

**Manchester City Council
Report for Resolution**

Report to: Resources and Governance Scrutiny Committee – 8 September 2016

Subject: Property Annual Report

Report of: Strategic Director, Development

Summary

The following report covers Property activity over the last 12 months. It reviews activity in Development and Investment; the Heritage Estate and the Operational Estate. In line with the request of the Neighbourhoods Scrutiny Committee in October 2015, the report also provides information about the strategy and initiatives to bring Heritage buildings back in to use.

Recommendations

That Committee note and comment on progress to date as set out in the report.

Wards Affected: All.

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Background documents (available for public inspection)

None

1 INTRODUCTION

1.1 This report covers the work of the property service over the last 12 months. It is broken down into three main sections to reflect the broad areas of property activity as follows:

- Development and Investment
- Heritage Estate
- Operational Estate

2 DEVELOPMENT & INVESTMENT

Development Overview

2.1 Over the past 12 months the Development and Investment function has further consolidated its position as leading on development activity for the Council. It is fully aligned to the Council's growth and reform strategy and its aim of establishing the City as a major economic and cultural centre, both in the UK and internationally.

2.2 One of the Development team's key roles is to ensure that the City's land and property assets are used to help Manchester develop into a prosperous and sustainable city as well as delivering value for money. We actively support key economic, residential, sporting and cultural initiatives, including Manchester Place and Manchester Life, Airport City, First Street, St. John's, heritage assets such as Heaton Hall and Park and new community leisure centres. We also lead on major projects such as Sharp and Space, Central Park and Heron House, town and district centre redevelopment as well as a range of residential and commercial schemes and property transactions across the City.

2.3 The Development team is also responsible for the Council's investment estate and for management of the Council's outsourced property and valuation contractor (Jacobs). Some key assets such as the Airport are managed in-house, whilst Jacobs look after most of the ground lease, industrial and commercial property. The investment estate generates a significant income for the Council and one of our priorities is to grow this income whilst also continuing to generate capital receipts. The Development Team is able to advise on all property and development aspects of initial proposals and more detailed schemes as well as the management of land and property held for investment purposes. This often involves assessing the financial benefits of projects or schemes (both short and long term) alongside environmental and regeneration benefits and impacts and the ability of the partners to deliver.

2.4 In addition to its development role and management of the Investment estate, we provide support and advice on the lease and occupation of Council property that is currently operational or has ceased to be operational.

2.5 An emerging and increasingly important role for the Development Team is determining whether the Council should engage powers contained in the Town and Country Planning Act 1996 that allows the Council or those deriving title under it, to over-ride restrictive covenants over land to allow for proper development to take place. The majority of this work relates to City Centre development and includes removing the threat of an injunction that would stop development where a party's rights to light are adversely affected. A number

of land transactions that support this strategy have recently been undertaken or are in the negotiation phase. Currently the Development Team are involved in schemes that would deliver in the region of 2,500 residential units and 1.5M sq ft of commercial space.

- 2.6 The following paragraphs summarise the main achievements and areas of activity over the last 12 months. In terms of looking forward, please note this report has been written before the decision to Brexit. The implications of this decision are being reviewed and will be the subject of separate reports from the Chief Executive covering the impact across the full Council services including development and investment activity.

Commercial and Employment

Sharp & Space Projects– Digital Media

- 2.7 The Development Team has been instrumental in the delivery of the SHARP Project in Newton Heath, which has been open for 7 years. The building provides space and support for over 60 businesses involved in the creative and digital content sector and it is currently operating at capacity. Our role is primarily one of supporting The SHARP Project Team in managing lettings and tenancies and providing senior officer support. We are leading a feasibility study to appraise the potential options for further investment into the project to ensure it can continue to grow and remain a successful part of growing the City's Digital Asset Base. Approval by the City Council's Executive, for a budget of £125k to take forward feasibility work and a detailed appraisal, was secured on 29th June.
- 2.8 The acquisition of One Central Park (OCP) was completed in June 2014 as part of a further initiative to expand on the success of The SHARP Project and to grow the digital and creative content sector. Working in partnership with The SHARP Project EON Reality, a 3D imaging company, has been secured as a tenant and they have established their European HQ in the building. Since its acquisition, management of the facility has improved with a reduction in operational costs and rent increases agreed for under rented tenancies. This has allowed the facility to move from being loss making in early 2014 to achieving a revenue surplus of £127k in FYE 15/16. Feasibility work looked at the potential for further capital investment into the facility to significantly improve income generation and enhance its ability to contribute towards the growth of the digital and creative content sector. The Executive have approved a £5.3m capital budget for the delivery of the recommendations set out in the feasibility report to refurbish and remodel OCP, to be delivered on an investment basis.
- 2.9 The success of the SHARP project helped to establish the case for the SPACE Project in West Gorton, the first phase of which is now operational. The project involved the refurbishment of the former Fujitsu data centre to provide Manchester with high quality TV and film production stages to serve the domestic and international market. The £10.4m costs were supported by grants from the European Regional Development Fund (ERDF) and the Homes and Communities Agency (HCA). 120,000 sq ft of production stages, support space and workshops with hi-speed connectivity are now in use by a range of clients including the BBC, Sky, ITV, Channel 4, Sony Big Talk and

Tiger Aspect as examples. Productions made at The Space Project include drama, 'The A Word', 'Houdini and Doyle' for ITV and Fox and the BBC's 'Dragon's Den'. A £14m expansion of The SPACE Project is now progressing with Phase 2 due to start on site early 2017. This will deliver a further 30,000 sq ft stage, 6,396 sq ft of production support space, 10,000 sq ft flexible workshop space and 40,000 sq ft of small business units for supply chain businesses. Interest in the small business units is already high, and we are currently negotiating terms with a potential anchor tenant for 10,200 sq ft of space.

- 2.10 All three businesses performed ahead of their business plan projections in the 2015/16 financial year with The SHARP Project and The SPACE Project both achieving a small surplus and One Central Park providing a surplus of £127k against a budget forecast of £67k.

Manchester Airport & Enterprise Zone

- 2.11 Manchester Airport continues to develop internationally and is a major economic driver to the Region. Over the past 12 months the £800m development of Airport City North has been agreed with the Manchester Airport Group (MAG) and the rent review agreed on the main Airport lease with the MAG group that will increase our rental income from the facility.
- Airport City North comprises 44 hectares of land to the north of the Airport terminals that will deliver a mixed use development of offices, hotels, advanced manufacturing and other ancillary uses. The objective is to create a vibrant 'Central Business District' area that will provide support services to Manchester Airport. In order to help facilitate the scheme, land acquisitions, lease re-gears and agreement for leases and new leases were agreed with the Airport and their development partners in November 2015 after an extensive period of negotiation led by property consultants GVA but supported and overseen by the Development Team. The drawdown of leases for development commenced in March this year, triggering the payment of over £3.373m by MAG to the Council. Initially, development will focus of the huge infrastructure requirements to enable subsequent development of offices and hotels. The new link road connecting SEMMMS to Terminal 2 is anticipated to be complete by October 2017. Our ongoing role will now be to monitor development as it progresses ensuring overage due to the Council is verified and optimised. We continue to work with colleagues in other Council Services and various other agencies to deliver improved road, rail and tram links to the Airport Commercial Development
 - Airport City South is a new logistics hub on a 34 hectare parcel of land adjacent to Junction 6 of the M56 motorway to the south of the airport terminals and apron. The scheme will significantly enhance the Airport's existing freight business through enhanced cargo handling areas and additional airside access. A 40,000 sq ft logistics unit constructed for DHL is now operational and work recently started on a 1million sq ft warehouse facility for Amazon to construct a large fulfilment centre that is anticipated will create 1,500 new jobs

New Smithfield Market (NSM)

- 2.12 Over the past 12 months a comprehensive review of the existing rent and service charge system has been undertaken by Cushman Wakefield, Chartered Surveyors to ensure that a more effective and transparent approach is adopted to annual budgeting and charging at the Market facility. It is hoped that over the next 12 months this approach will be implemented.
- 2.13 Guidance has been provided by the Development Team to a number of projects being developed at the site. These include:
- Leading on the funding requirements and securing a grant of £1.4m from the Marine Management Organisation for the investment in a New Fish Market building and its application towards the works on site which have now been successfully completed.
 - Advice to NSM in connection with the structure of a new investment for an Anaerobic Digestion Facility including the financial requirements, business plan and lease terms
 - Guidance has been provided to NSM in connection with the valuation, legal requirements and marketing of a prominent production / warehouse building known as Cheshire House, which is to be offered to the market this summer

City Centre

- 2.14 Demand from investors and occupiers, particularly in the residential, office and leisure sectors continues to be very strong and the last 12 months has seen a number of major schemes involving Council assets that have progressed in the City Centre. These include:
- Spinningfields: The development of the final two significant plots within the Spinningfields master plan is well underway. The XYZ building, which will deliver high quality managed office space, is almost entirely pre-let. A land sale to Allied London delivered a capital receipt to the Council, repaid the Evergreen loan which can now be recycled, and secured further capital for Allied to invest in other projects within their extensive portfolio across the City. The development of the iconic No 1 Spinningfields tower is well underway and following a series of land transfers the threat of injunction from neighbouring landowners has been removed with a right to lights agreement between the three parties now concluded.
 - First Street: Following completion of HOME last year, the wider First Street North development has been completed with a range of food and beverage operators taking space within the scheme. The developer is now on site delivering a 200,000 sq ft office scheme in the First Street Central development and planning approval has been secured for a 640 unit Built to Rent scheme in the First Street South area.
 - Jacksons Row/Bootle Street: The former police station is to be acquired by a Joint Venture partnership comprising Zerum, Rowsley and BCEG (Chinese construction group). The main focus of activity this year was to secure an equity funding partner to support the development of a hotel, residential, office and ground floor leisure. Detailed pre-application discussions are now taking place between the Council and Historic

England and the parties are also drawing together the detailed commercial and funding plans which will guide the development protocols and ensure all parties aspirations for the development are achieved.

- **St. John's:** This scheme involves the redevelopment of the former Granada studios complex as a major mixed use scheme that will transform this area and spatially connect Spinningfields, Castlefield and the Museum of Science and Industry. A key aspect of the scheme is the Factory – an iconic arts and cultural centre. The scheme is being delivered by the City Council with Allied London as development partner. We are also supporting the City Centre Regeneration team to secure the land interests to facilitate the construction and delivery of The Factory. The development of St John's has also prompted the strategic acquisition of the 4 acre site of the Manchester Industrial Estate off Water Street and a refreshed Strategic Regeneration Framework is being produced for this area, to provide further linkages and connectivity to the wider St Johns area.
- **Little Peter Street:** building on the investment that the Council and its partners have put in place on the neighbouring First Street site a 1.6 acre site of the current Bridgewater Car Park, Little Peter Street has recently been marketed and a preferred developer is in the process of being selected.
- **London Road Fire Station** – following a targeted and prolonged campaign with the owners of the building, the Council was able to negotiate a position with them that saw the Grade II* listed building placed on the open market for sale. Allied London acquired the building earlier this year and they are preparing plans for a mixed-use refurbishment of the building to bring it back into beneficial occupation.
- **Oxford Road** – The Council has entered into a Memorandum of Understanding with Network Rail to bring forward a comprehensive redevelopment of the Oxford Road Railway Station site. Bruntwood has been identified as the preferred development partner and is carrying out due diligence on the site in advance of the Council / Network Rail formally appointing them as the development partner for the scheme. It is anticipated that a formal appointment will be made in mid to late 2016 following consideration of their appointment by the Executive.
- **Heron House** – Executive approval has been obtained for a major refurbishment of Heron House using Council resources. A professional team led by Bruntwood were appointed last year and the team are now working up a detailed design with the aim of being on site early in 2017. The scheme includes a full upgrade of all the office space for commercial lettings, taking advantage of the large floor plates and central location to secure lettings. The building will benefit from a significantly improved fully glazed entrance from Albert Square, full refurbishment including air conditioning of all the office space and common areas and an enhancement to the courtyard. The professional team are also looking at an upgrade / rationalisation of the Registry accommodation on the first floor and potential improvements to the retail units on Brazennose Street.

Other Commercial Development

- Siemens: Working in partnership with the site owner, Siemens, the selection of development partners who will deliver up to 100 new homes and 160,000 sq ft of commercial space on site with associated public realm has been completed. An overarching Legal Agreement with Siemens has been negotiated which will govern the delivery of development at the site. Phase One – a state of the art Spire Hospital – is well underway and due to complete in January 2017 and a Planning Application for the next phases will be forthcoming this summer.
- Central Park: 39 acres of undeveloped land was acquired from the Homes & Communities Agency (HCA) in March. Following a detailed review, work is progressing on how to develop out the site for B1, digital media and high value manufacturing uses. This process will include a revised master plan and the rebranding of the Business Park.
- Mayfield Regeneration Area: A major development comprising 800,000 sq ft of commercial offices, 1,330 new homes, a 350 bed hotel and a 6 acre City Park is proposed for this strategic site on land to the south east of Piccadilly train station. The majority of the land is owned by London and Continental Railways (LCR), with the Council and Transport for Greater Manchester owning small portions of the development site. The scheme is being promoted by the three partners collectively known as the Mayfield Partnership. The Development team have been providing commercial support and advice to the partnership. An OJEU selection process is currently underway to select a development partner and the process should be completed by the end of summer this year. The scheme will be fully integrated with Network Rail's proposals for the Northern Hub at Piccadilly Station, HS2 and with the wider regeneration of Piccadilly.

Residential

- 2.15 The Manchester Residential Growth Strategy was approved by Executive in March 2016 and sets out a clear vision and set of priorities to ensure that we can meet the housing demands of our growing and changing city. The priorities set out in the strategy support the city's sustained growth and ensure that there is affordably priced housing across all market segments to meet demand. They show where we need to focus our resources and capacity as a City to meet our housing ambition to ensure that housing supports the City's economy and that we have a range of quality housing for the people who live here and want to continue living here.
- The Manchester Residential Growth Strategy priorities are:
- 1: Increase housing building on existing and new sites
 - 2: Improve the quality and sustainability of the city's housing
 3. Increase opportunities for home ownership
 4. Expand the family housing offer
 5. Professionalise the private rented sector
 - 6: Provide appropriate housing options for retirement living.
- The Residential Growth Strategy priorities will have an impact across the City and involve activities which will have an impact on communities and local

residents. The Strategy is Manchester specific and this is reflected not only in the theme of housing for a growing workforce but also in the need to improve the private rented sector and to make sure there is appropriate housing available for retirement living.

2.16 The Property Development Team play a key role in helping to deliver this strategy through our role on the Manchester Place and Manchester Life initiatives and the major schemes detailed below:

- Moston / Harpurhey – This scheme continues to prove popular, although growth in prices has been limited. Redrow have completed a further 53 two, three and four bed family homes in the last 12 months for owner occupation with 250 houses built since development commenced in 2010. The scheme has provided much needed diversity to the local housing market and has proved to be popular with purchasers. The scheme has also generated significant capital receipts for the Council.
- At Beswick - Lovell commenced development of a further 125 family housing units last year and to date 75 have been completed. Lovell is now reviewing plans for the final phase of the scheme which will deliver approximately 25 units on the St. Jerome site.
- Maine Place - the lease for the last phase of development (phases 6 & 7) has now been agreed with Prospect Homes. The scheme has proved popular in the local market with healthy sales figures. To date there have been 235 sales with 37 completions in the last 12 months
- West Gorton –The Council's development partner, Keepmoat, is progressing very well on the construction of new homes for sale. Phase 1 comprises 192 units. Keepmoat have been on site for approximately 18 months and in the last 12 months a further 72 new homes for sale have been completed. Discussions will commence in the coming months for the draw down of the Phase 2 Lease ahead of programme. Planning Permission has been granted for the Community Hub site and it is anticipated work will commence on site this summer.
- Miles Platting – we have supported the Private Finance Initiative (PFI) project manager on this project in respect of the settlement of outstanding compensation claims arising from the Compulsory Purchase Order (CPO) and in achieving vacant possession on various development sites.
- Toxteth Street – Development of this stalled housing scheme commenced on site in November and will see a total of 165, three and four bed family houses, comprising semi-detached, short terraces and detached properties. The first sales are expected later this year
- Louisa Street – This small development of 24 two and three bedroom houses in Openshaw was completed last year by First Step and was aimed at first time buyers. All the houses have been sold and occupied. The high quality design and specification, energy saving features together with its affordability was recognised in the Insider Residential Property Awards of 2016 when the scheme was awarded the Housing Development of the Year in the Insider Magazine Residential Awards for 2016.
- Former Stagecoach Site – A national marketing campaign has now concluded for the sale of this prominent site to a developer for a residential-led scheme. Rowlinson has been selected to develop the site and detailed legal negotiations are underway. A consultation and planning

application is anticipated this summer which will deliver around 100 new homes on the site.

- Infill Sites, Phase 1 – We have been providing property and development support on the disposal and development of a number of infill sites to facilitate family housing across the City. Phase 1 involves the disposal of six sites near to Queen’s Road, Cheetham Hill to Rowlinson Construction Ltd to develop out approximately 40 homes. Construction is anticipated to commence in the current financial year
- Northern Gateway - The Northern Gateway represents a vision for Manchester, clearly identified and set out by the Council in master plans and frameworks, to create and deliver a series of distinctive, but interconnected, residential areas on the northern edge of the City Centre as part of an overall requirement for the City to meet the demand for badly needed housing to support the growth of the City. In order to meet these strategic objectives, the Council is seeking an Investment partner with the financial resource, understanding and expertise, together with an aligned aspiration, to jointly drive forward and deliver this redevelopment over an area of 300 acres with the potential to supply 8,000 new homes over a 15 year period in order to meet the long term needs of existing and future residents and realise the full potential of the Northern Gateway. The Council has extensive interests within the Northern Gateway, and Officers in the Development Team will not only play a key role in the selection and structure of the joint venture, but will also work closely alongside partner Departments in supporting the selected Investment Partner in critical areas such as land assembly and disposal, urban planning, data gathering and supporting business relocation.

Housing Investment Fund

- 2.17 The first phase of development by Matrix Homes, the Joint Venture between the Council and Greater Manchester Pension Fund, has now reached practical completion across all 5 sites delivering 240 mixed tenure homes. The for sale units have all been sold and the rental units have been let by the Joint Venture (JV) to Places for People, the overarching managing agent. The JV is outperforming initial expectations and a second phase of the project is undergoing detailed due diligence and financial analysis to establish viability before new contracts are entered into.

Manchester Place

- 2.18 Manchester Place is a unique collaboration between Manchester City Council and the Homes & Communities Agency (HCA) to drive forward the housing supply needed to support the wider growth agenda. Manchester Place will direct the powers and skills of the public sector to ensure that conditions are created and maintained to enable private sector partners to deliver new neighbourhoods of choice. This will be undertaken at a scale which provides a significant number of long-term investment opportunities for partners who share the City’s ambition and who understand the benefits of quality in terms of place and neighbourhood management. The Manchester Place collaboration, in conjunction with land owners, developers and investors, aims

to accelerate and ensure the successful delivery of strategic residential and commercial development initiatives across the city. The team supports the operations of Manchester Place. Initially through the collation and interpretation of land ownership information to provide context and constraint data in respect of short-medium term development priorities, through providing advice on the nature and form of residential development. More directly the team are involved in residential development proposals for the majority of large scale transformational projects at the edge of the City Centre and in a number of priority neighbourhood locations across Manchester, where a key objective for the team is to leverage in the greatest value added for the City as whole, in accordance with the residential growth strategy.

Manchester Life

- 2.19 The delivery of high quality accommodation at the edge of the city centre is a stated goal of the Residential Growth Agenda, and the Manchester Life project has been established to lead residential development in these areas. Manchester Life project is the result of a collaboration between Abu Dhabi United Group (ADUG) and will meet this objective by providing quality homes offering a new option to those looking to live in the City. The vision is to develop and manage a significant build-to-rent Private Rented Sector (PRS) portfolio, delivering a high level of service to those who choose to enter the private rental market. Exceptionally well-managed, high quality, well-located developments with relevant amenities will attract economically active tenants who choose to rent rather than buy. The schemes aim to increase the lifestyle choices available to existing and new Manchester residents, meeting a need for centrally located, stable, well-managed rental accommodation.
- 2.20 A collaboration agreement was signed in April 2015 which will grant 999 year leases on six sites in Ancoats and New Islington (which were previously acquired by the Council from the HCA). Work has started on site for the delivery of 400 units, predominantly for private rent over the next two years with planning on the remaining plots either secured or applied for. Land assembly has begun to secure the pipeline for phases two and three of the initiative. Work is also taking place on a refreshed Framework for the New Islington and Ancoats area.

District & Town Centres

- 2.21 District centres play a vital role for local communities. They are often central to the identity, character and appeal of a neighbourhood, surrounded by housing and accessible to all forms of transport. They can provide the focus for retail, leisure, public services, employment & educational as well as housing. We have been actively involved in a range of initiatives to improve the quality and offer in district centres which includes the delivery of new development. Current initiatives include:
- Openshaw District Centre (Lime Square): The final phase of this scheme was completed last year and the developer and owner of the Centre, Dransfield have been very proactive in securing a good range of tenants with only two small retail units vacant. We are continuing to support

Dransfield in the various events and festivals that they are intending to provide at the Centre in order to increase footfall and establish the Centre.

- Harpurhey District Centre: We are working with Habro, the owners of the shopping centre to develop a framework plan which will facilitate a long term approach to new development within the District Centre by utilising the respective landholding interests of both parties. As part of this strategy the Council has already acquired and demolished the former Conservative Club on Rochdale Road with a view to providing an improved frontage and entrance to the Centre and is looking to demolish the former Co-op building on Moston Lane.
- Wythenshawe Town Centre: Over the past 12 months we have been working closely with Allies Morrison and GVA on a framework to steer redevelopment at the Town Centre and secure new investment from the retail, leisure, commercial and residential sectors. It has been recognised for some time that the District Centre does not provide the type of physical environment or have the range of facilities that a Centre with excellent transport links and a growing population catchment of 70,000 people deserves. The proposals arising from this work and a plan to take them forward will be the subject of further consultation with local Members hopefully later this summer.

Leisure, sport and education

Schools

- 2.22 The Development Team provides property input to the completion of new schools which includes the acquisition of land to accommodate new schools or school expansions, and negotiating the leases for both Academies and Free Schools. This has included the Communications Academy in Harpurhey, the Creative and Media Academy in Charlestown, the East Manchester Academy in Beswick and Newall Green High School, Wythenshawe. The last 12 months has seen the commencement on site of the new Dean Trust Academy which is being developed on land at Stockport Road on land formerly occupied by Daisy Mill, which has been demolished. The school will cater for pupils aged 11 – 16 and is due to open in September 2016.
- 2.23 As part of the ongoing Education Basic Needs Projects, assistance will be provided to facilitate the extension to the Cheetham CE Community Academy at Cheetham Hill and the proposed Academy at Daisy Mill in Longsight.

Sports and Leisure Projects

- 2.24 Extensive support has been provided to colleagues in Leisure on a number of sports related projects, the main one being:
- Beswick Hub: The new leisure centre and pool together with extensive public realm works has been completed. The small remaining plot of land has been identified for retail or commercial use. The scheme builds on the investment to date in housing, the new Academy and the new 6th form Connell College. Adjacent to the College is the Manchester Institute of Health and Performance. Options for the refurbishment of the former Grey Mare Lane Station into a House of Sport, which would accommodate

various sporting partners on a commercial basis is currently being reviewed

Capital Receipts

- 2.25 A total of £8.2m of capital receipts were received in the year 2015/16 from the disposal of Council land and property, which exceeded the original estimate of between £5-6m at the start of the year. The total for 2015/16 included:
- £1.3m from further housing plot sales in the Redrow scheme in Moston;
 - £3.37m from the re-gear of part of the existing Manchester Airport Group (MAG) lease and the grant of two further leases to MAG on land at the Airport
 - £826,000 from the long lease of land to the Co-op to facilitate phase 2 of the Noma scheme
 - £673,000 from the long lease of land in Openshaw to the Little Greene Paint Company to facilitate a new headquarters for the Company, who are relocating from their existing premises in East Manchester in order to expand their business

Strategic Acquisitions

- 2.26 Responsibility for managing a programme of strategic acquisitions also rests with the Development Team and a number of important acquisitions have been completed this year in support of major regeneration and development schemes. These include the acquisition of 39 acres of undeveloped land at Central Park from the Homes & Communities Agency (HCA) and the acquisition of Manchester Industrial Estate at New Elm Road, Castlefield in partnership with the HCA which will build on and complement the St Johns' development. There have also been a number of acquisitions in the Holt Town area to support longer term proposals for mixed use development in this part of the City.

Investment Estate

- 2.27 The Investment estate generates income for the Council through the sale or lease of land and property to generate capital receipts and secondly in maintaining the Council's investment estate to generate income. Income from the Council's investment estate will however continue to provide a valuable source of income for the Council and could be increased. Requests from lessees to acquire freeholds or peppercorn leaseholds in exchange for capital receipts are generally resisted with income producing ground leases being the preferred option. Over the last 12 months there are indications that more healthy economic conditions is translating into more requests for re-gears of existing leases although the impact of the recent referendum decision needs to be kept under review. In the Holt Town area a number of commercial properties have been acquired and have been actively managed to increase the rent roll.
- 2.28 The investment estate has performed well over the past year with healthy increases in income from the Airport and Manchester Central, and modest increases from the ground lease estate, which provides a very secure income

- for the Council. For 2015/16, the investment estate generated a gross rental income of £18.126m which is just around 5% higher than last year's figures.
- 2.29 This increase has been secured despite significant decreases in the ground rent income received from the Arndale and Wythenshawe Town Centre.
- 2.30 The Arndale Centre was producing income of over £1.7m per annum in 2013 but this has dropped significantly in the last 2-3 years and is now hovering around £1m pa. The main reason for the drop is due to an increase in vacant units in the south side of the Centre (High Street / Market Street) and in particular the disproportionate impact that empty rates liability has on the Council's share of income due to the terms of the 2005 lease. The owner of the Arndale has recently presented proposals for the reworking of the Halle Square part of the Centre in order to provide a food court and this in part explains why the number of vacant units has been increasing. These proposals would, if implemented, have a significant short term impact on the Council's income from the asset during and after construction although in the longer term are projected to generate increased income. There are also wider concerns about the function of the south side of the Centre, which includes the BHS building. This property is the only part of the Centre that has not seen any major investment and is held on a separate long lease. Currently there are no plans to upgrade this part of the Centre.
- 2.31 Income from the Council's ground lease at Wythenshawe Town Centre has also decreased over the past few years. In 2013, the Council's income from the estate was £595k but has dropped significantly since then to £187k in 2015/16. The main reason for this seems to be a significant increase in service charge / empty rates deductions from gross rents rather than a drop in rental income. Whilst the increase in empty business rates from vacant office space explains some of the reduction, work is currently being undertaken to secure a robust analysis of the underlying position.
- 2.32 Voids from the investment estate are generally at a very low level but there is a negative impact on the Council's income of approximately £1.2m per annum from several leased in properties. The most significant of these is the long lease the Council has on 103 Princess Street (partly occupied by the Mechanics Institute) which continues to have a significant negative impact on the Council's investment income. Other more short term liabilities include the lease on the sixth floor of no 1 Piccadilly, where the Council has 3.75 years left on its lease. A sub-tenant is being sought for the lease following the vacation of HSBC but we are also looking at negotiating a surrender with the landlord.

Jacobs Contract

- 2.33 The management of the Council's non-operational (investment) estate and transactional work such as rent-reviews, lease renewals and some disposals are dealt with by Jacobs who are the Council's outsourced property management contractor. The existing contract came to an end last year and it was agreed that it should be re-tendered. A short extension to the contract has been agreed until the re-tender exercise is completed and a new contract awarded. Tenders are currently being evaluated and it is anticipated that a new contract will be in place by the autumn. The new contract will allow greater clarity to be established on the role of the contractor and the extent of

the estate that is to be managed, than exists in the existing contract. There will also be opportunities for the contractor to take on a more direct role in the management and maintenance of Investment properties and for additional professional support to be made available to the Council as required

Asset Valuations

- 2.34 The Council's property assets largely consist of operational and investment assets (non-operational). The investment assets are valued on an investment basis by way of a largely desk based review by reference to the class of asset and changes in investment yields. Operational properties are generally valued on a 5 year rolling programme with the valuations carried on a Discounted Replacement Cost basis. This means in practice that around 20% of the operational estate is valued each year. Over the past few years CIPFA rules have required a greater proportion of the estate than 20% and there is a cost implication to the Council of this requirement. Currently Jacobs undertake these asset valuations.

Surplus assets and land held for Sale

- 2.35 Most local authority assets are defined as operational or investment but there are some assets that do not fall within either of these categories and are defined as surplus assets and under CIPFA rules these also have to be valued. Over the last year a major exercise has been undertaken in house to value all the Council's identified surplus assets in order to comply with CIPFA rules and also ensure that land and property that is surplus, including property acquired as part of regeneration schemes is correctly valued in the Council's accounts. The valuations have been undertaken on the basis of their fair value in accordance with CIPFA rules and will be updated when there is a change in the nature of the asset or market conditions require a change in the valuation.

3.0 Heritage Estate

- 3.1 The Council's Heritage Portfolio contains a number of historic assets which are recognised as having the potential to contribute towards creating a sense of place and identity to the City's communities, increasing the attractiveness of our urban areas through an energised cultural and leisure offer. These venues will play a significant role in the Council's residential growth strategy through the creation of neighbourhoods of choice, and in many cases offer significant potential to increase access and to generate revenue income to contribute towards meeting their ongoing running costs.
- 3.2 Our aim is to provide strategic and practical advice and support to both their management and future use, and identifying investment for their upkeep and restoration. This has involved working closely with Historic England (HE) and the Heritage Lottery Fund (HLF) to raise awareness of the Council's Heritage assets and strategic priorities. We also support and advise other partners in the City in relation to non Council owned assets who are embarking on projects in or around heritage sites where we see that there would be an over-

- riding strategic benefit to the city region from the successful delivery of the project.
- 3.3 Since 2014 a Heritage Assets Priority (HAP) schedule has been re-established and is monitored by the HAP Board, chaired by the Deputy Chief Executive for Growth & Neighbourhoods. The work is led by the Cultural Development lead in the Strategic Development directorate working closely with the Development team. The buildings on the schedule are discussed at regular meetings with HE and HLF to ensure priorities are aligned. Top priorities are The Town Hall, Heaton Hall and Wythenshawe Hall.
- 3.4 The development of a Heritage Assets Strategy was completed in 2015, in partnership with HE. The document sets out the Council's role in protecting the historic environment which contributes to a sense of place and local identity. It also identifies clear lead roles for Heritage and governance mechanisms such as the HAP Board.
- 3.5 From the 2016/17 financial year, a dedicated budget has been set aside within the Council's capital asset management fund to facilitate investment in our heritage assets. There remains significant competing pressures on the overall budget and prioritisation of spend is ultimately determined by the HAP Board.
- 3.6 This year, in partnership with HE and HLF, we have established the Manchester Heritage Buildings Network, involving third sector organisations who want to develop the use of a listed building, some of which are in our ownership. We recognise the crucial role that the third sector plays in attracting funding for physical improvements to heritage buildings and in raising their profile with the wider community. Colleagues leading on Community Asset Transfer and Urban Design and Conservation have supported the network. Examples of attendees have been Friends of Wythenshawe Hall and Clayton Hall.
- 3.7 We also advise organisations that are developing the use of listed buildings, including those not necessarily in our ownership, but within an area of prioritisation as part of our overall growth plan or in their role in helping to deliver an MCC priority for People or Place.
- 3.8 The detail below is in response to a previous question from Neighbourhoods Scrutiny Committee in relation to our work with community groups and other partners in identifying viable uses for underused heritage buildings.

Heaton Park & Hall

- 3.9 Heaton Hall & Park: The Hall has been the subject of a comprehensive programme of ongoing repair works that over the past 4 years. Works completed to date have attracted positive publicity and significant partnership funding from Historic England. We have submitted a further application this month for an additional contribution to the final phase of works which will see the external envelope and urgent works to the Orangery completed. Progress over the last 12 months has included:
- Completion of a condition survey of Heaton Hall, including a Conservation Management Plan and room-by-room Gazetteer
 - Delivery of the third phase of a repair programme to address urgent fabric repairs at Heaton Hall. The first phase of works addressed repairs to and renewal of areas of roofing, and more recent works have addressed critical and urgent repairs to stonework and joinery.

- The Friends of Heaton Hall have started opening up the building once again on a monthly basis for public tours, as well as for Heritage Open Days and other events.
- Urgent works have also been commissioned and have now commenced to other buildings and structures in the Park, including repairs to the Grand Lodge, Colonnade (protection and safety works only at this stage), Temple, and surveys of disused buildings within the Park.

Wythenshawe Hall and Park

- 3.10 Wythenshawe Hall and Park: Following the devastating fire on 15th March this year, we have been leading the multi-agency team to consolidate and protect the building (in liaison with the insurance company and loss adjusters and alongside Historic England) pending its repair and restoration. We have secured funds to update records of the areas of the non-fire-damaged areas of the building and aim to design a scheme of works to restore those areas of the building to complement the works being funded through the insurance claim. The team has been praised for the speed of response and for the approaches adopted which will place the Hall in as good-a position for the future as possible. This includes very close working with the Friends of the Hall, and the Parks Management team to ensure that activities are able to continue as far as is possible

Clayton Hall and Park

- 3.11 Clayton Hall is one of the few remaining timber-framed hall-houses sitting within a 'moated' site within the north-west region, and has important local, regional and national social, economic and cultural links. We are working with the Park Management team and the Trustees of the Clayton Hall Living History Museum to review options for the development of the visitor offer at the site. The Hall is currently opened up by the volunteers 6 days per month, in addition to which they host a number of school visits each year. A number of studies and investigations have been undertaken which are helping to advise the next stages of the development. A programme of works to improve access to the whole building, to integrate the two parts of the building together, to improve security and fire detection systems, and to improve visitor facilities, is due to commence in the autumn of this year. The Trustees have also submitted funding applications to various private grant-providers and an expression of interest to the Heritage Lottery Fund to further enhance the offer from the site.

Heritage buildings

- 3.12 There are a number of other heritage buildings, where we are working with a variety of partners to ensure the future viability of these important assets.
- Crossley House - The Council has facilitated the use of the former Crossley House Youth Centre in Openshaw as a film set location for a major Channel 4 production. This has brought the building into temporary use, and secured a number of repairs to the building at no cost to the

Council. We are now reviewing the long term future reuse of this building together with the adjacent former baths and car parking sites

- Victoria Baths – We continue to support the Victoria Baths Trust in the management of this prominent site for which they act as the Council's on-site agents. This includes support in the maintenance of the building and reviewing of longer term development proposals. The site now operates as a successful events venue with a full programme of events within the building throughout the operating season.
- Manchester Board Schools – We are liaising with Historic England in relation to the significance of the remaining Manchester Board Schools to identify how they can be altered, adapted or reused to help meet the growing need for school places in the city. This includes working with a number of cultural partners to review options in relation to the possible reuse of the Grade 2-listed former Varna Street School building in East Manchester.

4 OPERATIONAL ESTATE

Corporate Landlord Overview

- 4.1 The Property Service is responsible for the future strategy, management, repair and maintenance of the Council's operational and non-investment estate. This includes all the buildings occupied by the services it operates (excluding schools), unlet land and buildings and certain properties of a public nature which are occupied by other bodies (e.g. the Bridgewater Hall).
- 4.2 The Corporate Landlord function was introduced with effect from 1st April 2014, and at the same time we became commissioning client for the newly formed Facilities Management (FM) service for the Operational Property estate – i.e. those buildings the Council utilises from which it delivers its services. From June 2016 the management of the FM team have moved to form part of a MCC Estates Team, which is responsible for:
- Full management of property assets
 - Full budget responsibility (capital & revenue)
 - Commissioning building related capital investment
 - Commissioning of planned and reactive maintenance
 - Commissioning of soft Facilities Management (FM) services
 - Maintaining statutory compliance
 - Responding to environmental targets & carbon reductions
 - Enhancing and developing income from 3rd party use of buildings
- 4.3 Having established the Corporate Landlord function and budgets, work has now progressed on continual service improvement, in order to ensure that the City has a sustainable operational property portfolio.
- 4.4 A key activity during the year has been to establish a robust governance structure and arrangements for the Council. This has been achieved and the Estates Board now sits on a six weekly basis. The key outputs for the Estates Board are:
- Effective asset management for corporate estates assets
 - Adherence to financial regulations and the corporate constitution
 - Timely delivery of estates transformation activities to support operational service delivery

- A cohesive approach to estates activities within MCC
 - Effective communications with the wider organisation in respect of estates utilisation and rationalisation
- 4.5 The Estates Board membership comprises of:
- Deputy Chief Executive (Growth & Neighbourhoods) – Chair
 - Deputy Chief Executive (People)
 - City Treasurer
 - City Solicitor
 - Strategic Director (Development)
 - Assistant Chief Executive (Growth)
 - Chief Information Officer
- 4.6 The Estates Board reports into the Executive Member Estates Board which comprises of the Executive Leads for Property and Finance, and they are the decision makers in respect of estates matters. Once their approval has been secured items where there is a requirement for progression through an established corporate process (e.g. Gateway process) would then progress through that established approvals process.
Sitting below the Estates Board are Steering Groups that manage the day to day management and delivery of property and FM services and the delivery of approved capital programmes in respect of the operational estate.
- 4.7 Work with Finance colleagues has progressed to re-align the budgets so they reflect the spend activity and monthly meetings are held to monitor spend against budget profile.
- 4.8 A new Property Strategy Manager took up post in 2015, and they have progressed work to ensure that the team can effectively delivery the day to day estates services and support the Estates Transformation activity. The team now actively engage with service delivery teams to ensure that they can support and advise on all property related issues.

Facilities Management progress

- 4.9 Work has continued in respect of the consolidation and development of the Facilities Management service. The Facilities Management Board has now changed into the Facilities Management Steering Group with a change of focus from strategic to operational delivery. The Facilities Management Steering Group forms part of the new governance arrangements; reporting into the Estates Board and through to the Executive Estates Board.
- 4.10 Following the recent organisational re-structure and move of FM management into the Estates function there will a review of the governance arrangements to ensure that it reflects the new organisation structure to ensure a joined up approach to service delivery.
- 4.11 During 2015/16 work has progressed on the standardisation of service delivery. A key focus has been the establishment of Key Performance Indicators and service delivery is monitored against those indicators at the Facilities Management Steering Group; reporting into the Estates Board at appropriate junctures.
- 4.12 Work has continued in respect of building on the newly introduced FM helpdesk reporting module within the Property Management (CPAD) system. This development enabled 'requests for service' to be sent directly to the contractor undertaking the works, and for the monitoring of those works. It

- has now been embedded within the service delivery and supported the reduction of a backlog of requests for service from circa 300 per week to a handful of cases most weeks.
- 4.13 The introduction of the systems also means that FM supervisors and managers have much greater visibility and control of the performance of the contractor and can ensure that payments are not made until such time as the works are completed and the job closed.
- 4.14 Further work has progressed to secure a further efficiency saving of £500,000 in the 2015/16 year and savings of £460,000 being achieved.
- 4.15 Work has progressed to transfer the Planned Preventative Maintenance (PPM) into a single team within the FM service area. The outcome of the single consolidated team is that there will be ongoing savings/efficiencies and a single standardised approach to this aspect of service delivery. Work is also progressing to ensure that all PPM activity is recorded in the CPAD system so the organisation has a comprehensive record of statutory compliance activity.
- 4.16 During the 2016/17 year work will progress to re-align the budget to correctly reflect both spend against activity and the savings that have been achieved. A review of the FM staffing structure has commenced and good progress has been made during the first Quarter of 2016/17 in progressing the re-structure. The restructure will support a more streamlined and effective FM service delivery function.

The Asset Management Plan

- 4.17 During the last 12 months an Estates Board governance arrangement has been agreed and a 4-Year Operational Estates plan will be produced. It is the intention for the plan to be developed in order to inform the October/November budget process.
- 4.18 The plan will be informed by the outcomes from a Stock Condition Survey activity which is progressing over the spring and summer of 2016. The outputs of this work will provide the Council with:
- up to date information on the condition of its operational property assets;
 - the priority and level of works required to bring/maintain the property to a fit for purpose standard;
 - comprehensive/up to date building drawings and boundary maps for the operational estate.
- 4.19 The information will be imported into the Council's property management system and the system is being developed to enable direct updates to stock condition data in the future, thus avoiding having to fund/resource a full survey of the operational estate in the future and ensuring that the Council maintains current data on the condition of the operational estate. The data will support the Council in understanding the capital costs associated with maintaining 'fit for purpose' estates assets and help make informed decisions.
- 4.20 Historically we have not taken a structured and planned approach to investing into and withdrawal from our operational estates assets. It is the intention that the detailed 4-year Operational Estates Plan will provide us with a forward plan of activity in respect of the operational estate and guide our decision on investment of our limited capital resources and identify what operating efficiencies/savings can be made, and when. We will be ensuring that our

- Estates plan is integrated and complimentary with our Workforce and IT Strategies.
- 4.21 The 4-Year Plan will be produced in time to inform the October/November budget process. Further detailed analysis will then be progressed to inform the Estates Asset Management programme and the Estates Transformation/Rationalisation programme, recognising the need to be flexible and respond to the emerging needs and requirements of operational service delivery teams, Devolution, Health and Social Care reform and the One Public Estate pilot.
- 4.22 On an annual basis the information on property data will be used to inform a rolling programme of Estates asset management, and the detailed planning. During the 2015/16 year we have worked on embedding and refining our governance process to ensure that the Council proactively manages its operational assets. This resulted in the full £8m budget being spent in year for the 2015/16 year.
- 4.23 The 2016/17 Estates Asset Management Programme has received approval through the corporate governance route and the delivery of the 2016/17 programme is now progressing, with suppliers engaged at an early opportunity to ensure that they have their resources and contracts in place to deliver the approved works.
- 4.24 Any change in priorities that arise during the course of the year that result in a change in spend/programme will be progressed through the corporate governance structure to secure approval to the changes in projects/spend ensuring visibility at all points in the decision making process.
- 4.25 Other Council teams also have visibility and input at the planning stage to ensure that they too can effectively plan and manage their own resources/workloads where there are overlaps and impacts from the estates asset management activity. This approach supports the organisation in avoiding duplication/waste by adopting a joined up approach, for example:
- FM colleagues can schedule Planned Preventative Maintenance with the knowledge of the various capital works and timings (e.g. not servicing a boiler due for replacement);
 - ICT colleagues have visibility of works and any impacts for their service area and be able to plan accordingly;
 - Delivery teams will be consulted to ensure that potential disruption to service delivery is avoided or kept to an absolute minimum whilst works are progressed.

Estates Transformation, Rationalisation and 4 Year Estates Strategy

- 4.26 During 2015/16 work has progressed on delivery of Phase 1 of the Estates Transformation activity.
- 4.27 We have successfully exercised the break clause and moved teams out of the Chorlton District Office as part of achieving the 2016/17 savings target. Further work to realise the savings target centres around the vacation of Wenlock Way. The total activity to deliver the Phase 1 rationalisation programme and achieve the savings involves:
- Full refurbishment of the Bold Street offices has been undertaken to provide a new Safeguarding and Improvement unit that will fully meet Ofsted requirements and support delivery of an enhanced customer

- experience;
 - Fit out of the first floor of Etrop Court has been completed to accommodate approximately 250 employees;
 - Installing an additional 184 desks in the Town Hall Extension, this will be achieved through 13 separate installations
 - In total we will be moving 1580 employees and undertaking 26 individual moves, with teams being moved into Etrop Court, Town Hall Extension, Bold Street, Tulketh Street, Halsbury Close, Longsight District office and the National Squash Centre.
- 4.28 The work will be progressing up to October 2016, and to achieve the above timeline, deliverables and savings the Estates Transformation Team will be working every weekend between April and October 2016.
- 4.29 Additionally work to support the move of Legal Services colleagues from the upper floors of the Town Hall to the Town Hall Extension has been progressed, with further move scheduled to take place over the summer period.
- 4.30 Working alongside colleagues in Children and Families Directorate work has continued to progress estates activities to support the Living Longer Living Better programme and the Health and Social Care reform work.
- 4.31 A Greater Manchester Strategic Estates Group (SEG) has been established and this group act as the strategic decision making body, with senior leader representation on the group. There are a number of groups (North, Central and South) that sit below the SEG that are responsible for the delivery of the approved project; the Estates team are represented at this level and are actively involved in the delivery as appropriate.
- 4.32 Close working arrangements between Estates and ICT has been established to ensure a joined up approach to delivering successful outcomes for the Council. This work will continue to ensure we understand how the two service delivery areas can collaborate to deliver better customer outcomes for MCC colleagues and public sector partners.

The Operational Estate

- 4.33 The Estates team continue to work closely with the service Directorates to review operational property requirements. They will continue to actively support the Estates Transformation work stream and provide support in managing the logistics for accommodation moves and decants to support the progression of the Estates Asset Management Programme of activity. They will manage requests for changes, ensuring that any such changes are visible to the Estates Transformation work stream to ensure that there are no conflicts in respect of demand for space and resource to deliver moves.
- 4.34 Activities during the year include undertaking 'business as usual' moves to support service delivery teams and wider council objectives, which include three Early Help Hubs across the city, a move of Manchester Youth Justice to Fulmead.

Property Rationalisation

- 4.35 During the 2015/16 financial year, approximately 3,000m² of accommodation has been removed from the Operational Portfolio, with a further 6,670 m²

reduction when Wenlock Way is vacated in September/October 2016. The reduction in Estate will support the service in achieving the savings target of £450k during the current financial year.

Community and Voluntary Sector Lettings

- 4.36 Since the last annual report an additional four transfers have been approved and leases have either been agreed or are currently under negotiation. A further 24 cases are in development. As reported last year, the VCS lettings policy has been amended to allow registered social landlords to benefit from the policy.
- 4.37 Interest in community asset transfer has continued to grow and generates considerable interest from organisations in Manchester. To make the process more accessible and provide less experienced groups with additional support and advice, a new training programme has been developed during the year.
- 4.38 The Manchester Community Assets Project (MCAP) training programme was developed by the community asset transfer manager in conjunction with Macc (the provider of support to VCS organisations in the city), 4CT (a prominent community organisation) and Steve Conway, the local Community Matters associate. The programme provides organisations with a much more comprehensive structured programme of support covering organisational governance, financial planning, fundraising and business planning.
- 4.39 Following delivery of this support, the group receives support to develop its' own business plan supporting a request for an asset transfer (as delivered in the previous year). A pilot programme funded by Community Matters was delivered between September 2015 and February 2016. Feedback from participants has been overwhelmingly positive (a full written analysis of the programme is currently being completed). So far, two formal requests for asset transfers (with accompanying business) plans have been received by participants of the programme with an additional 7 expected to follow over the next 3 months. Funding for additional training programmes is being sought for the coming year.
- 4.40 In addition to this an online resource has been in development that will provide organisations in Manchester with a list of assets that may be available for community asset transfer, along with a directory of community spaces in the city that can be rented. This is due to launch in July.
- 4.41 The guide to community asset transfer referenced in the last annual report has been completed and is now being given to groups enquiring about asset transfer. A short (2 hour) taster session on asset transfer has also been developed by Macc for groups that may wish to explore asset transfer further but are unsure whether to commit to the full process or not.
- 4.42 Further work is being progressed to analyse where there is a gap in the provision of community spaces, with the Our Manchester programme and the Estates team working collaboratively to understand how further provision of community space can be achieved where there is an unfulfilled demand.

Unauthorised Traveller Encampments

- 4.43 The Estates Team has continued to work successfully with colleagues in Legal and Neighbourhood Services and Greater Manchester Police to manage

unauthorised encampments across the city and to secure key sites. In August 2015 the serving of notices on unauthorised traveller encampments moved to the Enforcement and Compliance Specialist (Environmental Crimes), Neighbourhood Services. All site investigations are carried out via the Neighbourhood Compliance Team's, there are 3 teams in total based in the North, South and Central (inc City Centre) Neighbourhoods. The Estates team have continued to be responsible for the day to day management of the Traveller Site.

- 4.44 The figures in relation to unauthorised encampments on Council owned sites across the city are as follows:

2013/14 - 29

2014/15 – 28

2015/16 - 19

The costs to deal with unauthorised encampments in the 2014/15 financial year were circa £19,000. The costs of these works in relation to the 2015/2016 financial year were approximately £6,000.

5 SYSTEMS & RECORDS

CPAD

- 5.1 CPAD (Council's Property Asset Delivery) is a web-based property information and management system that the Service has been developing to record and manage its land and property assets and undertake property transactions. As previously reported the system went live in January 2014, and we have now had over two years experience using the system.
- 5.2 During the last 12 months there have been a significant number of issues progressed by the team and these initiatives are all focused on ensuring that the organisation exploits the system to secure efficiencies and holds and maintains comprehensive property information.
- 5.3 CPAD continues to support the delivery of the Corporate Landlord activity. During the 12 month period work has been ongoing to develop the team to hold comprehensive property information from the stock condition surveys work. The development includes the creation of an 'App' that will allow the building surveyors to update the system once any property works have been undertaken, ensuring that property information is always up to date. This in turn informs the annual Estates Asset Management programme of activity.
- 5.4 Work has continued with the FM team following the introduction of the FM helpdesk module and integration with Manchester Working Ltd (MWL). Work has commenced on the preliminary activity to ensure that the Planned Preventative Maintenance Module is complimentary with the stock condition data. This work now supports the on line reporting of statutory compliance works for the estate. Work on Planned Preventative Maintenance to ensure that the Council complies with it's statutory obligations continues to be managed and recorded through the CPAD system and is working well and delivering the intended benefits; providing easily accessible and visible information and supporting management and risk assessments.
- 5.5 Water monitoring testing is now being carried out by the supplier and the results are then updated directly onto the CPAD system using hand held/mobile devices. Any remedial works identified are being raised within the

- CPAD system and sent to the contractor via the interface.
- 5.6 In order to ensure that there is a planned and cohesive approach to the use and development of the system an in house CPAD User Group has been established, with membership consisting of all departmental users. The user group has full visibility on the use and development requirements for the system and is developing the governance and protocols for the forward development and use of the system.
- 5.7 The team are working with Education with the ambition that schools will be able to access their water monitoring data directly through the CPAD system, with the first tranche of schools schedule to go live at the beginning of September.
- 5.8 The CPAD team are continuing to identify opportunities for development of the system across the Estates team and other directorates. More recently discussion has taken place as to how we can record/hold Energy Performance Certificates within the system to support our ongoing commitment to reduce our carbon emissions.

Records

- 5.9 The team have undertaken a piece of analysis and costing exercise which resulted in all of the Serial Books (these are the legal transaction and completion statements for property transactions) being scanned and made available electronically, resulting in improved access to records, reducing physical storage and risk of the paper records deteriorating beyond useful life.
- 5.10 The team continue to update the system with peppercorn leases to ensure that there is a comprehensive electronic record for each lease.
- 5.11 The work has been undertaken alongside the Business as Usual activity of providing information to the organisation in respect of property ownership, transfers and other property transactions.
- 5.12 The team continue to provide services to other departments and members of the public with a range of services/enquiries including provision of plans, dealing with land registry enquiries and supporting the City Solicitor with the Voluntary Registration Programme and litigation claims against the Council.
- 5.13 Progress to date in respect of creation of property records is as follows:
- Backlog of Operational estate records have been completed
 - Backlog of Investment estate records (rent/income generating assets) has been completed

Work is now in progress to create property records in respect of 'peppercorn' leases, with the intention to follow on with vacant land and disposed assets as the final work stream.