



Corporate Asset Management Plan & Strategy 2014

Background

This plan aims to provide a clear strategic direction for the management of SCC's property portfolio to ensure it supports the business objectives of the organisation.

The public sector is experiencing a time of significant financial pressure. The County Plan 2013 – 17 highlights that with reduced budgets and increasing demand for services it is clear that in the future we need to change how we work and what we do. Our assets can be an enabler to achieving this priority, and by working closely with services, partners and communities can help to deliver better, more efficient outcomes for staff and service users alike.

In addition to highways and amenity land, SCC's property estate comprises by type:

- 12 Offices
- 202 Operational properties
- 61 Tenanted farm holdings (including bare land)
- 4 Economic Development portfolio
- 267 Education establishments (including Academies)

Strategic Direction

To enable SCC's property assets to effectively and sustainably support the business, we are working towards the following aims:

- Centralise asset decisions, budgets and management via a corporate landlord approach
- Reduce space and property running costs by 25-30% via asset rationalisation
- Incentivise services to make space efficiencies via transparent cost data
- Review the estate based on proven business case of need and efficiencies
- Collaborate with public and voluntary sector partners to align property needs
- Ensure that customer need, service and property data is triangulated
- Migrate asset data into Atrium and develop an integrated property IT solution
- Establish an asset planning overlay on a geographical information system (GIS)
- Adopt flexible property solutions to meet changing service and customer needs.

Asset Rationalisation

It has long been identified that the Authority's property portfolio is generally in poor condition and in some cases not fit for purpose. Funding has never been sufficient to enable quick replacement and rationalisation of the portfolio. However, with the strong management and Member commitment to review the entire portfolio, this is being

delivered in phases, beginning with back office staff accommodation, where the biggest impact can be made.

SCC initiated a property rationalisation programme of the entire portfolio in 2011 which is being delivered in phased programmes, prioritised at a high level by property type, deliverable benefits and capacity for change. Each project relies on joint working with services and key partners, and will have its own mandate.

Among the education properties, the Pupil Referral Service delivery model has been reviewed and Members have approved a move to integrated area-based provision. This will necessitate the co-location over time of settings currently housed at numerous separate locations, and to date Members have agreed funding for new build provision in Bridgwater and Glastonbury. This co-location will enable the disposal of some premises currently in use.

This work will have a positive impact on the Council's carbon footprint and contributes significantly to main objective of the Council's Energy Policy, which is to improve the energy performance of the Council's estate. Property rationalisation and improving the energy efficiency of retained properties, through integrating energy efficiency into refurbished properties, energy efficient design of new buildings and where feasible, the installation of renewable energy technologies will create more energy efficient buildings, better work environments and reduced spend on energy.

The Council needs to ensure that, through this work, its accommodation meets minimum standards for health, safety and accessibility through this work. Standards may be nationally regulated or locally defined; and help to protect the Council from a number of risks such as judicial challenge, unplanned remedial works, or insurance claims all of which result in additional cost.

Offices - Smart Office

SCC's Smart Office programme is being delivered through close working with District Councils and other partners to co-locate back office functions in a shared hub in each of the 5 district areas, and providing drop-in bases in 8 other shared properties. New ways of working and mobile technology have reduced the staff to desk ratio to 60%, increasing efficiency. Delivery of the Smart Office programme is now in its final phase and it is delivering:

- Reduction of office buildings from 32 to 5
- New ways of working - accommodation and technology
- More collaborative/integrated working with partners
- Integrated customer access

Full details available via Smart Office Project Mandate

County Hall Strategy - Smart Office

The delivery of Smart Office in B Block at County Hall will mean that the two remaining blocks (A and C) will be vacated to enable the creation of a shared public sector hub on the campus including the relocation of Taunton Deane Borough Council, Health, Police, Probation, Taunton Library, Registrars, a number of central Government departments and other key partners. The hub will include a new public forum providing customer access to a wide range of services and facilities.

Full details available via County Hall Strategy Project Mandate.

Operational Properties - Smart Places

Operational properties provide accommodation for a diverse range of services from Libraries and Children's Centres to Highways Depots. Commissioners and Operational Managers have been reviewing individual services to identify future service delivery models. The rationalisation of operational properties is grouped as follows:

- Customer Access and Shared Assets Project - Face to face service delivery data has been triangulated with customer insight analysis and property performance data to develop a plan for shared customer hubs, including key partners, across Somerset. This project aims to reduce our face-to-face access points from 120 to 52 by 2018.
- Residential/Supported Living - Review under way to determine suitability of residential properties to comply with standards and service strategy.
- Depot Review - collaborating with key partners to identify sharing opportunities for depot space. To align with end of SCC's current Highways contract in 2017.

Full details available via Customer Access and Shared Asset Project Mandate.

Partners

Somerset is a wave 2 pathfinder in the Government's Capital and Asset Programme. In collaboration with our key public sector partners (Health, Police, Districts, Fire, Ambulance), the Shared Community Assets for Somerset Board aims to deliver significant savings and opportunities through a collaborative, pan-public sector approach to asset rationalisation and service transformation. The benefits will be even greater by encompassing Third Sector organisations in this model of collaborative working.

The Shared Community Assets for Somerset programme sits alongside a wider transformation/integration project to reshape public sector services in Somerset which aims to improve and protect services for face to face customers, increase efficiency, and generate economic growth. This is fundamentally changing the landscape of public sector asset management in Somerset. It aligns asset related initiatives and projects across local public service providers to the best effect for the local community.

Full details available via CAP 10 Year Implementation Plan.

Tenanted Farm Holdings

The county farm estate has been reviewed to identify holdings with no strategic value to the Authority, and to agree principles for future management of the retained farms. Disposal of surplus farms is progressing as planned, and annual receipts will continue to support SCC's capital programme.

Amenity Land

Land holdings have been reviewed to identify parcels with no strategic value to the Authority, and disposals have proceeded in accordance with Disposal Policy.

Economic Development Portfolio

These estates provide employment opportunities across the county and the estate management and economic development benefits have been combined through a management agreement with Torbay Development Agency.

Education Establishments

Education provision is delivered through a schools portfolio comprising Community Schools, Controlled schools, Foundations Schools, Voluntary Aided Schools and Academies. The Council is currently implementing a programme to provide integrated Pupil Referral Units.

Asset Management Policy and Practice

Our core principles are:

- the recognition that property is a corporate resource
- the portfolio must be sustainable and fit for purpose
- that there is clear corporate policy and direction
- the plan must provide a long term asset strategy
- that the portfolio use is maximised.

Organisational arrangements for asset management

The Council's assets are managed via an established structure of governance. Staff operate under the Council's code of conduct and decisions are controlled through a number of officer and Member meetings and its overall Corporate Governance.

The following documents and arrangements provide a framework that governs the decision-making and asset management action:

- Policy for the Acquisition of Property Assets
- Policy for the Disposal of Property Assets
- Policy for Community Asset Transfer
- Office Accommodation Standards Policy
- Financial Regulations
- Standards of Assessment for Investment Decisions
- Gateway Reviews
- Impact Assessments
- Sustainability Assessments
- Procurement Directives

Delivery of major programmes is managed through SCC's Corporate Change Programme, which ensures robust workforce engagement, change management and wider consultation.

Decision making and consultation

In addition to the above framework, the Asset Strategy Group discusses and makes recommendations on the key asset management issues and refers key strategic decisions to SLT and Cabinet.

The Council's Scheme of Delegation, including Key Decision and Non Key Decision Frameworks, the MTFP Process and Scrutiny Procedures all govern decisions taken by the Council in relation to assets.

Capital programme management

The County Council is a diverse organisation with a wide range of competing needs and expectations on it. These have to be managed in a rational and effective manner to ensure that as an organisation the Council maximises the use of the resources that are available. Services require assets, land, buildings, vehicles and infrastructure such as transport links and information technology to deliver services effectively to the Somerset population.

Property and other assets currently have a replacement value for insurance purposes of £990m. In some cases investment involves the creation of new or replacement assets in others, such as the highways infrastructure, the majority of the investment contributes to the extension of the useful life of the asset.

The premises related costs for the Council represent only 2% of its gross expenditure. The Capital Programme has traditionally spent between £10 and £15m on new build and refurbishment of existing buildings. Around £3m to £5m of capital receipts have been raised per annum through asset sales.

Managing properties in use

The arrangements for managing the Council non-school properties are in the process of changing from a devolved approach to a central FM arrangement.

The Council's Corporate Repairs and Maintenance budget, alongside a scheme for schools called BMIS (Building Maintenance Indemnity Scheme), provide the financial support to look after our properties and particularly schools.

A new term maintenance contract will be in place by April 2015 with a single contractor with a supply chain comprising local small to medium enterprises.

The contract for delivery of Property and FM Services through Southwest One was reviewed between 2011 and 2013. At the beginning of 2013 the new structure was established and Property Services are now delivered as follows:

- Asset Strategy - in house SCC Corporate Property
- Estates and Valuations - in house SCC Corporate Property
- Property Client - in house SCC Corporate Property
- Operations/Project Management - in house SCC Corporate Property
- Project Delivery - delivery via framework
- Hard FM Services - Southwest One
- Soft FM Services - in house SCC Business Support

There are on-going programmes of work for DDA, legionella, play areas, asbestos etc which will need to continue to ensure that our estate remains compliant.

Data management

The Council's new property management ICT system, Atrium, will go live 31 December 2014. Atrium will provide users with secure online access to property record data, CAD floor plans and the GIS land interest Terrier map. Following the implementation and migration of the Council's existing property records into Atrium, the system will be further developed during 2015 to encapsulate other datasets that will provide even better management information to help improve the efficiency, effectiveness, environmental performance and cost of the Council's property portfolio.

Performance management

The existing property data system does not provide accurate performance metrics for the property portfolio. The Council will require within the development of the replacement asset management system the reporting of an agreed set of metrics which will be able to be compared to other similar authorities.

We do however have a range of performance measures which are used, eg condition surveys, running costs, energy usage monitoring, suitability surveys.

Strategic Organisational Links and Dependencies

The Asset Management Plan/Strategy interfaces with and has dependencies on the following corporate strategies:

- Capital Strategy
- Energy Strategy
- Customer Access Strategy
- Somerset Growth Plan
- Schools
- Highways
- Service Delivery Strategies.

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