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To: Councillor Allan, Convener; and Councillors Dickson, Forsyth, McCaig, Milne, Noble, Reynolds, Young and Yuill

Town House,
ABERDEEN 16 September 2013

PROPERTY SUB COMMITTEE

The Members of the **PROPERTY SUB COMMITTEE** are requested to meet in Committee Room 2 - Town House on **TUESDAY, 24 SEPTEMBER 2013 at 10.00 am.**

JANE G. MACEACHRAN
HEAD OF LEGAL AND DEMOCRATIC SERVICES

B U S I N E S S

DETERMINATION OF EXEMPT BUSINESS

- 1.1 Determination of Exempt Items of Business

COMMITTEE BUSINESS STATEMENT AND ORDERS OF REFERENCE

- 2.1 Committee Business Statement (Pages 1 - 6)
- 2.2 Orders of Reference (Pages 7 - 8)

GENERAL BUSINESS

- 3.1 Property Asset Management Plan Update 2013 (Pages 9 - 14)
- 3.2 Property Sub Committee Dates of Future Meetings (Pages 15 - 16)

ITEMS WHICH THE COMMITTEE MAY WISH TO CONSIDER IN PRIVATE

- 4.1 Common Good Property Repairs (Pages 17 - 24)
- 4.2 Wallace Tower, Tillydrone Road - Future Use (Pages 25 - 46)
- 4.3 Development Agreement, Devil's Den, Woodside (Pages 47 - 52)
- 4.4 Lemon Street, West North Street (Pages 53 - 56)
- 4.5 Former Victoria Road School (Pages 57 - 60)
- 4.6 Ferryhill Engine Shed (Pages 61 - 64)
- 4.7 Clan Westburn Road (Pages 65 - 68)
- 4.8 Station House Community Centre (Pages 69 - 72)
- 4.9 Review of Commercial Aerial and Telecommunications Sites (Pages 73 - 78)
- 4.10 Property Sales - to follow
- 4.11 Property - Vacant and Surplus Assets September 2013 (Pages 79 - 82)

Website Address: www.aberdeencity.gov.uk

Should you require any further information about this agenda, please contact Allison Swanson, email aswanson@aberdeencity.gov.uk or tel (52)2822

**PROPERTY SUB COMMITTEE
COMMITTEE BUSINESS**

24 September 2013

Please note that this statement contains a note of every report which has been instructed for submission to this Committee. All other actions which have been instructed by the Committee are not included, as they are deemed to be operational matters after the point of committee decision.

<u>No.</u>	<u>Minute Reference</u>	<u>Committee Decision</u>	<u>Update</u>	<u>Lead Officer(s)</u>	<u>Report Due</u>	<u>Report Expected (if known)</u>
1.	Finance and Resources 28/09/10 article 24	<u>Access from the North Proposals (Third River Don Crossing) - Compulsory Purchase Order</u> The Committee resolved: to note that officers would provide regular updates to Committee in relation to progress with land acquisition against budget.	A report is to be considered by the Finance, Policy and Resources Committee.	Head of Asset Management and Operations	As and when required	26/9/13 – Finance, Policy and Resources Committee
2.	Finance and Resources 28/09/10 article 25	<u>Property Asset Management Plan</u> The Committee resolved: that also in respect of the TNRP review, the Head of Asset Management and Operations be instructed, in conjunction with the Head of Finance, to prepare a schedule of property reviews with a view to completing within eighteen months and to report on those reviews, to appropriate meetings of this Committee.	A comprehensive report detailing all the issues relating to the current tenancies and Local Plan designations is being developed. It should be noted that this is a complex issue which requires significant work to complete. Due to ongoing work within the Team involved this work is still being scoped with a view to reporting later in the year. A report is on the agenda.	Head of Asset Management and Operations	04/10/12	24/9/13

<u>No.</u>	<u>Minute Reference</u>	<u>Committee Decision</u>	<u>Update</u>	<u>Lead Officer(s)</u>	<u>Report Due</u>	<u>Report Expected (if known)</u>
3.	Finance and Resources 15/03/12 article 36	<u>Review of Commercial Properties</u> The Committee resolved amongst other things to instruct the Head of Asset Management and Operations to review and report on possible options for the future of 1 Queens Gardens, prior to the current lease expiring in April, 2014.	Following an initial appraisal, discussions are ongoing between the Council and their existing tenant. A report will be brought to the Sub Committee in due course.	Head of Asset Management and Operations	06/12/12	26/11/13
4.	Finance and Resources 04/10/12 article 34	<u>Newhills Expansion – Initial Consultants Appointment</u> The Committee resolved, amongst other things, to note that this commission would be the 1 st phase of the programme of work for the implementation of a Development Framework for the site, and that a further report would be submitted to this Committee.	A report dealing with Common Good development and investment requirements is on the agenda, which includes an update on this site. An update is contained in the vacant/surplus property report.	Head of Asset Management and Operations	21/2/13	24/9/13 - update
5.	Finance and Resources 21/2/13 article 28	<u>Supplementary Review of Advance Factories 2013</u> The Committee resolved amongst other things: (i) instruct the Head of Asset Management and Operations to report to future meetings of this Committee on the outcome of the implementation of recommendations (b), (c) and (d) contained in the report, in order that Committee might consider the approval of offers for advance factories or authorising the implementation of repair and	The various remits are currently being actioned by the Head of Asset Management and Operations. It is intended that an update report on progress will be submitted to the Sub Committee in November 2013.	Head of Asset Management and Operations	13/6/13	26/11/13

<u>No.</u>	<u>Minute Reference</u>	<u>Committee Decision</u>	<u>Update</u>	<u>Lead Officer(s)</u>	<u>Report Due</u>	<u>Report Expected (if known)</u>
		<p>upgrading works programmes, or any other potential property schemes for groups of advance factories; and</p> <p>(ii) instruct the Head of Asset Management and Operations to report to future meetings of the Committee on the outcome of the implementation of recommendations (f) and (g) contained in the report, in order that the Committee might consider the approval, in principle, of such potential development schemes.</p>				
6.	Finance and Resources 21/2/13 article 31	<p><u>Bobby Calder Park</u></p> <p>The Committee resolved amongst other things:</p> <p>(i) agree that as the identification of a site for a new secondary school to the south of the Dee was amongst the Council's key priorities, Bobby Calder Park be reserved as a possible site for this project until such time as a final site was approved for the new school; and</p> <p>(ii) authorise officers to progress more detailed negotiations with Cove Rangers Football Club (or their trustees) with the view to a more modest project being taken forward by them, subject to a long ground lease being agreed, on the basis that such a use would be compatible with any proposals for a new secondary school.</p>	<p>The site for the proposed secondary school is being discussed by the Education Culture and Sport Committee on 12 September 2013. Following the outcome of this Report the recommendation of the Finance and Resources Committee will be advanced.</p> <p>In the meantime discussions have progressed with Cove Rangers Football Club although officers are unable to commit to Heads of Terms until the precise land requirement and site for any secondary school are confirmed.</p>	Head of Asset Management and Operations	13/6/13	12/9/13 – Education, Culture and Sport

<u>No.</u>	<u>Minute Reference</u>	<u>Committee Decision</u>	<u>Update</u>	<u>Lead Officer(s)</u>	<u>Report Due</u>	<u>Report Expected (if known)</u>
7.	Finance and Resources 21/2/13 article 32	<u>Ferryhill Engine Shed – Current Status</u> The Committee resolved amongst other things: (i) to agree to the continuation of the Licence to Occupy granted to FRHT on a month to month basis, for up to a maximum of six months, to allow discussions on the key issues to be clarified; and (ii) instruct the Head of Asset Management and Operations to report back to this Committee on any variation of circumstances.	A report is on the agenda.	Head of Asset Management and Operations	13/6/13	24/9/2013
8.	Finance and Resources 21/2/13 article 33	<u>Greenferns Development Update</u> The Committee resolved amongst other things: (i) instruct the Head of Asset Management and Operations to bring a future report to the Committee on the outcome of these actions detailed in the report; and (ii) note that a further report in relation to the Greenferns Holding would be submitted to the Committee in early course.	A report dealing with Common Good development and investment requirements is on the agenda, which includes an update on this site. An update is contained in the vacant/surplus property report.	Head of Asset Management and Operations	13/6/13	24/9/13 - update
9.	Finance and Resources 13/6/13 article 20	<u>Westburn House</u> The Committee resolved to request officers undertake a review of activities and report back to this Committee with a revised marketing strategy and options appraisal, such report to be circulated to	An internal team incorporating estates, cost consultancy, engineering, conservation, planning and architectural disciplines is being put together to consider the property with a view to reporting to a future meeting.	Head of Asset Management and Operations	26/11/13	

<u>No.</u>	<u>Minute Reference</u>	<u>Committee Decision</u>	<u>Update</u>	<u>Lead Officer(s)</u>	<u>Report Due</u>	<u>Report Expected (if known)</u>
		all local members.	An update is contained in the vacant/surplus property report.			
10	Finance and Resources 13/6/13 article 20	<u>Victoria Road School</u> The Committee resolved in relation to Victoria Road School, Torry, approve the request by Torry Community Council to place the demolition and marketing of the building on hold for six months while they undertake a feasibility study on the property, and to request officers to continue to liaise with the Community Council and to report back on progress to the next meeting of the Committee.	A report is on the agenda.	Head of Asset Management and Operations	26/11/13	24/9/13

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**ABERDEEN CITY COUNCIL
PROPERTY SUB COMMITTEE
ORDERS OF REFERENCE**

1. To set and monitor an asset management strategy for the Council and to scrutinise performance within this.
2. To undertake overall management of the Council's property at the stage of acquisition or disposal.

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ABERDEEN CITY COUNCIL

COMMITTEE	Property Sub Committee
DATE	24 September 2013
DIRECTOR	Gordon McIntosh
TITLE OF REPORT	Property Asset Management Plan Update 2013
REPORT NUMBER:	EPI/13/162

1. PURPOSE OF REPORT

Update members of the progress made since the approval of the Property Asset Management Plan in 2012.

2. RECOMMENDATION(S)

That the Committee approves the Property Asset Management Plan Update 2013.

3. FINANCIAL IMPLICATIONS

There are no specific implications flowing from this report. The further implementation of Property Asset Management Planning will result in additional improvements in efficiency of the utilisation of Council property assets, potentially producing savings in revenue costs and identifying surplus assets, thereby realising capital receipts.

4. OTHER IMPLICATIONS

There are no immediate other implications flowing from this Report.

5. BACKGROUND / MAIN ISSUES

Asset Management is widely recognised by the Scottish Government, Property professionals and Public Bodies as vital to optimising the use and management of property assets with the aim of releasing financial and service benefits. This is identified in a recent publication from the Scottish Futures Trust (SFT) entitled "Improving Asset Management across the Scottish Public Sector". Such thoughts have been expressed in earlier publications from Audit Scotland, the Chartered Institute of Public Finance & Accountancy (CIPFA) and the Royal Institution of Chartered Surveyors (RICS).

The Council's Property Asset Management Plan (PAMP) was approved by the Finance & Resources Committee in September 2012. It is recognised as good practice to have a complete review of the PAMP every three years with annual updates in between. This is the first of the updates.

Asset Management is now well developed within the Council. A small team are dedicated to the development and immediate implementation of Asset Management. Significant improvements have been made in essential processes/procedures as well as improvements to actual assets. This good work is set to continue in future years.

An electronic copy of the Property Asset Management Plan (PAMP) 2013 has been emailed to all members of this Committee, with a copy placed in the Members' Library. Once approved, the PAMP will be available on the Council's Website. An Executive Summary is included at the start of the PAMP. The PAMP was circulated to the Corporate Asset Group in late August and subsequently approved.

Some of the key points/findings from the PAMP are as follows:-

Corporate Property – Objectives & Priorities

In designing our approach to asset management within Aberdeen, in order to deliver our Strategic Priorities, we have identified 7 overarching property aims and objectives that will seek to ensure that the Council's assets are fit for purpose within the current budgetary restraints.

- **Assets must meet the needs of those that use them.** This includes staff, elected members, visitors, customers and the general public, people with disabilities or special needs and other minority groups. This means creating a comfortable and accessible environment that makes a positive contribution to the use to which the asset is put. It also means asking people what they think about our property assets and responding to their needs.
- **Assets must be economically sustainable.** This means keeping running costs down, prioritising capital spending, considering the reuse of assets rather than renewal, proper option appraisal incorporating whole life costing and assessing opportunity costs.
- **Assets must be safe and comply with current legal requirements and any future requirements.** This means ensuring that regular surveys and inspections for asbestos, legionella, fire and health and safety as well as physical conditions surveys and Disability Discriminations Act (DDA) audits are undertaken.
- **Assets must make a strategic impact.** Ensuring that our property decisions are linked to decisions on other Council

resources (staff, IT, finance) and that asset management contributes to our strategic priorities and challenges.

- **Assets must be environmentally sustainable.** Monitoring and reducing energy consumption and CO² emissions, ensuring that asset decisions take into account both the local and global environment and make a positive contribution to a sustainable community.
- Working with our public sector partners, primarily in the Grampian Public Sector Strategic Property Asset Group. We are developing a shared strategy to **encourage the sharing of property assets where practical.**
- **Heritage Assets should be maintained to a high standard.** Ensuring the Council upholds its responsibilities in maintaining our built heritage.

Current Asset Performance

Improvement:-

- 4% reduction in water consumption
- 15% reduction in oil consumption

Little or No Change:-

- % of Properties suitable
- Corporate Office Utilisation

Decline:-

- Required Maintenance increased from £60.7m to £65.3m
- % of Properties in Satisfactory Condition decreased by 2.3%
- 8% increase in gas/electricity consumption
- Public Access down from 83.9% to 81.6%

Key Challenges & Achievements

Selected Challenges are:-

- Required Maintenance Backlog
- Increasing Planned Maintenance
- Improving Suitability
- Fit for Purpose School Estate
- Community Transfer

Selected Achievements are:-

- A reduction in oil and water consumption
- A reduction in the time it takes to get surplus assets on the market
- The advancement of the Tenanted Non-Residential Property Review

- The inclusion of over £160m of property related capital projects in the 5 year capital programme

Investment Planning

A number of new property related projects were approved for funding in the five year capital programme. They are:-

- New Academy to the South (replacement of Kincorth and Torry Academies)
- New Milltimber Primary School
- Art Gallery Redevelopment
- Museums Collection Centre
- Replacement of Rosehill House (Burnside site)
- Childrens Home Replacement/Upgrade
- Quarry Centre Refurbishment
- Craigielea Refurbishment
- Fergus House Lift Replacement
- Creation of Respite Centre (Balnagask House)
- Rosewell House Hydrotherapy Pool
- Tillydrone Extra Care Village

This year has seen the completion of Marchburn House a new build childrens home. The extension to Riverbank School and other associated works to improve the building will be completed in Autumn 2013. The extensive refurbishment of Tullos Swimming Pool is also nearing completion.

Key Priorities

The updated priority areas are as follows:-

Priority Area	Responsibility	Target Date for Completion
Suitability Assessments Updates	Services	September 2013
Complete Service Asset Management Plans	Services	September 2014
All Services to have access to Uniform and Confirm	Asset Management/Corporate Governance	December 2013
Repairs & Maintenance Strategy to be developed	Asset Management & Operations	December 2013
School Review - Implementation	Education Culture & Sport	Ongoing
Complete ASN/Inclusion Review	Education Culture & Sport	June 2014
Leisure Asset & Sports Pitch Strategy	Education Culture & Sport	October 2013
Cultural Assets Mapping	Education Culture & Sport	September 2013
Water Management Plan (Swimming Pools)	Education Culture & Sport	October 2013
Draft Community Transfer policy	Estates Team	Spring 2014
Complete TNRP Review	Investment Team	December 2013
Office Accommodation	Asset Management	Ongoing

6. IMPACT

Corporate - The continued implementation of the Property Asset Management Plan will ensure that the Council is utilising its property portfolios to support Services in implementing the Single Outcome Agreement. In addition the plan contributes to achieving the vision set out in 'Aberdeen: The Smarter City'. Property has a particularly important role to play in Smarter Living, Smarter People and Smarter Environment themes.

Public – The continuing improvement to the Council's properties through good asset management practices will help ensure that services are being delivered from buildings that are "fit for purpose".

7. BACKGROUND PAPERS

Property Asset Management Plan 2012
Corporate Asset Management Plan 2013

8. REPORT AUTHOR DETAILS

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Dates of Future Meetings

The Sub Committee will meet on the following dates in the Town House at 2pm:

- 26 November 2013
- 4 February 2014
- 22 April 2014
- 10 June 2014
- 9 September 2014
- 18 November 2014

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