

**Manchester City Council
Report for Resolution**

Report To: Resources and Governance Overview and Scrutiny
Committee – 16th July 2009

Subject: Corporate Property

Report of: The City Treasurer

Summary **The report is split into four sections**

- 1) The Executive Summary of the Corporate Asset Management Plan 2009 and an update on Backlog Maintenance and DDA works
- 2) The effectiveness of the partnerships with Jacobs and others in respect of the Estate Management Function
- 3) To examine the Corporate Strategy in regard to land disposals to secure the appropriate neighbourhood development opportunities
- 4) The use of land for park and ride schemes

Recommendations

That Committee note and comment on progress to date as set out in the report.

Wards Affected:

All

Contact Officers:

Name: Richard Paver

Position: City Treasurer

Telephone: Ext 3564

E-mail: r.paver@manchester.gov.uk

Name: Helen Jones

Position: Head of Corporate Property

Telephone: Ext 1202

E-mail: h.jones4@manchester.gov.uk

Background documents (available for public inspection):

None

Section 1 - Corporate Asset Management Plan 2009

1.1 Introduction

The purpose of the Corporate Asset Management Plan is to support the delivery of strategic objectives through the effective management and investment in the Council's property assets. Following interviews, the Audit Commission have indicated that they are pleased with progress made since last year and will report formally in due course.

The full Corporate Asset Management Plan is available on request.

1.2 Executive Summary

1.2.1 Priorities

The Corporate Asset Management Plan (AMP) supports the strategic objectives of Manchester City Council and its partners through the effective management of the Council's property assets.

The Council is striving to reduce capital and revenue maintenance requirements while improving the quality of services provided to the community. The priorities for the Corporate Asset Management Plan are:

1. Improving services by optimising use of assets so that services and facilities are delivered in the right space, in the right place and at a reduced cost to underpin effective delivery of the Community Strategy, Neighbourhood strategy and corporate efficiency targets.
2. Implementing flexible design to reduce the costs of "churn" (ie the percentage movement, relocation, etc of employees in any one year)
3. Better aligning of accommodation needs with service delivery goals
4. Improving service delivery and improving the perception of the community
5. Delivering higher quality work environments specifically catering to customer and employee needs resulting in improved levels of satisfaction
6. Equitable redistribution of space based on functionality and need
7. For all properties to comply with the latest workplace management and buildings legislation

In addition to the above the Corporate Asset Management Plan will also set out how the following outcomes can be achieved:

- Prioritised maintenance through effective asset management planning to provide efficient premises and improve the quality of community facilities
- Planning and environmental policies delivered through compliant development briefs on Council owned land

1.3 Approach and Progress to Date

Since April 2008 Corporate Property has undertaken the role of corporate landlord for the City Council's non-residential estate (excluding highways, and schools). This has enabled the following improvements to be made:

- Adoption of new Corporate Property Strategy
- Establishing corporate and strategic parameters for the development, occupation and disposal of Council property
- Improved property utilisation generating revenue savings and capital receipts
- A corporate approach to the use of accommodation, with particular regard to suitability, sustainability and sufficiency
- Focus on Asset Management Planning to reduce maintenance backlog and creating fit for purpose buildings
- Enhanced property performance planning to secure returns from the portfolio and improvements in services
- Relieved services of the burden of managing their properties so they may concentrate on delivery of their core service
- Improved consistency and cost of compliance with regulatory requirements for accommodation by the implementation of a PPM (planned preventative maintenance) regime for the entire portfolio, ensuring statutory building compliance
- Identified the potential to create economies of scale in building services activities (waste management, cleaning etc.) to generate revenue savings

In addition for following has been achieved:

- The completion of Service Asset Management Plans which has enabled the effective prioritisation of resources to improve services
- Dedicated Property Advisers for each Service are in place
- Budget transfer levels have been agreed

- Service Level Agreement's have been issued and are in the process of being agreed with services
- Occupational Agreements issued to all Primary Occupiers
- £750,000 allocated to support Corporate Landlord statutory obligations.
- £25.6 million has been invested in improving operational buildings, and work has been carried out on 274 buildings.
- £10 million each year has been allocated to support works to reduce the maintenance backlog and DDA requirements.

1.4 The Plan

There are seven themes to the current action plan detailed later in the document. These are:-

1. Improving Services by optimising use of Assets
2. Implementation of flexible design for accommodation
3. Alignment of accommodation needs to Service Objectives
4. Improving the Communities perception of councils buildings
5. Delivering higher quality work environments
6. Equitable distribution of space
7. Ensure operational properties are statutory compliant

1.5 Asset Management Action Plan

This Asset Management Plan sets out the strategy for delivering the objectives the Council has for its property.

Asset Management Objective	Comment	Actions Needed	(Lead) Responsibility	Timescale/ Priority
A. Improving services by optimising use of assets so that services are delivered in the right accommodation, in the right place and at a reduced cost	Service Improvement Programmes (SIP) need to be completed in order to fully understand service needs and their changes in working practices. Many service drivers are geared towards co-location and hot desking	A1. Collation of occupation audits and suitability surveys for all operational properties	H Hill	July 2009

		A2. Ensure sufficient capacity in asset management in terms of staff numbers and appropriate skills in accordance with Accommodation Strategy	L Morrison	December 2009
		A3. Ensure building is fit for purpose by implementation of priority repair works from condition surveys ensuring value for money	L Morrison	July 2010
B. Implementing flexible design to reduce the costs of "churn" (ie, the percentage movement, relocation, etc of employees in any one year)	Further investigation of service working practices is required	B1. Implementation of the Accommodation Strategy with the focus being similar to the open plan office space at Heron House	H Jones	July 2010
C. Better aligning of accommodation needs with service delivery goals	A wide-ranging approach is required to address each operational division's service requirements	C1. Implementation of Service Asset Management Plan (SAMP) short and medium term actions	H Hill	July 2009
		C2. Increase capacity by working with partner organisations to explore and maximise joint use and co-location	L Morrison	July 2010
D. Improving service delivery, and improving the perception of the community	Further investigation of service working practices is required and understanding of community requirements be assessed and mapped	D1. Explore options for joint use and co-location, develop models to improve access to properties for community use ensuring that they are appropriate for the neighbourhood and support the deliver of the Neighbourhood Focus Strategy	L Morrison	July 2010
		D2. Implementation of a high quality "corporate brand" of property in order to identify a Council building	MIP	July 2010
		D3. Establish provision of space for community based groups across Ward boundaries and within neighbourhoods	L Morrison	July 2010

E. Delivering higher quality work environments specifically catering to customer and employee needs resulting in improved levels of satisfaction	Ensure that the Asset Management Programme (AMP) spend is correctly directed	E1. Monitoring of AMP spend in accordance with SAMP's, condition surveys and accessibility audits	H Jones	December 2009
		E2. Ensure that AMP spend closely aligns with Service SIP's and overall Manchester Improvement Programme (MIP) objectives	L Morrison	July 2010
F. Equitable redistribution of space based on functionality and need	Implementation of Accommodation Strategy across all Services	F1. Promotion and marketing of Office Protocols	L Morrison	July 2009
		F2. Completion of a data set comprising of all occupation information	K McVicker	December 2009
G. For all Properties to comply with the latest workplace management and buildings legislation	Initial objective to ensure that risk associated with Statutory compliance is well managed with a medium term aim to ensure full compliance throughout the portfolio	G1: First phase implementation of Statutory Facilities Management Programme to ensure Statutory compliance for all buildings	L Morrison	April 2009
		G2. Reassess accessibility audits for operational portfolio	H Hill	December 2009
		G3. Implementation of all accessibility requirements for operational buildings	H Hill	July 2010
H. Reporting and Performance Management	Establish a robust system to ensure best value	H1: Review benchmarking exercise to establish Key Performance Indicators	L Morrison	July 2009
		H2: Collect and report on asset management Key Performance Indicators	M Farugia	January 2009 and annually

1.6 Property Review and Neighbourhood Strategy

The Neighbourhood Focus Strategy is being developed to support the delivery of the Community Strategy, creating neighbourhoods which attract and retain people from diverse communities and in which people feel secure and supported. Corporate Property will be working to support the delivery of the Neighbourhood

Focus Strategy by ensuring that neighbourhoods have access to community facilities which are appropriate for their needs. Opportunities for co location of local facilities will be encouraged. Property will continue to be reviewed to ensure suitability, value for money and maximum benefits to the service users.

1.7 Backlog Maintenance

A full review has been undertaken to update the data on backlog maintenance. Prioritised cost are based on condition survey information. The results are presented below:-

Summary for Operational Building – Priorities 1, 2 and 3

CIPFA Category			Operational Buildings £'000
1B (i)	Total Amounts or Required Maintenance in Priority Levels 1, 2 and 3	1	8,050
		2	23,850
		3	18,100
	Sub-Total		
	Preliminaries @ 17.5%		8,750
	Overheads and profit @ 13%		6,500
	Prof Fees (External) @ 8%		4,000
	Prof Fees (CTS) @ 8%		4,000
	Contingency @ 10%		5,000
		Total including Fees	78,250

The figures for backlog maintenance do not include the Town Hall Complex (Town Hall, Town Hall Extension and Central Library). A major project to address maintenance issues and to improve the access to public services is underway.

Since backlog maintenance was first reported in 2004 there has been a reduction of 48%, this has been achieved by investment and by removing properties from the backlog maintenance data following the completion of Service Asset Management plans within which these properties have been identified as no longer required by services and are being held for potential disposal once the commercial market improves.

The current level of fees is under review by Corporate Technical Services.

1.8 Programme of priority repairs for 2009/10

There are currently 312 buildings identified as requiring priority 1 works. Each of these will be subjected to a robust options appraisal bringing together information from current condition, future requirements of the service in current occupation, alternative uses, community benefit and value for money before any scheme of works are commissioned.

1.9 Summary for Schools (including Voluntary Aided Schools) – Priorities 1, 2 and 3 as at 31st March 2009

CIPFA Category			Operational Buildings £'000
1B (i)	Total Amounts or Required Maintenance in Priority Levels 1, 2 and 3	1	14,584
		2	24,393
		3	39,263
	Total including Fees		

Backlog maintenance for schools has seen year on year improvement due to investment through the Building Schools for the future programme and ongoing investment on those schools not due to be replaced. So far there has been 13 primary school and 19 high schools which have or are either in the progress of being rebuilt or undergoing major refurbishment.

Building Schools for the Future Programme

Capital Programme Update

Manchester's £500m BSF programme of investment to rebuild and refurbish all secondary schools will create high quality, flexible new school environments with a variety of larger and smaller learning bases and continues to gather pace with the handover of the first phase of a successfully completed school – Newall Green High School in Wythenshawe on 7th January 2008.

Newall Green is one of 32 high schools that will benefit from the investment that the BSF/Academies Programme will bring. In September 2007 the 1800-pupil Wright Robinson College PFI project opened its doors to pupils for the first time. This project benefited from a £2m BSF ICT managed service investment and a £2m contribution from the Big Lottery Fund.

Work is well under way on five other sites with the construction of nine schools across the City as part of the first wave of investment. Work is also set to start on a further seven schools to complete the Wave 1 BSF Programme this year.

1.10 Progress on DDA for Operational Property

Following the report to Scrutiny in December 2008, Corporate Property has revisited the 58 % of buildings reported to be partly accessible or not accessible.

Since December 39 new audits have been commissioned. These will be completed by August 2009. Modifications recommended in these audits will then be commissioned. To date, 48 properties have had works identified and commissioned; these works will be completed within the next 18 months. Finally, 53 properties have been confirmed as not requiring works.

1.11 Asset Management Internal Report – 2008/09

Context of the Audit

The Corporate Property Service at Manchester City Council provides a comprehensive range of valuation, management, acquisition, disposal and strategic property advice services. Clients include Council departments, regeneration agencies, Members, the general public and the private sector.

Given the move to a Corporate Landlord role and the strategic importance of the effective management of assets, it was considered a key area for audit review. The Service has recently restructured. It has implemented a Corporate Landlord role, with Service Level Agreements for departments. It has also recently completed the outsourcing of transactional services to an external partner allowing it to concentrate on developing strategic property advice and supporting regeneration and key strategic property projects.

The Corporate Asset Management Plan (AMP) Group within the Capital Programme Group has an operational role in the application of works relating to backlog maintenance and it is recognised that, due to the structural changes, there is an initial overlap between the previous process for dealing with backlog maintenance and recent developments initiated by the restructure.

The report found three areas of good practice and six areas for improvement.

Areas of Good Practice:

- Positive engagement with other organisations that assist learning and developing improvement measures (e.g. Core Cities, AGMA)
- Service Asset Management Plans that help to focus on strategic management of assets at an appropriate level.
- The development and implementation of an investment assessment matrix to collate all relevant information to inform the decision-making process regarding individual projects. This is of particular benefit to the application of backlog maintenance as it helps to risk assess activity on a strategic basis.

Areas for Improvement:

- To formally review and agree the allocation of budget responsibility for backlog maintenance.
- To regularly review the funding designated for backlog maintenance, including risk assessment of buildings, to ensure the funding continues to reflect Council needs and priorities.
- To undertake annual reviews of the AMP in order to ensure it reflects the ongoing environment in which the Council operates.
- Increased frequency of reporting of AMP operations to the Resources and Governance Overview and Scrutiny Committee.
- Development and application of performance measures pending the development of corporate measures via the Core Cities forum.
- Recording of actions agreed by the Capital Asset Management Steering Group and the AMP Repairs Board to provide more detail in support of subsequent decisions.

The overall assessment has shown significant improvement and builds on the Use of Resources Score of 3 received by Corporate Property for Asset management last year.

Section 2 - The effectiveness of the partnerships with Jacobs and others

2.1 Jacobs Contract

The Contract with Jacobs started on 4th August 2008. The contract includes all management of the council's non- operational estate and most transactional work such as rent reviews, lease renewals, assignments and disposals. The contract has been in place for 10 months and the benefits of the new system are beginning to filter through, including a more commercial and customer focussed approach.

All procedural issues regarding commissioning of work, and reporting have been resolved and these are working smoothly. Initial difficulties over invoicing have been addressed and new procedures which have been instigated should alleviate these.

Lines of communication are clear, with weekly update meetings held with both local and regional Jacobs management to discuss and resolve any issues which may arise. Quarterly meetings are held at Director/Head of Service level to deal with strategic issues.

The majority of the staff have adapted well to their new environment and working practices and are happy with Jacobs as their employer. One of the staff in the Land Survey section has been promoted to the position of Group Leader as a consequence of the attitude and work ethic he has adopted since the move, and others have commented that contrary to their expectations they are enjoying the private sector.

With regard to commercial property management, whilst desired targets have not yet been met, progress has been made on improving timescales for completion of transactions. All outstanding rent reviews and lease renewals have been identified and schedules compiled and agreed with Jacobs. All reviews and lease renewals due before March 2010 have also been identified and strict timescales for completion of these agreed.

2.2 More detailed information on various work categories is as follows:-

2.2.1 Rent reviews

Of 129 outstanding reviews commissioned since August 2008, 41 have been completed as at 1st June 2009, with negotiations in hand or Notices having been served on the remainder. Completion of these has been identified as a priority as these are seen as crucial to improving revenue during this financial year. This is a business plan priority for Corporate Services. New rent reviews due before 31st March 2010 are expected to be completed prior to the rent review date.

2.2.2 Lease renewals

Performance on outstanding lease renewals has not improved as much as would have been hoped with only 8 out of 65 commissions having been completed by 1st June 2009. This can partially be attributed to the prevailing economic climate where tenants are much more reluctant to agree increased rental levels, especially where they have had long leases with infrequent reviews, but it is accepted that there is much work to be done in improving timescales in this area.

Accordingly, Jacobs have been instructed that if they are unable to reach a settlement in a reasonable timescale, the matter should be referred to arbitration. This is a process which the Council has only infrequently embarked upon and it is expected that such action will prompt tenants into agreeing terms instead of drawing matters out in the hope of achieving settlements which are both beyond the renewal date and more favourable to them.

2.2.3 Landlord's consents

These are management issues such as assignments, consent to alterations and change of use.

The target for completion of these is 28 days from receipt of the application. Of 18 such requests since August 2008, 17 were either completed or with the City Solicitor within the 28 days. It is accepted that all such requests should be completed within the timescale and not just awaiting completion with the City Solicitor. New internal procedures to speed up the decision making process have now been put in hand and this should considerably improve matters.

2.2.4 Disturbance Payments

Disturbance payments take an average of 6 working days from the claim being agreed until it is reported to Corporate Property. Whilst this is not unreasonable, there is room for improvement on this figure

2.2.5 Home Loss Payments

Turnround times for Home Loss Payments are an area for concern, averaging 25 days from the receipt of the claim by Jacobs to it being passed to Corporate Property for payment. This is unacceptable and considerable improvement needs to be made to reduce this timescale in line with Disturbance payments.

2.2.6 Land Survey

One of the largest problems encountered by Corporate Property prior to the transfer, was the time taken for Land Survey plans to be produced, when it was not unusual to wait 3 months or even more for a plan. Management techniques employed by Jacobs now mean that plans are being produced within a few

days of request leading to fewer delays in the completion of transactions where plans are required.

This area of the contract is greatly improved and has a positive impact on other transactions such as disposals.

2.3 Customer Satisfaction Surveys

Returns from Customer Satisfaction surveys indicate that there is still work to be on improving the service to customers.

Prior to the outsourcing, average scores from third parties (tenants, outside solicitors etc) were 85%. Since the outsourcing, this has reduced slightly to 80%, part of which is attributable to the move, and the need to adapt to different circumstances. Meetings have been held with Jacobs at Director level to address this issue and we are confident that service will improve over the next few months.

There were concerns that the previous good service provided by the HMR team would be adversely affected. Survey results however indicate an average score of 82.5% and while the service was affected at first, any problems have now been overcome, with comments received from Housing Strategy such as

“Always had a high level of service before and during the contract. Initial delays due to extra process but improving”

“Jacobs are handling a large volume of acquisitions for us and we are in general very satisfied with the service provided”.

2.4 Jacobs Summary

The contract with Jacobs has only been in operation for 10 months. Whilst there were some initial problems with the contract, many of these have now been resolved, particularly around the various processes involved. It is accepted that the quality of work, whilst showing a slight improvement, still has some way to go, and Officers and Jacobs staff are working hard to resolve these problems. The new KPI's established, cannot provide a like - for - like comparison on the various work categories, but benchmark figures have now been established and a much more accurate picture of performance will be available by the end of 2009.

The service is focussed on meeting the targets set, particularly in light of the current difficult financial climate.

2.5 Framework

The framework agreement with various property agents has now been in existence for 4 years and is due for renewal in April 2010. This covers areas of work not dealt with by Jacobs, such as sensitive or complex development agreements or acquisitions, rating work and specialist valuations.

Their performance is monitored quarterly by the Corporate Procurement Group, and the system works well with no reason for concern with any members of the Framework, and the only reason for any change would be as a result of the necessary tender exercise to determine who should be on the panel for the next four years. The process to renew the framework has commenced and the results will be known in February 2010.

Section 3 - Corporate Property Strategy for land disposals to secure appropriate neighbourhood development priorities

3.1 The use of Council land and property holdings to aid Neighbourhood regeneration schemes has long been recognised as a strategic priority. The Corporate Property Strategy Team in conjunction with Operational Departments review property requirements on a continual basis, in terms of space, location, cost and customer need.

3.1.1 Working closely with the client departments, the Strategy team can identify potentially surplus properties which may then be used to house other departments, rationalise or centralise operations, or be released for disposal.

The outcome of this is twofold :-

- 1) It is likely to produce cost savings and efficiency benefits
- 2) The resultant surplus property may then be used for other purposes or disposed of to generate capital receipts.

In the second scenario, either case produces the opportunity for Neighbourhood Development Priorities to be secured.

3.1.2 Once a building or site has been declared surplus to operational requirements, the appropriate Regeneration Team in Corporate Property, liaise closely with the relevant Regeneration Team in the Chief Executives Department to determine an appropriate use for the property. The Regen teams in Corporate Property are structured on a geographical basis to correspond with those in the Chief Executives Dept., thus allowing close co-operation.

3.1.3 Once the desired use has been identified, consultation is carried out with the planning dept, interested parties and stakeholders, particularly ward members, to ensure that all views are taken into consideration. Following this, the planning department are consulted on a more formal basis to enable a development brief to be prepared if appropriate.

When a brief has been agreed and prepared, Corporate Property market the site seeking appropriate offers which not only provide the highest possible capital receipt, but also reflect the desired use of the site.

The site is then marketed and offers invited. Once the offers have been received they are considered by the appropriate Chief Execs Regeneration team, in conjunction with Corporate Property, thus allowing the decision to be based on regeneration and neighbourhood development priorities, together with potential disposal proceeds.

3.1.4 On a similar basis, non – operational properties (industrial units, offices , shops etc) are also reviewed by the Corporate Property Review team to identify areas of opportunity. This could involve underperforming properties, older properties which may be life expired, or properties which could be amalgamated with adjoining sites to provide development opportunities. As before, these would be discussed with the appropriate regeneration team and then a similar procedure followed.

3.2 Managing the Capital Receipt Programme in prevailing market

3.2.1 As the “credit crunch” impacted on land disposals, a number of sites notably at Parris Wood, Moston (5 sites) and in Wythenshawe have been effectively “mothballed”. As the impact of the financial market became apparent negotiations on disposals stalled and offers were reduced to a point where we were not satisfied best value could be obtained reflecting the value of the City’s assets. These sites will all be marketed when the market improves.

3.2.2 The department in preparing for an upturn in the property market are undertaking a number of activities, which will prepare the way to enable realistic receipts to be obtained from our existing landholdings at the earliest appropriate date. To facilitate this we are:

- a) Maintaining a record of discussions with developers and other professionals in the market place to access the general state of the market and using this intelligence to consider the strength of the commercial and residential property markets.
- b) Now that the economy is showing some signs of stabilising and using the benefit of the aforementioned feedback we are instigating the release on a “drip feed basis” of sites to the market. Initially this would take the form of offering one or two small sites less than 1 acre (0.5 hectares) depending on the level of interest generated in the marketing campaigns we can assess

the level to which the disposal programme should continue.

- c) To enable us to maximise the delivery of receipts in the shortest timetable, we are liaising with our colleagues in the departments involved in land development, namely Regeneration, Planning and Legal to review the methodology adopted to see where improvements could be made to facilitate speedy revenue delivery for the City.

This review will not only consider the way we disposal of assets but look at slightly different legal structures, which by their very nature could encourage developers back to the market where they accept a lower land price reflecting the market but with a guarantee of overage if developers exceed their sales aspirations (in particular on residential sites).

We will work with outsource partner Jacobs towards preparing a composite list of assets the City has for disposal and agree the release of sites, if it is a success of the initial marketing strategies.

- d) The business plan focus will be on accelerating the property review process to identify surplus properties , thereby producing revenue savings and assembling sites to be ready for disposal when the market improves. This will also assist in achieving the target of 20% efficiency savings.

Section 4 - Use of land for park and ride schemes

4. Provision of Park and Ride facilities on Metrolink

- 4.1 Contact has been made with GMPTE seeking clarification of their overall proposals for the delivery of Park and Ride facilities to provide a comprehensive approach across Greater Manchester. Currently GMPTE have agreed to liaise with the City once they have an indicative plan. The Council is aware that £20m has been provide within their budget for such schemes.
- 4.2 Two sites have already been identified at the Hollinwood and Derker Metrolink stops which serve the Oldham and Rochdale line. The site at Hollinwood is situated close to Junction 22 on the M60 and will provide up to 120 parking spaces while Derker will provide up to 80 spaces and be accessible to motorists living in East Oldham, Lees , Springhead and Royton.

GMPTE are committed to making the Metrolink services as accessible as possible and it is hoped additional park and ride facilities will assist

this aim.

4.3 Corporate Property has a knowledge of all the new proposed stations along the lines on the expanded network and are liaising with GMPTE to establish additional any plans they have for Park and Ride.

Corporate Property are investigating the City's land ownership around the stations within the City of Manchester area so that once a strategy is prepared we will be able to respond as to the prospect of delivering or aiding GMPTE to deliver Park and Ride facilities. We are also liaising with the Chief Executive's Regeneration Teams and will involve the City's Planning Department.

4.4 Corporate Property are already in negotiation with GMPTE in respect of transferring land required for the lines for the delivery of the expanded Metrolink. These negotiations will be covered in a report to the Executive in July 2009 for approval.

4.5 The City Council is fully supportive of the Metrolink expansion proposals and recognises the benefits it will bring to the City of Manchester and the contribution it will make to facilitate sustainable development.

4.6 The report will recommend that the land transfers are to be completed at nil consideration on the grounds that the Metrolink expansion will assist the local economy whilst increasing the social and environmental benefits for the people of Manchester.

Summary

The economic downturn over the past 12 months has thrown up considerable challenges for everybody involved with the property industry. The transfer of staff to Jacobs at the same time, together with the increasing demands placed upon Local Services by Central Government has increased the pressure on Local Government to perform more effectively and efficiently.

Whilst there is still room for improvement, considerable progress has been made, particularly in regard to the Council's management of its operational property assets, and significant steps taken to improve the performance of the non-operational estate.

Increased liaison and co-operation between Corporate Property and Chief Executives' Regeneration Teams will lead to a clearer understanding of regeneration objectives and assist in bringing these objectives to fruition.

The Committee are requested to note and comment upon the above report.