

# Corporate Policy and Strategy Committee

10am, Tuesday 12 May 2015

## Corporate Asset Strategy, 2015 - 2019

|                          |           |
|--------------------------|-----------|
| <b>Item number</b>       | 7.10      |
| <b>Report number</b>     |           |
| <b>Executive/routine</b> | Executive |
| <b>Wards</b>             | All       |

### Executive summary

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Property, along with people, provides the basic enabler for improved customer outcomes. It represents a significant element of the Council's assets, with the Council being the largest landowner in the city. The considerable change agenda for the Council through the Transformation Programme will have significant implications for the Council's property estate. This report sets out the Corporate Asset Strategy for the Council and how it will respond to emerging developments, including demographic changes.

The proposed shift to a neighbourhood focus, and partnership working, will ultimately manifest itself in changes to service delivery and property requirements.

Consequently, this Corporate Asset Strategy needs to ensure that the property portfolio can support these changes. There is an ongoing workstream being undertaken by the Council's Transformation Programme to develop an Asset Management Strategy for the Council. The outcome of this workstream will be reported to Council in June 2015. The Corporate Asset Strategy described in this document sets out the strategic context for the estate and the forthcoming Asset Management Strategy workstream.

### Links

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|                                 |   |
|---------------------------------|---|
| <b>Coalition pledges</b>        | <a href="#">P3</a> , <a href="#">P23</a> , <a href="#">P30</a> , <a href="#">P31</a> <a href="#">P36</a>        |
| <b>Council outcomes</b>         | <a href="#">CO5</a> , <a href="#">CO15</a> , <a href="#">CO16</a> , <a href="#">CO19</a> , <a href="#">CO25</a> |
| <b>Single Outcome Agreement</b> | <a href="#">SO1</a> , <a href="#">SO3</a> , <a href="#">SO4</a>   |

## Corporate Asset Strategy, 2015 – 2019

### Recommendations

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- 1.1 It is recommended that Committee approves the Corporate Asset Strategy, 2015 – 2019, setting the current context for the Council’s Transformational Programme and the forthcoming Asset Management Strategy workstream.

### Background

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- 2.1 This is the Council’s fourth Corporate Asset Strategy, and reflects guidance set by CIPFA 2008, and Audit Scotland’s 2013 report on “major capital investment in councils”.
- 2.2 The strategy has incorporated feedback from the Audit Scotland audit review, and addresses matters highlighted by external auditors in December 2014 during the drafting of their follow-up report on “major capital investment in councils”.

### Main report

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- 3.1 The change agenda for public services is substantial, with a desire to work in collaboration across public and third sector agencies to deliver improved outcomes. Service redesigns ultimately result in changes to the property portfolio, and the asset strategy is integral to supporting these changes. While some elements of the Council’s estate have benefited from significant new investment over the past decade, other elements are in need of upgrade to sustain their continued use and respond to emerging change. These challenges are set within the context of the Council’s Transformational Programme, and the need to realise savings through the more efficient use of the property portfolio.
- 3.2 The Corporate Asset Strategy establishes this framework, and how it will respond to emerging developments by addressing a number of issues, including:
- Supporting a collaborative approach to property assets and the role of corporate landlord;
  - Acknowledging pressures to its delivery such as social, fiscal, asset and sustainability perspectives;
  - Detailing how the performance of property assets within the Council are being measured, outlining the general direction and areas of performance

improvement that need to be addressed if the Corporate Asset Strategy is to be delivered;

- Describing service prioritisation, with the service asset strategies providing a direct link to the Council's corporate priorities and coalition pledges; and
- Outlining an implementation plan, which describes the delivery programme.

3.3 The Corporate Asset Strategy identifies the investment needs in relation to the condition of the Council estate and service priorities. Its emphasis on a right sized, customer focused and outcome-based execution of property assets is heavily influenced by internal and external drivers, further detail of which can be found in the strategy. Previous targets contained within the Integrated Property and Facilities Management (iPFM) programme are being re-profiled as part of the Council's Transformational Programme. A lean and agile business case for property will deliver a complex change programme addressing current gaps in data, investment and performance (due to report to Finance and Resources Committee in spring 2015).

3.4 The Corporate Asset Strategy has taken a collaborative approach to asset planning, along with principal partners of NHS Lothian and Scottish Futures Trust, over the past 18 months. This collaborative approach reports into the Edinburgh Partnership and provides the framework for detailed collaborative projects.

3.5 The full strategy can be found at the following link [Corporate Asset Strategy, 2015-2019](#).

## Measures of success

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4.1 Overall strategic success will be measured by the delivery of required property solutions, and making best use of the Council's assets, aligning property priorities to service delivery outcomes.

## Financial impact

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5.1 The strategy recognises the current financial constraints facing the Council and sets a context for future investment decisions. There is a clear need to enable a structured corporate prioritisation process, that matches available resources with those areas of greatest need in an open and transparent manner. The strategy refers to pressures which have previously been reported to the Council, including the extent of funding available for property maintenance, and future unfunded projects. The realignment of the property portfolio to a neighbourhood focus, will also have financial implications, to be reported as part of the forthcoming Asset Management Strategy workstream. The strategy also

identifies a direction of travel towards partnership working, and a reduced estate size. This should make the estate more efficient to operate, allowing resources to be focused on priority assets.

## **Risk, policy, compliance and governance impact**

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- 6.1 The Council as a property owner and/or property manager has legislative obligations to ensure that health and safety, statutory compliance and mandatory inspections and certifications are carried out. There is a programme in place to ensure that the council complies with this duty of care.

## **Equalities impact**

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- 7.1 The overall drive of the asset strategy, is to develop a more fit for purpose Council estate delivering better customer outcomes. The increasing focus on neighbourhood delivery, and collaboration with partners, will offer new opportunities to strengthen partnership activity, and public services, to improve rights related to safety, health, education, standard of living and the environment. The equalities impact of individual projects would be tested as they are developed.

## **Sustainability impact**

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- 8.1 Sustainable Edinburgh 2020 (SE2020) is the city's framework for sustainability. Key sustainability issues for the Corporate Asset Strategy include energy efficiency, resource use, waste management and transportation. The strategy helps to position the overall direction of travel.

## **Consultation and engagement**

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- 9.1 The Corporate Asset Strategy has been shared for consultation with the Council Management Team (CMT) and individual Council service managers, with feedback incorporated in the document. Audit Scotland has reviewed the strategy and provided initial comment during a follow-up audit on "major capital investment in councils", in December 2014. The Corporate Asset Strategy has also been shaped by the development of the citywide collaborative asset management framework (Edinburgh Blueprint), and is being taken forward through the Council's community planning partnership, the Edinburgh Partnership.

## **Background reading / external references**

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None.

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## Links

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|                                 |   |
|---------------------------------|---|
| <b>Coalition pledges</b>        | <p>P3 - Rebuild Portobello High School and continue progress on all other planned school developments, while providing adequate investment in the fabric of all schools.</p> <p>P23 – Identify unused Council premises to offer on short low-cost lets to small businesses, community groups and other interested parties.</p> <p>P30 - Continue to maintain a sound financial position including long-term financial planning.</p> <p>P31 – Maintain our city’s reputation as the cultural capital of the world by continuing to support and invest in our cultural infrastructure.</p> <p>P36 – Develop improved partnership working across the Capital and with the voluntary sector to build on the “Total Craigroyston” model.</p> |
| <b>Council outcomes</b>         | <p>CO5 – Our children and young people are successful learners, confident individuals and responsible citizens making a positive contribution to their communities.</p> <p>CO15 - The public is protected.</p> <p>C016 - Well housed – People live in a good quality home that is affordable and meets their needs in a well managed Neighbourhood.</p> <p>CO19 – Attractive Places and Well Maintained – Edinburgh remains an attractive city through the development of high. quality buildings and places the delivery of high standards and maintenance of infrastructure and public realm.</p> <p>CO25 – The Council has efficient and effective services that deliver objectives.</p>   |
| <b>Single Outcome Agreement</b> | <p>SO1 - Edinburgh’s Economy Delivers increased investment, jobs and opportunities for all.</p> <p>SO3 – Edinburgh’s children and young people enjoy their childhood and fulfil their potential.</p> <p>SO4 – Edinburgh’s communities are safer and have improved physical and social fabric.</p>   |
| <b>Appendices</b>               | <p>Corporate Asset Strategy</p>   |

# **Corporate Asset Strategy**

**2015 – 2019**

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## 1 EXECUTIVE SUMMARY

- 1.1 The strategy sets out the vision and aspirations for the effective management of the Council's corporate asset portfolio and the role it plays in supporting the Council's wider change agenda.
- 1.2 The change agenda for public services is vast with a desire to work in collaboration across public and third sector agencies to deliver improved outcomes. Service redesigns ultimately manifest themselves in changes to the property portfolio and the asset strategy is integral to supporting these changes. While some elements of the Council's estate have benefited from significant investment over the past decade, other elements are in need of upgrade to sustain their continued use. These challenges are set within a context of reducing budgets and the need to deliver savings through more efficient use of the property portfolio.
- 1.3 The Corporate Asset Strategy prioritises an asset portfolio that efficiently and effectively supports service delivery and maximises returns for the city. With similar challenges being faced by all public agencies and the third sector, it is essential that all partners collaborate to deliver the best, most efficient outcomes for customers. The strategy has incorporated feedback from Audit Scotland audit review (2014).
- 1.4 The strategy identifies the investment needs in relation to the condition of the Council estate and service priorities. Its emphasis on right sized, customer focused and outcome-based execution of property assets is heavily influenced by internal and external drivers. Previous targets contained within the Integrated Property and Facilities Management (iPFM) programme are being re-profiled as part of the Council's Transformation Programme. The Corporate Asset Strategy described in this document sets out the strategic context for the estate and the forthcoming Asset Management Strategy Workstream (due 2015).
- 1.4 A key objective for Corporate Property is to strengthen its role in leading improvement and change in the property portfolio and supporting other services in the delivery of their strategies. Key to this will be the roll out of a new corporate landlord approach in which services will be delivered in fit-for-purpose facilities from Corporate Property.
- 1.5 Overall strategic success will be measured on how well Corporate Property delivers required property solutions and makes best use of the Council's assets, aligning property priorities to service delivery outcomes.
- 1.6 There is a clear need to enable a structured corporate prioritisation process that matches available resources with those areas of greatest need in an open and transparent manner. This is to be achieved through a process which allows for:
  - i) Identification of required or desired works (based on condition surveys, revenue maintenance and service need);
  - ii) Project selection (for building condition, currently based on health and safety and wind and watertight criteria); and
  - iii) Matching of costs to available funding.

1.7 This Corporate Asset Strategy further identifies the following initiatives for managing its portfolio:

- Maintaining buildings to be operational and in satisfactory condition;
- Making sure the Council maintains provision to meet demands – the right number, in the right place, at the right time;
- Adapting buildings to ensure that they are legally compliant, ensure health and safety obligations and suitable for current and intended future uses;
- Driving efficiencies to create a leaner estate;
- Prioritising investment in the context of limited funding;
- Delivery of cost savings to the Council through capital receipts and revenue targets;
- Exploring collaborative working opportunities with other public agencies and third sector groups to share premises and associated costs; and
- Consistency of approach in the management of the property estate.

1.8 The Corporate Asset Strategy is limited in its scope to the operational and non-operational asset portfolio. There may be opportunities and dependencies across other asset workstreams such as housing and roads and bridges, which will allow for future amalgamation, efficiencies and delivery of improved outcomes across the estate.

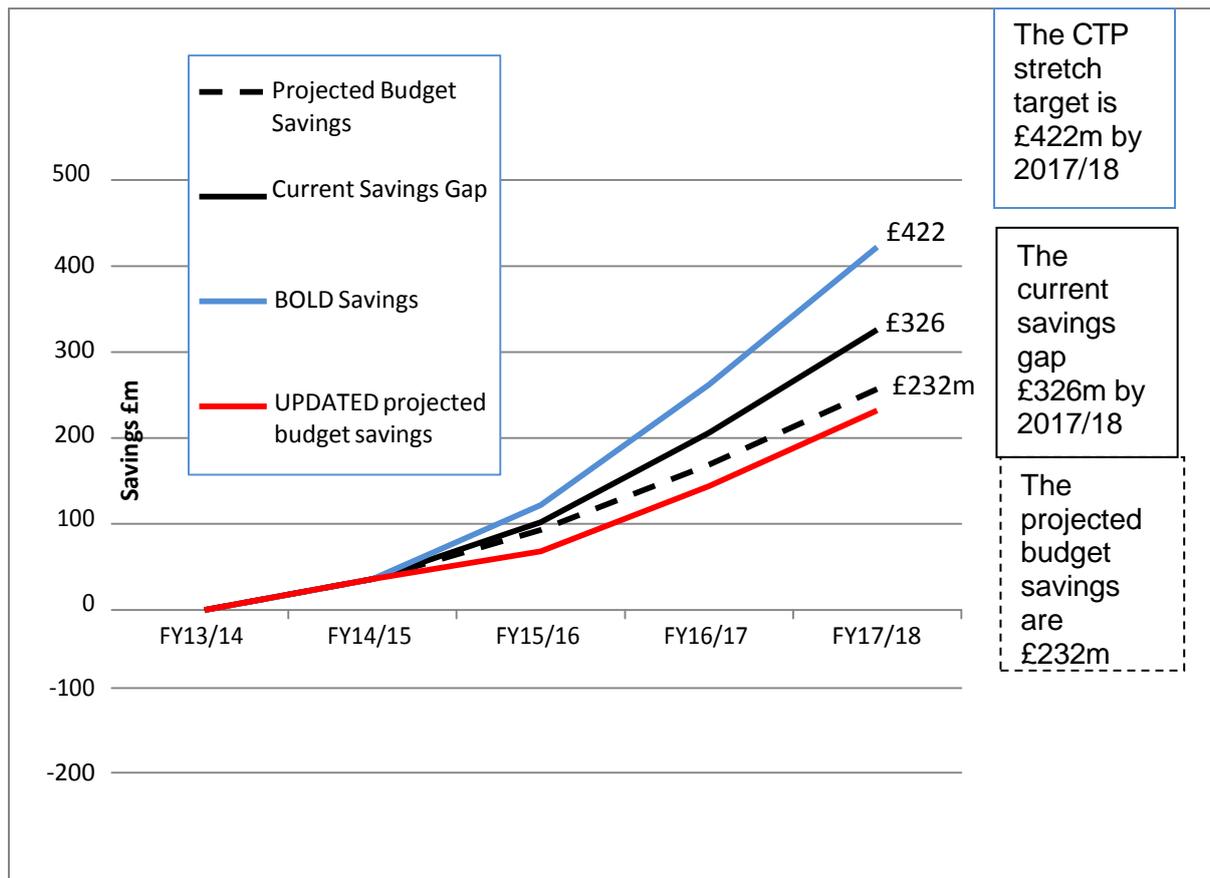
## 2 **CONTEXT**

2.1 Property, along with people, provides the basic enabler for improved customer outcomes. It represents a significant element of the Council's assets, with the Council being one of the largest landowners in the city. The Council has an obligation to safeguard many of its assets for the common good of the city's population and the delivery of services in the localities. In a period of increasing change any service redesigns will ultimately manifest themselves in changes to their property requirements and this asset strategy will ensure that the property portfolio can support these changes. Similar challenges are being faced by all public agencies and the third sector. It is therefore essential that all partners collaborate to deliver the best, most efficient outcomes.

2.2 The approach was previously reflected in the Integrated Property and Facilities Management (iPFM) programme established in the Corporate Property service and business processes. Previous targets are being re-profiled as part of the Council's Transformation Programme. A lean and agile business case for property will deliver a complex change programme addressing current gaps in data, investment and performance (due 2015).

2.3 Challenges confronting the public sector in Scotland are considerable and well documented. The Council faces significant pressure over the medium and longer term; demand for services is growing as the population expands and the demographic age profile of residents shifts its balance. In total, the Council needs to identify and deliver recurring annual savings of at least £67m by 2017/18 and over £100m by 2019/20. Based on estimates contained within the Council's transformation plan, over £34m of savings still require to be identified by 2018/19.

**Table 1: Council’s Transformation Programme - Financial Challenges**



- 2.5 In response to the savings target, the Council has been reviewing the configuration of services to ensure that the authority’s focus on customer service is a priority, that there is planned delivery of effective outcomes with fewer resources, opportunities for improvements in productivity are identified and that the combined impact will affect the overall success of Edinburgh as a place to live, work and visit.
- 2.6 The Corporate Asset Strategy will play a key role as every pound saved on property costs is a pound less to be saved on frontline services or staff reductions. The strategy prioritises an asset portfolio that efficiently and effectively supports service delivery and maximises returns for the city.
- 2.7 The focus of the Corporate Asset Strategy is on operational and non operational (non-housing) property estate. Only by understanding the requirements of a fit for purpose property portfolio can the strategy deliver a meaningful contribution to key Council priorities for capital and revenue investment spend.
- 2.8 The intention is for this strategic vision to align with the Council’s Transformation Programme.

### 3 BUILDING A CORPORATE ASSET STRATEGY

#### Corporate Property Service

- 3.1 The Corporate Property service, currently reflected in the new Services for Communities organisational structure, continues to be in the process of change. Corporate Property is tasked with delivering both value for money and a series of targeted outcomes aligned with the Council's Transformation Programme. The current structure for Corporate Property is shown in appendix 1. This is likely to undergo further refinement as part of the Council's workforce strategy.

#### Strategy

- 3.2 The Corporate Asset Strategy aspires to the effective management of the Council's corporate property asset portfolio; strengthening Corporate Property's role in leading improvement and supporting other services in the delivery of their strategies. Key objectives include:

- Meeting statutory obligations;
- Aligning property priorities to service delivery outcomes;
- Smaller and better quality estate; and
- Optimising asset performance.

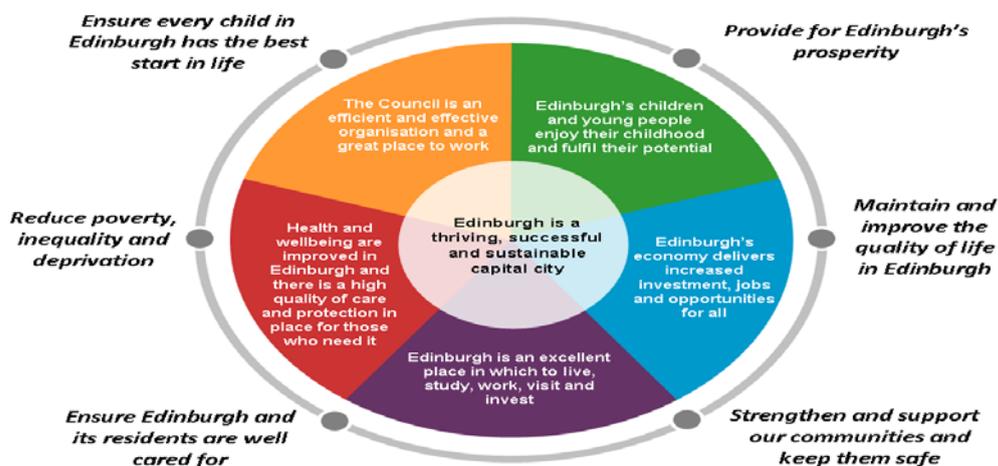
#### Strategic Drivers

- 3.3 The Council's property assets are an important resource. Issues which shape this asset strategy include the following:

- Supporting high quality service delivery which meets the increased demand and expectations of customers;
- Using council property assets as a catalyst for inward investment and economic regeneration;
- Increased partnership working with other public sector and third sector organisations;
- Achieving significant budget savings in property costs while protecting priority services;
- Meeting the targets contained within the Sustainable Edinburgh 2020, the Council's Carbon Management Plan and the Council's Energy Policy;
- Creating greater visibility of value for money;
- Addressing high levels of backlog maintenance and standards of accommodation;
- Reducing revenue spend on, and consumption of, energy and water – currently in excess of £10.5m pa;
- Financial implications of complying with Carbon Reduction Commitment (CRC) legislation;
- Responding to changing demand for, and flexibility in, operational property; and
- Supporting the locality service delivery model and programme management arrangements.

## Contributing to the Council's Key Outcomes

- 3.4 Delivery of the strategy is required to make a significant contribution to the outcomes of the Council's Strategic Plan, Capital Coalition Pledges and the Single Outcome Agreement through a process of consultation.
- 3.5 The diagram below summarises the key priorities in the city. Corporate Property contributes to Services for Communities delivery on the Council's key outcome, 'Edinburgh is an excellent place in which to live, study, work, visit and invest'; although property also has a supporting role to play in each of the outcomes. The Council's Strategic Plan 2017, describes how the overall vision and the six identified outcomes are to be achieved.



- 3.6 Corporate Property makes a strategic contribution across many of the 53 Coalition pledges as agreed within the 'Contract with the Capital' agreement (outlined in appendix 2), including:
- Provide for Edinburgh's economic growth and prosperity;
  - Strengthen and support our communities and keep them safe;
  - Maintain our city's reputation as the cultural capital of the world by continuing to support and invest in our cultural infrastructure; and
  - Maintain and enhance the quality of life in Edinburgh.
- 3.7 Corporate Property is also the lead in two of the pledges, maintaining and developing its property portfolio to ensure maximum flexibility and alignment. It also plays a role in overall efforts by way of collaborative working within a 'one council' approach.
- 3.8 A key objective for this strategy is that property assets fully complement either direct service delivery or the other social, environmental and economic objectives of the Council.
- 3.9 Underpinning the strategy are four key principles: efficiency, performance, customer focus and engagement. Success depends on an ability to deliver against these targets and programmes of change. Progress includes:
- Estate remodelling and the rationalisation of significant buildings e.g. the exit of Chesser House is delivering £3.5m full year savings from

2015. The property asset base however remains too large;

- Investment prioritisation processes which will ensure a consistent approach to the management of the estate. This strategic vision aligns with the BOLD programme and forms the basis of prioritising spend across the estate;
- Medium to longer term view of assets whether these are key, core, having change potential or surplus and aligning service delivery aspirations with business planning;
- Continued focus on capital receipts – for 2014, capital receipts of £45m were either banked or missives concluded against a target of £10m;
- Delivery of the Corporate Landlord function to improve the quality of management and maintenance for the retained estate;
- Minimise energy consumption to reduce Carbon Reduction Commitment liability;
- Over £8,000,000 of business rates savings over the seven year life of the 2010 rates revaluation. Savings will continue to accrue as the rating appeal disposal programme progresses; and
- Continued collaborative work with partners to identify opportunities for the co-location of services. Work has been initiated to increase neighbourhood office capacity to facilitate other property exits and joint working in 2015.

### **Corporate Landlord**

- 3.10 Central to the change agenda, is the 'corporate landlord' approach in which the management of council property assets and associated resources/ budgets are the responsibility of Corporate Property. These properties include schools, depots, libraries, community centres, care homes, cultural (theatres and other performance and event venues, museums and galleries, monuments) and recreational (sports centres, parks, gardens and playgrounds).
- 3.11 The corporate landlord approach is considering the needs of the Council as a whole so that it can better prioritise resources whilst providing a safe, secure, fit-for-purpose working environment. Currently, service delivery, sufficiency and suitability strategy for use of assets remains with service departments.
- 3.12 A period of extensive and ongoing discussions across a range of service-led asset workstreams forms the basis of this approach. This has included adoption of a client liaison and engagement process with key stakeholders exploring how capital budget decisions can best support delivery of the Council and partners' key outcomes. Consultation and engagement on assets, including scrutiny by council committee and financial planning are important elements of the corporate landlord framework.

### **Corporate Asset Group**

- 3.13 The Corporate Asset Management Group (CAMG) met previously as a forum to discuss property matters. However, it was often difficult to maintain a strategic focus and to rise above more immediate and often pressing asset priorities.

- 3.14 In light of Council organisational review, development of future models for service delivery, achievement of savings and transformation, Corporate Property is now reviewing the type of structures required to achieve a more coordinated 'one-council' process for strategic asset management decisions.
- 3.15 This includes establishing priority criteria for all properties with a likely focus on the following:
- Residential institutions – providing a home environment for some of our most vulnerable citizens;
  - High profile – schools and community centres;
  - Assets supporting Edinburgh's role as a capital city (e.g. Festivals, performance, sport and event venues);
  - Income generating assets – including those that can realise savings within the estate; and
  - Assets where a long term lack of investment requires a minimum spend to bring up to an acceptable standard in the retained estate.

### **Collaborative Asset Management**

- 3.16 During 2013/14, a foundation was established for the development of a city-wide collaborative asset management framework. The Edinburgh Partnership has confirmed its commitment to a more integrated public service that meets the unique needs of the City and its communities. It is recognised that public property assets are an important part of this approach and a 'blueprint' for a collaborative asset management framework for the City was approved by the Edinburgh Partnership in August 2013. As a major initiative, it is expected that there will also be future capital benefits with an implicit drive at the outset to share asset plans.
- 3.17 A 'one public sector estate approach', shaped by the ambitions of the Edinburgh Partnership, will accelerate the pace of progress towards integrated service delivery, improved community services, regeneration and place making. This approach will be reinforced by the introduction of the new integrated health and social care partnership in 2015.
- 3.18 Co-location with services and other partners has the potential to deliver customer benefit, revenue savings and service efficiencies. Case Studies include:
- Wester Hailes Healthy Living Centre (2013) which has both co-location and joint management of staff (reception);
  - Planned Muirhouse Partnership Centre which will deliver Council and NHS services (anticipated completion 2016);
  - Depots strategy and business case for remodelling facilities is being completed, with an option for rail freight transport to Zero Waste facility at Millerhill being evaluated;
  - Investment by the library service in a significant number of co-located service provision opportunities across their estate, including relocation of previously stand alone registrars to both Kirkliston and South Queensferry libraries; joint neighbourhood hubs and libraries in capital developments at Drumbrae and Craigmillar;

- East Neighbourhood Centre, modelled on new ways of working is now delivering a wide range of services, including those from partner organisations and Total Craigmillar; and
- Shared services model facilitated by Scottish Futures Trust is underway to identify and progress co-location opportunities between partner agencies at Fountainbridge and Leith.

3.19 The collaborative asset management framework recognises the Christie Commission imperative that public sector bodies must engage on collaborative work wherever practicable; to deliver an holistic approach to public benefit through a smaller, cheaper, greener, smarter and more effective estate aligned with frontline public services.

### **Contribution to the economic and social growth of the City**

3.20 Sustained economic and social growth requires a multi-faceted approach. The Economic Development service has identified specific economic development areas that will receive council support. These include enabling inward business investment, investing in the City’s development and regeneration, championing enterprises and innovation in Edinburgh’s business community and supporting people into work and education. Corporate Property is currently exploring how best its activities can be captured as part of these objectives within the Corporate Asset Strategy.

3.21 In some cases, Council ownership of strategically important land and property will be preferable in order to ensure that it is utilised to the benefit of the city as a whole. While the Council can exert some influence over land and property utilisation via the planning system, there are limits to this control. For example, the Council is unable to influence to whom privately-held retail units are let. As a result, the mix of occupiers in some key areas of retail provision in Edinburgh is driven by income maximisation, which may fail to deliver a mix that residents consider to fully meet their needs. The rationalisation of the Council’s property estate must therefore be balanced against a need to maintain (and in some cases, acquire) public ownership of strategically important land and property where private ownership is considered unlikely to deliver outcomes to the benefit of the city as a whole. In some cases, it may be in the Council’s best interests to retain a long-term interest by using alternatives to an outright sale, such as long-leases or joint ventures.

## **4 CHALLENGES TO DELIVERING THE STRATEGY**

4.1 Challenges to the delivery of the Corporate Asset Strategy are many but for the purposes of the strategy document, they have been summarised into the under-noted scorecard perspectives:

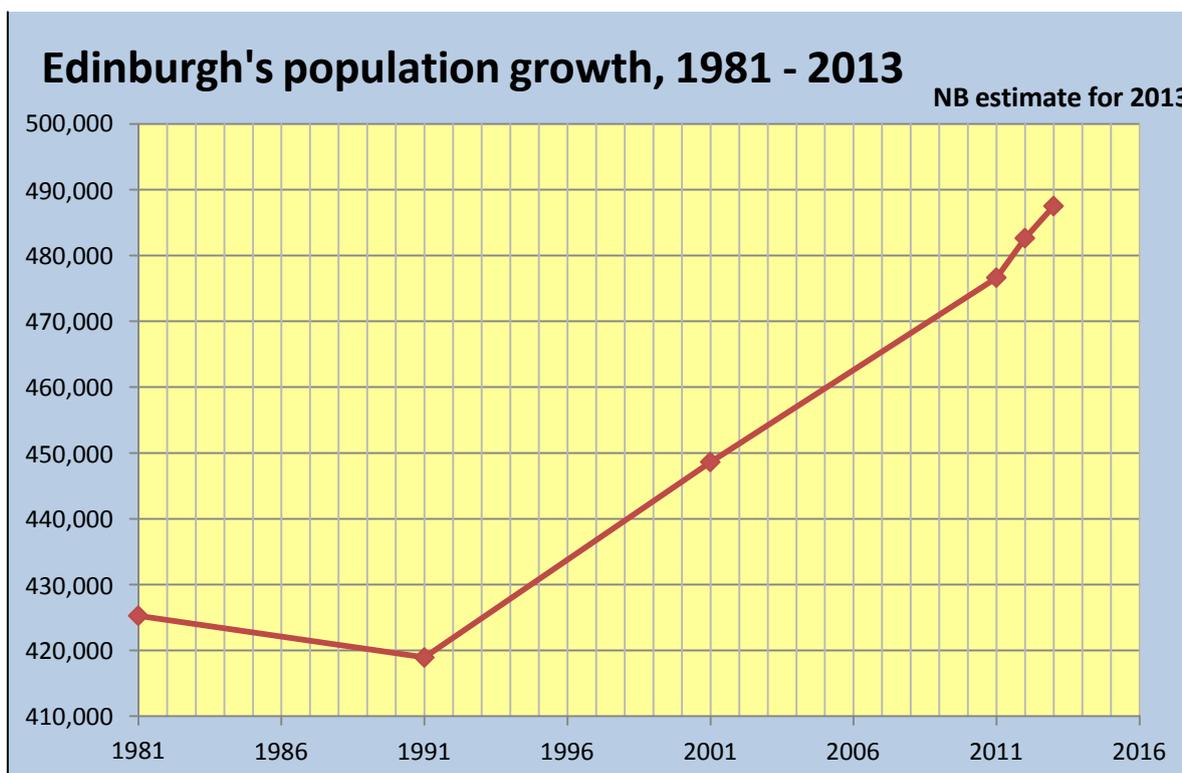
| <b>SOCIAL PERSPECTIVE</b>  | <b>FISCAL PERSPECTIVE</b>   |
|--|---|
| <ul style="list-style-type: none"> <li>• Demographic changes</li> </ul>          | <ul style="list-style-type: none"> <li>• Revenue budget pressures</li> </ul>        |
| <ul style="list-style-type: none"> <li>• Aging population</li> </ul>             | <ul style="list-style-type: none"> <li>• 10 year Capital Investment Plan</li> </ul> |
| <b>ASSET PERSPECTIVE</b>   | <b>SUSTAINABILITY PERSPECTIVE</b>   |
| <ul style="list-style-type: none"> <li>• Condition of Council estate</li> </ul>  | <ul style="list-style-type: none"> <li>• Energy, waste, water, carbon</li> </ul>    |
| <ul style="list-style-type: none"> <li>• Backlog/reactive maintenance</li> </ul> | <ul style="list-style-type: none"> <li>• Future proofing in Planning</li> </ul>     |
| <ul style="list-style-type: none"> <li>• Estates re-modelling</li> </ul>         |   |
| <ul style="list-style-type: none"> <li>• Statutory compliance</li> </ul>         |   |

## Social Perspective

### 4.2. Demographic changes

4.2.1 Population growth in Edinburgh has continued to rise consistently, increasing to 477,000 in the 2011 census. Since 1981, Edinburgh's share of Scotland's population as a whole has risen from 8.4% to 9.0% in 2011.

Table 2: Edinburgh's population growth, 1981 - 2013



4.2.2 In terms of trends, the proportion of children (as a percentage of the total population) has reduced significantly over the last 30 years, with the largest and most consistent decline being in the 5 – 14 year age group. However, the proportion of young children (age 0 – 4) has seen a huge increase of over 20% in the last five years with actual impact on current rising school rolls. (appendix five). Births have been rising since 2005 and the number of births for 2013 was the highest for 20 years (over 5,500 births per annum).

4.2.3 The most rapidly expanding age group since 1981 has been young working age adults, aged 25 – 39. These comprised nearly a quarter of the city's population in 2011 (24.8%), compared with just 16.5% in 1971. The next age bracket, age 40 – 54, has seen relatively little change through recent censuses.

4.2.4 In contrast, there has been a gradual loss of population in the pre and post-retirement groups (55 – 74 years), both proportionately and in terms of absolute numbers; while those aged 75 – 84 have remained broadly level since 1991. The very elderly population aged 85+ have grown rapidly, with their numbers more than doubling from 4,200 in 1971 to 9,900 in

2011 and the proportion of the total population rising from 0.9% to 2.1%.

4.2.5 In terms of projections, the percentage increase across all ages is evidenced in the table below:

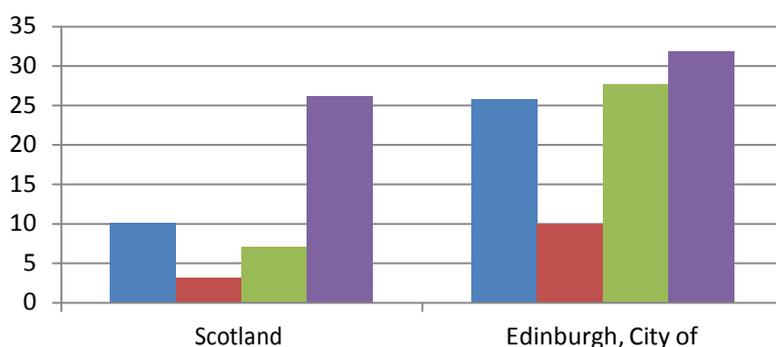
**Table 3: Population projections - % change based on 2008 baseline (CEC)**

| 2013             | 2018 | 2023 | 2028 | 2033 |
|------------------|------|------|------|------|
| ALL AGES         |      |      |      |      |
| +4%              | +8%  | +11% | +14% | +17% |
| PENSIONABLE AGES |      |      |      |      |
| +2%              | +2%  | +10% | +17% | +31% |
| 75 +             |      |      |      |      |
| +5%              | +11% | +27% | +44% | +63% |

4.2.6 The projected percentage change in population illustrated in table 4 will bring further challenges in the management and supply of assets. The high births are now feeding to primary schools leading to higher rolls and the expectation of additional accommodation required to meet catchment demand. It is currently predicted that rolls in the secondary sector will peak at around 24,600 by 2030.

4.2.7 Similarly, these figures are of most significance for the integration of Health and Social Care and greater focus on care at home.

**Table 4: Projected percentage change in population (Scotland and Edinburgh comparison), 2010 – 2035**



All Ages

Children (0-15)

Working Ages (16-64)

Pensionable Ages (65+)



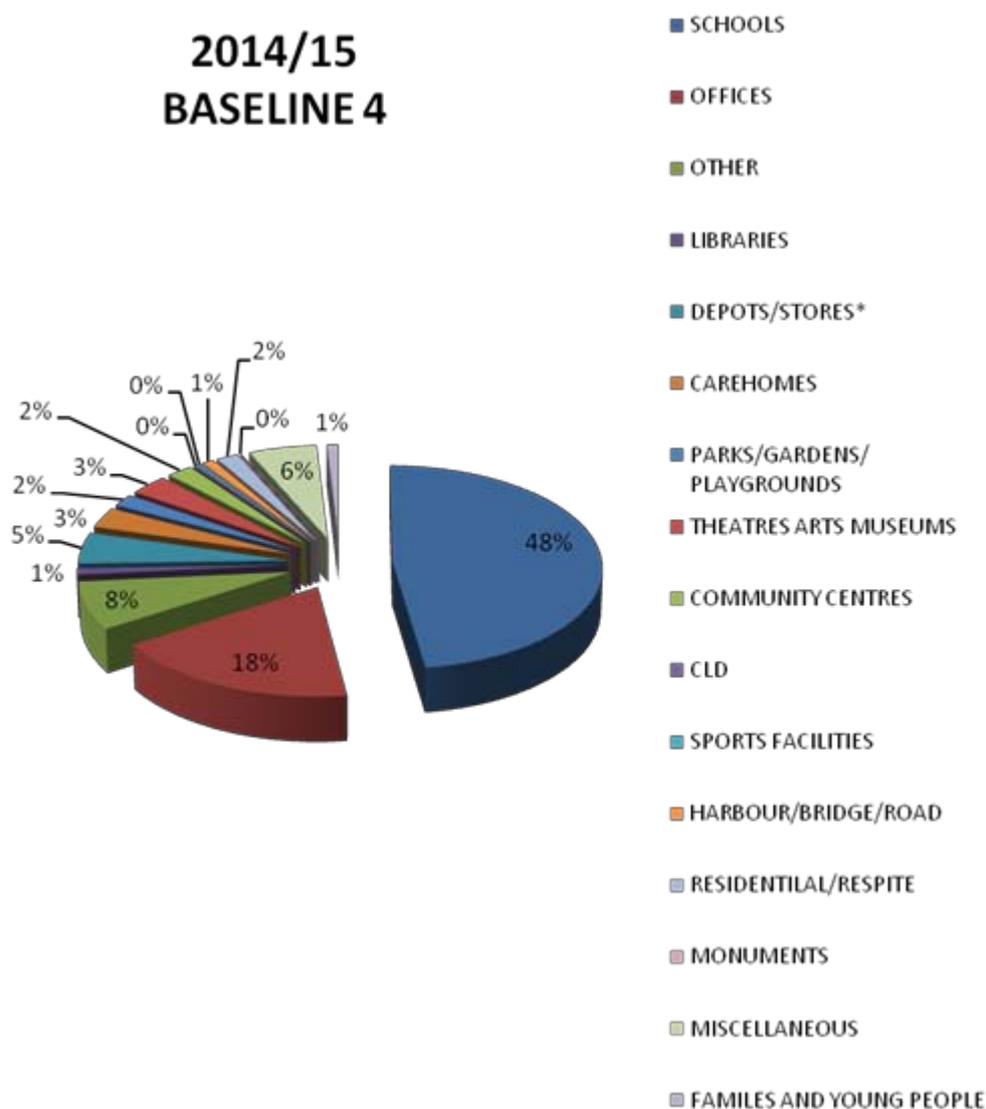
## Fiscal Perspective

### 4.3 Revenue Budget Pressures

4.3.1 During 2014, a series of Council reports set out the key expenditure drivers for increasing spend and contrasting this position to an essentially static level of cash-terms funding available through Government Grant and Council Tax. A combination of demographic change, inflationary factors and legislative reform continues to increase the overall level of savings to be identified to deliver a balanced budget with a total of £123m savings required over the four year period to 2018.

4.3.2 A suite of proposals delivering net savings to the Council is required. Taking stock of the Council's asset management programme is a major workstream for Corporate Property. The iPFM programme while being re-profiled, brings pressure to the estates remodelling service contributing approximately £45m to the iPFM savings target, including additional savings to meet the Priority Based Planning (PBP) target of £16m.

**Table 5: Proportion of the total annual revenue costs for property**



4.3.3 The Council estate comprises over 3,000 non-housing property interests including 580 operational buildings with an annual running cost of £78m and a non-housing property asset value of £1.7 billion. Annual rental income of over £12.5m is generated from the investment portfolio. Appendix three: total annual revenue costs for property.

4.3.4 Revenue repairs and maintenance, including statutory compliance, is the critical enabler to ensure Council properties are safe, do not deteriorate and that services can continue to be delivered. During 2014/15, the revenue budget for the maintenance of the Council operational estate is £6.7m per annum, of which £2.5m is required for statutory compliance. This has been increased to £8.7m for 2015/16. There is no indication for future years. The current focus is on reactive maintenance out of necessity, with little opportunity for developing a programme of planned maintenance. A small element of the budget has been ringfenced to deliver a planned maintenance programme for care homes.

4.3.5 The remaining £4.2m is a fixed allocation to meet reactive repairs and maintenance requirements across the city and, due to limitation, is currently part-prioritised on an emergency first basis, i.e., health and safety, wind and watertight requirements.

4.3.6 The next stage is to develop further how a sufficient allocation of resources can be established for a planned maintenance programme.

#### 4.4 **10 Year Capital Plan**

4.4.1 The primary sources of funding for capital projects include capital grant funded by the Scottish Government and capital receipts realised from disposal of surplus assets. It is anticipated that grant settlement will reduce or remain at current levels. New funding for capital expenditure from income generated through capital receipts realisation is also likely to be limited on the basis that a large number of anticipated receipts already underpin current expenditure or will be used to underpin revenue savings targets.

4.4.2 The Council's current core capital investment programme is fully committed with the majority of projects already underway. The full details of the capital investment programme can be found at the following link:

[http://www.edinburgh.gov.uk/download/meetings/id/46149/item\\_43\\_-\\_capital\\_investment\\_programme\\_2015-16\\_-\\_2019-20\\_-\\_referral\\_from\\_the\\_finance\\_and\\_resources\\_committee](http://www.edinburgh.gov.uk/download/meetings/id/46149/item_43_-_capital_investment_programme_2015-16_-_2019-20_-_referral_from_the_finance_and_resources_committee)

4.4.3 The capital programme is based on the ten-year plan originally set out in 2009 and covering the period 2009-2019. This directs approximately £41m of capital expenditure per annum to the following areas which have previously been identified as priorities:

- Works to carriageways and footways and lighting columns (£15m per annum);
- Wave Three schools (£7m per annum);
- Asset management works across the Council estate now being deployed service by service (currently £20m per annum and reducing to £17.419m from 2015/16 and £14m thereafter);
- Transport and other infrastructure projects, including bridges and traffic

signals (£2.750m per annum); and

- Flood prevention projects (£2m per annum).

4.4.4 The period up to 2018/19 provides funding to deliver Wave Three schools, contribute £0.618m towards a new high school in Craigmillar and progress flood prevention works. In rolling forward the capital plan to the next ten year period, £9m per annum previously provided for Wave Three schools and flood prevention projects is currently unallocated.

4.4.5 Additional investment may be carried out using the prudential framework, funded by revenue savings or additional income, subject to the approval of a business case, initially by the Director of Corporate Governance, thereafter by Council. For example, the first tranche of LED street lighting replacement was funded through this mechanism. As the Council is faced with delivering savings to balance the revenue budget going forward, Services are finding this mechanism more difficult to use due to the lack of headroom within the revenue budget to support additional investment and the associated loans charge expenditure.

### **Asset Perspective**

#### **4.5 Condition of Council Estate**

4.5.1 The Council has a duty of care to ensure health and safety risks are addressed in its buildings. The last time the entire Council estate was inspected was in 2009. Since that time updated surveys have been carried out in two service areas (Children and Families and Health and Social Care during 2013/14), but there is no comprehensive survey of the whole estate.

4.5.2. A formal five year rolling programme of condition surveys across the Council estate has now been established to inform the health and safety regime, highlight wind and watertight issues and inform future budget setting for capital and revenue works. This programme of work will be carried out by a dedicated team and allow for a more targeted investment strategy that focuses on greatest need helping to reduce unplanned expensive spend on buildings in emergency situations.

4.5.3 In the interim, and in the absence of complete current data for the wider estate, the results of Children and Families independently commissioned condition surveys (completed over 2012/13) have been extrapolated to give a high level estimate for Council assets.

4.5.4 The financial investment recommended within the 2012/13 Children and Families condition survey reports equates to £90.6m (including inflation) required to address the backlog of maintenance over the next 5 years across the Children and Families estate. Analysis of the split between the revenue and capital works estimates that £29.1m would be considered revenue repairs and £61.5m capital improvements, of which it is expected that £10m has been completed since the surveys were undertaken.

4.5.5 The Children and Families (non-Public Private Partnership financed estate) accounts for 38% of the Council's total operational portfolio running costs. Using these running costs to extrapolate costs across the wider Council

portfolio would result in a revenue cost of £77m and capital cost of £132m over a five year period.

#### 4.6 Backlog and Reactive Maintenance

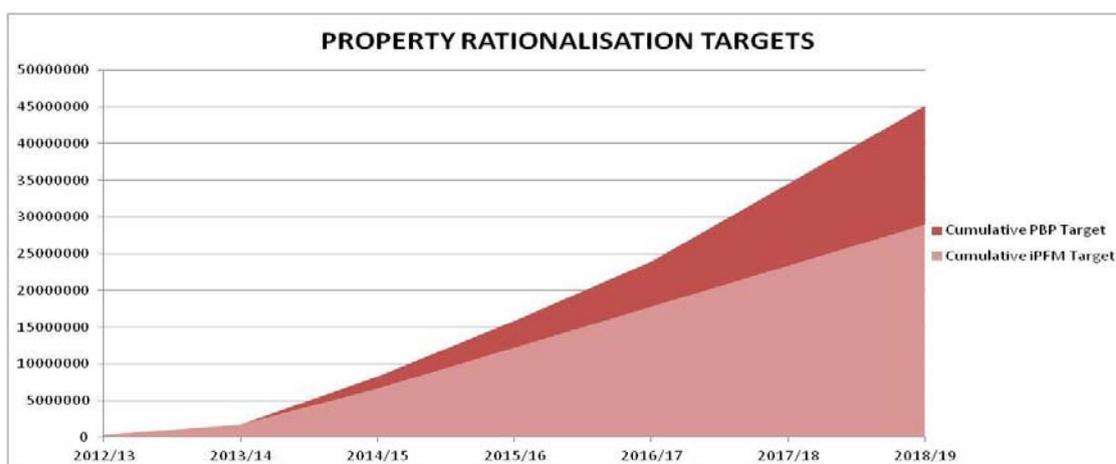
- 4.6.1 The objective of the Corporate Asset Strategy is that property assets should make a positive contribution either to direct service delivery or to the other social and economic objectives of the Council.
- 4.6.2 An annual asset management capital budget of £20m was first established in 2011, to address the backlog of planned maintenance across the Council estate, as well as statutory compliance such as fire safety, water quality improvements, etc. The level of asset management funding available is insufficient to address all the building fabric improvements required. This position was recognised during the Council's recent budget setting exercise, with an additional £2m revenue allocated to maintaining the property estate in 2015/16 and £3.419m capital for the same period.
- 4.6.3 Although the additional funding in the current financial year will go some way to reducing pressures for 2015/16, capital investment in the Council's estate will fall to £14m per annum from 2016/17. A historic shortfall in revenue repairs and maintenance funding further compounds the problem leaving no budget for planned maintenance repairs.
- 4.6.4 The Council also faces asset pressures from buildings which have outgrown their capacity such as the City Mortuary and Seafield Laboratory. In this example, given both facilities are income generating, this brings an added pressure on asset management to resolve this through expansion or new build.
- 4.6.5 To this end, it is essential that a consistent prioritisation process across all services is established and which addresses health & safety and wind and water tight requirements. The desire is to maintain Council operational property portfolio in a 'satisfactory' condition, for a planned cyclical maintenance programme and to ensure that limited funding available is spent in buildings with the greatest need. The intention is to adopt the same condition rating as the Children & Families estate for all other properties based on the Scottish Government's Core Facts Ratings, out-lined below:
- A: Good –Performing well and operating efficiently
  - B: Satisfactory –Performing adequately but showing minor deterioration
  - C: Poor –Showing major defects and/or not operating adequately
  - D: Bad –Economic life expired and/or risk of failure
- 4.6.6 Performance indicators are to be established demonstrating improvement in the condition of the property portfolio. These indicators are to be based on the number/percentage of establishments being maintained or improved to a 'B' condition rating and above; bench marked against the well-respected national Building Cost Information Service (BCIS) square meterage rates for planned maintenance; and day to day maintenance. Properties are now to be surveyed at least every 5 years and indicators will be updated annually by a new team of surveyors on the new CAFM system (see section five of the strategy).

4.6.7 While the surveys will increase the level of management information available on the Council's estate, there still remains a significant shortfall of funding to address the identified need. At present there is no budget for planned preventative maintenance, increasing the risk of building failure affecting service continuity, and ultimately creating a heavier burden on the capital programme; for example a programme of window painting could avoid the need for window replacement at a later date. In many instances, building elements are approaching failure or have failed before their repair or replacement can be justified due to the insufficient funding. Without a revenue programme of planned preventative maintenance, this spiral of deterioration is expected to continue.

#### 4.7 Estates Remodelling

4.7.1 Operational property holdings are under review to ensure that assets are efficiently utilised and support integrated service delivery to clients. A key outcome of the remodelling programme is to meet revenue savings targets by developing co-location and a shared approach to resources and office use by services and partners. The savings targets embedded in the Council's budget to 2018/19 are shown in table 6 below. The targets combine both IPFM targets and Priority Based Planning (PBP).

**Table 6: Property rationalisation targets 2012/13 – 2018/19**



4.7.2 Taking a corporate management approach to the Council estate is key in the remodelling of office accommodation. Achievements during 2014 include:

- Exit of Chesser House delivering £3.5m pa annum savings;
- Refurbishment of the South Neighbourhood Office to accommodate 200 additional staff;
- City Centre Customer Facing Services review concluded with a view to co-locating service delivery;
- Exit strategy for 1 Cockburn Street generating annual revenue savings of £266,000 and a capital receipt of £2.25m;
- Upgrade of neighbourhood offices now underway to improve customer experience; and
- Neighbourhood capacity being increased by 800 to support neighbourhood delivery for Council services with partner agencies including the third

sector.

- 4.7.3 Estate Remodelling is driven by the need to support the delivery of strategic objectives and performance targets in the Single Outcome Agreement and in service plans. There is a pressing need to revisit these strategies in the light of changing demand and new delivery strategies. The strategic process commences with properties being categorised as key, core and potential for change or surplus. The property and associated accommodation strategy will then develop accordingly.
- 4.7.4 As socio-economic circumstances change, combined with continuous development in the opportunities for new delivery channels, the location and nature of service delivery points needs to be reviewed. These changing requirements, from the service group and the customer will impact on service location and functionality which needs to be matched with appropriate property options.
- 4.7.5 This step change will move the engagement on estate remodelling outcomes into public accessed or frontline service delivery buildings. This will require detailed consultations and engagement with political parties and the public, jointly delivered by the service and the estates remodelling programme. There is acknowledgement that some of the assets are poorly placed and in deteriorating condition to continue to deliver the quality of service desired. There is also an increasing awareness of the benefits of co-locating services and delivering enhanced customer experiences.
- 4.7.6 The Integrated Joint Board, bringing together Council and NHS services from 2015, will change the way this part of the estate is managed. The delivery of services from the former Health and Social Care estate will become the responsibility of the new Board and it will be responsible for decisions affecting this part of the estate.
- 4.7.7 A further change to the estate will be the principle of community asset transfer, where assets may be transferred outwith the Council's portfolio. The Community Empowerment (Scotland) Bill was introduced to the Scottish Parliament on 11 June 2014. In future this will allow community organisations to put forward proposals to take over control of public buildings or land through purchase or rent. Consideration will have to be given to the condition of any building to be transferred, the funding opportunities that the third sector may be able access, the capacity of the community organisation to manage those assets successfully without reliance on the local authority and any associated issues (e.g. carbon impacts) for the Council.
- 4.7.8 The criteria used in determining future suitability of a building (including for example, environment, geography, accessibility, functionality) are usually grouped around condition, suitability, sufficiency and technical efficiency. Technical efficiency is an increasingly important consideration in determining suitability; for example, a requirement for smarter buildings (energy efficiency through remote monitoring and control of heat, light and ventilation; better IT to support Workstyle; or channel shift in service delivery).
- 4.7.9 The Workstyle cultural change programme supports estate remodelling objectives by creating a platform to adopt a more flexible approach to where

staff work, how services are delivered and the efficient use of the property asset. Importantly it reinforces an understanding of the corporate nature of property and the value of managing the resource effectively and efficiently.

4.7.10 Under Workstyle, the Council is currently rolling out a programme of 'desks to staff' on a ratio of 7:10 supported by flexible ICT. To date this has applied to over 3,500 staff.

#### **4.8 Statutory Compliance**

4.8.1 The Council as a property owner and/or property manager has legislative obligations to ensure that Health and Safety, statutory compliance and mandatory inspections and certifications are carried out. An effective programme of inspections ensures properties can be occupied and used to deliver services.

4.8.2 The programme also includes mandatory inspections and certification of equipment such as gas servicing or lifting equipment (for example, hoists to assist with bathing in residential accommodation). The contracts allow for necessary reactive repairs and maintenance to be carried out following inspection to ensure that buildings, services and equipment are compliant and fit for purpose.

4.8.3 The necessary inspection, warranty and contractor services are currently delivered by a number of separate suppliers through a variety of contractual arrangements.

4.8.4 The Council has taken the opportunity to review the current statutory compliance service provision arrangements and a procurement process to update and consolidate the suppliers is currently being progressed. The aim is to consolidate the currently disparate statutory compliance arrangements from forty-six services into four separate discipline-specific contracts.

- Insurance Services (certification of compliance);
- Hoists and lifting equipment;
- Lifts and escalators; and
- Mechanical and Electrical (including fabric and water management).

4.8.5 The new arrangements will provide enhanced quality and best value contracts through a validated performance management regime. It is anticipated that these contracts will be put in place on a rolling programme from 2014/15.

#### **4.9 Sustainability Perspective**

4.9.1 Sustainable Edinburgh 2020 (SE2020) is the city's framework for sustainability. The Council has an important role to play in helping to deliver SE2020 by leading by example as well as delivering good practice. Key sustainability issues for the Council's property portfolio include energy efficiency and carbon emissions reduction, resource use, waste management, sustainable procurement and transportation.

4.9.2 Implementation of the Council's energy policy is to ensure that the energy in buildings is managed as efficiently as possible; implementation of the

Council's resource use and water policies aim to reduce resource consumption and therefore costs, comply with national waste management regulations (e.g. food recycling) and ensure provision to do so, and provide infrastructure and facilities to support the Council's staff travel plan.

- 4.9.3 The Council's revised energy policy was approved in 2012. It covers energy in Council buildings, stair and street lighting. The policy consists of an overall policy statement supported by 10 procedures that outline good practice for the key elements of effective energy management. In particular building performance, measuring and monitoring and energy and emissions reporting are key procedures to be considered as part of the implementation of this strategy. All building works should be done to a minimum standard within BREEAM.
- 4.9.4 The Energy Performance in Buildings Directive (EPBD) is an EU measure designed to reduce the amount of carbon produced by buildings. Provisions under the EPBD were first implemented in 2007. The directive was subsequently expanded in a recast directive in 2010 and covers areas such as Energy Performance Certificates (EPCs), the setting of minimum energy performance requirements for buildings and building equipment and encouraging energy efficient upgrade of existing building stock. This directive will be a key driver of future change across the Council's building stock.
- 4.9.5 The Carbon Reduction Commitment Energy Efficiency Scheme (CRC) is a mandatory UK government scheme aimed at improving energy efficiency and cutting emissions in large public and private sector organisations. Organisations are required to report annually on their carbon emissions and to purchase allowances per tonne of CO<sub>2</sub> used (from 2010 – 2014 allowances were £12/tonne). The Council has reported on carbon emissions from its operational property estate (domestic properties and transport emissions are excluded). For 2015, allowances will cost £15.60/tonne.
- 4.9.6 The CRC reporting figures to date are provided in table 7.

**Table 7: Carbon Reduction Commitment across Council Estate**  
(including waste and transport)

| <b>CRC Reporting Year</b> | <b>Cost of allowances</b> | <b>Tonnes CO<sub>2</sub> reported</b> |
|---------------------------|---------------------------|---------------------------------------|
| 2010/11                   | £657,720                  | 54,810                                |
| 2011/12                   | £627,268                  | 52,269                                |
| 2012/13                   | £721,078                  | 60,089                                |
| 2013/14                   | £690,456                  | 57,538                                |

- 4.9.7 The Council-wide CO<sub>2</sub> reduction goal for 2020 is a 42% reduction when compared with the 2005 baseline of 3,403kt. (Sustainable Energy Action Plan).
- 4.9.8 The Council has a clear and strategic approach to energy and water arrangements across its assets. This follows a cycle of planning, action, monitoring, and review, supported by energy and water policies and procedures. Refer to appendix five.
- 4.9.9 The Corporate Asset Strategy has energy management responsibilities and should be working towards the following:

- taking full account of the opportunities for energy savings that arise out of the rationalisation of the estate or of individual buildings;
- ensuring that the Corporate Asset Strategy promotes and implements good energy management, including data collection and monitoring on carbon impacts;
- ensuring that the Council's sustainability policies are central to the appointment of consultants and developers/contractors for all capital building projects and major maintenance works;
- ensuring that carbon impacts are fully taken into account when planning, implementing and reporting on actions under the strategy; and
- ensuring that energy efficiency options for capital investments are fully appraised on the basis of whole life costing.

4.9.10 The provision and availability of material resources is often taken for granted. Observing the Council's resource use policy in the waste hierarchy will help reduce Council costs and carbon emissions. Good resource use practice applies to office waste, food waste, construction and demolition waste and moveable assets resulting from accommodation changes. Moveable assets are already very effectively managed by the accommodation planning team; while Facilities Management is working with Trade Waste to roll out a consistent office and food waste recycling service to all Council properties.

4.9.11 In order to comply with the statutory duties set in the Climate Change (Scotland) Act 2009, Capital Coalition Pledges and Council strategies and policies, the Corporate Asset Strategy needs to develop further how it will make a positive impact on the following:

- Carbon emissions, such as waste minimisation, reuse, recycling and management – e.g. good water management practice should involve regular meter readings, bill checking, benchmarking, leak detection and repair for all Council buildings;
- Environmental sustainability, such as implementation of sustainable travel plans – e.g. identifying opportunities for neighbourhood offices to deliver the same standard of facilities across the estate; and
- Opportunities for financial savings by reducing costs on energy consumption, water consumption and sewerage.

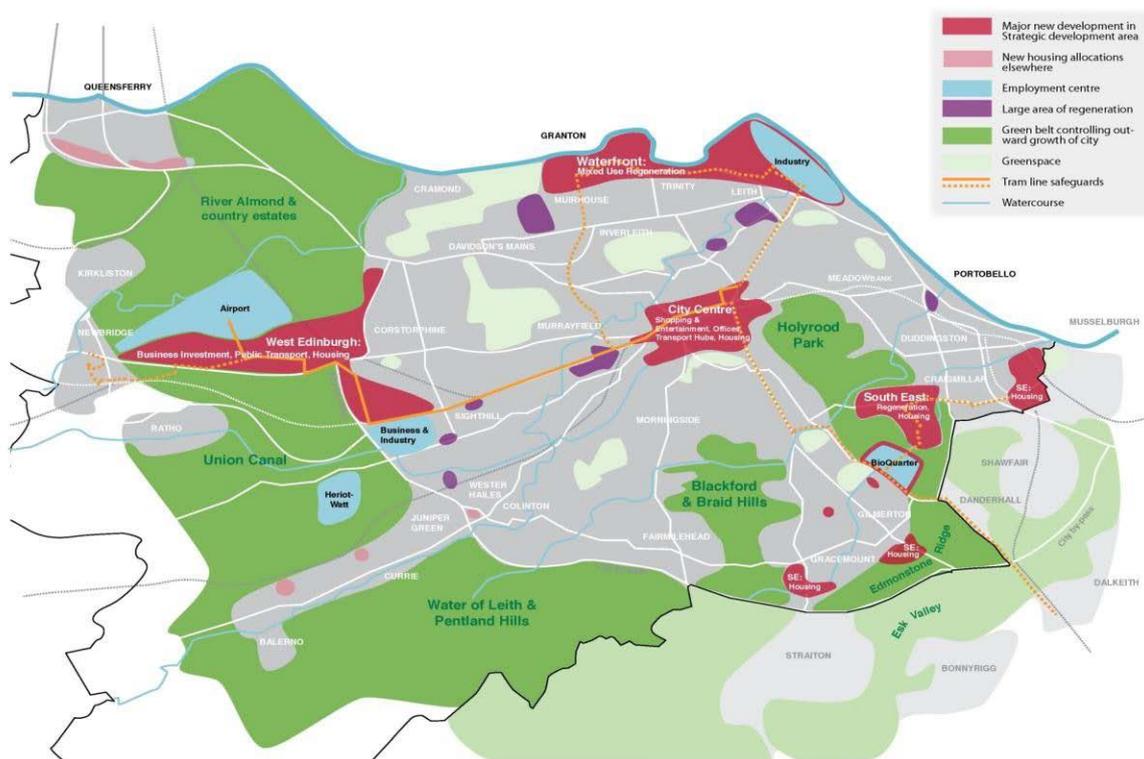
#### **4.10 Future-Proofing in Planning**

##### **Local Development Plan**

4.10.1 The Scottish Government publication Planning Advice Note (PAN) 82: 'Local Authority Interest Developments' advises on how councils should handle their duties as planning authority and as property-owning local authority. It includes guidance on the preparation of the Local Development Plan (LDP). In practice, when the Council either proposes a development on its land, or disposes of land for others to propose development, the proposals in question can be assessed using the policies of the current plan to assess whether they comply in principle. There is not a need for such proposals to be progressed through LDP preparation.

4.10.2 However, other proposals may not be supported by current plan policy

designations and as such should be included as options in the Main Issues Report – the main consultation stage for a LDP. Accordingly, there is a need to identify proposals for new capital asset delivery in time for them to be assessed and potentially included in the relevant Main Issues Report. The LDP is a ten-year plan updated on a five-year cycle. The first Plan is due to be adopted in early 2016, with the second LDP due to be adopted by 2020. The LDP needs to provide for a large number of new homes in the Council area – over 30,000 in the period 2009-2024. Much of this is being met on known existing sites and brownfield land, but it also involves the designation of large new residential areas with associated new infrastructure. For example, new and extended schools, new public parks, new streets will be created and will need to be maintained. The capital costs of this are being identified through the statutory action programme which accompanies the LDP and will be updated annually. Most of the capital cost is expected to be met by developers, but funding gaps may arise. The diagram below illustrates the proposed strategic land releases through the LDP in its Second Proposed Plan version (June 2014).



## Disposal of assets

4.10.3 Joint working and engagement across Corporate Property functions (primarily Estates and Strategy) together with Economic Development, Building Standards and Planning is critical in the disposal of building assets. The Council’s Protocol between these services aims to promote ways of working together to ensure integrated and efficient delivery mechanisms. The adoption of a “One Door Approach” for development advice is of value to businesses and developers as they seek to develop ideas, take them through the planning process and, ultimately, generate income and investment in the city.

4.10.4 Experience has demonstrated that the outcomes have been best where all parties have been actively engaged in identifying buildings pre-disposal and

that appropriate information and advice is provided to potential bidders. There may also be investment opportunities. Special consideration should be given to the disposal of historic buildings.

## 5 PERFORMANCE MANAGEMENT

5.1 Performance management details how the performance of property assets within the Council are being measured together with the general direction and areas of performance improvement that needs to be addressed if the corporate asset strategy is to be delivered. This is an area that will be developed further:

- Assessing current key and performance indicators (KPIs/PIs);
- Reviewing measures of success against Council outcomes;
- Regular reporting on energy, water and waste KPI's; and
- Identifying performance improvements and delivering against key actions.

5.2 Good progress has been made in establishing a client liaison and engagement structure and it is hoped to build on this through performance management. Other objectives include:

- Gain a common understanding of service strategic priorities for condition, suitability and sufficiency which will:
  - Inform property investment decisions based on greatest need and applied consistently across all services;
  - Influence the Council's suite of asset management plans;
  - Contribute to developing a five year investment plan.
- Initiate new project requests through reaching a shared understanding of forthcoming projects and to discuss scope changes where appropriate;
- Agree performance standards and provide an update and programme monitoring function of the asset management programme and project requests, including slippage and reprioritisation as necessary; and
- Develop relationships and improve communications between services to ensure service levels are fit for purpose.

5.3 During 2015, Corporate Property will develop a Computer Aided Facilities Management (CAFM) system for the management of properties. The CAFM system shall have the capability to capture all data required to report real time for all KPI's included within the performance mechanism.

5.4 The CAFM system will provide asset management, asset tracking and trend analysis functionality and the ability to report on historical data. The CAFM system will also record and be capable of issuing data that allows reporting on historic activities for assets on all properties. Corporate Property will derive quality improvements and cost reducing solutions from such data analysis on a continuous basis.

5.5 The CAFM system will be the primary method for Corporate Property to develop a management information system which demonstrates performance improvement. Performance measures are selected on the basis that they are:

- Capable of being measured;
- Appropriate in support of delivery of the Corporate Asset Strategy; and
- Relevant to support the Council's vision for its estate.

5.6 Indicators and targets have been established and are being reviewed during 2015 with the aim of improving performance.

## 6 SERVICE PRIORITISATION

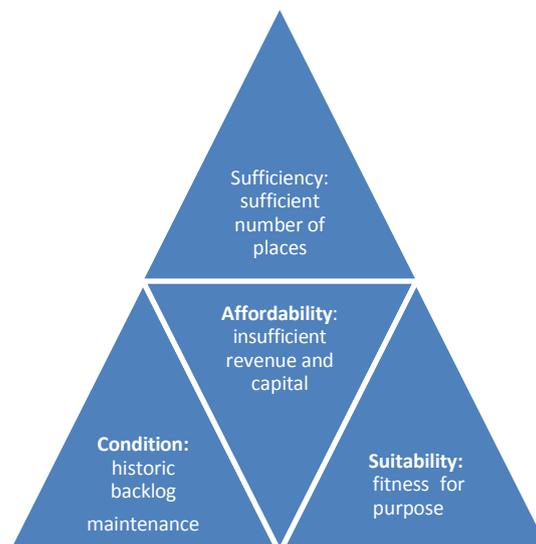
### Service Implementation Plans

6.1 Each service has completed a services template which highlights current and intended priorities and how they contribute to the Council's key outcomes. These service asset strategies provide a direct link to the Council's corporate priorities and coalition pledges and are attached at appendix seven.

### Methodology for Assessing Investment Priorities

6.2 Common themes across the Council estate are summarised as: condition, sufficiency, suitability and affordability.

**Table 8: Condition, sufficiency, suitability and affordability**



6.3 Recommendations on the urgency or priority of any work, such as those set out by BS7913:1998 (the principles of conservation of historic buildings) are as follows:

**Priority 1:** Immediate – public safety/ health and safety issues

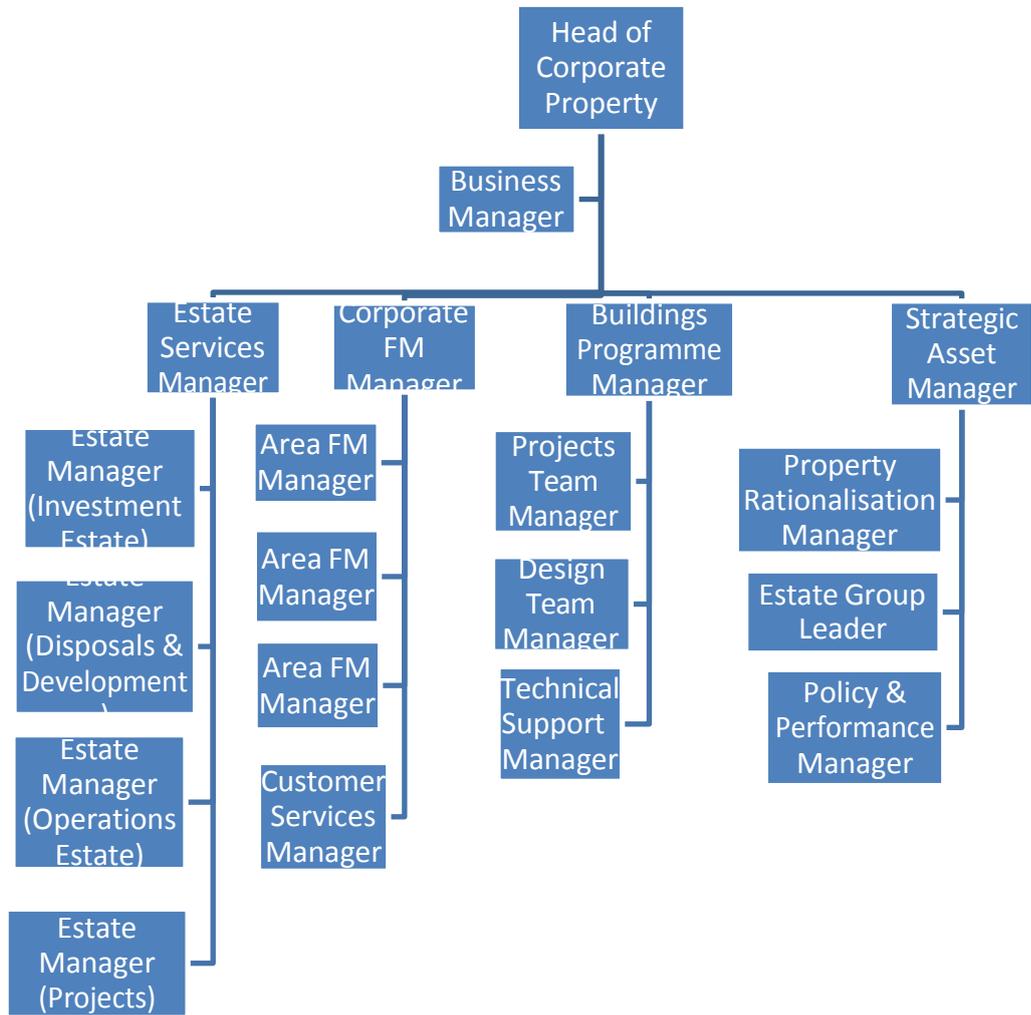
**Priority 2:** Urgent – work needed in the short term / wind and watertight

- 6.4 It is anticipated that a similar prioritisation process for all properties, both capital and revenue spend, will be necessary to manage identified need within available budgets. This prioritisation process also requires identification of key council priorities for investment and highlights the need for creating a smaller estate through property rationalisation. It is proposed that different standards of maintenance will be required for different categories of properties and further work will be undertaken on this categorisation.
- 6.5 This is to be achieved through a process which allows for:
- i) Identification of required or desired works (based on condition surveys, revenue maintenance and service need);
  - ii) Project selection (for building condition, currently based on health and safety and wind and watertight criteria); and
  - iii) Matching of costs to available funding.
- 6.6 There is little prospect of any additional funding for projects emerging in the immediate future. Beyond 2018/19, any future extension to the core capital programme will have considerable call from the Council's identified list of unfunded priorities listed in appendix three, the full scope of which is well beyond any potential available funding. The Council has given some public commitment to delivering some of these projects; others remain an aspiration.

### **Corporate Asset Implementation Plan**

- 6.7 The Implementation Plan for the Corporate Asset Strategy is attached as appendix six. This describes the workstreams delivering action under the following four drivers:
- Meeting statutory obligations;
  - Aligning property priorities to service delivery outcomes;
  - Smaller and better quality estate; and
  - Optimising asset performance.

**Appendix one: Corporate Property structure 2013/2014 (para 3.1)**



## Appendix two: Capital Coalition Pledges (Relating to Corporate Property)

### para 3.5

- Provide for Edinburgh’s economic growth and prosperity;
- Strengthen and support our communities and keep them safe;
- Maintain our city’s reputation as the cultural capital of the world by continuing to support and invest in our cultural infrastructure; and
- Maintain and enhance the quality of life in Edinburgh.

| Pledge | Message   | Corporate Property Lead |
|--------|---|-------------------------|
| 3      | Rebuild Portobello High School and continue progress on all other planned school developments, while providing adequate investment in the fabric of all schools |                         |
| 17     | Continue efforts to develop the city’s gap sites and encourage regeneration   |                         |
| 23     | Identify unused council premises to offer on short low-cost lets to small businesses, community groups and other interested parties                             | ✓                       |
| 24     | Maintain and enhance support for our world-famous festivals and events  |                         |
| 30     | Continue to maintain a sound financial position including long term financial planning  |                         |
| 31     | Maintain our city’s reputation as the cultural capital of the world by continuing to support and invest in our cultural infrastructure                          |                         |
| 33     | Strengthen Neighbourhood Partnerships and further involve local people in decisions on how Council resources are used   |                         |
| 36     | Develop improved partnership working across the Capital and with the voluntary sector to build on the “Total Craigroyston” model                                |                         |
| 40     | Work with Edinburgh World Heritage Trust and other stakeholders to conserve the City’s built heritage   |                         |
| 48     | Use Green Flag and other strategies to preserve our green spaces  |                         |
| 50     | Meet greenhouse gas targets, including the national target of 42% by 2020   | ✓                       |

**Council Outcomes CO5; CO15; CO16; CO19;  
CO23; CO24; CO25; CO26  
Single Outcome Agreement SO1; SO3; SO4**

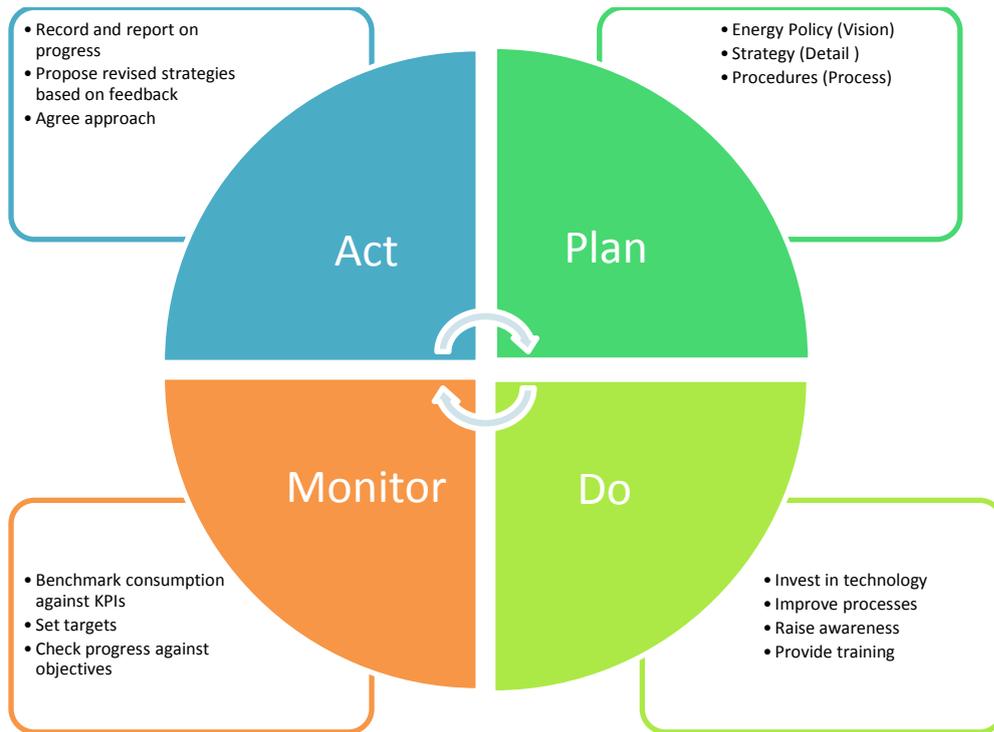
**Appendix three: Total annual revenue costs for property**  
*(para 4.3)*

| Property Category         | Spend 2013/14<br>£ |
|---------------------------|--------------------|
| SCHOOLS                   | 26,918,719         |
| COMMERCIAL PROPERTY       | 15,214,489         |
| OFFICES                   | 13,728,645         |
| MISCELLANEOUS             | 3,144,732          |
| CLOSED PROPERTIES         | 3,106,076          |
| DEPOTS/STORES             | 2,850,354          |
| PARKS/GARDENS/PLAYGROUNDS | 1,984,855          |
| THEATRE/ARTS/MUSEUMS      | 1,818,214          |
| CARE HOME                 | 1,811,311          |
| OTHER                     | 1,679,440          |
| COMMUNITY CENTRE          | 1,458,170          |
| LIBRARIES                 | 1,443,985          |
| RESIDENTIAL/RESPITE       | 1,377,761          |
| HARBOUR/BRIDGE/ROAD       | 701,622            |
| FAMILIES AND YOUNG PEOPLE | 535,944            |
| CLD                       | 198,711            |
| SPORTS FACILITIES         | 153,540            |
| MONUMENTS                 | 31,120             |
|                           | <b>£78,157,688</b> |

**Appendix four: 10 Year Capital Plan – Currently Unfunded Priorities**  
 (para 6.6)

| <b>Project</b>                                     | <b>Value<br/>£,000</b> |
|--|------------------------|
| Rising Primary School Rolls (including new school) | 19,810                 |
| New gym halls in primary schools                   | 15,000                 |
| Asset Management Works for schools                 | 25,000                 |
| New secondary school in Craigmillar                | 28,478                 |
| Replacement of C&F residential establishments      | 3,610                  |
| Educational infrastructure to serve LDP            | To be<br>costed        |
| Meadowbank Sports Centre                           | 18,330                 |
| Jack Kane Centre                                   | 2,500                  |
| Refurbishment of Ross Bandstand                    | 1,300                  |
| Redevelopment of Museum of Childhood               | 1,000                  |
| 3 replacement care homes                           | 24,000                 |
| Asset Management Works - non-school estate         | 25,000                 |
| Refurbishment and renovation of central library    | 20,000                 |
| Saughton Park - restoration                        | 1,350                  |
| Roads and footway additional investment            | 10,000                 |
| Water of Leith Phase 2                             | 5,600                  |

Appendix five: Approaches to energy and water (para 4.9.8)



The Council has a clear and strategic approach to energy and water management across its assets. As represented in the graph above this follows a cycling of planning, action, monitoring and reviewing and is supported by the energy and water policies, supporting procedures and existing energy and water strategies.

# Implementation Plan 2015 - 2019

The Corporate Asset Strategy aspires to the effective management of the Council's corporate property asset portfolio strengthening Corporate Property's role in leading improvement and supporting other Services in the delivery of their strategies

Edinburgh is an excellent place in which to live, study, work, visit and invest

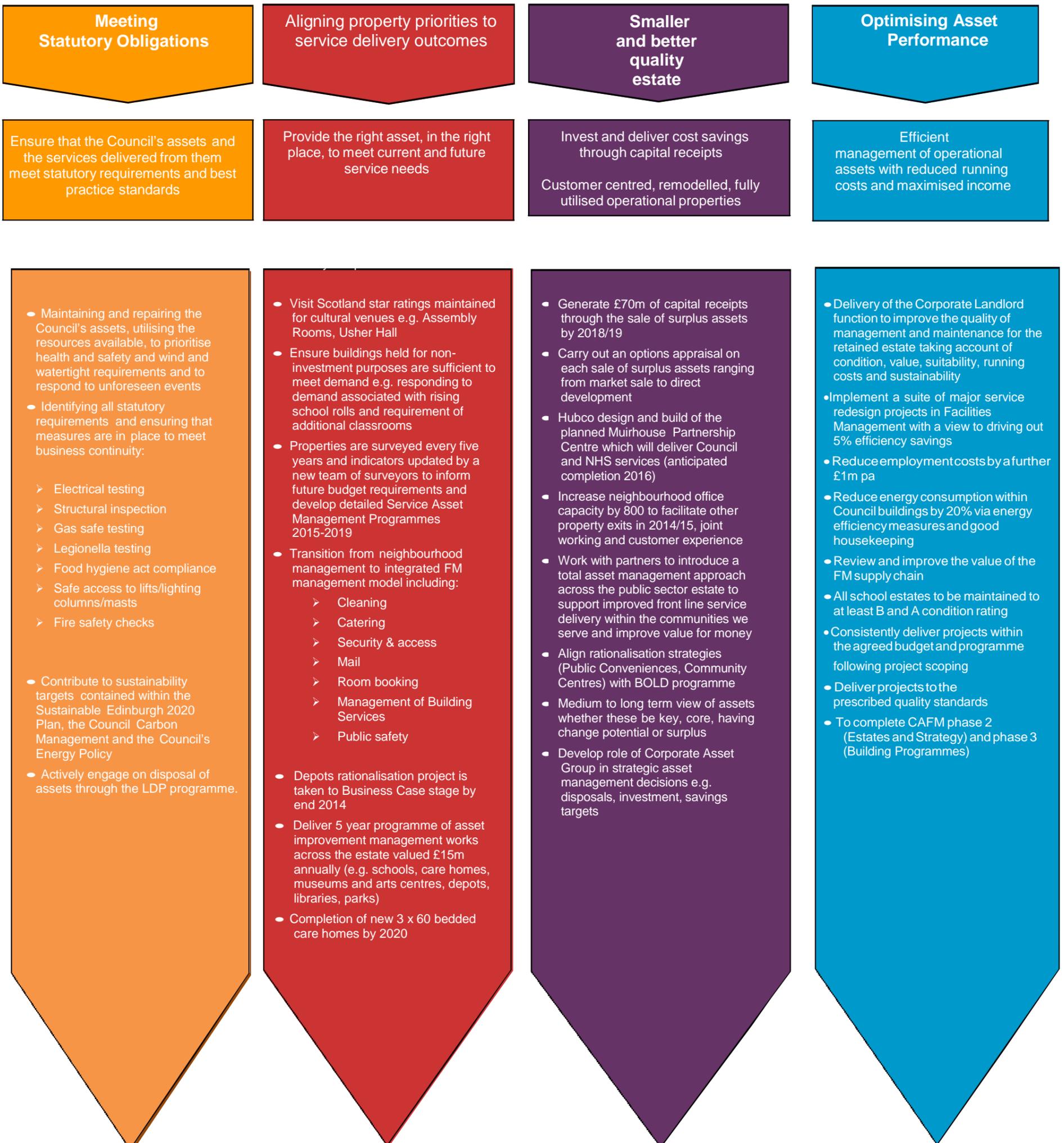
- Outcome 3: Attractive Places – Edinburgh remains an attractive city through the development of high quality buildings and places
- Outcome 4: Well Maintained – Edinburgh delivers high standards in the maintenance of infrastructure and public realm

Strategic Outcomes

Driver

Delivered Through

Implementation



## Appendix seven: Service Implementation Plans

|                                 |   |  |
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| <b>Ref:</b>                     | <b>Corporate Asset Management Plan</b>  |  |
| <b>Service Area</b>             | <b>Services for Communities – Libraries &amp; Information Services</b>  |  |
| <b>Strategic Documents</b>      | Next Generation Libraries Strategy 2012-2015  |  |
| <b>Strategic Objectives</b>     | Fit for purpose buildings in the right location<br>Actively seek to relocate libraries into joint/co-located or new build Council developments  |  |
| <b>Contacts</b>                 | Sarah Forteath (Business Development Manager)   |  |
| <b>Where we are now?</b>        | 28 Libraries, of which 2 brand new buildings (2012/13) and up to 20 of which are either refurbished, or with DDA and upgraded interior since 2009.  |  |
| <b>Where we have come from?</b> | Some capital investment – accessibility issues across majority of the library estate, no common look or feel.   |  |
| <b>Where do we want to be?</b>  | Fit for purpose buildings in the right location<br>All libraries DDA compliant and with public facilities ( 3 still not meeting this)<br>Gold standard achieved for all 28 libraries<br>Long term vision for Central Library building and partners on George IV Bridge<br>Improved locations for some community libraries.  |  |
| <b>How do we get there?</b>     | Continued role in Corporate Asset Management and Council planning programmes. Open minded about public or private buildings.<br>Aim to underpin Council’s property rationalisation programme with sale of library buildings where appropriate or possible.<br>Ongoing Gold standard award programme for libraries looking at interior and exterior of buildings. 6 libraries have achieved to date.<br><br>Seek income generation opportunities with agreed financial and business models in 2015-1018. |  |

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| <b>Ref:</b>                     | <b>Corporate Asset Strategy</b>  |
| <b>Service Area</b>             | <b>Services for Communities – Parks and Greenspace</b>   |
| <b>Strategic Documents</b>      | Parks & Gardens Strategy<br>Allotments Strategy<br>Trees & Woodlands Strategy<br>Open Space Strategy<br>Parks Events Manifesto   |
| <b>Strategic Objectives</b>     | Improving and maintaining the Council's 1520ha green space estate for the benefit of people and wildlife.  |
| <b>Contacts</b>                 | David Jamieson, Manager, Parks and Greenspace  |
| <b>Where we are now?</b>        | Award winning service that has pioneered an approach to site-focused performance management.<br>Asset condition register established but not being used universally by neighbourhoods.<br>Programmed approach to maintenance.<br>Deterioration of assets due to reduction in investment and loss of skilled-personnel needs to be addressed. |
| <b>Where we have come from?</b> | Reliance on local asset knowledge and reactive maintenance.  |
| <b>Where do we want to be?</b>  | Fully integrated, costed programmed and resourced programme of asset management.   |

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| <b>Ref:</b>                     | <b>Corporate Asset Strategy</b>   |
| <b>Service Area</b>             | <b>Services for Communities – Depots (property asset)</b>   |
| <b>Strategic Documents</b>      | Depots review progress reports  |
| <b>Strategic Objectives</b>     | Overall strategy based on depot hub with neighbourhood satellite approach   |
| <b>Contacts</b>                 | Lindsay Glasgow, Asset Strategy Manager, Corporate Property   |
| <b>Where we are now?</b>        | Services to consider how they may share facilities and synergies in service delivery.<br>Medium term exit strategy for Murrayburn to be developed.<br>Consider opportunities for shared services : Ambulance Service keen to use satellite depots<br>Develop business case to support investment in depots and deliver super depot strategy   |
| <b>Where we have come from?</b> | Long term lack of investment in depots. First phase exits: Duddingston lease expired in 2013<br>Duddingston moved to Peffer Place as interim solution – develop long term strategy<br>Baileyfield to relocate to Seafield as solution   |
| <b>Where do we want to be?</b>  | The strategy proposes a reduction in the number of significant sites accompanied by a programme of investment in the retained sites, helping to create a modern, fit for purpose estate. The necessary level of investment will however see any savings created by the strategy being reinvested to deliver these significant long term improvements. Accordingly, the review will remove an unfunded investment pressure for the Council, rather than delivering annual savings. |

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| <b>Ref:</b>                     | <b>Corporate Asset Strategy</b>  |
| <b>Service Area</b>             | <b>Services for Communities Corporate Property – Corporate Offices</b>   |
| <b>Strategic Documents</b>      | Review of the City of Edinburgh Council’s Front Facing Service Delivery Property in the City Centre 2014<br>Corporate Offices Accommodation Project 2013<br>Integrated Property and Facilities Management 2012   |
| <b>Strategic Objectives</b>     | To deliver office accommodation that is efficiently occupied and supports service delivery in the right locations. The property strategy is based upon a central hub of buildings with an outer ring of offices in strategic geographical locations. An analysis of the occupation of these buildings has identified that there is significant potential to increase the efficient occupation of buildings with benefits to services through co-location, shared resource use and partnering opportunities.  |
| <b>Contacts</b>                 | Kevin Moore, Property Rationalisation Manager  |
| <b>Where we are now?</b>        | Splitting services between Waverley Court and the City Chamber complex<br>‘Customer Hub’ model for the refurbishment of 249 High Street with the Business/Commercial Hub remaining at Waverley Court. Placing the Customer Services Hub at 249 and 329 High Street provides a more central location close to public transport routes and secures better integration and co-location of all customer services in this area.   |
| <b>Where we have come from?</b> | The Council has exited properties with running costs worth £5M pa since 2012. The corporate office accommodation strategy provided a Chesser House exit plan based upon the efficient occupation of Waverley Court and the neighbourhood offices, achieved through co-location and shared use of resources without a requirement to increase the office portfolio<br><ul style="list-style-type: none"> <li>- The remodelling of Waverley Court provides the opportunity to consolidate the Council’s customer facing services;</li> <li>- The inclusion of the customer hub and associated services means that Waverley Court is a 24 hour operational facility creating the opportunity to accommodate out of hours requirements.</li> </ul> |
| <b>Where do we want to be?</b>  | Neighbourhood Offices<br>Roll out Workstyle to neighbourhood offices creating space for another 800 users<br>Identify which CEC buildings could be released upon relocation into neighbourhood offices Co-location with partners – opportunities to be identified.<br>Exit of properties with a lease termination date such as Manor Place and St. Johns.  |

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| <b>Ref:</b>                     | <b>Corporate Asset Strategy</b>   |
| <b>Service Area</b>             | <b>Services for Communities ( Environmental SSU )</b>   |
| <b>Strategic Documents</b>      | Public Conveniences Strategic Review – 2014/ 2015   |
| <b>Strategic Objectives</b>     | Residents and visitors to Edinburgh have expressed a desire for their local public places to be clean, green and safe and supported by good quality services and amenities (links to coalition pledges P 24, 28 & 31)<br><br>However, there should be no unqualified assumption that the Council is necessarily the best provider of public conveniences and how this service will be provided will be considered under the BOLD work stream.   |
| <b>Contacts</b>                 | Andy Williams, Environmental Services Support Unit Manager  |
| <b>Where we are now?</b>        | City wide, there remain 29 Public Convenience sites spread across the city. Of these, 7 city centre locations were refurbished in 2013 at a cost of £674,000 and charging introduced. The remaining 22 locations have not seen any significant investment since the 1980's with the exception of the facility at Colinton, which was newly built as part of a local land development agreement in 2010.<br><br>Condition surveys for these buildings were last carried out in 2009/ 2010, and at that time it was estimated that approximately £1.5 - £1.7million investment was required. It is expected that the capital required will have increased since this time and further condition surveys are to be carried out by the Council's Corporate Property Team by Autumn 2015 to establish an accurate investment figure. |
| <b>Where we have come from?</b> | No real investment input since the 1980's. Budget decision taken in 2011/ 2012 to remove £300,000 from service budget in 2015/2016 financial year.  |
| <b>Where do we want to be?</b>  | Align with the outcomes from the BOLD programme and the 2011/ 2012 budget decision – partial retention of the service from during the 2015/ 2016 financial year.  |

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| <b>Ref:</b>                     | <b>Corporate Asset Strategy</b>   |
| <b>Service Area</b>             | <b>Services for Communities (Corporate Facilities Management)</b>   |
| <b>Strategic Documents</b>      | Service Improvement Plan April 2012<br>Business Case iPFM Integrated IT Platform 21st January 2013<br>Computer Aided Facilities Management (CAFM) Report: Finance & Budget Committee 21 <sup>st</sup> March 2013  |
| <b>Strategic Objectives</b>     | CAFM underpins the iPFM service by: <ul style="list-style-type: none"> <li>● Providing extensive, easy to access reporting of FM data to support asset planning and financial decision making</li> <li>● Supporting new and flexible ways of working</li> <li>● Providing visibility of critical performance information and promoting enterprise-wide communication</li> <li>● Delivering a comprehensive suite of performance management tools</li> <li>● Ensuring complete control over facilities, property and operational expenditure and preventing budget overspend</li> <li>● Supporting compliance with legal and corporate best practice and providing an audit trail to meet statutory requirements.</li> </ul> |
| <b>Contacts</b>                 | Val Milligan, Management Information Officer  |
| <b>Where we are now?</b>        | Stage 1 CAFM project objectives complete: <ul style="list-style-type: none"> <li>● Implement the Corporate Property Asset Register.</li> <li>● Implement the Corporate FM Help Desk.</li> <li>● Implement Corporate FM Repairs &amp; Maintenance (R&amp;M) Work Order Processing.</li> <li>● Implement EBS interfaces for the Total Management system</li> </ul>  |
| <b>Where we have come from?</b> | The present legacy asset management systems lack the level of integration and flexibility required within a fast-changing corporate environment. These systems are now out-of-date with current technologies, increasingly difficult to maintain and have reached the end of their natural life;  |
| <b>Where do we want to be?</b>  | To complete CAFM Phase 2 and 3.<br>Phase 2: includes Estates Management, Asset Management and Sustainability<br>Phase 3: Building Programme Management  |

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| <b>Ref:</b>                     | <b>Corporate Asset Strategy</b>   |
| <b>Service Area</b>             | <b>Corporate Governance (Culture and Sport)</b>   |
| <b>Strategic Documents</b>      | Edinburgh Cultural Venues Study May 2009  |
| <b>Strategic Objectives</b>     | To place the 4 Venues (Assembly Rooms, Usher Hall, Ross Theatre/Bandstand, Church Hill Theatre) at the forefront of their markets ensuring best-in-class public and civic services. These venues represent a broad mix of venue offers serving the amateur theatre sector; cultural, business, entertainment and open air high profile events.<br>To appropriately facilitate the best venue offer possible in the city; to maintain and enhance the city's position in local, national and global cultural and entertainment markets.  |
| <b>Contacts</b>                 | Lindsay Robertson, Arts Manager, Culture and Sport  |
| <b>Where we are now?</b>        | Ross Theatre/Bandstand requires a full business plan review and refurbishment re-focusing the purpose and positioning of the venue; Church Hill Theatre requires backstage refurbishment and external landscape review reintroducing the venue to its environs.<br><br>A number of venues owned, but not managed by the Council – Festival Theatre; King's Theatre and Royal Lyceum have their own capital investment plans – for example, the Festival and King's Theatres (managed by the Festival City Theatres Trust FCTT) have established a Theatres Development Fund – a levy of £1.50 on each ticket sold – this generates income which is specifically intended for the fabric and re-development of the theatres.<br>The Edinburgh Cultural Venues Study identified that a minimum of £25m would be needed to address the then basic requirements of existing venues across the city, £100m would bring the venues up to a competitive international standard and £200m would place Edinburgh at the forefront of venue provision in the world. Investment would improve the quality of existing venues; increase the quantity of quality product coming to the City; and meet identified gaps and market need. Not all of these fall within the resources requirements of the Council, but they are intrinsic to the success of the economic ecology of the city, and there are other mechanisms which the Council could introduce / support new of re-development such as planning options or requirements for Council-owned sites. |
| <b>Where we have come from?</b> | We have fully refurbished the Assembly Rooms with a new business plan and business infrastructure (ground floor rentals) – this has directly positively impacted on both George Street and Rose Street aesthetically and economically; Usher Hall has been fully refurbished; The Church Hill Theatre front of house has been refurbished and business mix reviewed. Usher Hall is a Visit Scotland 5 Star rated venue. The King's received Phase 1 investment from the Council £2.1M completed last year improving access; appearance; seating replacement; air handling and so on. The FCTT has now embarked on planning a re-development capital plan for the venue.   |
| <b>Where do we want to be?</b>  | To maintain the positioning of both the Assembly Rooms and Usher Hall both in terms of market and quality; to re-introduce the Ross as a fully refurbished, re-positioned venue; to improve the business and backstage/exterior landscaping of the Church Hill Theatre to grow its presence and profile.  |

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| <b>Ref:</b>                     | <b>Corporate Asset Strategy</b>   |
| <b>Service Area</b>             | <b>Corporate Governance (Culture and Sport) Museums and Galleries</b>   |
| <b>Strategic Documents</b>      | Edinburgh Museums and Galleries Service Plan 2013 – 2018  |
| <b>Strategic Objectives</b>     | Edinburgh Museums & Galleries (EMG) enables people to connect with the city, its many histories and its role in presenting art from around the world. We do this through our collections, temporary exhibitions and public programmes, both physical and digital.   |
| <b>Contacts</b>                 | Frank Little, Museums & Galleries Manager   |
| <b>Where we are now?</b>        | Edinburgh Museums and Galleries Service has undergone a major review involving a staffing restructure and the articulation of a new vision. There has been a culture shift in how the service is delivered – a stronger focus on income generation coupled with recognition that the visitor is the main priority and that quality is essential. An increasingly business- like, entrepreneurial approach is developing which will ensure continued improvement and effective use of resources.   |
| <b>Where we have come from?</b> | Improvements which can be built upon, include: <ul style="list-style-type: none"> <li>● A partnership agreement and funding in excess of £300,000 from the Registers of Scotland and Edinburgh World Heritage Trust to facilitate the refurbishment of Acheson House (now part of the Museum of Edinburgh).</li> <li>● Restoration of the Old Observatory House on Calton Hill in partnership with the Vivat Trust to convert the building into a high quality holiday let. A 50% profit share is used to re-invest in the restoration of the Old Observatory complex.</li> <li>● Visit Scotland gradings improved from 2 to 4 stars at the Nelson Monument and the Museum of Edinburgh.</li> </ul> |
| <b>Where do we want to be?</b>  | Funds have been secured to improve and upgrade key venues. Priority for investment over the next 3 years will be the City Art Centre, the Museum of Childhood, the Museum of Edinburgh, Lauriston Castle, the Old City Observatory, the Writers' Museum and the World War I Memorials.  |

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| <b>Ref:</b>                     | <b>Corporate Asset Strategy</b>  |
| <b>Service Area</b>             | <b>Corporate Governance (Culture and Sport). Sport Team</b>  |
| <b>Strategic Documents</b>      | Edinburgh's Physical Activity and Sport Strategy 2014  |
| <b>Strategic Objectives</b>     | Actions to achieve these outcomes have been grouped under these five headings: active living; the great outdoors; sport and exercise; events; raising awareness and communication.   |
| <b>Contacts</b>                 | Stephanie-Anne Harris, Strategic Development Manager   |
| <b>Where we are now?</b>        | Meadowbank Sports Centre and Stadium is of considerable importance to Edinburgh and Scottish sport and is continuing to decline. The status quo cannot be sustained in the longer term without significant investment. The Council is committed to undertaking feasibility work into the redevelopment of Meadowbank Sports centre and Stadium seeking to secure a funding package making best use of public and private sector support. Edinburgh's Physical Activity and Sport Strategy 2014 describes the context of these decisions. |
| <b>Where we have come from?</b> | Research has been conducted into the Council's sport and leisure facilities, and using this research it has been possible to prioritise some key facility actions. However, it should be noted that, due to the current financial challenges facing the Council's revenue and capital budgets, innovative solutions will have to be found for the funding required for many of these improvements.   |
| <b>Where do we want to be?</b>  | The creation of a Community Sport Hub network has been a welcome initiative and has the potential to grow into an integrated network across the city incorporating Council-owned facilities as well as those owned and managed by other partners, including the voluntary sector.  |

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| <b>Ref:</b>                 | Corporate Asset Strategy  |
| <b>Service Area</b>         | <b>Children and Families</b>  |
| <b>Strategic Documents</b>  | Children and Families Asset Management Plan 2010  |
| <b>Strategic Objectives</b> | C&F has a responsibility for a wide range of buildings including early year establishments; primary, secondary and special schools; community centres; residential care properties. The property estate accounts for 66% of the Council's total property portfolio currently extending to 124 schools; 26 early year establishments; 37 community centres; 10 residential care properties.  |
| <b>Contacts</b>             | Crawford McGhie , Asset Planning Manager, Children and Families   |
| <b>Where we are now?</b>    | <p><b><u>Sufficiency</u></b></p> <p><b>The Rising School Rolls programme</b> ensures the provision of sufficient school places in the right areas of the city. Permanent stand alone accommodation is being provided at several schools across the city with the first three projects delivered in August 2013, a further four delivered for August 2014 and potentially 15 further schools involved up to 2017.</p> <p><b>The second proposed Local Development Plan</b> for the City of Edinburgh proposes significant new housing across the city. The associated Education Infrastructure Appraisal outlines the potential need for 5 new primary schools and several secondary extensions.</p> <p>A New dedicated Gaelic Medium Education in the former Bonnington PS building opened August 2013.<br/>Extensions to Towerbank PS and Corstorphine PS opened August 2013</p> <p><b>Wave 3 projects :</b></p> <p>The period up to 2018/19 provides funding within the Wave 3 programme for replacement of the following schools:<br/>James Gillespies High School<br/>Boroughmuir High School<br/>Portobello High School<br/>St John's Primary School<br/>St Crispin's Special School</p> <p>Early Years – The Children and Families Capital Investment Programme includes provision for a replacement nursery at Duddingston Primary School and new nurseries at Fox Covert and Wardie Primary Schools. These projects have commenced and are due for completion by August 2015. Additional funding has been made available from the Scottish Government in response to the Children &amp; Young Peoples Scotland Act 2014, increasing nursery hours per child from 475 to 600 and extending the entitlement to the under twos. Five projects have been identified as priorities for replacement and expanded Early Years facilities (St John's RC PS, Longstone PS, Granton EYC, Davidsons Mains PS and Corstorphine PS) and further feasibility work will be carried out to identify any other areas of the city where investment is required.</p> |

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|  | <p><b><u>Suitability</u></b><br/>The Children and Families Capital Investment Programme includes provision for a new gym hall at Blackhall Primary School. This project has commenced and is due for completion by August 2015.</p> <p><b><u>Condition</u></b><br/>A comprehensive survey of the Children and Families estate was undertaken in 2012/13 and a report presented to the Education, Children and Families Committee in December 2013. This identifies £50.1m of essential backlog capital works required over the next five years on the Children and Families estate. The report seeks to address £31.6m of this through available Children and Families asset management works budget for the next five years. The report stated that there remains a shortfall of approximately £25m in capital funding over the five year period to address the full extent of the investment identified as being necessary in the condition surveys.<br/>Capital spend prioritisation criteria agreed that establishments across the estate will be kept wind and water tight and ensure health and safety issues are addressed, thereafter<br/>Priority 1: Upgrade of Condition 'C' establishments<br/>Priority 2: Upgrade of Condition 'B' establishments where large capital spend has been identified.</p>  |
| <p><b>Where we have come from?</b></p> | <p>The Council has conducted a significant school replacement programme since 2000 with nearly half of the secondary estate being and a significant number of primary schools, special schools, community centres and care facilities renewed, upgraded or improved. The Council has previously undertaken an extensive primary school closure programme between 2000 and 2010; the early programme also focussed on amalgamations between two schools and the later programme closed schools and redirected pupils to popular, higher attaining schools. These school closures have saved the Council revenue costs of an estimated £32.5m to date and will continue to save the Council an estimated £4.6m of revenue costs each year which otherwise would have had to be found from service budgets, including schools. In addition, several nursery schools have been closed and, more recently, Wellington Special School. There are no plans to undertake any further rationalisation of primary or secondary schools within the school estate.</p>  |
| <p><b>Where do we want to be?</b></p>  | <p>Improve the worst condition rated establishments from a 'C' poor rating to 'B' satisfactory or above and maintain the remainder of the estate at a 'B' condition rating satisfactory or above. (Current 91.6% for the school estate). As funding allows (e.g. from the Scottish Government) consider opportunities for replacement and refurbishment of schools currently assessed as being in the poorest condition.<br/>Continue to meet rising rolls accommodation needs in primary schools and finalise the long term strategy for rising school rolls in high schools expected to peak in 2025. Address the specific primary accommodation issues in south Edinburgh (affecting Bruntsfield, South Morningside and James Gillespie's Primary Schools) through the development of an appropriate long term solution.<br/>Improve suitability of estate if and when funding becomes available (e.g. Scottish Government funding to address).<br/>Lead on the implementation of education infrastructure actions associated with the second proposed Local Development Plan.<br/>Continue to improve the Early Years estate across Edinburgh investing Scottish Government funding to provide improved accommodation for all 0-4 year olds integrated where possible to the primary school estate.<br/>Assist as necessary actions arising from the BOLD theme looking at property rationalisation across the Council's non-school estate.</p> |

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| <b>Ref:</b>                 | <b>Corporate Asset Strategy</b>  |
| <b>Service Area</b>         | <b>Health and Social Care</b>  |
| <b>Strategic Documents</b>  | <p><u>Older People Services:</u> “Live Well in Later Life”, Edinburgh’s Joint Commissioning Plan for Older People 2012-22; Former Capacity Plan for Older People 2008- 2018; Edinburgh Health &amp; Social Care Partnership - Older People Accommodation Strategy</p> <p><u>Disabilities:</u> Capacity Plan for Learning Disabilities<br/>Integration of Health &amp; Social Care/ Plan</p> <p>Key documents for physical disabilities, mental health, addictions, and criminal justice.<br/>Health &amp; Social Care Strategic Work Plan 2014</p>   |
| <b>Strategic Objectives</b> | <p><u>Older People:</u><br/>Shift the balance of care:</p> <ul style="list-style-type: none"> <li>● supporting older people living in their own homes</li> <li>● address fitness of purpose of existing CEC care home stock, particularly for older people with highest care needs (challenging behaviour and dementia)</li> <li>● develop joint intermediate care models with NHS Lothian</li> </ul> <p>Planned change to reduce the overall number of care home places in Edinburgh and reduce the Council's market share to 15%.</p> <p><u>Disabilities:</u><br/>New Integrated Day Care and Respite Service<br/>Respite Service for Older People at South Gyle</p> <p>Integration of Health &amp; Social Care - Integration plan</p> |
| <b>Contacts</b>             | <p>Colin Beck – Mental Health, Criminal Justice, Substance Misuse<br/>Gillian Crosby – Disabilities (learning and physical)<br/>Tricia Campbell and Marion Randall – Older People’s services<br/>Susanne Harrison – Integration of Health Partnership</p>  |
| <b>Where we are now?</b>    | <p><u>Older People:</u> Between 2007/ 2012 5 new build Care Homes have been constructed and are fully operational: Marionville, Castle Green, North Merchiston, Inch view and Drumbrae. (308 beds). 6<sup>th</sup> new care home approved for 2015/20.</p> <p>Refurbishment of Silverlee Care Home to launch the new Step Down Service in the North of the City, phase 1 complete October 2013, anticipated construction completion February 2014</p>  |

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| <p><b>Where we have come from?</b></p> | <p><u>Older People:</u> There have been 9 planned care home closures (Sighthill, Liberton, Balmwell, Craigour, Chalmers, Greenhill Park, Kirklands, The Tower and Clermiston) and 5 new care homes completed (308 beds).</p> <p><u>Disabilities:</u> There has been a number of day service Closures: McLeod Street, St Helens is a result of a move towards greater integration into the local communities.</p> <p>Replacement of Currie Respite unit with a new build facility on the site of Firrhill Day Centre 2012. Construction of a New Integrated Respite and Day Services at Pefferbank, scheduled for completion late 2014.</p> <p><u>Integration of Health &amp; Social Care:</u> Construction of the Westerhailes Healthy Living Centre complete September 2013.</p>   |
| <p><b>Where do we want to be?</b></p>  | <p>Future accommodation strategy – 9 x new 60 bedded joint facilities with NHS -540 beds required to replace:</p> <ul style="list-style-type: none"> <li>● Replacement of the 8 remaining older care homes (300 beds) need to be replaced by 2018</li> <li>● Re-provisioning of the Royal Edinburgh: loss of 47 beds for psychiatric and mental health services</li> <li>● 58 In patient Complex Care Beds at Astley Ainslie and Corstorphine</li> <li>● Re-provisioning of NHS PFI units contracts coming to an end: Findlay House, Ferryfield, and Ellensglen.</li> </ul> <p>Replacement Day Services: Portlee (former Hawkhill ATC)<br/> Care Facilities in public buildings across the City – incorporate into all new build projects across all Council Departments where appropriate.<br/> Refurbishments of South Gyle as a specialist unit for Older Adults with Learning Disabilities.<br/> Expansion of Skills path facilities in the North side of the City.</p> |