

City Property
Strategic
Business Plan
2018 - 2023

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Foreword

I am proud to present this Strategic Business Plan for the years 2018-23 which has undergone wide engagement with staff in order to define the LLP we wish to see emerge over the coming years. By working with our stakeholders I believe City Property can play a key role in building a sustainable Glasgow that is prosperous, resilient and resourceful based on strong successful and vibrant communities.



This document has been developed to guide City Property's work for the 5 years period 2018 - 23. It is based on key stakeholder requirements and takes account of the need to provide leadership in relation to all matters.

The key areas of activity detailed in this document have been identified as being of importance to City Property and Glasgow City Council in implementing change and addressing the need for continuous improvement.

In focusing on these activities, continuing to work with our strategic partners and responding to stakeholder needs, City Property aims to support, develop and improve organisational effectiveness.

City Property is committed to being bold, ambitious and to continuing to deliver quality services which are tailored to the different needs of our stakeholders. City Property must continue to be ambitious if we are going to overcome the considerable challenges we face, while developing our economy, protecting our environment, promoting excellence in every area of activity and working together to create a more equal society.

The Strategic Business Plan is designed to provide a clear focus and direction for City Property to follow and outlines the key actions we will take in order to succeed. Our activities will be based on a clear set of values and principles and are dependent upon working together. This Plan will also help us overcome the unprecedented budget challenges faced by City Property and other public services over the next few years.

We will be mindful of these financial challenges and approach them head on. How we evolve and adapt our services to meet these challenges will be key to our success. By being responsive to change and through exploring new and innovative ways of working we will continue to improve the services we provide.

This will mean taking a fresh look at what we can do to evolve further and taking the lead in breaking down organisational barriers to ensure we join with our stakeholders to target our resources to where they are needed most. Our staff will have a key role as we explore how we can work more closely with partners to achieve our ambitions.

Our staff have already come through considerable change with continuing dedication and commitment. We wish City Property to continue to be a great place to work where the professionalism of our staff is fully harnessed to shape and achieve future success.

This Strategic Plan sets the framework for how this can be achieved and will shape our budget and Operational Action Plans. I am confident that it will lead to a leaner, more resourceful organisation that delivers property services in the most efficient and effective way and plays a key role in the Council's transformation of Glasgow.

I am very proud to have played a part in the emergence of a mature and ambitious property company. Success would not have been possible without the dedication of our staff and the obvious clear support of our stakeholders. By facing our challenges and embracing change together, we can do even more to make a difference to people's lives.

I would therefore invite all of our staff, our Board members and other stakeholders to join us and work with us in making this journey a positive one for all.

Pauline Barclay

Managing Director
27th June 2018



"City Property is committed to being bold, ambitious and to continuing to deliver quality services which are tailored to the different needs of our stakeholders."

we're looking for Scotland's finest and friendliest

Our Highlights from 2016-18

Capital Receipts generated for Glasgow City Council

- Capital Receipts - increasing targets have been met - £11.4m in 2015/16, £12.5m in 2016/17
- In 2016/17, 41 transactions completed including Park Quadrant sold for £5.7m
- In the last 3 years 35 sites have been sold to Registered Social Landlords facilitating the development of over 1,500 homes for affordable housing.

Property Services

- Renewed accreditation with Royal Institution of Chartered Surveyors (RICS) & United Kingdom Asbestos Service (UKAS)
- Works to the value of £1.6m instructed for surplus and investment properties
- 15 demolition contracts completed
- 414 asbestos management and refurbishment surveys completed

Investment Property Portfolio

- Rental income across all sectors of the portfolio increased on average by 4.95%
- Rent roll of £15.1m
- 5 year capital investment plan approved
- Ofgem relocated from London to Commonwealth House – 2nd largest office deal in Glasgow
- 93% tenants were satisfied with the service provided by City Property Glasgow (Investments) LLP

Wholesale Fruit & Vegetable Market, Blochairn

- City Markets waste performance - total of 1,956 tonnes of waste recycled - 631 tonnes of waste recycled for fuel
- Over 300 boxes of fruit delivered to Council and ALEO workplaces to support the Healthy Working Lives scheme
- The Great British Wholesale Market of the Year 2016; Sustainable Flourish Award 2016;
- Herald Society Award 2016 for Environmental Initiative of the year (Sustainable Green Markets)
- Our response to the fire at Blochairn, including special National recognition award.



Vision and Values

“Property is our Business” – everything we do we should aim to excel – to be the company that sets the highest of standards. This is relevant in every area of our business, from demolishing a building to collecting rents, from managing our Carbon Footprint to setting the service charge, from looking at new business opportunities to signing new leases.

Our Vision is:

“ To positively invest in the inclusive growth of Glasgow’s economy ”

We want to be bold, ambitious and community led, delivering quality services with customer focus, tailored to the different needs of our stakeholders.



Values

Property is our business and our business is built on **RESPECT**.

Our values inform our behaviours and decision making. Therefore, at the heart of the Strategy is a set of **core values** that express the beliefs of City Property, help shape our identity and underpin our actions over the next five years.

Regeneration - be proud of and ambitious for Glasgow and always act in the best interests of the Council and City Property.

Excellence - be open minded to exploring ideas and have clear priorities based on understanding and evidence.

Sustainability - work closely with partners and communities and be flexible and responsive in the delivery of services.

Progressive - listen and act decisively and promptly and provide inclusive, engaging and empowering leadership providing clear direction.

Equality - support equality and social inclusion.

Community - provide choices and opportunities in every aspect of people’s lives.

Trust - behave with honesty, respect and having trust in each other have effective two-way communication.

Major Influences on City Property over the Next Five Years

City Property will face significant changes and challenges over the next five years that will impact on the way we operate. These changes are being driven by economic, financial, legislative and policy factors.

City Property will continue to respond to an increasingly challenging economic environment by seeking innovative and effective ways of delivering high-value services in partnership with our stakeholders. We will continue to explore new opportunities, particularly around sustainability, reducing carbon and the use of smart technology. In the next five years we can expect to see greater use of technology to make our services more efficient and help inform our future decision making. City Property needs to improve data quality, apply standards for its collection, recording and storage, and implement the means to share data securely. We can then apply data science techniques so that we can understand the inter-connectedness of service provision, predict demand and impact and rationalise how we collaborate for outcomes.

Genuine partnership lies at the heart of our business planning. This sets out a robust and compelling case for transformative and sustainable economic growth that benefits everyone. Spanning staff skills, innovation, inward investment and infrastructure projects we aim to create local jobs and a stronger economy, driving growth in key areas of the economy.

Capital investment by City Property is important in facilitating further investment in Glasgow, thereby contributing to economic growth. City Property intends to broaden its outlook on alternative means of financing and funding investment and leverage additional investment where appropriate.

City Property will continually refine our five-year Capital Programming to align it with this Strategic Business Plan and to ensure that asset management and City Property's key priorities tie together within a sustainable and affordable capital programme.



It is important that City Property is clear about how services will be structured and managed. Alternative models of service delivery may emerge which complement and enhance what we currently do. Any developments will be considered in the context of current service provision and delivery, the requirements of our stakeholders and the changing expectations of the wider public.

City Property also recognises the different roles that our commercial and community assets play, acknowledging that there isn't a "one size fits all" approach. In line with the Community Empowerment (Scotland) Act 2015, the development of a localities based approach to service delivery will allow City Property and partners to deliver alternative ways of working which complement the needs and priorities of different communities.

City Property needs a tailored approach to deliver this opportunity, acknowledging that the scope for refining services may be more limited for some than others. City Property will be structured and managed accordingly and will operate within our set of values and ways of working, and our employees will play a key part in this.

This five-year plan allows us the flexibility to adapt to these changes and taking this strategic approach enables us to continue to deliver high quality services, and ensure that only the most appropriate savings are made.

Priority Areas

We will deliver this Strategic Plan across four priority areas as follows:

Priority Area 1 - Contributing to the Growth of Glasgow's Economy

Glasgow has proved itself to be resilient when faced with huge economic challenges, especially in the past decade and has developed an economically strong, broad-based economy which stands comparison with the rest of the UK and indeed the rest of Europe.

City Property has an important role to play to help achieve opportunities for all of Glasgow to flourish through increasing sustainable economic growth. We therefore will focus our economic development efforts on those sectors where Glasgow has unique strengths and which have the greatest capacity for growth.

We will help create the conditions for growth by assisting with the remediation of land and investing in our assets. We will work closely with the development industry to create attractive housing market opportunities by de-risking development activity and ensuring that people have access to the means to buy and rent Glasgow's homes.

City Property will also contribute to the development of a comprehensive business support offer to make Glasgow the most business friendly city in the country. Small and medium-sized enterprises (SMEs) are the lifeblood of the Glasgow economy and we will make supporting them a priority.

Priority Area 2 - Maximising the Benefit from Property Assets Owned by City Property Glasgow (Investments) LLP

The way we use our property assets in the future not only will enable change in the way we work but will deliver a significant financial contribution and potentially leverage in further investment and economic development.

We will consider alternative delivery models potentially working with both public and private sector partners to secure the most effective means of delivering our assets strategy. We will seek to consolidate, share and develop our assets across the whole of the estate, delivering efficiencies, better service provision and an opportunity to align property assets more effectively to the wider place agenda.



Priority Areas

Priority Area 3 - Using Collaboration and Innovation as Drivers for Success and Growth

City Property recognises the importance and role of customer satisfaction in our work. Our Business Plan establishes two cross cutting principles that relate to stakeholder satisfaction, the need to measure it and the need to improve our services in response to stakeholder experiences.

Our stakeholders have told us that they want to know more about City Property, to become more involved in decisions that affect them and to hear more about our performance. The focus in this plan is to be more accountable, open and transparent and to demonstrate that we are responding to stakeholders' views.

Priority Area 4 - Providing Financial Sustainability

Since inception City Property successfully has met all of its financial commitments to both Barclays and the Council. This has been a challenging period given the significant economic pressures and financial constraints.

Our continued success very much will depend on our response to resource pressures as we enter an era of further financial constraint. In future we may have to do the same for less and in a different way. We therefore must streamline our processes to ensure that we are joined up and collaborative.



Key Objectives

Priority Area 1 - Contributing to the Growth of Glasgow's Economy	
Key Objectives	Activity
Property Services 1. Supporting new jobs and business start-ups	1. Actively engage with the business sector via City Deal, Jobs & Business Glasgow, Business Gateway and the Chamber of Commerce. 2. Continue to work closely with Housing Investment to support delivery of the Council's affordable housing targets. 3. Participate in vacant property initiatives which seek to attract and sustain new tenants.
2. Assisting in meeting the Council's ambitions for regeneration, housing and capital receipts	1. Work with the Council to improve the surplus property process. 2. In conjunction with Property and Land Services actively assess the operational estate to maximise opportunities for capital receipts. 3. Explore alternative marketing strategies including auctions and joint ventures.
3. Managing challenging assets	1. Work with partners to develop a viable strategy for the management and disposal of challenging assets owned by City Property Glasgow (Investments) LLP and the Council. 2. For each asset evaluate plans/options appraisals to inform sustainable re-use or disposal strategy for appropriate properties. 3. Engage with the community and third sector to identify opportunities available.
4. Delivering property opportunities and developments for both City Property Glasgow (Investments) LLP and the Council	1. Enhance the City Property Glasgow (Investments) LLP commercial property portfolio by identifying suitable acquisition opportunities. 2. Work in partnership with the Council to develop its surplus sites into productive use.
5. Improving and expanding City Markets	1. Deliver the City Markets Business Case for the reinstatement and redevelopment of the complex at Blochairn. 2. Develop a strategy for enhancing and improving the Car Boot Sale performance. 3. Maximise the impact of the new recycling facility to reduce the carbon footprint and returns from waste recycling.

Priority Area 2 - Maximising the Benefit from Property Assets Owned by City Property Glasgow (Investments) LLP

Key Objectives	Activity
6. Increasing occupancy levels in the property portfolio	<ol style="list-style-type: none"> 1. Prioritise and target investment in vacant properties to meet and increase occupier demand. 2. Review marketing strategy with external agents. 3. Engage with current tenants to establish satisfaction and ongoing business requirements.
7. Delivering our capital investment plans	<ol style="list-style-type: none"> 1. Utilise current property information to support implementation of the capital investment plan. 2. Identify and progress commercial development opportunities. 3. Manage underperforming assets to support the capital plan.
8. Increasing income and reducing costs	<ol style="list-style-type: none"> 1. Regularly review ground lease assets to identify opportunities for income growth. 2. Enhance client management arrangements for high value tenants. 3. Ensure best value from contracted services including appropriate procurement frameworks for services outwith the Council Family.
9. Producing an effective asset management strategy	<ol style="list-style-type: none"> 1. Continue to develop the asset management information held to enhance future decision making. 2. Where possible benchmark performance with other comparable properties. 3. Create a programme of City Property Glasgow (Investments) LLP portfolio property disposals with estimated receipt targets and timescales. 4. Develop and implement planned maintenance regimes for the portfolio in line with the asset management strategy.
10. Improving the environmental sustainability of the portfolio	<ol style="list-style-type: none"> 1. Work with the Council's Carbon Management Team to identify opportunities. 2. Engage with tenants regarding sustainability proposals. 3. Endeavour to reduce City Property's carbon footprint.

Key Objectives

Priority Area 3 - Using Collaboration and Innovation as Drivers for Success and Growth	
Key Objectives	Activity
11. To explore new opportunities for partnership working with the Council Family and Property & Land Services	<ol style="list-style-type: none"> 1. Work with Property & Land Services within DRS to support the City Centre Review and maximise the benefits from the new corporate property arrangements. 2. Provide property advice and support to the Council Family, City Parking, City Deal, and Clyde Gateway. 3. Explore opportunities with the Council for expanding Farmers and Retail Markets in and around the City.
12. To participate in community engagement and asset transfers	<ol style="list-style-type: none"> 1. Continue to review the Community Asset Transfer process to ensure the interests of both City Property Glasgow (Investments) LLP and the Council are protected. 2. Undertake valuation/negotiation on behalf of the Council/City Property Glasgow (Investments) LLP for properties identified for transfer. 3. Continue to engage with the third sector to identify opportunities available.
13. To have productive agency arrangements and to explore partnership opportunities	<ol style="list-style-type: none"> 1. Review current agency arrangements and make recommendation for new contract to commence prior to 1 April 2019. 2. Ensure that City Property has representation at industry forums and access to relevant framework agreements in order to exploit any opportunities. 3. Proactively monitor the market to take advantage of new opportunities.
14. To strengthen relationships and encourage feedback from all of our stakeholders	<ol style="list-style-type: none"> 1. Utilise internal Forums and meeting arrangements to ensure a culture of open and honest two way communication to maximise the contribution from staff. 2. By implementing a customer consultation process across all business areas.

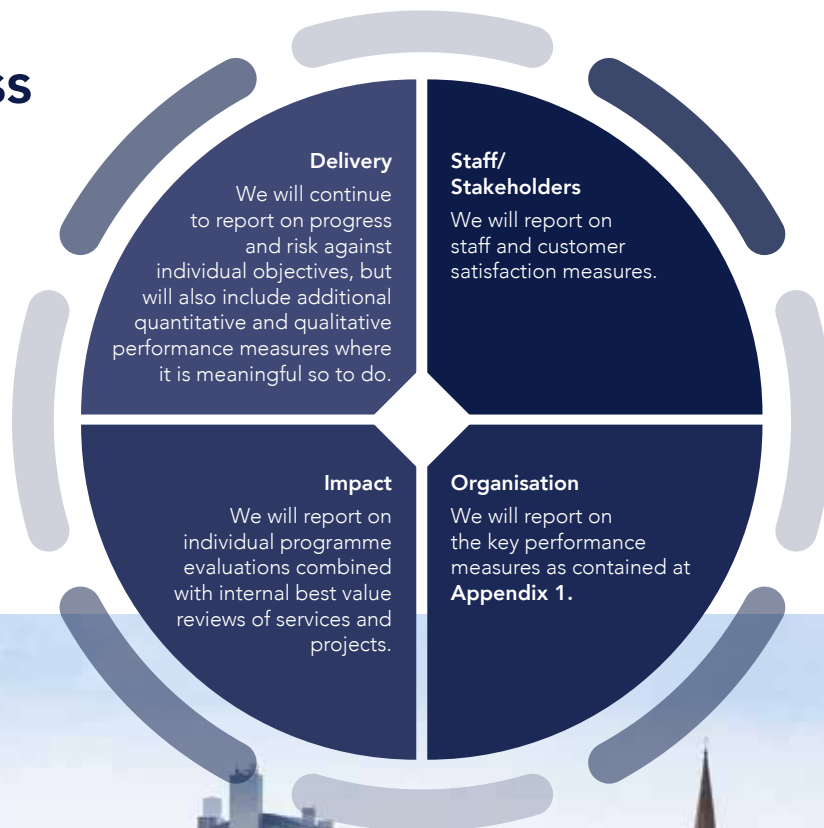
Priority Area 4 - Provide Financial Sustainability

Key Objectives	Activity
15. To increase rental income from advertising opportunities	<ol style="list-style-type: none"> 1. Offer sites to market and agree new leases with media owners. 2. Implement new contract arrangements. 3. Carry out further review for new opportunities.
16. To advance current service delivery and seek new opportunities	<ol style="list-style-type: none"> 1. Investigate the external market for possible sources of income outwith the Council Family Group. 2. Undertake a review of the Council's Service Level Agreements with us to establish if there are further opportunities to grow the service provided. 3. Benchmark team operating costs to ensure the service provided is competitive.
17. To invest wherever this will result in improvements to the business	<ol style="list-style-type: none"> 1. Develop financial models to analyse the impact of new business opportunities or capital investments. 2. Explore commercial development opportunities both within and outwith the current portfolio.
18. To explore opportunities to release value and equity from the commercial portfolio	<ol style="list-style-type: none"> 1. Work with Barclays to extract equity from the investment property portfolio or to borrow against these assets. 2. Examine options available to City Property Glasgow (Investments) LLP for alternative financing arrangements.

Measures of Success

Our plan will be supported by a robust approach to performance management. We will provide meaningful evidence of delivery and performance against our plan and inform and provide evidence of the wider impact of City Property in supporting the Council and partners to improve. A key aim of our approach is to move beyond measuring and reporting progress towards improved decision making and greater impact for our stakeholders.

Performance will be reported on a quarterly cycle and include the following:





Appendix 1 – Initial Key Performance Indicators (KPI) and Targets

Priority Area 1 - Growing the Economy			
Key Objectives	KPI	Target	Year
1. Supporting new jobs and business start-ups.	Number of new businesses and jobs created through working with the Council to bring vacant properties back into beneficial use.	To be evaluated as part of project	2019/20
2. Assisting in meeting the Council's ambitions for regeneration, housing and capital receipts.			
3. Managing challenging assets.			
4. Using Professional expertise deliver new property opportunities and developments.	Capital Receipts Target set by Glasgow City Council.	£10.3m	2018/19
5. Improving and expanding City Markets.	Number of new jobs created in new build space at Blochairn.	To be evaluated as part of project	2019/20

Priority Area 2 - Maximising the Benefit from Property Assets held by City Property Glasgow (Investments) LLP			
Key Objectives	KPI	Target	Year
6. Increasing occupancy levels in the property portfolio.	Percentage of occupancy levels	80%	2018/19
7. Delivering our capital investment plans.	Percentage annual increase in rental growth	5%	2018/19
8. Increasing income and reducing costs.			
9. Producing an effective asset management strategy.			
10. Improving the environmental sustainability of the portfolio.			

Priority Area 3 – Collaboration			
Key Objectives	KPI	Target	Year
11. To explore new opportunities for partnership working with GCC Family and Property and Land Services.	Completed Community Asset Transfer/Leases	To be evaluated as part of policy	2019/20
12. To participate in community engagement and asset transfers.	Overall Tenant Satisfaction	75%	2018/19
13. To have productive agency arrangements and explore new partnership opportunities.			
14. To strengthen relationships and encourage feedback from all of our stakeholders.			

Priority Area 4 - Providing Financial Sustainability			
Key Objectives	KPI	Target	Year
15. To increase rental income from advertising opportunities.	Advertising Revenue	£300,000	2018/19
16. To advance current service delivery and seek new opportunities.		£750,000	2019/20
17. To invest wherever this will result in improvements to the business.	Revenue from new Commercial Developments	£1m	2020/21
18. To explore opportunities to release value and equity from the commercial portfolio.		£200,000	2019/20
		£500,000	2020/21

It is intended that that these KPIs and Targets will be reviewed and updated on an annual basis and reported to our Board for information.



City Property (Glasgow) LLP

Exchange House,
229 George Street
Glasgow G1 1QU

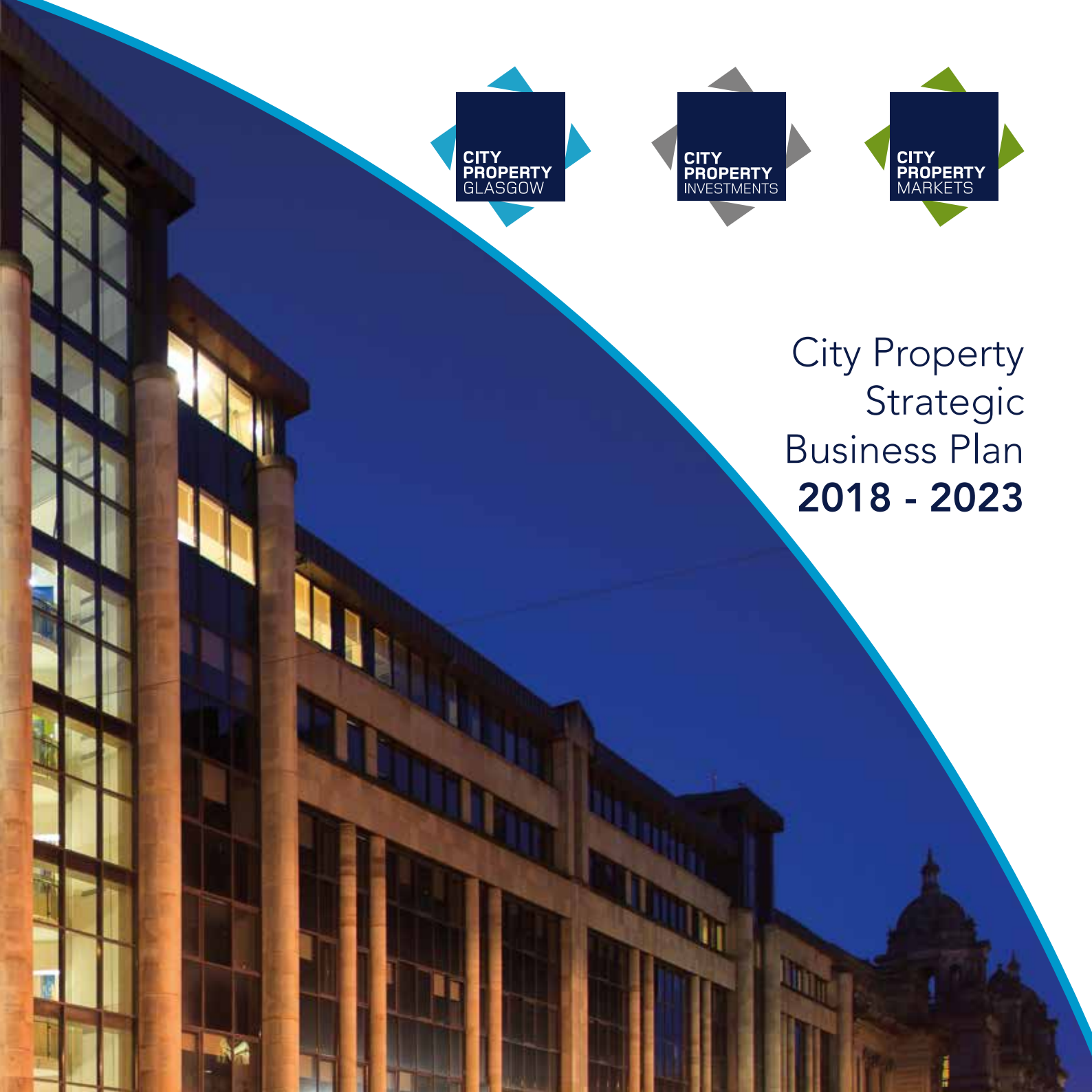
0141 287 6166

info@citypropertyglasgow.co.uk

www.citypropertyglasgow.co.uk

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