

Name of meeting: Cabinet
Date: 26th September 2023

Title of report: Asset Review September 2023

Purpose of report:

The purpose of this report is to establish working principles, and to initiate a holistic asset review considering the optimisation, rationalisation, mothball, closure, and disposal of property assets and interests across the Council's estate. This report sets out some early recommendations for consideration. Further options and recommendations will be offered across a series of reports over the coming months for consideration and presented in alignment with ongoing budget planning and organisational change activity.

Key Decision - Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?	Yes – has implications exceeding £500k and covers all wards.
Key Decision - Is it in the <u>Council's Forward Plan (key decisions and private reports)?</u>	Key Decision – Yes Public Report
The Decision - Is it eligible for call in by Scrutiny?	Yes
Date signed off by <u>Strategic Director</u> & name	David Shepherd – Strategic Director for Growth and Regeneration – 08/09/23
Is it also signed off by the Service Director for Finance?	Isabel Brittain – Service Director for Finance – 13/09/23
Is it also signed off by the Service Director for Legal Governance and Commissioning?	Julie Muscroft – Service Director for Legal, Governance and commissioning – 15/09/23
Cabinet member http://www.kirklees.gov.uk/you-kmc/kmc-howcouncilworks/cabinet/cabinet.asp	Cllr Graham Turner – Finance & Regeneration

Electoral wards affected: All Wards

Ward councillors consulted: No

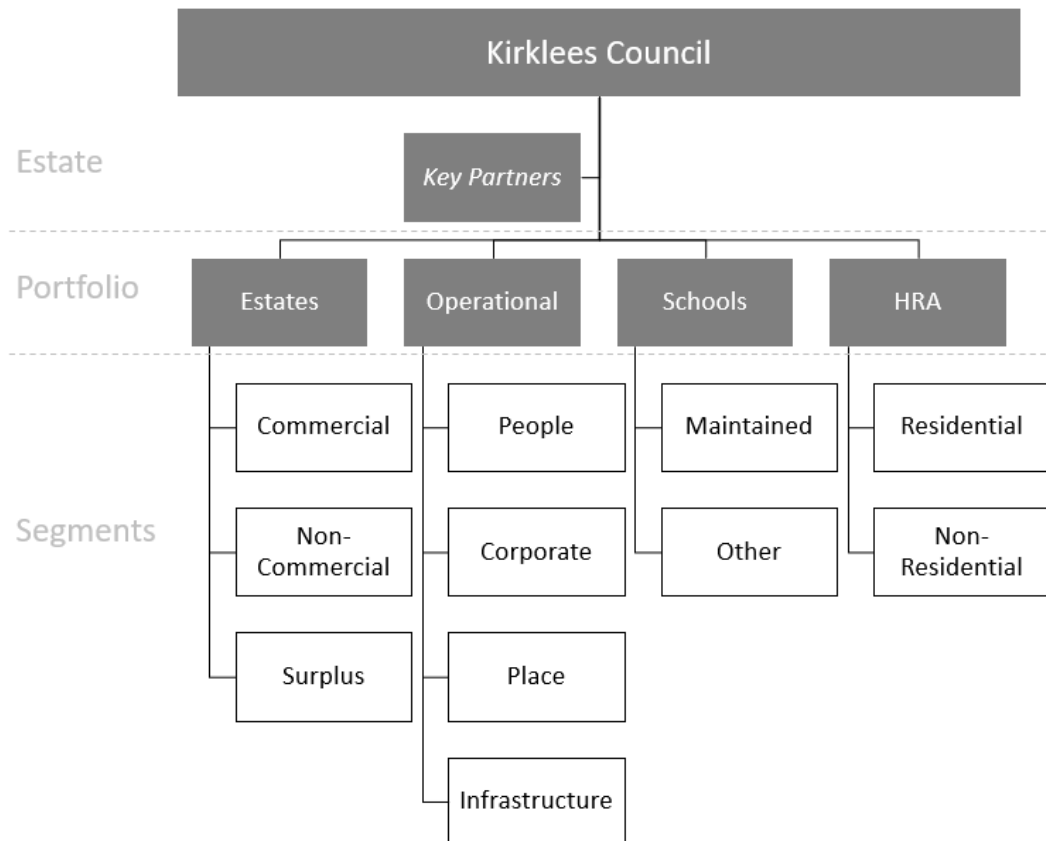
Public or private: Public

Has GDPR been considered? There is no personal data within the report.

1. Summary

- 1.1 This report, in alignment with the emerging Corporate Property Strategy, introduces the Council's Asset Review, presenting a systematic and holistic approach to the optimisation, rationalisation, mothball, closure, and disposal of property assets and interests across the Council's estate. It also sets out some early recommendations.
- 1.2 The council's estate is split into portfolios and segments as illustrated below, the initial focus of the asset review is on the operational portfolio.

Figure 1 - Kirklees Council's Estate



- 1.3 The approach taken to prioritise assets across the estate is termed the Core Estate.
- 1.4 The Core Estate identifies those assets which are required to facilitate the Council's statutory functions, corporate and political priorities, and to safeguard legal, cultural, and heritage obligations.
- 1.5 The categorisation and review of the operational portfolio is under review to understand the forward investment priorities of the retained Core Estate and to further identify opportunities for rationalisation and optimisation of the estate.
- 1.6 As opportunities emerge either due to the review or as a result of ongoing business planning and service change activity, further reports will be brought forward for consideration.

2. Information required to take a decision.

- 2.1 The initial outputs of the asset review, in conjunction with the decisions taken as part of the recent asset rationalisation and surplus property disposals cabinet reports, have been assembled into focus reviews, presenting further opportunities to make the management and running costs of the Council's operational estate leaner.
- 2.2 The outputs from two of these reviews are presented as follows.

A. Town Halls

- 2.3 5 Town Halls are currently managed as part of the Council's operational estate. However, Slaithwaite Town Hall is not currently considered as part of this review due to its primary function facilitating service delivery and providing place-based office accommodation. The remaining four Town Halls are summarised as follows with additional detail provided within Appendix A.
- 2.4 Huddersfield and Dewsbury Town Halls are identified as being core assets, and key civic buildings supporting local democracy and the delivery of statutory and key services across the district. In alignment with the core estate principles, work is underway to fully understand each building and the forward investment requirements to ensure they are maintained to be fit for purpose, efficient and effective into the future.
- 2.5 Batley Town Hall is identified as having available capacity which is proposed to be repurposed and made fit for purpose to support wider council services. This creates an opportunity to support the delivery of a modernised Library provision in a refurbished building. This would release the Batley Library building, which requires extensive investment, as surplus to organisational requirements. This decision is subject to the outcome of consultation. It is proposed that the Strategic Director for Adults and Health be delegated with authority to carry out a non-statutory consultation on the proposals and to finalise plans for consultation including methodology and timescales.
- 2.6 The main hall at Cleckheaton Town Hall is currently closed pending specialist investigation due to significant emerging condition and health and safety issues. The future planned capital investment needed to bring the building up to standard is already significant and currently unfunded. To allow the required further detailed assessment of the building to be undertaken the whole building will need to be mothballed. The timing of this will be aligned with the planned use of the building for vaccinations until the end of the calendar year, following which, the building will remain mothballed until determined otherwise.
- 2.7 Uses/users have been transferred to alternative venues or plans are in place to do the same.

B. Dewsbury Town Centre

- 2.8 This review assembles changes across several buildings within Dewsbury, there is a clear link with the Dewsbury Blueprint and Town Deal project board. A scheme of work is required to invest in making key assets fit for purpose, this will be funded and delivered within existing budgets.

- 2.9 Following extensive consultation through the Dewsbury Town Board and forums such as the Historic England Historic Places Panel, the council has reflected on the position and determined that the Walsh building should be identified as key to retaining and supporting the forward delivery of Council services within Dewsbury. Due to this position, the existing decision taken by Cabinet at its November 2021 meeting to relocate services and demolish the building will need to be amended. In response, the Dewsbury Town Deal Project will also need to be aligned to reflect that the building is to be retained.
- 2.10 The Walsh building is identified as having available capacity which is proposed to be repurposed and made fit for purpose to support wider council services. This will be funded and delivered within existing corporate landlord baseline budgets.
- 2.11 This creates an opportunity to support the delivery of a modernised service hub including the library and customer service centre in a refurbished building. This decision is subject to consultation.
- 2.12 It is proposed that the Strategic Director for Adults and Health be delegated with authority to carry out a non-statutory consultation on the proposals and finalise plans for the consultation including methodology and timescales.
- 2.13 The current library building would then become vacant and be partially mothballed subject to further review. This review will consider the complex property arrangements in place and will need to consider the site as a whole including the leisure centre.
- 2.14 The office accommodation within Dewsbury will also be reviewed to ensure that the ongoing place-based office provision is effective and efficient to meet forward service requirements. This involves office space currently provided across Empire House, Dewsbury Town Hall, and the Walsh building.

Summary

- 2.15 The following table presents the annual revenue change as a result of delivering the proposed activity:

	Annual Revenue Change (saving)
Town Halls	£220k
Dewsbury	£235k
<u>Total:</u>	<u>£455k</u>

- 2.16 The investment required to cover the cost of change associated with implementing and delivering these proposals is to be funded through the alignment of existing revenue and capital budgets within the Corporate Landlord and Capital service.

- 2.17 The annual revenue change is subject to the delivery of the required investment and changes proposed. Resultant savings are forecast to commence and accumulate from 2024/25 onwards.
- 2.18 In addition to the direct property related efficiencies, the optimisation of the estate promotes and, in some cases, prompts service change. Savings associated with service change are usually indirect and difficult to target and monitor.

3. Implications for the Council

3.1 Working with People

The planned approach for delivery will require key council services to work closely together proactively.

3.2 Working with Partners

As part of the process for bringing forward the reshaping of the Council's estate, key partners will be made aware to help identify any collaborative opportunities.

3.3 Place Based Working

Changes to property can often highlight wider opportunities and be a catalyst for development, which in turn can make our places more attractive and vibrant.

3.4 Climate Change and Air Quality

Rationalising and optimising property reduces the council's estate and carbon footprint, contributing to our commitment towards net zero.

3.5 Improving outcomes for children

Aligning the rationalisation and optimisation of property with service change will overall support the improvement of outcomes.

3.6 Finance

A balanced approach is required to support the rationalisation and optimisation of the estate. Vacating and mothballing assets can provide more immediate and direct building related revenue savings, alongside the optimisation of assets to improve the efficiency and effectiveness of use to promote more indirect service-based efficiencies and savings.

3.7 Financial Implications for the people living or working in Kirklees

None

3.8 Legal

Normal processes and procedures, including the officer scheme of delegation, will be used and advice sought as appropriate to bring forward the proposals for delivery.

At this time the proposals associated with library relocations continue to comply with the council's statutory duty, in accordance with the Public Libraries and Museums Act 1964, and the proposed consultation is non-statutory in alignment with DCMS guidance. Proposals will comply with the S149 Equality Act 2010 and Public Sector equality duty.

The Council's approach to determining a core estate is in alignment with the power to provide Town Halls is within S132 of the Local Government Act 1972. Also, the Council has the legal power to dispose of assets generally under section 123 of the Local Government Act 1972 usually for the best consideration that can reasonably be obtained.

3.9 **Integrated Impact Assessment**

An Integrated Impact Assessment has been carried out as part of the Council Budget setting process and is published on the Council's website. Individual assessments may need to be considered for each scenario and should be undertaken as part of bringing each scenario forward for delivery alongside appropriate consultation and communication.

4. **Consultees and their opinions**

4.1 This report has been subject to consultation with the Council's Executive Team (ET), Leadership Management Team (LMT), and the Portfolio Holder for Corporate services, and their comments have informed the contents of this report.

4.2 Ward members will be engaged and informed of progress on a property-by-property basis.

5. **Next steps and timelines**

5.1 Following this report, and subject to approval, instruction will be given to proceed at pace with the proposals, forming an accelerated programme for delivery.

6. **Officer recommendations and reasons**

Cabinet is asked to agree the overall approach, noting ongoing and planned activity which is being managed under business as usual, and to:

A. approve A. Town Halls;

(i) To delegate authority to the Strategic Director for Adults and Health in consultation with the Portfolio Holder for Corporate Services and the Portfolio Holder for Finance and Regeneration, to finalise plans for non-statutory consultation about the proposed library proposals at Batley including methodology and timescales, to carry out the consultation, and following consultation, the decision about moving the library into Batley Town Hall.

(ii) And, once vacated, to declare the Batley library building as surplus to organisational requirements in preparation for disposal.

B. approve B. Dewsbury;

(i) To amend the existing decision taken by Cabinet at its November 2021 meeting, to now retain the Walsh building as a key building for supporting the delivery of services within Dewsbury.

(ii) And, to delegate authority to the Strategic Director for Adults and Health in consultation with the Portfolio Holder for Corporate Services and the Portfolio Holder for Finance and Regeneration, to finalise plans for non-statutory consultation about the proposed library proposals at Dewsbury including methodology and timescales, to carry out the consultation, and following consultation, the decision about moving the library into the Walsh building.

7. **Cabinet Portfolio Holder's recommendations**

7.1 The council faces a significant financial challenge in the coming years, and the need to produce a balanced budget in February has meant we have to look at how we operate and deliver services, and where we deliver those services from.

7.2 The huge financial challenges forced up on us by the chronic lack of funding for essential services by central government means we must take some very difficult decisions.

- 7.3 As part of the process of delivering a balanced budget we need to save significant amounts of money from our assets budget.
- 7.4 Therefore, we need to reduce the number of buildings we operate and deliver services from and create a core of building assets that will provide only the space we need to deliver services and provide office functions from.
- 7.5 This report is the first of several that we will be bringing as we reduce our assets in line with our core need.
- 7.6 As out lined in this report we are proposing to move Batley library into the town hall after the appropriate consultation, this will allow the Batley library building to be disposed of and generate a capital receipt to help deliver vital services.
- 7.7 The formal mothballing of Cleckheaton town will allow us time to carry out the intrusive survey work and provide the public with clarity.
- 7.8 The moving of Dewsbury library is a positive move, as it aligns with the original cabinet report that stated library's need to be in our town centres and provide easy public access.
- 7.9 These are difficult decisions, that are not taken lightly, but they are necessary if we are to balance our books.

8. Contact officer

Daniel McDermott: Strategic Manager – Assets & Estates – 01484 221000 – Daniel.McDermott@Kirklees.gov.uk

9. Background Papers and History of Decisions

Cabinet 2021 – Item 16

10. Service Director responsible

Joanne Bartholomew: Service Director – Development – Growth & Regeneration – 01484 210000 – Joanne.Bartholomew@Kirklees.gov.uk

Appendix A – Scenario A: Town Halls

Batley Town Hall



Overview:

Sited in the middle of the successful Batley LUF2 bid, whilst not part of the bid the town square and market in front of it are a key component. On a sloping site it sits next to the former police station which is being converted into apartments.

The building is currently used to support events and ceremonies, with a small office base for locality working. The building has capacity to be used more effectively and efficiently, and it is proposed that as part of the required investment into the building that the library provision is relocated from Batley Library. This would result in the retention of key council services within the town, within a fit for purpose and accessible building.

Building Maintenance & Condition:

Current issues are present with lath and plaster requiring short-term reactive repairs, and over the next 3-5 years the building will require significant planned repairs and refurbishment, including but not limited to:

- Structural issues to be investigated and addressed
- Full electrical rewire & mechanical upgrade/replacement
- Fire compartmentalisation
- Full redecoration, replacement ceilings, floor coverings and carpentry

Finance:

Annual Running Costs	£255k
Maintenance Backlog	£5m

Cleckheaton Town Hall



Overview:

A large building (2,675m²) that sits in the centre of Cleckheaton, built on a sloping site next to a large car park.

Until recently the building supported small events and community use. However the main hall has had to be closed pending specialist investigation due to significant emerging condition and health and safety issues and all uses have been relocated to alternative venues. The hall remains closed and mothballed while further investigation and review work is undertaken, significantly restricting any wider use of the building.

Building Maintenance & Condition:

Notwithstanding the issues being investigated for the main hall, over the next 3-5 years the building will require significant planned repairs and refurbishment, including but not limited to:

- Structural issues to be investigated and options to be presented
- Full window repairs
- Full electrical rewire & mechanical upgrade/replacement
- Fire compartmentalisation
- Full redecoration, replacement ceilings, floor coverings and carpentry

Finance:

Annual Running Costs	£175k
Maintenance Backlog	£5m+ (significant increase expected pending review)

Dewsbury Town Hall



Overview:

Grade II listed, the building opened in 1889 and is located in the centre of Dewsbury. The building is currently used as a venue to support events and ceremonies, and supports services such as the registration service, Number 12 children services point, and office accommodation.

The building has capacity to be used more effectively and efficiently, creating an improved venue offer and providing further office accommodation capacity to support place-based working. Creating this office capacity would allow the leased-in offices at Empire House to be vacated. In addition, should Huddersfield Town Hall be closed as part of future planned refurbishment, the building would be the interim plan to support the continuation of the Council's civic and political functions.

Building Maintenance & Condition:

The building is in reasonable repair, with no immediate significant issues and a proposed planned maintenance regime over the next 10-years.

Finance:

Annual Running Costs	£420,000
Maintenance Backlog	£4m

Huddersfield Town Hall



Overview:

The building is grade II* listed and is situated in the centre of Huddersfield. It is the Council's main civic building, a venue supporting events and ceremonies.

Building Maintenance & Condition:

A programme of major investment to the building's external fabric has been underway over the past 7 years, due for completion late 2023/24. This has included a full re-roof, pointing and stonework repairs, window repairs and drainage improvements. However, a forward plan is now required to consider the interior beyond basic repairs and backlog maintenance.

Finance:

Annual Running Costs	£525,000
Maintenance Backlog	£5m+ (scheme for full repair and maintenance £20m+)