Cambridgeshire Public Sector Asset Management Strategy
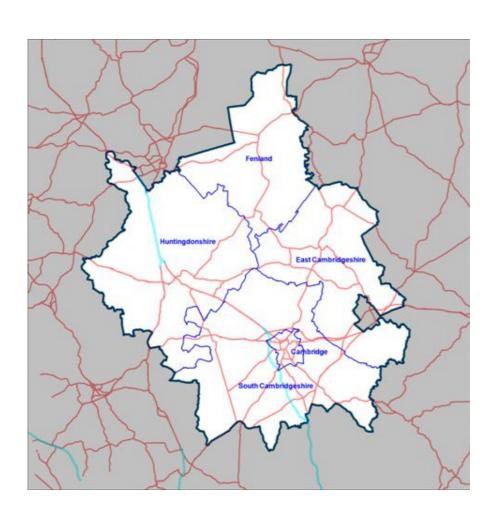
2011 – 2021

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Cambridgeshire Public Sector Asset Management Strategy

For informal consultation with Members and Management Boards

Draft 0.6

Version Control

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Final 1.0				Final Version for Sign-off	

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Note: Page 2 and 3 will not appear in final published version of strategy

Cambridgeshire Public Sector Asset Management Strategy

Final Version for sign-off/approval

Title/Group	Name/Chair	Partners internal approval body	Signature / Reference to Evidence of Approval (Date)
MAC Programme Board		<u>MAC Programme Board</u>	
Cambridge City Council		The Executive	
Cambridgeshire Constabulary		Cambridgeshire Police Authority	
Cambridgeshire Fire & Rescue		Cambridgeshire and Peterborough Fire Authority	
Cambridgeshire County Council		Cabinet	
Cambridgeshire PCT		NHS Cambridgeshire Board (and East of England Strategic health authority)	
East Cambridgeshire District Council		Full Council	
Fenland District Council		Cabinet	
Huntingdonshire District Council		Cabinet	
South Cambridgeshire District Council		Cabinet	

Previously circulated to:

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East of England Development Agency
Improvement East

Periodic Review

Activity	date	Lead
Completion of Strategy	31st December 2011	CCC
1st review due	31st December 2013	MAC
2nd review due	31st December 2017	MAC
New/amended strategy to commence	1st April 2021	MAC

Cambridgeshire Public Sector Asset Management Strategy

CONTENTS

NOTE: Final version of strategy will include pictures of partner buildings (excluded to reduce size of electronic document)

1.0   Executive Summary

This asset management strategy is part of the response to the prevailing economic situation in the UK where by the combined property portfolio of the public sector in Cambridgeshire is considered as a single strategic resource for service delivery. Property is but a tool to support the delivery of services to all citizens across Cambridgeshire and is required only when another channel is not suitable for or capable of full delivery of a service. Therefore when property is required it must be:

- In the right place, in the right condition, at the right time.

- Flexible and sustainable in use now and in the future.

- Able to deliver value for money in terms of service benefit, operating costs, financial return.

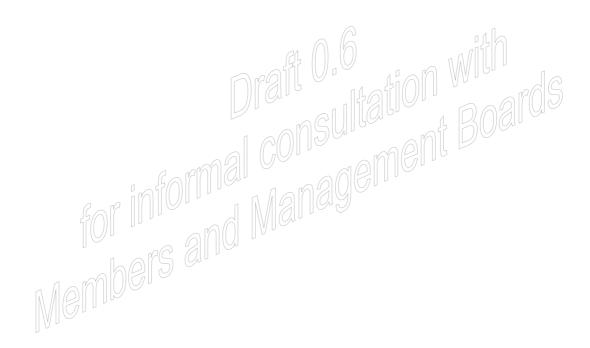- Contribute to the reduction in the combined carbon footprint.

This asset management strategy defines the principles which guide asset management planning, its role to support service delivery, why property is retained together with the policies, procedures and working arrangements relating to property assets.

Collectively Cambridgeshire's public sector asset base has a book value, as at 31 March 2010, of £1.53 billion made up from £1.19 billion of operational property and the balance from non operational property. This includes the property portfolios of the County Council, all five district councils, the police, fire service and the Primary Care Trust.

In general terms, the vision is the partners are able to effectively collaborate in relation to strategic asset management and to rationalise the combined operational estate. A number of models to achieve this are described in this strategy and their investigation forms part of part of the action plan. The collective stakeholder portfolio is extensive and in generic areas, such as offices, there is scope for the stakeholders to collaborate to optimise use. However, whilst commonalities exist in service requirements each stakeholder's portfolio is likely to reflect specific geographical and service requirements (a situation which is exaggerated in an extensive and predominantly rural county). For some operational portfolios (such as leisure centres, museums, schools, libraries, police and fire stations, health centres etc) the current footprint will be inherently connected to the service and any strategy for what should be developed with service review as an integral component.

The pooling of assets across the public sector in Cambridgeshire will reduce cost, reduce carbon emissions, increase returns on capital and open up investment opportunities. The working assumptions are that 20% reduction in running costs and a 20% more capital returns after 5 years are achievable and

that much larger gains are possible through service modernisation and integration.

2.0 Vision

2.1 Holding property is not an end in itself, but a means to an end. Property is a tool to support the delivery of services to all citizens across Cambridgeshire. Property, correctly located, needs on-going management and investment to ensure it remains fit for purpose. However, when it becomes an impediment to delivering quality services, then it will be improved, reused or disposed of.

2.2 The over-riding aim/mission statement is to get the best value from the combined public estate providing what is needed for service delivery to the service users in Cambridgeshire and driving optimum benefits from any investment estate.

2.3 The overall public sector property portfolio in Cambridgeshire is extensive and in generic areas, such as offices, there is scope for the stakeholders to collaborate to optimise use. However, whilst commonalities exist in service requirements each stakeholder's portfolio reflects specific geographical and service requirements (a situation which is exaggerated in a predominantly rural county). For some operational portfolios (such as car parking, schools, libraries, fire and police stations etc) the current footprint will be inherently connected to the service and this strategy will support the ongoing reviews of service delivery in the county by the partner organisations.

Care will be taken to ensure that future operational needs are central to this strategy and that property partnering arrangements do not become a constraint on options that might be considered at the operational level (e.g. right sourcing/commissioning). Indeed operational assets should be provided where other channels are not suitable for/capable of full delivery of a service. Strategic asset management will be closely linked to a general strategy to "channel shift" service delivery to telephone and internet provision.

> **Channel Shift - What is it?**
> **This is the change to services, mainly transactional in character, from paper based and face to face contact towards telephone and self service via the internet. The government has a policy of "digital by default" for public services which means that services, especially new services, will be "designed for digital"**

2.4 These high level vision statements identify the fundament property needs as:

- In the right place, in the right condition, at the right time.

- Flexible and sustainable in use now and in the future.

- Able to deliver value for money in terms of service benefit, operating costs, financial return and contribute to the reduction in the combined carbon footprint.

  This is in conjunction with the requirement for services to co-locate and consolidate in to a fewer number of properties to deliver the savings that are essential to maintain front line services.

2.5 This asset management strategy defines the principles which guide asset management planning, its role to support service delivery, why property is retained together with the policies, procedures and working arrangements relating to property assets.

2.6 This asset management strategy will ensure that property assets and resources are used efficiently and effectively. To do this the strategy aims to:

- Align more closely the use of property to the corporate aims/objectives and priorities of each of the partner organisations, accepting that there will be the over arching requirement for conciliation so that service needs are met. (Table in Appendix 7 lists each organisations Corporate Plan aims/objectives and priorities as determined in 2011/2012).

- Achieve best value for money from property management activities irrespective of funding source, i.e. capital, revenue or external resources.

- Ensure that short-term considerations do not compromise long-term sustainable and environmentally responsible property and asset management.

- Contribute to a built environment, which is safe, accessible for all users and complies with all relevant statutory requirements.

- Develop partnership-working arrangements with other public bodies in the county in order to pursue common objectives. One approach could be the "Public Public Property Company" model[1].

- Ensure that asset management is responsive to diverse community/ user needs and strikes a proper balance between aspiration and affordability.

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[1] This could be a Public Sector Property Partnership or Company with the following characteristics:
  - A jointly controlled vehicle
  - Provides a single conduit for engagement with the private sector (Subcontracts and JVs can be created beneath)
  - Ability to act as landlord and/ or provide services
  - Assets may never transfer into vehicle
  - Elevate exploration of thematic & geographic strategies
  - Promote joint working & encourage re-engineering of business processes

- Contribute to growth and regeneration in Cambridgeshire.

- Establish robust governance arrangements to manage the Prop Co.

Furthermore this strategy addresses the challenge laid out in the report published in February 2011 "Leaner and Greener: Delivering Effective Estate Management" by The, Westminster Sustainable Business Forum[2], and endorsed by the Secretary of State for Communities and Local Government.

The report's executive summary highlighted the following key points:

- "Local government can save money and improve services through managing their property assets efficiently, sustainably and in partnership with other public and voluntary sector organisations".

- "Can achieve efficiency savings through decreasing the space it occupies by 20-30%, by implementing low cost, flexible working practices and establishing central control over the management of its property assets".

- "…Increasing the sustainability of local government estate with potential savings of £180-£200 per m² per year. Local authorities currently spend up to £200 for every tonne of carbon they produce. In addition, it is estimated that the Carbon Reduction Commitment (CRC) will cost participating organisations approximately £200,000 a year".

- Realise the "importance of partnership working between local councils and its service delivery partners in the co-location of back office and front line services within common premises. Cooperation on the establishment of Local Property Management Boards and Pooled Asset Vehicles will enable more efficient asset management".

In appendix 8 is a table of recommendations from the Westminster Sustainable Business Forum report.

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[2] The Westminster Sustainable Business Forum is a high-level coalition of key UK businesses, government agencies and parliamentarians, which seeks to promote effective sustainability policy in the UK. It is an independent, cross party and not-for-profit organisation. Report can be found at: http://www.policyconnect.org.uk/wsbf/rationalising-local-government-sustainable-estate-management

Cambridgeshire Public Sector Asset Management Strategy

3.0 Introduction

3.1 Background - national level

3.1.1 The prevailing economic situation in the UK is, and will continue to have, a major influence on the use and retention of public sector property assets. The 2010 comprehensive spending review (CSR) for the period 2011/12 to 2014/15 announced wide ranging cuts. For local government, for instance, funding will be cut by a total of 26% with council's budgets cuts by up to 8.9% in 2011/12[3].

In the Cambridgeshire setting table 1 indicates the scale of the changes in budgets over the period 2011 - 2013

Partner organisation	Overall % Budget change 2011 - 2013
Cambridge City Council	-23.0%
Cambridgeshire Fire & Rescue	-12.6%
Cambridgeshire County Council	-23.4%
Cambridgeshire Constabulary	-11.5%
East Cambridgeshire District Council	-23.3%
Fenland District Council	-25.0%
Huntingdonshire District Council	-23.3%
South Cambridgeshire District Council	-26.2%
Average	-19.3%

Table 1: scale of the changes in budgets over the period 2011 - 2013

Other announcements in the CSR 2010 that will affect property include:

- Ending ring fencing of revenue grants to local authorities.

- Capital funding for local authorities will fall by 45% over the four year period of the CSR.

- Tax Increment Funding will be permitted (borrowing funded against future increases in locally collected business rates).

- Community based budgets will be established in pilot areas.

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[3] Leaner and Greener: Delivering Effective Estate Management, Westminster Sustainable Business Forum, Feb 2011

- A new homes bonus to encourage house building.

- Building Schools for the Future programme ended.

- Government establishing property management vehicles in London and Bristol (primarily for the office estate).

- Limited cuts for national cultural assets such as museums.

- Prudential borrowing to be retained.

- Public Works Loan Board interest rates set at 1% above UK Government gilts.

Subsequent spending reviews are likely to be as robust.

The public sector finds it self in a fast-changing environment and there is the ongoing impact of new legislation on property issues. For example the Health and Social Care Bill and the Localism Bill will require an effective public sector asset management strategy to be in place.

3.1.2   The previous government published in 2009 their Operational Efficiency Programme: Final report (OEP). According to the Office of National Statistics, the UK's public sector's property assets have a book value of £370 billion[4]. The UK's local government property (including council housing) accounts for two thirds of this total, around £250 billion, and central government and public corporations for the remaining one third,£120 billion. The public sector estate has estimated annual running costs of more than £25 billion. For Cambridgeshire public sector the book value of the operational estate amounts to £1.19 billion.

3.1.3   In the OEP it was stated that substantial savings and receipts could be achieved; the "property work strand" recommended[5]:.

- Around a 30 per cent reduction in central government office accommodation through the reduction of space occupancy reducing running costs for this part of the estate by £1 billion a year.

- For the remainder of the estate, property assets (excluding council housing) could be reduced by around 20 per cent over an initial 10 year period, reducing running costs (including rent from leasehold buildings) by between £2 billion and £4 billion a year.

- . For the retained estate, running costs could be reduced by around £0.5 billion a year. A further £0.5 billion a year could be saved from

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[4] Operational Efficiency Programme: final report April 2009, HM Treasury, pp54
(http://www.bis.gov.uk/assets/biscore/shex/files/oep_final_report_210409_pu728.pdf), repeated in Leaner and Greener:
Delivering Effective Estate Management, together with the other statistics in this paragraph.
[5] OEP:pp56

collaborative procurement of facilities management (FM). The Leaner and Greener: Delivering Effective Estate Management report suggest if a 30% reduction in space was made a further £1billion of savings are achievable.

- For the whole of the public sector freehold estate (excluding council housing) £20 billion in disposal receipts over an initial 10 year period; the reduction of the estate would also bring significant improvements in the overall estate performance on carbon emissions reduction.

- In total, this would mean:

  o Compared to an estimated 2007-08 running costs of approximately £25 billion, savings of up to £1.5 billion a year plus a further £0.5 billion from collaborative procurement of FM by 2013-14. This rises to a total of around £5 billion by the end of a 10 year period (excluding energy efficiency savings), or to £6 billion if further space is disposed of.
  o Proceeds from sales in the region of £20 billion (excluding council housing) over an initial 10 year period.

3.1.4 The coalition government are continuing with disposal as part of their comprehensive spending review.

3.1.5 The most recent thinking has emerged from the "Leaner and Greener: Delivering Effective Estate Management" report. The report provides 15 key recommendations for central and local government (listed in appendix 8) for strategic asset management.

3.2 <u>Asset management</u>

3.2.1 This strategic activity has, and will continue to, ensure that the public sector's land and buildings asset base is optimally structured in the best corporate interests, corporate goals and objectives of the individual partner, and collectively all, organisations in the County of Cambridgeshire. The way the property assets are managed, both strategically and operationally, directly affects the ability to deliver value for money and deliver better outcomes for Cambridgeshire's citizens.

The Royal Institution of Chartered Surveyors has provided a useful definition for asset management:

> ' …the activity that ensures that the land and buildings asset base makes the maximum possible contribution to achieving the goals and objectives of an organisation. It requires business skills as well as an overall knowledge of property matters…' (2008)

3.2.2 Property is expensive to procure, run and to maintain, especially when budgets are under ever increasing pressure. As a result, assets need

to be carefully managed over their lives to ensure best value in terms of use, maintenance and financial cost/benefit.

3.2.3 Commitment to a property asset, either to procure, take on or to decide to retain, is therefore not to be undertaken lightly. The challenge of asset management is that whilst it takes time to determine accurately property requirements and then to procure and provide them cost effectively, the corporate and service needs for organisations are changing increasingly rapidly as demands for services change and expectations of performance increase.

3.3   This Asset Management Strategy will:

3.3.1 Describe the general direction that the combined public sector property portfolio is, and will take over the next 10 years, the approach adopted in getting there and the policies that are being applied to decision making. The strategy is also providing the framework to develop new policies as the strategy matures. It considers the business goals and objectives of all the partner organisation, their business drivers, their financial context and the implications for their assets. It describes the overall asset objectives and the longer term vision for the asset base, the way in which each category of the asset base would be treated now and in the future and the overall financial framework in which this happens.

3.3.2 Covers all the property assets of the key public sector partners in Cambridgeshire:

- Cambridge City Council.

- Cambridgeshire Constabulary.

- Cambridgeshire County Council.

- Cambridgeshire Fire and Rescue.

- Cambridgeshire Primary Care Trust.

- East Cambridgeshire District Council.

- Fenland District Council.

- Huntingdonshire District Council.

- South Cambridgeshire District Council.

Over time and with future refreshes of this strategy other partners could be included to develop an all encompassing public sector view. Such partners as NHS Hospital Trusts, Further Education and Universities are the larger organisations but could equally be extended to Foundation schools, Parish

and Town councils. As some organisations already cross the "border" such as the Police and Fire services, Peterborough City Council may also be an effective inclusion.

3.4   What is an Asset Management Plan?

3.4.1 The Asset Management Plan (AMP) describes the more detailed cross organisational arrangements that are adopted to implement the strategy and make clear the critical success factors and associated performance measures that are needed to be met in implementing the strategy, together with an assessment of current performance.

3.5   The benefits of good asset management.

3.5.1 Land and buildings are probably the slowest of all the strategic resources (finance, people, ICT and property) to respond to change. The reasons for this vary but they are mainly attributable to legal, financial, regulatory, construction/development and property market issues. As a consequence there are:

- Long lead-in times for asset acquisition or creation and the subsequent start up period to bring to full use the new asset.

- Existing assets are illiquid (i.e. traditionally long lead-in times to empty buildings of staff, clear and dispose).

There is, therefore, an imperative to plan change in a very systematic way. Annual incremental change will not suffice, as it cannot respond to the challenges of early 21st-century public services and up to now has often led to many parts of the public sector property asset base under-performing in non-financial and financial terms. Examples of this are:

- Extensive Required Maintenance[6] backlogs, in the case of Cambridgeshire County Council, for example, the non-schools maintenance requirement for 2009/2010 was £23.5million. Huntingdonshire District Council total back log was £2million. (see table 2, section 5.1)

- Poor fit between service requirements and the property from which it is delivered.

- Poor and outdated accommodation for the workforce impacting on productivity, recruitment and retention.

- Inflexible buildings that are expensive to adapt.

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[6] Required Maintenance is defined as "The cost to bring the property from its present state up to the state reasonably required by the authority to deliver the service and/or to meet statutory or contract obligations and maintain it at that standard", National Property Performance Management Indicator (NaPPMI) definition.

- Limited co-location of public services.

- Inefficient sourcing and procurement of property, construction and property support services.

  - Inefficient use of capital.

  - Insufficient control over running costs.

Therefore there is an ongoing need for a structured and programmed approach to long-term change in the asset base of the public sector in Cambridgeshire, in short: 21st-century, fit for purpose, land and buildings. The approach is, and will continue to be, **the disposal of the poor quality/performing buildings, vastly improved utilisation of the retained buildings, ongoing rationalisation of the combined estate and the presumption that all buildings are shared between partners**. The over riding principle is that there is no attempt to "buy" the public sector out of the maintenance backlog by using resources to repair the entire existing estate. Furthermore the acquisition/procurement of new buildings will be a last resort and in all cases these will meet/exceed prevailing sustainability and carbon targets. This work is currently underway in Cambridgeshire County Council through its Better Utilisation of Property Assets Programme (BUPA).

3.6   Where are we now?

3.6.1 The majority of partner organisations have an existing asset management plan in place (links in appendix 1) and demonstrate that in the main strategic asset management is embedded and seen as business as usual.

3.6.2 Collectively Cambridgeshire's public sector asset base has a book value[7], as at 31 March 2010, of £1.53 billion made up from £1.19 billion of operational property and the balance from non operational property, see table in appendix 2. The diverse portfolio includes the largest local authority farms estate in England and Wales, schools, and other properties such as leisure centres, garages, factory units, traveller sites, car parks, public conveniences, markets, libraries, offices and operational depots. The portfolio also includes some unusual properties such as two windmills, an ice-house and lakes in the case of the county council and port moorings in the case of Fenland DC. Furthermore for the two housing authorities who retain their housing the combined book value of this part of their portfolios is £1 billion. There is also

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[7] **Book value** may be defined as "Properties regarded by the Council as operational are valued on the basis of Existing Use Value or, where this could not be assessed because there was no market for the subject asset, the Depreciated Replacement Cost (DRC), **subject to the prospect and viability of the occupation and use**. Properties regarded by the Council as non-operational or held for sale were valued on the basis of Fair Value. In this case Market Value has been reported with no adjustment for costs of sale". so in essence its more straightforward to say that unless the asset is to be sold, the valuation figures do not reflect an estimated sale price, but are values to the business.
Fair value (RICS Redbook 7th edition PP 239) 'is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction'..
Market value (RICS Redbook 7th edition PP 264) is defined as: ". . . the price at which land and buildings could be sold under private contract between a willing seller and an arm's length buyer on the date of valuation, it being assumed that the property is publicly exposed to the market, that market conditions permit orderly disposal and that a normal period, having regard to the nature of the property, is available for the negotiation of the sale."

£0.54 billion of infrastructure assets. There is a list of properties by usage in table in appendix 3.

3.6.3 A significant number of business benefits arise from the strategic use of property assets and includes:

- Release of capital for re-investment in service provision or debt reduction (thereby reducing annual revenue costs).

- Efficient running costs.

- Better public service provision by improved property and co-location of services.

- Property retained in good condition.

- Improved property utilisation by bringing together similar uses into the same property, rather than providing them separately.

- Improved staff productivity, promote change in corporate culture and the facilitation of corporate change.

- Improved delivery of community objectives through the obvious use of property.

3.6.4 The Policy benefits of asset management is increasingly being recognised by central government as part of the modernisation agenda. Since Sir Michael Lyons' Report (Towards Better Management of Public Sector Assets) in December 2004, the Treasury has taken a keen interest and asset management gained a higher profile in the Comprehensive Spending Review (CSR) 2007 with explicit targets for many public organisations and lately in the CSR 2010.

From a property assets point of view CSR 2007 established a target of releasing £30 billion from fixed asset disposals between 2004-05 and 2010-11 (2007 Pre-Budget Report and Comprehensive Spending Review October 2007 paragraph 1.12). CSR 2010 has taken this further as part of the localism bill of the coalition government (elected 2010) by:

- Introducing new rights for communities to run services, **own assets** and for public service workers to form co-operatives (Spending Review 2010 paragraph 1.78).

- Giving communities due notice and the right to buy or run **public assets** and services that might otherwise close or face significant reductions (Spending Review 2010 paragraph 1.88).

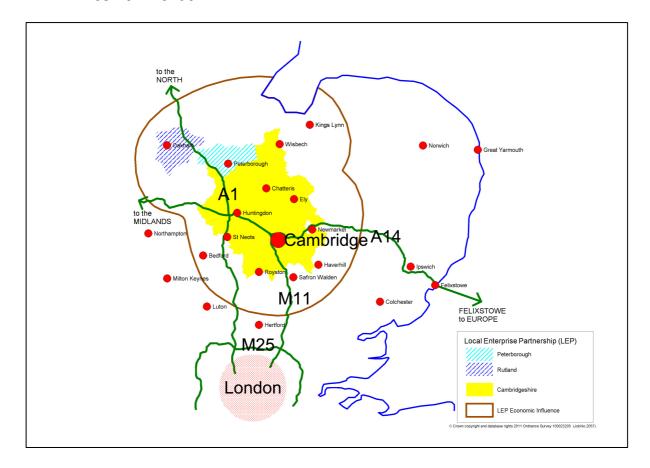- Disposing of **surplus assets** (Spending Review 2010 paragraph 1.91).

- The Government continuing to look into the potential sale of other public sector assets, including **property holdings** (Spending Review 2010 paragraph 1.98).

The government is demanding good practice in asset management throughout its own estate, which will also be relevant to other parts of the public sector. The Department of Communities and Local Government continue to encourage good performance in local government and similar encouragement is being promoted in the education and health sectors. Therefore, not only is good practice in asset management desirable, it is also an expectation from central government for all parts of the public sector.

3.6.5 During 2010/2011 Cambridgeshire County Council was designated as one of the initial group of 11 Assets and Capital Pathfinders. Cambridgeshire County Council worked closely with Communities and Local Government and the other Pathfinder authorities. The aim was to develop the Making Assets Count (MAC) approach into a successful way of managing capital and assets across multiple organisations. This included getting help from Government in considering some of the tax and legal issues around property company models, developing a public sector asset map and mapping need.

4.0 Context

4.1 Area, Population and Characteristics of the County of Cambridgeshire

4.1.1 Situated at the heart of the eastern region of England Cambridgeshire covers 304,357 ha and stretches fifty miles from the counties abutting London in the south almost to The Wash in the north. It has excellent road and rail links to London and elsewhere, with the university city of Cambridge being just 54 miles from London.

4.1.2 The county is predominantly rural in character with the City of Cambridge in the south having the largest concentrated population centre and a number of market towns ranging in population size from 8,000 (Chatteris) to 28,000 (St Neots).

4.1.3 The economy in the south of the County has remained relatively buoyant, in contrast to the relatively deprived rural areas in the north. The county is, however, uniquely placed as the UK's fastest growing county, and is central to the newly formed Greater Cambridgeshire, Greater Peterborough Local Enterprise Partnership. Their mission is:

> **"We believe our partnership can lead our area's growth to 100,000 significant businesses and create 160,000 new jobs by 2025 in an internationally renowned low**

carbon, knowledge-based economy".

4.1.4   The total population of Cambridgeshire is currently estimated at 600,800 (2009 estimates)[8] and is expected to grow significantly rising to circa 673,000 by 2021 with the majority of the increase in Cambridge City and South Cambridgeshire. The majority of this growth is due to migration, mostly from people elsewhere in the UK migrating into Cambridgeshire.

4.2   The partners

4.2.1   Cambridgeshire County Council is the upper tier local authority responsible for education, libraries, social services, roads and traffic, trading standards, waste disposal and the registration of births, marriages and deaths

4.2.2   The five district councils of:

- Cambridge City Council,

- East Cambridgeshire District Council,

- Fenland District Council,

- Huntingdonshire District Council,

- South Cambridgeshire District Council

are responsible for leisure and entertainment, rubbish and recycling collections, licensing, planning and building control, council tax collection, environmental health and housing. With respect to housing South Cambridgeshire District Council and Cambridge City Council have retained their social housing stock whereas Huntingdonshire District Council, Fenland District Council and East Cambridgeshire District Council have transferred their housing stock to housing associations.

4.2.3   Cambridgeshire Constabulary covers the county of Cambridgeshire and Peterborough Unitary Authority. Their main responsibility is the prevention of crime and disorder.

4.2.4   Cambridgeshire Fire and Rescue provide their services to the county of Cambridgeshire and Peterborough Unitary Authority. The service has three main responsibilities of prevention of fires, protection (offering advice) and response (to a wide range of emergency incidences).

4.2.5   Cambridgeshire Primary Care Trust (operating name is NHS Cambridgeshire) is the leader of the local NHS and commissions (or buys) care from a range of healthcare providers, on behalf of the people of Cambridgeshire. The majority of their budget goes towards hospital care, family doctor services, prescribed

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[8] Joint Strategic Needs Assessment for Cambridgeshire: Phase 4 Summary Sept 2010

medicines and community services such as health visiting, district nursing, rehabilitation services, palliative care, community dental services, foot health and children's health services.

4.2.6   The Government provides a diverse range of services to the citizens of Cambridgeshire such as the Ministry of Justice and The Highways Agency but also have located in Cambridgeshire staff who provide services to a wider regional and national basis such as Forestry Commission, Medical Research Council and Ministry of Defence.

4.2.7   The table in appendix 3 shows the range of property usage types for the delivery of local services (excludes the government's civil estate).

4.3   Planning and localism

4.3.1   This Strategy relates well to the ambitions of the Local Planning Authorities to take a more holistic approach to planning to meet Cambridgeshire communities longer term needs through Core Strategies. By taking a more joined up strategic approach to managing the wider public sector estate, the public sector will be better placed to take into consideration the longer term potential within the existing built environment. This will involve identifying opportunities to improve the way areas function for services or different uses and potential to regenerate and retrofit in some cases to help in achieving wider community aims. This approach fits well with the principle of taking a sequential approach and promoting sustainable development while also seeking to achieve greater value for money.

4.3.2   Significant reforms of the Planning system are proposed through the Localism Bill, particularly with the anticipated introduction of the 'Presumption in favour of sustainable development' and the Government has made clear its commitment to ensuring that the planning system does everything it can to support long term, sustainable economic growth.

4.3.3   There is the potential for better alignment between managing the public sector estate with aims around achieving sustainable economic growth. Particularly from a local perspective, there is real possibility for identifying opportunities for greater join up on public sector estate strategy to aid in delivering on local priorities. In this regard projects have already been identified across the City and Districts which could make a significant difference to areas and communities . For example the Fenland project in Wisbech has joined resources from the County Council, Fenland District Council and the College of West Anglia and is a net investment in the town.

5.0 The financial context

5.1 Required maintenance (backlog)

A high level of required maintenance has the potential to drag time and resources away from the delivery of essential front line services. Whilst quantifying the amount is a useful indicator it also forms part of the evidence base for developing projects to address individual property issues as a result of service change.

Organisation	Total Required Maintenance backlog (£millions) 2009/10	Book value * (£millions)	Floor area (GIA)(m²)
Cambridge City Council	Information to be provided	187.6	Information to be provided
Cambridgeshire County Council	72.100	1,127	746,780
Cambridgeshire Fire and Rescue	10.900	17.8	15,836
Cambridgeshire Police	Information to be provided	39.3	Information to be provided
Cambridgeshire Primary Care Trust	5.065	44.0	58,043
East Cambridgeshire District Council	0.231	14.0	27,995
Fenland District Council	2.360***	29.8	Information to be provided
Huntingdonshire District Council	2.000	55.2	44,122
South Cambridgeshire District Council	0.084	22.3	5,800
TOTALS	To be completed	1,537	To be completed

*2009/10 statement of accounts, excludes social housing and infrastructure
***2007/8 figures

Table 2: Required maintenance (backlog) 2009/2010

5.2. Capital Programmes

5.2.1 Impact of the economic downturn on capital programmes from 2011/2012

By the very nature of capital planning, proposals and funding put forward in advance are subject to refinement and change, particularly in respect of the need to reflect operational requirements and gauging the true revenue

consequences and benefits of each scheme. The previous programmes developed by public sector partners was predicated on capital funding provided by Central Government (supported expenditure and grants) and locally raised funding in the form of capital receipts and contributions. The marked downturn in the housing and property market has led to the slowing or, in some cases, the stalling of development. Land values have fallen, but are now evening out, although it needs to be acknowledged that in early 2011 the market continues to be very "patchy". As a result the ability to fund capital investment through the sale of surplus land and buildings and contributions from developers has been adversely affected. This together with the finance settlement issued by Government reducing grants as well as a change in the type of funding available has resulted in a significant contraction of capital programmes. In the example of Cambridgeshire County Council the grant cuts of 22% have been recognised in 2011/12, 28% in 2012/13 and 36% in 2013/14 in respect of Schools and Transport which has necessitated a fundamental review and reprioritisation of all capital schemes. In the County Council setting this has amounted to a 35% contraction in the programme between 2011 and 2015.

5.2.2   A summary of the approved capital programmes for each organisation over the next 5 years (NB not all of the programme for each organisation will be property related) is noted in table 3:

Organisation	2011/12	2012/13	2013/14	2014/15	2015/16	Total
	£millions					
Cambridge City Council (Link to source document)	3.877	1.738	2.222	2.486	0	10.323
Cambridgeshire Constabulary	7.658	8.557	4.412	2.700	0	23.327
Cambridgeshire County Council	105.800	71.300	13.400	49.200	72.100	311.800
Cambridgeshire Fire & Rescue	3.467	2.782	3.05	2.548	0	11.847
Cambridgeshire PCT (Dept of Health only approving capital on 12 monthly basis)	3.200	0	0	0	0	3.200
East Cambridgeshire District Council	0	0	0	0	0	0
Fenland District Council	7.311	5.915	2.558	0	0	15.784
Huntingdonshire District Council	11.933	3.321	3.005	2.441	2.777	23.477
South Cambridgeshire District Council	0	0	0	0	0	0
Total	143.246	93.613	28.647	59.375	74.877	399.758

Table 3: Summary of approved capital programmes
(NB not all of the capital programme for each organisation will be property related)
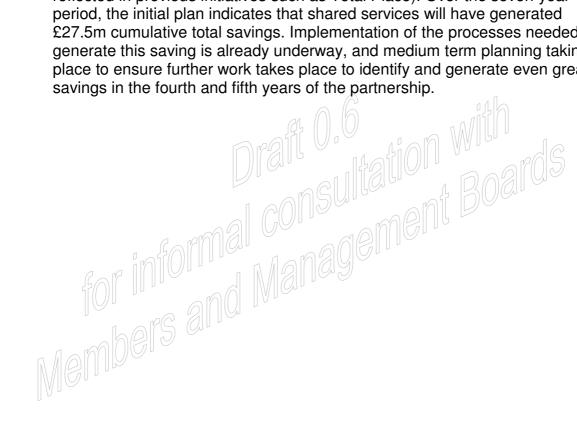
5.2.3 A Summary of funding sources for the capital programmes for each organisation is included in appendix 4.

**6.0   Innovation –
         Case study: Local Government Shared Service**

6.1   The whole of the public sector are, and will continue to do so, look for more innovative ways to reduce their costs and find a sustainable budgetary position in the current austere financial climate. One response developed by Cambridgeshire County Council in partnership with Northamptonshire County Council (NCC) has examined how, through effective collaboration and shared services; they are reducing the cost of support services over and above the savings they can achieve individually. The Local Government Shared Services (LGSS) solution has involved the creation of a quasi-independent venture (although not an independent legal entity) providing a range of support services (e.g. Finance, Human Resources, Internal Audit, Property, Information Technology) to the two authorities, using the common Oracle eBusiness Suite computer system, having a single management team, and standardised and simplified common business processes for both authorities.

6.2   The provision of the above outlined services currently costs over £35m per annum across the two authorities. Implementation of the LGSS has enabled both councils to achieve savings through the establishment of a single management function, achieving process and technology efficiencies and delivering economies of scale.

6.3   £1.6m savings were indentified as certain in 2010/11. 35% of these savings came from the procurement of the Enterprise Resource Planning system (ERP) hosting contract; 18% from increased income generation in Legal, Audit and Risk Management Services; 9% resulted from top-tier management savings, and the remainder of these savings came from systems development leading to greater efficiency.

6.4   Further savings opportunities of £1.5m in year two have been identified.

6.5   By the sixth year, the annual saving will have reached £3.6m; if all identified savings are included in this figure, the total rises to £6.5m, and further savings targets are envisaged. Initial plans were for 18% of the total savings to come from joint procurement between the partner authorities, however this figure has already been exceeded. 31% of the total saving is from efficiencies enabled as a result of new and shared technology, and the remainder of the savings will come from reorganisation as a result of sharing services.

6.6   There are additional benefits associated with the scheme, such as providing alternatives to outsourcing and thereby allowing LGSS to focus on the optimisation and efficiency of the services it provides. There is also the opportunity for LGSS to expand and provide services to other public bodies, such as district councils, which may also generate significant savings. For

example, a significant proportion of the annual fixed cost of the LGSS shared hosting contract would be saved every time another user joined the contract.

6.7   LGSS can therefore cost effectively support the wider local public service economy and enable greater sub-regional public sector collaboration (as reflected in previous initiatives such as Total Place). Over the seven-year period, the initial plan indicates that shared services will have generated £27.5m cumulative total savings. Implementation of the processes needed to generate this saving is already underway, and medium term planning taking place to ensure further work takes place to identify and generate even greater savings in the fourth and fifth years of the partnership.

7.0   Asset Management Principles

7.1   This strategy has developed a set of key principles based on the three high level visions statements (see 2.4). Any proposed new/acquired property solution must be able to demonstrate these principles (and as far as practicable with respect to existing buildings) with the overall objective that all buildings will be economic, efficient and effective:

7.1.1 **VISION STATEMENT 1** - In the right place, in the right condition, at the right time.

- All new builds and lease/purchase acquisitions (and extensions to existing leases) to be detailed in robust business cases approved by the partners relevant decision making body and in addition by the Making Assets Count (MAC) Programme Board (where multi agency occupation is planned.

- All acquired buildings (new build, purchased and leased) to meet environmental sustainability criteria of the relevant organisation where there is sole occupancy. In the event of multi agency occupation MAC Programme board will need to confirm the standards to be met.

- Accessible to all members of the community.

- Compliant with all current statutory requirements.

- Provision of public access meeting/interview rooms usable by all partners

7.1.2 **VISION STATEMENT 2** - Flexible and sustainable in use now and in the future.

- Flexible in terms of:
    o Space usage.
    o Sub division/sub letting.
    o On site expansion space.

    Sustainably constructed (supported by the BREEAM[9] Rating agreed between the partners).

- For all new office accommodation it is assumed that occupation will be based on an average 5:10 desk:staff ratio unless otherwise agreed by the partners, supported by flexible/remote working policies. This to be extended to all office accommodation that is provided in service delivery buildings.

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[9] BREEAM - Building Research Establishment Environmental Assessment Method

- All office accommodation (including back office space in service delivery buildings) is available to all public sector officers from all partners to touch down on the basis of "any desk - any where".

7.1.3 **VISION STATEMENT 3** - Able to deliver value for money in terms of service benefit, operating costs, financial return and contribute to the reduction in the combined carbon "footprint".

- Well-designed presenting a positive image for the public sector in Cambridgeshire to its service users and service providers providing modern dynamic functionality that promotes interaction between service users and service providers.

- Co-location of services and partners to be the norm and separate accommodation for individual services/partners will be the exception.

- Contribute to the national and local targets for the reduction of greenhouse gas emissions for all new property acquisitions.

- Economic in facility management terms (including repairs and maintenance). Whole life costing to be used for new builds and major refurbishments.

- Maintain the strength of the public sector covenant[10].

- Lease out/licence owned property on market value terms with grant support (normally on a reducing basis) when appropriate, to aid transparency, rather than granting concessionary rentals.

- Only consider letting out accommodation in circumstances where
  o The space is not required for service purposes.
  o The premises cannot be disposed of either because another part of the building or site is occupied or that disposal should be deferred.
  o The prospective tenant is either providing a service with or for the public sector under a contract or service level agreement, or is a public / third sector body providing a community service.
  o Financial return.

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[10] Having a good covenant or strength of covenant is usually used in leasehold terms and it refers to the lessee's ability (usually the lessee) to occupy in accordance with the lease. i.e. the rent will be paid on time, will not default on rent, will leave the premises in good condition at the end of the term. The effect is that the lessee is recognised as a "good" ("bluechip") tenant and is very unlikely to default. Hence a better deal/rent can be negotiated. The County Council has an excellent covenant and is a well-respected and well-established organisation without cash flow difficulties.

- The use of property will be maximised, thereby reducing the demand for accommodation, the aim is to reduce the footprint of the entire property portfolio.

- The preferred tenure is freehold title of long-term strategic property assets and leasehold for short-term, temporary or transient property assets. The overriding principle is that existing space must be fully utilised before taking on additional properties.

7.2   Delivery

7.2.1   In general terms, the vision is achievable where the partners are able to effectively collaborate in relation to strategic asset management and to rationalise the combined operational estate and there are a number of models for this. The collective stakeholder portfolio is extensive and in generic areas, such as offices, there is scope for the stakeholders to collaborate to optimise use. However, whilst commonalities exist in service requirements each stakeholder's portfolio is likely to reflect specific geographical and service requirements (a situation which is exaggerated in an extensive and predominantly rural county). For some operational portfolios (such as leisure centres, museums, schools, libraries, police and fire stations, health centres etc) the current footprint will be inherently connected to the service and any strategy for what should be developed with service review as an integral component.

7.2.2   In its simplest form a joint committee approach is a further step to a more formalised agreement from the existing partnership working under a MAC Programme Board and no formal strategic property vehicle is created. Much of the Asset Management Strategy should be possible through joint agreement and this will likely to be inexpensive in terms of set up costs.

An agreement would cover the following:

- Conceptual "pooling" of assets.

- Sharing all portfolio information.

- Agreeing common asset management principles / practices.

- Co-operating to optimise performance/utilisation/returns.

It may be viable to adopt a direct delivery approach to unlock value and deliver savings in a time and cost effective manner.

A series of service level agreements could be established to unify project management resources. A possible down side is that there is nothing to lock in desired behaviours and it may be difficult to exercise leadership and drive change quickly and over a sustained period.

7.2.3 At the other extreme is a Public Sector Property Company (with full asset transfer). There are a number of aspects to this approach:

- For all the partners to transfer their property assets into a single public sector property company vehicle will be expensive both to establish and then operate thereafter. However, this will mean that property costs are explicitly measured and managed. This would lock in behaviour and if the vehicle were to take on debt then it might also lock-in a degree of commercial performance. However, unless borrowing is guaranteed by a public authority then this will be relatively expensive and unlikely to present the best value approach.

- Where there is most scope for performance to be driven from the portfolio i.e. for offices then the benefits from this approach might justify the expense. However, in other areas where there is less scope for collaboration to drive performance then it questionable why this approach would be pursued. Indeed for many of the operational properties this approach would need to be considered carefully to ensure it provides the optimum solution and does not just create an administrative burden. Separate vehicles could be considered for different parts of the estate. For example leisure and heritage properties might be placed into a Leisure Trust (with charitable status) if a business case analysis demonstrated this provided best value. There is little point in transferring property into a separate company just for the sake of it if little can be done to drive performance. Also if the intention is to dispose of the property as surplus then one would question the merit of transferring it into a property company only to transfer it again, attracting additional costs.

- There are risks here that the 'tail is allowed to wag the dog' and modest implications relating to property are allowed to outweigh significant operational concerns. In the case of a generic office portfolio the risks would likely to be less grave than for bespoked operational premises, where operational drivers must be given opportunity to lead.

7.2.4 There is a model which combines the best aspects of the joint approach and can "lock in" desired behaviours whilst mitigating the effects of full asset transfer. This is a Public Sector Property Company (asset draw down) where by a property company can be created without the transfer of assets but on the basis assets can be drawn down as required. This model can be seen more clearly in the graphic in appendix 5. This was proposed in a report undertaken by DTZ for the MAC Project Board in 2010.

- The vehicle can serve as a focus for initial activity, focused on parts of the portfolio yielding greatest scope to drive efficiency through collaboration e.g. offices. Information would be pooled. All property would be treated as a pooled resource so that its use is optimised

across the stakeholders, but properties would not be drawn down unless there was an approved business case reason to do this.

- The vehicle can serve as an important conduit for contracting with the private sector to deliver a range of partnering solutions such as a Local Asset Backed Vehicle (LABV) where regeneration is considered important and the private sector will receive a return on capital invested.

- Staffing issues can be addressed to create a single property management resource with service level agreements back to the respective stakeholders.

7.2.5   To address the vision this strategy proposes the investigation of the most appropriate legal vehicle that may encompass all (or the majority) of the partners. A starting point for the investigation could be the model proposed in 7.2.4 above. In appendix 6 are a possible set of terms of reference for a possible Public Sector Property Company.

Whilst the approach suggested by the DTZ report provides the greatest flexibility as to how assets in such a diverse portfolio are dealt with and solutions delivered as they are drawn down either into or under the management of a Public Sector Property Company when they are required, Partners will need assurance that their own corporate plan objectives are being addressed..

7.2 6   Whilst not prejudging the outcome of the investigation proposed its worth noting the characteristics of a possible Public Sector Property Company are:

- It will be a jointly controlled vehicle (possibly Limited Liability Partnership (LLP)), with formal status.

- Will provide a single conduit for engagement with the private sector. Sub contracts and joint ventures will be created in accordance with specific project requirements.

- Have the ability to act as landlord and/or provide services.

- Assets may never transfer in to the vehicle. Assets are drawn down into individual or groups of projects when required.

- Will be able to evaluate exploration of thematic and geographic strategies.

- Be able to promote joint working and encourage re-engineering of business processes.

- A single property management resource could be created with service delivery governed by service level agreements.

7.2.7 Furthermore the advantages of such an approach are:

- Optimised group purchasing.

- Commercial pressure introduced and performance tracked.

- Ensures private sector partners focus on the challenge (via tendering process) and their ongoing commitment to achieve the outcomes (they are locked in via contracts).

- Acknowledges that a "one size fits all" delivery solution is unlikely to be achievable.

- Maintain control parity between partners.

- The facilities management offering could be streamlined across the combined estate.

7.2.8 However such an approach will not be without its challenges:

- Objectives and the outcomes must be clear at the outset for the strategic level arrangements and for the projects as they are developed.

- Alignment of all the partners will be challenging.

- There will be the need to manage multiple delivery arrangements.

It is acknowledged there are differences between the partner organisations, and include for example (not an exhaustive list), differing political arrangements and organisations, different tax treatments such as for VAT, size and make up of property portfolios, geographical coverage etc.

8.0   Asset Management Plan (Action plan)

8.1   The Asset Management Plan will have three distinct phases:

- **Phase 1** - Here and now.

- **Phase 2** - The investigation of property company option, governance, identifying the HR/IT and other key issues and will involve representatives (Officer and Member) of all partner organisations.

- **Phase 3** - Development of the policies, procedures and information systems to support the project work. This phase will be undertaken by the Prop Co.

8.2   **Phase 1 - here and now**

The Making Assets Count project board was initiated February 2010 and has undertaken the core work of building relationships between partner organisations, collecting GIS data, leading the Capital and Assets Pathfinder work in Cambridgeshire, establishing a common suitability survey methodology, investigated the Prop Co model and the commissioning of this asset management strategy. The MAC project has been substantially delivered and from June 2011 the MAC project was closed and reopened as the Making Assets Count – Cambridgeshire Programme with a revised programme structure and under the Cambridgeshire Public Services Board

The Making Assets Count Programme Board are taking forward the following projects:

(i)   The Public Sector Asset Management Strategy
(ii)   South Cambridgeshire Operations Centre - combined depot for County, Districts, Police, Fire and Highways Agenct..
(iii)   Fenland - initially started as a County project under their BUPA programme.

Further projects are being identified arising from a series of area based workshops held in May/June 2011.

8.3   **Phase 2 – Investigation of of property company options**

Ref	Outcome	Action	When by	Who
1/1	Investigation of the various models for a Cambridgeshire Public Sector Property Company	Determine the principle of establishing a Public Sector Prop Co. Review by each partner of the options	31 March 2012	MAC Programme Manager

		prior to formal recommendation by MAC.		
1/2	Investigation of the Governance arrangements and common protocols	Identify all property related delegations/member reporting arrangements for each partner organisation as they relate to property/asset/new build issues. Develop draft agreement document for signature by all partner organisations. This will also include the protocol for the transfer of property assets in to projects. Develop linking arrangements to each partner organisation for property issues. Review by each partner of the options prior to formal recommendation by MAC.	31 March 2012	MAC Programme Manager
1/3	Identification of HR, IT, capital and revenue implications for each partner organisation	Appoint relevant leads, identify key issues and bring together in to single report for MAC Board.	31 March 2012	MAC Programme Manager
1/4	Assessment of current staff resources	Identify existing staff structures/budgets/skill matrix in all partners for all property related functions, including those embedded in service departments.

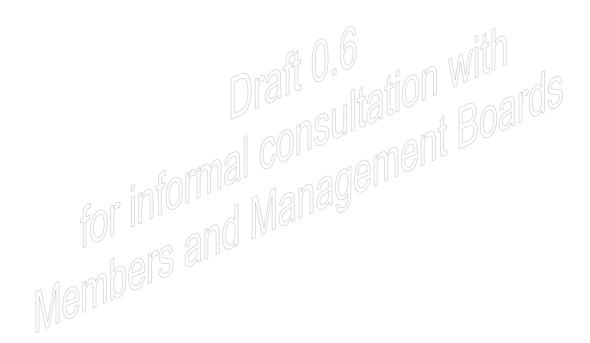Identify current partnership/shared service arrangements. Identify which partner organisations are providing services to | 31 March 2012` | MAC Programme Manager |

		other public sector organisations, scope, value and contract arrangements		
1/5	Provide basis for the development of a co-ordinated and standardised Facilities Management (FM) offering	Identify current hard and soft FM arrangements and performance requirements in each organisation. Identify all property related budgets (Rev and capital) for all partners including those embedded in service departments	31 March 2012	MAC Programme Manager
1/6	Assess effect of, and on, the existing framework and partnership contracts	Identify current contracts and remaining time scales, produce matrix.	31 March 2012	MAC Programme Manager

8.4 **Phase 3 - Develop joint policies and procedures**

Ref	Outcomes	Action	When by	Who
2/1	Identify all partner organisations property related policies, strategies and plans	Produce schedule with key dates	27/1/2012	MAC
2/2	Co-ordinated and standardised co-location policy	Review existing policies in each partner organisation, identify commonalities and differences, draft common policy, develop model Service Level Agreement	30/3/2012	MAC
2/3	Co-ordinated and standardised disposal policy	Review existing policies in each partner organisation, identify commonalities and differences, draft common policy, acknowledging that the combined disposal	27/4/2012	MAC

		programme needs to be co-ordinated.		
2/4	Co-ordinated and standardised acquisition policy	Review existing policies in each partner organisation, identify commonalities and differences, draft common policy. Develop mechanism to occupy each others property assets.	27/4/12	MAC
2/5	Co-ordinated and standardised property principles	Review principles established in Asset Management Strategy at next review date of the document	31/12/2013	MAC
2/6	Co-ordinated and standardised community transfer policy	Review existing policies in each partner organisation, identify commonalities and differences, draft common policy	8/6/2012	MAC
2/7	Co-ordinated and standardised capital investment prioritisation procedure	Review existing procedure in each partner organisation, establish Finance Officer group with reps from each organisation, draw up proposals for a common procedure to be adopted by each organisation.	8/6/2012	MAC
2/8	Co-ordinated and standardised data base/management	Review existing data collection/management systems in each partner organisation, identify most appropriate system(s) to hold data. Take over management from host organisation(s)	31/8/2012	MAC
2/9	Co-ordinated and standardised maintenance strategy	Review existing strategy in each partner organisation, identify commonalities and differences, draft common strategy	30/11/2012	MAC
2/10	Co-ordinated and	Review existing PI's in	6/7/2012	MAC

	standardised asset performance indicators	each partner organisation, identify commonalities and differences, draft common set of PI's		
2/11	Co-ordinated and standardised GIS	Review existing GIS systems in each partner organisation; identify most appropriate system(s) to hold GIS data. Set up SLA with host organisation(s)	2/11/2012	MAC
2/12	Co-ordinated and standardised property review (suitability) process	Review previously agreed common system in anticipation for next cycle of surveys.	28/3/2013	MAC
2/13	Co-ordinated and standardised project management methodology	Review existing policies in each partner organisation, identify commonalities and differences, draft common policy	29/11/2012	MAC
2/14	Co-ordinated and standardised FM offering	Produce manual based on data collected in phase 1 above	30/1/2013	MAC
2/15	Co-ordinated and standardised procurement arrangements.	Identify contract procurement rules for each partner organisation. Following on phase 1 collection of data on existing frameworks and partnerships develop project plan to renew contracts as they arise.	2/11/2012	MAC
2/16	Co-ordinated and standardised policy for access to properties	Review existing policies in each partner organisation, identify commonalities and differences, draft common policy	31/12/2012	MAC

The proposed programme is indicative. In appendix 9 is a ghant chart of the programme.

Draft 0.6
for informal consultation with
Members and Management Boards

9.0 Risks and issues

The assessment of risk was undertaken using the Cambridgeshire Count Council methodology. The approach develops a risk matrix using a scoring system assessing the likelihood that something is going to happen and then assessing the impact of a risk event happening. The matrix (in appendix 10) highlights the more significant risks (those in the red areas) to the less significant (green area) as determined by the scoring.

The risk schedule is also in appendix 10.

This risk log will be reviewed on a 6 monthly cycle by the project manager and significant changes will be reported and mitigation actions agreed.

10.0　Resources

The Financial resources (capital) to undertake project work are identified in section 5 above. The revenue implications of project work will be identified in the appropriate full business cases.

Staff resources, in the interim, to develop policies and strategies as well as new projects is currently from within existing establishments, in the main within Cambridgeshire County Council. The business case for the development of the Prop Co will identify the current and future staff resources, taking into account existing partnership and shared arrangements such as the Local Government Shared Services between Cambridgeshire and Northamptonshire County Councils.

List of existing asset management plans/property related strategies for each partner organisation

Organisation	Title	Dates covered	Link (as at 21 June 2011)
Cambridge City Council	Asset Management Plan	2002/3 to 2006/7	No link available
Cambridgeshire Constabulary	Estates Strategy	2008	Link
Cambridgeshire County Council	Corporate Asset Management Plan	2006-2011	Link
Cambridgeshire Fire and Rescue	Asset Management Plan	2009	Link
Cambridgeshire Primary Care Trust	The PCT have noted in their strategic Plan 2010-2015 they are drawing up an Estates and Assets Strategy, however the work is on hold.		
East Cambridgeshire District Council	Draft Service Plan for Asset Management	2009-2012	Link
Fenland District Council	Corporate Asset Management Plan (Including Property Strategy)	2007 - 10	Link
Huntingdonshire District Council	Asset Management Plan	2002/03	Original plan dated 2002 and not available on website, however annual update report is at: Link
South Cambridgeshire District Council	Asset Management Plan	2008/2009 - 2010/11	Link

Making Assets Count

Book value - taken from published Statement of Accounts for 2009/2010 as at 8 December 2010)

	£	County	City	ECDC	FDC	HDC	SCDC	Fire	Police	PCT	TOTAL
Operational	Council dwellings	0	575,320,000	0	0	0	435,493,390	0	0	0	1,010,813,390
	Infrastructure	526,967,000	1,324,000	659,211	5,000,000	8,744,000	61,569	0	0	0	542,755,780
	Community	79,000	678,000	441,807	1,498,000	1,406,000	0	0	0	0	4,102,807
	Other land and buildings	918,566,000	91,072,000	12,413,964	21,193,000	35,468,000	18,544,900	17,776,000	30,351,000	44,025,000	1,189,409,864
	Total operational	918,645,000	91,750,000	12,855,771	22,691,000	36,874,000	18,544,900	17,776,000	30,351,000	44,025,000	1,193,512,671
Non operational	Surplus (held for disposal)	14,585,000	6,369,000	540,496	6,489,000	1,514,000	3,831,837	0	0	0	33,329,333
	Investment properties	0	89,034,000	459,951	0	15,799,000	0	0	0	0	105,292,951
	Properties under construction	193,788,000	470,000	194,091	619,000	1,020,000	0	0	8,964,000	0	205,055,091
	Total non-operational	208,373,000	95,873,000	1,194,538	7,108,000	18,333,000	3,831,837	0	8,964,000	0	343,677,375
Overall Total (excludes dwellings and infrastructure)		£1,127,018,000	£187,623,000	£14,050,309	£29,799,000	£55,207,000	£22,376,737	£17,776,000	£39,315,000	£44,025,000	£1,537,190,046

Total assets including dwellings and infrastructure	£3,090,759,216

Making Assets Count
Numbers of properties - taken from published Statement of Accounts for 2009/2010 as at 8 December 2010)

Sheet 1

Designations derived from the satement of accounts	Property description (partners use slightly different terms, therefore all variations included)	Cambridgeshire County Council	Cambridge City	Huntingdonshire DC	Fenland DC	East Cambridgeshire DC	South Cambridgeshire DC	Cambridgeshire Constabulary	Cambridgeshire Fire and Rescue	Cambridgeshire PCT	Totals	units
Operational	County farms estate	13,656									13656	Hectares
Operational	Waste disposal sites	10									10	Nr
Non operational	Travellers' sites				1						1	Nr
Operational	Travellers' sites	10			1						11	Nr
Operational	Education	273									273	Nr
Operational	Social Services	48									48	Nr
Operational	Offices		8				1				9	Nr
Operational	County offices	26									26	Nr
Operational	Council Offices				1						1	Nr
Operational	Offices and depot			4							4	Nr
Operational	Administrative Offices					2					2	Nr
Operational	HQ							1	1		2	Nr
Operational	Sports/swimming		8								8	Nr
Operational	Leisure Centres			5		1					6	Nr
Operational	Leisure Centres and Pools				3						3	Nr
Operational	Swimming Pool					1					1	Nr
Community Assets	All weather sports surfaces		4								4	Nr
Operational	Tourist Information Centre					1					1	Nr
Operational	Libraries and museums	45									45	Nr
Non operational	Museum/heritage properties		1								1	Nr
Operational	Museum					1					1	Nr
Operational	Depots		1		1	2					4	Nr
Operational	Depot and Workshop						1				1	Nr
Operational	Car parks		8	23		13	4				48	Nr
Operational	Off street car parks				19						19	Nr
Operational	Community centres		7								7	Nr
Operational	Concert hall		1								1	Nr
Operational	Public Hall/Restaurant					1					1	Nr
Operational	Public WCs		14	7	10	10					41	Nr
Operational	Cemeteries		1		7						8	Nr
Operational	Crematorium		1								1	Nr
Non operational	Closed Churchyards/Burial Grounds				8						8	Nr
Operational	Markets			2	4						6	Nr
Operational	Bus Stations			2							2	Nr
Operational	Bus and miscellaneous shelters				28						28	Nr
Community Assets	Skateboard ramps/play areas		14								14	Nr
Community Assets	Pavilions		4								4	Nr
Operational	Pavilions			4							4	Nr
Operational	Sports pavilions				2						2	Nr
Community Assets	Recreation Grounds			6							6	Nr
Community Assets	Allotment site & buildings		3								3	Nr
Operational	Allotments				41.25						41.25	Acres
Community Assets	Allotments		34								34	Hectares

Appendix 3

Cambridgeshire Public Sector Asset Management Strategy

Making Assets Count
Numbers of properties - taken from published Statement of Accounts for 2009/2010 as at 8 December 2010

Sheet 2

Designations derived from the statement of accounts	Property description (partners use slightly different terms, therefore all variations included)	Cambridgeshire County Council	Cambridge City	Huntingdonshire DC	Fenland DC	East Cambridgeshire DC	South Cambridgeshire DC	Cambridgeshire Constabulary	Cambridgeshire Fire and Rescue	Cambridgeshire PCT	Totals	units
Community Assets	Nature reserve		3								3	Nr
Community Assets	country parks			2							2	Nr
Community Assets	Commons		109								109	Hectares
Community Assets	Public open space		83								83	Hectares
Community Assets	parks and amenity areas (covering 93.3 hectares)				242						242	Nr
Operational	Parks					2					2	Nr
Community Assets	Parks					2					2	Nr
Operational	Play Areas					12					12	Nr
Community Assets	Play Areas					10					10	Nr
Community Assets	Public open spaces/displays					116					116	Nr
Community Assets	Rights of use					2					2	Nr
Infrastructure Assets	Sewage treatment works				18						18	Nr
Infrastructure Assets	Port Quay				1						1	Nr
Infrastructure Assets	port moorings				800						800	Metres
Operational	Works of Art					1					1	Nr
Operational	Historical interest					1					1	Nr
Community Assets	Monuments and memorials				16						16	Nr
Operational	Police Stations							22			22	Nr
Operational	Radio Masts							3			3	Nr
Operational	Fire stations								24		24	Nr
Operational	Weekly let garages		1,845								1845	Nr
Operational	Garages				137						137	Nr
Operational	Housing stock		7,364								7364	Nr
Operational	Shared ownership		90								90	Nr
Operational	Eco Homes			2							2	Nr
Operational	Houses and flats	98									98	Nr
Operational	Dwellings				4	1					5	Nr
Operational	Council dwellings						5,539				5539	Nr
Operational	Homeless Hostels				2						2	Nr
Operational	Staff Houses								5		5	Nr
Non operational	Mobile Home Park			1							1	Nr
Infrastructure Assets	Council roads	2,741									2741	Miles
Infrastructure Assets	Private roads/paths		6								6	Nr
Operational	Properties (no designation determined)									40(1)	0	Nr
Non operational	Development sites		3								3	Nr
Non operational	Leased property/land		375								375	Nr
Non operational	Investment properties			100							100	Nr
Non operational	Surplus assets held for sale			20							20	Nr
Non operational	Industrial Land				15.6						15.6	Acres
Non operational	Misc land				19.2						19.2	Acres
Non operational	Land awaiting development				38.5						38.5	Acres
Non operational	Land						15.25				15.25	Acres
Non operational	Office units				85						85	Nr
Non operational	Estates				44.5						44.5	Acres
Non operational	Shops				1						1	Nr
Non operational	Shops/offices					4					4	Nr
Non operational	Industrial estates					2					2	Nr
Non operational	Mini-factories				66						66	Nr
Non operational	Land identified through a review of existing assets						14.98				14.98	Acres

(1) number of properties derived from Mapping the Public Realm

Appendix 4

Summary of funding for capital programmes for each organisation

(NB not all of the capital programme for each organisation will be property related)

	Organisation	2011/12	2012/13	2013/14	2014/15	2015/16	Total
		£millions					
Cambridge City Council	Cambridge City Council	Information to be provided	Information to be provided	Information to be provided	Information to be provided	Information to be provided	To be completed
Cambridgeshire Constabulary	Capital grants	0.900	1.400	1.300	1.300		4.900
	Capital reserves	1.333	0.500				1.833
	Borrowing	5.425	6.678	3.112	1.400		16.515
Cambridgeshire County Council							
	Grants	52.800	36.200	31.400	29.400	29.400	179.200
	Contributions	11.100	19.200	15.600	25.600	34.500	106.000
	Prudential borrowing	40.400	13.800	11.200	-8.200	1.800	59.000
	General capital receipts	0.900	2.100	0.500	2.400	2.200	8.100
	Ear marked capital receipts	.070	0	3.100	0	4.400	7.570
	Refund for guided bus	0	0	-48.5	0	0	-48.500
Cambridgeshire Fire & Rescue **(Link to source document)**	Loan	2.492	2.087	2.241	1.784	0	8.604
	Capital receipts	0.203	0.173	0.289	0.242	0	0.907
	Revenue contribution to Capital outlay	0.522	0.522	0.522	0.522	0	2.088
	Transfer from reserves	0.175	0	0	0	0	0.175
	Capital grants	0.075	0	0	0	0	0.075
Cambridgeshire PCT	(source not designated)	3.200	0	0	0	0	3.200
East Cambridgeshire District Council		0	0	0	0	0	0

Fenland District Council [(Link to source document)](#)	Reserves used to fund capital	0.044	0	0	0	0	0.044
	Capital grants	1.290	0.320	0.320	0	0	1.930
	Usable capital receipts	0.950	4.0	3.9	0	0	8.850
Huntingdonshire District Council	**Huntingdonshire District Council**	Information to be provided	Information to be provided	Information to be provided	Information to be provided	Information to be provided	To be completed
South Cambridgeshire District Council	**South Cambridgeshire District Council**	0	0	0	0	0	0

	Total	To be completed	To be completed	To be completed	To be completed	To be completed	To be completed

Property Company Graphic   **Appendix 5**

Possible Terms of reference for a Public Sector Property Company:

The Prop Co serves as the focus for activity, focusing on parts of the property portfolio yielding greatest scope to drive efficiency through collaboration, for example, offices. Information is to be pooled and all property is being treated as a pooled resource so that its use is optimised across the stakeholders to support service delivery Properties would not be drawn down unless there was reason to do this.

The Prop Co serves as an important conduit for contracting with the private sector to deliver a range of delivery options.

What will the Prop Co do?

1. Fully utilise all property, retaining only that which is required for the purposes of service delivery and maintaining a disposal programme to realise the value of unsuitable or poor performing assets

2. Challenge existing use in relation to fitness for purpose, adaptability to meet future needs and alternative use potential, through the corporate property management process and the property review programme

3. Manage the portfolio effectively by balancing the objectives and interests of partners with each other and tenants of the partners, including in the level of assistance to be offered in meeting market rental and other obligations.

4. Improve the utilisation, quality and performance of retained property. and respond to changes in requirements including revised work patterns/practices, co-located services, joint use arrangements and legislation

5. Ensure the availability of accurate, reliable and up-to-date data on property and its performance to define service property needs and to base asset management and capital investment decisions

6. Monitor and review current policies, practices, working arrangements, roles and responsibilities for property management on an ongoing basis and recommending change where appropriate to maintain continuous improvement

7. Maintain an input to the local development frameworks of each planning authority to ensure provision is made for all partner services, for benefit to be realised from under-utilised/surplus assets and for contributions to be made by developers to the cost of service provision arising from their developments

8. Promoting an approach to procurement as a tool to delivering best value, maximising capacity and improving performance of consultants and contractors, e.g. through partnering arrangements

9. Safeguarding and enhancing the quality of the built environment through responsible management and development of public sector properties in terms of:
   o Acquisition and disposal,
   o Accessibility
   o Sustainability,
   o Management of building health and safety hazards

10. Provide opportunities for services to consider alternatives to using property for delivery, for example via channel shift or external bodies.

Corporate Plan objectives/priorities for each partner organisation as at 21 June 2011

Partner	Priorities/objectives/aims	Source document
Cambridge City Council	Our vision is for a city: • which is diverse and tolerant, values activities which bring people together and where everyone feels they have a stake in the community • which recognises and meets needs for housing of all kinds - close to jobs and neighbourhood facilities • which draws inspiration from its iconic historic centre and achieves a sense of place in all of its parts with generous urban open spaces and well designed buildings • in the forefront of low carbon living and minimising its impact on the environment from waste and pollution • whose citizens feel they can influence public decision making and are equally keen to pursue individual and community initiatives • where people behave with consideration for others and where harm and nuisance are confronted wherever possible without constraining the lives of all • where getting around is primarily by public transport, bike and on foot • with a thriving knowledge-based economy that benefits the whole community and builds on its reputation as a global hub of ideas and learning	Web vision statement (link)
Cambridgeshire County Council	• Supporting and protecting people when they need it most. • Helping people to live independent and healthy lives in their communities. • Developing our local economy for the benefit of all.	Integrated plan 2011- 2012

Cambridgeshire Public Sector Asset Management Strategy		
Partner	**Priorities/objectives/aims**	**Source document**
Cambridgeshire Constabulary	• Maintain local police performance • Deliver policing within the available budget • Reduce crime and disorder • Keeping people safe • Maintain the resilience of protective services	Cambridgeshire Police Authority Local Policing Plan 2011-2014
Cambridgeshire Fire & Rescue Service	Have a rolling programme of service improvement based around main headings of: • Operational excellence • Community safety excellence • Value for money • People	Blueprint – 2011 – 2016
Cambridgeshire Primary Care Trust	• Promoting health and preventing disease • Older people's health and care • Patient experience and customer care • Safe, sustainable and affordable health services	A strategic plan for Cambridgeshire 2010 to 2015
East Cambridgeshire District Council	Corporate Objective 1 • To champion accessible public services to protect • and enhance a high quality of life for all residents, and • ensuring effective and efficient use of resources Corporate Objective 2 • To work with our partners to deliver continuous • Improvement through effective challenge and learning, and • Achieve the development of an informed, involved and united	Corporate Plan 2008

Cambridgeshire Public Sector Asset Management Strategy		
Partner	**Priorities/objectives/aims**	**Source document**
	community Corporate Objective 3 • As one of the fastest growing districts in the country, we aim to stimulate and properly manage the social, economic and environmental impact of growth to meet the needs and aspirations of the whole community	
Fenland District Council	Our Priorities: • Neighbourhood Planning • Localism • Streets Ahead • Open for Business • Quality Organisation	Corporate Plan 2011-14
Huntingdonshire District Council	Community aims • A clean, green and attractive place • Housing that meets individuals' needs • Safe, vibrant and inclusive communities • Healthy living • Developing communities sustainably • A strong, local economy Council aims • To improve our systems and practices • To learn and develop • To maintain sound finances	Growing Success – Corporate Plan 2010/11
South Cambridgeshire District Council	• Being a listening council, providing first class services accessible to all • Ensuring that South Cambridgeshire continues to be a safe and healthy place for you and your family • Making South Cambridgeshire a place in which residents can feel proud to live • Assisting provision of local jobs for you and your family	Our Aims, Approaches and Actions for 2011-2012

Partner	Priorities/objectives/aims	Source document
	• Providing a voice for rural life	

"Leaner and Greener: Delivering Effective Estate Management" - list of recommendations

Westminster Sustainable Business Forum Recommendations
1. Local government should reduce the space it occupies by 20-30%, by following best practice examples of low cost, flexible working practices.
2. Local government should introduce a range of flexible property solutions to meet changing needs of various users and services
3. Local government should ensure effective property management by establishing centralised control of its estate within one department. A Central Property Unit should be made responsible for centralised property decisions, including leases and the procurement of buildings
4. Local government should incentivise efficient use of space at all levels. They should introduce techniques varying from an internal charge for the property use, to allocating a share of benefits from the sale of vacated property for their own budgetary use, to further incentivise occupied space reduction.
5. Government must emphasise the extent of savings available from decreasing energy consumption and the inclusion of the price for carbon emissions when settling future budgets to incentivise investment in more sustainable estates
6. Local government should use both quantified environmental and economic savings to strengthen the business case of paying a premium for increased environmental efficiency.
7. Local government should cooperate with public and voluntary sector partners to identify matching property requirements. This process should involve partners on all central and local government levels as well as service providers from health, police, fire, education and the voluntary sector.
8. Local government should develop a Service Asset Strategy, to align service delivery and property requirements. The strategy should set out a forward looking vision of service requirements and be responsive to the changing needs of its customers by employing commercial targeting and profiling tools
9. Local government should invest in asset management systems and adopt a pragmatic approach to data capture that limits the information collected to what is necessary to inform strategic decisions on the use of the estate
10. Local government should introduce a common set of metrics to analyse the performance of its estates. Effective use and analysis of data should include overlaying essential property data to a GIS system to support effective cluster analysis and the identification of cross boundary rationalisation opportunities
11. Local Government and its public sector partners should establish a joint centralised property management structure to improve the efficiency of property management

Westminster Sustainable Business Forum Recommendations

12. Local government and other public sector bodies should strive towards the creation of Pooled Asset Vehicles to facilitate a joined up approach to asset utilisation and to create a platform for levering private sector investment into the public sector asset base
13. Central government should seek the removal of legislative, taxation and governance obstacles to the creation of Pooled Asset Vehicles to facilitate public property sharing on the local level
14. Local government should, as a priority, implement simple low cost measures to reduce energy consumption, carbon emissions and operational costs
15. Local government and its public sector partners need to explore Spend to Save projects, prioritising the retrofitting of existing space over new build, to deliver more extensive carbon reduction of its estate. Local government should seek support from specialised funding sources, such as Salix or the London Green Fund

Programme

Cambridgeshire Public Sector Asset Management Strategy

Task Name	, 2011	Qtr 3, 2011	Qtr 4, 2011	Qtr 1, 2012	Qtr 2, 2012	Qtr 3, 2012	Qtr 4, 2012	Qtr 1, 2013	Qtr 2, 2013	Qtr 3, 2013	Qtr 4, 2013
	May Jun	Jul Aug Sep	Oct Nov Dec	Jan Feb Mar	Apr May Jun	Jul Aug Sep	Oct Nov Dec	Jan Feb Mar	Apr May Jun	Jul Aug Sep	Oct Nov Dec

Adoption of Asset Management Strategy
- Review by MAC Board — 21/06
- Completion of consultation draft
- Informal Member/Management Board consultation
- Member/Management Board approvals
- Approval end date — 30/12
- Publish on web sites end date — 31/01

1st review of strategy including review of property principles (2/5)

Investigation of property company options
- 1/1 Investigation of the various models for a Establish Cambridgeshire Public Sector Property Company
- 1/2 Investigation of the Governance arrangements and common protocols
- 1/3 Identification of HR, IT, capital and revenue implications for each partner organisation
- 1/4 Assessment of current staff resources
- 1/5 Provide basis for the development of a co-ordinated and standardised common Facilities Management (FM) offering
- 1/6 Assess effect of, and on, the existing framework and partnership contracts
- Recommendation by MAC Programme Board on form of property company model to be adopted — 30/03
- Informal Member/Management Board consultation
- Member/Management Board approvals
- Approval end date — 03/08

Develop joint policies and procedures
- 2/1 Identify all partner organisations property related policies, strategies and plans
- 2/2 Co-ordinated and standardised co-location policy
- 2/3 Co-ordinated and standardised disposal policy
- 2/4 Co-ordinated and standardised acquisition policy
- 2/6 Co-ordinated and standardised community transfer policy
- 2/7 Co-ordinated and standardised capital investment prioritisation procedure
- 2/8 Co-ordinated and standardised data base/management
- 2/9 Co-ordinated and standardised maintenance strategy
- 2/10 Co-ordinated and standardised asset performance indicators
- 2/11 Co-ordinated and standardised GIS
- 2/12 Co-ordinated and standardised property review (suitability) process
- 2/13 Co-ordinated and standardised project management methodology
- 2/14 Co-ordinated and standardised FM offering
- 2/15 Co-ordinated and standardised procurement arrangements.
- 2/16 Co-ordinated and standardised access to properties policy

Project: Action PLan	Task		Progress	Summary		External Tasks		Deadline	
Date: Mon 18/07/11	Split		Milestone	Project Summary		External Milestone			

Page 1

Cambridgeshire Public Sector Asset Management Strategy

Risk schedule

Appendix 10

Risk Number	Date Identified	Risk title	Definition	Likelihood	Impact	Risk Score	Risk Owner	Mitigation Action(s)	Action Owner(s)	Action(s) Completed by
R001	21/06/2011	Non engagement in MAC Board	Some/all organisations either do not join or later leave current MAC Programme Board	2	3	6				
R002	21/06/2011	Non engagement in Asset Management Strategy and subsequent Asset Management Plan	Some/all organisations either do not engage or later withdraw their engagement in development of the AMS and AMP	2	3	6				
R003	21/06/2011	Non engagement in agreed Property Company model	Some/all organisations do not join the Property Company model	3	2	6				
R004	21/06/2011	Withdrawal from agreed Property Company model	Some/all organisations withdrawal from the Property Company model	2	3	6				
R005	21/06/2011	Withdrawal of properties	Refusal (or later withdrawal) to include properties in projects	2	3	6				
R006	21/06/2011	Withdrawal of money	Refusal (or later withdrawal) to provide capital/revenue resources	2	3	6				

Cambridgeshire Public Sector Asset Management Strategy

Risk Number	Date Identified	Risk title	Definition	Likelihood	Impact	Risk Score	Risk Owner	Mitigation Action(s)	Action Owner(s)	Action(s) Completed by
R007	21/06/2011	Benefits not realised	Prop co projects do not realise the benefits envisaged for partner organisations in either monetary and/or service delivery terms	2	4	8				
R008	21/06/2011	Construction Cost escalation due to unforeseen property issues	Major unforeseen property issues (e.g. Dramatic construction cost inflation) occur impacting heavily on financial business case of a project	3	4	12				
R009	21/06/2011	Limited peer review of business cases	Limited peer reviews of business cases results in a lack of robustness in the financial business case as well as a lack of buy in from key stakeholders.	1	3	3				
R010	21/06/2011	Limited employee engagement	Employees and services are not willing to engage with Prop Co, attempt made by departments an organisations to set up own property depts.	2	3	6				
R011	21/06/2011	Sovereignty	Lost of sovereignty is deemed politically not acceptable	3	4	12				
R012	21/06/2011	Political Change	Changes in political structures resulting from general and local elections impact on the goals and operation of prop co	3	3	9				
R013	21/06/2011	Government policies	Rapidly developing policies e.g. localism may delay projects.	3	3	9				
R014	21/06/2011	Capital receipts	Insufficient receipts could delay/stop projects.	3	4	12				
R015	08/07.2011	Future of PCT estate	NHS reforms and uncertainty over future of PCT etstate	4	3	12				

Risk Matrix:

Likelihood			Impact		
5					
4			R015		
3		R003	R0012 R0013	R008 R0011 R0014	
2			R001 R002 R004 R005 R006 R0010	R007	
1			R009		
	1	2	3	4	5

Member

Assessing Impact

Score 1 – Negligible
Insignificant disruption to internal business, little loss of front line service, no environmental impact, no reputational impact, low financial loss <£100k, minor staff harm, injury damage or loss, first aid treatment, some lost time <3 days.

Score 2 – Marginal
Minor disruption to internal business, minor disruption to front line services, minor environmental impact, minor reputational impact, moderate financial loss >£100k <£500k, medical treatment required for staff lost time >3 days but <3 weeks off work.

Score 3 – Significant
Noticeable disruption to internal business, moderate direct effect on front line services, moderate damage to environment, extensive reputational impact due to press coverage, regulatory criticism, high financial impact >£500k <£1m, referral to hospital with treatment lasting more than 24hrs.

Score 4 – Critical
Major disruption to corporate objectives or front line services, high reputational impact – national press and TV coverage, major detriment to environment, minor regulatory enforcement, major financial impact >£1m <£2.5m, temporary disability or long term health problems.

Score 5 - Catastrophic
Critical long term disruption to corporate objectives and front line services, critical reputational impact, regulatory intervention by Central Government, significant damage to environment, huge financial impact >2.5m, excessive or permanent injuries and disability.

Assessing likelihood

Score 1 – Very Low

- Extremely unlikely or virtually impossible
- Less than 5% chance of happening
- Unlikely to occur in a 50 year period

Score 2 – Low
- Could occur at some point
- 6% to 20% chance of happening
- Unlikely to occur within a 10 year period

Score 3 – Moderate

- Fairly likely to occur
- 21% to 50% chance of happening
- Likely to occur once within a 10 year period

Score 4 – High

- Will probably occur in most circumstances
- 51% to 80% chance of happening
- Likely to occur once within a one year period

Score 5 – Very High

- Expected to occur in most circumstances
- More than 80% chance of happening
- Likely to occur within 3 months