



Report to: Cabinet Meeting – 19 December 2023
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 Director Lead: Sanjiv Kohli, Deputy Chief Executive and Director - Resources
 Lead Officer: Mark Eyre, Business Manager - Corporate Property, Ext. 5440

Report Summary	
Type of Report	Open Report, Non-Key Decision
Report Title	Corporate Property Overview
Purpose of Report	To increase awareness of the functions of the Council’s Corporate Property Business Unit; To provide some background and overview of the changes to the Corporate Property Business Unit over the past five years; and To highlight the positive impact of these changes on service delivery and the financial contribution to the Council’s budget.
Recommendations	That Cabinet review the report and note the positive impact of the Business Unit on service delivery and financial contribution to the overall budget of the Council.
Alternative Options Considered	Not applicable, with the report providing an overview of the Corporate Property Business Unit.
Reason for Recommendations	To inform Members of the wide responsibilities and performance of the Corporate Property Business Unit.

1.0 Background

1.1 The Corporate Property Business Unit was formed in 2021, merging the Asset Management & Car Parks Business Unit with the Major Capital Projects team (covering General Fund and Housing Revenue Account construction projects). This report aims to give an overview of the Business Unit performance to date highlighting areas of success and areas of focus in the coming years.

2.0 Business Unit Overview

2.1 The structure of the Business Unit is listed in **Appendix 1**. The core functions of the Corporate Property Business Unit are listed below.

2.2 **Estates Team**

The Estates Team's function is responsible for managing the landlord/tenant relationship on behalf of the Council. Their management duties include 73 industrial units, 18 studios/outlets, 13 retail outlets, 2 visitor centres, 1 youth hostel, 1 managed office and 3 corporate buildings. In addition, the estates section of Corporate Property business unit manages rented land pockets, right of way agreements and street name plates. The Estates team also administer the Concerto system - integrated web-based property asset management system that allows the Council to manage its commercial property portfolio. There are various elements of work which this software assists the Council, including:

Computer Assisted Facilities Management (CAFM):

Allows us to plan, execute and monitor activities for planned and reactive maintenance.

Estates Management:

Allows us to manage our corporate and tenanted properties. Including essential lease dates and critical timing issues.

Analytics:

This allows Corporate Property to utilise Concerto to review key performance indicators and report as part of the quarterly performance monitoring regime.

Asset Verification:

Concerto holds the property asset register and in time will drill down to assets held within.

2.3 **Newark Beacon**

Newark Beacon provides a high-quality serviced office environment suitable for a wide range of businesses; catering for small to medium sized businesses to grow and expand with the support received through our centre management team and wider council business support. The centre has a total of 29 offices available to let, a shared hot-desking office, a café, and conferencing facilities for events and training.

2.4 **Repairs & Maintenance/Facilities Management**

This section covers repairs and maintenance of all corporate property in the General Fund. The core aim of the repair and maintenance approach taken by this branch of the Business Unit is to ensure that all corporate property assets are in a fit state to be used for the intended purpose, together with consideration of the life expectancy of the asset. The Council holds a responsive repairs and maintenance budget for each asset and everyday repair costs are charged to these budgets. In addition to this, the Council holds a Repairs and Renewals (R&R) budget for each asset which provides the funding for replacement of specific building elements over a thirty-five-year programme. The general stage of the life expectancy of the estate is near life expiry for a lot of the stock – as a consequence the Corporate Property business unit is either renewing elements of the estate or looking to replace through new developments. As a Corporate Property Business Unit, we have a duty to ensure our buildings comply with the appropriate statutory, regulatory and corporate standards. Working to these standards helps ensure the safety of the public, our staff and our assets. Our key priorities are the following:

- Fire Safety
- Gas Safety
- Electrical Safety
- Asbestos Management
- Water Hygiene and Legionella Management
- Contractor Management
- Operational Management
- Risk Management

2.5 **Parking Services**

The authority provides 682 general parking spaces in 8 public pay and display car parks in Newark. We also manage the 130-space staff car park at Castle House which is available to the public at weekends and bank holidays. There are also 43 designated disabled parking on these public car parks and nine designated motorcycle parking spaces. The authority also provides 51 Contract Parking Spaces which currently have 85% occupancy.

Parking Services also manages Newark Lorry Park. The lorry park currently has capacity to park around 200 HGV's overnight. Services at the lorry park include a lorry wash, refuelling service, shower blocks and a café operated by a private tenant. Parking Services manages parking enforcement in all the authority's car parks as well as parking enforcement on the devolved car parks in Southwell and Edwinstowe. Parking Services also assists NCC with on - street parking enforcement across the Newark and Sherwood District.

2.6 **Development**

The development programme for the Corporate Property section is spread over two sections; one being commercial/ service department development and the other being Housing Revenue Account developments. These functions are split into two different teams with a cross over when resource is required.

2.7 **Inter-departmental working**

The Corporate Property business unit overlaps with other business units areas of service/delivery. This are extensive and a brief summary of the relations with these business units is listed below;

Housing -delivery of a set number of units through a yearly cycle of development to ensure that the Council meets its housing needs.

Planning

Legal Services

Finance

Transformation

Economic Growth

3.0 **Performance**

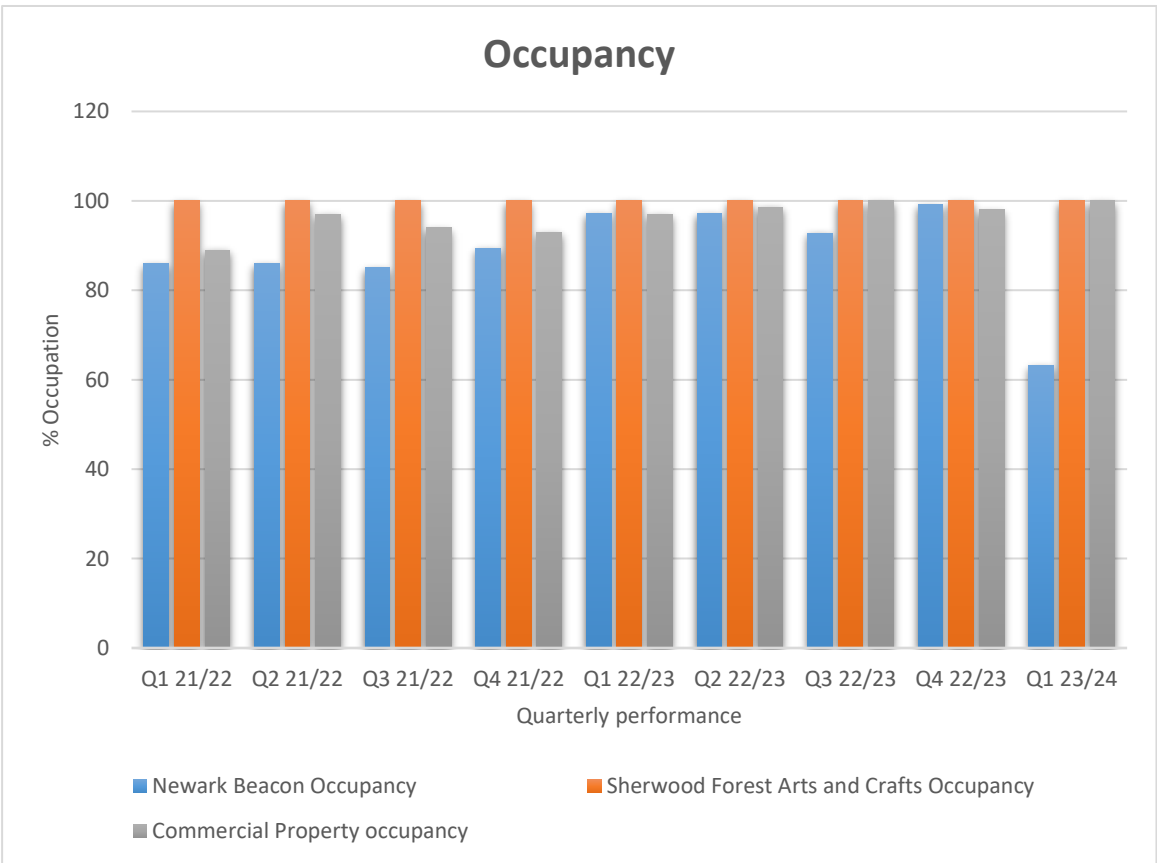
3.1 Along with other business units at the Council, Corporate Property monitors performance in several ways including KPIs, key milestones, outputs and achievements in sectors. Several of the key outputs monitored are listed below, with data only available post 2021 (as relevant data was not collated prior to this period)

3.2 Occupancy

This is measured by assessment of number of units occupied rather than as a percentage of floor area occupied. The performance to date has been strong for the council’s portfolio of properties despite the pandemic period having a detrimental impact on occupancy of commercial property nationwide.

The Newark Beacon achieved 100% occupancy in early 2023 (the first time in its history). This occupancy level has recently reduced to 66.5% as a consequence of centre’s largest tenant vacating 11 units due to business expansion. This is a great success story for the Newark Beacon as when the tenant moved into the centre 2012 as a start up company it occupied one unit with a small number of staff and offering limited services but with the support of the council had grown during a short period to occupying a total of 11 units and eventually requiring larger, consolidated, office space. Importantly, the business remains within the District of Newark and Sherwood. The available units now provide a further opportunity for the team at the Beacon to support new small business occupiers.

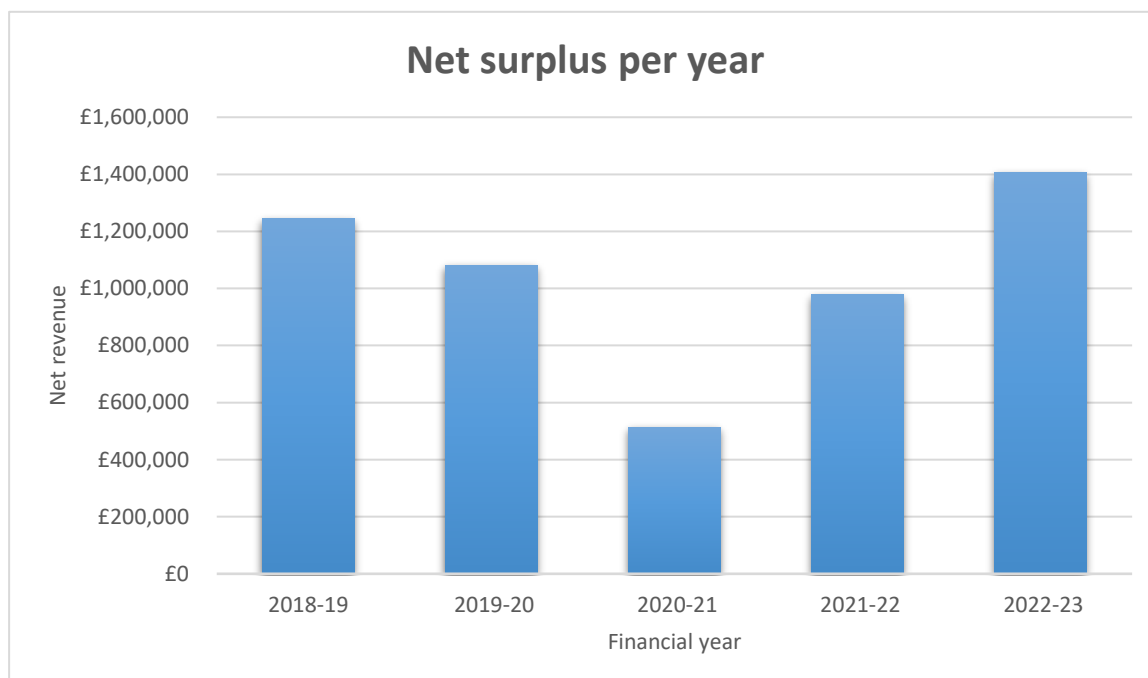
The occupancy levels at the Sherwood Forest Arts and Crafts and all of our commercial/industrial units has also consistently been at 100%. With minor fluctuations when a tenant has moved out – this has quickly reverted back to 100% given the very healthy waiting list we have for commercial property; particularly industrial workshops.



3.3 Net income/Expenditure

This outturn has been measured using income received on all properties with a deduction for property related costs and salaries for staff. It includes all commercial properties, car parks and Newark Lorry Park. The Covid 19 pandemic hit the revenues of the Corporate Property assets due to support given to tenants; ensuring that their

businesses could survive the restrictions in place and return to operation once they were lifted. Because of this support the tenants managed by corporate property remained in properties with minimal cases of business failure. An additional feature of this success is the strong performance of Newark lorry park which has returned its highest ever surplus in the year 22/23. This is due to the demand for the high-quality service and accommodation provided by the NSDC parking Services team.



3.4 Development Completions – Housing Revenue Account

The Council set a target in 2017 to deliver 335 new build properties within the current HRA New Build Program, commencing with the completion of Gladstone House in 2018. The remainder of the programme was split over 5 phases including the delivery of Broadleaves, which welcomed its first tenants in September 2021.

3.5 Delivery Numbers:

Dates delivered	Properties Completed	Properties Currently under construction	Properties with planning permission due start on site	Total Properties being delivered
2018-2019	136			136
2019-2020	40			40
2020-2021	27			27
2021-2022	63			63
2022-2024**	13	32	30*	75
	279			341

*It is expected that these properties will start on site around September 2023 for completion by June / July 2024.

** The final phase is spread over 30 months due to the main contractor going into administration in the later half of 2022. The delay was reported in October 2022 to SLT and Cabinet.

3.6 In Addition to the properties mentioned above in the table, the council is also delivering a new temporary accommodation facility, Alexander Lodge. This will provide 20 flexible use, highly efficient properties with a range of property configurations, providing accommodation units ranging in size from 1 bed to 4 bed units.

3.7 **Developments Completed - General Fund**

As part of the restructure of Corporate Property a Capital Projects Delivery section for commercial construction was added to the team. This is now fully resourced and there are a number of projects added to the Councils capital programme for the coming years. The following projects have now completed:

- Former Robin Hood Hotel redevelopment – now a fully let with a 68 bed Travelodge hotel and three commercial units occupied over 9,600 sq.ft.
- Newark Buttermarket. This development has been a success for the Council with numerous different retailers offering a range of options for shoppers including a restaurant and a new educational facility, Inspire, in the heart of the town centre.

3.8 **Future Developments – General Fund**

Bowbridge Road car park, Newark to be leased to the NHS which is now tendered and due to start on site shortly. This will provide 80 car parking spaces, (with a specification to install four new EV chargers.) at a rent of £100,000 p.a.

Acquisition of the Clipstone Holdings site from Welbeck Estates to enable redevelopment. The design team is now in place and works to this are ongoing. This will offer circa the starting design offers 30 industrial workshops at a total of 50,500 sq. ft of space, this is now in the early stages of concept design with the first design team meeting having taken place.

Crew Lane, Southwell. A refurbishment feasibility budget was approved at the beginning of the year and is nearly complete. This plans to expand the current number of units from six measuring approximately 6,886 sq.ft to 11 units totalling 10,057 sq.ft. This feasibility will be considered by officers before seeking approval on the preferred option.

Feasibility works are ongoing to the Belvoir Iron Works site. We have now upgraded the potential site to 24 plots, the new layout is with WM Saunders for an updated budget cost, this will then feed into Savills who are preparing the Homes England bid on NSDC's behalf.

3.9 **Parking Services**

Recent achievements for Parking Services include:

Introducing two Ultra-Fast and eight Fast Electric Vehicle Charge Points into four of Newark's car parks. We also assisted Southwell Town Council by including the installation of four fast charge points into the Bramley car park under the N.S.D.C. ORCCS Scheme. These charge points have been installed and fully funded through two Government Funding Scheme, saving the authority £170,000.

All eight car parks have achieved the British Parking Association 'Park Mark' accreditation award for safer parking; and the Disabled Parking Accreditation. The authority has been successful in receiving these accreditations for the last five years consecutively. This is awarded to car parks which provide a clean, safe environment, meet high standards of management, appropriate lighting, have effective surveillance and are easily accessible to disabled persons.

In the last 5 years following extensive improvements Parking Services ensured that Newark Lorry Park has continued to provide only the very best service to HGV drivers and the haulage industry throughout very uncertain times and covid 19. By managing the 24 / 7 Lorry Park effectively, Income has increased from £359,611.48 in 2018 /19 to £755,215.32 2022/23.

3.10 **Improved Standards**

Since the inception of the business unit a number of essential standards have also been either implemented or improved. These are summarised as below:

The Acquisitions and Disposals Policy. The purpose of the policy is to act as a framework to instruct Members, officers, third parties and members of the public on the Council's adopted approach on the acquisition and disposal of property (including land and built assets).

Corporate Asset Management Strategy - The Corporate Asset Management Strategy provides an overview of our land and property assets and demonstrates the Council's main priorities for managing, maintaining and developing our assets over five years from 2022-2027.

Tenants hand book – customer service improvements for all tenants:
<https://www.newark-sherwooddc.gov.uk/businessunitstorent/>

Council Land and Planning Group (CLAP). This acts as a regular meeting of members of the Councils property, planning, legal and finance teams to discuss any proposals which may go forward for formal decision.

- 3.11 The Corporate Property Business Unit also provides a enhanced social value contribution through a lot of its activities across the estate. This is particularly true in properties such as the community centres in Hawtonville and Bridge.

4.0 **Implications**

In writing this report and in putting forward recommendations, officers have considered the following implications: Data Protection, Digital and Cyber Security, Equality and Diversity, Financial, Human Resources, Human Rights, Legal, Safeguarding, Sustainability, and Crime and Disorder and where appropriate they have made reference to these implications and added suitable expert comment where appropriate.

Financial Implications – FIN23-24/4950

The expenditure on our Corporate properties has increased over the 5 years, by £441k, the income received has seen a favourable increase over the same 5 years of £602k. as indicated in the table below.

Budget 2018-19 to 2022-23					
	2018-19	2019-20	2020-21	2021-22	2022-23
Expenditure	1,537,226	1,632,835	1,840,686	2,056,721	2,071,101
Income	-2,561,100	-2,866,790	-2,966,120	-2,906,265	-3,135,800
	-1,023,874	-1,233,955	-1,125,434	-849,544	-1,064,699
Income v Expenditure 2018-19 to 2022-23					
Expenditure	1,466,339	1,662,524	1,599,558	1,938,858	1,907,636
Income	-2,709,986	-2,743,564	-2,113,044	-2,917,651	-3,312,563
	-1,243,647	-1,081,040	-513,486	-978,794	-1,404,927

Overall expenditure since 2018-19 to 2022-23 totals £8,574,914 and the Overall Income since 2018-19 to 2022-23 totals £13,796,808.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

None.