

# **Hampshire County Council Strategic Asset Management Plan 2011 - 2014**

**‘Modernising our  
Asset Management  
and our  
Assets’**

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## Foreword

I am delighted to introduce Hampshire County Council's first Strategic Asset Management Plan that will guide the County Council's future strategic property decisions, and also inform the more detailed asset management strategies of individual Council services.

The document contains an Action Plan for the next three years which includes proposed measures that will allow the County Council to manage its assets more effectively, and share its property strategies and accommodation needs with other organisations more easily.

The need for efficiencies in the public sector is synonymous, in many peoples minds, with cuts in services. That need not always be the case. This Plan suggests that by improving our property asset base, investing in key assets to provide new or better accommodation, and by releasing other assets that are expensive to run and no longer fit for purpose, the Council will be able to save money whilst at the same time improving service delivery. This will protect, indeed improve, key services.

The Plan also focuses on how the County Council would wish to collaborate with other public bodies and with the voluntary sector to ensure more effective use of our combined assets. In time, single points of access for a range of public services will make it easier for our customers to conduct a variety of public service transactions in easily accessible shared facilities. Sharing our property will no longer be the exception, but will become the norm.

The County Council has long recognised the importance of its property assets. Property Reviews in recent years have released capital receipts for reinvestment in priority services and this Plan will initiate greater rigour in that Review process. A single property database will allow the Council to use and share its property information more easily.

The Plan is in three sections:

- Part One sets the national and local context, and includes an honest self-assessment of how well we manage our assets.
- Part Two identifies our current asset management policies and strategies, and demonstrates the Council's depth of understanding about its property assets.
- Part Three contains the Action Plan that explains how we will modernise our asset management and our assets themselves.

This is an important document, and I hope it will be read widely by Members and Officers of the County Council, and by our public and voluntary sector partners.

## Part One

### Asset Management Context and Arrangements

#### 1.0 Context for Plan

##### 1.1 The Estate

Hampshire County Council owns a substantial property estate, held primarily for the delivery of frontline public services, but also more generally to support the Council's corporate priorities. The portfolio is diverse, and includes schools, day centres, children's centres, libraries and museums, residential and nursing care homes, waste recycling facilities and country parks. The Council also owns and occupies offices, workshops, depots and storage accommodation, and leases other commercial property to businesses and rural holdings to farmers. Property is rarely held by the Council as an end in itself - it has a specific purpose, and its suitability for that purpose can be measured.

The following statistics offer an indication of the scale of the County Council's property portfolio:

- A total of 1,963 property assets.
- A total of 6,764 building units.
- Land interests totalling 7,360 hectares.
- Buildings with a total floor area of 1,560,000 sq metres.
- A total current value in excess of £2.9 billion.
- Total annual rental outgoings of £3.56 million.
- Total annual rental income of £3.18 million.
- Current capital and revenue budgets totalling £59million to repair and maintain the estate.

Property assets are a valuable resource, but they are also a liability that require revenue and capital funding to maintain, and they should always be used as efficiently as possible. Surplus assets will normally be sold to generate capital receipts and reduce running costs. Targeted investment to ensure high quality assets will be used to create the right physical environment for delivering better services, but equally if the assets are unsuited to their current use or are of poor quality, they can detract from the Council's services to its customers.

## 1.2 Public Finances

Because assets are generally expensive to run and maintain, efficiencies can be achieved if they can be used more intensively, or their costs in use can be reduced. The drive for efficiencies in the UK public sector has brought this into sharper focus as a means of protecting funding for front-line services. The challenge for councils and their asset managers is to find ways of working assets harder, whilst maintaining or creating an environment in which better services can be delivered. The County Council has a strong record of asset scrutiny through a series of property reviews since the late 1970s. Substantial efficiencies have already been made, but the key to making property assets work still harder is:

- To provide greater challenge to their use based on new ways of working and new ways of delivering services, especially on the back of technological changes that have allowed improved communication and less face-to-face delivery; and
- To explore the relationship between the County Council's assets and those of other public sector organisations within the same geographical area, and to find more opportunities for sharing assets and creating efficiencies - not just in offices, but also in front-line services. This is the challenge thrown down by the Capital and Assets Pathfinder programme, a Government initiative which seeks to maximise efficiencies through a collaborative approach to the use and management of assets across the public sector.

## 1.3 Key Drivers for Change

The reasons for adopting a new approach to asset management are many. They include:

- Achieving efficiencies - There is increasing pressure to create efficiencies from utilisation of existing assets, or from delivering the same services from more cost effective assets. Either way, there is potential to reduce running costs and to generate receipts. Usually any asset rationalisation incurs short-term capital and revenue costs, but in the present financial climate this requires to be largely self-generated, and any borrowing to finance improvements needs to be underpinned by clear and measurable revenue savings.
- Service improvements - A key driver for any strategic approach to asset management must be service improvement. This is at the heart of everything we do. It is particularly important in the current financial climate that key services are able to continue and prosper. To this end, asset management has a key role to play. Buildings must be in the right location, fit for purpose, well used and well maintained.

Climate Change Adaptation - It is now very clear that climate change is an enormous challenge, calling for urgent and decisive action. The effects on the County Council's land and buildings are potentially very considerable indeed. Climate Change Adaptation means adjusting our approach to managing the property portfolio to increase resilience to future climatic changes, and build upon what has already be done, which includes the adoption, in 2010, of a Carbon Management Plan. The climate change agenda now needs to be taken considerably further, with plans put in place to protect, as best we can, the County Council's assets and hence the services it offers. This undoubtedly provides a set of fresh, and significant, challenges to the County Council and its partners.

- Current repair liabilities - The quality of many public sector buildings constructed during the 1960s and 1970s leaves much to be desired. Low cost system-built accommodation became common as it allowed a rapid expansion of services to keep pace with population growth. But it has not stood the test of time, and much of it is now expensive and difficult to maintain. Following a recent re-evaluation of emerging condition priorities associated with the schools estate, the County Council's total estimated backlog repair liability is now estimated at £652million. Of this total liability, the backlog associated with the non-Education Estate is estimated at £160million. The Council does not have sufficient resources to bring this backlog down to a level that can be sustained through the budgets available and if the liability is to be reduced substantially then the estate must shrink in size.

#### 1.4 A Strategic Approach

In approving this Plan, the County Council is confirming an intention to take a more strategic approach to the management of its property estate. Property assets have always been viewed as a corporate resource and this has recently been strengthened by adoption of the following operating principles for the estate:

- All assets (except schools) are recognised as County Council corporate assets rather than a mixture of departmental and corporate.
- All office workspace is managed corporately rather than departmentally.
- Recharging mechanisms for property facilities and IT services are simple to understand and administer with minimal transaction costs in order to incentivise further efficiencies.

This approach will enable corporate asset management to deliver ever greater efficiencies for the organisation. It fits with the concept of Pathfinder, and also ensures that capital receipts from disposals can be directly applied to the County Council's highest priorities, whether that lies in saving or reinvestment.

The adoption of this Plan reinforces the corporate approach being taken. All the County Council's property assets fall within its remit with the exception of highway infrastructure. The Plan enables various existing threads of asset policy to be brought together, and developed collectively. The Plan will inform all future decisions about the property estate, and ensure that the County Council's highest priorities are achieved.

## **2.0 Corporate Plans and Government Policy**

### **2.1 Corporate Priorities**

This Strategic Asset Management Plan aims to define the implications of other corporate policies and strategies on the Council's property assets, and in so doing provides effective support to delivery of the Corporate Priorities. The County Council has established Corporate Priorities, which guide its decision making. They are:

- Hampshire Safer and More Secure for All - An overarching Priority about developing and supporting stronger, safer communities by protecting vulnerable people, maximising safety, helping young people to live positive lives and helping diverse communities to feel secure.
- Maximising Wellbeing - A Priority about improving quality of life and ensuring everyone has the opportunity to support themselves, be active in their community and have access to the services they need.
- Enhancing our Quality of Place - A Priority about making Hampshire a good place to be, by protecting local distinctiveness and diversity, ensuring excellent facilities, respecting Hampshire's heritage and planning pro-actively for the future.

The County Council's property assets help to achieve these high level Corporate Priorities, and the Priorities should inform all asset management decisions.

### **2.2 Hampshire Sustainable Community Strategy**

The Hampshire Sustainable Community Strategy is a key corporate document guiding the preparation of this Plan. Having been prepared jointly with Hampshire Strategic Partnership, the Strategy was published in 2008 and establishes a blueprint for sustainable communities for a ten-year period. The stated vision is that "Hampshire continues to prosper,

providing greater opportunity for all without risking the environment". The document recognises that Hampshire is a prosperous county with safe and strong communities, where people enjoy good opportunities and health, an outstanding environment, a well developed infrastructure and excellent services. However, it also recognises that disparities exist across the county and that various challenging trends will affect quality of life in the future.

The Strategy identifies eleven long term ambitions designed to impact on future quality of life. The way in which the County Council manages its own property portfolio will impact on several of these ambitions, and the following have particular relevance to this Plan:

- Hampshire is a globally competitive environment for business growth and investment.
- Hampshire provides excellent opportunities for children and young people.
- Infrastructure and service are developed to support economic and housing growth whilst protecting the environment and quality of life.
- Social and affordable housing needs are met, including provision to support rural communities.
- Hampshire's environment and cultural heritage are enjoyed and celebrated.
- Hampshire is acclaimed for conserving and using natural resources more efficiently, and for reducing and adapting to the effects of climate change.

### 2.3 Medium Term Financial Strategy

This has been a key corporate document on financial matters since 2008. The Strategy covers a period of three financial years and is rolled forward on an annual basis. The single strategy document brings together all the elements of the County Council's plans for managing its finances over the three year period.

Recently, it has been necessary to react quickly to the rapidly changing circumstances connected with the major reductions in Government spending. In effect, this has resulted in a series of short-term strategies centred around efficiency savings. A full review of the Medium Term Financial Strategy is underway, with the intention of reporting to Cabinet in July 2011. This is likely to have a significant impact on management of the property estate.

## 2.4 Capital Strategy

The Capital Strategy is part of the overall financial strategy which has a particular relevance to the property estate. The Strategy brings together the County Council's key policies for managing all its capital assets, including land, buildings and roads. The strategy aims to:

- Focus attention on the most effective and efficient use of the County Council's capital assets.
- Directly support the Corporate Priorities and Sustainable Community Strategy.
- Improve the management and use of capital assets alongside the County Council's policy and service objectives.
- Provide guidance for the preparation of the capital programme.
- Improve procurement, and create long-term collaborative relationships with the public and private sectors to ensure value for money and continuous improvement.

The County Council's capital programme comprises two main elements: a locally resourced programme and a programme supported by Government grants and borrowing approvals. The existing Capital Strategy has served the County Council well for many years, in particular utilising capital receipts and developer contributions resulting from a buoyant property market to invest in the infrastructure and asset base. However, the current climate is one of substantially reduced Government allocations, concerns over future access to and the level of developer contributions, and a continuing depressed property market. As a result, a new approach to the capital strategy is required and is currently being developed. This is essential if the County Council is to continue to invest in support of the local economy and improve local services.

## 2.5 Corporate Efficiency Programme

One of the central themes of the current Corporate Efficiency Programme is Asset Rationalisation. This draws together four separate asset rationalisation activities that over time will ensure efficiencies.

These four activities are:

- Accelerated Hampshire Workstyle - a new target for completing the Workstyle programme, which is transforming the way in which staff work.
- Service Department Rationalisations - captures current service delivery priorities and identifies the implications for property assets
- Corporate Asset Rationalisation - identifies potential asset rationalisation streams that cross departmental boundaries, such as storage solutions
- A Robust Investment Programme - to be developed for all retained assets, linked to an accelerated programme of capital receipts from land and property sales.

The theme of Asset Rationalisation features strongly throughout this Plan and particularly in the Action Plan in Part Three.

## 2.6 Hampshire Workstyle

Hampshire Workstyle is a major programme for the County Council and has been designed to deliver a number of key changes to the way in which staff work, supported by increased efficiency in the office and IT infrastructures that surround them. It can be summarised as follows:

- Supporting delivery of improved outcomes for customers, and contributing to the County Council's customer access strategy.
- Creating opportunities for further integration with partner organisations and the voluntary and community sector.
- Creating a more flexible workforce, through optimising the use of technologies and the provision of a flexible and attractive office environment (which will also benefit customers).
- Improving asset management arrangements and re-investing value on a major scale.
- Achieving significant annual savings through various efficiency measures such as the more effective use of office space and reduced staff travel.

The strategy for office accommodation is set out in detail in Part Two of the Plan. It is based on the creation of a small number (eight in total) of area hub offices in key locations, supported by a number of well located drop-in bases for staff to support local working. The programme relies heavily on optimising the use of the technology now available, and aims to produce a highly flexible work force. The programme is self-financing,

with improvements being funded from capital receipts generated by the sale of surplus assets.

The programme is well under way, with the refurbishment of both the Elizabeth II Court complex in Winchester and Hampshire House at Eastleigh having been completed. The creation of the Public Service Village at Havant is nearing completion (Phase 1), after which about one third of the County Council's office estate will have been through the programme. The target for the remaining two thirds has recently been brought forward to December 2013.

The Hampshire Workstyle programme has focused on office accommodation, and much has been learned. The intention now is to consider this approach in terms of the wider property portfolio and seek to identify the benefits that such an approach may generate.

## 2.7 Capital and Assets Pathfinder

Hampshire was selected as one of the six intensive Pathfinders for the Government's Capital and Assets Pathfinder programme. The programme is sponsored by the Department for Communities and Local Government (DCLG) and will test a customer-centric and place-based approach to asset management and capital investment, seeking to achieve substantial savings and efficiencies. Hampshire County Council's Chief Executive has been asked by Ministers to lead the programme for Local Government.

Two locality based business cases have been prepared jointly with other public sector partners in Hampshire. They both propose a shared management and occupation strategy for a small number of publicly owned assets, to be governed by a single management structure. This creates the potential for joint strategic asset decisions, collective pooling of budgets and simplified arrangements to promote sharing. The cases are for two geographic areas - Winchester and Basingstoke – and involve partners from the City Council, District/Borough Councils, Police, Health and central government.

The business cases were submitted to DCLG in December 2010. The work showed that significant savings could be achieved with the Pathfinder approach, including 36% reduction in floor space and 50% reduction in operating costs for the assets in scope. Barriers to the success of the programme were highlighted to Ministers, who have undertaken to broker solutions to these with other government departments.

Building on these two business cases, the Hampshire Pathfinder team has prepared a Long Term Strategy that examines the potential impact that a collaborative, cross-public sector Pathfinder approach could have if applied across the whole of Hampshire. If the Strategy is adopted, it will be important to ensure that the Pathfinder's Long Term Strategy and this Strategic Asset Management Plan are aligned and fully support each other's objectives.

## 2.8 The Localism Agenda

The Localism Bill was introduced in Parliament on 13 December 2010 and contains a number of provisions which, if enacted, would have a significant impact on the way in which the County Council manages its property estate. The general theme of the Bill is a shift from government-driven centralism towards decentralisation and community empowerment, giving local communities a greater say about what happens in their area.

Of particular relevance to strategic asset management are the chapters in the Bill proposing a Community Right to Challenge and a Community Right to Buy. The former allows particular groups or bodies to express an interest in providing a service on behalf of the relevant authority, which the authority must then consider. The latter will create the opportunity for Communities to bid for "Assets of Community Value" when they come up for disposal or letting. District Councils will be required to create and maintain Lists of Assets which are considered to have Community Value, and it can be anticipated that significant numbers of assets held by the County Council will feature on these Lists.

The Bill also introduces a General Power of Competence, which is designed to provide Local Authorities with the same powers as any individual. This may create a number of new opportunities for the County Council in terms of its strategic asset management. For example, there may be scope to consider a wider range of strategic land purchases, which would currently need to satisfy the "wellbeing" requirement introduced by the Local Government Act 2000.

The Bill raises a number of issues in terms of strategic asset management and the County Council will want to respond positively. A number of specific actions are considered in Part Three of this Plan.

## 3.0 The Asset Management Framework

### 3.1 Executive Member and Members Panel

County Council property assets are viewed as a corporate resource, and decisions about those assets are the responsibility of the Executive Member for Policy and Resources who, in turn, delegates certain decisions to officers involved in asset management. The Buildings Land

and Procurement Panel has the role of advising the Executive Member in relation to buildings maintenance programmes, building and land management policies, and strategies for development including major acquisitions and disposals.

### 3.2 Property Services - Role and Structure

Responsibility for the management of the County Council's property assets falls to the Director of Culture, Communities and Business Services. The Director is supported by the Assistant Director Property Services and three Strategic Managers, who take primary responsibility for all property matters and discharge the duties delegated by the Executive Member for Policy and Resources. Property Services is formed of three teams: Assets and Development, Design and Implementation, and Programmes and Performance. The Strategic Manager (Assets and Development) takes the lead on asset management issues.

### 3.3 Property Services - Meetings and Approvals

The principal forum within the Department of Culture, Communities and Business Services at which strategic asset management issues are discussed and decisions taken is the Property Services Projects and Operations Panel. This meets monthly, and is chaired by the Assistant Director and attended by the Strategic Managers and other senior officers. It is supported by the Property Services Finance and Resources Panel which has responsibility for various financial issues related to the property estate. Within the Department, there is a scheme of delegation which ensures that decision making on individual property matters is handled at the appropriate level.

### 3.4 New holistic Asset Management Plan approach

Until now, the principal document relating to the management of the County Council's property estate has been the annual report to Members entitled Strategy for the Built Estate. This has served its purpose well, establishing a regime for the effective maintenance of buildings within the estate. The report ensures that resources are directed towards the most pressing liabilities within the built estate, looks to address the backlog of repair and maintenance liabilities, and ensures a robust health and safety approach to property management.

However, the time is now right to move to a more strategic approach to asset management, which will be achieved through preparation and implementation of this Plan. This is necessary for many reasons: in particular, the climate of reduced public spending, the drive for efficiencies and the continuing need to improve services.

The Plan will consider the property estate holistically, enabling measures to be put in place to achieve required efficiency savings and ensure that the limited funds available, including those from the sale of surplus assets, are applied to the County Council's highest priorities.

#### **4.0 Self Assessment**

##### **4.1 The Approach**

In preparing this Plan it is considered important to have a management view on our current position and this section is an honest Management assessment of where the County Council is currently. In particular, it identifies perceived strengths and, crucially, things that could be done better.

##### **4.2 Where we are now**

The County Council has a good understanding of the importance and potential that property can contribute, to both itself as a local authority and also the people of Hampshire. It also recognises that as a major holder of public assets, it is often in a key position to influence and stimulate change and improvement.

Historically, the County Council has viewed its property assets as key to helping it support its operational service delivery, and also as a useful catalyst for change when required. Service rationalisations often include related asset changes that are key elements of the strategy; for example, in schools rationalisations when new Primary facilities are developed out of infant and junior schools, or in the case of the Enhance (nursing care) programme.

Both now and for the future, the County Council recognises that it must look at how it can engage more fully and openly with other public asset holders and stakeholders. It must also take a key lead and exemplary role, in Hampshire and on a regional and national stage. To become an exemplar, its asset management approach needs to become more joined up and more corporate. This will then help achieve its own objectives, and be able to contribute with partners to wider aims.

##### **4.3 Strengths**

The County Council is good at identifying and linking up property asset implications from different service requirements across the Authority. However, this is largely focussed on one or two service areas at a given time due to complexity. In future the need to realise benefits across wider groups of assets will be required.

The productive use of its surplus assets, creating disposal opportunities and then generating capital receipts and directing these into priority service areas is a real strength of the Authority (£300m has been delivered over the past decade). In addition, other initiatives such as facilitating the provision of affordable housing are also achieved using the disposals and capital receipt programme.

Whole Building Lifecycle asset management is well understood and implemented across the County Council's assets. It is recognised that effective asset management is not just about delivering single projects, however well. In Hampshire, the future life cycle of the asset is planned for as the project is developed, so that when the asset is put back into full operation we are confident its future repair, maintenance and costs in use have been fully considered.

The County Council is good at developing Asset Planning Programmes such as Workstyle, and taking them through to completion and realising the benefits from savings or efficiencies. The County Council takes a strongly pragmatic and 'can do' approach and has a deserved reputation for high quality property related projects.

With regards to statutory asset related functions such as rating and asset valuations, the Authority keeps on top of these showing regular annual rating savings, and maintaining the rolling five year programme of asset valuations.

The County Council takes a very mature approach to its assets and understands that best value is not just about higher financial return but also that assets have a 'wellbeing' role to play in helping facilitate social and community improvement. This is evident, for example, in its sales to Registered Social Landlords (Project 500) and Community Groups, and the County Council is thus well set to meet the aspirations of the Community Right to Buy initiative.

#### 4.4 Areas for Improvement

Assets are still often viewed as being held departmentally by service providers and this creates a degree of silo and 'trading' mentality rather than a more flexible corporate approach that will be required much more in the future.

Despite planned investment and a reduction over the past decade, a significant property maintenance backlog remains. This is currently managed on a risk approach basis that is not ideal. This is particularly evident in the non-Education estate, and a re-assessment of this is now underway.

At times there is evidence that the Authority can be unduly risk adverse. There is a need to look more critically at appropriate asset reduction opportunities.

Sometimes, despite the willingness to entertain cross partnership working in relation to its own and other public sector assets, this is restricted by financial and legal regulations and approaches.

Whilst there is a strong surplus asset and disposals strategy there is a need to develop a stronger acquisitions strategy and consider the purchase of appropriate assets more strategically.

#### 4.5 Systems and Processes

Most of the County Council's asset systems and processes are well developed both logically and pragmatically. However, it is acknowledged that they are not as joined up as they should be due to having been developed organically. This is currently being addressed by the joint procurement (with Surrey County Council) of a new Property Asset Management System.

Political approvals in relation to the County Council's assets are well focussed through the Authority's officers onto the advisory Buildings Land and Procurement Panel and subsequently to the Executive Member for Policy and Resources for decision. This process is well established and flexible enough to respond as required.

#### 4.6 Level of Understanding

Both Members and Officers have a good appreciation of the importance and role of the County Council's property assets. There is an excellent range and high levels of property professional skill and experience with a great breadth and depth of professional and technical expertise, commitment and approach. However, the Authority's approach sometimes means that some opportunities may be missed both internally and with partners and a stronger and wider awareness of potential linkages between assets and service requirements would be helpful.

#### 4.7 Engagement with Partners

The County Council has always recognised that it needs to engage with partners and has had a good relationship with the Police and Fire Services for a number of years in relation to management of both its own and their assets. Over recent years, the relationship with other Hampshire local authorities has realised more opportunities, and has led to a number of joint initiatives and programmes such as the Havant Public Service Village, and new feasibility work being undertaken into joint public service provision from shared assets. Also, in the delivery of affordable housing the Authority is an active member of the Hampshire Alliance for Rural

Affordable Housing and has brought forward its own land to support this initiative.

The Authority has good relationships with the private sector both in terms of a main private sector partner such as MACE and also in its framework relationship with property consultants who assist in the maintenance and improvement of its assets. In addition, in regeneration projects such as at Rowner in Gosport, it has active partnerships with development partners both public and private. There are also well established property relationships with the voluntary and community sector, and this is expected to develop further.

## Part Two

### Current Asset Management Policies and Strategies

#### Strategy for the Operational Estate

##### 1.0 Introduction

- 1.1 National government spending priorities since the late 1990s, which have had a significant focus on education, has resulted in a need to adopt a distinctly different pace in the management of the Education Estate to that employed for the non-Education Estate. In addition, there are now some very real challenges to be addressed in both sectors arising from the changes in the national economy.

The developing Academies programme is adding a further dimension to the Council's planning. The Academy agenda could potentially see the size of the schools estate managed by the County Council reducing and associated changes to the roles and responsibilities of the local authority. That said our focus remains on maintaining the County Council's operational estate safe and open for business.

##### 2.0 Education Estate

- 2.1 Recent Achievements  
To put the current challenges into some context it is useful to reflect on the profile of the Education Estate in Hampshire and how it compares to the national picture. A significant feature of the Estate in Hampshire is the prevalence of system buildings (SCOLA). Approaching 40% of the floor area occupied by schools in Hampshire is in SCOLA construction of one form or another. The SCOLA buildings were constructed in a short period between 1962 and 1975 reflecting the rapid growth in population in Hampshire at the time. Not surprisingly, the Audit Commission Review in 1988 concluded that there would be a national "maintenance time bomb", predicted to peak in 2010.

Much has been achieved over the last decade with the New Deals for Schools funding such as the re-cladding of 84 of Hampshire's 86 SCOLA 1/1a buildings, representing 8.5 % of the total floor area within the Education Estate. Cyclical maintenance regimes such as external decoration and repairs, well structured term maintenance arrangements which ensure statutory compliance and significant programmes of elemental replacement (eg flat roof coverings, boilers, fire alarm systems) are some of the now well established practices which have seen a significant improvement in the built environment in Hampshire Schools. These approaches are all part of a risk management strategy which

ensures safety in the built estate; while allowing a focus on replacement of the highest risk life expired building elements and removal of key backlog liabilities. However with the demise of Building Schools for the Future (BSF) and the Primary Capital Programme it is prudent to re-evaluate the condition of the Education Estate to enable a refocusing of our maintenance strategies moving forward.

## 2.2 SCOLA 2 and 3 Cladding

Over the last decade, a key challenge has been to re-clad the SCOLA 1/1a estate, which is now very nearly complete. In that time emerging issues such as SCOLA 2 windows and masonry wall ties have required risk management approaches which maintain a safe environment for education but do not address backlog liabilities. Two pilot projects were completed during the summer of 2010 to explore the opportunities a re-cladding programme for SCOLA 2 and 3 buildings would bring. The results are exciting and tests are ongoing to establish the reduction in energy usage. Initial feedback confirms that this approach not only addresses the maintenance issues in a cost effective manner but dramatically improves the thermal environment and overall performance of the buildings. Added to these advantages are the much lower cyclical maintenance requirements which have already paid dividends from previous re-cladding programmes in SCOLA 1.

Proposals for a further four pilot projects were approved in April 2011. With the SCOLA 2 and 3 estate now between forty and fifty years old, a strategy to re-clad these buildings is a key and rapidly emerging theme with an estimated capital liability of £195m. Opportunities are currently being explored to develop a joint programme with Children's Services funded from the national government "Capital Maintenance" programme to address this issue.

## 2.3 Timber Framed Buildings

There are 23 buildings in the Education Estate which are of a lightweight structural timber construction dating from 1955 to 1966. Previous reports have established there are no immediate structural concerns with these buildings; however, it is important that the elevations are maintained to an appropriate standard thereby ensuring the structural frame remains sound. A study is being undertaken during 2011/12 to establish a strategy for the ongoing maintenance and refurbishment of these structures.

## 2.4 Temporary Buildings

Removal or replacement of temporary buildings on school sites has been a theme for many years and will remain so. In March this year there were 103 County Council owned temporary buildings and nine hired units on school sites. This is the lowest number of temporary buildings on school

sites for many years. These numbers are reducing further with the transfer of some of the temporary buildings to converting Academies.

## 2.5 Schools Service Level Agreement and Academies

The collective purchasing of property maintenance services enabled by the Property Services SLA has paid dividends to the schools community in Hampshire over many years. The current five year agreement is due for renewal in April 2012 and work is ongoing to develop a new offer to schools. A number of schools in Hampshire have decided to convert to Academy status and a Property Services offer has been developed to continue support to these schools. The Academies agenda is a rapidly developing picture which will require a flexible focused response as the new rules around schools funding hopefully become clearer over the course of 2011/12.

## 3.0 Non-Education Estate

The operational buildings in the non-Education Estate are a more eclectic mix. Capital investment in recent years has been more challenging in this sector although a number of key corporate initiatives such as Hampshire Workstyle and the Adult Services review will positively impact on the building condition liabilities.

With the challenges from limited capital investment in the non-Education Estate there is a greater reliance on risk management strategies. A structured programme of condition surveys is now proposed across the Estate linked to the structural inspections programme. The information gathered will better inform current corporate initiatives and the development of regular cyclical maintenance such as external decorations and repairs and replacement roof finishes.

A more corporate approach to asset management will assist in the development of a more structured capital investment approach for the non-Education Estate. With Workstyle already looking to address the office buildings and the emerging Adult Services review, it is anticipated the significant remaining challenge will be around the buildings occupied by Culture and Communities.

## 4.0 Asbestos Management

Managing asbestos containing materials (ACMs) in the built estate remains an important theme in the risk management strategy and one supported by the Scientific Service. In most cases managing ACMs in place remains the best option. However, a programme of removal has progressed over recent years in locations where the long term management of the ACM is not considered the best approach. This programme has

seen the replacement of sports hall cladding, removal of changing room and kitchen ceilings. A risk profile is being compiled of locations where a medium term strategy of removal of ACMs would be the most appropriate approach. This profile will then inform future programmes of investment.

## **Office Accommodation Strategy (Hampshire Workstyle)**

### **1.0 Introduction**

Hampshire Workstyle is about transforming our existing work spaces into a modern, flexible office portfolio supporting a highly flexible workforce. The project aims to provide the opportunity to generate efficiencies, deliver better services to customers, improve corporate performance and enable greater collaboration with partner agencies.

### **2.0 Rationale and Vision**

2.1 The Hampshire Workstyle project commenced in 2008 and was born out of the County Council's ambitious project to transform its 1960s headquarters building, Ashburton Court. The Project recognised that many County Council offices were in poor condition, had poor energy efficiency and needed costly maintenance, and that staff did not have the tools they needed to properly perform their jobs. At the same time, it was recognised that staff were open to working in a smarter, more flexible way, the technologies existed to support this, that there were opportunities for much greater collaboration with partner agencies and, overall, that the County Council needed to do more for less.

2.2 The vision for the Hampshire Workstyle project is to secure the transformation of the County Council's existing workspaces into a modern flexible group of offices, and the introduction of new ways of working in order to:

- Achieve substantial efficiencies
- Deliver better services
- Improve corporate performance
- Enable greater networking, both internally and with partners
- Make the County Council more sustainable
- Maximise staff wellbeing and reduce inequalities.

### **3.0 Achievements to Date**

3.1 Three main projects have thus far been completed, or are nearing completion. They are Winchester Headquarters (Ashburton Court refurbishment, now known as Elizabeth II Court complex), Hampshire

House at Eastleigh and the Public Service Village at Havant. The efficiencies associated with each project are shown in the following table:

<b>Location</b>	<b>Office Floor Area Reduction</b>	<b>Office Running Costs reduction (per person)</b>
Winchester - EII Court	20%	15%
Eastleigh - Hampshire House	33%	20%
Havant - Public Service Village	34%	27%

- 3.2 Each of these three projects has been underpinned by exactly the same set of principles, but each is quite different in nature. Elizabeth II Court complex is now well known for the benefits and efficiencies to which it is giving rise. Those efficiencies will continue to enhance the organisation as it moves through the current significant period of transition. The new floor plan of Elizabeth II Court allows staff to move, and teams to reconfigure, at minimum cost and little disruption.
- 3.3 The project at Hampshire House in Eastleigh has recently been completed, providing a new staff and service hub for the town. The project has enabled the release of four buildings of varying sizes, and will generate a net capital receipt of around £0.6million, after allowing for the cost of works, together with ongoing revenue savings of £170,000 a year. The building incorporates a range of facilities for customers as well as a new corporate drop-in space for flexible workers.
- 3.4 The Public Service Village at Havant is now nearing completion of the first phase and occupation will commence in September 2011. It will provide a number of significant and highly visible improvements to County Council service provision in the area. Arguably, the most important facet of the project is the co-location of County Council and Borough Council staff, which will enable a closer degree of joint working than would otherwise be the case. Space will also be shared by staff from the health and voluntary and community sectors.
- 3.5 The County Council's capital contribution to the Public Service Village consists only of the capital receipts to be generated from the sale of its two main Havant office premises (River Way and Townend House) and the former Register Office (Fernglen), expected to total £2.5m. The balance of the £13m total cost will be met through a combination of central government grant and Havant Borough Council funding.

3.6 Completion of these three projects will mean that one third of the County Council's office estate will have been through the Workstyle programme.

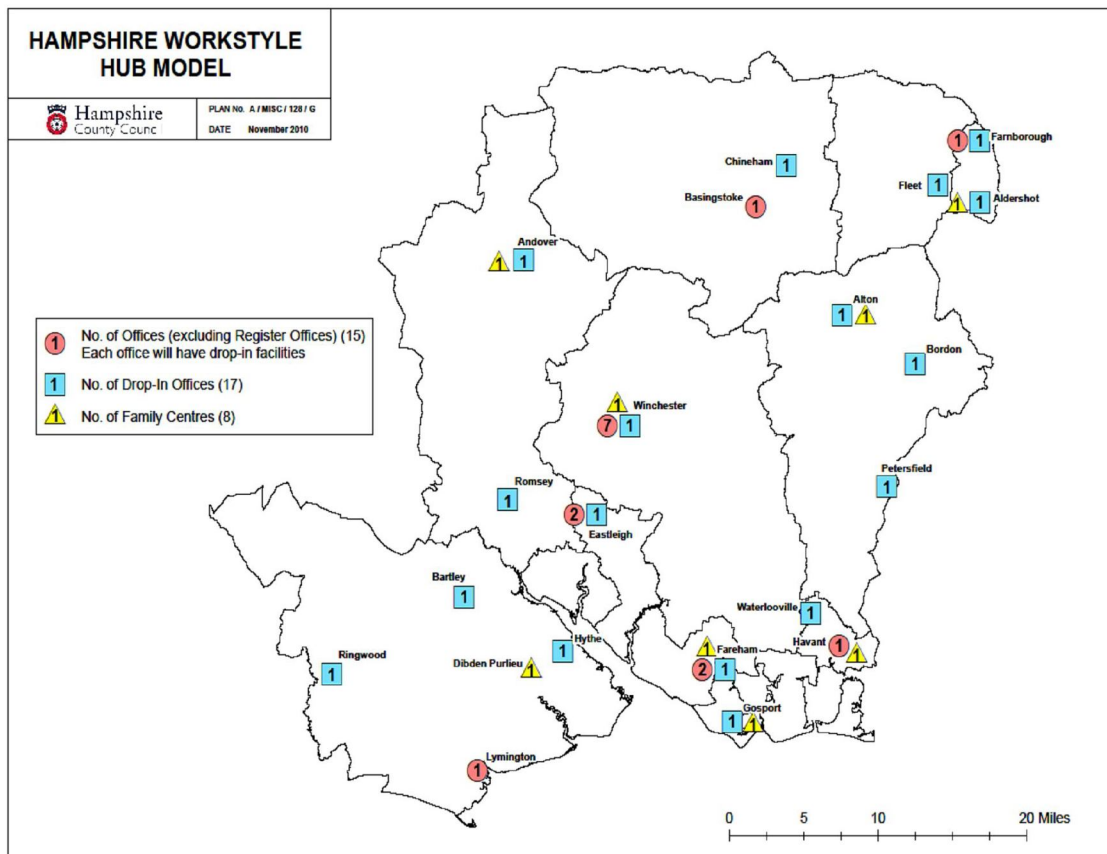
#### 4.0 Future Programme: Enhanced Outcomes

4.1 In light of the success of the projects to date, it is intended to continue to roll-out the Workstyle approach across the remainder of the office estate. Indeed, the success thus far has resulted in a new set of targets being agreed by Cabinet, as follows:

Target Area	New Target
Reduction in office floor area	30-34%
Reduction in office running costs	20-25%
Reduction in accommodation costs per head	31%
Annual revenue savings on completion	£2million
Capital receipts generated for reinvestment	£15million
Reduction in storage footprint in prime office space	50%
Carbon Reduction	35-40%
Reduced maintenance backlog liability (per square metre)	£500-£800

## 5.0 The Hub Model

- 5.1 Outside of Winchester, the adopted model involves the creation of a number of hub offices supported by a network of local drop-in facilities for staff working in communities. Through this approach, involving just eight hub offices, the county can be covered efficiently. The philosophy combines the most efficient deployment of assets whilst ensuring that staff can remain locally focused. The hub model reduces the total number of offices from 53 to 15. The proposal is shown in the following map:



- 5.2 In developing this model, consideration has been given to connecting various parts of the County Council's business to ensure the most efficient range of outcomes. For example, the recent merger of the former Department of Property Business Regulatory & IT and the Department of Culture, Communities and Rural Affairs has led to a set of solutions around asset sharing as well as merging and combining business processes.

5.3 Consideration has been given to the facilities to be available in each of the hub offices and a minimum specification agreed as follows:

- Fully flexible shared spaces, furniture and equipment
- FM infrastructure in line with the corporate model
- Full internal accessibility
- Staff desking ratios of 2:1 where practicable
- Flexible voice/data
- Minimal storage
- Bookable meeting spaces
- Secure interview space
- Integrated drop-in facilities

5.4 Detailed investigation has concluded that it should be possible to create capacity in a number of libraries and use that space to provide flexible offices. This will both support the continued operation of these libraries, and make more effective use of our asset base. It is considered that a significant number of libraries have a major part to play, either becoming the focus for new hubs or substantial drop-in offices. Almost all of the smaller libraries will also offer drop-in facilities on a lesser scale.

5.5 The Hampshire Workstyle programme is self-funded and the generation of substantial capital receipts is crucial. Overall, it is expected that around £15m of assets will be disposed of. It will also be appropriate to consider some limited acquisition, with at least two of the new hubs, one in the north and one in the south of the county, perhaps being best located in newly acquired accommodation.

## **6.0 Workstyle in Winchester**

6.1 The strategy for Winchester will release a range of buildings in addition to those which have already been disposed of (Corinium House and Capitol House). It has recently been agreed that the County Council will retain offices at Castle Avenue and Castle Hill and that these, together with the Elizabeth II Court complex and Three Minsters House, will form the County Council's headquarters buildings. A significant list of properties are to be disposed of including the freehold offices at Trafalgar House, Mottisfont Court and Aquitaine House together with leasehold premises at Sheridan House, Westgate Chambers, Athelstan House, Regency House and Monument House. There may be other premises added to this list, depending on the scale of staff downsizing at headquarters.

6.2 Part of the strategy to release a number of these buildings is linked to a review of the potential for a more efficient use of Elizabeth II Court (south). It will be possible to increase staff numbers in the building and strategies

are now being developed and implemented to bring this to fruition. It is also necessary to ensure that as numbers of staff reduce at our headquarters, there is a plan to ensure that space efficiency is maintained. This is crucial to the continued effectiveness of Workstyle.

- 6.3 Within Winchester, but away from the headquarters buildings, there are other premises which are likely to become available for disposal, including two at Winnall; the freehold interest in the Hampshire Print Works in Moorside Road and the leasehold interest in the Library workshop at Moorside Place. Work is also in-hand to review the opportunities for releasing the Museum Service headquarters at Chilcomb House. This is a complex site, with significant challenges, but it is thought that a much more efficient solution can be provided to replace the very large number of buildings on the current site which, apart from anything else, carry a major condition liability for the County Council.

## **7.0 Future Programme: Timetable**

- 7.1 A considerable amount has already been achieved in a relatively short period of time. With the increasing need to generate efficiency savings quickly, it is crucial that the Hampshire Workstyle programme is rolled-out rapidly to the remainder of Hampshire. In this respect, it is agreed that the programme will be accelerated, with a target to complete the programme by December 2013.

## **8.0 Partnership Working**

- 8.1 It is important that, in progressing the roll-out, consideration continues to be given to opportunities for further partnership working. There is a strong link with the work currently being undertaken on the capital and assets pathfinder project. It will also be important to ensure that progress is swift, so that the challenging timetable for the roll-out can be met. Some difficult decisions will probably need to be made. As a minimum, drop-in capacity at partnership buildings should be provided where such efficiency opportunities exist.

## **Strategy for the County Farms Estate**

### **1.0 Introduction**

This strategy covers the County Council's Farms Estate, providing details of its composition and the recent County Farms Review. It sets out the policies which guide its future management.

## **2.0 Nature of the Estate**

2.1 Hampshire County Council is one of 30 English counties maintaining a farms estate, and its farm holdings are the fourteenth largest in terms of area. The estate comprises 1,971 hectares (4,870 acres) and this is split into 28 separate locations across the county. The estate is predominantly dairy/livestock, but with a mixture of arable and large-scale horticultural units. There are 65 holdings, of which 39 are fully equipped, that is to say, with a house and/or farm buildings and land. The rest comprise of bare land lettings and the estate includes some 352 buildings and other structures.

## **3.0 Comprehensive Review**

3.1 During 2009, a wide ranging Review of the estate was undertaken. This involved a significant consultation exercise with a great number of interested parties. The Review considered the rationale for holding the estate, improvements for its management and, particularly, how the estate can be used to achieve the wider aims of the County Council. The Review concluded that it was important to retain a farms estate, and that there was scope for making a greater contribution to the County Council's wider objectives.

## **4.0 Management Policies**

4.1 The outcome of the Review was considered by the Executive Member for Policy and Resources in April 2010 and a set of policies for the estate were agreed. These will guide management of the estate for the next fifteen years, with mini reviews to be undertaken each five years. The principal policies within the agreed framework are aimed at achieving the following objectives:

- Farm Business Issues - The phased establishment of starter and progression units to assist the introduction and development of new farmers, coupled with working with other authorities and neighbouring landowners to promote further progression opportunities beyond the County Farms Estate.
- Expand Education Learning Opportunities - Better links with colleges and schools to improve children's understanding of farming and food, and better help with skills development among existing farmers.
- Align Land Acquisition and Disposal to Long Term aims - Seeking to acquire replacement farmland when established County Farms are

sold in response to valuable development allocations or in support of local community led initiatives (eg allotments, rural housing).

- Sustainable Local Food Production - Better links with Hampshire Fare and HC3S (the County Council's catering business unit), promoting use of local products and investigating the potential for a local food marque.
- Collaborative Working - Better collaboration across the Estate, with farmers assisted with procurement arrangements and diversification proposals.
- General Policies - Carbon reduction and sustainability criteria to be applied, and farm units to be upgraded to comply with nitrate vulnerable zone criteria.

## **Strategy for Housing Enablement and Management**

### **1.0 Introduction**

This strategy:

- Sets out the background to the County Council's housing portfolio and current management arrangements.
- Identifies proposals for future management and disposal.
- Sets out the objectives for Project 500, an initiative to provide more affordable houses in the county.

### **2.0 Overview**

- 2.1 The County Council currently owns 139 residential properties, the number of dwellings having reduced markedly in recent years due to either conversion for functional use or disposal on the open market or to the secure tenant. The County Council also owns four permanent Gypsy sites, providing a total of 78 pitches. The dwellings and Gypsy sites remaining in County Council ownership or control can be regarded as falling into seven categories, depending upon the purpose for which they are now held. A total of 13 dwellings are currently vacant.
- 2.2 In addition to managing the existing stock, the County Council is a key member of a partnership project established through the Hampshire Senate to provide an additional 500 affordable houses across Hampshire. The initiative is known as Project 500.

### **3.0 Categorisation of Types of Dwellings**

- 3.1 Category 1 - Surplus dwellings occupied by secure tenants (30 dwellings) - The dwellings are occupied by secure tenants, who have a statutory right to buy. Although surplus to requirements, they cannot be sold except to the existing tenant, or to a Registered Social Landlord (RSL) who would be able to maintain the tenant's existing rights to occupy and purchase. RSLs generally derive no benefit from such a purchase. The dwellings provide the County Council with a steady stream of windfall receipts and it is intended to continue to hold these properties until such time as either a right to buy application is received or the tenant vacates.
- 3.2 Category 2 - Dwellings let as part of a County Farm (39 dwellings) - These dwellings were generally acquired as part of the original farm purchase, with a number having since been specifically built by the County Council in order to provide accommodation for the farming tenant and his family. The dwellings are let as part of the farm business tenancy or similar agreement in relation to the wider unit and none are currently vacant. The future of these dwellings needs to be considered as part of the wider agricultural unit, and this has been identified within the recent County Farms Review.
- 3.3 Category 3 - Dwellings held for occupation by service tenants (52 dwellings) - These dwellings are generally located within existing functional establishments and each occupier is a member of staff who is required to reside in the property for the better performance of his or her duties at the 'host' establishment. This form of occupation has to meet the strict requirements set down in the Housing Act 1985, and all of the properties are currently occupied in this way. The continuing need for the accommodation is reviewed whenever a service tenant leaves, which will sometimes result in a property either being declared surplus and sold, or put to other operational use.
- 3.4 Category 4 - Dwellings held for occupation by new staff (eight dwellings) - The only accommodation now remaining which is specifically held to assist staff recruitment is eight dwellings in Fleet and Yateley, with seven currently vacant. There has been a substantial under-utilisation of the properties over a significant period of time, and the Executive Member for Policy and Resources has authorised their disposal. The intention is to seek to agree terms for their sale to a Registered Social Landlord for affordable housing in pursuit of the Council's Project 500 affordable housing initiative.
- 3.5 Category 5 - Dwellings held for future projects (six dwellings) - Of these, four are required for the bus rapid transit project in Gosport/Fareham and one each for highway schemes in Whiteley and Basingstoke. These properties need to be retained until issues related to each capital scheme

are resolved and, in the meantime, every effort is to be made to keep the premises let, including through local Housing Associations.

- 3.6 Category 6 - Dwellings held pending disposal or demolition (four dwellings) - These dwellings are surplus to requirements and are earmarked for either disposal or demolition. They are unsuitable for occupation without first undertaking substantial works. Two of the dwellings are to be demolished by Veolia as part of the redevelopment of a former incinerator site. The other two are located to the front of a potential development site and the development opportunity needs to be fully examined before the two dwellings are sold.
- 3.7 Category 7 - Permanent Gypsy Sites (four sites) - The sites have a total of 78 pitches and each has a manager's bungalow and an office for staff. The sites are well used, with close to 100% occupation rates and a substantial waiting list. A review of the service in 2010 concluded that the sites were required but that, in accordance with the Housing Act 2004, they should be handed over for management by the relevant District Council or an appropriate Registered Social Landlord. The strategy is to achieve this handover by 2013.

#### **4.0 Project 500 (Affordable Housing Initiative)**

- 4.1 Project 500 is the result of collaboration between the County Council and the District Councils of Hampshire, aimed at delivering more affordable housing on publicly owned land. Rural affordable homes will form a significant part of this initiative, although all parties accept that new house building in rural locations requires additional care and sensitivity, and not all village communities will have publicly owned land in locations suited to new affordable housing.
- 4.2 A Project Team has been assembled, chaired by the Chief Executive of Gosport Borough Council, and comprising representatives from County and District Councils, and from the Homes and Communities Agency. The Team has initially focused on mapping sites in County Council ownership which may have housing potential as part of this initiative. These sites will then be evaluated by housing and planning officers from the relevant District Councils, with a view to producing a short-list for further detailed evaluation.
- 4.3 An initial sieve exercise across all eleven planning districts has, in the first instance, considered rural and edge-of-settlement ownerships which might come forward as 'exception policy' sites. This exercise has identified around twenty sites that can be regarded as having good potential and these will now be the subject of a more detailed feasibility study. A further

- thirty or so sites have been identified as having some potential but are not yet ready to move to detailed feasibility.
- 4.4 Some affordable housing opportunities may become available within open market housing developments as a result of the percentage of all new housing that must be affordable under existing planning policies. It is expected that the Project Team will be able to assist these homes to be brought forward. Housing on other more rural sites may need to be justified by local needs surveys and/or Community or Parish Plans, and inevitably the timescales for delivery will be somewhat longer.

## **Strategic Land Asset Strategy**

### **1.0 Introduction**

- 1.1 The strategy describes the nature of the County Council's strategic landholdings and sets out policies which guide their future promotion for development and, where appropriate, eventual disposal to generate receipts to support the Authority's receipt programme. The strategy also recognises that there may be merit in developing a stronger policy of land acquisition if the County Council is to continue to benefit from a healthy level of capital receipts in the long term.
- 1.2 Detailed arrangements in relation to acquisitions and disposals are set out in the Acquisition Strategy and the Disposals Strategy.

### **2.0 Nature of a Strategic Land Asset**

- 2.1 A strategic land asset is a currently non-operational asset which has characteristics of considerable scale, value, impact and/or complexity. An asset may be viewed as strategic for the following reasons:
- **Size:** Sites that could be sold for building over 150 dwellings, involve an element of mixed use or are likely to be sold in more than one phase.
  - **Value:** Sites which may have potential to generate capital receipts with a value in excess of £5million.
  - **Impact:** Where the development of a given asset is likely to result in a step change for a local community in terms of level of development, associated community facilities etc.
- 2.2 Given the above characteristics, strategic land assets may typically come from part of the County Farms Estate, or when a major service asset is released; for example, part or whole of a secondary school site. It is also possible to view a programme of linked disposals arising out of a comprehensive Service Review as strategic where cumulatively the value

of the combined programme, development outcomes and/or a range of impacts on several communities is evident. An example of this might include the Hampshire Workstyle programme.

### **3.0 Approach to Site Release**

- 3.1 Given the character of strategic land assets, decisions to declare them surplus to requirements and to progress a disposal generally need to be handled carefully in a planned and co-ordinated manner. Often such sites can arise out of sensitive changes to service delivery (eg a school closure) or related to the proposed development of farmland at the edge of an existing settlement.
- 3.2 In the absence of windfall development opportunities due to changes in the planning system, land with development potential is likely to need to be identified through emerging Local Development Framework (LDF) documents. Where a site arises from a service rationalisation, the County Council needs to be clear about how its release enables the re-provision and enhancement of services, or perhaps the wider benefits associated with the provision of new community infrastructure facilities. In the case of prospective development of parts of the existing farms estate, the County Council adopts a responsive strategy, taking a lead from the relevant planning authority rather than undertaking a more active submission strategy.

### **4.0 Role of Public Developer**

- 4.1 The County Council may take the role of public developer on some of its strategic land assets. This can involve securing capital funding to implement a programme of primary infrastructure in advance of the development of the site by the private sector. Such infrastructure might include highways, utilities or other key services, or even advanced community facilities such as a school or structural open space. Such an approach allows a more co-ordinated and managed delivery of the site by presenting serviced development parcels to the market which are more attractive than those where strategic servicing needs to be undertaken. This supports a disposal strategy where a phased co-ordinated development and associated programme of receipts can be achieved.

### **5.0 Strategic Acquisitions**

- 5.1 Land and property acquisitions in recent years have tended to fall into one of two categories: a purchase for a specific operational purpose or an 'advantageous purchase' to meet one of the objectives set out in the Acquisition Strategy, such as enhancing an existing asset or protecting a property from inappropriate use. In part, this reflects the limited legal

- powers which exist in relation to the purpose for an acquisition, which must currently be for a specific functional purpose or for the economic, social or environmental wellbeing of the area (Local Government Act 2000). The budget for 'advantageous purchases' is currently limited to around £650,000 a year.
- 5.2 Notwithstanding the current approach, it is recognised that the County Council has, for a long time, been deriving considerable financial benefit from major purchases which date back a number of decades, largely through substantial capital receipts. With the expected introduction of a new General Power of Competence under the Localism Bill, and with a continuing generally depressed property market, it is opportune to consider whether or not it may be appropriate for the Authority to introduce a programme of strategic purchases.
- 5.3 In this respect, it is intended to undertake a review of the Acquisitions Strategy, and there are many areas to address. The precise nature of any new powers will be crucial. A clear set of objectives will be required; potentially covering investment purchases aimed at securing an income stream, strategic purchases aimed at providing major capital receipts through development well into the future, regeneration opportunities and the provision of new County Council facilities. Funding of any proposals is likely to provide a challenge.

## **Acquisitions Strategy**

### **1.0 Introduction**

- 1.1 This Acquisitions Policy describes the processes by which land and property are acquired by the County Council, the powers used, and the arrangements followed to ensure that acquisitions not specifically required for approved capital programme schemes do nevertheless support the County Council's Corporate Priorities.

### **2.0 Powers to Acquire**

- 2.1 The powers under which the County Council acquires property assets can be general or specific. General powers to acquire land and property stem from the Local Government Act 1972. These enabled local authorities to acquire property for any of their functions, or for the benefit, improvement or development of their area. Local Authorities were empowered to acquire land notwithstanding that the land was not immediately required for that purpose. The Local Government Act 2000 introduced additional 'wellbeing' powers which provide councils with the power to do anything which they consider is likely to achieve the promotion or improvement of

the economic, social or environmental wellbeing of their area. This includes the power to incur expenditure, including land acquisition.

2.2 There are more specific powers that support acquisitions for capital programmes or specific projects. Examples include acquisitions under the Highways or Education Acts.

2.3 As an authority possessing compulsory purchase powers, the County Council may also make compulsory purchase orders which, if approved, allow the Council to acquire by compulsion where acquisition by agreement has not proven possible.

### **3.0 Purposes of Acquisition**

3.1 Land and property acquisitions can occur when:

- a need is identified for the acquisition of a specific asset in response to an approved strategy, programme or capital project.
- an opportunity arises to purchase an asset where the County Council would secure an operational, financial or strategic benefit.
- an asset is transferred to the County Council pursuant to a legal agreement. Examples include where the grant of planning consent for a residential development requires the transfer of a site for a new school, (a site is then transferred to the Council under the Town and Country Planning Act 1990) or under the Highways Acts where an appropriate interest is transferred in respect of new road infrastructure.
- a County Council scheme is identified in a Local Plan which affects privately owned property that then becomes difficult or impossible to sell as a result of the scheme. The property is then said to be 'blighted', and owners are able to serve a blight notice or a purchase notice compelling the County Council to acquire.

3.2 Acquisitions are generally either planned or opportunist. Planned purchases are those where a specific need has already been identified, and opportunist purchases are those where a property is offered for sale and the County Council can see a clear benefit in acquiring it and has the necessary powers to do so.

### **4.0 Opportunist/Unplanned Purchases**

4.1 The County Council's budget usually sets aside capital funding (the Advantageous Land Acquisitions Budget) to enable it to acquire property which is unplanned, where no provision has been made within the Capital

Programme, but where there are clear public benefits from acquisition. Examples of property that may be acquired using Advantageous Land Acquisitions funding include:

- Opportunity purchases adjoining existing assets (eg land becomes available for purchase adjoining a school which has poor outdoor play space).
- Land of high conservation value, especially if under threat from development.
- Farmland to replace land lost to development, especially where acquisition improves the viability of existing farming units.
- Land that can be used for recreational purposes to replace coastal land given up as a result of coastal squeeze.
- Green infrastructure land that could assist in the County Council's Carbon Reduction Commitment, or assist in the carbon reduction supply chain (for example for biomass).
- Acquiring a superior freehold interest to consolidate an existing leasehold arrangement, particularly if significant capital investment is required in the asset.
- Opportunity purchases in advance of a major capital scheme (before scheme funding is allocated).
- Acquisitions to secure the relocation of un-neighbourly uses by agreement, particularly those associated with waste disposal/processing or mineral extraction.
- Blight or purchase notices served on the County Council which are accepted as valid.

## **5.0 Decision Making**

- 5.1 Other than in respect of minor land transactions where acquisitions are undertaken under delegated powers, all land and property acquisitions are approved by the Executive Member for Policy and Resources.

## **Disposals Strategy**

### **1.0 Introduction**

1.1 This Disposals Policy describes:

- the legal framework within which land and property sales are progressed;
- how decisions are made;
- key disposal principles and methodology; and
- 'special circumstances sales.

1.2 This Policy provides an overview of the process. More detailed Professional and Technical guidance is available to all officers who handle disposal cases, in order to ensure that sales are progressed in a consistent, transparent and fair manner.

### **2.0 The Legislative Framework**

2.1 The Power to Dispose

The County Council's main powers to dispose of land or property are contained within Section 123 Local Government Act 1972 and Section 233 Town & Country Planning Act 1990 (the latter is used for land held for 'planning purposes'). The term 'disposal' refers to both freehold and leasehold sales, and except in respect of short tenancies, all disposals must be for the best consideration that can reasonably be obtained. If the Council wishes to sell at less than best consideration, it must first obtain the consent of the Secretary of State (but see the General Disposal Consent 2003 below).

2.2 General Disposal Consent 2003

The Secretary of State has provided a general consent for disposals at less than best consideration in specified circumstances. These are:

- The Council considers that the purpose for which the disposal is being made is likely to contribute to the promotion or improvement of either economic wellbeing, social wellbeing or environmental wellbeing; and
- The difference between the unrestricted value of the property and the consideration being achieved does not exceed £2million.

2.3 Application of the EU Procurement Directives

Counsel has advised that the EU Procurement Directives apply to certain sales of Council owned land and property. The sales concerned are where the Council seeks to control the development that takes place on the land following the disposal. In these circumstances the Council in

theory gains a pecuniary benefit, and a Public Works Contract is said to have been formed. If the value of the completed development exceeds a certain threshold, an EU Procurement Directive compliant process must be followed.

#### 2.4 Late Offers

The Local Authority Ombudsman recognises problems caused by late bids. The Ombudsman has said councils are less likely to experience difficulty if exchange of contracts takes place as quickly as possible after a disposal decision is made. The point being made is that until a legally binding contract has been entered into, the Council must still consider late offers in order to ensure that the duty to obtain 'best consideration' is met.

- 2.5 In considering late bids, the Council must assess the likelihood of the late bid proceeding to completion in a timely manner, but also the possibility that it is being used as a spoiling or delaying tactic. In some cases it may be appropriate to ask the late bidder and other interested parties to submit best and final bids in a sealed envelope by a set time. The Courts, and the Ombudsman, have both accepted that councils must be able to 'draw a line' under the disposal process at some point. The Courts have indicated that provided councils take proper advice, follow that advice, and plainly do not act unreasonably, then Courts are very unlikely to interfere with council decisions.

### 3.0 The Decision Making Process

#### 3.1 The Role of Officers and Members

Minor disposals are authorised by Officers using delegated powers. However, above specified thresholds, all disposals require the approval of the Executive Member for Policy and Resources. Authority is sought either by a full report if the subject matter is complex or of high value, or more often a 'Routine Transaction' item on a Schedule reported to each meeting. Officers make recommendations to the Executive Member for Policy and Resources, including advice on best consideration, values (and under-values), criteria to be used in considering offers, and the potential of the proposal to achieve planning consent and proceed to completion. Local Members are informed of disposals in their Division, recognising the need for sensitivity in dealing with exempt information and any representations are reported to the Executive Member for Policy and Resources as part of the decision making process, who may also receive advice from the Buildings Land and Procurement Panel.

#### 3.2 The Role of Buildings Land and Procurement Panel

This Panel is an advisory Panel that advises the Executive Member for Policy and Resources in relation to building maintenance programmes, building and land management policies and strategies for development

(including major acquisitions or disposals), and corporate procurement activities and initiatives including e-procurement and e-tendering.

#### **4.0 Disposal Principles and Methodology**

##### **4.1 Fairness Consistency and Transparency**

The Local Government Ombudsman has said that most complaints about property sales arise where councils do not follow clear procedures with consistency. Another common feature of many complaints concerns a lack of transparency over the process. The Ombudsman has issued guidance that covers:

- obtaining professional advice;
- handling private treaty sales;
- informal tendering;
- dealing with late bids;
- dealing with revised bids;
- contract races;
- abortive negotiations (and costs);
- the disposal of public open space;
- Crichel Down sales; and
- the disposal of land at less than best consideration.

A Professional and Technical Procedures document has been produced which reflects the Ombudsman's guidance. It emphasises the importance of being clear and consistent about information the County Council will need from interested parties; the criteria to be used in assessing schemes; and the processes it will follow to reach a decision.

##### **4.2 Maximising Receipts and Minimising Costs**

Maximising sale receipts and minimising costs is part of the disposal methodology. If properties become surplus, are under-used, or are particularly expensive to maintain, then the possibility of selling them should be considered, even where there is still a need to provide services. It may be possible to deliver these from alternative premises that are better, less expensive and perhaps shared to reduce future running costs.

Prior to any disposal the County Council will usually take steps to improve the value of its surplus land and property, most notably by investigating the planning potential, and sometimes by securing a planning consent. However, obtaining a planning consent involves significant time and cost, especially if specialist consultancy advice is needed in areas such as archaeology, ecology, acoustics, ground conditions etc. Whilst achieving town planning certainty prior to marketing usually improves the value of the property, this needs to be weighed against the costs incurred in

achieving planning consent, and the potential costs of holding and maintaining the property in the meantime.

The Property Services Capital Receipts Panel comprises senior officers including the Strategic Manager, Assets and Development and the Senior Manager – Development Management. This Panel considers the planning and marketing options for all disposals in the current capital receipts programme. It balances speed, cost and value considerations to ensure that capital receipt forecasts are met, and the most appropriate sale methodology is followed in all cases. Where a degree of control over future development is considered necessary, this will be reported to Executive Member for Policy and Resources if this could lead to an EU Procurement Directives compliant disposal. The report will recommend criteria and weighting to be used in assessing offers received.

#### 4.3 Improving Standards of Development through Planning and Landowner Controls

Opportunities are taken to establish new and improved standards of urban design where this is important (for example to establish a 'tone' within a new growth area). Where the Council is disposing of property using the EU Procurement Directives, quality of design would normally be one criteria used in evaluating schemes.

#### 4.4 Methodology/Process

Property Services has prepared guidance for asset managers in the form of a Professional and Technical Procedures document. The Disposals section seeks to ensure transparency, consistency and fairness in disposals, and assists in achieving best consideration. For most disposals this methodology includes:

- Preliminary work - including checking Legal Title; securing/confirming an authority to dispose; investigating offer-back requirements; assembly of supporting information and commissioning specialist reports; establishing vacant property management arrangements; communications (including local Members).
- Planning/Marketing Work - including preparation of Development Briefs/Design and Access Statements/planning applications; preparation of draft contract for sale; consideration of marketing and disposal options (eg auction, private treaty, informal tender); possible application of the EU Procurement Directives; criteria to be used in considering offers received; assembly of the sales particulars/marketing pack; the advertising strategy; circulation of details to Applicants Register; use of the Property Services website for marketing.

- Consideration of Offers - including evaluation of bids against agreed criteria; obtaining informal advice from the local planning authority; negotiations with offerors to improve schemes, and ensure they comply with town planning requirements; recommendations to Buildings Land and Procurement Panel and Executive Member for Policy and Resources; dealing with late offers.
- Legal Agreement - including instruction of lawyers; negotiation on detailed terms and conditions; monitoring progression against contract conditions.

## **5.0 Sales in Special Circumstances**

5.1 Most property disposals take place after properties have been fully marketed, and a purchaser has been selected following the consideration of competing bids. However, there are certain special circumstances when sales follow private treaty negotiations rather than marketing, and where the sale may not be at full open market value. The most common special circumstances sales are:

- Special purchaser sales to adjoining landowners, where there is potentially an increased value to the County Council's land as a result of marriage value.
- Special purchaser sales to adjoining landowners who either control or improve access to the County Council surplus property, and are therefore the sole or preferred developer.
- Sales to the voluntary sector in furtherance of County Council corporate priorities.
- Disposals to nominated Registered Social Landlords in receipt of housing grant support, and therefore able to progress affordable housing proposals in partnership with the Council.
- Sale to Members and Officers where it is important that any sale is shown to be an 'arms length' transaction that has been handled transparently and honestly. Even when these sales follow competitive bids, the fact that the purchaser is a Member or Officer should be identified to the appropriate decision maker.

## **Risk Management Strategy**

### **1.0 Introduction**

- 1.1 Risk Management is a modern management discipline and is about getting the right balance between innovation and change on the one hand and the avoidance of shocks and crises on the other. The Council is clear that it wants its risk management framework to deliver the capacity across the organisation to be more confident with risk so that we can use it to deliver the outcomes we want, even if this means taking more managed risk.

### **2.0 Corporate Risk Management Strategy and the Built Estate**

- 2.1 The County Council's Corporate Strategy for Managing Risk and Safety has recently been endorsed by the Risk Management Board and Cabinet. The aims of this strategy are to deliver improvements to the capacity for the Council to handle risk effectively and improve the handling of risk and achieving of outcomes.
- 2.2 The risk management strategy for 2011-2015 builds on the achievements of the previous strategy and responds to concerns of risk aversion by encouraging risk taking whilst adopting a proportional response to risk. Above all, it recognises that risk management is as much about exploiting opportunities as it is about managing threats, and that a certain amount of risk taking is both inevitable and essential if we are to achieve our corporate objectives.
- 2.3 The strategy sets the framework where all strategic risks are systematically and consistently managed. Property Services operates a risk register for the landlord risks to the built estate which is reviewed annually. The strategic risk profile informs the allocation of resources to ensure that resources are directed at the highest and most significant risks with assurance that the buildings remain safe to occupy. Over the last five years, it has been agreed to direct the majority of funding towards the highest priorities relating principally to fire, condition of building fabric, asbestos, structural collapse and electrical safety.

### **3.0 Business Continuity and Emergency Response**

- 3.1 The Civil Contingencies Act 2004 requires Hampshire County Council to ensure that it has prepared, so far as is reasonably practicable, to continue to provide critical activities and an emergency response during any emergency or disruptive event. A corporate software package has been introduced to ensure that the plans created are suitably managed including auditing, reporting and document control. The system also

enables communication via two way SMS or VOIP and that plans are stored remotely enabling managers to access documentation in the case of a failure of IT systems. Property Services have developed Business Continuity plans to cover events such as swine flu, adverse weather, flooding and pollution incidents. These plans assist managers to maintain services during difficult times. All plans have been tested as required by legislation and are on a two year cycle for exercising the plan with associated review.

#### **4.0 Insurance**

- 4.1 The arrangements for property insurance are reviewed annually and approved by the Risk Management Board. The County Council has opted currently to arrange buildings insurance to cover only the risks of fire, lightning and explosion. Therefore the majority of property risks are not covered by a commercial insurance company but borne by the County Council under a self insurance scheme. The cover for school buildings (except Aided schools) has been extended to cover major storm and flood where it is not covered by the monies delegated as part of the repair and maintenance budget.
- 4.2 If damage is caused to a building by a third party such as a contractor, the County Council will endeavour to recover the cost of repairing the damage from that third party if they are known. Systems are in place for recording full details of relevant incidents.
- 4.3 Related insurances are also reviewed annually by the Risk Management Board. To protect the County Council, all contractors and suppliers are currently required to hold minimum levels of insurance ie £10,000,000 Public Liability, £10,000,000 Employers Liability, £10,000,000 Products Liability (only required for supply of products/goods) and £5,000,000 Professional Indemnity (only required for design liability). Property Services has arrangements to appoint certain low risk trades with reduced insurance and these exceptions are documented for annual review by the Risk Management Board.

### **Procurement Strategy**

#### **1.0 Introduction**

- 1.1 This procurement strategy provides an overview of the County Council's approach to procurement in property and construction, and sets out the overall aims. Detailed guidance is available to all officers involved with procurement, in order to ensure a consistent approach which meets the County Council's approved rules and procedures.

## **2.0 Corporate Procurement Strategy**

2.1 The County Council has adopted a corporate procurement strategy, which was published in January 2010. This strategy sets the framework in which the County Council works to ensure that procurement delivers value for money across all services and directly contributes to the achievement of the Corporate Priorities and the aims of the Hampshire Sustainable Community Strategy. The County Council's ambition for procurement is to be recognised as a leading exponent of innovative, sustainable and modern procurement practice, whilst striving for continuous improvement in its performance.

## **3.0 Procurement Model for Construction**

3.1 The corporate ambition has been translated into a model which sets out a strategic approach to the procurement of all property related construction work. The model is based on a split of 70% best value procurement and 30% lowest price competitive tendering. The procurement routes fall into three broad categories:

- Competitive tender
- Single tenders and negotiations
- Framework and term contract arrangements

3.2 A best practice guide has been developed to ensure the consistent application of the approved approach throughout the whole procurement process. All activities must also comply with the County Council's contract standing orders and be in accordance with the financial delegations approved by Cabinet.

3.3 For all projects, it is acceptable to use only companies who appear on the Register of Contractors maintained by Property Services. These companies have undergone a stringent series of checks covering all aspects of the business before being allowed onto the Register. It is acceptable to use companies not on the Register of Contractors only where the works are of a specialised nature where an insufficient number of suitable companies appear on the Register and only then after preparation of a risk assessment.

## **4.0 The National Standard**

4.1 The County Council has been leading on the Construction workstream on behalf of Improvement and Efficiency South-East (IESE). Through this arrangement, it has been possible to share and further develop the procurement frameworks with a wider audience. The County Council continues to participate actively in collaborative procurement opportunities

at a regional level, and also now at a national level through the National Improvement and Efficiency Partnership (NIEP). A Procurement Process Guide is currently being developed through NIEP and particularly in relation to the Capital and Assets Pathfinder project.

## **Facilities Management Strategy**

### **1.0 Introduction**

1.1 This strategy:

- Sets out recent progress in developing a quality FM service for the County Council.
- Establishes a framework for further enhancements, which include integrating new areas of service, extending to other County Council buildings and working in partnership with other public service providers.

### **2.0 Recent Developments:**

2.1 The FM service has completed the roll out to office buildings around the County which is enabling greater efficiencies in office cover, business processes, and contract arrangements. It is also supporting the extension of the Workstyle programme. The roll out has been achieved with minimal disruption, and building users have experienced a smooth transition. This has increased the FM headcount to over 90 staff across the county and has increased the knowledge and expertise in the team. This roll-out was achieved three years ahead of the original CMT timetable.

### **3.0 Further Developing the FM Service:**

3.1 The recent roll-out provides a platform to consolidate the service areas, deliver other projects and look at how to develop the business over the next three years. The FM service is therefore well positioned to respond flexibly to the changing requirements of the County Council as services, staffing numbers and building utilisation changes.

3.2 There are three main ways that FM is looking to develop its service including:

- 1 Integrating other FM related services.
- 2 Extending the scope of County Council buildings managed beyond office buildings, to include service delivery and other public facing buildings.
- 3 Working in partnership with other organisations both within Hampshire and with neighbouring authorities.

#### **4.0 Integrating other FM Related Services**

- 4.1 Work is underway to extend the services provided within FM, initially through the integration of the Hampshire Cleaning Service into the management structure. FM is also leading on the PrintSmart project in collaboration with IT, and will manage this contract on behalf of building users. Similar arrangements are being developed for the new HPSN2 contract, and further discussions are in progress to look at the most effective way to deliver the IT Desktops service. These activities will support the vision for FM to manage all services and equipment in the office buildings and support the corporate ownership of offices. This will enhance the flexible use of buildings and help ensure the delivery of a one stop shop for services.
- 4.2 Meanwhile FM is working closely with the businesses to help look at how the business processes can be improved to create efficiencies and support the delivery of an integrated service for the customer. Other work includes looking at ways to extend the despatch service to the Hantsdirect fulfilment function. There are opportunities to provide a scanning function within the FM post room to reduce the requirement for more costly ad hoc scanning. These activities form part of the business case for the re-development of the basement of Elizabeth II Court South which was previously occupied by the Data Centre.
- 4.3 Other opportunities are likely to arise and they will be considered on their merit with an assessment of their suitability based on their contribution to efficiencies, enhancement of the FM Service or their delivery of other corporate policies such as Workstyle.

#### **5.0 Extending the Scope to other County Council Buildings**

- 5.1 The original plan for FM concentrates on providing FM to offices. However the FM service has been providing some of its services to non office buildings including Hampshire Record Office, the Law Courts and Hampshire County Council staff based in hospitals. A pilot at the Winchester Discovery Centre provides an opportunity to learn more about the Library Service and other public facing buildings. Whilst there is little added value in providing ad hoc FM to individual local buildings without a local FM presence, there is likely to be some economy of scale to be gained by amalgamating the new Workstyle hub model with other buildings in the locality. This would further utilise the services and systems in place and help support the more efficient use of space. There are several drivers for extending services to non office buildings including the opportunities arising from the new CCBS department where libraries, museums, and country parks may benefit from FM support.

5.2 The County Council's customer access strategy is likely to lead to extended use of public access facilities, including libraries, which will require broader use of the building and therefore a greater management of the space through an integrated FM service. Wherever there is co-location of County Council services there is a potential Facilities Management requirement.

## **6.0 Extending the Scope to other Public Service providers**

6.1 There is the potential to extend the provision of core FM services to other public bodies. As the national Pathfinder project in Hampshire develops there will be the potential to co-locate public services in and around the Hampshire hubs. Where FM is providing services to the hubs, it may be cost effective to provide similar services for other buildings owned and managed by other public bodies. Whilst the Pathfinder may act as a catalyst for this, the principle can be developed without a formal Pathfinder project.

6.2 There is already extensive interest in the way that the County Council managed the Ashburton Court project and the development of an integrated FM service. The arrangements put in place for the delivery of FM, flexible working and workspace management have value for other organisations. These services are being promoted alongside other departmental services. Key areas of interest are around:

- Workspace and change management advice and consultancy
- Space optimisation studies and advice
- FM documents such as protocols, and service level agreements; and
- FM set up including governance, change management and business processes

## **Energy Strategy and Carbon Reduction Commitment**

### **1.0 Introduction**

1.1 In July 2010 the County Council adopted a Carbon Management Plan which sets down the short, medium and long term targets for carbon reduction over the next five, fifteen and forty years, with a 20% and 40% reduction in the short and medium terms and a goal of achieving carbon neutrality for the County Council by 2050. The targets were set against a backdrop of the Government's Carbon Reduction Commitment Energy Efficiency Scheme (CRC), the Aalborg Commitment 3.3, and the Government's carbon reduction targets aimed at cutting national carbon emissions by 80% by 2050.

- 1.2 CRC was introduced as a mechanism to drive down the CO<sup>2</sup> emissions of around 5,000 large organisations in the public and private sectors. By introducing a 'carbon tax' on CO<sup>2</sup> emissions the Government hopes to reduce the emissions of these organisations by at least 8% by 2020. Currently, carbon tax will be levied at £12 per tonne of CO<sup>2</sup> emitted, which for the County Council means an annual tax of around £1.5million starting this year (2011/2012). Initially this rate will be fixed for the first two years of the CRC, but is likely to rise in future when the price of carbon will be set by auctioning the 'carbon credits'.

## **2.0 Achieving the Targets**

- 2.1 Programmes of work and energy reduction projects to achieve the short term target of 20% (from 2008 levels) by 2015 are already in place and, as part of this programme, a number of alternative and renewable energy technologies have been adopted including biomass boilers, ground source heat pumps, a wind turbine, solar thermal installations and Solar PV installations. Initiatives such as the Hampshire Workstyle programme will also contribute to carbon reduction and energy saving by greater and more effective utilisation of our assets.
- 2.2 Whilst traditional programmes will continue to deliver carbon reductions and energy saving, projects aimed specifically at improving the County Council's carbon footprint are also being delivered. Early in 2009 a trial was conducted with an advanced boiler control technology on a number of sites in the non-Education Estate. The results of this pilot showed savings in energy in the order of 10-12% could be made by installing the controller to the 250 plus boilers in the estate - around 900 tonnes of CO<sup>2</sup> emissions annually. Over the summer of 2010, advanced boiler controls were installed to all suitable boilers in time for the new heating season. Data on the energy used by the boilers fitted with the controls is currently being analysed to calculate the reduction in carbon emissions.
- 2.3 A similar programme is planned for the Education Estate and procurement of the control equipment is underway. When completed later this year, these works are expected to achieve a further 3,200 tonnes of reductions.
- 2.4 Renewable technologies will also have a part to play in reaching the carbon reduction targets. To date, over a dozen small scale PV arrays have been installed on a number of County Council buildings to develop first hand knowledge of the installation process and to provide a test bed for the technology - a proof of concept. Careful monitoring of the systems has provided a detailed understanding of the installation requirements, performance, the maintenance required and electricity generation potential. Although not individually substantial in scale, each installation has delivered in operation the predicted levels of energy generation

resulting in a reduction in grid energy used by the buildings where the PV array is installed. It is clear that solar PV can deliver a useful energy saving in the form of electricity generated and used on site.

- 2.5 Accurate measurement of our energy use is vital to inform any energy and reduction strategy. During the latter part of 2010, in collaboration with the utility company British Gas, 'smart meters' have been installed across the whole estate which will measure - at half hour intervals - the electricity and gas delivered to each site. In total over 1,800 meters have been installed.

### **3.0 Hampshire Climate Change Partnership**

- 3.1 Through the Hampshire Climate Change Partnership, led by the County Council, the public sector organisations in Hampshire are developing a set of key overarching collaborative actions which will enable delivery of a step change in the effort to reduce the carbon footprint and to become more resilient to climate change.

- 3.2 At the Climate Change Summit on 9 December 2010, there was unanimous support for the narrative underlying the vision for the Partnership. The Partnership gave the following three energy outcomes the highest priority in terms of resource allocation and delivery timescales:

- Domestic Retrofit, including Area Based Insulation (ABI);
- Large scale Solar PV in the public sector; and
- Energy efficiency in public sector buildings.

- 3.3 The County Council began technical work on these options, which has led to the procurement of the ABI scheme and to the production of the business case for Solar PV. This work has been shared with the Partnership and a number of partners have recently announced schemes on their own buildings.

- 3.4 As a result of interest through the Hampshire Climate Change Partnership and a desire to progress the Solar PV issues, a viability study was commissioned in 2010. The viability study examined in some detail the technical, logistical and financial aspects of undertaking a large scale PV project of this type. A study of the buildings identified a potential 31,000 square metres of unutilised roof area across the County Council's non-Education Estate which could be suitable for the installation of Solar PV. A further refinement of this study by a Solar PV specialist surveying company has confirmed this data and has further informed the business case. It has shown that there are about 200 suitable locations, of which 8% are larger than 50kW in size.

3.5 In November 2010 a Prior Information Notice (PIN) was issued to engage the market and to test our assumptions on the costs, technical viability, industry capacity to install and further examine the possible delivery models. Using the data collected from the surveys and the information gathered from the industry via the PIN an outline business case was developed which demonstrates that a large scale PV installation programme:

- would be technically feasible;
- would produce financial benefits to the County Council; and
- could be delivered by the industry within the timescale required to take advantage of the current FITs.

The strategy now is to further develop the business case, so that the Solar PV initiative can be taken forward.

## **Climate Change Adaptation Strategy**

### **1.0 Introduction**

1.1 This strategy sets out the approach that will be taken in terms of County Council asset management to reduce the risks, or take advantage of the opportunities, that are presented by a changing climate in Hampshire.

### **2.0 Context**

2.1 The County Council has a great deal of experience in managing existing weather related risks and impacts, such as floods and storm events. However, evidence suggests that as a result of climate change, extreme events will occur more often, more intensely and in different places. This will be accompanied by underlying temperature increases.

2.2 These effects can be seen already in Hampshire. Changes in climate are likely to affect the whole of the Council's asset portfolio and the services and functions provided from them. Forward planning and risk management needs to take proper account of projected long-term changes in climate in order to adapt the property and land estate effectively and ensure business continuity.

2.3 Climate change has been recognised as the greatest long-term threat to the achievement of the County Council's vision that "Within a decade Hampshire will prosper without risking our environment". As such, the County Council is working to prepare the organisation for climate change by placing climate change considerations at the heart of the County Council's decision-making processes, policy development and operational activities. A climate change Adaptation Action Plan has been developed

which sets out the key actions that are needed by the County Council and its partners to address climate risks and opportunities.

### **3.0 Assessing the situation**

- 3.1 The potential impacts of climate change need to be understood for the entire life-cycles of all the County Council's land and property assets. A risk based assessment of climate related threats and opportunities should be undertaken for each significant asset. This can be achieved through the consolidation and integration of existing sources of information, such as flood risk assessments, coastal strategies and existing risk management frameworks. In addition, the County Council has a bespoke climate change risk assessment tool which enables managers to identify and prioritise threats and opportunities for service delivery in the short, medium and long-term. This tool should be applied to the Council's asset portfolio, on a case by case basis.
- 3.2 The risks and opportunities identified for each asset should then be prioritised and used as a basis for forward planning and risk management. Climate change risk management should be incorporated into existing asset management approaches, rather than considered in isolation to other risks and relevant factors.

### **4.0 Taking appropriate action**

- 4.1 The subsequent step involves identifying a range of potential responses to each of the priority threats and opportunities identified through the risk based assessment, for each asset. This process will result in a number of options for future individual asset management, and decisions will be needed on which are most suitable, and at what point. A cost benefit analysis can support this. Options for action include:
- *Adapting buildings and land*  
Buildings and land can be adapted through changes to management and maintenance of existing assets, retrofitting and refurbishing existing assets, and the specification, design and construction of new buildings or facilities.
  - *Living with the risks*  
The proactive adaptation of buildings and land may not be appropriate. It may be that for some assets, it is worth living with the risks. Preparedness can be increased, and contingency plans put in place to deal with issues as and when they arise.

- *Accepting change*  
The acceptance of change (or bearing of loss) could also be considered. This could mean accepting changes to the character of landholdings such as country parks. It could also mean accepting that some sites or properties may no longer be viable, or worth retaining in the long-term. Consideration would then need to be given to the disposal or alternative management of these assets.

4.2 A decision to 'do nothing' may be the most appropriate course of action at a given time. However, evidence suggests that timely and proportionate action to prepare for the impacts of climate change will help avoid substantial financial costs in the long-term. Although there are generally costs associated with preparing for climate change, the benefits of early action often outweigh such costs. The costs of adaptation can also be minimised through careful forward planning, and the maximisation of opportunities to act.

4.3 Analysis of the options and required responses will enable an appropriate programme of action to be developed for each significant asset, which looks to the long-term but also identifies actions for the shorter-term.

## **5.0 Timing and Uncertainties**

5.1 Many of the Council's assets could be significantly affected by changes in climate. However, even the most recent climate change projections contain an element of uncertainty about the expected extent and timing of impacts. It is important that the Council's management of its assets recognises this, building in a long-term view and planning to allow for timely action and decision-making. It should incorporate flexibility to respond to new climate knowledge or actual extreme events, and consider if any adaptation measures implemented in the short term will affect ability to adapt to the effects of climate change in the long-term.

## Part Three

### Asset Management Action Plan

#### 1.0 Developing a Vision for the County Council's Assets

##### 1.1 Positioning ourselves

The County Council has moved rapidly in recent years to a position where it acknowledges that there must be ongoing review of whether it has the property assets it needs now and in the future to meet the requirements of itself and others. It has moved from the more traditional position of separate department silo consideration of property assets, and in new initiatives such as Workstyle is demonstrating a much more corporate view and approach to asset rationalisation and joining up initiatives and opportunities.

The Authority is now looking to be ahead of the game in developing a more corporate view on the holding, management and future of its assets. As part of this the County Council is now considering new ways of acquiring, holding and divesting of its assets such as in the Capital and Asset Pathfinder initiative, the Community Right to Buy legislation and also exploring working with a cluster of neighbouring authorities in mutual strategic asset management. This is a key element for the County Council as it continues to deal with the impact of the current economic situation whilst demonstrating that it remains "open for business" and is looking and working towards the future.

##### 1.2 Willing partners

New ideas are developing rapidly in relation to public sector asset management, and the County Council should be in the vanguard of this, and should both influence and help facilitate change. Whilst there is much consensus on what needs to happen, there are differences in how much authorities and public bodies are in a position to move forward. This is often based around limitations of resources, both financial and staff. On this basis, the County Council is now looking to be a key player within those public bodies and partners who are already forming the "Coalition of the Willing". This will allow both the County Council and its partners to move forward on those asset management and rationalisation opportunities that arise and which meet agreed objectives and aims.

**Action 1.1:** To be in the vanguard of rapidly changing public sector asset management, developing an innovative approach for the County Council and playing an influential role with willing partners.

## **2.0 Establishing Improved Linkages**

2.1 This is a key theme throughout the Plan and underpins the whole strategic approach which is being promoted.

Asset efficiencies and service improvements often arise out of work to create better links between existing services, and between partners. These may occur as a result of ad-hoc initiatives, some locally and others developed more centrally. However, these linkages typically follow similar themes, and these can potentially be used to define a more strategic approach which can be rolled out more widely.

It is proposed to improve our thinking on these different themes so that they can be used to encourage services to explore these potentials further. The themes are:

- Integrated service provision and customer access facilities.
- Greater use of assets that have an entirely different primary function.
- Gaining wider benefits from existing services.
- Integrated back office facilities, such as storage of records, equipment etc.
- Opportunities to provide wholly new services not currently available.

Work within these themes is already ongoing. Examples include the Havant Public Service Village, the corporate storage project, Workstyle drop-in proposals, and policies contained in the recent County Farms Review concerning educational and therapy benefits to be derived from the Farms Estate. By developing and sharing our thinking and our learning in these areas, it will be possible to prepare improved guidance on how opportunities such as these can be identified and developed.

Action 2.1: Prepare guidance on best practice in relation to these themes so as to encourage service departments to identify and explore opportunities for improved linkages, both internally and with our partners.

## **3.0 Developing Client Asset Strategies within a Strategic Framework**

3.1 Evolving Services

The County Council and the services it delivers are in a period of unprecedented change. The future service offer will be very different from anything that could have been envisaged at the time most County Council assets were acquired or built. Most County Council services are currently the subject of major review, which will lead to significant changes in the

nature of services provided and the way in which they are delivered. In turn, this will impact on the property estate.

Consultations have taken place with service departments to understand their evolving services and probable future asset requirements. Whilst there is a significant amount of uncertainty resulting from the current reviews, a number of common themes have emerged, including:

- A reduction in available funding
- A concern to keep facilities open
- A recognition of the need to share facilities where possible
- Increasing involvement of the private and voluntary sectors in delivering services
- A strong desire to rationalise old or outdated assets
- A reliance on capital receipts to fund rationalisation of assets
- The need to plan services and assets so as to allow users greater personal choice
- The influence of modern technology, most notably the internet, on how services are accessed.

- 3.2 A Joined-Up Approach, Partnerships and Sharing of Premises  
Partly in response to the demanding targets now required to be met in terms of efficiency savings, new client asset management strategies are being developed across the County Council. It is now more important than ever that these asset strategies are developed in a joined-up way, both within the Authority and with partners. New asset strategies need to reflect the strategic framework set out in this Plan, and the Plan should be used to inform all strategic decisions relating to the property estate.

There are already a number of good examples of the sharing of assets, both within the County Council and with partner organisations. The recent Children's Centres programme has made good use of libraries and community centres. Libraries and other premises offer attractive drop-in facilities in support of the Workstyle Initiative. There has been a marked increase in community use of school sites. This theme needs to continue in terms of developing new client asset strategies.

There are also many examples across the County Council of effective partnership working. These partnerships are sometimes formed as a result of local initiatives; for example, the input of voluntary organisations with cultural and recreational premises. Or they may be formed in response to a more strategic approach developed centrally; for example, Adult Social Care and NHS Trusts. They can relate to a specific locality based service, to the delivery of a shared policy objective, or simply to the use of a single building to deliver a range of separate services in a more integrated and customer friendly way. The partnership approach, whether

with other public bodies, the private sector or the voluntary sector, will be a strong feature of any new strategies which are developed.

### 3.3 Current Key Policy Developments

There are several client asset strategies currently either being prepared or updated, and they are being developed having regard to the principles set out in this Plan. Three key strategies are:

- Learning Disability Services - It is recognised that many existing services and facilities no longer meet the needs of clients and, following extensive consultation, a major transformation programme is being developed. The programme will cover both residential care accommodation and day services facilities. The programme is being driven by the Government's "Personalisation" agenda, which places greater emphasis on the ability of clients to choose the services they wish to purchase.

Solutions for both residential accommodation and day services are being developed through a collaborative approach within the County Council and with a range of partners including health, the voluntary sector and Registered Social Landlords. A combination of new-build developments and improved existing facilities will be funded from capital receipts from the sale of a number of other existing buildings. It is intended that existing under-performing day centres will be replaced with a small number of "keystone" day services offering support to clients with high-end and complex needs, plus a greater number of "Community Link" day services, which will provide a lower level of support and will be located in town or local centres, where possible, either as part of a library or discovery centre or in other public buildings. They will operate in conjunction with other local facilities such as sports centres and community centres. It is expected that the County Council will, in future, only provide respite and crisis beds, working with Registered Social Landlords to provide longer term residential accommodation.

- Discovery Centres - the Authority has, for several years, had a strategy to roll-out discovery centres to major towns across Hampshire. Three have been provided to date; Gosport, Winchester and, most recently, Basingstoke. Discovery centres have at their heart a modern, vibrant library service, and supplement this with a range of other facilities such as museum and gallery displays, rooms for community groups and modern IT Learning suites, all supported by a coffee shop to enhance the welcoming and informal environment. They are used to deliver County Council services, such as registration services, and as a drop-in facility for staff under the Hampshire Workstyle programme.

Despite the current financial climate, there remains a strong aspiration to build on the success of the first three facilities and deliver a discovery centre to other major towns in Hampshire. The strategy for delivery of the discovery centres is being updated, having regard to lessons learned and the current economic climate. This will be used to evaluate opportunities at both Aldershot and Andover, which are viewed as the highest two priorities. Future projects will provide an ever greater opportunity to bring together a range of public services, which offer easy public access.

- The Green Estate - There is a current programme of work which aims to identify benefits that might flow from viewing all the County Council's rural landholdings as a single 'green estate'. The assets in scope, comprising the county farms estate, country parks, nature reserves, Gypsy sites and all other rural landholdings, are currently subject to different management arrangements. There are substantial synergies between these various parts of the portfolio and considerable scope for deriving benefits from a joined-up approach and perhaps common management.

The benefits to flow from the programme should include improved services, which in turn help to deliver the objectives of the County Council's wider Rural Policy. There should also be efficiencies from the better use of assets, improved land management, increased income and the sharing of staff and other resources. The pooling of expertise on commercial matters should be particularly beneficial; for example, in the submission of successful grant applications and in working with partner local authorities in terms of their rural estates.

Action 3.1: Ensure the County Council's strategic decisions reflect the policies set out in this Plan by raising awareness and establishing a monitoring regime.

Action 3.2: Ensure client asset strategies are developed within the strategic framework provided by this Plan by raising awareness and establishing a monitoring regime.

## **4.0 Developing the Strategic Framework**

4.1 In order to ensure continuous improvement in the longer term, the strategic approach itself needs further enhancement, with some of the key areas to be addressed being:

- Capital and Assets Pathfinder - There are already a large number of very good examples of partnership working and sharing of premises. Many of these have resulted from an ad-hoc approach, which can of

course prove effective but may also miss opportunities. The Capital and Assets Pathfinder Project aims to take a more strategic view of how assets can be shared and managed in a more collaborative way across public sector boundaries, in so doing reducing costs and improving service outcomes. The County Council has been one of six pathfinder pilots, and intends to continue exploring the potential for a pathfinder approach across Hampshire.

Action 4.1: Continue to explore the potential for a Capital and Assets Pathfinder approach across the county.

- Hampshire Workstyle - This project is having a significant impact on the sharing of space and reducing costs, both within the County Council and in partnership with other organisations. If anticipated service improvements and efficiency savings are to be achieved then it is crucial that the roll-out across the remainder of the office estate is implemented in accordance with the agreed accelerated timetable of completion by December 2013.

Action 4.2: Ensure completion of the roll-out of Hampshire Workstyle across the county by December 2013.

- Efficiency savings - Much has been achieved in a short space of time through the Corporate Efficiency Programme, but the need to continually review and identify savings remains. Asset rationalisation will continue to feature strongly in Phase 4 of the Programme, and this is currently being scoped. It is important that the asset rationalisation work stream continues to be developed, and that the activities within the work stream are consistently managed through the Corporate Programme.

Action 4.3: Develop a robust asset rationalisation work stream within Phase 4 of the Corporate Efficiency Programme and ensure that agreed efficiencies are delivered.

- New Financial Model - To be able to manage the County Council's property assets in a more strategic way, the Council's ownership model has needed to change from one that assumes service departments 'own' their property to an acceptance that assets are owned and controlled corporately. In approving the 'Hampshire Workstyle and Asset Management Efficiencies' report on 18 April 2011, Cabinet adopted this corporate ownership principle. However, further work is required on a supporting financial model that will need to:

- Ensure asset savings achieved are redirected to support the County Council's highest priorities.
- Encourage service departments to review their assets in order to generate asset rationalisations and reductions, through appropriate mechanisms for reward.

Action 4.4: Develop a financial model that supports the principle of Corporate ownership of property assets.

- Capital receipts - There will be a significant reliance on capital receipts in order to fund rationalisation of the property estate to meet service improvements. Market conditions remain against us, but capital receipts need to be maximised and all opportunities for securing receipts will be explored. The programme of receipts will continue to be managed in a robust way through the Capital Receipts Panel so as to ensure that agreed forecasts, currently £75m over a four year programme, are achieved.

Action 4.5: Ensure agreed capital receipt forecasts are met through robust monitoring arrangements.

- Maintenance Backlog - The extent of backlog repair liability within the estate, currently estimated at £652million, is not at a sustainable level and a change of strategy is required to enable the liability to be reduced. A significant proportion of the backlog relates to the Education Estate and includes £195million which has recently been assessed specifically to address the re-cladding of SCOLA 2 and 3 buildings. The non-Education Estate has had proportionately little investment for many years, leaving a number of issues unattended. An innovative approach to funding solutions is required, coupled with substantially reducing the size of the non-Education Estate.

Action 4.6: Jointly with Children's Services, to prepare a programme to address the maintenance backlog in the Education Estate and particularly the recently assessed requirement to re-clad the SCOLA 2 and 3 buildings.

Action 4.7: To establish a fundable cyclical core maintenance regime for those properties remaining in the non-Education Estate following the asset reduction programme.

- Schools Service Level Agreement - Hampshire schools have derived major benefit from the collective purchasing of property services under the current Service Level Agreement. Further considerable benefits can be expected in the future under a new SLA, and a new offer to school and Academies is being prepared for the period 2012/2017

which meets the new working environment around schools and looks to secure the major benefits from their collective and local purchasing power. A successful outcome is seen as vital if the estate is to be effectively maintained and improved.

Action 4.8: To prepare a new SLA offer to schools and Academies for the period 2012/2017.

- Climate change adaptation - This needs to be considered in the preparation of any new strategies. It is also important that a risk based assessment of climate related threats and opportunities is undertaken for each significant asset owned or managed by the County Council and options are identified for responding to these threats and opportunities.

Action 4.9: Develop an approach and timetable for undertaking a risk based assessment of climate related threats and opportunities for each significant County Council asset.

- Localism Agenda - The County Council will want to develop a positive response to new legislation in this area and will want to be pro-active in terms of engaging with local communities. There will be a corporate response, and this will need to be reflected in emerging client asset strategies. The proposed general power of competence may also create some new opportunities for the County Council, in particular increasing the scope for considering strategic purchases.

Action 4.10: Develop a positive response to the proposals for greater community engagement.

Action 4.11: Promote solutions for maximising benefit from the proposed general power of competence, including opportunity purchases.

## **5.0 Reviewing our assets - a Strategic Property Review Programme**

- 5.1 Once the property needs of service departments are fully understood and all the County Council's corporate asset requirements are clear, a process of property review can begin. The County Council's previous reviews have concentrated on identifying potentially surplus assets and the success of those reviews can be judged by the large capital receipt programmes that have been delivered. However, it becomes increasingly difficult to identify surplus assets without a more thorough analysis of building performance including its suitability for the intended use, its costs in use, its overall efficiency and how well it serves the needs of the County

Council's customers. It is proposed to initiate a new programme of property review that concentrates on these building attributes.

The property reviews will identify:

- Common performance criteria for all Hampshire County Council assets (eg thermal efficiency, accessibility, flexibility).
- Common performance criteria for different asset types (eg what makes a good library or a good day centre), these will need to be developed with the service departments.
- Specific locality based objectives for different services - again to be developed with the service departments.
- How well the existing assets measure up against these criteria, probably through the use of locally developed performance indicators.
- Options for improving assets and services, creating efficiencies, reducing revenue costs and reducing future liabilities.
- A methodology for presenting this information, so that both strategic and operational decisions can be taken objectively. This will comprise a standard property review data sheet.

Action 5.1: Develop a set of common performance criteria for all Hampshire County Council assets.

Action 5.2: Develop common performance criteria for different asset types.

Action 5.3: Develop a methodology for presenting property information so that strategic and operational decisions can be taken objectively.

Action 5.4: Implement phased programmes of property reviews.

## **6.0 Equalities Impact Assessment**

6.1 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.

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.

Action 6.1: Prepare a set of equalities principles that will guide asset rationalisation decisions in future Asset reviews.

## **7.0 Future Governance and Monitoring**

### **7.1 Governance**

The more strategic approach to management of the County Council's assets requires governance arrangements that reflect the Corporate nature of this work. It is proposed that the current Workstyle governance structure is adapted and used for this purpose. This will require changes to the current terms of reference of the Asset Management and Workstyle Panel and the Workstyle Board (both Officer only bodies), and the Buildings Land and Procurement Panel and Executive Member for Policies and Resources will continue their existing roles as set out earlier in this Plan.

### **7.2 Monitoring and Review**

The Strategic Asset Management Plan will be reviewed annually and the action plan rolled forward on a three-year basis. Six monthly updates will be provided for the Buildings Land and Procurement Panel.

Action 7.1: Amendment to the terms of reference of the Asset Management and Workstyle Panel to allow effective corporate asset management.

Action 7.2: Ensure reviews of the Plan and associated reporting occurs in accordance with the agreed programme.

## 8.0 Summary of Actions

Reference	Aspiration	Current Actions	Responsibility	Target Date
<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.	Strategic Manager	March 2012
<b>Establishing Improved Linkages</b>				
2.1	Client departments exploring greater opportunities for linkages	Preparation of best practice guidance	Strategic Manager	March 2012
<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	Strategic Manager	September 2011
		Establish monitoring regime	Asset Management and Workstyle Panel	December 2011
3.2	All client asset strategies to reflect the policies of the Plan	Raise awareness through, for example, targeted distribution and presentations	Strategic Manager	September 2011
		Establish monitoring regime	Asset Management and Workstyle Panel	December 2011

Reference	Aspiration	Current Actions	Responsibility	Target Date
<b>Developing the Strategic Framework</b>				
4.1	CAP...	(Review following DCLG pathfinder announcement)		
4.2	Hampshire Workstyle rolled out fully across County	Implementation of agreed projects	Asset Management and Workstyle Panel	December 2013
4.3	Delivery of agreed efficiencies through asset rationalisation	Development of a robust asset rationalisation work stream within the Corporate Efficiency Programme	Strategic Manager	September 2011
4.4	Adoption of a Financial Model which reflects the corporate approach to property ownership	Preparation of a new Financial Model	Strategic Manager and County Treasurer	March 2012
4.5	Delivery of agreed capital receipts forecasts	Robust monitoring arrangements	Capital Receipts Panel	Ongoing

Reference	Aspiration	Current Actions	Responsibility	Target Date
4.6	Sustainable levels of backlog maintenance in both the Education and non-Education Estates.	Preparation of a programme to address the maintenance backlog in the Education Estate, including the re-cladding of SCOLA 2 and 3 buildings.	Strategic Manager	March 2012
4.7		Establish a fundable cyclical core maintenance regime for properties which are to remain in the non-Education Estate.		
4.8	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.	Strategic Managers	December 2011
4.9	An understanding of climate related threats and opportunities for each significant asset	Development of an approach and timetable for the assessment programme	Asset Management and Workstyle Panel	March 2012
4.10	Greater community engagement in property matters	Preparation of a response to the Localism Agenda	Asset Management and Workstyle Panel	March 2012

Reference	Aspiration	Current Actions	Responsibility	Target Date
4.11	Maximising asset-derived benefits from the proposed General Power of Competence	Preparation of a strategy for ensuring maximum benefit is derived	Strategic Manager	March 2012
<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	Strategic Manager	December 2012
5.2		Development of common performance criteria for different asset types		
5.3		Development of a standardised methodology for presenting asset data		
5.4		Establish a programme for phased property reviews		
<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	Strategic Manager	December 2011

Reference	Aspiration	Current Actions	Responsibility	Target Date
<b>Governance and Monitoring</b>				
7.1	Governance arrangements in place to allow effective corporate asset management.	Bring management under the remit of the Asset Management and Workstyle Panel.	Asset Management and Workstyle Panel.	Immediate
7.2	The Plan is reviewed and updated regularly to maintain relevance.	Undertaking of Plan reviews in accordance with agreed programme	Strategic Manager	Ongoing