

HAMPSHIRE COUNTY COUNCIL**Report**

Committee/Panel:	Buildings, Land and Procurement Panel
Date:	18 December 2012
Title:	Strategic Asset Management Plan 2011 – 2014: Mid-Plan Review
Reference:	3907
Report From:	Director of Culture, Communities and Business Services

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1. Summary

1.1. This report provides the Mid-Plan review of the Strategic Asset Management Plan (SAMP) 2011-2014, which was initially published following consideration by the Panel and subsequent approval by the Executive Member for Policy and Resources on 5 July 2011.

1.2. This report:

- Provides a detailed update on progress with regard to a number of key elements of the Plan
- Includes as an appendix a brief update on all the Actions in Part 3 of the Plan.
- Sets out the key areas which will form the basis of changes to formally update the published plan in 2013.

2. Background and publication of the Plan

2.1. The Strategic Asset Management Plan has been prepared in order to provide for a more structured and cohesive approach to the internal management of the County Council's property assets, and sets out the ambition for taking this approach forward with partners and stakeholders. The Plan draws together the County Council's main Asset Management strategies and policies, and sets out a three-year Action Plan with the overall aim of making assets more efficient, more fit for purpose, more cost effective to operate and better placed to provide improved services. A joint approach with public sector partners is seen as key to a successful outcome.

2.2. Over the course of the last 12-18 months, since the initial publication of the Plan, key workstream links have been established through the adoption and early delivery of parts of the County Council's SAMP. Such links help

counter-balance some of the budgetary and attitudinal threats to creating strong partnering arrangements within the public sector intended to establish principles of joined-up service delivery.

- 2.3. The SAMP is establishing itself as a core activity providing linkages and clarity between key County Council workstreams such as Workstyles and Adult Services Transformation, and it links strongly to One Public Sector Estate (OPSE) initiatives. In relation to this, the County Council is taking the lead role across Hampshire on a number of initiatives, and the OPSE co-ordinating role is helping HCC Property Services to facilitate options for change with other public bodies such as within Hampshire Constabulary's Estate Development Programme.
- 2.4. Delivering this linked approach requires a knowledge and clarity of what property assets the County Council holds, their suitability for purpose, their contribution to service delivery for the foreseeable future and how rationalisations will facilitate wider change involving partnering opportunities – and SAMP is integral to highlighting and sharing those objectives.
- 2.5. At this mid point in the existing 2011 to 2014 Plan it is intended to publish a formal Plan update. This will be done during the first half of 2013 and will cover the specific changes detailed in this report and identified in earlier reports to the Panel. The key areas proposed for update are and inclusion in the Plan update are:
 - Policy and legislative changes, including Community Right to Challenge and Right to Bid
 - One Public Sector Estate
 - Climate change and energy conservation
 - Core Service Reviews and associated property portfolio rationalisations
 - Revised Acquisitions strategy
 - Strategic land strategy
 - Children's Services Basic Needs Programme
 - Adult Services transformation.
 - The Integrated Business Centre and key areas of partnership workingThe latest key developments in some of these areas are set out below.

3. Property Reviews and OPSE interface

- 3.1. A key theme throughout the Plan is the improvement of linkages to create asset efficiencies and improved services. To support this the One Public Sector Estate workshops are taking place throughout the County hosted by the Borough and District Councils and involving all the public sector partners. These are proving to be very useful with each partner being able to table the needs and requirements emanating from their own strategies but also to offer opportunities where their existing estate is under-utilised. A number of projects are already flowing from these workshops and will be progressed as

quickly as possible within existing resource constraints. The single public sector hubs such as the Havant Public Service Plaza and the Ringwood Gateway are proving to be very successful and this model may be replicated widely throughout the county.

- 3.2. In preparation for the OPSE workshops and in furtherance of action point 5.4 of the Plan, property reviews are being systematically carried out throughout the County Council's estate, so that improved data is available for those workshops. The most recent workshop was held at Test Valley Borough Council at the beginning of October and the next is with New Forest District Council in the early part of the new year.
- 3.3. The information gathered by the Property Review will ultimately be able to provide a high quality overall summary of each individual property holding and a template of the type of property report is attached as Appendix 2. The type of data displayed in this sample template will be assembled and the actual reporting template will be developed with Atrium, as the new Property Asset Management System is implemented, in keeping with available, existing data.
- 3.4. The new Property Asset Management System (PAMS) is being developed for implementation in 2013 and will bring all the threads of information together and will enable a series of reports to be created which will greatly assist strategic asset decision making.

4. Suitability Assessments

- 4.1. An important factor in assessing the future potential of existing assets is its existing suitability. This can then be considered alongside all other factors such as backlog maintenance, susceptibility to climate change, asset value, and planning status, and the County Council will be much better placed to make strategic decisions regarding property assets.
- 4.2. For example, suitability assessment tool has been developed, which will feed into the new PAMS system. Individual establishments are assessed in terms of location, accommodation, building environment and legal/external factors. Each area is given a score and is weighted according to the type of asset under consideration. This allows for the comparison of assets within a group such as children's homes, care homes and offices, but does not apply to schools which have their own suitability assessments in a specific format set out by the Department for Education.
- 4.3. Suitability assessments have been undertaken on all Register offices throughout the county and Appendix 4 shows the summary data for that sector of the County Council's estate. In the future and as they are developed, these assessments will take the form of a 'Red', 'Amber', 'Green' status report and this tool can also be used as part of the acquisition process to ensure that new properties are long lasting, fit for purpose and suitably located.

5. Flood and Control – Risk Assessments

- 5.1. Action 4.9 of the Plan is to develop an approach and timetable for undertaking a risk based assessment of climate related threats and opportunities for each significant County Council asset.
- 5.2. Substantial work has already taken place with the Coastal Adaptation Project the aim of which is to define a strategic county-wide approach to adaptation in the Coastal Zone. This will allow all public bodies within the County (initial focus is on HCC assets) to make informed and prioritised risk based decisions in relation to their assets now and in the future, which could be affected by coastal change (flooding and erosion). The initial stage of the risk assessment is complete and has identified County Council assets at risk of coastal change in the next 100 years.
- 5.3. The Coastal Team is now refining the assessment in order to provide service providers with more detailed interpretation of the risks and will then meet with the service providers and Property Services to identify the priorities of the various service providers, to quality control the data and to identify essential assets and requirements for each service.

6. Schools Service Level Agreement and Academies Contract

- 6.1. Maintained Schools were asked to confirm by April whether they wished to sign-up to the new five year Property Services SLA agreement from April 2012 to April 2017. Academies are being offered contracts to replicate the Property Services SLA offer. The buy back to both arrangements has been very positive with a total of 96.5% or 507 of 525 Maintained, Aided and Academies schools across the county using Hampshire Property Services.
- 6.2. Property Services is now advancing the development of an alternative longer term option for Academies to be available from April 2013. These new arrangements are likely to take the form of a Public Partnership and a number of Academies are working alongside Property Services to develop this option.

7. Acquisition Strategy and the Localism Agenda

- 7.1. Work has continued on these two areas of the Plan and each is the subject of a separate report to the Panel. Both of these areas will subsequently be incorporated in the Plan update in 2013

8. Full Action Plan Update

- 8.1. The preceding paragraphs highlight progress in key areas of the Plan, but progress is being made across the full schedule of Actions identified in Part 3 of the Plan and an update on each Action can be found in Appendix 1.

9. Recommendation

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

- 9.1. Progress on the Strategic Asset Management Plan be noted.
- 9.2. That a Mid-Plan Review and Update is undertaken for 2013 and a future report brought back to present the outcome of this.

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

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

Other Significant Links

Links to previous Member decisions:		
<u>Title</u> Strategic Asset Management Strategy and Asset Management Plan – Executive Member for Policy and Resources	<u>Reference</u> 2642	<u>Date</u> 5 July 2011
Direct links to specific legislation or Government Directives		
<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. Specific Asset Rationalisation proposals will inevitably require equalities impact assessments to be considered and produced and the plan is being used to identify a set of equalities principles related to property assets that can be applied consistently in the future.

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 direct 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 Strategic Asset Management Plan

Reference	Aspiration	Current Actions	Progress
Developing a Vision			
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 Borough Council.
Establishing Improved Linkages			
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 new Property Asset Management System and Project Vision will help identify new opportunities.
Developing Client Asset Strategies			
3.1	All strategic property decisions to reflect the policies of the Plan.	Raise awareness through, for example, targeted distribution and presentations	Plan widely published. Fully available on Hantsnet and Hantsweb. Personal copies sent to all Members, leading officers and key property contacts. Presentation made to SMGs and other appropriate forums. Discussion at Service-Property liaison meetings.
		Establish monitoring regime	Being developed.
3.2	All client asset strategies to reflect the policies of the Plan	Raise awareness through, for example, targeted distribution and presentations	Plan widely published. Fully available on Hantsnet and Hantsweb. Personal copies sent to all Members, leading officers and key property contacts. Presentation made to SMGs and other appropriate forums. Discussion at Service-Property liaison meetings.
		Establish monitoring regime	Being developed.

Reference	Aspiration	Current Actions	Progress
Developing the Strategic Framework			
4.1	<p>One Public Sector Estate (formerly Capital and Assets Pathfinder)</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>Area Opportunity Workshops have taken place covering the districts of Winchester, Basingstoke, Hart, Rushmoor, East Hampshire, Havant and Test Valley. County-wide workshops have also taken place with a number of key partners. Further Workshop with New Forest District Council arranged. A project team is also established to oversee progress on identified joint projects.</p> <p>(See Section 3 of main report for more detailed update)</p>
4.2	<p>Hampshire Workstyle</p> <p>Hampshire Workstyle rolled out fully across County</p>	Implementation of agreed projects	On target to deliver the completed portfolio, and associated financial savings, by December 2013. New strategic hub offices provided in Winchester, Eastleigh and Havant and major rationalisation of CCBS accommodation at HQ completed. Property acquired in Basingstoke for new major hub and new hub for Totton being progressed.
4.3	<p>Efficiency Savings</p> <p>Delivery of agreed efficiencies through asset rationalisation</p>	Development of a robust asset rationalisation work stream within the Corporate Efficiency Programme	Asset rationalisation workstream approved by CMT in August 2011 and being progressed.
4.4	<p>New Financial Model</p> <p>Adoption of a Financial Model which reflects the corporate approach to property ownership</p>	Preparation of a new Financial Model	It is recognised that financial strategies need to evolve to reflect the Corporate property ownership model and allow greater flexibility on the use and reinvestment of capital receipts. This approach is already being followed in relation to approved change strategies, such as Adult Services transformations and Workstyle.
4.5	<p>Capital Receipts</p> <p>Delivery of agreed capital receipts forecasts</p>	Robust monitoring arrangements	Regular reporting in place through Capital Receipts Panel, which follows a programme and risk management approach with RAG status and confidence weighting being used. Currently, the specific target for 2012/13 is almost secured.

Reference	Aspiration	Current Actions	Progress
4.6	Maintenance Backlog Sustainable levels of backlog maintenance in both the Education and non-Education Estates.	Preparation and delivery of an annual programme to address the maintenance backlog in the Education Estate, including the re-cladding of SCOLA 2 and 3 buildings.	A 2012/13 capital programme was prepared jointly with Children's Services and approved by the Executive Member for Policy and Resources in April 2012. This includes a number of SCOLA re-cladding schemes. Delivery is progressing well. Draft of the 2013/14 programme is being prepared.
4.7		Establish a fundable cyclical core maintenance regime for properties which are to remain in the non-Education Estate.	With the successful outcome of the bid for additional capital maintenance funds (£5m over 2012-14) a significant improvement is anticipated and a number of key priorities will be addressed.
4.8	Schools' Service Level Agreement New Service Level Agreement for 2012/2017 in place with Hampshire schools and Academies.	Preparation of a new Service Level Agreement offer, for approval by BLPP.	A new SLA offer was developed and issued to LA schools and has resulted in a further very high level of buy back for the period 2012/17. With the current contractual arrangements with Academies, 96.5% of schools across Hampshire purchase services from Property Services. A new longer term "Public Partnership" is being developed as a longer term option for Academies for implementation April 2013.
4.9	Climate Change Adaptation An understanding of climate related threats and opportunities for each significant asset	Development of an approach and timetable for the assessment programme	Work has been undertaken by Coastal Adaptation Steering Group to identify climate change risks and threats to coastal property. Other climate change threats from flooding now identified in a discreet GIS layer and can be applied to a further layer which will identify 'significant' County Council properties, the criteria for which is established. (See Section 5 of main report for more detailed update)

Reference	Aspiration	Current Actions	Progress
4.10	Localism Agenda Greater community engagement in property matters	Preparation of a response to the Localism Agenda	The Localism Act became law on 15 November 2011. The County Council is committed to achieving greater involvement of local people in the design of services and how their local area develops, and Engagement Schedules in relation to all areas of service are now published on Hantsweb. The Localism Act also has implications for the sale by the County Council of 'Assets of Community value'. (See separate report on BLPP agenda)
4.11	Localism Agenda Maximising asset-derived benefits from the proposed General Power of Competence	Preparation of a strategy for ensuring maximum benefit is derived	As anticipated, the Localism Act 2011 includes the General Power of Competence. It is confirmed that this widens significantly the Authority's ability to acquire and hold land, and a revised Acquisitions strategy has been prepared. (See separate report on BLPP agenda)
Reviewing our Assets			
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	Consideration of common performance criteria for all assets only succeeded in producing vague over-arching principles which are of little value, often aspirational and not really achievable, so main effort directed to 5.2.
5.2		Development of common performance criteria for different asset types	Service-led principles for the performance of assets is better suited to a portfolio as diverse as the County Council's, so work continues with service departments to develop criteria.
5.3		Development of a standardised methodology for presenting asset data	Standard reports will be produced in the new Asset Management System when available. These will be RAG rated where possible.
5.4		Establish a programme for phased property reviews	Programme of reviews established based on anticipated timetable for Area Opportunity Workshops under the OPSE initiative. Collection of data will ultimately need to align with the availability of new AMS system. (See Section 3 of main report for more detailed update)

Reference	Aspiration	Current Actions	Progress
Equalities Impact Assessment			
6.1	Robust Impact Assessments prepared for all new asset strategies and policies	Preparation of a set of Equalities Principles	Equalities Principles being prepared.
Governance and Monitoring			
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 approved and operating.
7.2	The Plan is reviewed and updated regularly to maintain relevance.	Undertaking of Plan reviews in accordance with agreed programme.	Six-monthly reports being taken to BLPP. Formal Plan review underway and to be published early in 2013.