

**HAMPSHIRE COUNTY COUNCIL****Report**

<b>Committee:</b>	Policy and Resources Select Committee
<b>Date:</b>	27 October 2011
<b>Title:</b>	Strategic Asset Management Plan 2011/12
<b>Reference:</b>	3382
<b>Report From:</b>	Director of Culture, Communities and Business Services

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**1. Purpose of Report**

- 1.1. This report provides Members of the Select Committee with a summary of the new Strategic Asset Management Plan 2011/12, which was considered at the Buildings, Land and Procurement Panel (BLAPP) meeting on 5 July 2011 and was approved at the Executive Member for Policy and Resources Decision Day on 21 July 2011. It also details how the strategic approach to asset management will be taken forward.
- 1.2. If Members have any comments or recommendations they wish to make, these can be brought forward to the next Executive Member for Policy and Resources Decision Day meeting.

**2. Contextual Information**

- 2.1. The County Council's approach to asset management has long been guided by its annual Strategy for the Built Estate reports. That process has served the County Council well, but times have changed and the current asset management and efficiencies context requires more management rigour, creativity and improved sharing of information (and ultimately of assets) to ensure the public sector estate is used most effectively. This requires an appropriate Strategic Asset Management Plan.
- 2.2. Recent work on the Capital and Assets Pathfinder pilots has demonstrated the potential benefits that can be achieved from a more collaborative approach to using assets. However, to be able to collaborate effectively, the County Council must improve its understanding of its own estate, particularly in relation to its suitability and sufficiency to meet current service requirements. Many of these services have changed significantly in recent years and this is now accelerating as budget reduction and demographic changes impacts on the Council.

2.3. That said, many of the areas on which the Strategy for the Built Estate focused are still vitally important, which include the risk managed approach to establishing investment priorities, energy efficiency, smart procurement, more integrated facilities management, climate adaptation and generating capital receipts. These areas feature prominently in the new Strategic Asset Management Plan, which is attached at Appendix 1.

### **3. Strategic Asset Management Plan Overview**

3.1. The Plan is in three parts:

- **Part 1** identifies the County Council's current asset management arrangements, and provides a self-assessment of their strengths and weaknesses.
- **Part 2** sets out the County Council's current asset management policies and strategies.
- **Part 3** contains the proposed Action Plan.

3.2. The new Plan covers a period from 2011 to 2014, but many of the proposals it contains will endure well beyond 2014, as effective asset management requires decisions to be taken that are long-term and far-reaching. The intention is that the Plan will be updated annually, such that a three year Action Plan is continually rolled forward.

3.3. As the strategic asset management approach matures, the emphasis of the Plan will change. This initial version concentrates largely on actions which will ensure we will have systems and processes in place to enable us to manage our assets strategically. Future iterations of the Plan will have a much greater emphasis on specific property actions, almost certainly including collaborative working with other public sector providers. However, at this stage the priority is to ensure:

- That accurate and timely property information is available to all those involved in management, development and improvement of the County Council's estate.
- That corporate policies are clear and easily understood by all.
- That the County Council's plans can be readily shared with partners.

3.4. It will be important to keep a strong focus on the purpose of this Plan. Obviously it is intended to create asset efficiencies and to ensure that the County Council's property is used as effectively as possible. However, it is also intended to create a framework for improving retained assets such that they are more fit for purpose, allow improved service delivery, and reduce the County Council's long term asset liabilities and costs. The Plan aims to achieve a balance across these priorities.

### **4. Financial Implications**

4.1. The Strategic Asset Management Plan represents the beginning of a long road that will lead to improved use of the County Council's assets. Here for

the first time a single document will capture the County Council's asset management philosophy, detailed priorities and actions. At this stage it is simply not possible to quantify the potential financial savings that can be achieved from this approach, but it is worth drawing an analogy between the strategic approach recommended in the Plan, and the similar strategic approach that has been explored as part of the Hampshire Capital and Assets Pathfinder.

- 4.2. In the two business cases that were prepared as part of the Pathfinder initiative, long-term savings were identified in two geographical areas amounting to £26 million and £63 million respectively. Extrapolated across the whole of Hampshire, this suggested the savings of between £270 million and £324 million could be achieved over a 25-year period by adopting the Pathfinder approach. The Pathfinder also identified a number of challenges would need to be overcome to deliver a successful outcome. The varying public sector Legal and Financial arrangements make delivery a significant challenge.
- 4.3. The County Council's property assets account for 45% of the total public sector estate in Hampshire, and this gives an indication of the scale of savings that could be made by adopting Strategic Asset Management principles across the public sector. These may not amount to a fully integrated pathfinder approach, but will inevitably involve closer working with partner organisations.

## **5. Conclusions**

- 5.1. The new Plan captures the County Council's existing asset management policies and practices together in one document, and will enable these to be shared more widely and be more easily understood. It also identifies where further work would improve the County Council's effective management of its own property assets. The public sector is beginning to understand the importance of collaboration on asset management if long term efficiencies are to be achieved, and the Plan will provide a framework for this new approach.

## **6. Next Steps**

- 6.1. The Plan will now be published and made available within the Council to Property Managers, and other officers within service departments who are concerned with developing new service or asset strategies. Asset Managers within partner organisations will also be sent copies. The actions identified in Part 3 of the Plan are now being progressed as specific work streams, and an update on progress will be provided early next year to a future Buildings, Land and Procurement Panel (BLAPP) meeting.

**CORPORATE OR LEGAL INFORMATION:****Links to the Corporate Strategy**

<b>Hampshire safer and more secure for all:</b>	Yes
Corporate Improvement plan link number (if appropriate):	
<b>Maximising well-being:</b>	Yes
Corporate Improvement plan link number (if appropriate):	
<b>Enhancing our quality of place:</b>	Yes
Corporate Improvement plan link number (if appropriate):	

**Other Significant Links**

<b>Links to previous Member decisions:</b>		
<u>Title</u>	<u>Reference</u>	<u>Date</u>
Executive Member for Policy and Resources - Strategic Asset Management Strategy and Asset Management Plan	2643	21.07.11
Buildings, Land and Procurement Panel (BLAPP) Strategic Asset Management Strategy and Asset Management Plan	2642	05.07.11
<b>Direct links to specific legislation or Government Directives</b>		
<u>Title</u>	<u>Date</u>	

**Section 100 D - Local Government Act 1972 - background documents**

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

DocumentLocation

None

## **IMPACT ASSESSMENTS:**

### **1. Equalities Impact Assessment:**

- 1.1. An equalities impact assessment has been considered in the development of this report and no adverse impact has been identified. Asset rationalisation proposals will inevitably require equalities impact assessments. The Strategic Asset Management Plan is not at the stage of proposing specific property reorganisation, but rather is establishing a corporate framework within which specific asset strategies will be developed.
- 1.2. It is therefore proposed to use the Strategic Asset Management Plan to identify a set of equalities principles related to property assets that can be applied consistently in any future Equalities Impact Assessments that are prepared in support of detailed asset strategies.

### **2. Impact on Crime and Disorder:**

- 2.1. The County Council has a legal obligation under Section 17 of the Crime and Disorder Act 1998 to consider the impact of all the decisions it makes on the prevention of crime. The proposals in this report have no impact on the prevention of crime.

### **3. Climate Change:**

- 3.1. The Plan includes reference to energy efficiency in the County Council's assets, as this is one of the Corporate Priorities for the performance of the County Council's assets.
- 3.2. Similarly, the Plan contains reference to climate adaptation requirements that will need to be developed and rolled out in future asset strategies.