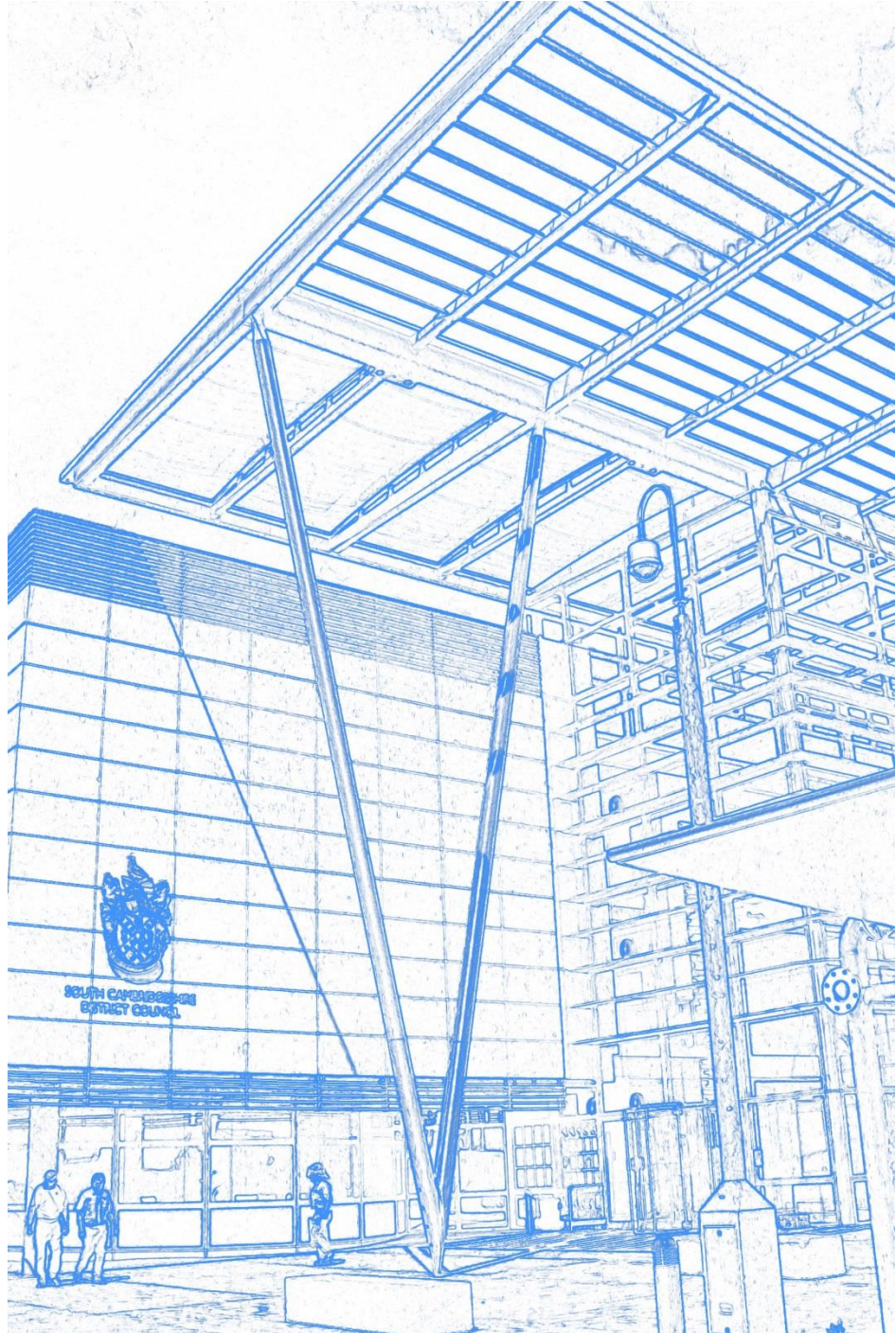


SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL CORPORATE ASSET MANAGEMENT PLAN

2016/17 – 2020/21



Corporate Asset Management Plan

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CORPORATE ASSET MANAGEMENT PLAN

1. INTRODUCTION

After its staff the Council's land and property is the next biggest resource. It is vital that this resource is managed and used effectively and efficiently to ensure that the Council derives maximum benefit from its assets in support of its strategic aims and priorities.

The continued pressure on local authority finances makes it more critical that the authority has a robust strategic approach to ensure the correct decisions are taken regarding its asset base.

The plan forms part of a suite of documents, including the Capital Strategy and Capital Programme, supporting and informing the Medium Term Financial Strategy and its budget for 2016/17 to 2020/21.

The Council will continue to challenge how assets are used, looking at other alternate options for asset use and service delivery to maintain front line services within the constrained budgetary framework which local authorities continue to operate within.

2. ROLE OF ASSETS

The use and management of the authority's assets can play a key role in the delivery of corporate and local priorities, as well as shape and influence the quality of life and sustainable economic growth for local people and businesses.

It is critical that the assets the Council retains are fit for purpose, provide value for money and meet and support the needs of both community and businesses. Decisions to invest and improve the asset base are made on the same robust and transparent basis. Assets will be retained where it can be clearly demonstrated they

- Contribute to the effective delivery of business provision, i.e. the condition and performance of the asset does not impede service delivery;
- Support and meet the social, economic and environmental well-being objectives of the community;
- Assist in the delivery of the Council's objective to deliver quality housing, economic growth and to benefit from partnership working opportunities
- Provide value for money in respect of current and future investment

2.1 The Council's largest asset group are housing dwellings, approximately 5,500, of which equity share properties account for about 370 of the total. These properties are rented, or in the case of equity shares sold, as they become vacant realising revenue income and capital receipts to the Council.

2.2 Other significant assets include land and buildings. The Council's purpose built office (completed in 2004) serves as an accommodation hub for the majority of the Council's services, the exception being the Shared Waste and Recycling Service based at leased offices in Landbeach. Two smaller hub offices are sited in villages within the district, approximately 180 smaller parcels of land and 45 communal rooms on sheltered housing schemes complete the land and building assets.

- 2.3 The third group of assets include vehicles and equipment, these include waste and recycling vehicles, various vehicles used as part of the awarded watercourses service and equipment, being primarily related to information and communications technology.
- 2.4 Infrastructure assets, primarily related to awarded watercourses, and Heritage assets constitute the final groups, the latter including civic regalia, vases and other small items which require little or no revenue cost in their maintenance.

3. KEY CHALLENGES

In developing a rolling 5 year plan the Council will need to have a flexible approach to take account and accommodate a variety of factors and challenges which will impact on the future of the asset base. In summary these include:

National view

Local Government settlement will continue to result in year on year reductions in available revenue and traditional forms of grant funding, all of which place increased pressure on how the Council uses and manages its assets in support of service delivery. This will continue to place greater pressure on the Council to improve the revenue it can generate whilst at the same time make revenue savings through disposals and improved usage of assets.

Housing Rents - from 2016/17 and beyond, a Government requirement to reduce rents by 1% for four years, initially from April 2016, will lead to an estimated loss of £1.1m income in 2016/17. Previous housing strategy assumed annual rent increases allowing for set aside for the repayment of debt and revenue funding support of revenue and capital expenditure.

Right to Buy receipts - the Council is subject to the revised agreement with the Department for Communities and Local Government (CLG) allowing the retention of some right to buy receipts, subject to a set of specific conditions. The agreement requires a maximum of 30% of receipts to be used to fund delivery of new social housing, the reduction of rental income has reduced the Council's ability to fund the remaining 70% from its own resources or borrowing. If retained receipts are not used appropriately on social housing they can be passed to registered providers or paid to central government.

Mandatory disposal of high value stock – government proposals issued in 2015 suggest local authorities should be required to sell any property that is valued in the top third for the area, on an open market at the point at which it becomes void; the proceeds from the sale of these assets being intended to fund the ability for right to buy to be extended to tenants of all registered housing providers.

Local Government Transparency Code 2014 – places a requirement on local authorities to publish and make available to local people data held and managed by the authorities, this includes data regarding the local authorities' assets. Details of South Cambridgeshire's assets are available to view on the Council's website and the information is updated on a regular basis.

<https://www.scambs.gov.uk/content/lists-and-registers>

Corporate view

Protection of key front line services; which will require the alignment of asset provision to service delivery to reduce operational costs and achieve necessary savings. This will necessitate greater shared use of premises, both within the Council and with other organisations and targeted investment to improve retained space, where it will result in demonstrable improvements in service delivery.

Housing stock condition and investment; in addition to investment to meet the housing stock decency standard, the Council invests in works over and above this for example in energy conservation initiatives and disabled facility adaptations. In view of the expected reduction in revenue and capital income from 2016 the level and type of investment in housing stock will be kept under review.

Local Plan; this strategic document sets out the policies and proposals which will lead the development and use of land in the district and provides an opportunity for the Council to consider its asset base and seek to ensure those assets support the district's sustainable economic growth.

Capital investment; details of the planned capital investment in the Council's assets are set out in the Capital Programme. Opportunities for future investment and access to external funding in support of the Council's assets and housing and community initiatives will be sought where appropriate, capital bids being considered on a case by case basis.

4. STRATEGIC INVESTMENT PRIORITIES

The Council is committed to use its asset base to deliver key strategic priorities, partnerships (*Appendix A*) with businesses, authorities and other organisations being integral to that process.

Office accommodation, Cambourne; investment in assets has enabled greater sharing of office space with partner authorities paving the way for future collaborations to assess service delivery for reduced operational costs.

Hub offices; change in asset use to align with service needs and delivery. The establishment of offices in the district to enable staff and partner organisations working remotely, on site or visiting residents to work from fully IT enabled business hubs.

City Deal; the partnership investment will see the delivery of local and government funding to secure improvements to transport infrastructure, the Council having committed to a £5.0m contribution in 2020/21.

Housing

New build schemes on six sites across the district are at offer, planning or development stages and will deliver an estimated 82 social housing units

Self Build Vanguard pilot authority will identify and prepare parcels of land that provide self-build opportunities.

Housing Development Agency; a local authority partnership initiative to deliver additional affordable housing, including working proactively with development companies.

Ermine Street Housing, a wholly owned subsidiary of the Council, will provide quality market rent housing to meet the recognised housing need in and outside the district, with a planned portfolio of 500 properties within five years.

Detail of housing projects and expenditure are included in the Housing Revenue Account Medium Term Financial Strategy and the Housing Strategy, and quarterly General Fund and HRA performance and monitoring reports are presented to Cabinet and the Executive Management Team.

New developments and growth; the Council is delivering sustainable new housing and communities at new settlements such as Northstowe through partnership working with various organisations including developers and local authorities.

5. FUNDING AND DELIVERY OPTIONS

For future investment in the asset base the Council will consider alternative and innovative solutions to supplement more traditional funding sources as part of the district sourcing strategy. All of the options below will continue to be looked at and where appropriate business cases will be prepared to develop these further.

- Use of specific grant and contributions e.g. in relation to infrastructure projects such as the Webbs Hole Sluice scheme
- Capital Receipts are projected to be £22.8m over five years to 2020/21, part of which is allocated to finance internal borrowing. Receipts are primarily from Right to Buy and equity share sales, with lesser receipts being realised from land sales.
- Invest to save, where there is a robust economic case and a realistic payback period using unsupported borrowing.
- Asset transfer to third parties such as housing associations, where organisations can take over and continue to deliver services previously provided by the Council.
- Shared accommodation and/or joint development with local partners
- New Government Funding and initiatives such as the Community Infrastructure Levy.

6. MANAGING AND MONITORING

The Council maintains an asset register of property, plant and equipment, including land and property held for sale and heritage assets. Land and property values are reviewed annually with a full revaluation every five years. Housing systems record planned and response maintenance against individual properties, works being contracted through a formal tender process in accordance with the Council's Contract and Procurement Policy, a 30 year Housing Revenue Account Business Plan forms the basis for managing and funding both capital and revenue programmes. Housing performance against the decent homes standard is shown in Appendix B.

Asset performance will be monitored through performance indicators some of which are reported through the Council's Strategic Performance Management System (CorVu), others, such as building performance, are reported to Executive Management Team and Cabinet as part of the Asset Management Plan, five year revenue and capital estimates enable planning for operational management and asset enhancements, see Appendix C.

Operational management of assets is undertaken as follows:

Housing Management Service;

- council dwellings
- equity share properties (General Fund & HRA)
- Ermine Street Housing
- land assets

Facilities Management Service;

- main office accommodation
- hub offices
- refuse & recycling depot
- heritage assets (Civic)

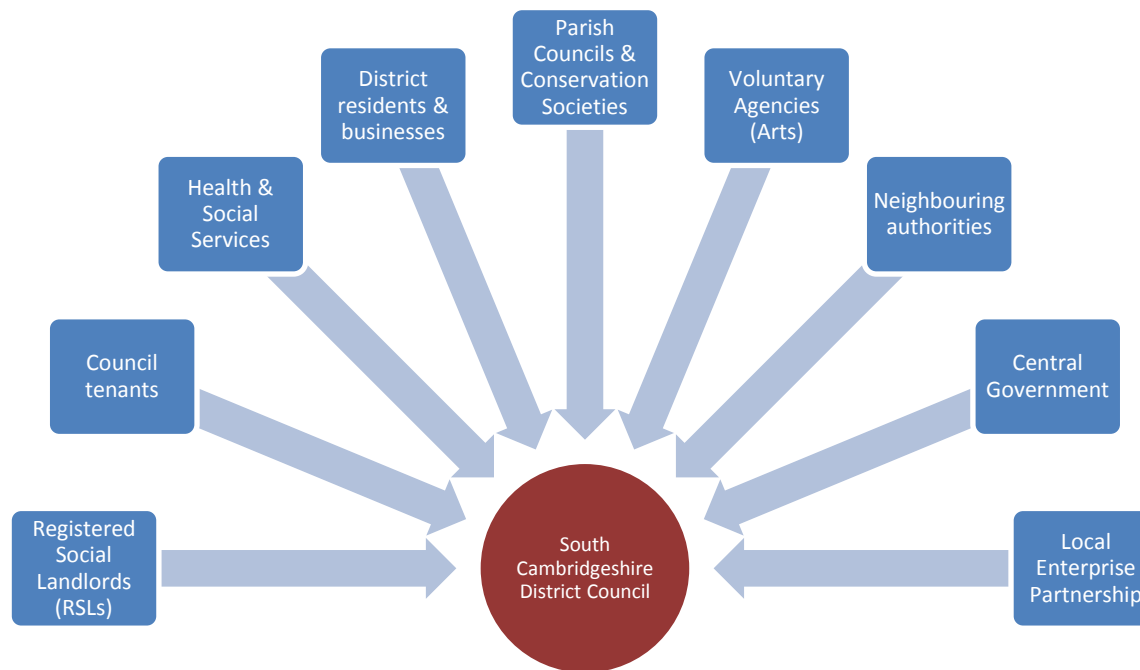
Health & Environmental Services;

- refuse & recycling vehicles
- street cleansing vehicles
- awarded watercourses equipment & vehicles
- air monitoring equipment etc.

Information & Communications Technology Service (shared service)

- ICT equipment and software
- Communications technology

South Cambridgeshire District Council – partnership working



How are the Council's assets performing?

Operational buildings stock condition survey

Housing	31 March 2016	31 March 2015	31 March 2014	
Dwellings at decent homes standard	-	91.5%	98.3%	
No. of home considered non-decent	-	449	90	
Asset Category	Condition Category 2015/16			
	A	B	C	D
Operational- Cambourne office	100%	-	-	-
Operational – hub offices	100%	-	-	-

Key

Category A: Good – performing as intended and operating efficiently

Category B: Satisfactory – performing as intended but showing minor deterioration

Category C: Poor – showing major defects and/or not operating as intended

Category D: Bad – life expired and/or serious risk of imminent failure

Office Accommodation- Cambourne & district office hubs	Estimate 2016/17 £	Cost per Sq.m ² (5,800 m ²) Estimate 2016/17 £	Estimate 2015/16 £	Cost per Sq.m ² (5,800 m ²) Estimate 2015/16 £	Actual 2014/15 £	Cost per Sq.m ² (5,800 m ²) Estimate 2014/15 £
Repair & Maintenance	152,990	26.38	133,000	22.93	51,811	8.93
Energy costs	116,490	20.08	110,940	19.13	71,942	12.40
Water costs	5,230	0.90	5,100	0.88	4,292	0.74

Cambourne office and district office hubs Revenue and Capital (five year projections)

Revenue Programme

Description	2015/16 £`000	2016/17 £`000	2017/18 £`000	2018/19 £`000	2019/20 £`000	2020/21 £`000
Income						
Rental income (office space)	(60)	(89)	(90)	(92)	(94)	(95)
Other income	0	0	(1)	(1)	(1)	(1)
Total Income	(60)	(89)	(91)	(93)	(95)	(96)
Expenditure						
Repair & Maintenance	133	153	157	160	164	168
Energy Costs	111	116	122	128	135	142
Water Services	5	5	5	5	6	6
Rent, Rates & Service Charges	425	425	433	440	447	455
Cleaning & Domestic Supplies	81	83	85	87	89	90
Insurance	10	16	16	17	17	18
Communications & Computing	59	73	74	76	77	78
Miscellaneous	1	3	3	3	3	3
Transfer to Reserves	0	5	5	5	5	5
Direct Expenditure	825	879	900	921	943	965
Central, Departmental & Support Services	139	158	161	165	168	171
Capital Charges	231	245	245	245	245	245
Total Expenditure	1,195	1,282	1,306	1,331	1,356	1,381
Net Expenditure	1,135	1,193	1,215	1,238	1,261	1,285

Capital programme

Description	2015/16 £`000	2016/17 £`000	2017/18 £`000	2018/19 £`000	2019/20 £`000	2020/21 £`000
Cambourne: Installation of LED lighting systems	25	0	0	0	0	0
Cambourne: fixed wiring improvements	30	0	0	0	0	0
Cambourne: Data Centre environmental controls	40	0	0	0	0	0
Cambourne: secure door access system	0	25	0	0	0	0
Cambourne: Meeting room relocation	0	50	0	0	0	0
Total	95	75	0	0	0	0

Administrative Buildings Maintenance & Improvement Cycle

Item/ area	2015/16	2016/17	2017/18	2018/19	2019/2020
Carpet ground floor (10 year cycle)	Housing area	Catering/ dining area	Call centre/ HIA areas	Meeting room / utility areas	Rec room
Redecoration (5 year cycle)	Public areas	Meeting rooms	Kitchen/ dining areas	Utility areas	Rec room/ washroom areas
First floor carpets (10 years)		Planning areas	Chief exec/ Comms areas	Meeting room/ members lounge	Chamber
Redecoration (5 Years)	Public areas	Meeting rooms	General office areas	Chamber	Washrooms
Second floor carpets (10 years)	IT/ HR/ Accounts areas	Public area	Trading standards area	EH areas	Mezzanine room
Stairwells 2 Years		✓		✓	
External Annual	✓	✓	✓	✓	✓
Replace ground floor lighting 15 year cycle		LED replacements			
Make good paviments' 2 year cycle 2 year cycle	✓		✓		✓
Steam clean all external walkways annually	✓	✓	✓	✓	✓
Clean sandstone chamber cladding 10 year cycle	✓			✓	

Replace public area cycle shed roof 20 year cycle		✓			
Replace Bin store area roof 20 year cycle		✓			
Re surface car park 10 year cycle	✓				
Re apply site white lining 10 year cycle	✓				
Repair exit equipment 10 year cycle	✓				
Upgrade car park lighting to LED 20 Year cycle				✓	
Upgrade access system 10 year cycle		✓			
Service access system		✓	✓	✓	✓
Service security cameras	✓	✓	✓	✓	✓
Replace/ upgrade heating/ cooling pumps 10 year cycle	✓		✓		✓
Replace comms room a/c unit 15 year cycle			✓		
Replace supply/ extract fan units 10 year cycle		✓		✓	
Service smoke detection system	✓	✓	✓	✓	✓
New A/V equipment for meeting rooms	✓				

Replace chamber projectors 5 year cycle		✓			✓
Kitchen equipment replacement 10 year cycle		✓			✓
Washroom equipment upgrade 10 year cycle		✓			✓
Meeting room furniture replacement 20 year cycle		✓			
Reception area furniture replacement 10 year cycle			✓		
Replace task chairs 10 year cycle		✓	✓	✓	✓

Housing Revenue Account Revenue and Capital (five year projections)

Description	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000
Repairs & Maintenance	5,471	5,550	5,624	5,693	5,774
Total Responsive and Cyclical	5,471	5,550	5,624	5,693	5,774

Capital Improvements, Acquisition and Re-provision of housing

Description	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000
Improvements - Existing Stock:					
Water/Drainage Upgrades	77	78	80	81	83
Disabled Adaptations	500	500	500	500	500
Fire and Extreme Weather	816	832	849	866	883
Change of Tenancy - Capital	500	624	637	649	662
Rewiring	306	312	318	325	331
Heating Installation	2,000	2,000	2,500	2,550	2,601
Energy Conservation	1,000	1,488	1,592	1,624	1,656
Estate Roads, Paths & Lighting	82	84	85	87	89
Garage Refurbishment	50	127	130	132	135
Parking/Garages	15	50	85	87	89
Window Replacement	260	265	271	276	282
Re-Roofing	428	437	446	455	464
Full Refurbishments	200	200	243	258	273
Structural Works	150	150	212	216	221
Non-Traditional Refurbishment	872	0	0	0	0
Asbestos Removal	33	34	34	35	35
Kitchen Refurbishment	714	728	743	758	773
Bathroom Refurbishment	306	312	318	325	331
Wilford Furlong, Willingham Refurbishment	933	644	0	0	0
Assumed adjustment in spend for varying stock numbers	0	(300)	(502)	(706)	(912)

Other Improvements:

Sheltered Housing and Other Stock	50	50	50	50	50
Flats	30	30	30	30	30
Central / Departmental Investment	7	7	7	7	7
Re-provision of Existing Homes	447	1790	0	0	0
HRA Acquisition and New Build	4089	2754	3862	3970	1500
Other HRA Capital Spend	571	555	555	703	381

Total Housing Capital Spend	14,436	13,751	13,045	13,278	10,464
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Further information is detailed in the HRA Business Plan and Five Year Maintenance Plan.