

Northumberland County Council Asset Management Plan 2019-2024

March 2019

1.0 STRATEGIC CONTEXT AND REVIEW

1.1 Northumberland County Council's Vision for Asset Management

Northumberland County Council recognises the importance of the strategic management of its property assets. Property should be used primarily to enable the most effective provision of Council services, together with the achievement of strategic objectives, in the most economical manner. The key role that asset management planning performs in driving forward the Council's ambitions for improvements in service delivery is recognised and given the highest corporate importance.

The Asset Management Plan will continue to be developed for the County Council and will provide a framework to ensure that the strategic management of the Council's assets represents an efficient and effective means of service provision and that investment in those assets is targeted, justifiable and represents value for money.

The Asset Management Plan initially reviews work that has been undertaken to date to make the Council's asset portfolio more efficient and supportive of strategic priority delivery, including achievement of revenue savings, rationalisation and disposal of surplus land and property. It then identifies key actions which need to be implemented to deliver the plan outcomes.

It should be noted that the Asset Management Plan excludes Education, Housing and Highway Infrastructure Assets.

2.0 EXECUTIVE SUMMARY

2.1 Asset Management Plan Aims:

- to enable the achievement of strategic priorities, as identified in the Corporate Plan.
- to ensure that operational property is as efficient as possible and supports the delivery of high quality services both now, and in the future.
- to reduce the running costs of the Council's buildings through the adoption of agile working and disposal of surplus property.
- to invest in repair, refurbishment or acquisition of buildings to ensure a fit for purpose estate.
- to maximise the return from the Council's investment properties, generating additional revenue to support the Council's finances.
- to support regeneration across the county including provision of sites for new housing and clean economic growth.

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- to promote the One Public Estate philosophy through working with other public partners to achieve building efficiencies.
- to work with the third sector and private sector where appropriate, to better use assets to achieve Council priorities.
- to transfer responsibility for assets to local organisations, where appropriate, allowing community assets to be managed at a local level.

2.2 Delivery of outcomes :

- Undertake strategic decision making on the best use of property assets to maximise opportunities for regeneration and provision of sites for new housing and economic growth.
- Acquire property and land or undertake refurbishment where there is a strong sustainable business case to do so in terms of value for money or delivery of corporate priorities.
- Continue with a programme of asset rationalisation based upon an assessment of priorities and service needs.
- Identify latent or under-developed income potential within the Council's leasehold portfolio and release financially unsustainable leasehold property.
- Work with Services to support their Service Statement delivery and ensure that asset implications are identified and considered at the earliest opportunity. Support services across the Council to deliver transformational change programmes.
- Collaborate with public sector partners, under One Public Estate, to make better use of assets and deliver increased benefits through a shared approach.
- Encourage Community Asset Transfers where appropriate to allow community assets to be managed at a local level.
- Review the K2 property database to ensure it remains fit for purpose and provides improved information on property performance.

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3.0 REVIEW OF PREVIOUS ASSET MANAGEMENT PLAN 2007

The previous Asset Management Plan was written in 2007, setting out clear aims to improve the efficiency of the Estate by rationalising the portfolio to meet service needs and then investing in the retained Estate.

3.1 Key Events

It should be noted that three key events had a major impact on the Council's property portfolio:

1. The AMP 2007 was written prior to the full implications of the Local Government Review in April 2009 being understood. This Review significantly changed the shape and increased the size of the Estate by bringing the County Council and the six District Councils together under one unitary authority and amalgamating all of their assets.
2. In 2013, the Council established an arm's length development company, Arch (now Advance). Part of its role was to take on the management of the Council's commercial and industrial let portfolio. This element of the Council's Estate was transferred at market value to Arch in 2013/14 and is reflected in a significant capital receipt seen in those years. This transfer also reduced the Council's overall property running costs as in many cases there was a significant backlog of maintenance.
3. The financial recession of 2007 brought with it a period of austerity with pressure on Councils to make savings in revenue budgets. As a significant overhead, property has been able to play its part in achieving these savings.

3.2 Related Project Plans

Two key Project Plans were developed, in support of the AMP 2007, to review the form of the Estate and consider how the property portfolio needed to be adapted to meet the needs of the Council. New Ways of Working was adopted to reduce the reliance on buildings and make better use of technology and agile working:

- ***Project Workwell 2007***

Primarily looked at the operational office estate with a focus on adoption of new ways of working to free space in buildings and allow selective disposal.

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- *Town Plans 2011*

A systematic review of the whole Estate to identify opportunities for developing a fit for purpose property portfolio, primarily focussing on the major towns in the county. This was based on developing a Front Office and Back Office Model in each key town. The approach aimed to consolidate services into a smaller, fit for purpose Estate and dispose of surplus buildings. This programme required investment in buildings and technology to support agile working in an open plan environment. It required Property, IT and Learning and Development to work closely together to deliver the agile working model.

3.3 AMP 2007 Objectives :

3.3.1.Reduce the size of property portfolio by 30% by taking opportunities to re-provide and improve services through alternative means of service delivery

Local Government Review meant that rather than reducing, the portfolio expanded by 230% in April 2009. Since then significant progress has been made in rationalising the portfolio. The Commercial and Industrial Portfolio inherited from the Districts was transferred at market value to Arch in 2013/14. In addition systematic rationalisation and disposal of surplus assets from both the former County and District portfolios has further reduced the size of the estate by approximately 15%.

3.3.2.Reduce office accommodation needs by 30% over the next 5 years by adopting different ways of working

Whilst it has taken longer than envisaged the Council has now adopted an Agile Working model, backed up by appropriate technology and is in a position to significantly reduce the reliance on physical office space. Several buildings have already been released as a result of this approach and a significant part of County Hall will become available on completion of the refurbishment for use by others.

3.3.3 Pursue opportunities to move out of key properties which are expensive to run, represent high levels of maintenance liability, and/or would yield high value capital receipts

Local Government Review meant that the Council's combined Estate increased quite significantly in 2009. Despite a number of asset sales of surplus and poor quality buildings, the Council still retains a significant number of occupied buildings. A process of Town Review has determined which are the key buildings to be retained and which should be sold. This process has been ongoing since 2011.

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3.3.4 Generate an estimated £90m from the sale of assets over the next 5 years to support the Council's key capital investment priority linked to the Putting the Learner First initiative

As a result of the above projects 457 assets or part assets were identified which were surplus to requirements. The disposal of these surplus assets released a stream of capital receipts as set out below:

Year	Capital receipt
2007/08	£3,188,680
2008/09	£3,392,250
2009/10	£1,939,903
2010/11	£4,029,890
2011/12	£8,332,842
2012/13	£20,976,838
2013/14	£1,235,602
2014/15	£3,822,677
2015/16	£6,984,500
2016/17	£8,000,467
2017/18	£3,820,550
2018/19	£6,764,977
TOTAL	£72,489,176

Although significant capital receipts were generated, the target of £90m over 5 years was not achieved primarily because of two key factors:

- The financial recession, which began in 2007/08 led to wariness on the part of potential buyers to invest in property and a reluctance by banks to lend to potential buyers and developers.
- There was an initial reluctance by the Council to consider so-called Spend to Save Schemes, where an initial capital investment released potentially greater capital receipts in the future. This was particularly the case in the uncertain markets of the recession.

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3.3.5 Reduce annual property running costs by £4.4m over the next 5 years to deliver efficiencies, improve the delivery of value for money and make more resource for the Council's key priorities including schools, vulnerable people, waste management and customer service.

Annual building running costs have undoubtedly reduced as a result of the disposal of surplus assets. However, it is only recently that it has been possible to identify running costs on a building by building basis so the full benefit is not clear. In the last three years, annual building running cost savings of £1.2m have been achieved which will produce a total saving of £6.0m over the next 5 years.

3.4 Conclusion

Although the objectives of the AMP 2007 were not achieved within the initial 5 year targeted period, good progress has been made in rationalising the Estate over more recent years on the back of the Town Plan Programme. The new Asset Management Plan is intended to build on that momentum but with a greater focus on supporting delivery of the Corporate Plan rather than maximising capital receipts.

4.0 ASSET MANAGEMENT PLAN BACKGROUND

4.1 County Overview

Of the 48 English counties, Northumberland is the 6th largest county but the 5th most sparsely populated with a resident population of only 317,400. This population is not evenly spread through the county with 50% occupying only 5% of the land area in the south east corner of the county. The other 50% of the population is spread across the remaining 95% of the county. This geography limits the opportunity for consolidating services into fewer buildings whilst still being able to provide local service delivery.

The county has a number of main towns and secondary service centres:

Main Towns - Large Centres

Alnwick, Ashington, Berwick-upon-Tweed, Blyth, Cramlington, Morpeth and Hexham

Main Towns - Small Centres

Amble, Bedlington, Haltwhistle, Ponteland and Prudhoe

Service Centres

Allendale, Belford, Bellingham, Corbridge, Haydon Bridge, Newbiggin by the Sea, Rothbury, Seahouses, Seaton Delaval and Wooler

4.2 Estate Portfolio Overview

- The Council has a total of 1,371 separate land and building assets extending to a total area of 12,363 acres. Of the total 1371 assets the Council leases in 177 assets from third party Landlords and has granted 598 leases to third party tenants. Housing and Education Assets are excluded from further consideration in this report and will be the subject of separate plans.
- Excluding Housing and Schools, the Council's asset portfolio contains 443 buildings (including those in Parks). Of these there are 369 operational buildings, 42 are leased out to third parties and 32 are currently vacant awaiting reuse or disposal.
- Within the 443 buildings there are 330 freehold and 113 leasehold/licenced properties.

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These building assets perform a wide range of functions as set out below:

Number of Buildings by Asset Type

Service	Number of Buildings
Adult Education	7
Adult Services Establishments	15
Farms	6
Cemeteries	16
Children Services Establishments	31
Various Community Assets	18
Community Centres	25
Council Depots & Recycling Centres	25
Fire Stations	15
Industrial Units	6
Leisure Centres	11
Libraries	28
Offices	27
Public Conveniences	66
Public Parks	24
Recreation/Sports Facilities	38
Tourist Info Centres	4
Other	7
Leased out Premises	42
Vacant Property/Surplus	32
TOTAL	443

4.3 Property Management

Responsibility for the management of the Council's Property Estate falls under the remit of the Head of Property Services and Capital Programme, a post that sits within the Finance Directorate.

Within Property Services are teams which provide all aspects of property management and maintenance:

- **Statutory Testing & Property Maintenance** – responsible for arranging both day-to-day repairs and statutory maintenance for the Council property portfolio including those schools that opt in via an SLA. A 24/7 help desk is available throughout the year.
- **Capital Project Management** – working with external partners, responsible for ensuring the effective delivery of all property capital projects across NCC within agreed budgets and to agreed timescales, scope and specification.
- **Corporate Landlord** – responsible for providing users of multi-service buildings with a fully maintained, fit for purpose office space and ensuring all other Council buildings remain legally compliant.
- **Strategic Estates** – responsible for developing and implementing strategies to create a smaller, better quality property portfolio whilst reducing costs and generating capital receipts. Also responsible for managing the portfolio to protect and enhance the Council's position both operationally, legally, sustainably and financially.

It should be noted that in spite of a significant increase in the size of the Council's Estate in 2009, staffing numbers to support this portfolio have decreased significantly over time.

4.4 Corporate Plan

In February 2018 the Council published a Corporate Plan to set out the Administration's key priorities for the period 2018 to 2021.

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The Key Aims of the plan are as follows:

“We want you to feel safe, healthy, and cared for” [Living]

We are committed to ensuring that all of you feel safe, valued, and part of your community.

“We want you to love where you live” [Enjoying]

We are committed to ensuring that all of you live in distinctive vibrant places, which you value and in which you feel proud.

“We want you to have access to the things you need” [Connecting]

We are committed to ensuring that all of you can easily get to work, to learning, and to the various facilities and services you want to use.

“We want you to achieve and realise your potential” [Learning]

We are committed to ensuring that all of you, regardless of your age and your circumstances, have the right qualifications and skills to secure a good job that pays well and provides the prospect of a rewarding career.

“We want to attract more and better jobs” [Thriving]

We are committed to ensuring that our businesses are booming by doing everything in our power to create the right conditions for economic growth. We want to be recognised as a county that is open for business.

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5.0 ASSET MANAGEMENT PLAN

5.1 To enable achievement of strategic priorities as identified in the Corporate Plan.

The Corporate Plan sets out a number of key areas that the Council intends to deliver on over the period of the Plan. A significant number of these relate to property:

5.1.1 “We want you to feel safe, healthy, and cared for” [Living]

Affordable housing

The Council has set a goal of delivering up to 1,000 new Council Houses and to provide these where possible on land already owned by the Council. However if appropriate land does not exist in areas where there is a housing need, new sites will be acquired by the Strategic Estates Team.

Specialist care housing

The Council has adopted a formal strategy - Extra Care and Supported Housing Strategy 2018. This has identified eight priority areas where provision of supported housing is not sufficient to meet current and future needs. Strategic Estates will continue to work with Housing and Care teams to identify appropriate sites and work with partners to develop suitable housing solutions. The Council has recently extended an existing provision for people with complex needs in Cresswell reducing the cost of external placements.

Support local meeting places - co-locate Council services

The Council aims to improve local access to its services. Strategic Estates will support Customer Services in mapping all potential access points across the Estate in order that they can expand resident access to a range of Council services.

Strategic Estates will also support the implementation of the Community Centre Strategy whereby Community Centres will be transferred to local organisations or Parish Councils to enable them to be better managed for the benefit of local residents.

5.1.2 We want you to love where you live” [Enjoying]

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Neighbourhood Services

The Council operates its Neighbourhood Services provision from a range of depot sites. These are continuously under review to ensure that they meet the needs of the Council. Investment is proposed in the Blyth, Bearn and Hexham Depots to ensure they remain fit for purpose.

Environment

The Council owns or leases significant areas of land which are used for recreation purposes. These include award-winning public parks, environmentally important areas (Area of Outstanding Natural Beauty, SSSI's), country parks and open space areas. These will continue to be carefully managed by the Green Spaces Team and Neighbourhood Services to ensure they provide an appropriate and attractive place for people to spend their time.

Historic Buildings

Northumberland is a county with a long and varied history. Within its portfolio the Council has a significant number of Heritage Assets, which include: Scheduled Ancient Monuments, Listed Buildings and Buildings of Locally Listed Heritage Assets. The Council aims where possible to manage these assets to preserve and enhance their historic quality and to find new uses for historic buildings either by the Council or other organisations.

Leisure Assets

Active Northumberland has been created by the Council as an arm's length charity to manage its portfolio of leisure centres. The arrangements with Active are subject to an ongoing review to ensure that the structure and links with the Council operate in the most efficient way for both organisations. This review will include the implementation of new lease arrangements for all Leisure Centre properties to ensure there is a consistent approach to all property matters across the Leisure Estate.

A significant programme of investment in Leisure Centres is planned with new Leisure Centres to be built in Ponteland, Berwick and Morpeth and refurbishment of Blyth and Hexham to be carried out.

Cultural Assets

Museums Northumberland has been set up by the Council as an arm's length charity to manage a number of key sites: Woodhorn Museum in Ashington, The Old Gaol and Moot Hall in Hexham, Berwick Town Museum and the Chantry Museum in Morpeth. The Council remains responsible for major repairs to these buildings and a 5 year refurbishment programme is currently being finalised for the Woodhorn site in conjunction with Historic England.

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The Council is also the owner of theatres and arts centres in: Alnwick, Berwick and Hexham. Appropriate lease arrangements have been set up in each location with an Arts Trust to ensure the buildings maximise their arts and culture offering. In Hexham, the building is shared with Council services ensuring Queens Hall remains at the heart of the community and a similar arrangement is planned for the Alnwick Playhouse which is currently undergoing a major refurbishment. Options for a new theatre and arts centre in Berwick are currently being explored.

Retention of Local Facilities

The Council aims where possible to retain a presence in the main towns and service centres to allow access to Council Services. Where this is not possible, alternative arrangements will be made to ensure access is possible through other methods.

5.1.3 “We want you to have access to the things you need” [Connecting]

Broadband

The Council aims to see high speed broadband rolled out across the County. The Council will continue to make its land available where required to support the roll out and agrees wayleave agreements with providers to facilitate this.

Transport

Strategic Estates works closely with colleagues in Highways around new road schemes or on repairs to the existing road network. This includes acquiring land to facilitate road improvements or temporary Licences to allow work to take place on the existing network. A key piece of work over the period of the plan will be providing support for the new Blyth Link Road Project. The Council will also continue to work closely with local communities to provide car parking facilities that support need.

Northumberland Line

A key project for the Council is the reopening of the railway line from Ashington to Newcastle to passenger traffic. The project requires the location of suitable sites for stations. Some of these will be reopening of existing stations, others may require a new station to be created and land used or acquired to do this.

Electric Car Charging Points

The Council is supportive of rolling out electric car charging points both within its existing office portfolio and within public car parks. This investment is being put into buildings with car parking. This often requires legal agreements with third parties to run cables or install facilities. As a charging point strategy for the Council emerges over the coming months, Strategic Estates will support as required to ensure a successful roll-out.

5.1.4 “We want you to achieve and realise your potential” [Learning]

Schools

Whilst the Education Portfolio is not included in this Plan, it should be noted that Property Services will continue to provide a range of assistance in a number of areas:

- Strategic Estates - Support in academisation of schools, land acquisition and disposal to support school reorganisation.
- Facilities - Caretaking and cleaning through individual school SLA's
- Statutory Testing - Management through individual school SLA's of their Statutory Maintenance and Repair and Maintenance programmes.

Education and Training

Property Services will support the Northumberland Adult Learning Service by working with them to deliver fit for purpose facilities. In particular investment is planned in providing new centres within the Leisure Centres at Hexham and Morpeth and a refurbished centre in Alwick to replace existing poor quality facilities.

5.1.5 “We want to attract more and better jobs” [Thriving]

Inward Investment and Regeneration

The Council is keen to use its assets to support inward investment and regeneration. This can include providing land for development and supporting businesses through Advance Northumberland. Strategic Estates will work with Advance to develop opportunities as they arise.

The Council has recently launched a campaign 'Discover our Land' which seeks to encourage people to work, visit, live and invest in Northumberland.

Tourism

Tourism is one of the key sources of income into the Northumberland economy. Northumberland is a largely rural attractive County which is a popular holiday and visitor destination. The County was recently voted Best UK Holiday County/Destination. The Council is keen to support tourism related activity and will create the infrastructure to support this through additional car parking, improved roads and investment in tourist related activity, such as involvement in The Sill National Landscape Discovery Centre by Hadrian's Wall.

5.2 To ensure that operational property is as efficient as possible and supports the delivery of high quality services both now, and in the future

5.2.1 Service Statements

Strategic Estates will work closely and proactively with Services to ensure that the property they occupy best supports the priorities set out in their Service Statement. A programme of Service Reviews will be initiated to discuss and assess the needs of Services in the coming years and to work with them to create a fit for purpose property portfolio.

5.2.2 Modern Office Environment

A modern office environment supports the introduction of Agile Working, allows more efficient use of space and provides a more attractive working environment for staff and visitors. Property Services will continue to look for opportunities to further rationalise the Estate through the introduction of agile working and refurbishment of appropriate office space to create a modern open plan working environment such as at McDonald House in Berwick and County Hall in Morpeth. If appropriate in certain towns, Strategic Estates will look to acquire new office buildings and relinquish old expensive leased buildings.

5.2.3 Corporate Landlord

Northumberland County Council operates a Corporate Landlord Model whereby all property is held centrally and only used by Services while they have a need. If that need changes the property reverts back to central control for reallocation or disposal. This central control enables strategic decisions to be made across the whole portfolio to ensure maximum operational efficiency.

As part of the Corporate Landlord Model, the Property Services Facilities Team directly manage all multi-occupied buildings - these are buildings where there is more than one service in occupation. For those buildings where there is only one occupier (eg library or fire station), that Service undertakes day to day management with support from Property Services as required

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5.2.4 Key Performance Indicators

Key Performance Indicators are used to measure the performance of the various Property Depts and these are detailed in the Property Service Statement. Further work is required to look at the creation of additional KPI's to monitor asset performance and inform strategic decision making. Examples include:

- Building running costs per square metre
- Occupancy cost per person
- Energy performance

5.2.5 Information and database management

Property Services use the K2 property database. This acts as a central source of property information for all teams.providing:

- Asset Recording - Tenure and legal obligations
- Repairs responsibility and reporting
- Statutory maintenance recording

A review of the database will be undertaken to confirm whether it is still fit for purpose.

5.3 To reduce the running costs of the Council's buildings through the adoption of agile working and disposal of surplus property

5.3.1 Agile Working

The Council has adopted an Agile Working Policy the aim of which is to:

Provide a framework for effective working practices based on work as an activity rather than a place. This will be achieved by empowering employees to work where, when and how they choose (subject to business needs and managerial approval) to maximise their productivity and thereby deliver the greatest value to the Council.

By removing the need to have a fixed desk for each member of staff the Council is able to reduce space requirements. An average target of 7 desks for every 10 members of staff has been set. It is understood that some teams will be able to more easily achieve this whilst others who are more desk based will have a space requirement of more than this.

The Policy requires buy in from Managers and Staff and support from both Property Services to provide a range of good quality 'hot desk' locations and Information Technology, to ensure that staff have access to all the information and connectivity they require from any location.

5.3.2 Management of Surplus Property/Disposal Protocol

The Council has adopted policies for dealing with the management and disposal of surplus property.

Surplus Declaration

Working closely with Services enables Strategic Estates to be aware of Service priorities and tailor property provision around future service needs. Changing priorities may mean that sometimes buildings are declared surplus to requirements by the Service. At the point that a building is declared surplus, Strategic Estates accepts the building into its management. The building must be left in a clean and tidy condition by the Service with all furniture, equipment and rubbish removed. The property budget moves from the Service to the Surplus Property Budget managed by Strategic Estates. Strategic Estates then manages the building until it is either reallocated to another use or sold. The revenue saving is then taken.

It is important that Services intending to declare buildings surplus provide as much notice of this as possible, so that the Council is not left with the financial and practical difficulties of managing a vacant building for longer than necessary.

Disposal Process

Strategic Estates manages the process of disposing of surplus properties and use a number of methods of disposing of land and property assets, depending on the nature of the Council's interest in the property.

Leasehold:

Where possible leasehold titles will be surrendered to the Landlord either by using a lease termination or break option or by negotiation with the Landlord. Strategic Estates proactively monitors lease end dates and break options to ensure that opportunities are taken where possible to vacate leasehold properties in favour of retaining freeholds. A full review of all lease agreements will be carried out both where NCC is a tenant and a landlord.

Freehold:

Where there is no alternative Service need, freehold vacant sites and buildings which have been declared surplus will be made available for sale or rent. By virtue of s.123 Local Government Act 1972, the Council has a legal obligation to achieve best consideration in the disposal of any surplus assets.

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Under the provisions of the General Disposal Consent (England) 2003, Local Authorities have the power to dispose of land at less than market value, where such disposals contribute to the achievement of the promotion or improvement of the economic, social or environmental wellbeing in respect of the whole or part of its area or of all or any persons resident or present in its area. (The amount foregone is, in effect, the Council's contribution to the particular project). Any 'undervalue' is limited to £2,000,000, above which the consent of the Secretary of State is required.

a. Open Market Sale

The marketing and disposal of surplus sites is undertaken by Strategic Estates appointing an appropriate external marketing agent. An assessment is made of the likely demand and market for a particular asset and target marketing is undertaken. Generally, all assets are placed on the open market (to demonstrate best value) and sold by way of informal tender or auction. However, off market/direct sales to special purchasers or Partner organisations are undertaken where the Council wants to achieve specific policy outcomes from the disposal.

b. Procurement of a developer

Where the Council has specific Council aspirations or wishes to ensure specific objectives are delivered in relation to a site over and above those required by planning policies, we will procure a developer. An example may be to bring forward development of new affordable homes, specialist housing for older people or specialist housing for people with care needs.

c. Joint Venture.

The Council is open to exploring joint venture development arrangements with third parties where there are demonstrable benefits to doing so.

5.4. To invest in repair, refurbishment or acquisition to ensure a fit for purpose estate.

Capital Programme

One off Building acquisitions, new builds or significant refurbishment projects are included separately in the Capital programme which is contained within the 3 year Medium Term Financial Plan approved by Full Council on an annual basis. These projects may for example include new Leisure Centres, Fire Stations or Office Buildings. In addition there is an annual capital budget for capital maintenance across the Estate known as the Stewardship Fund. There is also a separate capital budget for Leisure Facilities known as the Leisure Remedial Fund. Spend against these funds is managed by the Head of Property Services, prioritising health and safety issues and wind and weather-tight requirements.

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Maintenance of the Retained Estate

Condition Surveys are undertaken across the Estate on a 5 year cycle. These surveys identify the backlog maintenance associated with the properties in the Estate and prioritise capital replacement based on a risk matrix with health and safety items being allocated the highest risk score, followed by operational risk items. The Council has insufficient capital budget to carry out all low risk capital replacement work and therefore resources are targeted against the high risk items.

Day to day repairs and decoration are funded through the Revenue Account. The Council currently allocates a Maintenance Budget of £1.3 million p.a made up of £0.5 million for statutory testing and £0.8 million for reactive repairs. However this is insufficient funding to maintain the existing Estate to an appropriate standard and only enables essential health and safety work to be carried out. A review of funding will therefore be undertaken to enable the Council to move to a more planned approach for repairs going forward. In addition, budgets from sold buildings will be re-allocated to retained buildings to enable the level of repairs to be enhanced. Existing buildings with a significant backlog of maintenance will be considered for disposal and if necessary replacement.

Statutory Testing

A significant portion of the existing repairs and maintenance budget is spent on undertaking the tests and inspections legally required of a property owner. An in-house team manages and monitors external contractors to undertake the statutory tests on behalf of the Council.

Fire and Safety Checks

For multi-occupied buildings with more than one Service present, regular fire and safety checks are undertaken by Facilities Team staff. For buildings where there is only one occupying service, the senior officer for that service is responsible for fire and safety checks. An annual audit of all occupied buildings is carried out by the Facilities Team to ensure fire, security and health and safety procedures are in place and checks are being carried out and logged. There is a specific Corporate KPI to monitor the audit performance.

Sustainability

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Where a business case supports it, the Council will seek to install renewable energy facilities in both new and existing buildings. The Council already has a programme for installing Ground Source Heat Pumps in existing high load buildings. Solar panels have been installed on a number of buildings including the current refurbishment of County Hall. The Council is also supportive of rolling out electric car charging points both within its existing office portfolio and within public car parks. As a charging point strategy for the Council emerges over the coming months, Strategic Estates will support to ensure a successful roll-out.

5.5 To maximise the return from the Council's investment properties, generating additional revenue to support the Council's finances

Leasehold Review

A comprehensive review of all leasehold assets is planned. This will seek opportunities to maximise rental income where the Council is a Landlord. It will also seek to reduce expenditure on leasehold buildings where the Council is a tenant. Where possible the intention will be to withdraw from leases and consolidate into freehold properties. Leasehold buildings have a place where short term occupation is required but can be costly if used in the longer term.

Freehold Review

Where appropriate, we will seek opportunities to create further revenue income by leasing out surplus space in Council buildings created as a result of introducing agile working. County Hall is a prime example where this can be achieved.

5.6. To support regeneration across the County including delivery of new housing and economic growth

5.6.1 Town Forums

The Strategic Estates and Economy and Regeneration Teams have created a series of initiatives to drive regeneration across the County. Town Forums have been created to:

- Focus on developing and enabling the delivery of economic development and regeneration projects
- Act as a conduit between NCC and Town Councils to build partnership and support action
- Develop joint initiatives and engage the local residents in the work of both organisations on a place basis

A key aim is to consider how NCC's estate and interests can be utilised more effectively to deliver the local agenda. There is also the opportunity to build

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relationships with private sector developers and partners and engage with the VCS community in each town.

5.6.2 Regeneration Investment Group

The Regeneration Investment Group has been established to deliver and coordinate regeneration activity across the Council, Advance Northumberland and the private sector. The main projects are prioritised and monitored via the Regeneration Pipeline. Surplus Council sites are included in the Pipeline to focus attention on opportunities to use Council assets to deliver regeneration benefits to communities.

5.6.3 North of Tyne Devolved Authority

The Council is part of the new North of Tyne Regional Authority together with North Tyneside and Newcastle Councils. The Authority has set out six key pillars which tie closely with the Council's own ambitions:

Champion **of** **enterprise**
Securing investment, fostering trade links and creating the infrastructure needed for sustained growth and prosperity

Leaders **of** **tomorrow**
Supporting a high quality, inclusive education system to ensure young people have the skills and qualifications to take up quality training, apprenticeships and jobs

Hotbed **of** **talent**
Giving everyone the opportunity to thrive, attain a fair wage and access good jobs with continued training and skills development

Spark **of** **innovation**
Supporting businesses and entrepreneurs to grow and flourish

Network **of** **connections**
Developing a better transport system and investing in an ever faster digital infrastructure to create stronger links across the North and internationally

Pride **of** **place**
Creating communities of inspiring places, homes and spaces that support more sustainable, low carbon futures, set within an environment where people want to live, work or visit.

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The Authority brings with it funding from central Government of £600m over thirty years to facilitate these ambitions and to look at projects on a regional basis beyond county boundaries. The Council will work closely with its North of Tyne partners to deliver these combined aspirations utilising its land and property assets where appropriate.

5.6.4 Borderlands Growth Fund

Borderlands Growth brings together the five cross-border local authorities of Northumberland County Council, Carlisle City Council, Cumbria County Council, Dumfries & Galloway Council and Scottish Borders Council to promote economic growth and competitiveness of the area that straddles the Scotland-England border.

The Borderlands Growth partners are working together to deliver transformative change across the region. This includes two key economic challenges - the need for population growth and improved productivity.

Borderlands Growth is focusing on the factors which make places attractive to investors, visitors and those who may wish to relocate. The shared ambition is to play our full part in the Scottish and wider UK economy.

The Borderlands Initiative is focusing on several key themes, including: digital technology; innovation; low carbon; and energy. The approach is based on existing physical and infrastructure connections, and transport and connectivity are at the heart of the partners' proposals, linking the opportunities that can be created and informing future projects. Strategic Estates will support Borderland Growth projects as they emerge where there is a property or land requirement.

5.6.5 Affordable Housing

The Council has set a target to deliver additional affordable housing across the county but particularly in rural areas. High prices and limited rental stock brought about by Right to Buy have led to shortages of affordable housing for local people. Sites are being identified for the development of new housing across the county and close working with the Housing Department and Advance Northumberland will be undertaken to expedite delivery.

5.6.6 Rural Economic Development

A key element of supporting viable rural communities is to create and support employment opportunities in these locations. Where possible, the Council will strive to use its assets to deliver employment opportunities. Working closely with Advance Northumberland, this may include making land available for development or creating start-up units to encourage businesses to establish in the County.

5.7. To promote the One Public Estate philosophy through working with other public partners

5.7.1 One Public Estate North East

The County Council is a member of the One Public Estate Group that seeks to coordinate public sector activity across the north east region. Opportunities will continue to be explored for combined working with other public sector bodies such as the Northumbria Healthcare Trust.

5.7.2 County Estates Forum

Northumberland County Council has established a County Estates Forum which brings together Estates Officers from: NHS Property Services, Northumbria Healthcare Foundation Trust, NTW Mental Health Trust, North East Ambulance Service, the Police and the Council to share plans on a town by town basis. The Forum meets quarterly and has resulted in a number of opportunities for shared working being explored. The Forum will continue to meet as an arena in which to discuss opportunities as they arise.

5.8. To work with the third sector and private sector where appropriate to better use assets to achieve Council priorities.

The County Council is not always best placed to deliver either services or development. The Council therefore intends to work with partners where that will better deliver the desired outcome. For example, for Supported Housing, it may be more appropriate for an alternative Registered Provider to develop and manage a facility.

5.9. To transfer responsibility for assets to local organisations, where appropriate, allowing community assets to be managed at a local level

The Council has an adopted policy to transfer, where requested, buildings that would be better provided by Town and Parish Councils or Community Groups. The policy advocates transferring assets on a leasehold basis, unless the Transfer is to a Town or Parish Council in which case a freehold transfer could be considered.

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Town and Parish Councils have taken on responsibility for the majority of play areas across the county and in some locations have also taken on toilets, war memorials and community centres.

Opportunities will continue to be explored with Town and Parish Councils and other Community Groups to provide appropriate services more locally. A Community Asset Strategy will be developed in conjunction with Town and Parish Councils to look at the categories of assets that may be suitable for transfer and to establish a programme of how this could be achieved.

Author and Contact Details

Mike Turner, Head of Property Services and Capital Programming
(01670) 622905
Mike.Turner@northumberland.gov.uk