

meeting	COUNCIL	
date	18 JANUARY 2007	agenda item number

CORPORATE ASSET MANAGEMENT PLAN – 2006-2010

PURPOSE OF REPORT

To seek Council approval for the 2006-2010 Asset Management Plan.

BACKGROUND

The County Council's Corporate Property Strategy for 2006/10 was approved by Cabinet on 6 June 2006 and by Full Council on 29 June 2006.

The Corporate Property Strategy sets the strategic property management goals for the next four years to reflect the Council's Strategic Plan "Altogether Better". The strategy incorporates a vision which is based on good property resource management and establishes a framework in which targets and priorities are set and monitored to ensure that property facilities are the most suitable and operate in an effective and efficient manner and make the maximum contribution to service delivery.

The Corporate Property Strategy is supported by two policy documents, namely, (1) The Corporate Asset Management Plan and (2) The Annual Corporate Property Plan.

The Corporate Asset Management Plan gives information on detailed policies, objectives and action plans required to deliver the outcomes stated in the corporate property strategy and sets targets by which progress will be measured.

The document is reviewed annually and the projects necessary to implement the changes required to the property portfolio are recorded and managed using the Corporate Property Plan.

The Asset Management Plan document is attached as **Appendix 1**.

OTHER OPTIONS CONSIDERED

The option proposed is considered to be the most effective way of recording in advance the likely decisions affecting individual properties within the property portfolio.

RECOMMENDATION

That the 2006-2010 Asset Management Plan is approved by Council.

Councillor Chris Baron
Cabinet Member for Finance and Property

LEGAL COMMENTS (HD – 23-08-06)

The decision falls within the delegation to Council.

DIRECTOR OF RESOURCES' FINANCIAL COMMENTS (BD – 24-08-06)

The financial implications are as stated in the report. The Corporate Asset Management Plan reflects the Capital Strategy contained within the Medium Term Financial Strategy and Capital Strategy adopted at the County Council Meeting of 6th April 2006.

File ref.: CP/PHC/AM/1

Wards(s): West Bridgford Central and South, West Bridgford Central and South

Member(s): Cllr Barrie Cooper, Cllr Michael John Cox

SP: 621PF

Properties affected:

UPRN	Property name
29	County Hall

NOTTINGHAMSHIRE COUNTY COUNCIL

**RESOURCES DEPARTMENT
CORPORATE PROPERTY DIVISION**

ASSET MANAGEMENT PLAN 2006/2010

CONTENTS

1	Executive Summary	page 3
2	Introduction and Context	page 4
3	The Planning Context and Organisational Goals	page 8
4	Supporting Property's Contribution to Service Delivery	page 19
5	Modernising Procurement, Ownership, Management And Disposal	page 27
6	Challenging Occupation and Accountability	page 31
7	Managing Investment, Maintenance and Improvements	page 33
8	Enhancing Sustainability and the Environment	page 39
9	Improving Property Performance	page 41

ASSET MANAGEMENT PLAN
Part II of the Council's Property Strategy

This is the second document of three which set out the Council's property strategy.

This document defines the policies required to support and deliver the goals as defined in the Property Strategy document Part I.

The Asset Management Plan (AMP) defines the detailed policies, objectives and action plans required to deliver the outcomes required from the property strategy and sets targets by which progress will be measured.

This document is intended to address a 4 year time span, in line with the Council's Administration, but will be reviewed annually.

Intended Audience:

Corporate and Departmental Property Managers

1 EXECUTIVE SUMMARY

The ten key issues arising out of the Council's Property Strategy that the Asset Management Plan will address are set out below:

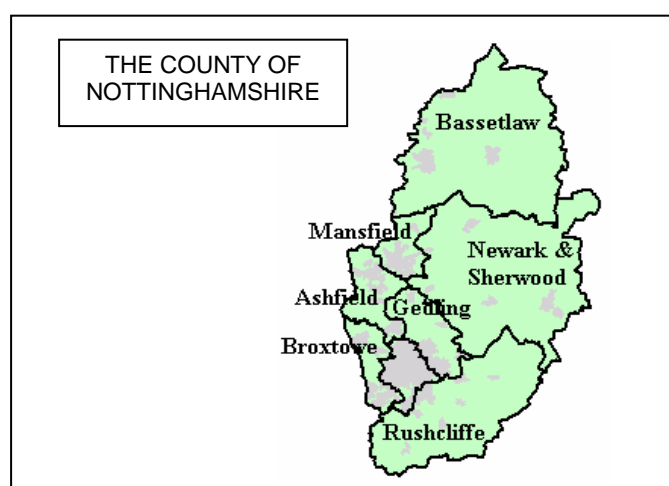
- 1) **ENHANCING QUALITY AND MATCHING PROPERTY FUNCTION TO SERVICE NEED**
- 2) **ENSURING THE PROPERTY RESOURCE SUPPORTS FUTURE SERVICE DELIVERY REQUIREMENTS INCLUDING E-SERVICES**
- 3) **REDUCING PROPERTY OWNERSHIP COSTS**
- 4) **USING LIFE CYCLE VALUE CALCULATIONS TO PRIORITISE AND TARGET INVESTMENT TO MAXIMISE RETURNS**
- 5) **ENSURING BUSINESS CONTINUITY THROUGH PROPERTY AVAILABILITY**
- 6) **ENCOURAGING PARTNERSHIPS AND JOINED-UP GOVERNMENT THROUGH SHARING PROPERTY FACILITIES**
- 7) **REDUCING PROPERTY OPERATING COSTS**
- 8) **ENHANCING THE QUALITY OF PROPERTY FACILITIES THROUGH ADEQUATE MAINTENANCE**

- 9) **DEVELOPING COMPLIANCE WITH RELEVANT PROPERTY LEGISLATION**
- 10) **PLANNING COMPLIANCE WITH ENVIRONMENTAL TARGETS AND STANDARDS**

2 INTRODUCTION AND CONTEXT

Nottinghamshire: Place and People

Nottinghamshire County extends to 208,520 hectares and is situated in the East Midlands region of the Country. Since Local Government Re-organisation in 1998, the County comprises seven Districts shown on the plan below. The City of Nottingham is now a Unitary Authority and is excluded from the County Council's responsibility. The total population within the County is 744,800, excluding those living within the City of Nottingham.



The main towns in Nottinghamshire are Mansfield, Kirkby in Ashfield, Sutton in Ashfield, Newark, Worksop and Retford. Approximately one third of the population lives in towns and villages with a population of less than 10,000.

The age structure of the population is generally comparable with the average for England and Wales with 16% over 65 and 29% under 25. There is a higher than average proportion of people aged 20-24 due to the presence of two universities in Nottingham. The very elderly (over 75) population is growing rapidly.

In 1991, the census showed that 1.5% of the population was from ethnic minority backgrounds that are widely distributed across the county. The Condition of Nottinghamshire 2000 report identifies local areas within the County that are classified as; urban, rural and coalfield areas. These have

been identified as placing significantly differing demands upon the services provided by the Authority.

Economy

The County's economy has traditionally been dominated by production and manufacturing industries. In recent decades the pressure of structural and economic change, globalisation, and the impact of technology has created great changes. The decline of coal mining led to the loss of 54,000 jobs whilst employment in the manufacturing sector of clothes and textiles halved between 1991 and 1999.

Some diversification has been achieved into areas such as the service sector, transport and distribution, food and drink, pharmaceuticals, healthcare and precision engineering. Unemployment has fallen recently to almost match national average levels.

The County has good communications with the rest of the country via main rail line connections from Nottingham, Retford and Newark. The County is served by the M1 running through part of the west of the County and the A1 in the east and north. The River Trent is navigable throughout Nottinghamshire providing routes for freight and pleasure.

Nottinghamshire County Council

Nottinghamshire County Council has 67 Elected Members across 54 electoral wards. The Labour Party has 38 seats, the Conservatives 25 seats and the Liberal Democrats have 4 seats.

The Authority has a Cabinet Structure which requires key Local Members, acting as Cabinet Members, to be responsible for defined portfolio areas such as Finance & Property and Social Services. These Members report to Cabinet and ultimately to full Council. Asset Management responsibilities lie with the Cabinet member for Finance and Property.

The Council owns property comprising some 1.3m sq. m. of floor space within 9,000 buildings on 1900 sites extending to 5,500 Ha of land ownership. The Authority's property (excluding roads and other assets) is currently valued for asset purposes at £1bn net, and costs in the region of £75m per annum to operate.

The Council's annual spend for 2005/06 was £738.8m net. This was used to deliver services to the local population which were provided by five departments. These being; Education, Social Services, Community Services, Environment Department and Policy and Resources Department.

A summary of the properties used across these service areas is:

Property Type	GIA (sq m)	Asset Value (£000)
Nursery and Primary Schools : 307	455,018	
Special schools : 15	24,273	
Community homes and family centres : 24	5,348	
Day centres for elderly : 30	24,149	
County Farms : 29	N/A	
Secondary schools : 56	591,564	
Libraries : 60	29,261	
Homes for the elderly & disabled : 20	34,574	
County offices : 17 and Other property	206,475	
3,932 Km of roads	N/A	N/A

The current maintenance backlog for the total portfolio amounts to £m for property, split; Education £m, Social Services £m, Community Services £m, Resources £m, Environment £m and Economic Development £m. The highways backlog is £m, plus £m for street lighting and £m for highway structures.

Summary of 4 year capital programme –

	2006/07 £'000	2007/08 £'000	2008/09 £'000	2009/10 £'000
Expenditure	164,663	162,014	135,296	88,959
Financed from				
Borrowing	80,719	74,323	12,569	33,059
Capital Receipts Grants and other funding	30,350	32,691	67,727	900
	53,594	55,000	55,000	55,000

The fixed asset figures from the consolidated balance sheet in the statement of accounts as at 31 March 2006 are:

Fixed Assets 2005/06 per Balance sheet (net)	£000
Intangible assets	1,940

Land & Buildings	914,686
Vehicles & Plant	7,628
Equipment Furniture & Fittings	39,433
Community	34
Infrastructure	282,264
Non Operational	40,714
Under Construction	16,533
	1,303,232

Not audited (as at 11.8.06)

3 THE PLANNING CONTEXT AND ORGANISATIONAL GOALS

The Community Strategy – All Together Better

The Council has completed a new community strategy informing the Strategic Plan for the period 2005-2009. The Plan contains priorities based on public aspirations moderated to reflect the statutory framework, key government priorities and available resources.

The plan is based on extensive consultation during autumn 2004 to the present time and is currently focused around 5 key themes:

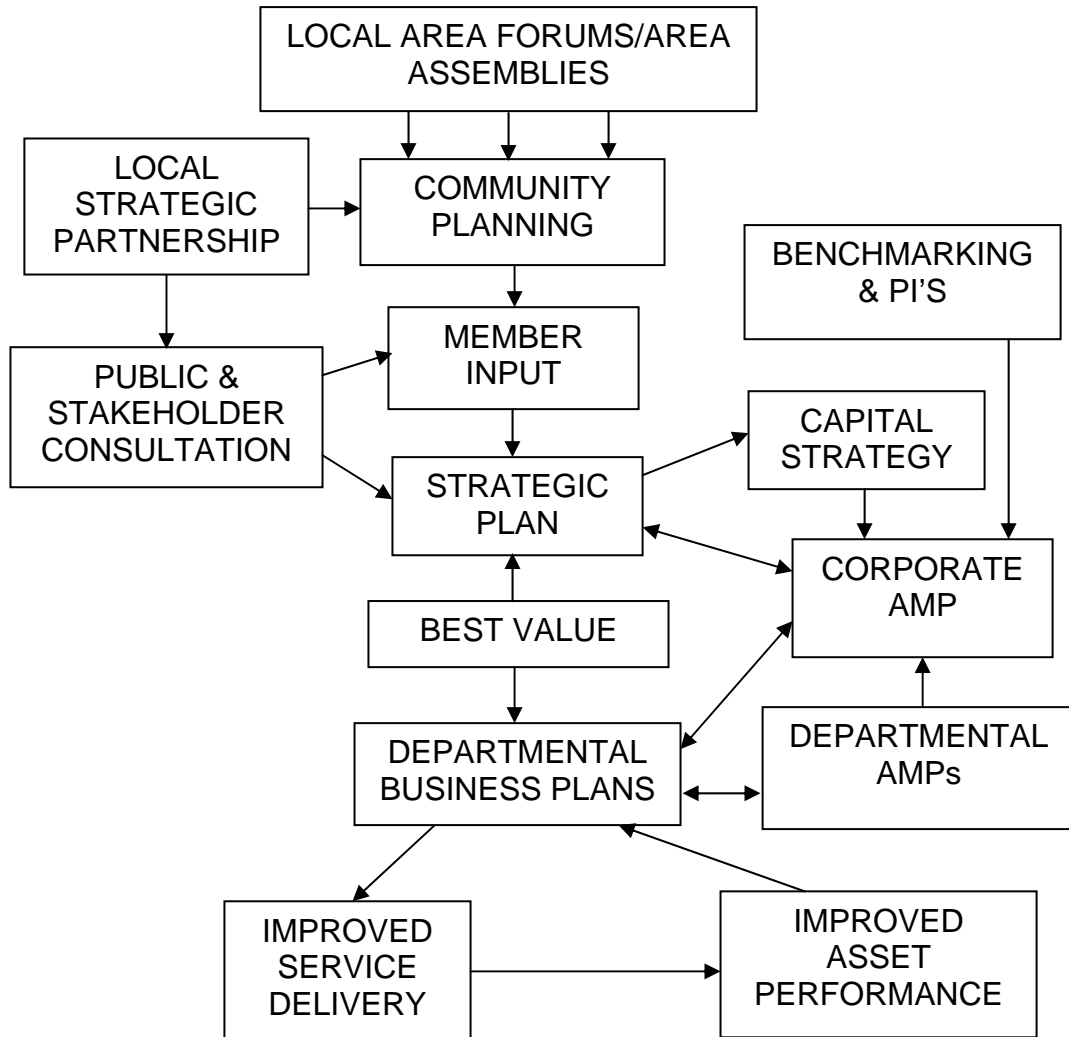
- **Safer and Stronger;** making Nottinghamshire safer, building a strong sense of community and enriching lives
- **Healthier;** improving health and wellbeing
- **Learning and Earning;** helping everyone to reach their potential
- **Cleaner and Greener;** protecting and improving the environment
- **Travel and Access;** travelling easily and safely and being able to access all the services people need.

The strategy is an inclusive one for the County as a whole and not just a management document for the County Council element of community development. We intend to work closely with the significant number of partnerships which have been developed with other statutory agencies and the voluntary and private sectors with a view to jointly ensuring that the benefits accrue to the whole community. The foundation principles of the Strategy are:

- Community involvement and participation
- Equality
- Sustainability
- Subsidiarity
- Quality and value for money

- Accountability
- Partnership

Planning arrangements for corporate asset management



Partnerships and Local Area Agreement

The County Council is the Lead Authority for the Local Area Agreement for the county area (The City Council is developing a separate LAA for its area). This will be developed through the Nottinghamshire Partnership, which will embrace all of the key partners including 7 District Councils, 7 Sap's, Police and Fire Authorities, Community and voluntary sectors, Strategic Health Authority, Jobcentre Plus, DAAT, Learning & Skills Council, REC, Connexions, Universities, Business Community (Chamber of Commerce, Business Link), Parish & Town Councils and the Rural Community Council. The agreement is looking at objectives falling into four service blocks:

- Children and Young People
- Healthier Communities and Older people
- Safer and stronger communities
- Economic development and enterprise

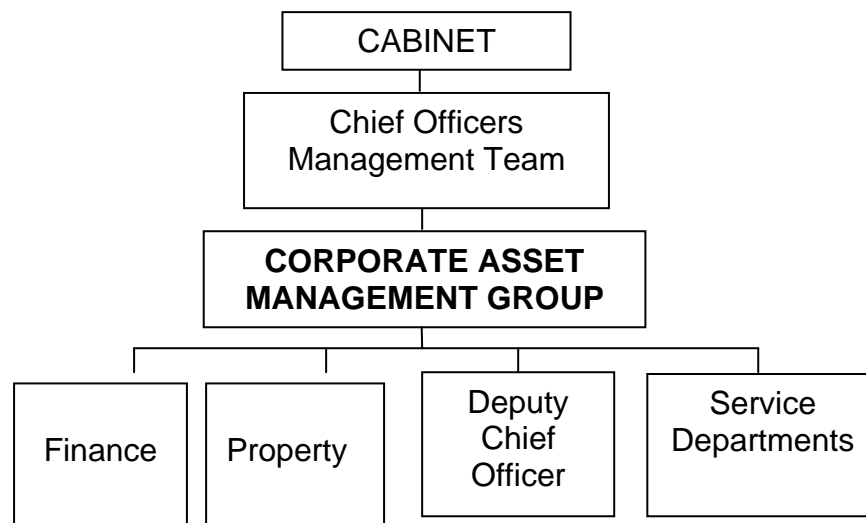
The LAA framework has created a partnership framework enabling partners to collectively deliver services which will achieve the outcomes. The Agreement operates over a three year period which initially commenced on 1 April 2006.

Annual Performance Plan 2006/07

The Plan describes how the Council has performed over the last year and sets out proposals for this year. The Council's use of its asset base is included as part of the Financial Management and an action plan for improvement is a fundamental component of this AMP following the completion of the Best Value Review of Strategic Property Management in April 2005. This action Plan forms the foundation for governing Asset Management Planning, subject to annual review to incorporate changes required to meet the Community Strategy, Strategic Plan and Local Area Agreement priorities.

AMP Organisational Framework

Existing Asset Management Structure



The Head of Corporate Property attends the Corporate Asset Management Group (CAMG) and is the nominated the Corporate Property Officer (CPO) for the Authority.

Corporate Asset Management Group

The objectives of CAMG are listed below:

- To oversee the production of:
 - Capital Strategy

- Asset Management Plan
- National and Local Performance Indicators
- To advise on contents of the Corporate Property Strategy
- To evaluate options for delivering the corporate objectives and to prepare evaluation criteria based on service outcomes
- To advise Members and Chief Officers on capital programme proposals
- To monitor capital expenditure and financing sources throughout the year
- To monitor progress on individual schemes against set milestones
- To carry out post-completion project evaluations
- To maximise external funding
- To recommend allocations from the match funding budget
- To secure effective use of all County Council buildings

Future Structure

The Council is reviewing its management structures in order to ensure it can deliver the changing framework for statutory services in the most effective way.

The Corporate Property function is one of the key resource functions within the Resources Department and is being merged with the property functions from the service departments in order to facilitate the key strategic role of the Corporate Property Officer and ensure that the role is in a position to maintain effective asset management delivery.

Corporate Asset Policy

Corporate Asset Objectives

The Council's Property Strategy was formally adopted in June 2006, after an extended period of consultation and development and review.

Mission Statement

"To ensure that the Authority's capital assets make the most effective contribution to the provision of high quality, value for money accommodation to facilitate the delivery of effective, responsive and improving public services to the people of Nottinghamshire"

Asset Management Plan Generic Objectives:

- To improve the quality of service delivery
- To optimise asset utilisation
- To reduce running costs
- To reduce the opportunity cost of holding assets
- To maximise the investment return on all assets

The capital assets owned by Nottinghamshire County Council, particularly the property portfolio, are predominantly required for operational purposes and

are held as a corporate resource for the delivery of services by Departments to the people of Nottinghamshire.

Headline Performance Measures and Proposed Targets

Measure	Current (2005/06)	Initial Target	Long Term Target
Sq m floor space per resident population (Possible weighting to reflect total Authority budget)	1.75 sq m	1.6 sq m	1.5 sq m
DDA Compliance	90%	100%	100%
CO2 emissions per sq m	kg	kg	kg
% floor space in top two AMP condition categories	45%	60%	90+%
% floor space in top two AMP suitability categories	%		90+%
Total running costs per sq m (rates, energy, water, insurance, maintenance (planned, day to day, grounds).)	£27.28	£25	£22
Total running costs as % of Authority budget	3.9%	3.6%	3.2%
Cleaning costs per sq m	£5.55	£5.25	£5
Strategic property management costs per sq m	£0.24		
Property ownership/holding costs			

The Consultation Process

External Consultation

The Community Strategy and the Strategic Plans of the Council have been developed from a bottom up approach through consultation with a wide range of groups to produce the Nottinghamshire Plan, which is wider than the activities of the Council. The Nottingham Partnership will develop and endorse the Community Strategy, by working co-operatively with our partners in order to deliver the outcomes. The resulting Local Area Agreement will define specific targets for delivery in the context of this strategy.

This consultation is a dialogue with the local community through 700 invitations, which involves giving information, finding out what people think about our services and what they expect from us. It is a way of involving local people and stakeholders in making decisions about their own community.

Further consultation with other Authorities has also been developed particularly in relation to multi-agency partnerships with Health Trusts and Housing Associations in the delivery of Extra Care Sheltered Housing schemes and potential for sharing facilities with points of joint provision.

Schemes that have been developed as a result of this consultation now have approved funding and a sheltered care scheme currently under construction and new library provision identified for a one stop approach to public service delivery.

The CPO has been heavily involved within the development of the local NHS Primary Care Premises Strategy and is attending monthly planning meetings to input into the review that is being led by the consultant Strategem on behalf of four local PCTs.

The Authority has also adopted a corporate document; Consultation Strategy and Guidelines, which has been developed to set out the Authority's best practice for effective consultation. This document will be incorporated into the Best Value Performance Plan document.

The sectors of the local community to be consulted are:

- Council tax payers
- Customers
- Beneficiaries
- Those Regulated or Enforced against by the County Council
- Other Stakeholders
- Proxy Consultants

The Authority will be considering a review of education provision through the Building Schools for the future process to improve educational outcomes which will include full local consultation. The ongoing development of the Council's adult care services is based upon full stakeholder consultation and the successful implementation of the respite care scheme and extra care residential development in partnership with PCTs and Housing providers has been directly influenced by the results of consultation with the public.

Consultation within the AMP process itself will be minimised as far as possible by using data collected within the Best Value process; however the Authority is ensuring that consultation undertaken for proposed capital investment will properly inform the AMP process.

The Council's decisions are based on information relating to issues such as:

Statutory requirements	Government policies
Gaps in service provision	Health & Safety responsibilities
Suitability, sufficiency and condition	Consultation results

Internal Consultation

Consultation with the end user of property is currently undertaken through service performance analysis e.g. the libraries user surveys, and we will be developing this area further to determine how targeted investment will

improve the customer experience whilst attempting to measure the link between property management and investment to direct service outcomes. This will build upon the initial surveys taken in respect of introducing a radical flexible working policy into the pilot Meadow House extension where average densities of 4.9m² have been achieved with a positive impact of around 7% in the staff perception of improvements to the working environment.

The AD Resources, as CPO, undertakes direct consultation with the designated liaison officers of Service Departments about their service and business development issues and how these will impact upon ongoing and future departmental property requirements. This information is incorporated into the AMP to enable strategic planning of the portfolio to anticipate and accommodate future need.

Chief Officers are required to produce a formal annual report (Property Service Plans) on anticipated property requirements for the CPO which are included within the Corporate Property Plan. These Annual Service Plans are now embedded within the annual business planning round and the development this year of a cross service business planning in respect of resources services will continue to improve the links between the key resource areas of Property, IT, Finance and Human Resources.

The outcomes of these discussions are incorporated into a Corporate Property Plan produced by the CPO. The plan for 2005/06 sets out a detailed plan for acquisitions and disposals of property required to meet the service departments' objectives and therefore the strategic objectives, as determined through the consultation process.

The Corporate Property Plan sets out a funded plan for accommodating the identified changes required to the portfolio and is used as a fundamental tool within the decision making process for determining the capital programme and the potential for generating funding from capital receipts.

Consultation during the development of the planned maintenance programme occurs by way of the Client Services Planned Maintenance Group which meets on a three monthly cycle to discuss and agree maintenance criteria which are compatible with the national AMP classification of premises, elements and sub-elements.

The CAMG is overseeing development of a full consultation process in line with DTLR requirements. This process will require departmental occupiers to consult about property with external users and report this back to the CPO. This feedback will then be added to the information acquired by the CPO from the internal liaison to produce a full picture of property need.

The Director of Education operates a Schools Asset Management User Group that meets every two months to oversee the DfES AMP process. This meeting is attended by Head teachers, Governors, LEA representatives, Diocesan representatives and the corporate property officer. The group

reviews the results of ongoing consultation with schools, the DfES and other LEAs, and sets departmental priorities for investment in school buildings.

Training in the use of the AMP is also well advanced for governors and head teachers and will be extended to other departments and Members within the Corporate AMP process.

Budget Consultation

Capital Programme approval, as part of the overall budget approval process has the following agreed consultation procedure:

- General consultation guidance as set out in the Consultation Strategy
- A statement of intended budget consultation to be prepared by each department and co-ordinated by the Resources Board
- Final budget proposals to contain a statement of actual consultation and stakeholder involvement that has influenced budget proposals. This to be time tabled to take place annually during late autumn
- The Best Value user satisfaction survey contained specific budget consultation questions regarding the overall level of Council Tax and determination of local spending priorities
- Information relating to service priorities obtained from the County Council's Citizen's Panel
- Statutory business consultation of budget proposals

It is recognised that consultation must be continuous rather than a one-off activity in order to get a true picture, to be credible and to establish trust. By establishing a regular pattern of consultation the Authority gains the benefit of economies of scale and develops an understanding of need.

Government Policy

There are two key areas where government policy issue will have a significant impact upon the management of the Council's assets.

The structure of the Council is being amended to reflect the changes required by The Children Act 2004 and those which we anticipate arising from the Green paper " Independence, Well-being and Choice: Our vision for the future of Social Care for Adults in England" .

In line with Gershon recommendations, the use of office accommodation across the Council is to be reviewed commencing late 2005 to ensure that the Administrative space required is used effectively and meets the needs of the service staff who use the building and the public and other stakeholders.

The Resource Context

The resources available to meet the Council's needs for the period 2005-09 are reviewed during the autumn as part of the Administration's Strategic Plan. Current spending commitments are currently being reviewed in order that the

Council's priorities will be focused upon those identified in the Community and Strategic Plans and in support of the Local Area Agreement. The need to investigate new ways of service delivery and asset utilisation is likely to be a critical part of this process and will work closely with IT and HR strategies.

This AMP will be reviewed in accordance with these changes which are likely to be implemented during 2007-08.

The CPO has completed a fundamental review of the office accommodation owned by the Council, to ensure that it meets future requirements and reflects the opportunities which can be realised through the more flexible use of space and working methods.

This review reflects the positive benefits already achieved through a pilot scheme in Mansfield at Meadow House which will ultimately accommodate 199 staff (both mobile and fixed) in the space designed for 88 workstations, an improvement in asset efficiency of 200%. This has been achieved through close integration of policies relating to IT including the use of electronic document storage and flexible working policies through the HR Strategy. The impact of the Council's access strategies for a new telephone call centre and increased use of the Internet will feature in this Review and is likely to result in a significant change to the assets required, both in form, location and capacity.

Changes to the Operational Environment

E-government and Access to Services

The Council is currently developing a new telephone call centre which will improve front end communications with the public and stakeholders. The increased use of the Internet and the move to electronic storage will require a review of document storage.

Improved access to customer adviser at County Contact points and the development of single service points in two new library projects will be undertaken during this plan period.

Discussions are ongoing with other partners both in the statutory and voluntary sectors are continuing to identify opportunities to participate in these initiatives and achieve higher customer standards with improved asset utilisation.

The Council already publishes information about the properties it owns on its website and this is currently being extended to provide plan based information to the public through the GIS system. Information held on the Property database is already accessible through the Internet to property and service managers and this will be extended during 2006 to provide more information to Local members on activity within their ward.

The Market for Accommodation and Support Services Provision

The Council has established framework agreements with contractors and consultants to undertake building work and provide specialist professional advice as part of its mixed economy principles. These are to become effective in during 2006 and will give opportunities for more effective procurement in accordance with Better Building Construction and enable the Council to respond more effectively to the Building Schools for the Future as these are implemented. A key component is to secure improved supply chains for projects through both the primary and supply chains.

The Market for Property Services

The Council is committed to ensure value for money through the delivery of its property management services. Whilst a significant amount of work will be undertaken through internal staff that have considerable experience of the statutory framework in which the Council operates.

The market place for building related skills remains very competitive and difficult to recruit some key skills to this area in the current market place. The Council's HR strategy will assist in determining different ways in which these skills through varying employment terms, targeted recruitment in non traditional areas and the development of a partnering approach within a mixed economy of provision.

The Property Market

The property market remains a key component to the effective delivery of services, both in terms of finding appropriate facilities in which to operate and also in terms of disposing of surplus assets which currently make a significant contribute to the Councils capital and revenue programmes.

The Corporate Property Plan indicates where facilities need to change to improve service delivery and option appraisals are used to determine the most appropriate form of delivery. These reflect the opportunities available in partnership working as well as opportunities which might be created by the formation of a Council owned property Company.

The use of external sources of funding through the Private Finance Initiative (plus PPP) and a commitment to the Building Schools for the Future is embedded within the Council's option appraisal system where these initiatives bring benefits to the positive improvement of service outcomes.

We have identified significant opportunities to advance proposals for asset realisation through the Local Planning Process and have been very successful in achieving significant capital receipts during the life of this AMP through this route. This work will continue in this AMP in partnership with external consultants and organisation to achieve our objectives coupled with the development of sustainable communities.

Other relevant Factors

The County Council was re-elected in May 2005 with a new Leader and is currently in the process of reviewing its direction through Community and internal consultation. The future vision of the Council and its continuing objective to remain a 4 Star Authority ensuring the provision of excellent value for money services to the citizens of Nottinghamshire is critical to the detail of asset Management Planning for the future.

This plan will be reviewed as these changes take place to ensure that it remains strategically focused on the community and business objectives of the Council and it's partners as well as ensuring that the Council's property is managed in the most effective way as a part of the corporate resource base including Finance, IT and Human Resources.

4 SUPPORTING PROPERTY'S CONTRIBUTION TO SERVICE DELIVERY

GOALS:

We will ensure that the property resource needed to achieve our objectives are of high quality and are cost effective and efficient

We will ensure that all annual business plans fully recognise the costs of property occupancy and plan for necessary change

We will take every opportunity to rationalise the property portfolio by challenging working practices and establishing better ways of delivering services

We will continue to develop our well established framework of service planning to ensure that the property resources needed to achieve our objectives meet needs and are cost effective and efficient

We will ensure that accommodation requirements take account of present and future changes in working practices and service delivery, which are being driven by developments in the internet and ICT

The annual Corporate Property Plan will identify all action to be taken to ensure that the resources needed to deliver services are provided in accordance with the relevant programmes

The Property Resource

Nottinghamshire County Council recognises that its property portfolio is a significant resource alongside; staff, finance, ICT and knowledge.

Effective use and management of these resources can have a significant and positive affect on the quality of services provided by the organisation. The management and use of property can achieve this either by ensuring that the design of buildings or the facilities available maximise effective services, the efficient use of property frees up finance to increase the efficiency of service provision, or a combination of both may be achieved.

It is acknowledged that property is a relatively illiquid resource and to achieve significant change requires detailed planning with input from all relevant stakeholders.

Strategic Property Best Value Review

The Best Value Review of Property undertaken during 2004/05 recognised these issues and was therefore focused on the following topics:

- Extended use of Buildings
- Flexible Use of property
- Creating Public Buildings for the 21st Century
- Identifying Property Performance Objectives and Measures
- Improving Medium Term Property Planning

Property Strategy

The Council's Property Strategy aims to provide an environment in which efficiency of property use is paramount to departmental occupiers and the corporate owner alike, to maximise the quality of service delivery and ensure that resources are not wasted.

The basis of this Strategy is to ensure the following goals are achieved:

- Maximising choice for occupiers
- Ensuring accountability for property use
- Providing a Strategic Overview of the Use of Assets for the corporate owner

These goals will be achieved through:

- Corporate ownership of property and other assets
- The introduction of real charges to occupiers for the use of assets
- The increased use of sophisticated Financial Management Systems and Management Planning techniques.

The key components of the AMP which are directly linked to the Strategy are:

- Strategic objectives
- Information relating to departmental property proposals both now and in the future
- Incorporating Asset Management Plan data including:

- Suitability
- Sufficiency
- Condition
- A basis for challenging ways of providing services
- Identifying funding strategies
- A basis for challenging/considering new ways of working within the Authority
- Developing property policy to deal with Corporate Ownership
- Undertaking property reviews
- Undertake Performance Plans in accordance with Best Value

The outcomes of the Strategy:

- Increase the quality of service delivery
- Clearly define who makes decisions affecting assets
- Methods to procure and measure service output data from users
- Establish methods to determine performance data
- Establish financial modelling techniques
- Ensure regular reviews of assets led by the Corporate Landlord
- Determine how AMP data is procured, maintained and managed
- Determine how real charging data is maintained/managed
- Produce Best Value data

Flexible Use/Joint Working

The introduction of flexible working practices is a key Government objective and strongly linked to delivery of the national electronic-government agenda. A pilot scheme of flexible working at Meadow House in Mansfield has proved very successful and demonstrated the potential for the reduction in property costs whilst maintaining high levels of customer service.

This project has been acknowledged to be one of the most successful of its kind that has been achieved by any Local Authority delivering average densities of 4.9m² per person and with a positive impact of around 7% in the staff perception of improvements to the working environment.

The lessons learnt from this exercise will be taken forward and implemented elsewhere in the Authority where practical.

This experience, combined with a desire to create hubs of service delivery around existing buildings such as libraries, linked to other service areas and providers (Health, District Councils etc.), is leading the property strategy to a point where it could force a major shift in the working practices of the Council, creating efficiencies in operation whilst at the same time achieving greater accessibility to, and improvements in, services.

Partnerships and Shared Use

Property assets consume potentially large amounts of local government financial resource and the most effective use needs to be made of them. In addition there is an increasing awareness of the benefits which can be made to service delivery overall, by joining up with other agencies and commercial organisations, to facilitate seamless service delivery and effective use of resources. The potential for partnerships, established to secure these objectives, is considerable.

The Council's strategic plan includes a strong commitment to partnerships. It contains many references to partnership working.

A considerable amount of work has already been undertaken through service planning to develop partnerships and the property resources required may also assist with joining up service provision and improving accessibility to the public. County, District Council and Government services are delivered to the public from separate buildings. This will often be frustrating for the customer it may also represent duplication of property resources.

Partnership working is not new in Nottinghamshire; the authority was at the forefront of developing with District Councils during the early 1970's, a number of joint use leisure centres.

Service Plans to Reflect Property Requirements

Effective service and business planning, including regular corporate or best value based reviews, identify how the property resource contributes to service outcomes and the changes required to meet business needs and ensure effective use of the resources employed.

Service and Departmental business plans need to ensure that the property resources required are identified and any changes which might impact upon the management and investment of these resources are anticipated and reflected within the relevant business plans.

Regular dialogue takes place between the corporate landlord and service departments, which:

- Challenges the way in which services are employed and the property resources required
- Considers more effective ways of ensuring service and business needs are met through more effective resources management
- Ensures joined-up thinking and the co-ordinate property issues into service planning and departmental strategies
- Plans to recognise the real costs associated with the use of property and where possible, timescale involved in securing any facilities in any new or changed area of service planning
- Sets objectives for the use of the property, inputs are specified as part of business planning in terms of the contribution made to the service outputs

Annual Departmental Property Statements

The timescales involved in the procurement of and changes to property, and the need to maximise overall effectiveness of the use of these resources requires advanced planning of needs.

Service property plans need to identify requirements as early as possible in order for action to be planned, prioritised and delivered to satisfy these needs.

Government initiatives are increasingly being implemented on the basis of quick start up programmes which are often unknown or unqualified in terms of the property resources which may be required. Whilst some planning can be made to meet these unexpected needs, it impossible to fully programme such opportunities within the Corporate Property Plan/capital programme.

Annual property statements produced by service departments have been completed for the first time in 2005, these are based on the needs, identified in departmental service plans, to be incorporated into the annual corporate budget setting process.

Further development of planning in this area will lead to greater certainty in ensuring appropriate property resources are available to meet service needs more effectively and make the best use of both the property resource and the operational staff providing the service.

These statements are designed to identify:

- All services provided
- Anticipated changes to service delivery
- Property gap analysis from the service perspective
- Key areas for change
- Priorities for action

The new integrated property service will assist in the ability to achieve these plans in a timely manner.

Challenge and Innovation

In recent years, development of the internet and information and communications technology (ICT), have made fundamental changes to working practices and service delivery and will continue to do so. (Internet access, broadband, email, mobile phones, desktop, laptop, and palmtop devices, two way video interface etc.)

How the service department customers want to receive their services, for example face to face, electronically, or a mix of the two, are important drivers for the corporate property strategy.

This mix of access to services was the subject of the Access to Services Best Value Review which fed into the Property Best Value Review.

Whole Service Summary

Commencing in 2005, the Authority introduced a process called Whole Service Business Planning. This is intended to plan the use and management of all resources across the whole Council.

Resources services aim to be at the heart of the Council's success by developing and delivering financial, property, ICT and human resource strategies that align resources to the delivery of the Council's agreed objectives.

Within the Council, resources services are provided from a central resources department and from service-specific teams within each service department.

The strategic development of resources services is overseen by a Resources Board that brings together members of the resources department management team with the assistant directors responsible for resources services in each of the service departments.

As at April 2006, the total annual expenditure on resources services is approximately £58m, of which £20m is spent in service departments. 1150 staff are employed in providing resources services – 650 at the centre and 500 in departments. The integrated service will greatly increase the staff numbers and total budget of the Division.

The Council has also identified a range of significant issues that are set to be prioritised across the Authority; these are listed below along with the anticipated property input:

Customers and Communications

- Acquisition of a suitable property for the Council's contact centre.
- Innovative development of single stock services based on 'Libraries of the Future' strategy

Working Efficiently

- Develop more flexibility in the use of buildings, especially offices
- Rationalise property uses to ensure suitability and sufficiency supporting the efficiency of public services
- Undertake joint building procurement through the use of a framework agreement and partnering with other organisations and the Centre of Excellence

Children's Services

- Match the property portfolio to changing needs in order to maximise property use and encourage more joint use of property, eg extended use of schools
- Identify and manage the property implications of foundation status for schools

Pay Strategy

- No direct contribution to the pay strategy work, but need to recognise that the quality of property impacts on staff morale and could make a positive contribution to the wider reward and recognition strategy
- The future needs of the property portfolio will need to be considered in the light of the outcomes of the job evaluation process

Adult Social Care

- Evaluate and respond to future strategies for the delivery of services that impact on property portfolio decisions, in particular the joining up of services with public and private sector agencies

Building partnerships

- Ensure the provision of highly effective, efficient and environmentally sustainable property, which contributes to the community leadership agenda
- Develop common standards in the design and use of new and existing buildings within local communities, to accommodate the delivery of services via different property owners

Awareness and Training

The management of the overall property asset is still developing within the Council and there is a need for further development and training to ensure that service users can make the most effective use of this corporate resource.

Further training and awareness of these issues is expected to bring:

- an awareness of the opportunity cost of occupying property
- added value to service delivery
- the need for effective and timely planning of the use of these resources
- the timescale and technical issues which impact upon delivery and availability
- the benefits of a corporate approach to the more effective management of the portfolio

It is intended to involve local Members to a greater extent in the planning of new projects to ensure that local input from Members and service users is gathered to effectively influence the planning process. All local Members are already informed of any property decision which is taken within their ward and this process will be developed in future to seek their views more thoroughly. This is achieved by sending copies of any Portfolio report, to the relevant local Member, in the ward to which the decision relates.

Property Objectives

Specific property objectives, as determined to meet departmental service delivery requirements, are set out below:

Community Services Department

Industrial Property:

- Provides speculative industrial floor space in areas of the county, which may not be commercially attractive to private sector developers/providers
- Encourages business development and creates employment opportunities in former coalfield and rural areas
- Whilst letting on FRI terms, is able to operate a flexible management approach which can assist new or expanding businesses to establish and grow
- Assist “higher risk” businesses, which may find difficulty in securing premises
- Is able to work in partnership with other providers, both public and private sector to maximise funding from all sources
- Generates rental income to support other Economic Development initiatives

Resources Department

Agricultural property:

- To discharge the Council's statutory requirement as a smallholding authority
- To be a source of continued rural employment on small family farms where tenants' families wish to continue the business
- To make a contribution to the well being of and access to the countryside and its environment
- To make a contribution to maintaining stability of local communities in rural areas
- To consider disposal of isolated land or holdings that has little or minimal development potential with vacant possession

TARGETS:

To develop KPI's to measure property's contribution to the effectiveness of service delivery, and targets to improve performance, by April 2006

To develop PI's to measure the efficiency of property use expressed as a cost per unit of service delivery, and targets to improve performance, by April 2006

All service departments' business planning to identify the use of property resources required and ensures regular progress reviews are made

To develop the annual property statements produced by departments to feed into the corporate budgeting process

To introduce the Annual Corporate Property Plan by October 2005

To extend the principles of alternative working practices and increases the asset performance in administrative offices by 25% by March 2007

To host an annual seminar and property tour for all Members to explain the key property resource management issues and their impact on service planning and delivery

To complete the DDA works required for all relevant buildings by April 2006

To develop appropriate training for officers involved in service delivery which involves the use of property

5 MODERNISING PROCUREMENT, OWNERSHIP, MANAGEMENT AND DISPOSAL

GOALS:

We will keep under review the way in which we manage our property resources

Our property procurement strategy will ensure that all available options are considered

Option appraisals will recognise the cost and value of property over its physical and functional life

New and refurbished properties will be well designed to enhance service delivery

Procurement

Departmental service and business plans determine the property resources needed to meet business needs.

Plans need to address the range and most appropriate options which will enable these needs to be met and which meet the overall corporate property objectives of the Council.

In considering the need for new facilities, service managers and the corporate landlord will:

- Review the existing portfolio to see if need can be met
- Test if any other appropriate body has accommodation to meet the needs and extend the partnership/joined up working vision
- Match the expected term of the business need to be properly reflected in the interest in any property being purchased

- To establish the most appropriate interest in property (freehold, leasehold, partnerships etc.) which will satisfy the identified need
- Give consideration to all external procurement routes that will deliver the service objectives effectively (e.g. privately funded schemes, grant or lottery aided projects, competitive government funding streams etc.)

Lifecycle Values

The procurement of property resources, on whatever basis, needs to be placed within the context of the true operating costs as part of the whole costs associated with the delivery of that service. A formula which is now becoming generally accepted is

1:5:200

where:

- the procurement of property is **1** part of the lifecycle cost
- the maintenance and operation of the resources is **5** parts of the business
- the operation of the business within the property is **200** parts

The County Council is developing a process of applying life cycle costing and value assessment to its capital investment programme. Bids for capital investment will include information on the revenue consequences, including ongoing maintenance and future refurbishment costs. This expenditure can be annualised, and a “sinking fund” set up which should be ring-fenced to fund the relevant future need as required.

This process is designed to maximise the long term financial return from assets and is included within the corporate asset management plan. This was successfully implemented in the best value review of residential homes for older people.

Life Cycle Maintenance Charges

As of 1 April 2004 a corporate policy of life cycle maintenance charges was introduced. This created a policy requiring a 1% annual charge to be made against all new assets, payable in to a sinking fund, for planned maintenance items relating to those assets.

This charge is held centrally and is an additional source of funding for the planned maintenance programme.

The Corporate Ownership of all Property

The Council has had an approved Policy of Corporate ownership of all properties since February 1996, which are owned or used for the delivery of services. In March 1999 the Council’s Best Value Board reconsidered this Policy and confirmed that this represented good business practice, enabling the Authority to take an overall view of how its assets were performing and providing a platform for further improvement.

The Authority delivers an extremely wide variety of services from the education of young children and the residential care of the frail and elderly to the provision of transport infrastructure such as roads and park and ride facilities. In addition the Council also provides the necessary facilities to accommodate the administration functions arising from conducting a substantial business operation.

In these circumstances, it would be inappropriate for a central division to develop a management strategy without reference to the service departments. It is therefore essential that the property strategy includes consultation on, and reflects these differing demands and incorporates input from managers specialising in each business area.

However the role of the co-ordinating division must include challenging the input of business managers to ensure that the information which is included within the AMP is appropriate and robust.

A fundamental requirement within the Council's AMP is to identify separate business units into which each distinct area of service delivery can be categorised. This permits meaningful performance management to be undertaken and will feed into the process of benchmarking and 4C's testing for Best Value.

The Authority is a member of the CIPFA Strategic Asset Management Planning network which will influence the development of performance monitoring and measurement indicators.

Real Rental Charges

The Authority has introduced, within the Corporate Property Management Strategy, a Real Rent Scheme of charging for property occupation. This is intended to achieve the introduction of the following disciplines to property occupation:

- Policy of corporate ownership of property assets
- Establish tenancy agreements for property occupation
- Payment of asset rents
- Introduce incentive to maximise efficient use of property
- Clear accountability for the use and provision of property facilities
- Agree standards for suitability, sufficiency and condition of property
- Property costs to be clearly linked to individual business units
- Introduce corporate overview of property strategy
- Ensure that property costs are coded accurately to facilitate performance measurement

The principle of real rents sets out to give users choice about how the allocated budget for property is used.

The system of charging was introduced as at 1 April 2004 although this is at an asset rental figure, not a market rent.

The proposed additional benefit of the scheme is to place users in a quasi-lease agreement with the corporate owner. This has not yet been fully implemented however as a result of the existing scheme, an agreed notice period must be served when a property is to become vacant. This provides the opportunity for the disposal of the asset to be programmed alongside the vacation of the property, to minimise potential costs of security/vandalism.

The incentive to maximise efficiency of property use therefore lies with the property occupiers but the data relating to the performance of space utilisation and surplus space is used by the Head of Corporate Property in assessing property need within the Corporate Property Plan.

Under-use and Disposals

The Authority undertook a programme of property reviews between 1996-98 which identified all the Authority's property holdings. Within this review, surplus land and property was identified and where possible these assets were incorporated into the Capital Receipts programme to contribute towards financing the Capital Programme.

These reviews were reported to the Property Review Panel. Future decisions on the issues identified are the responsibility of the Cabinet Member holding the Finance and Property Portfolio.

As the AMP process develops, it is anticipated that further crosscutting corporate property reviews will be undertaken on an ongoing basis to identify surplus and under utilised assets as well as ways of improving service delivery.

The process by which these reviews will be undertaken is proposed to be in conjunction with the Local Strategic Partnerships within the County.

These reviews will be complemented by the corporately managed condition surveys, the suitability and sufficiency surveys which are being undertaken at a departmental/business unit level and consultation with all relevant stakeholders.

The data collected from these surveys will form the basis of the property performance data to substantiate bids for investment linked into the prioritisation process.

The Council's database includes vacant property as a separate business unit to enable all surplus space to be identified and reported.

Property which is no longer required for operational activity and for which a longer term requirement is not identified will be disposed of as soon as practically possible. The objective of the disposal process will be to:

- Minimising the holding costs
- Undertake appropriate activity to enhance value in order to maximise the realisation proceeds.
- Minimise the period between vacation and disposal

A disposal strategy will be developed for each property that will identify the approach and how this meets the key criteria of minimising costs and maximising income.

Consideration will be given to holding property that might reasonably increase in value for whatever reason identified within the action plan in accordance with proper commercial considerations and reflecting the overall needs of the Council.

Surplus Property Identification and Disposal

In line with the policy of corporate ownership, the CAMG has developed and adopted a process for the identification of surplus property by departmental occupiers.

This process requires departmental property representatives to identify property that is, or will become, surplus to the department's requirements. The department may then give three months notice to the Head of Strategic Property that the property is no longer required so that at the end of the notice period, the responsibility for property passes to the Head of Strategic Property as corporate owner.

This acts as an incentive for departmental users to relinquish property and for the corporate owner to find a new use for, or dispose of, the property expeditiously.

For property that is identified as being surplus, enquiries are made by the Corporate Property Team to identify any use which may be made of the property by other County Council departments or by likely partner agencies. If no such use is identified, the property is confirmed as being surplus to the Authority's needs and put forward for disposal.

Following this process, the property is marketed for sale by one of the following methods, to maximise the capital receipt generated:

- Formal/Informal tender
- Public Auction
- Private Treaty
- Partnership/Joint Venture

This process has been successfully implemented during the past 12 months.

TARGETS:

With effect from 1 April 2004, all new investments in excess of £500,000 and property acquisitions in excess of £150,000 will include a life cycle evaluation of the costs and benefits of the investment

To reduce the total annual property running costs to below the Audit Commission target of 8% of net asset value.

To develop targets for the appropriate tenure split of the portfolio by April 2006

To develop a systematic and ongoing property review process, in line with the Local Strategic Partnership programme, to identify underused or surplus land and property assets.

To meet annual Capital Programme targets:

- Balance the capital budget
- Meet national property PI targets for capital project management
- Undertake post project evaluation of relevant projects

6 CHALLENGING OCCUPATION AND ACCOUNTABILITY

GOALS:

We will seek to manage property to ensure that its total contribution is greater than the sum of the individual properties

We will encourage all occupiers to regularly review their needs from the property resource

We will ensure that occupiers recognise the costs and opportunities of occupancy and develop strategies to ensure these are protected for the corporate good

Landlord and Tenant Relationship

Corporate ownership of the property resources requires clarification about the roles of “landlord and tenant” so that effective planning can take place and responsibility for implementing both Council Policy and statutory requirements are clearly defined.

It is proposed to adopt an internal system of tenancies which define these areas, based on a proper accounting framework of real costs and charges so that service managers and other property users can take these into account in their business decision making.

A system which can deliver these objectives has been subject to consultation with service departments and work to build on this foundation will be structured as part of the liaison role between the corporate landlord and the occupier.

It is recognised that where property is occupied by Schools then any arrangements will need to reflect the policies of the Local Management of Schools framework and delegation. The fundamental principles of corporate ownership and real cost accountability should not be diluted by this.

In broad terms the corporate landlord will ensure that:

- facilities are made available when required
- the structure and key service elements are kept in serviceable condition
- the costs of the property reflect the condition

The occupying tenant will need to:

- ensure the internal condition meets service needs
- does not allow any activity which will prejudice the structural integrity
- comply with all Council policy and statutory requirements
- maintain core building services in accordance with landlord guidance

Property Rentals

In order to manage their services and ensure that the property resource is used effectively, the real costs of ownership of property need to be reflected into service costs and business decisions. Traditionally the use of the property in terms of its ownership has been “free” in real terms, these costs having been notionally identified through the use of accountancy based capital charges.

Whilst some reality exists in terms of single occupied buildings, the property resource within Local Authorities generally is still treated differently to the employment of personnel who are paid “real money”.

A number of large corporate private companies recognise the disciplines and many have established landlord and tenant models with real charges being levied against the occupiers budgets.

The continuation of this practice within the County Council without the real costs being reflected is not considered to be good business practice and prevents:

- whole business planning to make effective judgements
- the real costs associated with property to be identified
- alternative ways of finding resources to be considered
- real choice to be given to managers in the operation of their business area

The Existing Policy of the Council from 1996 was to introduce economic charges for the use of property and this is to be progressed through initial pilot schemes so that evaluation may determine the most appropriate way of achieving this.

TARGETS:

To introduce market values for real charging for property by April 2007

To develop quasi-lease agreements for property occupation by April 2007

To introduce an occupiers handbook by April 2006

7 MANAGING INVESTMENT, MAINTENANCE AND IMPROVEMENTS

GOALS:

We will seek to improve property maintenance and target investment more effectively

We will keep under review the physical and functional condition of our property to ensure that we maintain an efficient and healthy environment for all users

Capital Programme

A summary of the four year capital programme is tabled below:

	2006/07 £'000	2007/08 £'000	2008/09 £'000	2009/10 £'000
Expenditure	164,663	162,014	135,296	88,959
Financed from				
Borrowing	80,719	74,323	12,569	33,059
Capital Receipts	30,350	32,691	67,727	900
Grants and other funding	53,594	55,000	55,000	55,000

Existing Portfolio

The annual departmental property statements in combination with the Corporate AMP database are used to identify the extent, quality and use of the portfolio.

These data sources are used to assess the current performance benchmark of the portfolio to facilitate the formulation of the Corporate Property Plan which sets out the work required to improve service outcomes through property investment.

Suitability, Sufficiency, Condition and Cost

The Council has been collecting detailed condition data about all of its property since 1991. This data is used to set an annual programme of works which is agreed with all property users prior to being approved by Members. The condition survey programme started on a 3 year rolling programme but has recently been revised to an annual programme which completes surveys of every property each year.

This programme is set in line with the approved budget for planned maintenance. The Best Value Review of property acknowledged that this budget, currently £6m pa, is less than would ideally be spent on a portfolio of over £1bn which is in poor condition.

As a result of this work, it was recommended that Schools' Condition Initiative programme to lever in locally devolved LMS maintenance budgets should be developed and that the split of spend between planned and reactive maintenance should be reviewed.

Since 1999, the schools portfolio has been assessed for suitability and sufficiency, in line with the DfES AMP requirement. As of 2005, the Council has also commenced a programme of surveying all other property for suitability and sufficiency and this data is being incorporated into the Corporate AMP database.

A further recommendation of the Best Value was that property should be identified were it is in the worst categories for suitability, sufficiency, condition and cost.

Gap Analysis

The areas of research and analysis into the Authority's portfolio will identify all instances where there are existing or anticipated shortfalls in the Authority's capital assets, when compared to current or future need. The Corporate Asset Database has been developed to provide PI data to identify shortcomings of existing property.

These areas of input ensure that the process of identifying investment need are cross cutting over the whole Authority and are implemented by both a "top-down" and "bottom-up" approach. This is achieved by developing

corporately implemented reviews, supplemented by input from departmental service providers, service users and stakeholders.

Opportunities for shared use of property and inter-agency working are also identified by consultation with all potential external partners and within research informing local PI's. Shared schemes taking advantage of this consultation are now progressing to design stage. These include partnerships with District Councils, Town Councils, Health Trusts, Primary Care Trusts and Housing Associations.

This combination of information gathered from first, understanding where shortfalls arise in service provision due to inadequacies in the Authority's available assets, measured against suitability, sufficiency, condition and output criteria and second, analysing the existing assets, allow the Council to undertake a gap analysis to identify investment need.

Review and Challenge

The structure of the Corporate Property Division incorporates a team that is dedicated to liaising directly with the property representatives of each department about current and future property requirements.

It is the role of this team to work closely with the departments to fully understand their service needs and to help to translate any shortcomings in service performance into the property changes that could help to enhance the quality or effectiveness of service delivery.

It is intended that asset reviews are to be carried out in conjunction with the Local Strategic Partnerships in order to maximise stakeholder input into the reviews and increase their potential deliverability.

Roles and Responsibility

The roles and responsibilities of property procurement and management have been addressed in three areas:

- 1) Identify Need and Procurement - As part of the Property Best Value Review 2004/05.
- 2) Occupation and Use - Proposed Landlord and Tenant arrangements
- 3) Property Management - Whole Service Business Planning

Details of these elements are set out elsewhere in this document.

Property Review

Regular review ought to take place of all facilities used by the Council to deliver services and those which might be surplus or held for long term enhancement, prior to disposal.

Reviews need to challenge the use of the property resource and identify where these are underemployed in terms of key criteria. Service reviews will need to reflect the use of property resources and to consider innovative alternatives of service delivery.

The inclusion of property resources within the developing framework of Strategic Reviews and developments of Local Partnership will enable a wider view to be taken about service delivery and identify opportunities for partnership working and alternatives to existing practices.

Property assets should only continue to be held if they meet the current objectives of the County Council in the most cost effective way. For example, the investment return of land bank property will need to be significantly different to that for an operational property such as a library. The corporate asset management plan will identify the capital investment priorities so that scarce capital resources are targeted efficiently, effectively and economically.

Office Strategy

The Corporate Property division is responsible for the provision of office buildings to the Council. Based upon the success of the flexible office development in Mansfield, a County wide office strategy has been prepared to revamp the Council's office provision and to operate in tandem with the proposed service hubs proposed within the 21st Century Library project.

Option Appraisal and Feasibility

Both the ownership and any investment in the property resource carries an "opportunity cost", over and above it's day to day operational costs. Retaining a property ties up scarce financial resources that could be directed elsewhere.

All future investment in property should be targeted at:

- Reducing the overall consumption of property
- maximising service outputs
- minimising the costs of occupancy
- increasing the quality and functionality of accommodation

Option appraisals should be used to test all new major investments and significant changes to the property resource and will ensure a rigorous approach to include:

- Clear definition of the business outcomes
- Is do nothing an option?
- Could the project be scaled down or phased?
- What is the functional life for the scheme and the effect on building design
- Are there different ways of meeting the required outcomes?
- Could the scheme be combined with another scheme to advantage?
- Are there different ways of providing/funding the facility?
- How are other comparable organisations achieving the desired outcomes?

- How can the risks/exposures of the investment be minimised?

Prioritisation

The prioritisation of capital projects is undertaken against the following criteria:

General Criteria

- Are corporate objectives met?
- Are service objectives met?
- Has appropriate consultation supported the scheme?
- Does option appraisal support the scheme?
- Is it a priority supported by CAMP data?
- What affect will there be on the Council's CPA score?
- If there are any negative responses, do they materially affect the request?

Service Criteria

- Immediate Health & Safety issues with risks to service users or employees
- Continuation of unavoidable existing contractual commitments for which no alternative funding is available
- Externally enforceable or statutory requirements or avoidance of significant future financial risks
- Best Value Action Plan proposals which aim to improve performance to achieve national performance assessments
- Other desirable projects

Funding Sources

- Will the project receive any external funding?
- Is the project a "spend to save" opportunity?

- To what level is the project externally funded?
 - 90+%
 - 70-89%
 - 50-69
 - 30-49%
 - 1-29%

Decision Making

Departmental representatives collate all capital bids for each department and these are presented to CAMG as the first stage in the capital bidding round. CAMG meets to consider these bids and applies the above prioritisation process to all of them.

Once this prioritisation process has been applied by CAMG, a report is prepared identifying the bids with the highest prioritisation scores and this is presented to Chief Officers for further input. Once a final list of proposed schemes has been prepared, these are reported to Members for approval and inclusion in the capital programme for the following financial year.

Planned Maintenance

The corporate property portfolio has suffered from an inadequate building maintenance investment for many years. The buildings condition surveys for 2006 identified that about £165 million of planned maintenance works were required to bring the buildings up to a reasonable standard.

As a result of a review, the condition surveys are now undertaken on an 18 month programme, rather than the previous 5 years, in line with AMP requirements. The method of undertaking these surveys was reviewed in 2001 and this has resulted in a vastly more user friendly format for condition surveys.

The current annual allocation for planned maintenance is around £6M with work/projects being targeted on four key categories of work relating to roofing, windows, mechanical services and electrical installations. However this is now supplemented by the 1% Lifecycle Maintenance Charge on new assets and the Schools' Condition Initiative (see below).

These categories are intended to reflect the developing responsibilities of the corporate landlord as outlined in this strategy are intended to keep the main fabric and essential services in good condition. A contingency sum also permits some cover for unexpected repairs which might arise and specific school boiler replacements.

The current programme is inadequate to deal effectively with the current backlog of condition maintenance: it does not yet deal with any existing functional deficiency due to this data not yet being available.

Once the data on functionality is available, it is proposed to review the levels of maintenance required over the next five years to determine the most effective strategy for achieving the targets. The review will influence the investment making processes of the Council for future programmes.

In common with the policy for new buildings, all planned buildings maintenance projects will be of a high quality and innovative, and comply with the County Council's energy, environmental and sustainability strategies.

For 2005/06 CAMG secured funding for a Schools Condition Initiative programme. This seeks to lever in additional funding to the planned maintenance programme by offering to top up schools' own maintenance budgets by match funding from the Council. This has been rolled over into 2006/07.

This programme has meant that for every two pounds of maintenance funding used by the school, the Council would add a further pound of funding over and above the original planned maintenance programme, thereby significantly increasing the total funding package available for planned maintenance.

Other Maintenance

Departments and property resource users have budgets for carrying out minor works, both capital and maintenance, and normal internal maintenance and decoration.

TARGETS:

To undertake ongoing cross-cutting reviews of the portfolio informed by suitability and condition data and determine a holding strategy and action plan for each building occupied

To reduce the building maintenance backlog on property condition by 6% of its value each year

To change the current balance of spend between planned and reactive maintenance so that the majority is spent on the planned programme

To develop a target to reduce the building suitability backlog by March 2006

During each year, to undertake a review of the ten properties identified as worst performing in terms of suitability, cost and condition.

8 ENHANCING SUSTAINABILITY AND THE ENVIRONMENT

GOALS:

We are committed to minimising any negative impact which the construction and use of property has on the environment

We will promote high quality and sustainable design and maintenance strategies for all property

Energy Strategy

The Council is committed to doing all it can to avoid damaging the environment for future generations. Therefore it has a commitment that all substantial building projects will contribute to the effective protection of the environment, through compliance with its energy, environment and sustainability strategies.

All future investment in property will include the objective of reducing energy consumption and using it more efficiently. In 2001 its total annual fuel bill for buildings was £5 million, and this use of energy was responsible for producing 84,000 tonnes of carbon dioxide which is the most significant greenhouse gas.

Energy use in the County Council's buildings is predominantly for heating (coal, gas and oil), and the former solid fuel policy explains the predominance of coal (55%) as the main fuel source. For lighting and services there has been a steady growth in electricity consumption, mainly due to the increased use of computers. Future investment in heating will switch from coal to gas and eventually to renewable energy sources.

The County Council's energy strategy for buildings sets out its vision to become a carbon neutral authority. It has already achieved the Government's target of a 20% reduction for carbon dioxide emissions on the 1990 level by 2010, and a 60% reduction by 2050 is the next challenge.

Energy Efficient Procurement of Buildings

Setting a clear brief for designers is key to procuring an energy efficient building. It ensures that energy efficiency options are included and properly appraised. An integrated approach to the building form, fabric, services and controls is also important.

It is essential as client, to provide designers with a clear brief during the procurement process. Setting down the client's expectations and identifying the key issues will help ensure the energy efficiency of the building goes well beyond the minimum energy efficiency standards required by current Building Regulations.

The approach is useful for new procurement as well as refurbishment and to some extent, fit-outs. The client can ensure the desired design is achieved through the building supply chain by setting up effective communication channels and efficient management during the procurement process.

Every building is delivered by a supply chain in a process involving several stages. Ensuring an efficient supply chain with good communication is key to energy efficiency. The supply chain comprises all the players that contribute to the final building and the relationships between them. The client plays a central role in this process by initially defining and then managing the supply chain, either directly or through a representative.

It is recognised that efficient use of energy, and careful management of environmental impacts, can mean a more efficient business all round. Research has shown that most companies can save up to 20% on their fuel bills simply by managing their energy use, and investing in cost-effective energy efficiency measures. This was backed up by the findings in the 2004/05 Property Best Value Review.

There are many ways an organisation can reduce its environmental impact and save money, i.e. using less water or cutting down on paper usage are good examples.

Water Consumption

The average person uses about 160 litres of water per day. Water is a precious commodity, one of which as a nation we waste huge amounts. The County Council operates a number of facilities that by their nature consume significant volumes of water such as, residential homes for older people, schools with swimming pools etc. It is an important objective to reduce our annual business water consumption. We will achieve this by implementing a water policy and to corporately establish and install countywide water efficiency campaigns and measures.

TARGETS:

To reduce CO₂ emissions by 20% on the 1990 level by 2010 and achieve a 60% reduction by 2050

To introduce the supply of renewable energy sources for 5% of the Council's energy consumption by 2010

9 IMPROVING PROPERTY PERFORMANCE

GOALS:

We will seek to ensure that property makes the most effective contribution to service delivery

We will demonstrate the Authority's performance measured against Best Value principles

Performance Management and Monitoring

All investment in the Authority's assets is measured in three distinct areas:

Service Improvement – Including feedback relating to the completion and inception of the project

Financial Performance – Including performance against the project budget and any revenue consequences

Value for Money – Including feedback from end-user satisfaction surveys

National Performance Indicators

The Authority has tailored its database to ensure that the five national property performance indicators can be reported upon. This has initially involved ensuring that relevant data fields are present in the corporate database and that these fields are populated.

The CPO presents a report to CAMG about the adoption of these pPI's each year.

The Authority has developed a process for regularly reporting to Members about property performance based on condition data and this process has been used since 1992. This includes written reports, an annual seminar to Members and incorporates site visits to relevant properties around the County.

This process is being developed to include all AMP inputs, adding suitability and sufficiency feedback to the existing process and the national pPI's and is being used to measure progress towards continuous improvement of service delivery, within the Corporate Property Plan.

Local Performance Indicators

Performance indicators used to measure the success of asset investment, including meeting service objectives, are incorporated into the capital bid proforma, developed by CAMG, and must be approved at the time of the inclusion into the capital programme. These indicators will, where possible, be compatible with the nationally recognised indicators to aid benchmarking. Areas for the development of local property performance indicators for existing property assets are listed below:

Asset Value	Tenure Mix of Property
Procurement	Service Output
Property Location	Size/Layout
Maintenance	Running Costs
Investment Performance	Energy and Environmental
Service costs	Capital Spend
Income	Capital Receipts
Population	Net Annual Spend
Geographical Area	Surplus Property

Although the number of pPI's which may be developed by the Authority from the above data areas is significant, the base data for these indicators is commonly held information which is to be incorporated within the corporate asset database. Much of the data is already accessible within the Authority's records; however the amalgamation of this information into a single corporate system has been developed.

The CPO has created links with other Authorities, via The Association of Chief Property Officers in Local Government, to develop local PI's and to create

benchmarks for property and service performance. In addition, the CPO attends a benchmarking group developed by Sheffield Hallam University.

The Strategic Property Division has joined a COPROP property services benchmarking club and will be contributing to this year's COPROP Property Benchmarking project.

Local property PI's are being developed by the CPO in conjunction with the service departments. These PI's are designed to demonstrate a link between the quality of property and the quality of the services delivered.

In addition to identifying service outcomes, this review is identifying all potential areas of property sharing/joint-use guided by user consultation. The CPO will hold a database of all compatible uses so that options for property sharing can be implemented.

Asset Management Database

The property module collates all property related data into one user friendly area of the system. This module contains such fields as – unique property reference number (UPRN), property name, internal reference No., address, telephone and post-code, location of property in relation to the corporate structure, gross floor area, map address to allow GIS link, Districts and operational/non-operational details as well as all data required to undertake capital accounting.

The system assigns multiple buildings or blocks related to the property containing such fields as building types and gross floor areas recorded against each floor. The Authority has developed a multiple occupier and portfolio holder section that is attached to the property and contains occupation details for management and costs reporting purposes. Data is now populated.

A photograph viewer is available, capable of displaying multiple pictures of the premise in differing file formats. There is also a visit log facility showing where, why and by whom properties have been visited. Multiple contact names can be stored on the system related to the premise. A large number of digital photos have now been collected and are attached to the relevant property records.

Room data is stored along with utilisation/capacity and purpose this allows for functional calculations and their suitability to be judged, and cross-referenced to the classification.

The system allows CAD drawings relating to the property to be viewed and the ability to switch on and off layers from the drawings and is capable of printing off any layer or total drawing.

The system has allowed user definable property statistics to be input including floor areas, staff numbers and types and general statistics such as pupil

numbers. This function must be fully configurable by the users to enable cross-referencing of data to be used in reporting.

Asset Register

The system contains a powerful, flexible asset register module. This part of the system will allow a record to be created for all the other types of asset. This section also enables multiple/regular servicing needs of the premises to be input and monitored.

The database is flexible enough to allow it to be linked to the satellite systems that have been developed by the departments responsible for our other types of asset. The Authority also has registers relating to:

- Vehicles
- ICT equipment
- School furniture and equipment
- Highways
- Road Furniture

The database has been tailored to allow use of electronic tenancy agreements for implementing the real rents projects.

Condition Survey Module

The condition survey module enables users to collect data related to building/block condition in many formats determined by the complexity or simplicity of an elemental database.

The underlying principle is that of life cycle costing utilising discounted cash flow techniques to produce the estimated cost of monitoring a building over a period of up to 25 years. Users are able to define reports from a global overview to detailed procedural works including prioritisation of work related to each premise to any other premise in the database. This prioritisation should extend down to elemental level below the premise level. The database has a condition survey for all properties and the Authority has implemented a 3 year re-survey programme. The system is linked to the project tracking module which allows a project to address condition need and on completion of the project reduces the need accordingly. This process allows the total need to be up to date at all times and highlights items for re-survey.

Painting, a vital component of maintenance is extracted separately to show the need and urgency of work at each premise.

A separate module exists for the CPO to incorporate such data as valuations, rent reviews, leases and general tenancy information.

Project Tracking Module

The Authority has invested in a comprehensive Project Tracking Module that is fully integrated with the other AMP modules. This allows greater levels of information to be available for asset strategy decisions to be taken. It is planned that our DLO uses the same system that will guarantee corporate access to minor works and day to day maintenance costs. The DLO is now using the system to progress the planned maintenance programme.

In addition, should work not be carried out, the system re-prioritises work appropriately. This will ensure accurate data enabling managers to select work as appropriate reducing emergency maintenance and increasing pre-planning, enabling more accurate budget setting. Should work consistently not be carried out, the system automatically reduces the life of components. This has the effect of bringing forward capital items in line with events occurring on the ground without the need to regularly re-survey properties, thereby directly reducing the ownership costs and professional time allowed.

The system also includes further elements:-

- Drawing Register
- Reporting Tool
- Energy Management
- Time Management
- Security Features
- Audit Trail
- Asbestos Register
- Disabled Access Audit

Improvements and Additional Data Requirements

The development of the database is now entering a second phase resulting from a review of future system requirements. This phase has incorporated additional modules for DDA audit data, service agreements, GIS interface and an internet browser as well as reviewing and updating the intermediate property data within the system.

The Authority is currently working with the Rushcliffe PCT to introduce a central record of all public assets across the County. It is proposed to use the County Council's database and mapping system to record property owned or used by District Councils, PCTs, Fire, Police and Ambulance Services as well as the County Council in Nottinghamshire.