00	£24,400.00			
Darnley Road Recreation Ground, Darnley Road, Strood	£27,300.00	£5,400.00	£21,900.00		£40,750.00
Hook Meadow Sports Ground, Walderslade, Chatham					
Jacksons Recreation Ground, New Road, Rochester	£14,700.00	£13,900.00	£800.00		£42,900.00
Knights Place Recreation Ground, Albatross Avenue, Strood	£68,700.00	£64,700.00	£4,000.00		£650.00
Borstal Recreation Ground, Manor Lane, Rochester	£29,850.00	£29,850.00			
Barnfield Recreation Ground, Barnfield, Wayfield Road, Chatham	£39,500.00	£17,450.00	£22,050.00		£1,200.00
Luton Sports Ground, Capstone Road, Luton, Chatham					
Garrison Sports Ground, Marborough Road, Gillingham	£65,450.00	£61,450.00	£4,000.00		
Hempstead Playing Field, Hempstead, Gillingham	£42,850.00	£32,650.00	£10,200.00		£8,000.00
Watling Street playing Field, Watling Street, Gillingham					
Cozenton Public Park, Rainham	£9,300.00	£2,400.00	£6,900.00		£3,250.00
Wigmore Park, Fairview Avenue, Gillingham					
Platters Park, The Platters, Rainham					
Rookery Fields Woodlands Road, Gillingham					
Kings Frith Playing Field, Wigmore, Gillingham					
Rytop Playing Field, Beacon Close, Rainham					
Former Play Area, Bankyfields Close, Rainham					
Hillyfields Play Area, Parr Avenue, Gillingham					
Hamilton Road Play Area, Gillingham					
Mill Road Play Area, Gillingham					
Brompton Play Area, Prospect Row, Gillingham					
Teynham Green Play Area, Teynham Green Twydall					
Sanctuary Road Play Area, Sanctuary Road, Twydall					
Play Area, Maidstone Road, Rainham					
Play Area, Academy Drive, Gillingham					
Moor Park Close Play Area, Mereborough Road, Rainham					
Bayswater Drive Play Area, Bayswater Drive, Parkwood					

James Street Play Area, Gillingham					
Coplins Play Area, Thirlmere Close, Gillingham					
Woodchurch Crescent Open Space, Twydall					
Great Lines Open Space, Gillingham					
Parkwood Green Open Space, Deanwood Drive, Parkwood					
Lamplighters Close Open Space, Hempstead, Gillingham					
Vinal Park Open Space, Twydall					
Gillingham Park, Park Avenue, Gillingham					
Cuxton Recreation Ground, Bush Road Cuxton					
St Mary's Playing Field, Edgeway, St Mary's Island					
Rainham Recreation Ground & Pavilion, Wakeley Road, Rainham	£22,000.00	£11,050.00	£10,950.00		£5,700.00
Quinell Estate Play Area, Quinell Street, Rainham					
36a Birling Avenue, Rainham					
Patixbourne Adolescent Unit, Twydall	£44,650.00	£26,150.00	£18,500.00		£1,500.00
Respite Care Unit, 43 Napier Road	£15,700.00	£600.00	£15,100.00		£2,200.00
The Old Vicarage, Upnor Road, Upnor	£76,050.00	£3,700.00	£72,350.00		£42,200.00
Abbey Court School					
Arden County Junior School					
Balfour Cp Infant School					
Balfour Cp Junior School					
Barnsole County Infant School					
Barnsole County Junior School					
Barnsole Cp School - Detached Playing Field					
Borstal Manor County Junior School					
Bradfields School					
Brompton-Westbrook Cp School					
Bryon Cp School					
Chapter School Carnation Road Strood					
Chatham Evening Centre					
Chatham Grammar School For Boys - Playing Field City					
Chatham Grammar School For Boys					
Chatham South School					
Chattenden Cp School					
Cliffe Woods Cp School					
Cuxton County Infant School					
Danecourt School					
Deanwood Primary School					

Delce County Infant School					
Delce County Junior School					
Fair View Cp School (Infant Dept)					
Fair View Cp School (Junior Dept)					
Featherby County Infant School					
Featherby County Junior School					
Fort Pitt Grammar School					
Glencoe County Infant School					
Glencoe County Junior School					
Gordon County Infant School					
Gordon County Junior School - Playing Field Pepys Way					
Gordon County Junior School					
Halling Cp School					
Greenacre School					
Hempstead County Infant School					
Hempstead County Junior School					
High Halstow Cp School					
Hilltop Cp School					
Hoo St Werburgh Cp School					
Horsted County Infant School					
Horsted County Junior School					
Horsted Junior School					
Hundred Of Hoo School					
Kingfisher Cp School					
Lordswood County Junior School					
Luton County Infant School					
Luton County Junior School					
Maundene Cp School					
Medway Community College					
Meredale County Infant School					
Miers Court Cp School					
Napier Cp School					
New Road Cp School					
Park Wood County Infant School					
Redvers Centre	£51,860.00	£17,550.00	£34,310.00		£46,200.00
Rainham School For Girls					
Silverbank Centre	£245,900.00	£207,700.00	£38,200.00		£54,700.00
Richmond County Infant School					

Ridge Meadow Cp School					
St Margaret's Cps					
St Marys Cp School					
Sherwin Knight County Infant School					
Sherwin Knight County Junior School					
Skinner Street Cp School					
Spinnens Acre County Junior School					
St Peters County Infant School					
St Thomas More Rcp School - Detached Playing Field					
Swingate County Infant School					
Temple School					
Temple Mill Primary School					
Thames View County Infant School					
Thames View County Junior School					
The Bligh County Infant School					
The Bligh County Junior School					
Twydall County Infant School					
Twydall County Junior School					
Wainscott Cp School					
Wakeley County Junior School					
Walderslade Cp School					
Walderslade Girls School					
Warren Wood Cp School					
Wayfield Cp School					
Woodlands Cp School					
St Margarets Infant School					
St mary's Primary School					
Hundred of Hoo Comprehensive School					
Woodlands Primary School					
Pitch & Putt and Pavilion, Snodhurst Bottom, Walderslade Road	£20,100.00	£7,100.00	£13,000.00		£3,100.00
Sports Ground, Stadium, and Pavilion	£45,075.00	£27,175.00	£4,400.00	£13,500.00	£4,150.00
Strand Leisure Park and Facilities, Strand Approach Road, Gillingham	£44,400.00	£5,600.00	£38,300.00	£500.00	£1,200.00
Cliffe Water Sports Centre, Salt Lane, Cliffe	£2,500.00	£2,500.00			
Medway Water Sports Centre, Strand Approach Road, Gillingham	£46,750.00	£21,400.00	£25,350.00		£33,300.00
Toilets Castle Gardens, Rochester Castle, Rochester	Noted with castle				

Toilets Church Street, Cliffe	£1,950.00	£1,950.00			
Toilets Adjacent Recreation Ground, The Street, High Halstow	£2,200.00	£2,200.00			£4,300.00
Toilets Northgate, Rochester	£1,500.00		£1,500.00		£400.00
Toilets Robin Hood Lane, Walderslade, Chatham					
Toilets 234 High Street Rochester					
Toilets Eastgate Terrace, Rochester					
Toilets Main Road, Cooling					
Toilets Canterbury Street, Gillingham	£500.00	£500.00			£300.00
Toilets Sappers Walk Gillingham					
Toilets Parkwood Green, Long Catlis Road, Gillingham					
Commercial Rd car park toilet (APC)					
Travelers Caravan Site, Sundridge Hill, Cuxton					
Peveral Green, Parkwood					
Chesham Drive Open Space, Rainham					
Greenfinches, Hempstead, Gillingham					
Kenilworth Drive, Rainham					
Sovereign Boulevard Gillingham					
Gillingham Parish Churchyard Cemetery					
Household Waste Centre, Hoath Way, Gillingham	£3,925.00	£3,425.00	£500.00		£2,200.00
Cuxton Road, Sundridge Hill, Cuxton					
Shawstead Road, Luton, Chatham					
Levan Strice Woodlands, Wigmore					
Foxburrow Woodlands, Rainham					
Silverspot Woodlands, Rainham					
Callums Scrub Woodlands, Parkwood					
Ambly Wood and West Hoath Wood, Gillingham					
Brooms Woodland, Parkwood					
Blowers Woodland, Gillingham					
The Scrubs Woodland, Gillingham					
Whitegate Woodlands, Gillingham					
Darland Banks, Gillingham					
29-53 Cherry Tree Road, Rainham					
Parkwood Youth Centre, Long Catlis Road, Parkwood	£16,850.00	£2,000.00	£14,850.00		£15,100.00
Strood Youth Centre, Monfort Road, Strood	£8,400.00	£750.00	£7,650.00		£37,700.00
Woodies Youth Centre at The Thomas Aveling School, Arethusa Road Rochester	£61,325.00	£34,875.00	£26,450.00		£20,400.00
	<b>£2,411,810.00</b>	<b>£1,202,750.00</b>	<b>£1,188,360.00</b>	<b>£20,700.00</b>	<b>£685,350.00</b>



<b>Category 2</b>					
<b>Property</b>	<b>Backlog Maintenance</b>	<b>Priority 2</b>	<b>Priority 3</b>	<b>Priority 4</b>	<b>DDA</b>
Former Allotments, The Tideway, Rochester					
Woodlands Road Allotments, Gillingham					
East Court Lane Allotments, Twydall					
Parr Avenue Allotments, Gillingham					
Queen Street Car Park	£136,400.00	£5,400.00	£131,000.00		£21,800.00
Market Hall Car Park	£128,000.00	£97,000.00	£31,000.00		£16,600.00
Old Road, The Mount					
Whiffens Avenue Car Parks					
Christmas Street Car Park, Gillingham					
Balmoral Road Gardens Car Park, Randolph Road, Gillingham	£15,000.00	£10,000.00	£5,000.00		£6,200.00
Croneens Car Park, Railway Street, Gillingham					
Britton Street Car Park, Gillingham					
Middle Street Car Park, Brompton					
Car Park, Jezreels Tower Site, Adj. 95 Rainham Road, Gillingham					
Stoke Road Car Park, Stoke Road, Hoo, St Werburgh					
The Street Car Park, Browndens Road, Upper Halling					
Reed Street Car Park, 18 Reed Street, Cliffe					
Cuckolds Green Road Car Park, Lower Stoke, Rochester					
Upnor Road Car Park, Lower Upnor, Rochester					
Kestral Road Car Park, Kestral Road Chatham					
Sultan Road Car Park, Newton Close, Lordswood					
Robin Hood Lane Car Park, Robin Hood Lane, Walderslade					
Car Park Junction 4 of M2					
Rainham Car & Lorry Park, High Street, Rainham					
Birling Avenue Car Park, Birling Avenue, Rainham					
King Street Car Park, Kings Street, Rochester					
School Car Park, Land at Gordon Road, Strood					
Grove Road Car Park, Grove Road, Strood					
Chattenden Community Centre	£94,800.00	£62,800.00	£32,000.00		£29,600.00
Woodside Community Centre	£1,475.00	£1,475.00			£62,750.00
Medway Adolescent Resource Centre, Balfour Road, Chatham	£48,950.00	£26,350.00	£22,600.00		£44,300.00
The Balfour Day Centre Pattens Lane, Chatham	£241,850.00	£205,550.00	£31,300.00	£5,000.00	£49,600.00

147 Nelson Road, Gillingham					
Corn Exchange Halls, Northgate, Rochester	£14,300.00		£14,300.00		£37,850.00
St George's Centre, Pembroke, Chatham Maritime	£53,850.00	£48,000.00	£5,850.00		£62,100.00
Rear of Chatham Working Men's Club, The Paddock, Chatham					
Strood & Hoo LRC, Bligh Way, Strood	£5,075.00	£2,725.00	£2,350.00		£18,800.00
Hook Meadow Library	£18,450.00	£5,100.00	£13,350.00		£54,150.00
Walderslade Village Library	£5,800.00	£800.00	£5,000.00		£69,800.00
Wigmore Library	£55,000.00	£46,550.00	£8,450.00		£27,800.00
Cuxton Library	£4,950.00	£300.00	£3,900.00	£750.00	£52,650.00
Fairway Library	£7,150.00	£3,650.00	£3,500.00		£33,800.00
Luton Library	£4,850.00	£700.00	£4,150.00		£41,100.00
Rochester Library	£26,975.00	£26,975.00			£79,300.00
Strood Library	£50,000.00	£28,550.00	£21,450.00		£201,450.00
Platters Farm Lodge	£156,200.00	£95,400.00	£60,800.00		£132,900.00
Robert Bean Lodge	£40,675.00	£26,175.00	£14,500.00		£35,000.00
Nelson Court	£42,450.00	£41,275.00	£1,175.00		£34,450.00
Guildhall & Annex & Extension, High Street, Rochester	£499,850.00	£100,500.00	£399,350.00		£145,900.00
Charles Dickens Centre, Eastgate House, Rochester	£395,700.00	£297,500.00	£98,200.00		£49,400.00
Civic Centre	£866,350.00	£620,050.00	£246,300.00		£202,600.00
Municipal Building	£208,800.00	£127,600.00	£81,200.00		£464,700.00
Finance One	£357,200.00	£356,100.00	£1,100.00		£18,050.00
Kingsley House	£263,650.00	£209,300.00	£54,350.00		£80,100.00
Rear of 70 Maidstone Road, Rochester	£108,550.00	£85,200.00	£23,350.00		£23,500.00
Sports Field, Cornwallis Avenue, Gillingham					
Priestfields Recreation Ground, Priestfields Road, Rochester	£141,500.00	£112,150.00	£28,300.00	£1,050.00	£2,900.00
Sports Ground Church Street, Cliffe					
Beechings Way Play Field, Beeching Way, Twydall	£25,500.00	£25,500.00			£752,050.00
Goudhurst Road Play Area, Twydall					
Queen Elizabeth Jubilee Field, Woodlands Road, Gillingham					
Cherry Tree Play Area, Mierscourt Road Rainham					
Old Orchard Play Area, Solomon Road, Rainham					
Edwards Close play Area, Rainham					
Craigie Walk Open Space, Craigie Walk, Parkwood					
Beechings Crossing Playing Field, Northern Link Road, Gillingham	£27,200.00	£27,200.00			£752,050.00

Otway Street Play Area, Gillingham					
37 Davenport Avenue, Rainham					
38 Davenport Avenue, Rainham					
98\100 The Tideway, Rochester					
Allhallows Cp School					
Cuxton County Junior School					
Elaine Cp School					
Forge Lane County Infant School					
Hillyfields County Junior School					
Lordswood County Infant School					
Oaklands County Junior School					
Oaklands County Infant School					
Park Wood County Junior School					
St Matthews					
Stoke Cp School Lower Stoke					
Greenvale Infant School					
Strood Sports Centre, Watling Street, Strood	£332,800.00	£240,700.00	£92,100.00		£7,650.00
Stirling Sports Centre, Maidstone Road, Rochester	£141,700.00	£119,700.00	£22,000.00		£10,100.00
Lordswood Leisure Centre, North Dane Way, Chatham	£16,090.00	£3,550.00	£12,540.00		£148,800.00
Black Lion Sports Centre, Brompton Road, Gillingham	£468,250.00	£411,550.00	£56,700.00		£414,400.00
Splashes Leisure Centre, Bloors Lane, Rainham	£369,750.00	£365,450.00	£4,300.00		£119,600.00
16 Dickens Court, Medway City Estate, Strood					
The Brook Theatre, The Brook, Chatham	£402,810.00	£306,050.00	£96,760.00		£101,350.00
The Central Theatre, High Street, Chatham	£380,550.00	£130,150.00	£250,400.00		£513,300.00
Toilets Railway Street Chatham					
Toilets Ground Floor, The Pentagon Centre, High Street, Chatham					
Toilets First Floor, The Pentagon Centre, High Street, Chatham					
Toilets Upnor Road, Upnor	£1,600.00	£1,600.00			£7,000.00
Lower Rainham Road, Rainham					
Bloors Wharf, Rainham					
Former Rainham Docks, Rainham					
Land Adjoining Upbury Manor	£600,050.00	£409,300.00	£189,750.00	£1,000.00	£50,600.00
Berengrave Nature Reserve, Rainham					
Woodlands Centre, Woodlands Road, Gillingham	£118,700.00	£85,000.00	£33,700.00		£66,550.00

	£6,878,800.00	£4,768,925.00	£2,102,075.00	£7,800.00	£5,042,600.00
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<b>Category 3</b>					
<b>Property</b>	<b>Backlog Maintenance</b>	<b>Priority 2</b>	<b>Priority 3</b>	<b>Priority 4</b>	<b>DDA</b>
East Gate AEC, East Gate, Rochester	£295,500.00	£138,200.00	£157,300.00		£217,600.00
Green Street AEC, Green Street, Gillingham	£680,530.00	£584,605.00	£95,925.00		£202,300.00
Selbourne Road Allotments, Gillingham					
Kingswood Road Allotments, Gillingham					
Allington Road Allotments, Twydall					
Seaview Estate Allotments, Dorset Square, Rainham					
Quinall Estate Allotments, Quinell Street, Rainham					
Clock Barclays Bank, 77 High Street, Gillingham					
Clock Barclays, 89-93 High Street, Rainham					
Clock St Nicholas Church, High Street, Strood					
39 Northbourne Road, Twydall	£13,450.00		£13,450.00		£29,050.00
5-7 Montgomery Avenue, Chatham	£17,575.00	£17,275.00	£300.00		£44,900.00
Chatham Day Opportunity, 20 Manor Street, Chatham	£28,500.00	£7,600.00	£20,900.00		£28,500.00
Family Centre, Darnley Road, Strood	£117,050.00	£102,200.00	£14,850.00		
32-34 Thornham Road, Twydall	£48,600.00	£18,750.00	£29,850.00		
Greatfield Lodge, Strood, Rochester	£86,250.00	£68,850.00	£17,400.00		£34,550.00
Rochester Social Education Centre, Darnley Road, Strood	£138,150.00	£132,800.00	£5,350.00		
1-11 Gibraltar Place, Old Road Car Park, Chatham					
Dawes Street Garages, Gillingham					
Green Street Hall, Green Street, Gillingham					
Hempstead Library	£5,400.00	£5,400.00			£33,050.00
Grain Library					
Chatham Library	£256,350.00	£235,400.00	£20,950.00		£295,850.00
Gillingham Library	£201,600.00	£178,350.00	£23,250.00		£170,650.00
Hoo Library	£28,200.00	£15,100.00	£13,100.00		£68,250.00
Lordswood Library	£8,805.00	£6,805.00	£2,000.00		£148,800.00
Rainham Library	£23,700.00	£5,000.00	£18,700.00		£197,600.00
Shawswood	£208,150.00	£157,100.00	£51,050.00		£233,050.00

Compass Centre	£75,600.00	£44,900.00	£30,700.00		£101,400.00
Local Office	£17,250.00	£8,650.00	£8,600.00		£25,600.00
Registry Office	£82,350.00	£30,500.00	£51,850.00		£71,400.00
Perrins Building	£2,700.00	£2,700.00			
The Gate House	£10,260.00	£860.00	£9,400.00		£62,100.00
Green Street					
32 Bradfields Avenue, Walderslade					
Deangate Ridge Golf Club, Dux Court Road, Hoo, Rochester	£436,495.00	£164,300.00	£271,545.00	£650.00	£172,500.00
Hoo Pool, Main Road, Hoo, Rochester	£619,500.00	£504,900.00	£64,600.00	£50,000.00	£12,100.00
Riverside Indoor Bowls Centre, Dock Road, Chatham	£385,150.00	£371,550.00	£13,600.00		
Toilets Stoke Road, Hoo, St Werburgh	£3,300.00	£3,300.00			£17,200.00
Toilets Rochester Market, Corporation Street, Rochester	Disused toilets				
Toilets Grain Road, Stoke	£3,300.00	£2,800.00	£500.00		£1,500.00
Toilets Ingram Road, Gillingham	Disused toilets				
Toilets Cozenton Park, Birling Avenue, Rainham					
Toilets Friary Centre, Strood	£200.00	£200.00			£27,100.00
	<b>£3,793,915.00</b>	<b>£2,808,095.00</b>	<b>£935,170.00</b>	<b>£50,650.00</b>	<b>£2,195,050.00</b>

Appraisal of Alternative Configurations for the Management & Delivery of Property Services.

### **Service Proposal One: A combined Asset Management Team**

Establish a combined Asset Management Team (AMT) responsible for developing and delivering the required Asset Management Plans (AMP). This team could be augmented with project management staff to evaluate and deliver capital developments associated with the property portfolio.

#### Comments & Observations:

This proposal is not supported by Education as asset management planning in the directorate is linked with raising educational standards, also the DfES requirements for the schools Asset Management Plan (AMP) is different to those of the Office of the Deputy Prime Minister.

It needs to be recognised that the Government is wishing for both the AMP's to be more similar. The linkage between asset management planning and raising standards is an ideal that we would wish to see applied to the whole of the Council's portfolio. If this were the case the different scores in the 'evaluations' of the two AMP's may not be so dissimilar. However, changes to the format of the two AMP's would require the government to change its own national guidelines as the content of each document is precisely prescribed.

### **Service Proposal Two: Establish a central maintenance service**

Establish a central maintenance service that would receive all requests for routine repairs and maintenance for *all* council owned properties – including the council stock. The service could establish a helpdesk – perhaps as part of the FPOC service – that with appropriate technical backup, could dispatch a competent person to assess / undertake the required repair. This person could be an 'employee' or provided by an independent contractor. The service would be responsible for ensuring a competent person undertakes the required work and the appropriate regulations are complied with. The service would also be responsible for ensuring all maintenance contracts are aggregated and competitively tendered. There would be potential to provide this service in conjunction with other agencies or on behalf of other organisations and thereby generate some 'external' income.

#### Comments & Observations:

There is little consistency in the way in which managers are commissioning minor repairs and works. Some procure this work via the Design and Surveying Service but significant number make independent arrangements with local builders. This creates difficulties –particularly in respect of:

- Managing spend and aggregating spend into a potentially tenable contract

- Ensuring compliance with relevant regulations that could impact on the work.

The proposal was supported more by the staff than the managers of these services. The positives of greater flexibility, economies of scale and the increased variety of work were recognised. However there were concerns that merging the Design & Surveying service with staff undertaking similar work with the housing stock was presented as a potential threat to jobs.

Although there are undoubtedly differences in the size of the plant that needs to be maintained by the two 'design & maintenance' functions there are probably more similarities than dissimilarities, and the most specialist equipment is maintained by specialist firms.

The combining of the two services could enable a help-desk to be established and for particular contracts to be merged for the purpose of competitive tendering. There was also some support for bringing together the handy-staff that are currently employed across the Council into a team that, managed by a qualified engineer, could speedily undertake essential repairs and thereby help ensure continuity of services.

### **Service Proposal Three: Creating a Design & Project Management Team**

Establish a dedicated Design & Surveying / Project Management Team through drawing together surveyors, architects, engineers and project managers currently deployed on overseeing property related capital programmes. This would entail the creation of the capacity within directorates to specify the work they require of this service. The cost of this expertise could be met from the capital budget or factored into bids for new monies.

#### Comments & Observations:

There is growing support from a number of directorates for the establishment of dedicated project teams to gain expertise and to provide concentrated effort in progressing agreed projects. There are already pockets of expertise across the Council in bidding for, designing and delivering significant capital projects. However there is still a tendency to delegate responsibility to inexperienced officers to lead on key projects that, having acquired skills and expertise may not be called upon again to lead on a project. Further there are repeated purchases of legal and financial support for projects. By pooling responsibility for leading on capital projects into a single team the Council could acquire the expertise and experience to negotiate on a more equal footing with the more experienced private sector. It may also be possible to acquire 'economies' through appointing legal or financial support for the team as opposed to repeated and potentially similar commissions, from the private sector.

### **Service Proposal Four: Establishing a Central Landlord**

Establish an internal landlord function that would be responsible for the management and maintenance of the property portfolio. Directorates would be responsible for specifying / defining the premises they require to support the delivery of their services. The 'landlord' – perhaps accountable through a single portfolio holder to

Cabinet – would have the ‘authority’ to maximise the use of the available space. A ‘charge’ would need to be established to meet the cost of this function (perhaps through an aggregation of relevant SLA charges) that would give an immediate revenue benefit to directorates that relinquish space and an immediate ‘penalty’ to directorates taking on additional space.

#### Comments & Observations:

This proposal is not supported by Education, as it could undermine the progress that has been made in devolving responsibilities to schools. Consultations undertaken as part of the BV Review that have involved head teachers suggest that secondary schools are better able to accept devolved responsibilities whereas the heads of primary schools, who expressed an opinion, felt they would like to ‘rent’ managed properties that would enable them to focus on their teaching responsibilities.

Key, it would seem, is the level of resources and expertise that is available to support devolvement. Most of the premises used by the Council – other than the main office buildings are considerably smaller than a primary school.

The debate perhaps needs to be more about what is ‘devolved’ than the relative merits of ‘devolution’ and ‘centralisation’. This model would require service directorates / managers to specify exactly what premises they require, where, to what standard and how they would or should be maintained. It would be the responsibility of the ‘landlord’ to provide and maintain the premises to the required standard. This would encourage service managers to reflect on how premises could be used to raise service standards, concentrate on service delivery and enable the landlord to manage the portfolio as a whole.

The introduction of an asset-charge could provide immediate revenue rewards or penalties for managers who, respectively, relinquish or acquire premises.

For this model to operate it would not be necessary for all properties to be included in the arrangements – but the more the better as this could generate more opportunities for savings and the maximisation of benefits that could accrue from the more flexible use of the *whole* portfolio.

It would also be possible for the Property Management responsibilities to be merged with a wider range of facility management services – the funding of which could be achieved through ‘merging’ a number of the current SLA payments e.g. for phones, Design & Surveying, IT, post etc., into the Asset Charge. This model would closely approximate to the approach being taken to the establishment of the Medway LIFT Co and that appears to be favoured by the private sector. Once rationalisations have been achieved the service could be subjected to competition with a private sector provider of these services – and perhaps taken over by LIFT CO?