



**LOCAL
PARTNERSHIPS**

STAFFORDSHIRE COUNTY COUNCIL

West Midlands Property Alliance

Using assets for growth



Introduction

Background

Staffordshire County Council (SCC) is a top tier non-metropolitan county authority comprising within it 8 District Councils: Tamworth, Lichfield, Cannock Chase, South Staffordshire, Stafford, Newcastle-under-Lyme, Staffordshire Moorlands and East Staffordshire. In 1997, under a recommendation of the Banham Commission, Stoke-on-Trent became an independent unitary authority. The population of



Staffordshire is currently estimated at 848,500, an increase of around 42,000 people or 5.2% since the previous Census in 2001. Staffordshire is a large, predominantly rural county covering 2,623sq.km interspersed by five major towns and a network of market towns and villages.

The County Council's plan for growth focusses on enabling a few major employers to succeed including Jaguar Land Rover, Amazon, JCB and Alstom as well as helping to create the conditions necessary for the many small and medium sized local businesses to flourish in a number of high growth sectors. The Stoke and Staffordshire LEP has worked with its partners to identify a Growth Triangle made up from the M6/West Coast Main Line Spine, the A5/M6 Toll Enterprise Belt and A38/A50 Eastern Links. These routes carve out a set of development corridors which link the county's strategic employment sites where investment will enable further rapid economic growth and underpin vital economic ties to markets beyond Staffordshire.

Within this triangle, SCC has focussed resources on the A50 as a Growth Corridor which involves the Council taking the lead delivery role for a major highways scheme aimed at easing congestion and releasing both housing and business park development land. The A50 already supports traffic flow to businesses such as JCB and Alton Towers and this investment is needed to deliver significant business and housing growth in East Staffordshire. JCB has announced major expansion plans which could create up to 2,500 jobs and many more in the supply chain and St Modwen has submitted a planning application for 700 houses and a business park development to the West of Uttoxeter. In total, it is expected that the two A50 Growth Corridor projects could support the creation of 8,000 jobs and 1,800 new homes in and around Uttoxeter. SCC has managed the enabling works contracts and assembled land interests including use of its CPO powers.

Perhaps the biggest challenge standing in the way of growth ambitions in Staffordshire is the lack of ready-to-occupy sites and premises. The Stoke-on-Trent & Staffordshire Local Enterprise Partnership have made it their mission to create 50,000 jobs and increase the size of the economy by 50% over the next 10 years.



Case study: 1 Stafford Place: Assets, Efficiency and Culture Change

Key facts:

- ▶ Originally conceived as purely an estates management project, the development of 1 Staffordshire Place became an opportunity not only to introduce a “One Council” transformation with the introduction of new agile work styles but also to regenerate the town centre of Stafford through the release and reuse of surplus Council owned buildings.
- ▶ Staff occupying 17 disparate office buildings across the town and the county have been brought together into 2 new grade A specification offices comprising 158,000 sq ft situated side by side in the centre of Stafford. The objectives of the project therefore were a mix of people and place aspects including:
 - Greatly reduced property costs
 - A breaking down of departmental ‘silos’
 - A cultural change towards new ways of working and flexibility
 - Improved productivity and efficiency
 - Greater emphasis on key performance issues
 - Reduced management time
 - Better work/ life balance for staff
 - Reduced travel time and pollution.
- ▶ Approximately 1700 staff were ‘transferred’ to Staffordshire Place, but desk space was provided for 1200. 150 cellular offices were replaced by only 12 with the majority of people working in open plan. 8 desks were provided for every 10 FTE with 8 sq m of storage allowed per person. The Business Case [insert details] justified the Council borrowing from the PWLB on the basis of £500,000 pa revenue savings net of interest.
- ▶ The project was originally intended to be a sale and leaseback deal with the development company Stofords but the property market collapse in 2008 meant that there was a lack of development finance available from the banks so the project needed to be restructured around the ability of the Council to generate funds from its own sources. The cost of the scheme was £35m.

Exceptional characteristics:

- ▶ A whole series of related investments have flowed from the surplus Council buildings being released to the market. These have included refurbished office suites and development of a care home. Vacant buildings in the core retail high street area are being retained by the Council pending consideration of the role they can play in introducing new retailers to Stafford which will underpin its vitality as a shopping destination. A new large-scale retail and leisure development is due to be delivered on Council owned land at the Riverside and Kingsmead sites. This will introduce new departmental stores, national multiple retailers and restaurants and a cinema to the town. This project is of such a scale as to impact the way the town centre as a whole



operates and therefore the Council is retaining its ownership of surplus land and buildings across the central areas to ensure it has maximum opportunity to safeguard the continued health of the traditional prime shopping streets. It may be that high street uses are consolidated into a smaller area and that residential change of use is adopted to backfill units which are no longer situated on streets busy with shoppers, particularly at the northern end of the town centre.

- ▶ Occupation of 1 Staffordshire Place has radically transformed the culture and performance of the Council. Efficiencies are being realised on a daily basis as staff share working space with people from different service areas and teams. Team leaders and managers have developed new levels of trust around home and flexible working patterns. Management techniques have adapted and staff report greater satisfaction and a better quality of life.
- ▶ The quality of the built environment has delivered a renewed sense of pride across the town and concentration of all Council staff in one location has provided a boost to the viability of retail businesses in Stafford.

Key lessons learned:

- ▶ A recent formal internal review of the impact of the 1 Staffordshire Place project has revealed the following lessons:
 - Have a bold vision which delivers radical and obvious physical change and this will help create a new 'mindset'
 - Ensure that managers and staff understand the new agile work vision and that there is a fixed determination to deliver it
 - Support managers, encourage their personal responsibility and recognise that some will move at different speeds. Publicise the 'fast movers'
 - Match performance management with the new environment
 - Create a dedicated change team.
- ▶ Introduction of a new retail and leisure destination into an established town centre will take time to assimilate and the implications for pedestrian flows may not be easy to predict. A careful approach to the management of the public estate can play a crucial role in devising and delivering a positive strategy which takes account of these changes, helping to lead the way in introducing new functions and occupiers to the core central area.
- ▶ It is possible to justify significant public investment in a new, high quality civic centre based on revenue savings and efficiency gains using the services of a property developer as development manager.

Future aims:

- ▶ SCC intends to see how the agile work style model may be extended across the council more broadly, including multi-service and partnership outlets in district council areas.
- ▶ SCC intend to explore a number of strategic property acquisitions at the northern end of the town centre to add to properties rendered surplus following completion of 1 Staffordshire Place. This will provide a critical mass of interests which will form the basis of a strategy to introduce residential uses to this part of the town using a fine-grained approach to street patterns and existing heritage.



Case study: one public estate and strategic property partner

Key facts:

- ▶ SCC has a long established track record of promoting a single focus asset management approach to buildings occupied by public agencies in the county in the interest of delivering cost efficiencies and regeneration. A structure of 8 District Property Boards takes a comprehensive over-view of all county and district council owned land and buildings as well as those owned by the 'blue light' services. These Boards are chaired by the Chief Executives of the 8 District Councils and all share the same strategic objectives namely to better utilise the One Public Estate to deliver high end jobs and growth, promote health and happiness and to support local communities.
- ▶ The work of these Boards has produced many examples of co-location and the generation of new income streams, as well as the reinvestment of capital raised through assets sales into building maintenance, repair and refurbishment. A formalised set of rules has been implemented across all 8 Boards which sets out very clearly how costs and values will be shared when assets are pooled, as well as how leases and licences will operate within any landlord and tenant arrangement between public agencies.
- ▶ The District Property Boards have an objective to try to consolidated all agencies into the best quality and most centrally located building in the main town of their respective Districts, as bringing together this spend is seen as a vital attribute in safe-guarding the vitality of that particular centre.
- ▶ Multi-agency co-locations have been delivered in Lichfield, Cannock, Tamworth, Newcastle-under-Lyne and Codsall. This approach has yielded significant revenue savings.

Exceptional characteristics:

- ▶ Success generated by this shared approach has stimulated ambition to go further. SCC and the Police and Crime Commissioner for Staffordshire (PCC) have come together to procure a Strategic Property Partner (SPP), a private sector provider who will realise the maximum benefit from the combined estates which amounts to some 450 premises and extensive land valued at £350m. SCC will need to make significant revenue savings estimated to be up to 30%, over the next 3 years, whilst the PCC needs to save over 10% of its budget over this period. Therefore, in order to deliver the strategic outcomes and priorities both SCC and the PCC are looking for the SPP to devise innovative ways to use their property holdings to deliver increased revenue and savings, and support front line services.
- ▶ The ambitions for the SPP are clear: 30% reduction in the estate footprint over 5 years, 40% reduction in property costs over 5 years, enhance surplus property assets by 20%. SPP will cover the whole of SCC's estate excluding schools. All proceeds of asset sales will be ring-fenced for reinvestment especially for growth related site acquisitions. The SPP will be established as a dead-lock mechanism, managed via a 5 year rolling Business Plan and it will have the ability for other public bodies to join.
- ▶ The process of selecting a preferred provider is on-going with healthy interest from a range of different companies and consortia. The SPP will utilise the big data GIS mapping of the public estate which has been completed across Staffordshire as well as the mapping of all local community assets such as halls, GP surgeries and pharmacies,

plus a range of highly detailed socio-economic data. The SPP will be expected to interpret the social and enterprise value of assets as well as their property value. Use of assets to deliver growth and regeneration is of equal importance as the delivery of efficiencies and the quality of service delivery.

Key lessons learned:

- ▶ Leadership of the District Property Boards by the District Councils rather than by the County Council has ensured buy-in at all levels and helped to ensure that co-location projects have delivered the best possible outcome for the health of town centres right across Staffordshire.
- ▶ The relationships between the various public agencies have been governed by a set of rules established at the outset and applied consistently which has limited the risk and costs of protracted negotiation. This template could be adopted elsewhere.

Success has increased the appetite for more far-reaching solutions around the One Public Estate agenda, hence the procurement of a SPP which recognises that in-house resources, capacity and capability may be limited to take the next generation of hold steps in driving out efficiency and service change. Furthermore, it is perceived that the public agencies across Staffordshire now need access to the networks of the private sector to help achieve local economic growth ambitions. In essence, the SPP initiative is all about innovation, investment and added value.

Future aims:

- ▶ The District Property Boards will continue to deliver co-location of public services including in bold schemes which go to the heart of regenerating town centres. The latest scheme proposals are in Newcastle-under-Lyne where as a result of a co-location project, a site is being assembled for a leisure and retail development scheme thought to be essential to the town consolidating its commercial function at the heart of the community.
- ▶ The SPP procurement will be completed and a provider appointed with a clear strategy for using assets to drive growth and efficiency with access to best in class skills and networks.



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