

## **Briefing and supporting notes for oPCC decision paper.**

Since 2010, the force has seen a reduction in its spending power of some £145m and a reduction in workforce of nearly 3000 officers and staff. Many force buildings are now under-occupied and in poor condition, with only Health and Safety remedial works being carried out over recent years. Furthermore, the backlog maintenance liability which has built up over that time is now in excess of £20m.

The 2015 Estates Strategy, largely defined by austerity measures, significantly reduced the number of expensive long term leasehold and non-core buildings. Now nearing completion with ca 70% of targeted properties no longer in the force portfolio, the remaining building reductions have been subsumed and will be delivered within the new Estates Programme.

Whilst the 2015 Strategy initiated and began driving cost savings for the force by delivering the estate rationalisation programme, the new Estates Strategy will look to continue this but also transform the way the property supports force activities, realising significant benefits to the organisation such as:

- Adopting flexible working practices (New Ways of Working) that will in turn allow property to be utilised more effectively. This directly leads to rationalisation opportunities that will allow surplus estate to be released, securing both capital receipts and reducing ongoing revenue costs
- Enhancing the force's work with Partners, locating substantial NPU resources alongside Partners within their premises
- Creating a modern, flexible estate that broadens the operational and officer/staff benefits already secured as a result of the previous investment in Lloyd House to the substantive majority of the remaining estate

The options appraisal for the new Estates Strategy was presented in the form of Estates Programme Outline Business Case (OBC). After much internal engagement throughout 2017 and then public consultation in 2018, the Estates Programme OBC and the underpinning new Estates Strategy was approved.

To provide additional context to the Estates Programme OBC various reports and work streams have been undertaken to consider disposal strategies. In September 2018 GVA provided reports for three properties-Billesley, Handsworth West and Tettenhall. The reports gave specific recommendations around disposal strategies for each property. GVA were also asked to address a number of issues relating to social value and maximising capital receipt.

Cushman and Wakefield were instructed following a meeting (23<sup>rd</sup> January 2019) between the oPCC, XXXXXXX and the Estates Programme to inspect and report back on 5 properties-Billesley, Handsworth West, Tettenhall, Dudley and Brownhills. The reports provide high level commentary on current market activity and values and future alternative uses with a particular focus on housing development potential. The reports were commissioned as a result of the PCC's desire to understand the number of houses that could be developed on each site and therefore the value of the site to a developer. Cushman and Wakefield were chosen to carry out this piece of work because of their expertise and experience in the West Midlands residential development market. The reports include case studies and development appraisals.

All previously provided advice is fixed in time as the property market is subject to change and can be volatile due to a variety of factors such as economic climate, demand and property legislation. For example in the

current residential market there is a disconnect between a formal, written site appraisal and the actual values that are being achieved in the open market, where it is often the case that 2 or more interested parties bid against each other.

The decision paper has drawn conclusions from the reports and advice given to date. All properties will be reassessed and evaluated prior to any marketing campaign. The recommendations made at this stage by the appointed sales agent/chartered surveyor will be critical to the decision around which method of disposal is chosen. The appointed sales agent (who will be a chartered surveyor/auctioneer) will be an expert in their field and have previous experience of this type and value of property. The mix of type and size of property earmarked for sale necessitates the appointment of a range of local commercial real estate experts who understand their particular market and have links with potential buyers, developers and investors. The appointed sales agent has responsibility for preparing the property for sale, all marketing activity, engaging and communicating with interested parties and analysing offers. The agent and solicitor will work closely to ensure that their client is kept abreast of progress and any outcome meets their client's objectives.

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