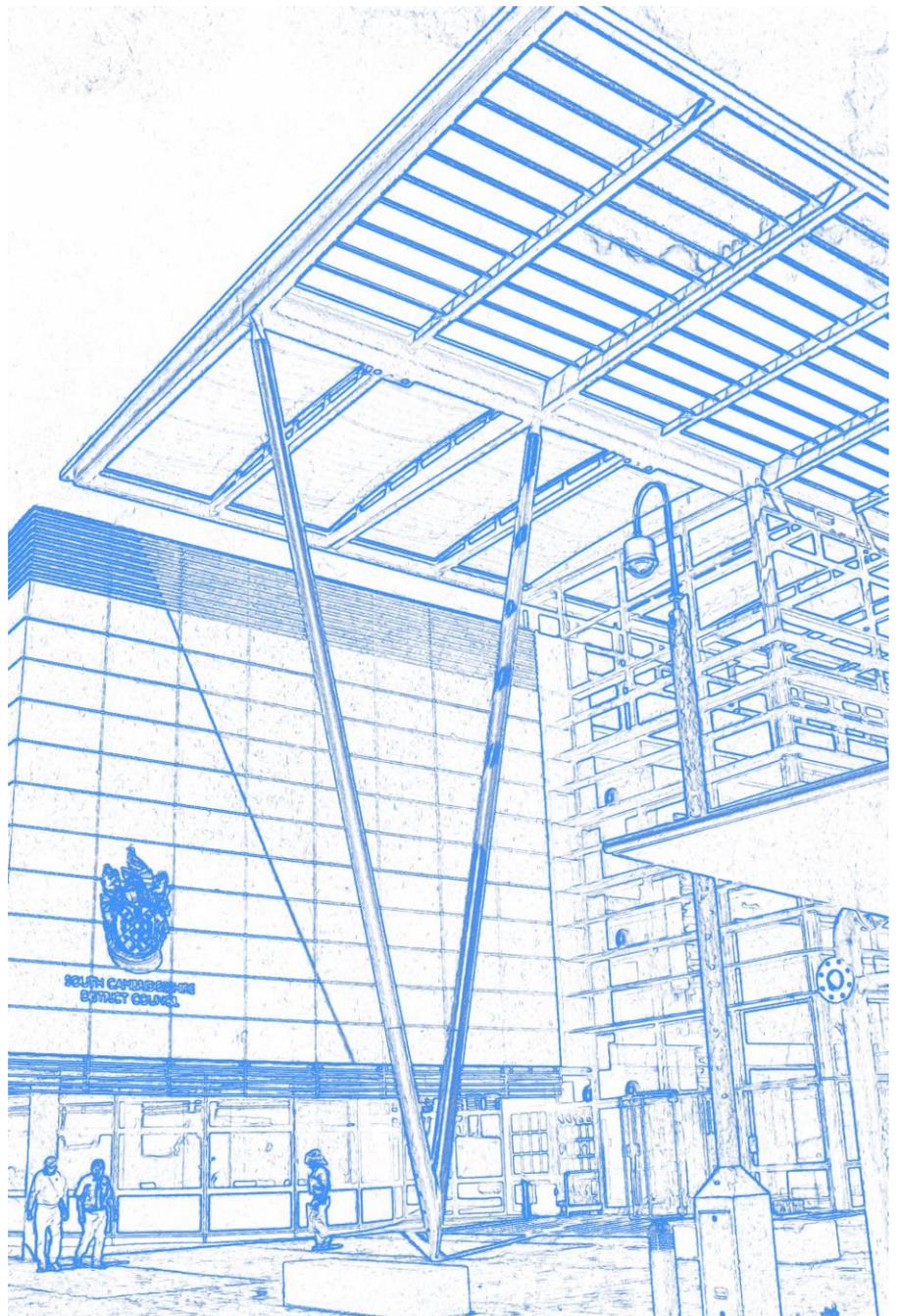




South
Cambridgeshire
District Council

Asset Management Plan 2009/2010 – 2011/12



DRAFT February 2009

South Cambridgeshire District Council
Asset Management Plan (AMP) 2009/10 to 2011/12

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1. Introduction

There are numerous definitions of asset and property management. This Corporate Asset Management Plan focuses on the following definition as set out in RICS's 2008 Public Sector Asset Management Guidelines:

“Strategic asset management is the activity that seeks to align the asset base with the organisation's corporate goals and objectives. It ensures that the land and buildings asset base of an organisation is optimally structured in the best corporate interest of the organisation concerned.”

Asset management can be described as 'making the best use of assets in terms of service benefits and financial return' (DTLR, Best Practice Guide, 2000). It has a long-term strategic dimension and is concerned with Council-wide management issues. In particular, it is associated with the following principles:

- An integrated approach between service areas and the corporate centre
- Separate responsibility for strategic asset management
- Explicit authority-wide objectives for holding property and other assets
- Changes to the portfolio consistent with corporate objectives
- A performance management system
- Sufficient data to analyse the performance of the portfolio and to make strategic decisions
- Allowing the Council to deliver in accordance with short, medium and long term priorities.
- This Asset Management Plan (AMP)
- Sets out the overall direction and framework for managing the Council's assets
- Pulls together cross-service issues into an authority-wide, corporate plan
- Is linked to the Council's corporate policies and priorities
- Incorporates the Key Issues of service property requirements
- Compliments the Council's Capital Strategy.
- Develops and updates South Cambridgeshire District Council's (SCDC) earlier Asset Management Plans.

2. What is an asset?

There are various different definitions of an asset but this AMP is concerned with the non-domestic property assets of the Council. This includes all the land and property (both owned and leased-in) that is operated to support the corporate objectives of the Council.

3. The benefits of good asset management

There are many benefits for a local authority, both financial and non financial, of good asset management. The following list sets out some of the benefits of good asset management, although it is worth recognising that at times these benefits may conflict with each other.

Good asset management can:

- deliver exceptional services for citizens, aligned with locally agreed priorities, whilst focusing investment clearly on need;
- empower communities and stimulate debate;
- improve the economic well-being of an area;
- ensure that, once built, assets are correctly maintained;
- Introduce new working practices and trigger cultural organisational changes;
- reduce carbon emissions and improve environmental sustainability;
- increase co-location, partnership working and sharing of knowledge;
- improve the accessibility of services and ensure compliance with the Disability Discrimination Act (DDA) 2005;
- generate efficiency gains, capital receipts, or an income stream; and
- improve the quality of the public realm.

Source: DCLG

4. What does good look like?

In the DCLG published guidance entitled; *Building On Strong Foundations - a framework for Local Authority Asset Management*, there is advise on what it considers good asset management looks like , these steps form the principles adopted by the Council in developing this plan, **see Appendix One**.

5. A Framework For Asset Management

Having a robust asset management framework that is able to align the Council's assets to the Council's priorities, and be flexible enough to meet the needs of those who use the assets is important. A schematic diagram which sets out the main structures and influences is shown in **Appendix Two**.

6. Scope and purpose

The Council's Asset Management Plan (AMP) is concerned with management of the Council's **non-housing** buildings and landholdings. The management of housing assets are dealt with separately in the Council's Housing Business Plan. This AMP covers a three-year period from 2009/10 to 2011/12. The AMP aims to:

- Ensure that all the Council's buildings are managed effectively, efficiently and sustainably.
- Provide high quality, accessible accommodation for the Council's staff and customers
- Ensure that use of the Council's assets contributes to corporate objectives and priorities

7. Background and context

7.1. Corporate policy context

The Council's corporate aims are:

- We are committed to being a listening council providing first class services accessible to all
- We are committed to ensuring that South Cambridgeshire continues to be a safe and healthy place for you and your family
- We are committed to making South Cambridgeshire a place in which residents can feel proud to live
- We are committed to assisting provision for local jobs for you and your family
- We are committed to providing a voice for rural life

The AMP will assist the Council in pursuing these objectives by creating a corporate process for optimising the contribution that the Council's property assets make to delivering quality services to the community. More specifically, it will:

- help to prioritise Council's decisions on spending on the estate
- integrate property and other asset decision making into the Council's service and ultimately, the corporate planning process
- identify opportunities for innovation
- provide a context for evaluating capital projects
- provide a basis for developing partnerships
- identify assets suitable for investment or disposal
- identify opportunities to increase income generation or reduce expenditure
- encourage innovative methods of securing service property requirements
- ensure value for money from the operation of the Council property portfolio
- ensure that the property portfolio is managed effectively and efficiently

7.2. Strategic links

This AMP is part of a suite of Council strategies and plans which set out how the Council will carry out its business, and as such the AMP should be read in conjunction with the Capital Strategy, and both are key elements of the Council's Medium Term Financial Strategy along with the Housing Business Plan (which is effectively the asset management plan for the Council's housing stock) and the Council's Performance and Service plans.

7.3. Financial context

The Council became debt free in 1996 and from that date was able to use its capital receipts to fund a significant capital programme, primarily delivering improvements to its housing stock. From 2004/05 the effect of national capital receipts pooling has been to reduce the value of receipts available to the Council for investment. Over the same period the number of Right to Buy house sale completions has reduced significantly (105 in 2002/03, down to 23 in 2006/07), so overall the availability of capital receipts to fund capital expenditure of housing or non housing projects is significantly reduced.

In 2005/06 the Council had its proposed Council Tax increase 'capped' by the Secretary of State and savings of £2.6m revenue expenditure over two years have to be delivered, resulting in cuts of almost 20% in the original budget. Pressure on the revenue budgets had already forced the Council to cease financing any capital expenditure from revenue and current forecasts suggest this situation will continue in to the foreseeable future.

These financial circumstances affect the Council's ability to invest in its assets and to maintain them into the future. As a direct consequence of the capping savings exercise, decisions were made to dispose of the Council's shopping car parks and to sell the leasehold for Milton Country Park. Negotiations for the sale of car parks are still ongoing; and the Council has selected Cambridge Sport Lakes Trust as its preferred bidder for the leasehold for Milton Country Park.

8. Asset management organisation

The Resources Portfolio holder acting under delegated powers considers reports on the Council's property issues and asset management as presented by the Corporate Property Officer (CPO). The Cabinet, Resources Portfolio Holder or CPO are responsible for making decisions on acquisitions, disposal and on the most appropriate use of assets to deliver the Council's policies. It also considers the capital programme each spring. The Council's strategic maintenance budget is part of the capital programme, and is a key element in the implementation of the AMP, underpinning the integrated nature of these processes.

The Senior Management Team (SMT) leads the officer contribution to strategic development and thinking in the Council and is currently made up of the Chief Executive, Executive Director and Improvement Manager. SMT meets regularly and receives reports from the Corporate Asset Management Team as necessary. They consider issues affecting the Council's Asset Management Plan. This includes an annual report on performance against property Key Performance Indicators (KPIs).

9. Corporate asset management team (CAMT)

9.1. Terms of reference

The CAMT will support the CPO and will constitute the senior strategic group dealing with property. It will have direct links with other groups as appropriate and will consider property from a holistic perspective.

The CAMT is the link between SMT and individual services with regard to asset management issues. The CPO chairs the group and members have a key role in the development, delivery and monitoring of the asset management plan. The Corporate Asset Management Team, through the CPO, advises SMT and Cabinet on asset management.

The CAMT comprises the following members:

- Corporate Manager – Affordable Homes – Stephen Hills ('Corporate Property Officer')
- Senior corporate finance officer to be agreed (previously Corporate Manager - Finance and Support Services – Rob Bridge)
- Property Services Manager – Brent O'Halloran
- Principal Accountant Financial & Systems - Sally Smart
- Finance Project Officer – John Garnham
- Planning and GIS Manager - Paul Grainger

The CAMT:

- Acts as the officer forum for consideration and development of strategic asset management issues within the authority.
- Makes linkages and demonstrates that the Corporate AMP, the Capital Strategy, and service plans compliment each other.
- Formulates and keeps under review a Corporate AMP on behalf of the CPO.
- Ensures that the Property Portfolio delivers value for money.
- Considers feedback from stakeholders following specific consultation exercises and best value reviews.
- Supports the CPO in consulting with users and stakeholders and takes into account views expressed throughout the asset management process.

- Prepares reports for the Senior Management Team and Cabinet on the performance of the Council's property and on issues relevant to asset management.
- Oversees the development of the Council's property data management processes and procedures.
- Monitoring the performance of the Council's property and challenges performance.
- Makes recommendations based on performance indicators on activities to improve performance.
- Facilitates the development of service asset management plans through property review and forward planning.
- Considers an annual programme for the strategic maintenance of the Council's property consistent with the Council's priorities.
- Develops and maintains a procedure for option appraisal and corporate prioritising between property projects as part of the asset management process.
- Critically examines the property requirements of stakeholder groups and makes recommendations to Cabinet.
- Ongoing review of the Property Assets of the Council making recommendations as appropriate on disposal options.
- Consults with service managers during the preparation of the Corporate AMP on behalf of the CPO.

Property issues are considered within a corporate framework and decisions can be made by members knowing that:

- A strategic approach has been adopted when dealing with issues such as acquisitions, disposals and investment in both maintenance and improvement of properties.
- Buildings are assessed for suitability for service provision both now and into the future.
- The optimisation of the use of both land and buildings is regularly under consideration.
- Buildings are managed in the most effective and economic manner.
- Capital receipts are maximised.
- Costs are minimised and value for money is a prime consideration

10. The role of the Corporate Property Officer

The roles and responsibilities of the Corporate Property Officer (CPO) are:

- Chairs the Corporate Asset Management Team.
- Leads the process for the preparation of the review of the Corporate AMP and ensures that this process is co-ordinated with that for the Capital Strategy.
- Incorporates and considers the Council's policies and priorities in the asset management process.

- Prepares and links service based property key issues to the corporate and service delivery plans and takes account of Best Value reviews.
- Consults with service managers, partners, stakeholders and users during the preparation of the Corporate AMP.
- Consults with service managers, partners, elected members, stakeholders and users during the management of the property portfolio.
- Maintains up to date records about the condition and suitability of the Council's property portfolio and the data management systems and indicators required to manage its performance.
- Regularly reports to SMT and the Cabinet on the performance of the Council's property portfolio.
- Leasing and Letting property on behalf of all services of the Council.

11. The role of the Senior Management Team (SMT)

SMT will:

- Undertake strategic management of the Council's assets and make recommendations to the Finance Portfolio Holder
- Allocate responsibility for operational assets to individual SMT members
- Make proposals for variation to revenue and capital budgets following revision of the AMP
- Systematic review and challenge of property use, provision and management
- Take into account stakeholder views about the Council's property assets

12. The role of the Finance Portfolio Holder (PFH)

The annually revised AMP is referred to the Finance PFH for adoption.

The Housing Services Portfolio Holder is responsible for determining small housing land parcel disposals and each parcel is considered at a Housing Services PFH meeting, following consideration of the options and consultation.

13. Working with partners

Members of the Corporate Asset Management Team maintain good working relations with other property holding public sector agencies in the district and, where appropriate, joint discussions about future options are held.

For example, in 2006/07 there have been joint discussions with Cambridgeshire Primary Care Trust (PCT) regarding the possible location of a mental health housing project in Sawston; and with the County Council and PCT regarding a new health and community centre at the Windmill estate, Fulbourn.

The Council is linked into the Cambridgeshire Property Forum, which comprises the County Council and other district councils and which facilitates information exchange and performance and cost benchmarking.

14. The Council's assets

What are the Council's non housing assets?

Description	No.	Area	Value (£m)
<i>Operational assets (used for the provision of Council services)</i>			
South Cambridgeshire Hall, Cambourne	1	5,500sq m	14.8
Shopping car parks (plans to dispose of two in 2009)	4		0.4

Table 1: Council operational and non-operational assets (values are approximate)

Please note: Waterbeach depot and workshop is leased by the Council for use by the Environmental Services team and Housing's Direct Labour Organisation (DLO).

15. Developing a corporate asset register

The Council has successfully transferred and converted its asset data on to the Northgate Land & Property Terrier System. It includes an Asset Register but this contains data on the Council's properties only at this stage.

Data on landholdings will be added once registration of the Council's land title is complete. Most of the Council's Registered titled boundary has been captured on the GIS system, together with disposed land and property boundaries.

Each property on the Terrier Asset Register System has been given a unique property reference number (UPRN). Data captured includes; description (inc. year built), Location, Floor space, Tenure, and Valuation. Other data relating to budget, operational costs and charges are held by Financial Services.

Due to technical problems, the link between textual data in the Terrier and spatial data on the GIS will not now be made as it was not cost effective to purchase a new version of the Terrier from Northgate.

The Council has completed a disabled access audit of its properties and all achieve full disabled access.

16. Maintenance and repair of existing assets

There is no maintenance backlog in respect of the assets listed above. However as South Cambridgeshire Hall is now five years old a full survey of the building is now required to inform future maintenance plans. Revenue expenditure and capital investment ensures that current and future maintenance requirements are met.

17. South Cambridgeshire Hall

The Council's Cambourne office is a purpose built premises designed specifically for the activities and duties of the Council. It was completed on 30 April 2004. The construction was subject to a defects liability period and works were undertaken by both the developer and contractor to remedy defects.

Service and maintenance contracts have been put in place for the following specialist items:

- the mechanical and electrical plant and equipment, including heating and ventilation;
- the air handling units in the ICT Communications Room;
- the ETFE polymer resin roof; and
- the moveable walls in two meeting rooms.

A full review of facilities management contract has been undertaken during 2008/09 and this has highlighted the need to revisit one of the 19 contracts during 2009/10.

Provision has also been made in the revenue budget for the Cambourne office for minor repairs and maintenance that may be required during the financial year.

£84,780 has been included in the revenue estimates for 2008/09 in respect of service and maintenance contracts, minor repairs and maintenance. Any major items of repair or other investment would require a report to Members and separate budget approval.

Responsibility for the building's facilities management transferred to the Property Services team on 2 January 2008.

18. How are the Council's assets performing?

Performance indicators

It is recognised that a key part of performance management is the introduction of the National Property Performance Indicators (PPI's). Results from the collection of data from the estimates 2006/2007 year, which follows the guidance contained in DTLR document; Single Capital Pot Guidance 2003 Annex C, is set out within this section. The Council's performance in relation to the five national PPI's are set out below:

PPI 1A – Condition of assets

% gross internal floor space in condition categories A - D

Asset Category	Condition Category			
	A	B	C	D
Operational – other land and buildings	100%	0	0	0
Non-operational general	0	100%	0	0
Non-operational surplus	0	100%	0	0

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.

PPI 1B – Backlog of maintenance

Backlog of maintenance by cost expressed i) as total value and ii) as a % in priority levels 1 - 3

Asset Category	Total Backlog £'000	Condition Category			
		A	B	C	D
Operational – other land and buildings	0	0	0	0	0
Non-operational general	0	0	0	0	0
Non-operational surplus	0	0	0	0	0

No backlog of maintenance exists to existing buildings

Key: Priority level 1: Urgent works
 Priority level 2: Essential works
 Priority level 3: Desirable works

PPI 2 A, B, C Non operational investment properties

Overall average internal rate of return for each of the following non-operational investment portfolios

Indicator	Category	Overall Average Rate of Return
PPI 2A	Industrial Portfolio	No assets in this category
PPI 2B	Retail Portfolio	No assets in this category as two shops have been disposed of in 2008
PPI 2C	Agricultural Portfolio	No assets in this category

PPI 3 Management costs

Total annual management costs per sq m (GIA) for the property portfolio

Indicator	Category	Annual Strategic Management Costs per SqM
PPI 3	Operational Property	£12.43
PPI 3	Non Operational Property	N/A

PPI 4 A, B, C, D Efficient use of assets

Indicator	Operational Buildings Occupied by South Cambridgeshire District Council	Cost per SqM Cambourne offices
PPI 4A	Repair & maintenance costs – based on £84,780 / 5,500 m ²	£15.41
PPI 4B	Energy costs – based on £98,340 / 5,500 m ²	£17.88
PPI 4C	Water costs – based on £6,510 / 5,500 m ²	£1.18
PPI 4D	CO ₂ Emissions - based on 537 CO ₂ Tonne per annum / 5,500 m ²	97.64 kgCO ₂ /m ²

PPI 5 A & B Delivery of capital projects within budget and on time

Qualifying Projects	Corporate Assets	
PPI 5A Cost predictability	% of projects where outturn falls within +/- 5% of the estimate	N/A (no projects carried out)
PPI 5B Time predictability	% of projects falling within +/- 5% of the estimated timescale	N/A (no projects carried out)

This data now needs reviewing and will form the basis of a PI programme for 2009/10 commencing with the survey of South Cambridgeshire Hall.

Benchmarking will initially be carried out by the CAMT by comparing the performance indicators of this Council with those in the asset management plans of other councils as appropriate. Membership of the Cambridge Property Forum should also facilitate good practice and performance comparison.

19. Options appraisal for corporate assets

The Corporate asset management team will use the following 'asset challenge model' against each of the Council's assets in order to determine whether it is:

- Fit for purpose?
- Offering value for money?
- Well located?
- Secure by way of tenure?
- Opportunities for partnering?
- Right size?
- Best utilised?

Assessment of these factors will lead to consideration of the following options:

- Retain and maintain
- Retain and refurbish
- Retain with alternative use
- Develop
- Dispose

20. Review of corporate assets

The Council has investigated the disposal of its four shopping car parks and two shops. A detailed options appraisal was carried out in respect of these sites – an update is as follows:

- Histon Car Park – Decision taken to retain car park for time being (as no interest from Parish Council (PC)).
- Linton Car Park – Offer of Lease accepted in principle by Linton PC.
- Melbourne Car Park – Freehold sale of site to Melbourne PC in progress.
- Sawston Car Park – No current interest from PC.

The Council selected Cambridge Sport Lakes Trust as its preferred bidder to run Milton Country Park. Transfer took place in 2008. The shops in Sawston were also sold during 2008.

Once the remaining shopping car parks have been disposed of this will eventually leave the Council owning just one significant non-housing building asset – South Cambridgeshire Hall.

21. Future developments

See Appendix Three – action plan

22. Housing Futures

At the time of writing this AMP the Council is currently consulting on the future ownership of its housing stock. Any transfer would have to be approved by tenants via a ballot. Whilst domestic dwellings are not considered in this AMP there would be ramifications to the Council if transfer of the stock went ahead. For example: Capital receipts from any sale could be made available for investment. Also, a significant number of Council employees currently based at Cambourne are likely to relocate with the new owners of the housing stock, therefore creating an under occupation issue for South Cambridgeshire Hall. Whilst this is still only a theoretical outcome at this moment in time, it is worth flagging as there could be implications on office space.

23. Best use of South Cambridgeshire Hall

The number of staff based at South Cambridgeshire Hall is set to reduce either as a result of transformation and efficiency reviews, as new methods of home working are developed or as a result of a transfer of Council housing to a housing association. Use of office space and the further potential to let office space will need to be considered and SMT during 2009/10.

24. Appendix One – What does good looks like?

Step 1: Asset management processes within the local authority

- Prioritise asset management at a senior level
- Ensure that asset management is adequately resourced
- Think corporately about asset management
- Involve elected members and designate a member of the Cabinet to hold the asset portfolio
- Ensure that there is a project management system in place
- Ensure that formal mechanisms are in place to engage with citizens and to collect, analyse and store the relevant property data

Step 2: Aligning assets with visions

- Ensure that the asset management plan is a medium to long term plan
- Link asset management with all other strategies
- Link the asset management plan to the corporate vision and statutory requirements
- Clearly outline the objectives for each asset
- Consider all options for all assets
- Work across boundaries to align asset management strategies

Step 3: Implementation of the Asset Management Plan

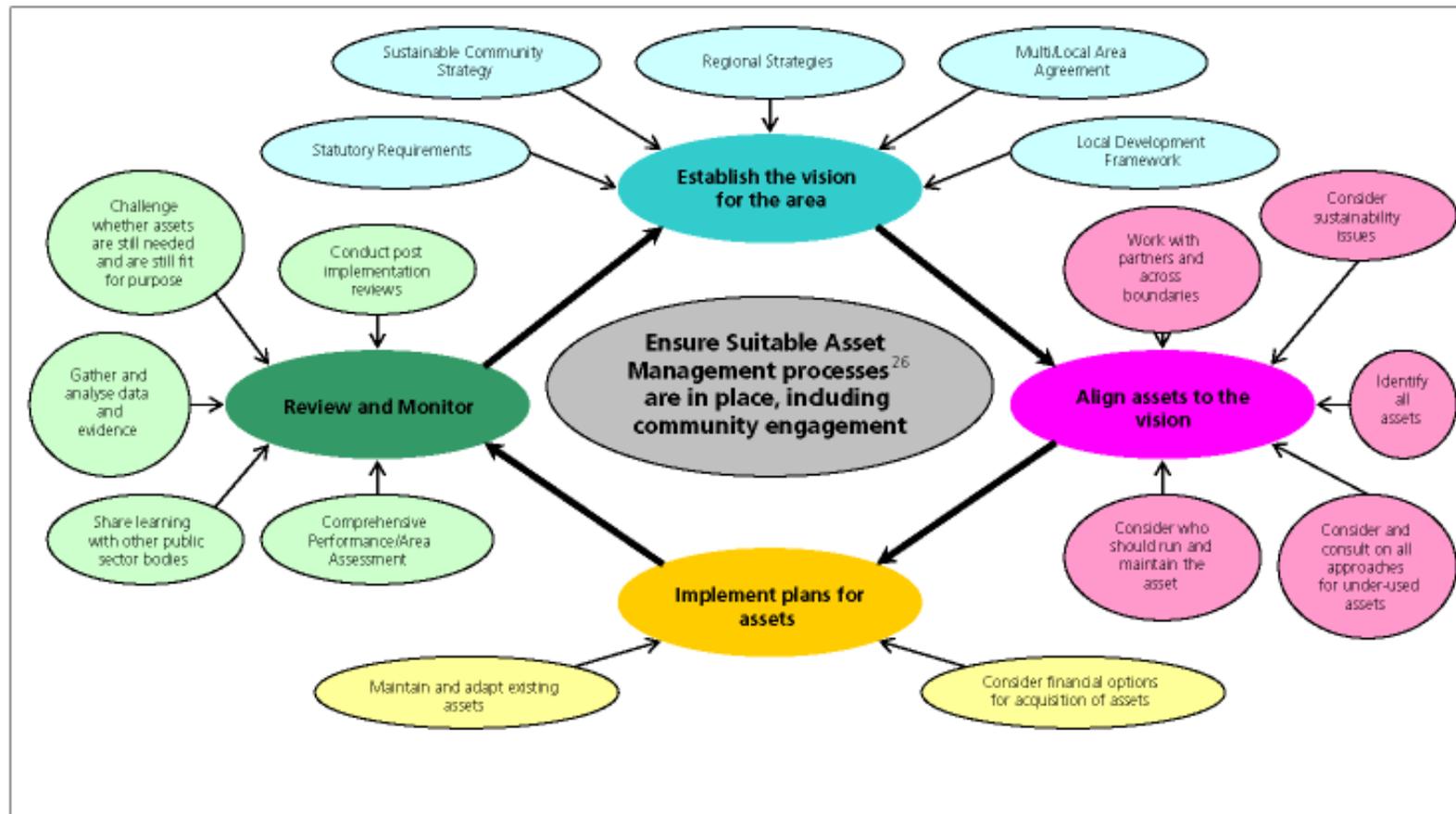
- Establish clear strategic approaches to the utilisation of space and flexible working, and co-location with partners and stakeholders
- Consider options for under-used assets
- Consider options for financing of new assets
- Maintain and adapt existing assets as needed

Step 4: Review and monitor process

- Periodically review corporate management arrangements for capital asset planning to ensure they are fit for purpose
- Conduct post implementation review of all capital projects that are undertaken
- Review processes following the Comprehensive (Performance/Area) Assessment
- Engage with other organisations and share learning to drive a process of continuous improvement

Source: *Building On Strong Communities – A framework for Local Authority Asset Management* – Published by DCLG.

25. Appendix Two - Asset management framework



Source: *Building On Strong Communities – A framework for Local Authority Asset Management* – Published by DCLG

26. Appendix Three – action plan

All to be overseen by the CAMT, with progress monitored and updated

Undertake full survey of South Cambridgeshire Hall	May 2009
Completion re tendering of final facilities management contract	July 2009
Undertake performance management project to review all PI data and to establish clear framework for supporting effective facilities management	July 2009
Final completion of registration of all Council landholdings with the Land Registry	September 2009
Undertake review of best use of South Cambridgeshire Hall	September 2009
Keep under review car park disposal programme	February 2010
Resources PFH and Cabinet to review AMP and CAMT annual report	February 2010