

# The PROPERTY PLAN

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2018 – 2022

## Strategic Asset Management

Strategic asset management is the activity that ensures that the land and buildings of an organisation are optimally structured in the best interests of the organisation. It seeks to align the assets with the organisation’s goals and objectives. (*RICS Public Sector Asset Management Guidelines*)

Best practice recommends that an Asset Strategy is prepared that describes the general direction that the asset base will take over the next 5–10 years, the approach to be adopted in getting there and the policies that will be applied to decision making. Accordingly, Oldham Council’s approach is to have a high level **Medium Term Property Strategy** that incorporates a detailed **Asset Management Plan** for every property asset / group of assets the Council has and a **Property Investment Strategy** to guide and set principles of how investment in property is undertaken and income generated.

This **Property Plan 2018-2022** is the summary of the Medium Term Property Strategy

### Medium Term Property Strategy 2018-2022

The Medium Term Property Strategy 2018-2022 has been updated to reflect the Council’s strategic objectives as set out in the *Corporate Plan 2017-2020*; which itself is informed by *The Oldham Plan 2017-2022* and the *Strategic Investment Framework*.

In addition, recognising the greater attention on collaboration across the public sector the Medium Term Property Strategy reflects the Government’s *One Public Estate* Agenda which regionally is captured in the *One Oldham Estate* and *The Oldham Strategic Estates Plan 2015-2020*.

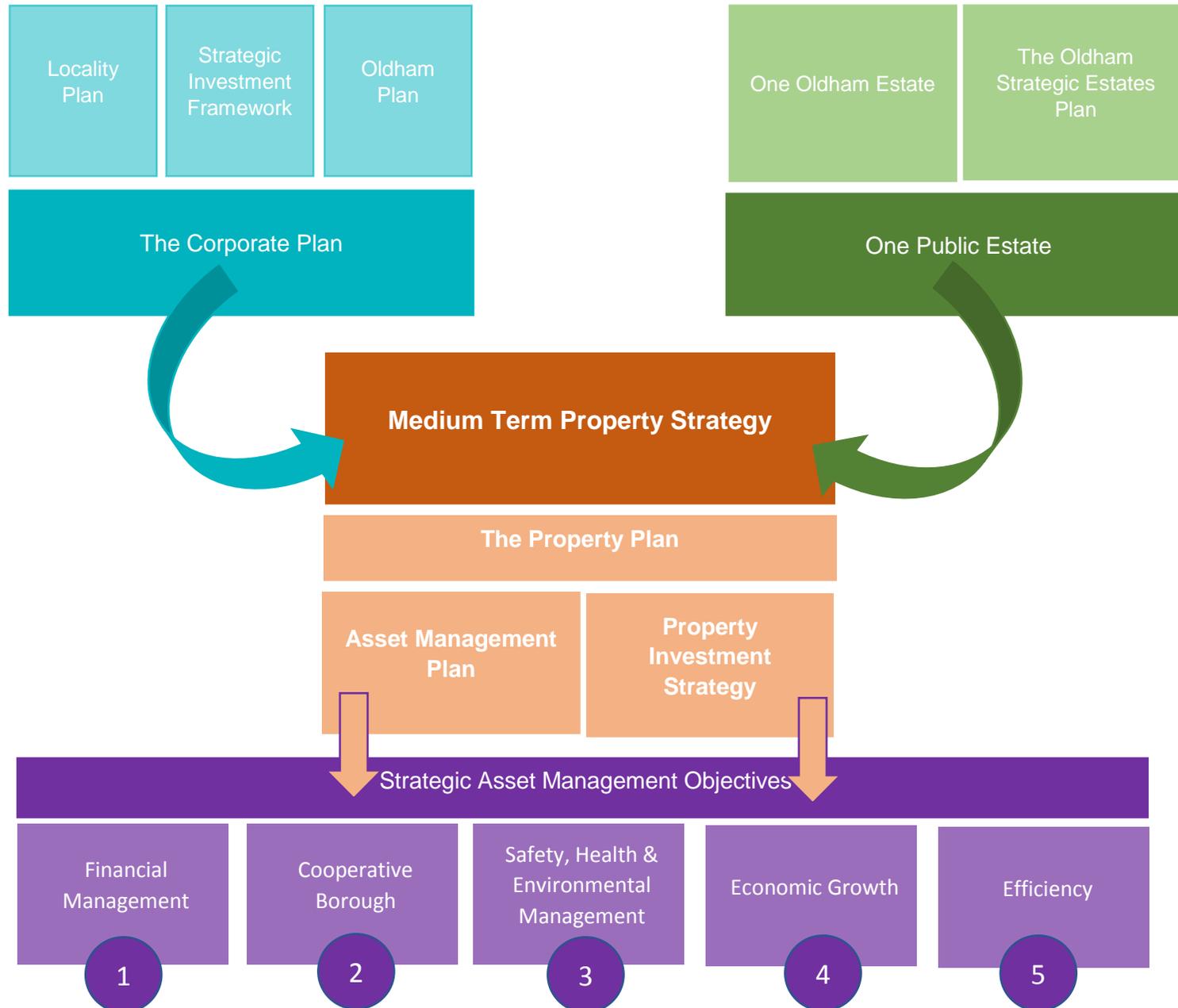
The diagram below illustrates the relationship between each of these strategic documents and appended are brief details of each, highlighting the issues for land and buildings.

### Strategic Asset Management Objectives

Five Strategic Asset Management Objectives have been set and progress against this will reported annually to the Council:

1. **Financial Management** – optimising the return from capital employed, reducing revenue and generating income.
2. **Cooperative Borough** – supporting the Council’s Cooperative Agenda and place based service delivery.
3. **Safety, Health & Environmental Management** – supporting the Council’s environmental policy and health and safety obligations.
4. **Economic Growth** – using property to facilitate economic development and regeneration.
5. **Efficiency** – ensuring value for money processes, data management, property management and decision making.

### Medium Term Property Strategy 2018-2022



## Looking Backwards – Strategic Asset Management Objectives 2010

Oldham Council’s 2010-2013 Asset Management Plan had six strategic asset management objectives. The following section briefly summarises the achievements against those objectives.

<b>Objective</b>	<b>1 Realising Value for Money</b>	<b>2 Services Accessible for All</b>	<b>3 Promoting Sustainable Communities</b>	<b>4 Enhancing the Environment</b>	<b>5 Transformation of Council Services</b>	<b>6 Economic Growth</b>
<b>Definition</b>	In light of the capital value and running costs associated with buildings, seek opportunities to cut costs and redeploy capital.	Ensuring the location, quality, size and design of buildings contributes positively to the services that are delivered.	Using assets to support communities and the Council’s Cooperative Agenda.	Improving the impact on the environment from land and buildings.	Using buildings to change how Council buildings are delivered.	Supporting physical and economic regeneration via residential and commercial development.
<b>Achievements</b>	<p>Review of office accommodation and reduction in the number of office buildings.</p> <p>Disposal of surplus operational buildings; including</p> <p>Introduced Corporate Landlord policy</p>	<p>Review of leisure estate and re-provision with better assets.</p> <p>Consolidate customer contact points within Access Oldham.</p>	<p>Implementation of a Community Asset Transfer policy.</p> <p>Development of neighbourhood hubs.</p>	<p>Carbon reduction achievements from building closures.</p> <p>Procurement of a Building Management System to reduce energy usage.</p> <p>Achieved and retained ISO 14001.</p>	<p>New ways of working policy to reduce office floorspace and improve workforce productivity.</p> <p>Implement Community Asset Transfer.</p> <p>Review of Land and Property protocols.</p> <p>Creation of a unified property service within Unity Partnership.</p>	<p>Town centre investment strategy, including refurbishment of Oldham Town hall for cinema and retail uses.</p> <p>Development of a regional science centre.</p>

## **Looking Forwards – Strategic Asset Management Objectives 2018-2022**

The Medium Term Property Strategy has been updated to reflect local and national priorities. Accordingly, there are now five strategic asset management objectives. The following section briefly summarises each objective and identifies SMART (Specific, Measurable, Attainable, Realistic, Timely) targets for each objective. Since 2010 a key priority has been to embed strategic asset management across the Council. The updated Strategy endeavours to secure further benefit from the Council’s operational and non-operational portfolios. During 2018-19 the Corporate Asset Management Plan will be completely refreshed, with AMPs developed for individual assets or groups of assets. The SMART targets which are property specific will initially relate to assets for which an AMP is in place, and in time these will refer to the whole portfolio.

**Quarterly Report** – A quarterly report is to be introduced which in addition to reporting on the property portfolio SMART targets will also provide an overview of each area of property / property management, i.e.:

- Corporate landlord – Operational Portfolio
- Corporate landlord – Non-Operational portfolio
- Regeneration Portfolio
- Capital Programme
- Unity Partnership – Property Services

	1	2	3	4	5
<i>Objective</i>	Financial Management	Co-operative Borough	Safety, Health & Environmental Management	Economic Growth	Efficiency
<i>Definition</i>	Optimising the return from capital employed, reducing revenue and generating income.	Supporting the Council’s Cooperative Agenda and place based service delivery; including working with partner organisations; schools and the OPE.	Supporting the Council’s environmental policy and health and safety obligations.	Using property to facilitate economic development and regeneration.	Ensuring value for money processes, data management, property management and decision making.
<i>Outcomes / Key Deliverables</i>	As property is capital intensive, the estate should	The Co-operative Agenda is a key priority of the	The Council is committed to identifying and tackling	Development to create new housing, commercial	Effective and efficient governance and decision

	1	2	3	4	5
<i>Objective</i>	<b>Financial Management</b>	<b>Co-operative Borough</b>	<b>Safety, Health &amp; Environmental Management</b>	<b>Economic Growth</b>	<b>Efficiency</b>
	be continually reviewed to identify opportunities to dispose of assets. This also reduces the running costs of the estate. Commercial property is owned to generate net income (total income after costs).	Council. For property, this is reflected in the Community Asset Transfer (CAT) Policy.	the safety, health and environmental issues arising from its operations and services, this includes buildings. For example, reducing energy consumption, reducing carbon emissions, operating safe buildings.	premises for new jobs as well as increased business rates and Council Tax.	making is essential for good strategic asset management. Similarly, data is a crucial prerequisite for the development of asset management plans, decision-making and performance management.
<b>SMART Targets</b>	1a Capital receipts generated 1b Revenue saved from assets disposed of 1c Total gross income 1d Total costs (operational & non-operational portfolio) 1e Total net income 1f Backlog maintenance 1g Recoverable expenditure via service charge from third party occupiers; e.g. to ensure statutory compliance	2a The number of CATs completed 2b Total capital spent on schools 2c Number of shared buildings with partners; e.g. academies, NHS	3a CO <sub>2</sub> production 3b Gas consumption 3c Electricity consumption 3d Water consumption 3e Number of buildings statutory compliant, e.g. building custodian daily checks undertaken 3f EPC ratings A-G	4a Total capital spent on non-schools 4b Jobs created 4c Housing numbers built 4d Total lettable area	5a Number of individual AMPs 5b A list of property processes in place and reviewed 5c Identification of high maintenance sites 5d Total void / non-occupied space 5e Total maintenance spend 5f Total work not ordered, i.e. work identified but not procured

## Delivery Plan 2018-2019

Council Portfolio as at 1 July 2018. To be used as a benchmark for quarterly reporting throughout the year.

Estate Name	Sites (Assets)	Tenancies				
		Tenancies (In)	Current Rent Payable	Tenancies (Out)	Current Rent Receivable	Total Tenancies
Service Delivery - Direct	196	53	-£ 149,982	262	£ 1,226,021	315
Service Delivery - Indirect	676	241	-£ 848,843	418	£ 125,970	659
Regeneration	242	192	-£ 301,460	300	£ 837,833	492
Cooperative	30	6	-£ 27	33	£ 32,503	39
Surplus / Vacant	348	162	-£ 2,134	2503	£ 59,366	2665
Income Generation	187	73	-£ 1,281	329	£ 777,693	402
<b>Grand Total</b>	<b>1,679</b>	<b>727</b>	<b>-£ 1,303,727</b>	<b>3845</b>	<b>£ 3,059,386</b>	<b>4572</b>

Strategic Asset Management Objective		2018/19 Action Plan
1	<b>Financial Management</b>	2018/19 is a base year, processes and procedures to be reviewed to enable Medium Term Property Strategy 2018-2022 to be implemented. <ul style="list-style-type: none"> <li>• Define SMART target</li> <li>• Confirm data required to report on SMART target, establish process for its collection and future management</li> <li>• Data cleanse programme</li> <li>• Prepare baseline data for SMART target</li> <li>• Prepare programme for incremental and continuous improvement in SMART target reporting; e.g. the number of assets included in the target</li> <li>• Change reporting metrics in Unity Partnership contract to reflect new SMART targets</li> <li>• Agree reporting format, frequency and responsibility</li> </ul>
2	<b>Co-operative Borough</b>	
3	<b>Safety, Health &amp; Environmental Management</b>	
4	<b>Economic Growth</b>	
5	<b>Efficiency</b>	

**Appendix**

	Summary	Land & Buildings Issues
<b>Corporate Plan 2017-2020</b>	<p><b>Ambition</b> - To deliver a co-operative future where everyone does their bit to create a confident and ambitious borough.</p> <p><b>Corporate Objectives:</b></p> <ol style="list-style-type: none"> <li>1. An Inclusive Economy where people and enterprise thrive.</li> <li>2. Thriving Communities where everyone is empowered to do their bit.</li> <li>3. Co-operative Services with people and social value at their heart.</li> </ol>	<ul style="list-style-type: none"> <li>• Delivering key regeneration projects that grow the borough's business base, creating jobs and transforming opportunities.</li> <li>• Transferring assets to communities to support the Council's co-operative agenda.</li> <li>• Reducing the size of the estate, introducing new ways of working within offices to increase value for money.</li> <li>• Reforming public services and encouraging innovation, leading to better outcomes and delivery.</li> </ul>
<b>The Oldham Plan 2017-2022</b>	<p>The Oldham Partnership is made up of public, private, community, voluntary and faith organisations in Oldham. They have created the Oldham Plan, a collective statement explaining how they can work together to help people, businesses and communities. There are three pledges:</p> <ol style="list-style-type: none"> <li>1. Commitment to cooperate as 'partner' organisations</li> <li>2. Oldham to have a fair, inclusive economy with resources and opportunities that everyone can benefit from.</li> <li>3. To have the best public services in Greater Manchester that work together to improve ways of living for residents</li> </ol>	<ul style="list-style-type: none"> <li>• Shared use of public sector assets</li> <li>• Accessible and well located buildings for services</li> <li>• Good property management services across the Borough</li> </ul>
<b>The Oldham Locality Plan 2016-2021</b>	<p><b>Vision</b> - To achieve and sustain the greatest and fastest possible improvement in the health and wellbeing for the 224,900 people of Oldham</p> <p>Delivered through a number of transformational programmes, led by the Oldham Integrated Care Management Organisation (ICMO), that will maximise the opportunities to pool budgets and integrate commissioning.</p>	<ul style="list-style-type: none"> <li>• The ICMO will require a streamlined, fit for purpose, modern and well-utilised estate. The long term vision of the ICMO is for the estate to be managed through a single estates function.</li> </ul>
<b>The Strategic Investment Framework</b>	<p><b>Vision</b> - To be a key economic contributor to Greater Manchester, providing a place where business and enterprise can thrive and where people will want to live, visit and work. It will also be a place where every resident is enabled to contribute</p>	<ul style="list-style-type: none"> <li>• Commercial space available for businesses to encourage enterprise</li> </ul>

	Summary	Land & Buildings Issues
	to and benefit from the continued economic growth of the City Region.	
<b>One Public Estate</b>	OPE is a national programme delivered in partnership by the Cabinet Office Government Property Unit (GPU) and the Local Government Association (LGA). It provides practical and technical support and funding to Councils to deliver ambitious property-focused programmes in collaboration with central government and other public-sector partners.	<ul style="list-style-type: none"> <li>OPE has three property related core objectives:                             <ol style="list-style-type: none"> <li>creating economic growth (new homes and jobs)</li> <li>delivering more integrated, customer-focused services</li> <li>generating efficiencies, though capital receipts and reduced running costs</li> </ol> </li> </ul>
<b>The Oldham Strategic Estates Plan 2015-2020</b>	<p>The Department of Health nationally require all CCG's to have in place a Strategic Estates Plan. A Strategic Estates Group with representation from across the public sector has been established to support the implementation of this plan.</p> <p>The Oldham Strategic Estates Group has the following vision: Our aim is to continue to provide a high standard of care for the growing and aging population of Oldham supported through an efficient estate which is fit for purpose, financially sustainable and which enables them to receive the highest quality planned and emergency services and care in the right place. With the right space in the right place, this will support truly integrated services across Oldham.</p>	<ul style="list-style-type: none"> <li>Integrated Public Sector Hub programme</li> </ul>
<b>Business and Investment Strategy</b>	The Business and investment strategy support the Strategic Investment Framework. In particular it assists in creating a balanced local economy, that includes both high value added jobs and employment opportunities for local residents.	<ul style="list-style-type: none"> <li>The availability of suitable, high quality sites and premises is a key factor in attracting new businesses to Oldham and enabling existing businesses to expand and grow.</li> <li>A requirement that business stock is fit for purpose.</li> <li>Address underperforming. Assets.</li> <li>Provision of new commercial floorspace and housing.</li> </ul>