

# Housing, Finance and Customer Services Policy and Scrutiny Committee

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| <b>Date:</b>                              | 26 January 2015   |
| <b>Classification:</b>                    | General Release   |
| <b>Title:</b>                             | Corporate Property Asset Register   |
| <b>Report of:</b>                         | Guy Slocombe (Head of Investment, Corporate Property)   |
| <b>Cabinet Member Portfolio</b>           | Finance, Corporate and Customer Services  |
| <b>Wards Involved:</b>                    | All   |
| <b>Policy Context:</b>                    | Corporate Property  |
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## 1. Executive Summary

This report gives a summary of development of the Corporate Property Asset Register and, by way of appended guidance, adherence to the Local Government Data Transparency Code 2014

## 2. Key Matters for the Committee's Consideration

- Is Corporate Property fulfilling its requirement from the Committee to produce a Property Asset Register?
- How will the Register demonstrate financial and social returns generated by the Council's commercial property assets?
- Will the Register identify how each property is occupied and for what purpose – investment/service provision?
- Will this enable the Council to adhere to central Government's Local Government Data Transparency Code 2014?

### **3. Background**

The 2013 /14 Committee wanted to include an item in this year's work programme about the provision of a Corporate Property Asset Register which should include details of the asset's social or financial return, levels of revenue provided and reasons for any proposed retention or disposal.

This report and questions, under part 2 above, for the Committee's consideration aim to inform the Committee of progress made in delivering the new database and the data that the system will include. In addition and supplemental to the primary purpose of this report, we cover the subsequent introduction of the Local Government Data Transparency Code 2014 and the information the Council is compelled to make available and which will be managed by the database.

The database is not yet fully live. Accordingly this report will provide the Committee with an introduction to the database and an update of the progress being made in its delivery.

More broadly, our asset management objective is to deliver more effective active management of the portfolio. The Council is blessed with a substantial portfolio capable of generating income growth to contribute positively to the Council's financial position. Revenue gains from assets held within the HRA will support the Council's housing policies and from the General Fund will support delivery of the Council's wider services.

In the course of the last year, Corporate Property has recovered £5m of aged debt, grown property income by £900k and has identified c. £500m of development projects which will deliver a combination of improved Council services, new housing and further revenue to support the Council's budget.

We are focussed on strategies which will provide best returns from the Council's investment holdings and also contribute to more vibrant high streets, offering better choices for communities and also supporting new and independent business enterprises.

#### **Managed Services Programme –**

#### **Tri-Borough Asset Management and Property Programme**

#### **Implementation of TechForge as a common data standards and systems for the management of property asset data**

In order to manage data pertinent to the Council's Property Portfolio, the Council has joined RBKC and LBHF to create a centralised property asset data management system that will be a singular Tri-Borough property register with aligned standards and processes.

The preservation of a singular Tri-Borough property asset register will facilitate accurate, consistent and immediately accessible property data for

- a) Tri-Borough Finance capital asset registers,

- b) Tri-Borough facilities management systems, and
- c) Property portfolio oversight and management by the Tri-Borough Asset Management Property Board (TBAMB).

The initial scope of the system will include the investment and operational portfolios. though Tri-Borough may also decide to include other services areas, such as Social Housing and Schools in time.

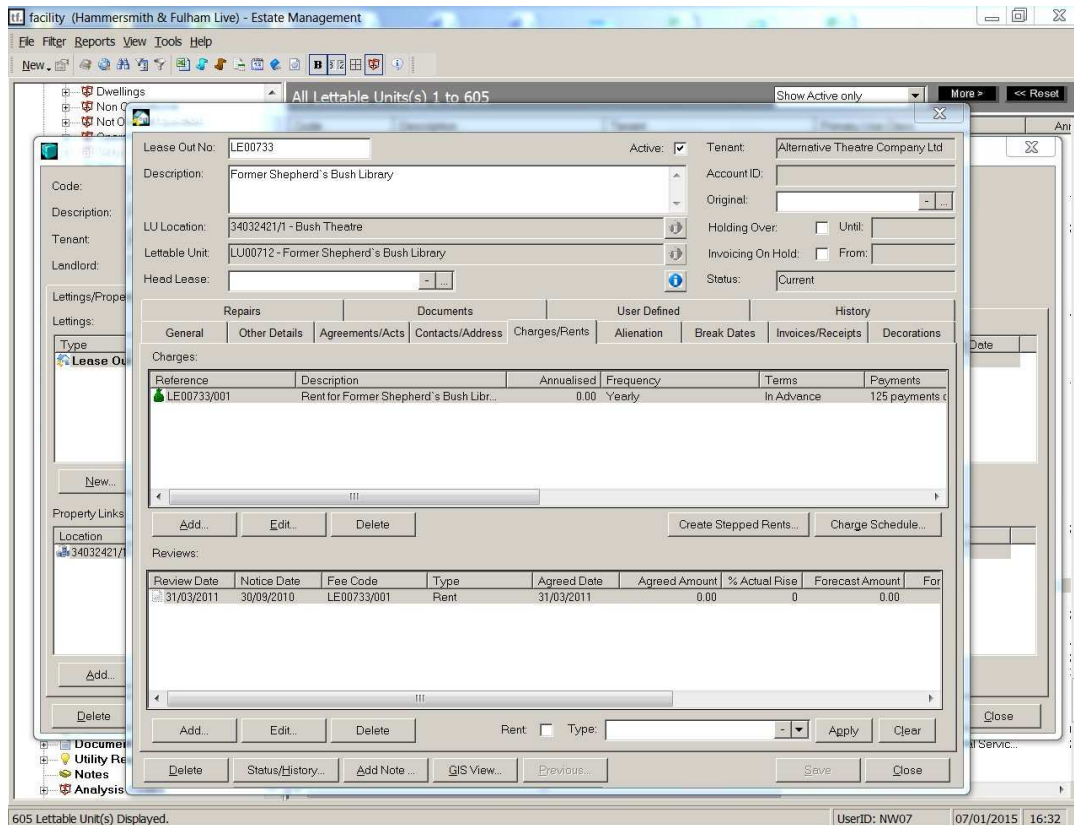
Though a Tri-Borough initiative, a key consideration is the ability to maintain necessary sovereignty for data and information for each of the Councils.

Key organisational benefits:

- A central repository of necessary information to enable professional decision-making.
- Support the strategic management of the Tri-Borough portfolios to ensure that best value is achieved.
- Consistency in standards and processes in compliance with CIPFA requirements for the management of property assets.
- Standardisation in the data and information used to manage and to report on Tri-Borough Property Assets.
- Supply core property data to systems used for Tri-Borough Facilities Management and Finance services.

Primary Activities:

- Estate Management Portfolio Management
- Document Management
- Void Management
- Lease Management
- Investment & Corporate /Operational Asset Register Management
- Reporting and Data/ Info. Repository
- Acquisitions and Disposals
- Valuations



## Introduction

WCC had previously agreed three phases for the implementation of the Property Asset Data Management (PADM) system with an initial system installation, a database go-live and a 'front-facing' website go-live.

However, there are a number of issues, risks and dependencies, which means that some of the data required will not be ready for migration to the new system by the required date.

It is therefore proposed to have five phases for implementation which will be as follows:

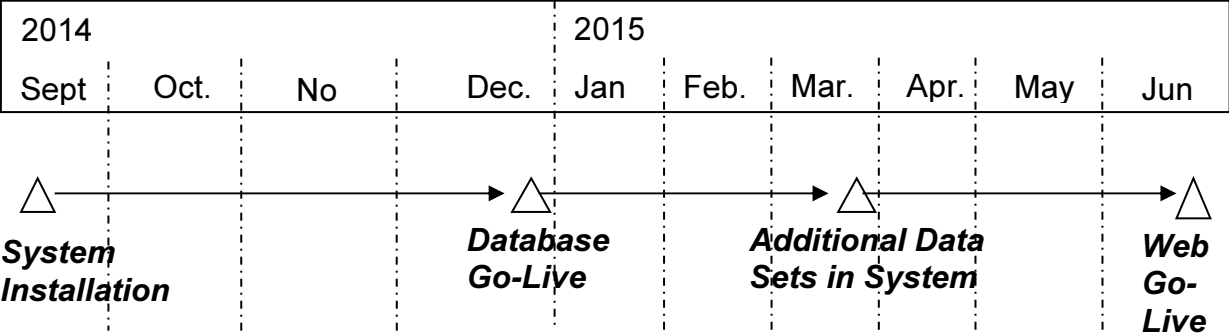
- 1) An initial system installation.
- 2) A database go-live.
- 3) Additional property information and data.
- 4) A 'front-facing' website go-live.
- 5) Site visits and historical document searches.

WCC have completed the first and second phases, phase 2 being completed in December 2014.

The scope of the property system has been limited to the operational and investment portfolios initially.

This system will interface with Lot 1 (Finance and HR services) of the shared Managed Services Programme (MSP).

**Project Timeline and Activity (add timeline)**



The first phase (system Installation) was completed on the 1 September 2014. Prior to system installation a significant volume of work was required to cleanse and collate WCC property data, and to ensure that it was aligned with the Tri-Borough data standards.

This has been followed by a period of data collation and cleansing, testing and training prior to the initial go-live of the system in December 2014. This will ensure that WCC’s instance of the TechForge system will be prepared for the financial year-end on the 31 March 2015 and is reconciled with finance fixed asset systems. This will be followed by further data and document collation, cleansing and alignment for additional property data sets in January and March 2015.

Once this is complete the TF Web ‘front-facing’ solution will be developed between April and June 2015. This will require a period of refining reporting and business intelligence requirements and establishing the processes to support related functions across the Tri-Borough.

Once these phases are complete it will allow a more detailed project (the fifth phase) to start on the collation and reconciliation of property asset data and information to legal, historical and national records. This includes national land registry records, Land and Property Terrier records, microfiche documents etc...

This phased approach will allow WCC to achieve a complete view of property information, ensure effective reporting and manage the activity required to implement the system.

**Reporting Phases (main questions)**

The following sets out the main reports that the WCC PADM system will be able to provide at each phase of implementation. They are phrased as questions that the report will be able to help to answer.

**Database Go-Live - December 2014**

- What are the core sites, and assets or properties that WCC have a legal or financial interest in?
- Where are those assets located?

- What is the capital asset value of the core assets and properties?
- What is the Council's investment portfolio and rent roll?

#### **Additional Data and Information - March 2015**

- What are the running costs of the portfolio?
- Which Department is the lead for each site and property or asset?
- What is the Council's energy utility usage?
- What are the planning restrictions on the core list of sites and assets or properties?

#### **Web 'Front-Face' Go-Live June 2015**

- Online customised reports for groups of data customers (produced from live database).
- Detailed legal information about sites and assets or properties.
- What is the Council's energy usage for sites and assets or properties?

#### **Progress to Date**

The order forms and contract for the TechForge system were executed for WCC on the **29 May 2014**.

The system has been installed and setup for WCC since September 2014. The core list of property assets has been cleansed, aligned to the Tri-Borough data structures and migrated to the system for the main properties in which WCC has a legal or financial interest (operational and investment portfolios only). This excludes wayleaves and substations at present.

#### **Core Property Records Update**

1152 property records were initially identified

884 of these have been loaded into the TF system as 696 sites and 888 property assets.

216 still need to be loaded into the system, 213 of these are wayleaves, substations, advertising hoardings, open spaces or gardens. Three properties are yet to be reconciled with existing property schedules.

52 records have been identified as duplicates.

The addresses, naming conventions and allocation of Gazetteer UPRNs or local property sub-codes for properties have been allocated.

With the core property list in the system the framework for which all property data is then recorded against has been established.

Initial system training is underway for key system users with the supplier on the following areas:

Property Register

Overview and Navigation  
System Administration  
Core Property Register  
Reporting  
Plant and Estates  
GIS (URL link)  
CAD Sync

In addition, data sets for estates and lease management data and valuations have been cleansed, transposed to data migration templates and are about to be submitted to the supplier.

#### **Estates and Lease Management Data**

1028 records have been identified.

807 of these have been allocated their respective UPRN or TF code to identify them with the correct site and asset or property.

221 records have not been allocated a UPRN or TF Code; 202 of these are Wayleaves or substations and 19 are still to be allocated.

Work has also started on the development of ICT system interfaces, a Tri-Borough Virtual Data Team, revising the data standards, and mapping property reporting and business intelligence requirements.

#### **4. Risks, Issues, and Dependencies**

The implementation of the TechForge PADM system at WCC faces a number of risks, issues and dependencies.

WCC property data is not aligned across relevant ICT systems and there are issues with naming conventions for properties. This will require a large amount of resource time to cleanse and align property data 'one line at a time'.

The property standards and structure for property data agreed by the Tri-Borough are not fully in place for WCC. This area of work was expected to be completed by a previous supplier; however was not completed to the level that is required.

WCC have now recruited to the post of a Property Information Manager who will lead on this area of work. The above work has been started by existing property services staff and the Managed Services Lot 3 project team, within existing workloads.

The ICT system that is currently used by Amey (the Council's facilities management contractor) needs to be aligned with the Tri-Borough property data standards. A mapping, gap analysis and quality assurance exercise needs to be completed with Amey and the Link to identify any possible data transfer issues between ICT systems.

The property services department are currently undertaking a review of all way-leaves and sub-stations. The data relating to these is dependent on the completion of this review and is not expected to be completed until April 2015.

The MSP Lot 1 HR and Finance system (Agresso Business World Solutions) is planned to go-live on the 1 April 2015. The PADM MSP Lot 3 TF system will be dependent on this system for the provision of Finance information relating to property services (income, expenditure, rent collection and debt management etc...).

Property assets within the operational and investment property portfolios have a significant financial value. Any errors will result in misinformation and could potentially leave the property services department in a vulnerable position during a statutory audit.

## **5. Health and Wellbeing Implications**

There are no health and wellbeing implications

## **6. Financial Implications**

Through the fulfilment of a the property strategy which provides greater focus on the income generation and also efficient use of the Council's operational portfolio, Corporate Property can make a substantial contribution to the Councils financial position.

## **7. Risks and Mitigations**

The report does not contain proposals or plans with associated risks beyond those identified that are pertinent to the programme.

**If you have any queries about this Report or wish to inspect any of the Background Papers please contact Guy Slocombe x 5465**  
[gslocombe@westminster.gov.uk](mailto:gslocombe@westminster.gov.uk)

## **BACKGROUND PAPERS**

Local Government Transparency Code 2014



## Appendix 1

### **Local Government Transparency Code 2014**

**Please note as follows an extract from the Local Government Transparency Code 2014.**

- **Part 2: Information which must be published annually**

#### **Local authority land**

- Local authorities must publish details of all land and building assets including:
  - all service and office properties occupied or controlled by user bodies, both freehold and leasehold
  - any properties occupied or run under Private Finance Initiative contracts
  - all other properties they own or use, for example, hostels, laboratories, investment properties and depots
  - garages unless rented as part of a housing tenancy agreement
  - surplus, sublet or vacant properties
  - undeveloped land
  - serviced or temporary offices where contractual or actual occupation exceeds three months, and
  - all future commitments, for example under an agreement for lease, from when the contractual commitment is made.
- However, information about the following land and building assets are to be excluded from publication:
  - social housing
  - rent free properties provided by traders (such as information booths in public places or ports)
  - operational railways and canals
  - operational public highways (but any adjoining land not subject to public rights should be included)
  - assets of national security, and
  - information deemed inappropriate for public access as a result of data protection and/or disclosure controls (eg. such as refuge houses).
- To avoid data protection issues it is recommended that the specific location details of social housing is not included in the published list.

- Local authorities should use the official postal address. Exceptionally, where this is not available, local authorities should use the address they hold for the asset.
- For each land or building asset, the following information must be published together in one place:
  - Unique Property Reference Number
  - Unique asset identity - the local reference identifier used by the local body, sometimes known as local name or building block. There should be one entry per asset or user/owner (eg. on one site there could be several buildings or in one building there could be several users floors/rooms etc – where this is the case, each of these will have a separate asset identity). This must include the original reference number from the data source plus authority code
  - name of the building/land or both
  - street number or numbers - any sets of 2 or more numbers should be separated with the '-' symbol (eg. 10-15 London Road)
  - street name – this is the postal road address<sup>21</sup>
  - post town
  - United Kingdom postcode
  - map reference – local authorities may use either Ordnance Survey or ISO 6709 systems to identify the location of an asset, but must make clear which is being used. Where an Ordnance Survey mapping system is used (the grid system) then assets will be identified using Eastings before Northings. Where geocoding in accordance with ISO 6709 is being used to identify the centre point of the asset location then that reference must indicate its ISO coordinates
  - whether the local authority owns the freehold or a lease for the asset and for whichever category applies, the local authority must list all the characteristics that apply from the options given below:
- *for freehold assets:*
  - occupied by the local authority
  - ground leasehold
  - leasehold
  - licence
  - vacant (for vacant properties, local authorities should not publish the full address details and should only publish the first part of the postcode<sup>22</sup>).
- *for leasehold assets:*
  - occupied by the local authority

- ground leasehold
- sub leasehold
- licence.
- *for other assets:*
  - free text description eg. rights of way, access etc.

whether or not the asset is land only (i.e. without permanent buildings) or it is land with a permanent building.