

Central
Bedfordshire
Council
Priory House
Monks Walk
Chicksands,
Shefford SG17 5TQ



**TO ALL MEMBERS OF THE
CUSTOMER AND CENTRAL SERVICES OVERVIEW & SCRUTINY COMMITTEE**

20 January 2011

Dear Councillor

**CUSTOMER AND CENTRAL SERVICES OVERVIEW & SCRUTINY COMMITTEE –
MONDAY, 24 JANUARY 2011**

Further to the Agenda and papers for the above meeting, previously circulated, please find attached the following late report:-

11. Interim Corporate Asset Management Plan

To consider the Council's Interim Corporate Asset Management Plan (CAMP) for 2011/12.

12. Disclosure of Exempt Information

To consider proposals, if any, to deal with any item likely to involve disclosure of exempt information as defined in the relevant paragraph 3 of Part I of Schedule 12A of the Local Government Act 1972 prior to the exclusion of the press and public.

**EX1. Interim Corporate Asset Management Plan - Exempt Appendix
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Should you have any queries regarding the above please contact me.

Yours sincerely

Leslie Manning
Committee Services Officer

telephone: 0300 300 5132

email: leslie.manning@centralbedfordshire.gov.uk

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Meeting: Customer & Central Services Overview & Scrutiny Committee
Date: 24 January 2011
Subject: INTERIM CORPORATE ASSET MANAGEMENT PLAN
Report of: Councillor Steve Male, Portfolio Holder for Customers and Systems and Assets
Summary: The report proposes an Interim Corporate Asset Management Plan (CAMP) for 2011/12

Advising Officer: Richard Ellis, Director of Customer and Shared Services
Contact Officer: Ian Brown, Assistant Director Assets (Interim)
Public/Exempt: Public
Wards Affected: All
Function of: Council

CORPORATE IMPLICATIONS

Council Priorities:

Sound strategic management of the corporate property portfolio contributes to the service needs, stewardship by, and efficiencies required by the Council.

Financial:

Financial benefits are identified particularly with regard to capital receipts from disposals

Legal:

None

Risk Management:

None

Staffing (including Trades Unions):

None

Equalities/Human Rights:

None

Community Safety:

None

Sustainability:

The plan will take into account meeting our carbon reduction commitment (CRC) obligations.

RECOMMENDATION(S):

- 1. that the Customer and Central Services Overview and Scrutiny Committee note the Interim Corporate Asset Management Plan (CAMP) for 2011/12.**

1. PURPOSE OF REPORT:

- 1.1 To provide Overview and Scrutiny Committee with an opportunity to scrutinise the proposed Interim CAMP for 2011/12.

2. BACKGROUND INFORMATION:

- 2.1 A report on development of the CAMP was submitted to the C&CS O&SC on 15 November 2010 who requested a short term (one year) plan be produced, with a medium term CAMP to follow during 2011/12.

3. ISSUES:

- 3.1 In particular there is a clear linkage with the surplus assets disposals list, and funding of the capital building programme.

4. DETAILED PROPOSALS

- 4.1 With the Assets' team now better engaging with Directorates a number of key themes have emerged in connection with strategic management of our property assets:
 - 4.1.1 Ensuring efficient, effective and sustainable use of land and buildings.
 - 4.1.2 Minimising the opportunity cost of holding land and buildings and where possible protecting the value of assets.
 - 4.1.3 Providing innovative accommodation solutions to service needs.
 - 4.1.4 Ensuring the Council's property assets are 'fit for purpose'.
 - 4.1.5 Ensuring financial returns from investment and surplus properties are maximised in the context of securing the Council's wider objectives.
- 4.2 In conjunction with the development of the strategic themes a number of key workstreams have been identified which form an integral part of the short term CAMP these are considered below.

4.2.1 Property Specific

4.2.1.1 Maintenance – there are a number of critical maintenance related issues with the current portfolio:

- The growing level of backlog maintenance within the non-schools estate (the current assumed level of backlog, of close to £50 million, is not considered sufficiently accurate and needs further challenge and review).
- The lack of funding available to reduce the backlog.
- The fact that limited planned maintenance is undertaken across the portfolio. It is essential that the accurate backlog maintenance position, including the level of medium to long term liabilities, is made clear in maintenance plans to inform capital investment or disposal decisions in the future. The outcomes from this workstream are due to be available by the end of first quarter 2011/12.

4.2.1.2 Corporate Property Database and whole life costing approach:

- The current portfolio (value £1.6 billion) is evidenced and reported on from three separate IT systems and one paper based system. The data held is not sufficiently comprehensive to enable the council to make key strategic or major tactical decisions. For a property landlord of this size we should already be taking a whole life costing approach to the use of our assets. The current position is unsustainable with the council entering a period of intense change affecting all services. A capital bid has been submitted for a comprehensive Corporate Property Database on a single ICT platform. The system is set to be specified, procured enabled and operating by fourth quarter 2011/12.
- The disposal sales target for this year is £1,870,000 of which it is anticipated £1.6 million will be completed before 31 March 2011. The remaining asset for disposal has been carried forward to the 2011/12 programme. Of the £6,110,000 probable target for 2011/12 £390,000 of assets may alternatively be considered by members for disposal at an undervalue. One asset valued at £750,000 may form part of a regeneration project within Dunstable. In addition to the probable disposal list two further assets valued at £750,000 have been identified which at this stage can only be regarded as possible disposals in 2011/12.

4.2.2 Corporate

4.2.2.1 An achievable objective of vacating all thirteen leased establishments currently used as corporate accommodation over the next four years, in order to operate from a maximum of two administrative headquarters buildings, has already been established. The objective, amongst other things, is heavily reliant on fundamentally changing our approach to the way the council operates. The intention is to pro-actively move to an industry standard, flexible working approach, including homeworking. Along with other major employers who have taken a lead we will also move away from the notion of personal desks to multi-user workstations and 'touchdown' areas. The approach will enable the council to further optimise its freehold office accommodation. Two separate operating pilots for 'home' and flexible working will be introduced during first quarter 2011/12 with main rollout for flexible working taking place before the end of fourth quarter 2011/12. Five of the leased buildings will have been vacated by the end of the 2011/12 financial year generating full year savings of £125k.

4.2.2.2 A formal property review process with Directorates will be developed (in the case of schools the suitability and sustainability testing regime is already in place) to ensure that our property most effectively enables service delivery. This process will be in place for the start of the new financial year 2011/12. Reviews will be completed and analysed in time for individual Service Asset Management Plan outcomes (inclusive of a target % portfolio reduction) to be fed into the budget build for 2012/13.

4.2.2.3 Property related budgets will be centralised for the start of financial year 2011/12.

4.2.2.4 Assets will work with Directorate colleagues throughout 2011/12 to ensure we meet the Councils Carbon Reduction Commitment (CRC) obligations.

4.2.2.5 Assets will continue to develop building related initiatives and business cases for invest to save projects to meet the Council target set out in the Carbon Management Plan. A number of energy reduction related projects are already included in the Corporate building capital block programme for 2011/12. These will start to ameliorate the significantly increased budget pressures arising from the increases in energy costs.

4.2.2.6 The (officer) Corporate Asset Management Group

(CAMG) will regularly property portfolio matters to a Members Reference Group consisting of Portfolio Holders for Finance, People and Governance, and Customers, Systems and Assets from the start of financial year 2011/12. CAMG will review current delivery of the Capital Building Programme with a view to bringing forward best practice programme development, procurement, project management and risk management by the end of second quarter 2011/12.

4.2.3 Directorate Specific

Assets will take a lead from Directorate Service Plans in considering detailed land and building issues as we move into 2011/12, the work will include:

- 4.2.3.1 Support to Children's Services in the Dunstable and Houghton Regis schools review through to decision making in November 2011. We will continue to support the schools' carbon reduction plan and input to the schools' sustainability design guide as part of the schools' organisation plan due for completion in early 2011/12.
- 4.2.3.2 Assets will also support Children's Services in processing applications from schools seeking Academy or Trust status throughout 2011/12. Dependent upon the volume of take up this work may be particularly resource intensive.
- 4.2.3.3 Assets will continue to support Sustainable Communities by acquisitions, disposals, development and lease agreements in the delivery of masterplans, Town Centre Redevelopment and other regeneration and economic development strategies throughout 2011/12. Where possible, the Council will contribute proportionately towards the costs of masterplanning where its land is part of a development scheme, subject to funding availability. Where CBC assets form part of the regeneration the Council will seek to maximise the value of any disposals.
- 4.2.3.4 Assets will continue to support the strategic BEAR Waste and Recycling facilities project.
- 4.2.3.5 Assets will work with Social Care, Health and Housing in reviewing the changing service needs in particular affecting Residential Care, Day Centre and community facilities throughout 2011/12. The land and building related impact of the major changes in health care announced by the Government will also be evaluated.

- 4.2.3.6 Assets will work with Housing colleagues to build upon the work undertaken to date in elemental programmes, supporting the development of wider housing environment work programmes. Potential opportunities identified for developing more efficient and effective corporate working throughout 2011/12 include the Corporate Property Database, and procurement of contracts. Assets will continue to advise on development and alternative use values for housing site disposals and acquisitions.
- 4.2.3.7 The Bedfordshire Chief Executives' Forum has also commissioned a workstream looking at optimisation of all public sector assets across Bedfordshire and Luton, under the Total Place banner.

5. SCOPE

- 5.1 The Interim CAMP is inclusive of the whole property portfolio.

6. FINANCIAL AND OTHER OPTIONS

- 6.1 Financial benefits and obligations will be identified as the various workstreams and objectives in the CAMP are completed.
- 6.2 The capital investment in a Corporate Property Database is the subject of a £300k bid to the 2011/12 capital programme.
- 6.3 The surplus property/disposals list with a probable target of £6.11 million capital receipts is set out in Appendix 1 (Exempt). Capital receipts received will be used to support delivery of the capital building programme.

Ian Brown
AD Assets (Interim)
13 January 2011

Attachments: Appendix 1 (Exempt) - Disposals

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