

CAMBRIDGESHIRE PUBLIC SECTOR ASSET MANAGEMENT STRATEGY

1. INTRODUCTION

- 1.1 Since the economic downturn began in 2008, all sectors have been required to re-think income expectations and expenditure commitments. The Comprehensive Spending Review has confirmed that the public sector will take a significant cut in revenue and capital funding over the next four years.
- 1.2 Careful asset management including disposals, using lease break clauses, maximisation of facilities in use, minimisation of expenditure on facilities in use, etc will form part of the solution to minimise the impact of reduced income. Sharing facilities with other public sector partners has the potential to generate significant financial benefits through reduced costs and enhanced returns which can lessen the impact of the cuts for Cambridgeshire public sector and critically for the residents of Cambridgeshire. In short, the Making Assets Count Project (MAC) provides opportunities from managing public assets more effectively which would allow us to protect public services in a period of austerity: “sweat assets – save services”.
- 1.3 With a joined-up approach to the management of asset portfolios of the public sector, all can benefit from the property expertise brought to the partnership by each partner.
- 1.4 In the last few years, public sector partners have increasingly worked together to provide accommodation for the delivery of services. With the expected reduction in accommodation requirements over the next few years, this is the optimum moment to cement an approach that accelerates the number of projects delivered as joint ventures and to drive value from the remaining estate through further sharing of both the facilities themselves and the management services associated.

2. BACKGROUND

- 2.1 A current Asset Management Strategy and/or Plan is recognised as essential for efficient Strategic Asset Management. The majority of public sector organisations have developed and used these strategies / plans for a number of years on an individual basis

2.2 The prevailing economic situation in the UK has been the catalyst for public sector organisation in a geographic area to consider the joint use and management of property assets. For this to occur in a structured and transparent way there needs to be a robust policy basis agreed by all partners. An Asset Management Strategy is proposed to provide such a basis.

2.3 One such Strategy exists between two public sector organisations, however, it appears that Cambridgeshire's approach to include nine Cambridgeshire based organisations and the local partnerships in to a single strategy is at the leading edge in this field.

2.4 The Asset Management Strategy aims to identify at a high level:

- The vision for the combined public sector portfolio
- The key drivers
- The Cambridgeshire context
- The final context
- Case studies to demonstrate innovation
- Key asset management principles including a delivery approach
- An action plan
- Risks and issues
- Resources

Supported by key data in a number of appendices.

2.5 The strategy covers the direction that the combined property estate will take over a ten year period and the approach to be adopted in getting there and the policies that will be applied to decision making.

3. PROPOSALS – HUNTINGDONSHIRE

3.1 District wide MAC workshops (including Huntingdonshire) were held over the summer and were attended by a broad range of partner organisations from the public, private and voluntary sectors. Delegates reviewed and identified opportunities relating to the property portfolio in the districts. The next phase of the MAC process is to establish a Project Board in each of the District Areas to focus on specific projects where there appears to be potential for rationalising the accommodation and improving service delivery. The terms of reference of the Huntingdonshire Board are attached at Annex A.

3.2 Relevant projects for Huntingdonshire are:

- Huntingdon Town Centre
- Huntingdon Operations Centre
- St Neots Town Centre
- Training Facilities

- Development of community hubs for service delivery at Yaxley, Ramsey and Sawtry (to be progressed through the County's community hubs project).

3.3 The priority is to begin work in Huntingdon to maximise the potential of 'central hubs' and to co-locate partners in buildings such as Pathfinder House (HDC), Scott House (CCC) and Huntingdon library (CCC), where frontline services can be delivered to ensure the most efficient use of available floorspace and help realise savings.

4. SUMMARY

4.1 The benefits of joining-up asset management include:

- rationalising/consolidating the combined property estate
- better utilisation of existing property assets to deliver savings in revenue costs and for better use by the public sector
- a far more effective way of managing the estate through a joint property function
- better use of the emerging, new property estate
- maximisation of returns from revenue generating activities
- realising synergies that are currently missed
- using publicly-owned assets to draw in significant levels of investment which would help deliver wider policy goals
- sharing of premises should open up new possibilities for delivering a more joined-up approach to service delivery

The above should lead to:

- financial returns over the medium-long term for each partner and the group as a whole above current achievable.
- Significant community benefits.

A (conservative) expectation is that the joint management and use of the portfolio would lead to:

- 20% rationalisation of the current estate
- 20% disposals (increase compared to current expected profile)
- 20% revenue saving

The above would be minimum targets of the partnership and would apply to the partnership portfolio as a whole.

4.2 It is expected that, beyond this, further capital and revenue benefits could be derived from:

- combining sites to yield an uplifted development value
- inclusion of the civil estate


- reductions in employee levels required to managed the combined estate and a more consistent and professional approach to asset management

5. RECOMMENDATION

5.1 It is recommended that Cabinet:

- a) Note the contents of the report
- b) Confirm support for the Making Assets Count Programme and the establishment of a Huntingdonshire 'MAC' Board
- c) Endorse the Cambridgeshire Public Sector Asset Management Strategy.

Contact Officer Malcolm Sharp, Managing Director (CPP)

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MAKING ASSETS COUNT

TERMS OF REFERENCE

Meeting / Group

Making Assets Count (MAC) – Huntingdonshire

Purpose

Within the context of the Countywide MAC initiative, this sub-group aims to bring together public sector organisations across the district to seek and implement a co-ordinated and more efficient and effective use of property assets to enable allocated improvements in Service Delivery.

Aims and Objectives

- Support the Mapping and Public Realm (MPR) process in the Huntingdonshire area.
- Act as an exemplar of best practice and creative cross-organisational management of property issues in line with the Making Assets Count (MAC) programme.
- Generate an improvement in public service redesign from a coordinated partnership approach thus maximising best practice, efficiencies and benefits to the public sector and the customer.
- Identifies opportunities and challenges decisions relating to assets across Huntingdonshire.

Interdependencies

- The Making Assets Count (MAC) Programme – This project aims to deliver high quality and effective management of public sector assets in Cambridgeshire. This group offers the potential to act as an exemplar for this in the Huntingdonshire area.
- Growth and Infrastructure – Thematic Group of the Huntingdonshire Strategic Partnership – acting in an advisory capacity and ensuring, as far as possible, housing and employment growth is matched by appropriate infrastructure

Membership List (Attendees required at meetings)

Name	Post
Malcolm Sharp	Managing Director (Communities, Partnerships & Projects) - HDC
Gerry Ryan	Facilities and Admin Manager - HDC
Tobin Stephenson	MAC Programme Manager
Alistair Dunsdon	MAC – Hunts Project Manager
TBA	CCC
TBA	Police
TBA	Fire
TBA	PCT

Distribution List (Minutes, agendas and related paperwork to be circulated to this group)

To follow

Chair

This group will be chaired by Malcolm Sharp, Managing Director (Communities, Partnerships & Projects) HDC

Frequency of Meetings

To meet every 6 weeks if possible in Huntingdonshire.

Planning Review of Meeting / Group

The next review of the Terms of Reference for this group will be April 2012.

Other Support Arrangements

Item	Who
Agenda	Gerry Ryan
Room Bookings	Andrea Lucken
Action Points / Minutes	Andrea Lucken