

'Using Property to Deliver our Ambitions'
Asset Management Strategy 2016-2021



Foreword from the Leader of the Council, Paul James.

The following report marks the next chapter in the City Council's approach to developing a way forward for our corporate estate.

We are at a time of great change and opportunity and the Council's property portfolio will play a central role in the delivery of a programme of transforming, regenerating and reshaping Gloucester.

The portfolio detailed in the strategy is made up of key sites and properties in the city centre and although much is held as part of the Council's delivery of service we also hold properties that make a substantial contribution to the Council's revenue stream and other which will further the opportunity to bring forward key developments and regeneration in the city.

We have to ensure that we can develop a fit for purpose portfolio that balances service delivery and cost but continues to help to deliver our ambitions. This strategy seeks to ensure that we continue to extract the full value from our property assets and I hope Members find the report of interest.

Councillor Paul James,
Leader of Gloucester City Council



MAKING OUR PROPERTY PERFORM

CONTENTS

	Page
Foreword.....	3
1.0 Introduction.....	5
2.0 Gloucester City Council's Assets	5
3.0 A Strategy for Managing Assets.....	5
4.0 A Strategic Approach to Managing our Key Assets.....	8
4.1 - Office Accommodation.....	8
4.2 - Cultural and Tourism Service Buildings	9
4.3 - Major Sports and Recreation Buildings	11
4.4 - Parks and Open Spaces	12
4.5 - Car Parks	13
4.6 - Community Buildings	15
4.7 - Markets.....	16
4.8 - Historic Monuments	17
4.9 - Crematorium and Cemeteries	18
4.10 - Investment Property.....	19
4.11 - Regeneration Assets	20
4.12 - Strategic Landholdings	24
4.15 - Toilets.....	25
4.16 - The Depot, Eastern Avenue.....	26
5.0 Acquisitions & Disposals.....	27
6.0 Climate Change	28
7.0 Planned maintenance	29
8.0 Governance, Performance and Monitoring	29
9.0 Summary and conclusions.....	31

Appendix

- (i) List of property assets with tenure and property type.

1.0 INTRODUCTION

- 1.1 The purpose of the Asset Management Plan is to create a “living” document which will be continually reviewed and annually updated. It will detail what “assets” Gloucester City Council owns, why it holds those assets and how they link to our service delivery and strategic priorities.

In 2009 the Council’s Asset Management Strategy “Making our Property Perform” was launched, this was followed by regular updates covering each element of the estate.

- 1.2 This plan charts the next phase of our journey and will cover the period 2016 to 2021.
- 1.3 The Council’s properties are not only crucial to our service delivery and the realisation of our plans for the regeneration of the City but also make a vital contribution to the Council’s finances.
- 1.4 The strategy adopted now will shape the portfolio and will have long term implications. It is vital that the correct strategy is maintained to ensure the continuing performance of our property assets.

2.0 GLOUCESTER CITY COUNCIL’S ASSETS

- 2.1 Our knowledge of our assets has developed over the last plan period through their careful examination, and considering how they are used and how much of an asset they really are. Through regular condition surveys etc, we have widened our knowledge of our asset base, and started to inform our decisions about how to make the most of those assets. Further, this work also starts to demonstrate the true cost or benefit of holding them.
- 2.2 In terms of the properties we hold the Council has experienced a period of considerable change. We have seen a substantial number of properties removed from the asset register with the transfer of residential and commercial properties and land to Gloucester City Homes. While at the same time we have acquired more properties to allow the construction of the new Bus Station enabling substantial progress towards the development of the Kings Quarter scheme.

3.0 A STRATEGY FOR MANAGING ASSETS

- 3.1 Our approach in managing our assets is built on the following principles:-

Knowledge

Our knowledge of our estate is far greater than it was when the previous AMS was developed both in terms of real management information, and the true costs of holding property is better understood. We aim to continue to refine our knowledge and capture information that allows us to demonstrate the performance of the portfolio and provide clear management information.

Corporate Strategy

We will ensure that the Asset Management Strategy reflect and contributes to the Council's four key aims and dovetails with the various strategies and policies of the Council. As these evolve with time the Asset Management Strategy will be reviewed and amended to keep it fully connected. It is particularly important that we continues to work very closely with the rest of the Regeneration and Economic Development team to continue to manage our property assets to drive the regeneration of the City forward.

Actively seek opportunities arising out of partnering and new ways of working with the community and other authorities.

Asset Management will look for opportunities for Community Asset Transfer and Asset Based Community Development as well as potential gains through shared working.

We will also see if further efficiencies and advantages are available out of closer working through our participation in such work streams as One Gloucestershire, which is looking at the property assets of all of the local authorities and the other local public services to see if there are opportunities for sharing and combining property assets to increase value and reduce costs. We will contribute and take part in the devolution bid as this may produce further opportunities for the performance and management of our portfolio.

Regular Condition Surveys

The AM team will continue to roll out our Preventative Planned Maintenance (PPM) programmes, which have been drawn up based on condition inspections that are continually updated. This, in the end, can lead to controlled budgeted maintenance, rather than reactive repairs and unanticipated expenditure.

Value for Money

All assets will be managed to achieve efficiency and value for money. In particular the performance of buildings in terms of whole life running costs will be subject to scrutiny and industry benchmarking. All buildings have running costs and the Council should reduce space requirements wherever possible freeing up space for subletting or disposal.

Environmental Responsibility

The Energy Action Delivery Group, which has already produced initiatives that have led to substantial reduction in energy used, for example, the combined heat and power unit at GL1 and there is scope for further savings in this next plan period.

Disposals and Acquisitions

The Council has recently transferred some 30 commercial/retail units along with some 4,500 homes and land sufficient to build 100 new residential units. We have acquired 3 substantial commercial buildings and land with some 16

tenants producing £325,500 pa income to allow the construction of the new bus station and further progress Kings Quarter.

Equalities

This is firmly embedded in how we deal with all our property, ranging from offering of vacant properties through to ensuring best practice for the equality of use for our public buildings and facilities.

The Future is Important

Asset Management decisions can have significant long term implications. It is important that we do not make short term decisions and ensure that we are guided by the principles of good asset management. We are the stewards of a vital asset to the future prosperity and regeneration of the city.

We will ensure that any proposals in respect of all our property produce good quality sustainable outcomes and are not expedient merely to produce a short term fix.

4.0 A STRATEGIC APPROACH TO MANAGING OUR KEY ASSETS

4.1 Operational Office Accommodation

Assets:

Herbert / Kimberley / Phillpotts Warehouses (long lease) – listed buildings
North Warehouse (freehold) – listed building



Discussion

The City Council refurbished and moved into its Docks accommodation in the mid 1980s. It was a pioneering move that led the way for the Docks regeneration, which is still progressing today. The warehouses are all listed buildings and were converted with sensitivity.

The Council's operational space requirements have changed. Within the plan period there will continue to be a reduction in the number of full time employed council staff. In order to continue delivering the existing level of service there is a need for service transformation and the consideration being given to alternative ways of working. The "fitness for purpose" of the accommodation is being rigorously challenged. There are issues to address in terms of relatively low occupation densities, vacant space, comparatively high energy consumption and the configuration of the buildings restricting the opportunities for modern methods of working.

Following the initial report to Cabinet we are undertaking further work on the accommodation review. We will continue to develop a plan to improve the Council's use of HKP as a means of reducing costs and releasing value held in these properties. Consideration will also be given to whether relocating the Council's office accommodation to another part of the city centre can deliver regeneration in the same way it did when we relocated to the Docks in the 1980s.

The Council has entered into a profit sharing agreement with Regus who occupy North Warehouse. The 3rd floor and Basement will be included in the HKP accommodation review but as Regus continue to develop their business the Council will seek to maximise the return from the partnership.

Asset Management Priorities

Capital Works

- Implementation of a planned maintenance programme to avoid reactive work. For example recent unplanned works have included the refurbishment of one lift at HKP and the replacement of the boilers. The

other lift is coming to the end of its life and budgetary provision will need to be made for this and other planned maintenance works.

Administrative

- Developing a detailed Accommodation Plan, embracing potential opportunities for sharing space with partners and/or releasing space to reduce costs and produce revenue/capital.
- Looking at establishing optimum arrangements for customer services.

Regeneration

- We are holding the remainder of our office properties to assist with City regeneration. We will produce what income we can from these assets though effectively they are constrained by the development plans in that any use has to be short term and they do not warrant investment when the returns are so limited (eg Bentinck and the upper floors of Grosvenor House, these are all currently void and are a liability).

Disposals

- We will continue to review the office portfolio and if there is no sound reason for holding the properties and they are underperforming we will dispose of the interest..

Proposed Actions

Year 1

- **Complete the next iteration of the accommodation review.**
- **Complete update of Planned Property Maintenance plans for HKP.**

Year 2-5

- **Implement PPM**
- **Disposal of surplus office accommodation**

4.2 Cultural and Tourism Service Buildings

Assets:

Gloucester Guildhall – Grade 2 listed
Gloucester Folk Museum – Grade 2* listed
Gloucester City Museum – Grade 2 listed
Blackfriars Priory – Grade 1 listed & leased from EH
Tourist Information Centre, Southgate Street (short lease) – Grade 2 listed



Discussion

Our cultural and tourism services are very high profile and play a key role in putting the city on the map and delivering our cultural offer. Their work strengthens our communities and develops and celebrates pride in our city. Due to the nature of the properties these buildings are expensive to maintain and the accommodation is less than ideal for a modern service. Asset Management is contributing towards the Cultural Strategy and depending on

the result of this work our plan may need to be adapted to deliver the recommendations of this review.

The Guildhall has evolved from its arts centre origin into a successful multi purpose venue attracting top class international music and comedy acts, providing independent cinema, workshops and room hires to a diverse customer base. However, the accommodation being all on the upper floors is less than ideal with a limited street presence and entrance.

The City Museum is adjacent to the Library and the two buildings are closely connected with shared circulation space and some services. Closer working with the County Council may provide opportunities that can be explored as part of the Cultural Strategy to improve the arrangements of both services. Both Museums are generally sound but need investment to bring them up to modern standards. The Planned Maintenance surveys are to be updated and reviewed and should inform the budgets for work to the fabric of the buildings.

The lease of our award winning Tourist Information Centre on Southgate Street has expired. This location has worked well but the building is no longer fit for purpose, its small size and the constraints of its historic fabric have resulted in an unsatisfactory environment. The Council will not be extending the lease and continue to occupy on a short term basis whilst it is in negotiation to secure alternative premises.

All of these listed buildings pose difficulties in terms of maintenance and repair, as well as obtaining consent for adaptations to ensure they remain fit for purpose. In common with all the Council's operational property adequate funds for repairs have to be available

Asset Management Priorities

- **Deliver the recommendations of the outcome of the Cultural Strategy and accordingly amend the Asset Management Strategy.**
- **Secure more appropriate accommodation for the TIC.**
- **Update planned maintenance programme for the properties.**

4.3 Major Sports and Recreation Buildings

Assets:

GL1 Leisure Centre, Bruton Way
Oxstalls Tennis Centre, Plock Court



Discussion

The Council has invested heavily in delivering modern fit for purpose sports and leisure facilities at GL1 and Oxstalls Tennis Centre.

GL1 was completed in 2001. It includes a wide range of top class facilities catering for swimming, indoor sports, health and fitness and events. The venue has the capability of hosting pop concerts with a capacity of up to 2000.

Oxstalls Tennis Centre is in a similar league providing top class indoor and outdoor racket sports facilities together with a large multi use artificial sports court. It is located adjacent to Plock Court playing fields, the largest and most significant outdoor playing field facility in the city.

Both facilities, whilst modern, by their nature are heavy users of energy. We have invested in the properties to reduce energy consumption including a combined heat and power plant at GL1. We are trying to assist our partners Aspire Sports to install improved energy efficient LED lighting at Oxstalls tennis centre.

Aspire Sports and Cultural Trust was established in October 2008 to take over the management of the Council's sports and leisure services. The Council receives no revenue from these properties but has retained a responsibility to assist with funding and there is a degree of ongoing repair liability. The Council is having to reduce its direct support to Aspire over time and this process should include assessing the repair liability in the decoupling.

Our asset management priorities are to keep these buildings performing well; exploring possible reductions in buildings' running costs and progress the expansion of Oxstalls / Plock Court as a sporting hub.

In accordance with the emerging Sports Pitch Strategy we are also looking to foster the development of a second sports hub towards the south of the city based around the existing Blackbridge Athletics track and the adjacent playfield which is partially in the County Council's ownership.

Asset Management Priorities

- **Maintaining GL1 and Oxstalls Tennis Centre to ensure that they remain fit for purpose.**
- **Continue to reduce energy consumption/costs.**
- **Continue developing the hub concept at Oxstalls / Plock Court.**
- **In accordance with the emerging Playing Pitch Strategy to foster the development of a second hub based around the Blackbridge Athletics Track.**

4.4 Parks and Open Spaces

Assets:

150 areas of public open space

Robinswood Hill Country Park



Discussion

Gloucester is a green city; we have some 1,283 acres of public open space and providing and maintaining green spaces and infrastructure is something the Council has done well for generations. From Robinswood Hill to Gloucester Park and Plock Court our open space assets provide wilderness, formal parkland and sports facilities for the benefit of the whole community.

Our parks and open spaces make considerable contributions to quality of life in the city and are enjoyed by all communities, they help the city to thrive.

Working with colleagues in Planning and in accordance with the Open Space and Playing Pitch Strategy, Asset Management will keep our Public Open Space under review and where appropriate identifying opportunities for development, Community Asset Transfer or alternative uses.

We will also ensure that new housing developments bring forward new open spaces and that appropriate maintenance funds are put in place prior to formal adoption by the Council. For example recently substantial new facilities have been provided through Section 106 agreements at Kingsway.

Asset Management Priorities

- **To develop a strategic approach to managing the open space assets in accordance with the Council's adopted Open Space Strategy and the emerging Playing Pitch Strategy.**
- **Adjusting the open space portfolio where appropriate.**
- **Maximising S.106 funds for open space investment.**

- Where appropriate to look for opportunities for more local involvement in the management of open space through Community Asset Transfers.

4.5 Car Parks

Assets:

Hare Lane North - 79 Spaces	Hare lane South – 103 spaces
Westgate Street – 120 spaces (plus 11 coaches)	Great Western road - 56 spaces
Longsmith Street MSP – 323 spaces	Kings Square MSP – 292 spaces
Eastgate roof top - 401 spaces	St Michaels Sq – 94 spaces
Hampden Way – 104 spaces (with Shopmobility)	Station Road – 112 spaces
Ladybellegate Street – 35 spaces	GL1 Leisure centre – 53 spaces
North Warehouse – 66 Spaces	Castlemeads – 249 spaces (weekends only)
Barbican Car park – 138 Spaces	Southgate Moorings – 186 Spaces



Discussion

Car parking is one of the Council's most important sources of revenue producing over £2,000,000 gross income per annum. The Council is the largest provider of car parking in the city centre with 16 sites. The provision of good quality value for money car parking is critical to the economic success of central Gloucester.

The Council also provides the city's only major coach park at Westgate Street, free of charge, to support the tourist trade. Adjacent to our Hampden Way car park is the Shopmobility service, enabling the disabled and elderly communities to access the city centre.

We will continue to invest in the car parks looking to reduce operational costs by targeted investment, for example low energy lighting but considerable further investment is required both to the fabric of the buildings and the introduction of modern payment systems. We anticipate spending over £700k on replacement/repair of the surface of Eastgate roof top car park as the covering has reached the end of its useful life.

Following the transfer for servicing the car parks and enforcement to APCOA, the remaining parking team are focusing on effective contract management. They are also producing information to ensure that we are able to monitor

how the car parks are performing and that the customer experience is improved.

The current payment system is no longer felt to be the best available for the city as technology has evolved. Investment in the major car parks is required to bring them into the 21st Century and we are procuring an automatic number plate recognition systems and modern pay on foot payment methods that will also be disabled friendly.

The Council supports many local charities and good causes and events which promote and support the city and local economy such as Gloucester Day etc. We receive regular requests to use Council owned car parks, normally for free parking. We also have regular requests to provide permit parking to charities and other good causes, although we would wish to help these causes we cannot agree to all of the requests we receive as it would impact on the number of spaces available for our visitors and further impact on the revenue flow. Further work is needed to fairly control the allocation of free or reduced cost spaces.

Use of the car parks is variable, some car parks are used to capacity others have a lower occupation rate. A differential tariff was introduced a few years ago to reflect the location and quality of the spaces available (i.e. covered or open) and it would be sensible to review this in the near future. This should not be seen as a means of increasing revenue but as making better use of the city's entire car parking facilities.

Asset Management Priorities

- **Managing the car parks as a business entity to maximise usage.**
- **Introduce a modern payment system to the main car parks that is more flexible and enhances the local economy.**
- **Evolving the car park assets in line with the wider regeneration programme.**
- **Introduce a policy for non charging use of the car parks which maintains their primary use and ensures fair allocation of any other use.**
- **Review the parking charges to maximise use of the city's parking facilities.**

4.6 Community Buildings

Assets:

- 15 Sports Clubs
- 2 Community Buildings
- 3 Scout / Cadet Buildings
- 6 Pavilions / Changing Rooms



Discussion

The Council is committed to maintaining its wide portfolio of community buildings to facilitate sports, recreation, social and community based events throughout the city. Our top asset management priorities are to ensure fitness for purpose, maximum community benefits and the best governance arrangements. However, many of these buildings are of a nature and age that they now require considerable investment and some are reaching the stage of obsolesces.

Often, there is no benefit to the city for the Council retaining some of these assets, and the best future for the property would be secured by a transfer of the asset to a community group, often the existing tenant. The Council will give consideration to Community Asset Transfers in appropriate cases.

This can help to strengthen and empower communities and work effectively with community groups. There can be clear benefits of local groups owning or managing public assets, for example:

- Bringing people together
- Enhancing the local environment and bringing assets into more productive use.
- Delivering more responsive community services.
- Giving residents a bigger stake.

The transfer of assets can be done on any of the basis set out below:

- Licence
- Short term lease
- Long term lease
- Freehold

Each needs to be judged on its merits dependent on the asset concerned, the desired outcome and the future potential of the site it occupies. Generally it is anticipated that interests will be transferred on long term leases this will answer the conditions of funding sources while allowing a greater measure of control should the Council find that the buildings are not managed properly at some point in the future.

Asset Management Priorities

- **Condition surveys and fitness for purpose.**
- **Exploring scope for community asset transfers in order to bring about community aspirations.**
- **To ensure that the Council's asset values, now and in the future, are not prejudiced.**

4.7 Markets

Assets:

Eastgate Indoor Market
Hempsted Meadows Outdoor Market



Discussion

Gloucester has a very long markets heritage and enjoys a markets charter granted by King Edward I in 1302, which enables it to control all markets within six and two thirds miles of Gloucester cross. That tradition continues today with the City Council providing a range of markets which contribute to the vibrancy and vitality of the city and help to put the city on the map. The City benefits from both indoor and outdoor markets, street markets are not considered as part of this strategy, as they are temporary and do not have a property element

The indoor market at Eastgate is a purpose built market hall constructed in the late 1960s. It is a very tired looking building but remains functional. In recent years there has been commercial interest in redevelopment of this site to expand the adjacent shopping centre and provide a new market hall. The current market only appeals to a small part of the population and it has not moved with the times. A move would give an opportunity to make a far more attractive trading environment to attract new traders with a wider appeal. Although it will not happen immediately it is intended to relocate the market within the strategy period. In the meantime it is necessary to carry out sufficient repairs to keep the market trading.

The Council has invested in the outdoor market site at Hempsted Meadows it commenced trading in July 2008 and hosts popular markets/car boot sales on Wednesday, Saturday and Sundays. The market is now managed by external operators on a profit share basis. On occasions the site is running at capacity and on those occasions the parking provisions are not adequate. The original planning consent was for a second customers parking area but this was never constructed. It is not currently possible to justify the expense of this expansion but it is a constraint on the market's continued growth.

This site is also used as a venue for visiting circuses and on occasions as an overspill parking area during large events such as the Tall Ships Festival and Rugby World Cup. The Council has sold some of the adjoining land fronting the canal to Gloucester Rowing club who will commence the construction of a new club house. There is potential for a further plot to be sold off for a similar use.

Asset Management Priorities

Indoor Eastgate Market

- **Comply with the Council's contractual obligations and keep the market trading.**
- **Work towards a solution for the future of the Indoor Market for the benefit of both the retail centre and the market operation.**

Outdoor Hempsted Meadows Market

- **Help the market/car boot operation expand by continuing to explore ways to enable the construction of a second customer parking area.**
- **Retain the varied use of this site and the potential use to support events in the city.**
- **Explore a disposal of part of the site adjacent to the canal for a further rowing club house (we have interest from a school for this use).**

4.8 Historic Monuments

Assets:

39 Monuments



Discussion

Over the years the Council has found itself looking after a diverse collection of heritage assets. In a number of cases these involved very significant heritage assets that had little or no commercial value and no other body willing to look after them. Gloucester's heritage is one of its most valuable assets, which has huge potential for further expanding the tourist market and for putting the city on the map.

The monuments portfolio is wide ranging and includes statues, war memorials, the remains of the priory of St. Oswald, a church tower and the Eastgate Chamber and The Kings Bastion excavated sites in a central shopping street showing roman and medieval remains.

The Council has undertaken condition surveys of all of its monuments. Most are in generally satisfactory repair but they continue to require expensive specialist work. Where appropriate community asset transfer is considered - for example (and one of the most significant) the Grade 1 listed Llanthony Secunda Priory which was transferred back in 2007 to a charitable trust whose sole purpose is its restoration and reuse.

St Michael's Tower has also been transferred through the granting of a lease to the local Civic Trust which has enabled a successful £200k heritage lottery funded restoration project.

Asset Management Priorities

- **Developing an historic monuments management plan.**
- **Identifying and accessing grant sources.**
- **Options appraisal for future management including asset transfer in appropriate cases.**

4.9 Crematorium and Cemeteries

Assets:

Coney Hill Cemetery and Crematorium
Tredworth Road Cemetery and Chapel



Discussion

The Cemeteries and Crematorium Service operates from Coney Hill Cemetery and provides a service for cremation and burial. It manages and maintains this cemetery and also the older cemetery at Tredworth Road.

The Old Cemetery located in Tredworth Road dates back to 1857. Burials have all but ceased. The chapel in the grounds is a listed building, but it has been deconsecrated and is unused.

The Coney Hill Cemetery dates from 1939 and cremation facilities were introduced in 1953. The cemetery has been extended with the creation of the Millennium section in 2001, with separate sections for the Muslim and Chinese communities, Roman Catholics and members of the Church of England as well as a children's plot and general (non-denominational) ground. A Woodland Burial site for 'green burials' has also been created.

In total the service is responsible for the maintenance and administration of up to circa 50,000 burial plots but there is limited capacity going forward.

The sites and buildings are maintained to a high standard and are in satisfactory condition. The cremators are very heavy users of energy. We

have explored the potential use of heat exchanges but at the current time this is not viable.

Gloucester City Council is committed to providing the very best services to all communities during the difficult time of bereavement. To support this our asset management approach had focused on upgrading the facilities and adding new services such as refreshment facilities for mourners. The Arbour was opened in 2011 and provides excellent modern cafe and wake function facilities.

Asset Management Priorities

- **Continue to look for energy use reduction measures.**
- **To monitor the requirement for further burial space and bring forward a strategy well before the need becomes pressing.**

4.10 Investment Property

Assets:

Kings Walk (Landlord)
Eastgate Shopping Centre (Landlord)
Over 40 commercial premises



Discussion

The Council holds a range of investment property primarily with retail occupiers which produce revenue in the region of £2m per annum

Income driven investment property includes major assets such as Kings Walk and The Eastgate Centre. Both produce significant rental income from the shopping centre tenants (Aviva and LSREF3 Tiger Gloucester S.a.r.l respectively). Both schemes occupy strategic sites in the city centre. The Council regards the two shopping centres as a core investment in the future of the city and intends to hold these assets for the long term. The healthy investment returns assist the Council in delivering frontline services and keeping council tax low. They also demonstrate the Council's absolute commitment to the health and long term success of the city centre and enable it to maintain long term strategic control.

In addition, the Council owns secondary commercial investments across the City, mainly retail based but also garage blocks and offices. While some are held as part of the Council's promotion of the Kings Quarter scheme others are not held with any strategic aim in mind. Some of these properties no longer produce sufficient return and require investment that the Council cannot justify.

To continue to drive the portfolio forward it is important to establish which elements are performing and which are future burdens. Consideration should then be given to disposing of some assets and reinvesting the capital in

property which is aligned with the asset management strategy and the Council's aims.

Asset Management Priorities

- **Hold investments in The Eastgate and King's Walk shopping centres.**
- **Carry out a root and branch assessment of the portfolio to weed out under performing property to realign the portfolio with the Councils Regeneration and Economic Development Strategy and secure future revenue.**

4.11 Regeneration Assets

Assets:

King's Quarter
Land at Blackfriars & Fleece Site
Gloucester Bus Station
Grosvenor House
Bentinck House
NCP Car park Bruton Way (Landlord)
Southgate Moorings
16-18 Commercial Road (Landlord)
23-29 Commercial Road
Docks Headlease.



King's Quarter

Discussion

The King's Quarter is a major regeneration scheme in Gloucester city centre. It has been identified over the years as one of the very best strategic sites to significantly expand the City's offer.

The first stage of the scheme is the new Bus Station which will provide a truly modern transport hub strengthening the link from the central core of the city to station. Work is due to commence early 2016. Asset Management have been assembling the site to allow the works to proceed and the first step will be the demolition of the existing Bus Station offices, café and parts of Grosvenor and Bentinck House.

Grosvenor House is at the end of its useful life and parts are now beyond economic use. The NCP car park is in poor structural condition and has a very limited life span so it remains a key to the Council's Asset Management strategy to use its assets to continue the progress of the redevelopment of this area

Asset Management Priorities

- **Delivery of King's Quarter regeneration scheme.**
- **Maintenance of the Council's income stream while the development is being planned and implemented.**
- **Ensure any opportunity purchases within the King's Quarter area are taken in advance of any CPO procedure.**

Land at Blackfriars and the Fleece site

Assets:

2.3 acres of development land (with temporary planning permission for Car Parking)

Discussion

This site came to the Council through the SWDRA property transfer. It is a brownfield site containing important archeological heritage below ground. The site is currently divided into 3 areas and is used for contract and public pay and display parking.

Working with our partners, Gloucestershire County Council, who own the adjoining site on Quayside, we will be moving within the plan period to a point where master planning for a mixed use scheme is completed and the preparatory work has been undertaken so the combined site is ready to take forward to develop. This is a key link between the Docks area and the rest of the city centre. The complementary development of this site is key to the continued regeneration of both the city centre and the continued resurgence of the docks.

The Fleece site (2.6 acres) coupled with the Council's Longsmith multi-storey car park are adjacent to the Barbican site and fronts directly onto Westgate Street with its access to the Cathedral precinct area. The Fleece contains the Grade 1 Great Inn, a building of national importance and one of the jewels of Gloucester's heritage. This site has been formally marketed but interested has been limited due to the substantial challenges there are to overcome. We are continuing discussions with interested parties in order to bring forward a scheme, but external funding is likely to be required.

The Council continues to carry out work to stabilise the buildings and stop further deterioration. It remains an important objective of our strategy to continue to bring the site back into positive use in a way that both allows the redevelopment of the site to strengthen the link from the docks to the retail centre and the Cathedral and preserves the most important heritage components.

Asset Management Priorities

- **Work with the County Council to bring the Barbican/Quayside site forward.**
- **Successfully conclude discussions with interested parties to bring forward a regeneration scheme for The Fleece. The first step is to commission and thereafter assess a detailed condition survey.**
- **Maintain the Council's income as far as possible in the meantime from any commercial uses on these sites.**

St Oswald's Park – This is an excellent example of how the Council has used its land assets to deliver a major mixed use regeneration scheme on the edge of the city centre. This 55 acre former landfill site was previously used as a cattle market, abattoir and range of low-grade uses and buildings.

The site has been transformed in phases through the development of Tesco in the 1990s, the creation of a top class retail park and the housing phases, which include a range of affordable homes and the Extra Care village.

The Council retains a landlord's interest in the Tesco and retail park site and owns land at the rear of the site that may be considered for development at the appropriate time.

Currently there are several parcels of vacant land; partially under option to Hammerson to allow a further extension to the residential scheme on the north of the site. This leaves around 4 acres of land that are either let with short term uses or are vacant. Although there are issues to overcome due to the former use of the site (potential contamination) and the level of the land this is ultimately developable.

Southgate Moorings car park - This was part of the SWRDA transfer of properties for regeneration purposes. Given its location in a key position overlooking Victoria basin and a link between the Docks and Southgate Street it is envisaged that at some point it will be redeveloped but we would only consider a disposal for a high quality scheme. However it is one of the closest places to park adjacent to the docks and also provides spaces for disabled drivers. It is very popular and is a valuable source of revenue, which is used to support regeneration activities. We will continue to explore the potential for redevelopment but it is likely to come forward after some of the other sites in the Council's ownership.

16-18 Commercial Road – Given the sites location adjacent to Blackfriars Priory discussions with the Council's Planning Department indicate that we are very unlikely to be able to take forward any alternative use or redevelopment of these properties within the period of this strategy. We will continue to try and keep them in useful occupation and will keep the situation under review to consider any opportunities for regeneration.

23-29 Commercial Road – Terms have been agreed for the Council to sell these properties to allow the redevelopment of this key site to regenerate this part of Commercial Road and strengthen the link between the docks and the rest of the city centre. The sale is subject to planning but when it completes

will release capital to allow completion of the public realm works adjacent to the site.

Docks Headlease – The Council holds the lease of the majority of the land around Victoria Basin as well as some of the access roads. There is scope to develop an iconic building of suitable scale on Mariners Square and Asset management will continue to look for suitable opportunities to take any proposals forward. They will also continue to allow the space to be used for public events and other uses which forward the Council's aims for Regeneration.

Other sites - As part of the Housing Stock Transfer most of the Council's stock of potential sites outside the central area were transferred to Gloucester City Homes to allow them to deliver 100 new homes. The Council does still have various small areas of land that are not public open space and do not provide any benefit to the community. Most are too small to develop and if anything are a liability for the Council. However even small parcels of land can have some commercial value and other authorities have had some success in disposing of such sites at auction.

Asset Management Priorities

- **Seek to bring forward the land holdings at St Oswalds Park**
- **Review the benefit of the Council holding the freehold of the retail park.**
- **Consider the potential redevelopment of Southgate Moorings and weigh any potential benefit from a new scheme against the current use and loss of revenue.**
- **Review the rest of the Council's portfolio with a view to disposing of any unused areas of land.**
- **Complete the sale of 23-29 Commercial Road and deliver the public realm works.**

4.14 Strategic Landholdings

Assets:

Gloucestershire Airport, Staverton - 170 acres of land (being a 50% share with Cheltenham Borough Council)

Parton Farm, Churchdown - 68 acres of land (owned only by GCC)



Discussion

The Council owns significant landholdings at Gloucestershire Airport and Parton Farm. These landholdings are outside of the city's administrative area and lie within Tewkesbury Borough Council's area of administration.

The Airport Company which runs the site is jointly owned by Gloucester City Council and Cheltenham Borough Council and continues to develop the airport operation. Asset Management provides some professional property support and will continue along with Cheltenham BC to monitor the property management of the Councils' site by the Airport Company.

Although airport and farming businesses do not have close links with the Council's strategic priorities, the landholding is strategically placed on the edge of the urban area and as part of the Joint Core Strategy, Parton Farm has been identified as a site for over 500 houses. This could provide much-needed housing for the area and is potentially a major source of capital for the city should it remain in the plan and receive planning consent for development.

Asset Management Priorities

- **Take any actions necessary to protect and promote the Council's land at Parton Farm so that it can be taken forward as a development site.**
- **Continue to build a good working relationship with Cheltenham Borough Council property service in order to promote a joined up strategy for dealing with our shared assets.**

4.15 Toilets

Assets:

Westgate car park p.c

The Bus Station p.c

Robinswood Hill Country park p.c

Swiss Cottage Gloucester park p.c



Discussion

The provision of good, clean, well-located public conveniences is an important facility for the city. It is part of the process of changing perceptions, and like the user experience for car parking, can play its part in the retail and tourist success of the City.

The Council has four public conveniences in the city and has instigated and promoted the Community Toilet Scheme by incentivising businesses in the city to make their facilities available to the general public as well as their customers. The majority of the Council's toilets are located in the city centre and are of varying quality and utility, but there are also facilities in suburban locations such as at Robinswood Hill Country Park.

Our priority is to provide quality facilities in the right locations to serve the areas of highest need to ensure that Gloucester is a welcoming destination for shoppers, visitors and tourists. This priority leads to an inevitable focus on the city centre, rationalisation and improvement and the delivery of new facilities such as the pay to use toilet in Kings Square and through regeneration schemes, most notably at the new Bus Station.

Asset Management Priorities

- **To ensure that the Council continues to provide a range of quality facilities to ensure that Gloucester is a welcoming destination for shoppers, visitors and residents.**
- **To define future investment priorities, value for money and options for provision.**
- **To ensure that the Bus Station redevelopment includes an appropriate scale and quality of WC provision.**
- **To deliver a pay to use Toilet in Kings Square.**

4.16 The Depot, Eastern Avenue

Assets:

Depot comprising site of approx 7 acres with mix of industrial, office.



Discussion

The Council's Eastern Avenue Depot is a critically important asset in delivering streetcare services which include refuse collection, recycling, street cleansing and grounds maintenance. As part of the provision of these services by our supplier Amey (Enterprise) the northern site is leased to them at a peppercorn rent. However, their use of the site is potentially expanding and may be used as part of the service of their Highways contact with the County Council.

There is an area of under used land to the south let to Keyway. They have now ceased to occupy the site and have sublet it to a number of smaller businesses that trade from the open site. Keyway's lease will run to 2021 but the council has the option to terminate the lease at certain dates within this Asset Management Plan. Amey has expressed interest in the site for their use in servicing the County Contract and from both an asset management and city benefit perspective the site is poorly utilised.

At the rear of the site the city has a store yard and there are two low quality commercial units with yard with access from Chase Lane both of which operates car breaking and automotive businesses.

Asset Management Priorities

- **Review the options for the Southern Site and Chase Lane land to ensure that they are used for the greatest benefit of the City.**
- **Look to dispose of any surplus land for more valuable uses, either leasehold or freehold, in the longer term.**

5.0 ACQUISITIONS AND DISPOSALS

5.1 The Council's asset portfolio is extremely diverse. To remain healthy, relevant and efficient it is essential that the portfolio is dynamic and is fully connected to corporate strategy.

5.2 The Council's approach to buying and selling assets is a simple one.

Disposals

5.3 The portfolio will be reviewed annually at the time of each Asset Revaluation to identify candidates for disposal. As a general rule the Council will consider disposal of assets that do not support core service objectives or that fail to make adequate returns on investment, either now or into the future. Where disposal is pursued the Council will seek to achieve the highest market value, unless there are overriding and compelling community interest benefits that might justify an exception.

5.4 The Council will encourage the transfer of suitable properties to the community, such as halls, sports pavilions and pitches where they are self contained, as part of the localism agenda this community asset transfer will allow Asset Based Community Development and for more local management and involvement by the community. To allow the community to satisfy grant and funding conditions the transfer has to be long term but the Council also need to ensure the long term stewardship of these assets and it is envisaged that in most cases a disposal by a long lease will be agreed to allow the Council to regain control if necessary.

5.4 Any disposal programme should not rule out windfall disposal decisions that can arise through tenant changes, lease expiry or an approach from a special purchaser.

5.5 The Council will not usually dispose of assets in a depressed market and will not dispose of assets that it expects, in the long term, to appreciate considerably in value.

Acquisitions

5.6 Similarly, acquisitions may be considered where they support core service objectives and / or deliver good investment returns.

5.7 They will only be entertained on the following basis:

- They represent an opportunity for a strategic acquisition.
- They represent good current or potential value, either on their own or when married to an existing City Council land holding.
- They assist in the Council fulfilling its corporate aims.
- They assist in service delivery.

Asset Management Priorities

- **Maintain and plan a disposals programme, both leasehold and freehold, to assist the Council in producing income and capital where appropriate.**
- **Subject to the Council's requirements to look to release capital or reinvest it to increase the current revenue from the property assets.**
- **That in all cases, the regeneration agenda for the City be pursued.**

6.0 CLIMATE CHANGE

- 6.1 Gloucester City Council adopted a revised and updated Energy Management Strategy in 2012-16. One of the key objectives of this strategy was a commitment to reduce the Council's energy use across its buildings by 2% per year, along with a commitment to yearly monitoring of energy costs and consumption with an annual report to cabinet.
- 6.2 The Council's operational property is a significant user of energy the combined gas electricity bill for the year 2014-15 (including the Aspire Leisure Trust properties) was **£742,892** The Docks headquarters, Crematorium and GL1 are particularly heavy users of energy.
- 6.3 Energy Action Delivery Group (EADG) chaired by Asset Management is a group that regularly meets to introduce energy saving measures to our building to reduce energy consumption. We have carried out projects from heat recovery and combined heat and power units at GL1 to the fitting of LED lighting at our multistory car parks. All projects are carefully costed and monitored to ensure that they produce the anticipated savings and are self financing within 5 years. An overall energy reduction of 20% was achieved in 2014-15.
- 6.4 We are also working with external companies and organizations such as Aquafund and Save @ Work to further drive down consumption.

Asset Management Priorities

- **To ensure the Council's energy strategy is embedded in the way we manage our property.**
- **To review how we operate within the Docks headquarters. The mechanical and electrical plant in the buildings is old and the controls are poor we can however reduce consumption following the accommodation review if we can consolidate staff and occupiers to release some of the space.**
- **To demonstrate good practice and stewardship through the way that it manages its own estate and assets and as a service provider.**

7.0 PLANNED MAINTENANCE

- 7.1 The City Council will ensure that its property is maintained as fit for purpose. There will be future obligations, and some that have not been met in the past. All of these need to be clarified, properly planned and resourced.
- 7.2 In the past there have been gaps in the approach to planned maintenance and we have had to deal with unexpected expenditure with the resultant budgetary strain. Our strategy should be founded upon the principles of regular surveying of asset condition and planned maintenance and improvement programmes. This is particularly important on our major assets such as the Dockside properties and GL1 where asset components such as swimming pools have high capital costs.
- 7.3 It is very difficult to predict the final point of failure of the different elements of a building but continual patching and seeking to defer work leads to unplanned work. An example of this is the lift in HKP which finally failed and needed an immediate major refurbishment and the other lift may fail at any time. A way of addressing this problem is the creation of sinking funds in order to cover future obligations. There is a pool of information already available within asset management quantifying the extent of future costs, and identifying the backlog of work from the planned maintenance programme.

Key Actions

- **Maintain our system of planned maintenance inspections.**
- **Set up sinking fund(s) to cushion the Council against unexpected expenditure.**

8.0 GOVERNANCE, PERFORMANCE AND MONITORING

- 8.1 This asset management strategy is a living document. For its content to have meaning and relevance it needs the right skills, resources and scrutiny behind it.

Political Governance

- 8.2 Given the top priority of asset management this responsibility sits within the Leader's portfolio. The Leader and Cabinet receive regular updates on progress in delivering this strategy.

Officer Governance

- 8.3 The newly reviewed Regeneration and Economic Development Department includes all of the key skills and services to enable a joined up approach to asset management. The Asset Manager and his team deal with the day to day operational issues of running our complex property portfolio. This includes arranging repairs, maintenance, renewing leases, carrying out rent reviews, managing the City Councils car parks and also includes facilities management and projects and provides professional advice and services to many other departments including Planning and Services and Neighborhoods.

- 8.4 To drive forward the improvements and initiatives set out in this strategy there are a series of Working Groups and Work in Progress meetings chaired by the Asset Manager. Work in progress spreadsheets are maintained by the officers as a record of the work in progress and jobs completed.
- 8.5 The Asset Manager updates the Head of Regeneration and Economic Development through regular one to ones and this information is fed through to the SMT.

Performance and Monitoring

- 8.6 One of the key actions of this strategy will be to establish clear and meaningful performance indicators and management information to enable us to judge the performance of our assets. In some areas such as energy consumption these are well defined and established but other areas are less well evidenced. The aim is not to measure everything, but to capture elements of performance in as few high level measures as possible. Clear simple signals of performance such as gross property costs of the operational estate as a percentage of the gross revenue budget; lifetime costs; occupational density; market comparisons etc.
- 8.7 The performance measures should generally be focused on some or all of the following:
- Cost and cost control
 - Space use
 - Property service levels
 - Suitability and workplace productivity
 - Environmental sustainability
 - Risk management
 - Community outcomes (e.g. contributing to the creation of sustainable communities)
- 8.8 Although all the above are important areas, the key question must always be “How will the data be used in management terms?” There is little point in collecting data for its own sake and it can be very heavy on officer time.

Key Actions

- **Developing a set of meaningful performance indicators and MI.**
- **Annual progress report to Cabinet on Asset Management Strategy.**

9.0 SUMMARY AND CONCLUSIONS

Gloucester City Council has a significant and diverse portfolio of assets. This strategy tells the story of what we own, the contribution assets make to delivering corporate key aims and service objectives and what we are going to do to improve asset performance.

- 9.1 Overall the portfolio has many strengths, its office accommodation is solid, paid for and much less costly than market alternatives. However, we must ensure that it provides the right accommodation and we need to exploit opportunities arising out of the accommodation review to release under used space. This will be one of the most significant areas of focus, the space, is too big for a modern council with the number of employees. There is huge scope for rationalisation, to provide better and more joined up services at a lower cost to the tax payer.
- 9.2 The two leisure complexes are fit for purpose and we have been able to drive down their energy costs to help to offset the reduction in the Councils support to Aspire.
- 9.3 The cultural buildings are expensive to maintain, we are contributing to the Cultural Strategy and will review the Asset Management strategy to reflect the outcome of this report.
- 9.4 The Council benefits from having some very strong revenue generating investments and sound parking. However, there are weaknesses and substantial further room for improvement.
- 9.5 Another focus of our efforts, will be a root and branch review of the non operational assets we hold to ensure that they align with our Corporate objectives and are performing well. If not we should not retain these assets, and if the market is favourable, we should dispose of them and release the capital to further the regeneration of the City or grow our property revenue.

This strategy provides a joined up approach to managing and developing our valuable assets to ensure that we will deliver the very best outcomes for Gloucester.