

## HAMPSHIRE COUNTY COUNCIL

<b>Committee/Panel:</b>	Buildings, Land and Procurement Panel
<b>Date:</b>	4 January 2012
<b>Title:</b>	Strategic Asset Management Plan 2011/12– Interim Review
<b>Decision Reference:</b>	2917
<b>Report From:</b>	Director of Culture, Communities and Business Services

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### 1. Executive Summary

- 1.1. At the Decision Day last July, and following a recommendation from this Panel, the Executive Member for Policy and Resources approved the County Council's new Strategic Asset Management Plan 2011 - 2014. The Plan draws together the County Council's main asset management policies and programmes, and also makes recommendations as to how strategic asset management within the County Council can be improved.
- 1.2. This report provides an update on progress six months into the term of the new Plan, and describes how work has started on the key actions that were identified in Part 3 (the Action Plan section), and some of the new asset development that will be incorporated in the 2012 Plan revision.

### 2. Contextual information

- 2.1. The Strategic Asset Management Plan is the means by which the County Council establishes its corporate asset management priorities. Over time, these will reshape its property estate, and enable it to provide better services more cost effectively. Common themes identified involve:
  - reducing the scale of our assets;
  - sharing assets with partners;
  - intensifying use and making assets work harder;
  - making assets more efficient, more fit for purpose, and more cost effective to operate.
- 2.2. The Plan identifies:
  - improvements that are needed to existing systems and processes;
  - the need to share the County Council's asset objectives more widely;

- The need to ensure our own asset managers are aware of the Council’s corporate asset related priorities; and
- Through this work, how we start building the foundations of a more structured and cohesive approach to asset management.

### **3. Progress in the last six months**

3.1. The Strategic Asset Management Plan was published in November, and is now available on Hantsnet to all County Council Asset Managers and Property Services staff, and to colleagues in service departments who are responsible for the re-organisation of services and the rationalisation of assets. It is also publicly available on Hantsweb, and copies have also been sent to all County Councillors, key County Council officers and to Asset/Service Managers within partner organisations. The Strategic Asset Management Plan was written with the aim of sharing it as widely as possible, to ensure that:

- All Property Services staff are aware of the County Council’s corporate asset objectives and priorities.
- Asset Managers in other organisations can appreciate what the County Council plans for its assets in response to service changes and asset efficiencies. This will open up opportunities for sharing assets, sharing programmes of work, and delivering more integrated services.

3.2. The Action Plan contained in Part 3 of the Strategic Asset Management Plan establishes a number of actions. Appendix 1 identifies these, and provides an update on progress over the last six months. Progress has been good, but it is acknowledged that delivering significant change to the County Council’s property estate will take many years, particularly as the current UK property market makes asset sales hard to deliver.

### **4. Capital and Assets Pathfinder**

4.1. On 28 November Cabinet considered a report on the Hampshire Workstyle Programme and the Capital and Assets Pathfinder. The report identified how the County Council’s involvement in the Capital and Assets Pathfinder pilot had suggested that very significant savings could be made through collaboration between the different public sector partners in a single locality with all publicly owned assets considered as a single portfolio.

4.2. The Cabinet report suggested that moving to a ‘one public estate’ environment is the logical conclusion that arises out of the County Council’s Pathfinder work, but in adopting this approach, the County Council and other public sector partners would need to agree to a fundamental shift in the way they consider the management of their collective assets – the aims of the Place will need to come before the aims of the Council and individual partners. Benefits to the public purse become the overarching driver.

4.3. Cabinet endorsed moving towards the vision of a ‘one public estate’ and acknowledge that this would require potential changes to the County Council’s asset management policies. Proposals relating to a Pathfinder

approach are to be taken to the Hampshire Senate to seek endorsement from other Hampshire partners. If other partners sign up to this approach, this will require some of the key principles identified in the Strategic Asset Management Plan to be redrafted accordingly.

## **5. Policy and Resources Select Committee**

5.1. On 27 October 2011 the Policy and Resources Select Committee considered the Strategic Asset Management Plan and requested that comments made by the Committee be taken into account in any review of the Plan. Those comments included:

- That the Plan should have a focus on value for money for the Hampshire tax payer (in effect, a Pathfinder approach to the management of public sector assets).
- That following the recent County Farms acquisition, the County Council's improved position in the 'league' of local authority county farm estates should be noted (it moves up from fourteenth to tenth).
- Concern at the level of backlog maintenance liability was noted. This has recently been addressed in the Children's Services/ Property Services Integrated Capital Maintenance Programme 2011-14, which was reported to the last meeting of the Panel and approved at the Executive Lead Member for Children's Services Decision Day on 28 September 2011 and the Executive Member for Policy and Resources Decision Day on 27 October 2011. The scale of the backlog is associated with the need to replace significant elements of the SCOLA buildings, which were constructed to respond to the need to rapidly expand the schools estate in Hampshire in the 1960's and early 1970's and following the successful approach to SCOLA 1 buildings, a new approach to deal with the SCOLA 2 properties is now being formulated.
- Joint purchasing opportunities should be exploited (the recent Property Asset Management system procurement jointly with Surrey County Council is a good example of this working in practice).
- That the Disposals Policy should include provision for overage in the case of any disposal where a subsequent increase in value is considered likely. This is already standard practice, but will be documented in the Policy as suggested by the Select Committee.

## **6. New Asset Strategy Developments**

6.1. It would be opportune to mention work that is currently underway on developing two new Adult Services strategies that have significant property implications. These are the Learning Disabilities Transformation programme, and the planned provision of Extra Care Housing (that will provide older persons with improved care and greater housing choice).

**7. Recommendation**

**7.1. That the Panel advises the Executive Member for Policy and Resources that:**

- a) The progress on the Strategic Asset Management Plan be noted.

**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> Strategic Asset Management Strategy and Asset Management Plan	<u>Reference</u> 2642	<u>Date</u> 5.07.2011
<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.)

<u>Document</u>	<u>Location</u>
None	

## **IMPACT ASSESSMENTS:**

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

- 1.1. An equalities impact assessment has not been undertaken specifically for the production of the strategic asset management plan. Asset rationalisation proposals will inevitably require equalities impact assessments to be considered and produced. 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. It is therefore proposed to use the 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 references to energy efficiency in our 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.

### Action Plan – Part 3 of the of the Strategic Asset Management Plan

Reference	Aspiration	Current Actions	Progress
<b>Developing a Vision</b>			
1.1	Being in the vanguard of changing public sector asset management.	Undertake a facilitating role in exploring the development of a local cluster of public asset holders.	The County Council has led the development of a shared 'cluster' approach, with arrangements in place (or under discussion) with Surrey County Council, West Sussex County Council, Dorset County Council and Reading.
<b>Establishing Improved Linkages</b>			
2.1	Client departments exploring greater opportunities for linkages	Preparation of best practice guidance	Evidence of best practice is being collected from current service reviews for collation as 'best practice'. Links between the proposed Property Asset Management System and Project Portfolio and Resource Management System will help identify new opportunities.
<b>Developing Client Asset Strategies</b>			
3.1	All strategic property decisions to reflect the policies of the Plan.	Raise awareness through, for example, targeted distribution and presentations	Launch and distribution of new Plan being finalised.
		Establish monitoring regime	To be developed in 2012.
3.2	All client asset strategies to reflect the policies of the Plan	Raise awareness through, for example, targeted distribution and presentations	Plan being launched through programme of Property Services/Service Department Liaison meetings over coming months.
		Establish monitoring regime	To be developed in 2012.
<b>Developing the Strategic Framework</b>			

Reference	Aspiration	Current Actions	Progress
4.1	<p><b>Capital and Assets Pathfinder</b></p> <p>A fully developed collaborative approach to the use and management of public sector assets across Hampshire</p>	Continue discussions with local public sector partners on collaborative opportunities	<p>Business cases explored with Winchester City Council and Basingstoke and Deane Borough Council partners.</p> <p>Opportunity workshops held with Rushmoor Borough Council partners.</p> <p>Opportunity workshops planned at Havant Borough Council and East Hants District Council.</p> <p>Potential collaborative project in Fleet town centre being explored with Hart District Council and other partners.</p>
4.2	<p><b>Hampshire Workstyle</b></p> <p>Hampshire Workstyle rolled out fully across County</p>	Implementation of agreed projects	New strategic hub offices now provided in Winchester, Eastleigh and Havant. Approval was given in December to the property acquisitions necessary to deliver similar solutions in Basingstoke, Farnborough and Totton. Programme on course to deliver all agreed savings and efficiencies.
4.3	<p><b>Efficiency Savings</b></p> <p>Delivery of agreed efficiencies through asset rationalisation</p>	Development of a robust asset rationalisation work stream within the Corporate Efficiency Programme	Progress on the Phase 4 Asset Rationalisation workstreams reported to CMT in August 2011.
4.4	<p><b>New Financial Model</b></p> <p>Adoption of a Financial Model which reflects the corporate approach to property ownership</p>	Preparation of a new Financial Model	To be commenced in Spring 2012.
4.5	<p><b>Capital Receipts</b></p> <p>Delivery of agreed capital receipts forecasts</p>	Robust monitoring arrangements	Regular, quarterly reporting adopting a programme and risk management approach with RAG status and confidence weighting being used

Reference	Aspiration	Current Actions	Progress
4.6	<p><b>Maintenance Backlog</b></p> <p>Sustainable levels of backlog maintenance in both the Education and non-Education Estates.</p>	Preparation of a programme to address the maintenance backlog in the Education Estate, including the re-cladding of SCOLA 2 and 3 buildings.	The Children's Services/ Property Services Integrated Capital Maintenance Programme 2011-13 report was presented to, and approved at the Executive Lead Member for Children's Services Decision Day on 28 September 2011 and the Executive Member for Policy and Resources Decision Day on 27 October 2011, including the strategy for SCOLA 2 and 3 building re-cladding. The schools liability is being stressed with Department for Education in responding to the James Review. Structured annual programmes for CERA (£11.7 million in 11/12) and Capital Maintenance (£25 million in 11/12) funds.
4.7		Establish a fundable cyclical core maintenance regime for properties which are to remain in the non-Education Estate.	Additional funding for non- education capital maintenance is due to be considered by the Executive Member for Policy and Resources and Cabinet as part of Capital investment planning for 2012/13 onwards. When this is complete programmes can be adjusted accordingly.
4.8	<p><b>Schools' Service Level Agreement</b></p> <p>New Service Level Agreement for 2012/2017 in place with Hampshire schools and Academies.</p>	Preparation of a new Service Level Agreement offer, for approval by BLPP.	A report to be considered at the Buildings, Land and Procurement Panel meeting on 4 January, and going forward for approval to the Executive Member for Policy and Resources Decision Day on 19 January 2012 sets out the proposed SLA offers to schools and Academies. On programme to launch new offers for April 2012.
4.9	<p><b>Climate Change Adaptation</b></p> <p>An understanding of climate related threats and opportunities for each significant asset</p>	Development of an approach and timetable for the assessment programme.	Identified as a priority activity in the Property Review currently being planned.

Reference	Aspiration	Current Actions	Progress
4.10	<b>Localism Agenda</b> Greater community engagement in property matters	Preparation of a response to the Localism Agenda	Formal responses provided to Department for Communities and Local Government. Localism Act, 2011 became law on 15 November and publication of detailed Regulations anticipated over the next six months. Policy Framework to be reported to CMT in early 2012 and to the Buildings, Land and Procurement Panel and Executive Member for Policy and Resources in the July 2012.
4.11	<b>Localism Agenda</b> Maximising asset-derived benefits from the proposed General Power of Competence	Preparation of a strategy for ensuring maximum benefit is derived	Draft strategy initiated through Property Services Projects and Operations Panel and to be progressed early 2012 through Core Working Group in light of provisions within the Localism Act, 2011.
<b>Reviewing our Assets</b>			
5.1	Implementation of a strategic property review programme based around analysis of building performance and suitability	Development of a set of common performance criteria for all assets	Procurement of new Property Asset Management System underway.  Suitability/sufficiency criteria identified.
5.2		Development of common performance criteria for different asset types	To be developed in Spring 2012.
5.3		Development of a standardised methodology for presenting asset data	Property Review data sheets completed.
5.4		Establish a programme for phased property reviews	To be developed in 2012 to coincide with implementation of new Property Asset Management System.
<b>Equalities Impact Assessment</b>			
6.1	Robust Impact Assessments prepared for all new asset strategies and policies	Preparation of a set of Equalities Principles	Review commenced.
<b>Governance and Monitoring</b>			

Reference	Aspiration	Current Actions	Progress
7.1	Governance arrangements in place to allow effective corporate asset management.	Bring management under the remit of the Asset Management and Workstyle Panel.	Terms of Reference for new Asset Management and Workstyle Board and Asset Management and Workstyle Panel now approved.
7.2	The Plan is reviewed and updated regularly to maintain relevance.	Undertaking of Plan reviews in accordance with agreed programme	In progress.  Policy and Resources Select Committee comments noted.