

Integrated Impact Assessment (IIA)

Informing our approach to fairness

Name of proposal	Commercial Property Portfolio
Date of original assessment	September 2016
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Version control

Version	2
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Replaces version	1

This is our assessment of the potential equality and other impacts of this 2017-18 budget proposal, based on the available evidence. It is a 'living document'. We have reviewed this assessment following a period of consultation and will continue to review it as we implement the proposal.

Section A: Current service

1. What does the service do?

We hold a portfolio of commercial property (retail, industrial, offices) to generate revenue income, to provide accommodation for businesses and managed workspace for small and medium-sized enterprise's (SME's), and to fulfil socio economic criteria (e.g. retail units that provide a service to local communities).

The portfolio also includes the Grainger Market, a Grade 1 listed market and unique heritage asset in the city centre accommodating 114 stalls, the majority run by small business owners. It has a growing reputation for street food and is rated excellent on Trip Advisor. The Property Portfolio and Markets team manage all day to day operations, letting units and collecting rental income.

As the Grainger Market is in close proximity to Grainger Street, a number of street and event markets are run from the Grainger Market, including the popular monthly Farmers' Market.

The market has 14 entrances which are currently being refurbished to improve lighting, entrance shutters and improve external visibility; this capital project is programmed to complete in October 2016. In addition two reports were considered by the Council in October/November covering requests for capital investment from prudential borrowing to be repaid from rental income to replace the glazed Arcade roof, and refurbish a small number of units to facilitate re-letting and consequently generate rental income.

2. Who do you deliver this service for?

Businesses occupying commercial premises (industrial, offices, retail) across the city, internal clients, businesses occupying the units in the market, shoppers and visitors to the market and City Centre.

3. Do you have any statutory requirements?

The City Council has no statutory obligation to own property but as a landlord and landowner we have obligations including health and safety testing (e.g. asbestos, legionella) and under landlord and tenant legislation.

4. How much do you spend on this service?

Gross expenditure	Gross income	Net budget	Capital projects
£10,582,100	£18,555,680	£7,793,580	£9,843,541 (includes proposed works)

5. What workforce delivers this service?

Posts	FTEs	Comments
Markets Inspector	4	
Markets Operatives	14	
Weigh House Attendant	1	

These staff are only the operational market for the Grainger Market, management of the Property Portfolio and Newcastle Enterprise Centres is delivered by the Property Portfolio team and is funded from a separate budget.

Section B: Change proposal

1. What is the proposal to change the service?

The proposal is to generate increased rental income from commercial property assets by ensuring rental income is commercially competitive and identifying new opportunities to generate rental income from underused property assets.

We will increase activity in the Grainger Market and street and event markets.

The first evening event was held just before Christmas with enormous enthusiasm from the Grainger Market traders, and we are advertising the opportunity for other market operators and event organisers to make the most of this unique heritage asset and trade in the evening after traditional market closing times.

We will build on work with the museum service to hold cultural events, particularly if there are opportunities as part of the Great North Exhibition.

The refurbishment of the 14 entrances to the Grainger Market completed in October, they all look much smarter, are lighter and more welcoming.

Access to a pot of prudential borrowing capital funding has been secured to refurbish unoccupied units need improvement works before they are re-let. This will speed up the process of re-letting & enable us to secure the income more quickly. We continue to get a good level of demand for vacant units from exciting new businesses.

The Christmas Markets events continued to be extremely popular with shoppers and visitors, the appearance of the market was improved this year with timber chalets and lighting and an increase in the income generated for the next three years was secured by re-tendering the contract.

2. What evidence has informed this proposal?

Information source	What has this told you?
Commercial property portfolio turnover	Potential to improve returns by increasing performance through rent reviews, new lettings and identifying underused assets.
Grainger Market trading position, quality & number of applications for vacant units, trader/shopper survey data.	Potential to improve returns by increasing performance through rent and new lettings and new event activities.

3. How much will you spend on this service?

	Gross expenditure	Gross income	Net budget	Capital projects
2017/18	£10,582,100	£18,755,680	£(8,173,580)	£205,000 (in addition to 16/17 budget)

4. What will the net savings be of this proposal?

	Gross Saving	Implementation Cost	Net Saving
2017/18	£200,000		£200,000

5. What impact will this have on the workforce?

	No. FTEs	% workforce
2017/18	0	0%

6. Who have you engaged with about this proposal?				
Date	Who	No. of people	Main issues raised	
Bi monthly meetings with trader representatives in the Grainger Market, most recently 10 Jan 2017.	Grainger Market trader representatives/All Grainger Market tenants	20 100	We regularly circulate newsletters to Grainger Market tenants to keep them informed about changes in the market. Trader representatives picked up on the idea of evening event markets and decided to run the first event just before Christmas.	
IIA public consultation	Member of public/NCVS	2	Potential to increase footfall by hosting some cultural activities in these venues as part of the Great North Exhibition later in the year.	
7. What are the potential impacts of the proposal?				
Staff / service users	Specific group / subject	Impact (actual / potential disadvantage, beneficial outcome or none)	Detail of impact	How will you address or mitigate disadvantage?
People with protected characteristics				
	Younger people and / or older people (age)	None	No direct impact anticipated	
	Disabled people	None	No direct impact anticipated	
	Carers	None	No direct impact anticipated	
	People who are married or in civil partnerships	None	No direct impact anticipated	

	Sex or gender (including transgender, pregnancy and maternity)	None	No direct impact anticipated	
	People's sexual orientation	None	No direct impact anticipated	
	People of different races	None	No direct impact anticipated	
	People who have different religions or beliefs	None	No direct impact anticipated	

People vulnerable to socio-economic disadvantage				
	People living in deprived areas	None	No direct impact anticipated	
	People in low paid employment or in households with low incomes	None	No direct impact anticipated	
	People facing barriers to gaining employment, such as low levels of educational attainment	None	No direct impact anticipated	
	Looked after children	None	No direct impact anticipated	
	People facing multiple deprivation, through a combination of factors such as poor health or poor housing / homelessness	None	No direct impact anticipated	
Businesses				
	Businesses providing current or future jobs in the city	None	Increased income from the existing tenants will allow us to potentially expand the portfolio and so offer additional properties for commercial rent. Increased opportunities for small businesses to trade in the Grainger Market and on the street markets.	

Geography				
	Area, wards, neighbourhoods	None	No direct impact anticipated	
Community cohesion				
	Community cohesion	None	No direct impact anticipated	
Community safety				
	Community safety	None	No direct impact anticipated	
Environment				
	Environment	None	No direct impact anticipated	