

**Meeting of the Cabinet - 1<sup>st</sup> November 2006**

**Report of the Director of Law and Property**

**Annual Property Performance Report : 2005/6**

**Purpose of Report**

1. To consider the first Annual Property Performance Report : 2005/6.

**Background**

2. The Council holds a large property portfolio. The total value of its operational properties (excluding Council housing but including schools) is £360m. It also has a commercial estate (retail and industrial) worth £9m.
3. However, property is a means to an end and is not held for its own sake. The Council uses its estate to deliver services, as an investment or for socio-economic reasons. It follows, therefore, that there are a number of ways in which property may contribute to service delivery. From its state of repair to its cost to run and from its suitability for modern office working to ease of accessibility for the public, property assets play an important role in determining whether Council services are delivered as effectively and efficiently as they could be. Accordingly, it is important that performance of property is evaluated in order to measure its contribution to the performance of wider service delivery.
4. Under the Comprehensive Performance Assessment the Audit Commission examines how well the Council manages its asset base. Specifically, several criteria refer to the measurement, management and reporting of property performance. In addition Beacon Councils have shown that they have adopted several management and reporting practices that enable them to make more informed decisions on capital investment and disposal of surplus property.
5. The Property and Performance Report (Appendix 1) is the first annual review of the Council's operational and non-operational (i.e. commercial) portfolio. It considers progress made over the year in terms of finance, good working practice, stakeholder consultation and policy coherence. Additionally, the Report takes a closer look at specific operational offices around the central Dudley campus from an occupier's perspective and from a financial point of view.

6. The Report draws together a number of conclusions regarding specific properties or types of property which the Cabinet is asked to endorse.
7. Attached to the Report is the Strategic Workplan for the Corporate Property Policy. This has been updated to reflect a number of improvements that have been developed in consultation with the Cabinet Member for Personnel, Legal and Property and her shadows in the opposition groups. This has been particularly helpful because it ensures that there is a direct member involvement in asset management at a strategic level. A separate report on updating the Corporate Property Policy will be submitted to the December meeting of the Cabinet.

*NB: Certain Appendices to the report refer to colour coding: A colour copy is available in the Members Room and electronically on the Committee Management Information System (CMIS).*

### **Finance**

8. There are no specific financial issues arising from the recommendations in this report. The Annual Report includes financial information.

### **Law**

9. Section 120 of the Local Government Act 1972 enables the Council to acquire property for any of its statutory functions or for the benefit, improvement or development of its area.
10. Section 123 of the Local Government Act 1972 enables the Council to dispose of its property for the best price reasonably obtainable.
11. Section 111 of the Local Government Act 1972 enables the Council to do any thing which is calculated to facilitate or in conducive or incidental to the discharge of any of its functions.

### **Equality Impact**

12. This report complies fully with the Council's policies on equality and diversity and pays particular attention to its statutory obligations under the Disability Discrimination Act.
13. Children and young people are consulted on significant property decisions that affect them.

### **Recommendation**

14. It is recommended that the: -
  1. Annual Property Performance Report for 2005/6 and its conclusions be approved and that the Director of Law and Property, in consultation with relevant directorates, be authorised to take the necessary action identified in the Report;

2. Strategic Workplan for the Corporate Property Policy be noted and approved.

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**List of Background Papers**

None