

Asset Strategy 2022 - 2027

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Introduction

As a Council we recognise that the long-term success of the Borough as an attractive place to live, visit and invest is inextricably linked to creating a stable financial framework within which we can develop our service improvement and investment plans.

Securing financial stability is our number one priority as this will enable us to have the ability to drive forward the service improvements most needed by our communities. To achieve this we will need to ensure that our business model provides maximum value for money to ensure our primary focus is on delivering meaningful impact for the benefit of all those who live and work in the Borough. This will be achieved by:

- Effectively managing our finances to afford the required investment in the future.
- Supporting and equipping our workforce to be agile and customer focussed.
- Maximising the use of IT and technology to create efficiencies that enable greater investment in those with the greatest needs.
- Consolidating our assets to reduce our overheads and improve service integration through co-location.
- Putting the customer first in all our service planning.
- Learning from our customers' lived experience.
- Enabling people and communities to be as independent and resilient as they can be.

This strategy is one of five strategies that shape our new operating model and deliver on the improvement plan:

- **Asset Strategy**
- Customer Experience Strategy
- IT/Digital Strategy
- Medium Term Financial Strategy
- People Strategy

Strategic Context

It is important that we have an up-to-date Asset Strategy, to ensure that we can use and manage our assets efficiently and effectively and take decisions in a strategic context.

The current Asset Strategy was agreed in 2016 and provided a good framework for managing assets. However, since that time, there have been several significant developments. To take account of these we have reviewed the Asset Strategy.

In summary these developments are as follows:

- The Council has approved an updated Wirral Plan for 2021 - 2026 and this strategy takes account of the changing priorities from the previous Wirral Plan.
- A capitalisation directive from Government has been accepted by the Council (August 2022) and this requires a five-year disposal programme to be agreed with Government. This strategy provides the strategic framework in which that disposal programme can be agreed.
- New ways of working have been introduced facilitated by IT developments. These include flexible hybrid working and the strategy considers this.
- On the 15th of July 2019, we declared an environment and climate emergency. The resulting Environment and Climate Emergency Policy committed the whole organisation to action, to become carbon neutral by 2030 and the strategy takes account of this.
- A new Local Plan is being prepared and alongside this, ambitious regeneration proposals have been agreed for the Borough. This strategy will support the delivery of these ambitions by optimising the use of Council assets.

Given the fast pace of change, this strategy will be reviewed every two years to ensure that it enables us to deliver our priorities. At its core is the ethos of building resilience, wherever possible, into everything we do - to ensure we have the tools to reorient ourselves, continue to pursue our purpose and fulfil our responsibilities despite the influence of external forces whether they be environmental or economic.

Description of the Estate

This strategy sets out the framework for managing and transacting our varied and substantial property estate which consists of Operational, Community, Non-Operational and Investment assets. These are defined as:

Operational Assets directly support delivery of our services such as our Schools, Children's Centres, Community Centres, Offices, Civic Centres and Libraries, Coastguard Stations, Leisure and Recreation Centres, Museums, Theatres and Youth Clubs. Other assets indirectly support delivery of these key services such as Car Parks, Storage Facilities, Salt Barns, Garages and Depots (employing the principle of co-location and multi-use rather than single use)

Community Assets are managed and maintained to support the recreational, cultural and social well-being of the area. This includes an abundance of Public Open Space, Parks, Playing Fields and Playgrounds, Lakes and Golf Courses.

Non-Operational and Investment Assets which comprises income producing, commercially let properties used to support our revenue funding requirements or assets held to provide a return on investment.

Working Together

We realise the value of collaborating with partners, about getting more value from our collective assets - whether that is catalysing major service transformation such as health and social care integration; unlocking land for new homes and commercial space; or creating new opportunities to save on running costs or to generate income.

We are actively engaged in the One Public Estate (OPE) which is an established national programme delivered by the Office of Government Property (OGP) within the Cabinet Office and the Local Government Association (LGA).

The programme is about creating economic growth (new homes and jobs), delivering more integrated, customer-focused services and generating efficiencies, through capital receipts and reduced running costs.

We will continue to collaborate with our partner organisations to enhance our collective understanding of public service delivery strategies and estate needs and work towards a more joined up approach to strategic planning, across Wirral's one public estate.

A New Commercial Business District

In 2019 we embarked upon a key regeneration programme, creating a new office quarter in the heart of Birkenhead Town Centre.

This flagship project is one of eight major catalyst projects that form the **Birkenhead 2040 Framework**.

Our commitment and leadership in relocating to Birkenhead Town Centre will give confidence to other private firms and public sector partners to consider their relocation to a dedicated commercial business district (now named the Birkenhead Commercial District) and will support retailers, service providers and other businesses in the town centre location.

In addition, by co-locating in one or more buildings in a commercial business district, our current operational assets can be redeployed to maximise investment and development opportunities.

We are working together with regeneration colleagues to support delivery of this major programme of design and development covering 150,000 sq.ft of office space across two buildings, with our services occupying much of the space and the remaining accommodation used to generate rental income.

Statutory Requirements

The Asset Strategy ensures that all property decisions comply with relevant legislation and our wide objectives and commitments, as defined in the Wirral Plan 2021 – 2026, to ensure that the estate is used to best effect to enable our residents to have:

- **Safe and Pleasant Communities**
- **A Sustainable Environment**
- **An Inclusive Economy**
- **Brighter Futures**
- **Active and Healthy Lives**

The Asset Strategy supports delivery of the Medium-Term Financial Plan and the annual budget setting process and ensures compliance with our Capital and Investment Strategies.

The Asset and Capital Strategies are inextricably linked and it is vital that our capital programme complement Asset Strategy planning. The Re-Instatement of a Corporate Property Board, comprised of strategic asset and service leads, reflects the importance and recognition of making the best use of our physical resources.

The Corporate Property Board will ensure that capital resources available to us are strategically planned and managed, through investing in innovative approaches to service delivery and importantly in the built estate. It is acknowledged that strategic asset management planning will play a key role in how services can be transformed in the future and the Asset Strategy takes account of this.

Capital Strategy	<ul style="list-style-type: none"> • Service needs over the longer term • Existing assets • Gap Analysis • Affordability
Asset Strategy	<ul style="list-style-type: none"> • Current asset base • Maintenance & investment needs • Asset utilisation • Future investment requirements
Capital Programme	<ul style="list-style-type: none"> • Medium term plan for investment • Project based • Capacity to deliver and programming

We have a statutory responsibility to ensure there are sufficient school places available for children and young people in the right locations and at the right time to meet demand. This includes both maintained and Academy schools.

Asset Management works in partnership with education professionals and planners to form an integrated, strategic school plan. This is designed to meet demand in terms of capacity

but also to ensure that we provide the best learning environment for pupils, working conditions for staff and to enable schools to make the best use of their resources.

Long term pupil place planning considers existing facilities and how this aligns with Wirral's ambitious growth agenda. As new housing is developed and areas become more densely populated, the demand for additional capacity in our schools is likely to increase and may require investment to expand existing assets or to develop new school facilities. The Local Plan is a key source of intelligence in informing this decision-making process in that it sets out how land should be used to meet housing requirements over the next fifteen years.

Sustainability and Emissions Reduction

On the 15th of July 2019, we declared an environment and climate emergency. The resulting Environment and Climate Emergency Policy committed the whole organisation to action to become carbon neutral by 2030, by:

- Cutting climate damaging pollution locally in line with global targets
- Developing resilience to more extreme weather patterns and rising sea levels that impact Wirral
- Protecting and enhancing biodiversity

The Wirral Plan 2021 – 2026 underlines ambitions concerning the Environment and Climate Emergency.

The Council’s Carbon Budget places annual limits on emissions from its activities. From the 2019/20 baseline emissions of 13,656 tonnes CO₂e (Carbon Dioxide equivalent) reductions to achieve net zero by 2030 must be achieved. Annual Carbon Budgets and performance to date are shown in the table below:

Financial Year	Annual Carbon Budget (tonnes CO ₂ e)	Actual Emissions (tonnes CO ₂ e)
2019/20	13,656 (Baseline)	13,656
2020/21	10,349 (Mobilisation year)	9,424
2021/22	7,843	6,275
2022/23	5,944	
2023/24	4,505	
2024/25	3,414	
Our	2,587	
2026/27	1,961	
2027/28	1,486 (Re-baselining due)	

The Council estate accounts for approximately 69% of gross emissions reported in the annual Carbon Budget reports so improving its environmental performance is critical, if we are to meet our commitments.

Reduction in emissions from our estate will be achieved through improved operational practice, behavioural change and targeted investment in the corporate estate (e.g. decarbonisation and energy efficiency schemes). This will be achieved through a programme of projects, including investment in renewable energy schemes, to off-set its remaining carbon footprint and, where appropriate, generate income.

Our Vision & Principles

The vision of the Asset Strategy is to:

- Only retain land and property where it makes strategic sense to do so i.e. to deliver services in line with corporate priorities, to generate income, to provide a return on investment, to enable regeneration or to provide social value.
- Strategically identify and dispose of surplus assets that do not meet the above criteria, to generate essential capital receipts; make savings on maintenance, running and holding costs; focus resource and expenditure in optimising the condition and maximising the use of the retained estate.
- Ensure that all retained assets are used efficiently and effectively to deliver integrated public services in Wirral.
- Maximise income generation from the Non-Operational Estate and Investment Portfolio.
- Use Council assets to support the delivery of regeneration programmes and masterplans in the Borough.
- Make socially productive use of land and property to build community wealth by means of asset transfer.
- Manage our heritage assets in a proactive way
- Reduce the carbon emissions of the estate to as low as practicable and maximise the use of land, estate and investments to offset remaining emissions and increase biodiversity to ensure we reach net zero by 2030.

To deliver this vision we have set the following key principles:

- The Operational Property Estate be managed through a Corporate Landlord Model. This will ensure that Council property is acknowledged as a corporate resource, the right stakeholders are involved and decisions made in the context of the Council's priorities and objectives.
It must be acknowledged that adopting the Corporate Landlord Model is a significant undertaking, requiring co-operation, investment and resourcing. The whole organisation needs to 'buy in' for us to succeed.
- We require a complimentary financial framework that reflects the need for budget centralisation, so that asset related expenditure is strategically allocated and managed by the Asset Management Service.
- We will ensure that our estate supports the Regeneration Strategy.
- Property decisions will be made in accordance with defined policies, with a consistent and transparent approach and comply with legislative requirements such as the Local government Act 1972.
- All tenants should have an appropriate occupational agreement, which should be actively managed.
- We must ensure that all properties within the portfolio are statutorily compliant.
- All income generating property should be properly maintained and in a tenantable condition

- Use of property space should be maximised to ensure that void periods are minimised.
- Minimise the environmental impact of assets.

Our Priorities

The Asset Strategy is focused on six key priority areas:

Priority One – Strategic Delivery of Asset Strategy

- The Assistant Director for Assets will drive the implementation of the Asset Strategy.
- The Corporate Property Board (previously Asset & Capital Group) will be re-formed with refreshed terms of reference and report to the Strategic Leadership Team on the delivery of the Asset Strategy.
- A Corporate landlord model will be established.
- Asset Management Plans will be programmed, prepared and developed for each Council owned asset. They will provide the intelligence with which asset review; asset challenge and decision-making can be based.

Priority Two – Disposal Policy and Asset Transfer Policy

- The Asset Management Plans will enable decision makers to identify properties that no longer meet with our key priorities and corporate objectives. This will inform recommendations for how we can achieve best overall value for the Council, our constituents and partners. The existing Disposal and Asset Transfer policies will be used in the short term to guide this activity.

Once the updated Asset Strategy is approved, we will refresh the existing Disposal and Asset Transfer policy accordingly to ensure they remain current.

Priority Three – Strategic Management of Operational Assets

- Ensure that all operational assets are efficiently managed and contribute towards meeting the Council's priorities.

Priority Four – Asset Transfer, Community Asset Transfer and Community Wealth Building

- It is important to note that the Asset Strategy advocates asset transfer, which includes, but is not limited to, community asset transfer.
'Asset Transfer' in the broader context, gives us greater scope and flexibility in terms of how we can consider the transfer of assets - to optimise on the socially productive use of land and property to build community wealth and support the Councils priorities. Opportunities may be regeneration, leisure, heritage or tourism related, rather than specifically community related.
- An Asset Transfer Policy will be created to sit alongside the existing Community Asset Transfer Policy, to ensure specific pathways are documented for each scenario.
- To ensure the community value from property is maximised, we should have a structured process to understand the community demand for property.

We will undertake a series of community audits of existing facilities (by Ward), to provide an informed evidence basis for future decisions when considering assets for community use.

This will ensure that community need is known and understood. This can inform decisions regarding granting of leases (new or renewal), development within the Borough and the requirement for inclusion of community space within those developments.

The process will provide a route for prospective community tenants to be assessed and prioritised when property becomes available.

Priority Five – Using assets for delivery of Regeneration and Housing

- Promoting and stimulating sustainable growth to generate future income flows, using our covenant strength to enable regeneration.
- Advising on the optimum use of assets to achieve the long-term regeneration and housing goals, including potential for acquisitions and disposals. Recognising the importance of our assets in enabling community-led and private sector-led regeneration.
- Acting as the single point of contact for all property related matters within regeneration geographies.
- Technical input to asset and property issues such as land assembly and Compulsory Purchase Orders (CPO).

Priority Six – Reduce the impact of the Estate and Services on the Environment

- Embed environmental sustainability and emissions reduction into decision making procedures relating to asset management.
- Ensure current and future assets together with Regeneration Schemes are as sustainable in design, construction, operation, refurbishment, disposal and demolition
- Review energy efficiency data and identify any gaps, in order to understand the scale and cost of works needed to deliver our assets to achieve the national energy efficiency and local carbon reduction targets.
- Assess assets for environmental resilience and adaptation needs.
- Phase out the use of fossil fuels for heating in our assets.
- Assess and reduce energy and water consumption on a cycle of continuous improvement.
- Utilise our land to support biodiversity net gain and blue/green infrastructure.
- Actively seek and secure funding to deliver sustainability projects to support decarbonisation of assets.

How we will deliver the Strategy

Priority One: Strategic delivery of the Asset Strategy

Action	By When	Lead
Establish an Asset Champion responsible for the Asset Management Service and delivery of the Asset Strategy by appointing an Assistant Director for Assets	November 2022	Director of Regeneration and Place
Commence implementation of Corporate Landlord Model for assets including a complimentary financial structure	December 2022	Assistant Director Assets
Establish Corporate Property Board reporting to Strategic Leadership Team with Terms of Reference	December 2022	Assistant Director Assets
Commence programme to deliver Asset Information Packs for Review	December 2022	Assistant Director Assets
Review Asset Strategy	November 2024	Assistant Director Assets

Priority Two: Disposal Programme

Action	By When	Lead
Agree Asset Strategy	9 November 2022	Policy & Resources Committee
Agree 5-year disposal plan to meet the requirements of the Capitalisation Directive	30 November 2022	Director of Resources (Section 151 Officer)
Complete five-year disposal plan	End of financial year 2027/28	Assistant Director Assets
Develop phased programme of disposals that will result from further Council assets being reviewed and declared surplus	December 2023 and on-going	Assistant Director Assets

Priority Three: Strategic Management of Operational Assets

Action	By When	Lead
Commence a strategic review of all key operational assets to ensure they are cost effective and efficient to meet service needs. Key principles are co-location/multiple use and maximisation of assets	May 2023	Assistant Director Assets
Undertake assessment to identify 'significant buildings' key to delivering core activity and/or statutory functions – to ensure we build resilience against loss of service	March 2023	Assistant Director Assets
Ensure all leases are up to date and reviewed regularly	March 2023	Assistant Director Assets
Ensure Income is being maximised	March 2023	Assistant Director Assets
Create a central monitoring mechanism for Asset Programmes and Projects to manage asset activity, expenditure and project assurance	December 2022	Assistant Director Assets

Priority Four: Asset Transfer, Community Asset Transfer and Community Wealth Building

Action	By When	Lead
Undertake audit of community, voluntary and faith sector assets to provide evidence base	May 2023	Assistant Director Assets
Agree a policy for broader Asset Transfer (policy for Community Asset Transfer already in place)	January 2023	Assistant Director Assets
Progress agreed asset transfers/community asset transfers in line with policies	On-going	Assistant Director Assets

Priority Five: Using assets for delivery of regeneration and housing

Action	By When	Lead
Identify Council assets required to support regeneration/housing programmes	December 2022	Corporate Property Board
Identify and agree surplus Council sites to support housing development on brownfield sites	December 2022	Corporate Property Board

Priority Six: Reduce the impact of the Estate and Services on the Environment

Action	By When	Lead
Ensure Managers within Assets Management receive Carbon literacy training	March 2023	Assistant Director Parks and Environment
Undertake a programmed review of gas boilers and develop a program of replacement with low carbon technologies	December 2023	Assistant Director Assets
Include consideration of the environmental impact of an asset in the asset review process	March 2023	Assistant Director Assets
Develop design guidance to reduce the carbon emissions and the environmental impact and improve performance of council assets through their lifecycle	March 2023	Assistant Director Assets
Complete a programme of Energy Performance Certificates and Display Energy Certificates for council assets	December 2023	Assistant Director Assets
Develop a decarbonisation plan for all council assets	December 2023	Assistant Director Assets
Undertake benchmarking to ensure energy and environmental reporting systems are supported and resourced	December 2023	Assistant Director Assets

How we will measure success

The actions supporting delivery of the Asset Strategy have many interdependencies, creating a mutuality in successfully achieving our vision for the property estate.

To avoid repetition, the Performance Measures provided below are apportioned across these 'linked-up' actions, to provide a clear overview of progression.

Once the updated strategy is approved, the sources identified below will set the baseline data on which all future reporting of asset performance will be based.

Measure	Context	Source
Capital Receipts Generated	The annual number and sale value of asset disposals by financial year	Asset Information Team
Revenue Savings (reduction in property running costs)	The annual cost of maintaining and servicing the retained estate by financial year	Asset Information Team
Property used as shared facility with partners	The collective number of formal occupation agreements with partners cumulatively by year	Asset Information Team
Income generated from the Non-Operational Estate (leased property)	The annual income generated by leased property by financial year	Asset Information Team
Rent arrears of the Non-Operational Estate (leased property)	The number of occupancies and associated income not realised in rent arrears by financial year	Finance Business Partner
Property transferred by Asset Transfer	The collective number of asset transfers cumulatively by year	Asset Information Team
Area (m2) of unused/derelect plots of land released for development or housing opportunities	The total area of surplus land formally released for development or housing opportunities	Asset Information Team
Carbon Budget and Performance Report	Annually reported in June to demonstrate progress towards becoming carbon neutral by 2030	Asset Energy Team

Reviewing the Strategy

The Asset Strategy 2022 - 2027 sets the strategic framework within which our property portfolio will be managed over the next five years.

In order to remain dynamic and keep pace with change, the Strategy will be reviewed every 2 years.

Governance

- The Assistant Director for Assets will be responsible for delivering the Asset Strategy.
- The Corporate Property Board will be comprised of:
 - Chair - Assistant Director for Assets reporting to the Director of Regeneration and Place
 - Deputy Chief Executive
 - Director of Finance
 - Assistant Director representatives from each Directorate
 - Assistant Director for Human Resources
 - Property Lawyer from Legal Services
 - Officers from the Property Service will attend the Board to provide technical advice.
- The Corporate Property Board will:
 - provide oversight and strategic direction to the property service reflecting the Council plan and our strategic and financial objectives.
 - be at the forefront of decision making on assets, with due regard for the financial and service implications the property portfolio has on the council.
 - Meet monthly.
 - Report all asset recommendations to the Senior Leadership Team.
- Senior Leadership Team will authorise progression of approved delegated recommendations. Any decisions requiring member approval will be submitted to the appropriate Policy and Service Committee.
- The Policy and Resources Committee is responsible for decision making on virements and the purchase and sale of assets. The Committee is also responsible for asset ownership and overall performance and risk management.
- The Assistant Director for Assets will report to Policy & Resources Committee annually on the performance of the Asset Strategy.

Appendices

Appendix 1

Corporate Landlord Model

Appendix 2

Corporate Property Board – Terms of Reference