

PROPERTY SERVICES ASSET MANAGEMENT FRAMEWORK**STRATEGIC ASSET MANAGEMENT PLAN**

The Strategic Asset Management framework is made up of various aspects that outline the why, what, how and when to support the management of the corporate property asset portfolio.

Introduction

A core purpose of Herefordshire Council, ('the council') as set out in the County Plan, is to use resources wisely to ensure that Herefordshire is fit for future generations and that collaboration takes place to maximise strengths and resources. The council needs to ensure that it has the right facilities and that properties are safe, energy efficient, fit for purpose and enable the delivery of services - requirements that may change over time.

In addition, The Local Government Act 1972 section 123 sets out a duty to achieve best value on Council owned assets which is embedded in our asset planning and procedures.

The Strategic Asset Management Plan (StAMP) therefore sets out how the Council will achieve these requirements.

ISO 55000 provides the following definition of a StAMP:

"Strategic Asset Management Plan: documented information that specifies how organisational objectives are to be converted into asset management objectives, the approach for developing asset management plans, and the role of the asset management system in supporting achievements of the asset management objectives."

If strategic property asset management is effectively put in place, it can bring real and tangible benefits, as exemplified below:

- **Effective Planning**
 - Long-term change due to corporate approach, corporate solutions and agreed priorities
 - Supporting services to challenge their service delivery operating models
 - Developing better links with other council strategies.
 - Promoting and delivering Internal shared use of assets.
- **Effective Financial Management**
 - Knowing more about our assets
 - Improving financial forecasting.
 - Analysing and aligning budgets.
 - Demonstrating savings, delivering efficiencies or spending money more wisely.
- **Efficient use of assets and resource**
 - Improving engagement, communication and understanding of service need across the organisation
 - Raising the profile of property assets and senior leadership buy-in
 - Taking a more commercial attitude to services and property assets, and driven value from the portfolio
 - Supporting asset review, rationalisation and asset challenge.
 - Improving collaboration by bringing organisations together, including neighbouring local authorities, blue light services, health, central government, etc.

- Management of Risk
 - Optimising corporate landlord
 - Corporate standards and approach

In addition, the benefits of strategic asset planning are sometimes not understood meaning:

- Lack of understanding as to what it is all about and subsequent lack of standardisation and engagement.
- Inconsistencies in approach which exposes the Council to risk.
- The organisation lacks a culture of taking a corporate approach to decision making.
- Heavy operational workload resulting in diversion of resources from strategic activities.
- Amount of time, money and people available to deliver.
- The property team lacks status within the organisation.



The following outlines how we intend to strategically manage our assets to meet the Council's aspirations. The framework applies to all assets and legal interests.

1. Policy Why?

The purpose of this policy is to outline our approach to effectively managing assets to achieve the aims of this policy.

The council's strategic ambitions defined in its County Plan 2020-2024 are:

- ✓ Environment - Protect and enhance our environment and keep Herefordshire a great place to live
- ✓ Community - Strengthen communities to ensure everyone lives well and safely together
- ✓ Economy - Support an economy which builds on the county's strengths and resources

Vision

"To make the property estate work better for the Council, its partners and communities by providing fewer, but more sustainable and adaptable buildings."

Policy Statement:

"Herefordshire Council to adopt a proactive, sustainable, solution-oriented approach to manage assets in support of the economic, social, and environmental needs of the county. This will help maximize the value of service delivery to customers without compromising the ability to meet the needs of future generations. Managing assets incorporates a planned approach, starting with effective planning and design and continuing through optimised operation and maintenance, appropriate rehabilitation, replacement and asset disposal."

Our corporate ambitions and a climate of continued funding reductions from central government and priority of social care of residents means that the council must continue its journey towards being more commercial in outlook, seeking to obtain maximum value from its assets and looking for innovative approaches to securing financial security into the future; eg: enhancing the offer, optimising income and managing expenditure. The principles around the use and management of corporate assets are embedded within the Council Capital Strategy. The StAMP outlines how property assets will deliver for the Council in line with these principles.

Like many local authorities, Herefordshire Council has had to review the scope and scale of services it is able to offer and seek new ways of working in partnership which protect the services

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we provide to our most vulnerable residents whilst reducing our costs. This is especially so in the light of the global pandemic during 2020 and 2021. The changes brought on by the pandemic have meant real change to working practices and have enabled a rethink of how properties are utilised going forward and re-set the relationship with IT and HR to reshape the estate and enable a more efficient workplace strategy and environment.

The high level aims of the Strategic Asset Management Plan (StAMP) are to: -

- Contribute to the county plan and other corporate strategies
- Provide a framework, which defines the role of property assets in support of service delivery
- Provide a rationale for the ownership, occupation and management of council property assets, including its use, acquisition and disposal
- Optimise the property portfolio in terms of its efficiency, effectiveness and sustainability
- Work towards the Council's objective of reducing its carbon footprint, supporting actions against climate change.

The key objectives in this StAMP reflect the priorities set out in the government's 'One Public Estate' (OPE) programme.

- To improve and simplify access to public services;
- To enable service integration and agile working with modern, fit for purpose workspaces supporting higher productivity;
- To maximise the economic benefits of the councils property asset base;
- To support economic development and housing growth;
- To enhance the working environment for our employees and our partners' staff;
- To provide a catalyst for physical and social regeneration;
- To reduce running costs and release budget for reinvestment in frontline services;
- To support our public sector equality duties.

Supplementary Asset Plans and Procedures (not exhaustive):

- A. Corporate Asset Procedure (the detail of how the Council manages its assets on a day to day basis)
 - Defines Corporate Landlord
 - Includes Corporate Storage Plan, Acquisitions, Disposals, Leases, etc
- B. Community Asset Transfer
- C. Investment Portfolio Management Plan
- D. Maylord Orchards Interim Management Plan
- E. Historic / Listed Buildings Management Plan
- F. Service Asset Management Plans

Key Associated Corporate Policies and Procedures (not exclusive):

1. Capital Strategy
2. Medium Term Financial Strategy
3. Core Strategy
4. Carbon Management Plan
5. Nature Strategy
6. Waste Management Strategy
7. Flexible Futures
8. Digital Strategy
9. Talk Community Strategy
10. Equality Policy

How we will achieve this.

In developing plans and strategy and delivering actions relating to our land and buildings, we will ensure that they meet certain agreed goals. These are not in any particular list of priority and the key challenge for the council is ensuring that we maintain an appropriate balance between all these elements to ensure that we make strategic use of our land and buildings to build upon the attractiveness of the area whilst remaining flexible and able to respond.

- Land and buildings are not 'owned' by the services that occupy them but are owned for the benefit of the delivery of council services. When decisions are made they are made in a way that provides the best overall outcome.
- Define and operate a Corporate Landlord Model (property assets managed via Property Services as defined in the Corporate Asset Procedure).
- Land and buildings will be efficiently used meaning that we will not waste money or waste space.
- Land and buildings will do what we want them to do and will be fit for purpose.
- We will actively manage our property assets, focusing on planned and cyclical programmes of work to reduce reactive maintenance requirements and ensure a methodical and proactive approach which reduces risk and aligns investment to the Delivery Programme.
- Our land and buildings will be managed to contribute positively to a sustainable area through supporting the growth of enterprise, local businesses, support innovation and attract inward investment. We will support the provision of premises that are needed in the right area to facilitate this.
- Where we can, we will use our land and buildings to contribute positively to a sustainable plan to ensure that the number and quality of homes meets housing needs.
- Aligned to the efficient and effective utilisation of other resources such as finance, ICT and staff.
- We will use our land and buildings to support our local communities to give us progressive, healthy, safe and vibrant communities.
- Our land and buildings will work towards or be designed for the efficient use of energy and meet energy efficiency standards (Passivhaus).
- We will use our land and buildings in order to build the attractiveness of the county for visitors, which will bring money to the area and support local businesses.
- We will take full advantage of opportunities for partnerships, community asset transfer and collaboration with other public, third and private sector organisations in delivering value for money.
- We will use our assets to optimise returns, maximise external funding and commercial opportunities.
- Where we have land and buildings that generate rental income from tenants we will make sure that the income we get is the best we could expect and we will be constantly looking for new income generating opportunities. We will aim to become a landlord of choice, supporting local growth and employment.
- We know that things change. We want to make sure as best we can that our land and buildings are continually challenged to ensure that they remain adaptive, and innovative and are flexible enough to keep improving how and what we do.
- Subject to budget.

2. Strategies

What?

The StAMP sets out a journey from where the Council is now to where it wants to be – understanding that things change. We will support the development and implementation of corporate strategies and become integrated into the core business of the Council, helping to

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achieve its aims and objectives. We will review the short / medium / long term Implementation Plan to develop the property estate for optimum use, taking into account changes and external influences; ensuring the estate remains relevant.

The framework will take into account:

- The economic aims of the council by maximising the economic value of the estate and promoting modern, more efficient ways of working.
- To act as an enabler to deliver council services.
- The one public estate agenda by providing shared accommodation where there are demonstrable benefits to the council, its partners, and service users.
- Community benefit derived from property assets.
- Potential for income and provision of leased assets to the market or partners.

Key Principles to support Corporate Strategy:

- The Council will take a strategic approach to corporate asset management planning by reviewing its portfolio and undertaking appraisals in line with service needs
- To provide prudent financial management of the assets
- To optimise the estate to deliver the facilities and services required
- To prioritise repairs and maintenance in line with health and safety priorities and the work plan
- Rental income which supports the council's revenue budgets, which helps to support the running of the properties and delivers surplus to the corporate centre
- Capital receipts through disposal of surplus properties, which support the capital programme to build, e.g. new schools or extensions to existing properties
- Opportunities to support regeneration initiatives
- Proactive, horizon scanning to realise opportunities and deliver benefits
- Meet the aims of the council
- To support community organisations where possible to take over and manage their own property for the benefit of the community.

In addition to these principles, the Council will take into account:

- Modernisation – this involves improving the quality of the Council's estate through a programme of investment to provide safe, fit for purpose and sustainable buildings aiming to deliver a zero carbon footprint and in doing so, improve service delivery, customer satisfaction and staff morale, and significantly reduce the running cost of the estate and the maintenance backlog.
- Rationalisation – this involves reducing the number of buildings managed and operated directly by the Council to reflect the emerging shape of the organisation as we transform our services and respond to the global pandemic and in doing so, significantly reduce the running cost of the estate and the maintenance backlog and provide co-location and collaboration opportunities. A review of heritage assets will form a part of this.
- Collaboration – this involves improving the way the Council works across service areas and with public sector partners to join-up service delivery in communities and in doing so, create and support vibrant communities who are able to identify and take charge of their own requirements and needs.

Herefordshire Councils' estate is split into two high level categories: Operational and Investment. The Council's estate at the start of 2021 includes 1094 assets of varying degrees of legal interest and use, with an operational focus on 681 of these assets as outlined below. For accounting purposes the Council includes assets over £100,000 within its asset register. These are revalued on a rolling programme at least every five years. The carrying amount of property, plant &

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equipment as at 31 March 2021 (as shown on the balance sheet) is £690.6m, this includes land & buildings of £370.4m, surplus asset of £4m and investment assets of £38.7m.

The Council's property estate consists of the following property types. This data will be used as the benchmark for the performance of the Delivery Programme that forms the live appendix to this StAMP:

Property Type	No. of assets	Property Type	No. of assets
Bus stations	2	Social housing properties	56
Car parks	54	Industrial units	150
Travellers site	7	Retail	59
Care premises	17	Sports/leisure	20
Crematoriums /cemetery	6	Libraries/museum	13
Children's centres	8	Office / MAO	32
Community /day centres	10	Smallholdings /land	11
Depots	10	Toilet premises	19
Sewerage /pumping stations	16	Waste sites	10
School /educational premises	126	Amenity	55

How we will achieve this.

The Council will employ different tools and techniques to establish what the future make up of its assets will look like. The global pandemic has forced many changes and the full impact or long term change of these are not always known at this point. Therefore, the Delivery Programme that forms the live appendix to the StAMP will be reviewed regularly and maintained to ensure an up to date version of what we require from our estate is maintained.

- The Council operates a Corporate Landlord Model and this needs to be re-established and process set around it.
- We will utilise an Asset Management Working Group to develop and understand front line services need across the county and working requirements from services. This could be impacted by legislation, transformation, Government guidance and service improvements
- We will develop and maintain Service Asset Management Plans.
- We will continue to actively review the purpose of our property assets and its performance, maintenance and safety.
- We will continue a condition survey approach to our assets, following a programme aligned to the asset type, seeking capital funding to implement identified works and actions. This will maintain our sites and ensure they are safe to use whilst reducing revenue commitment.
- We will use condition data, feedback from reactive maintenance and planned programmes of work to understand the life expectancy of assets and plant. This will help determine what we do with the asset and how we invest.
- We will be an active party in master planning and town reviews to establish need and collaboration opportunities.
- We will remain vigilant for collaboration and co-location opportunities across the board and external funding to support these goals
- We will deliver an active forward plan for our investment portfolio to optimise funding opportunity and deliver for local business, driving income to the Council. We will aim to achieve a minimum of 92% occupancy from the portfolio.
- Where we are able to develop a more community led management strategy we will undertake to promote, support and offer opportunity for local community organisations.
- The Council will take its moral obligation seriously to ensure that community organisations wanting to take over the management of assets can evidence a robust business case with a clear plan to minimise risk to the community organisation and ensure financial stability.
- Redefine every office space with a working from home approach.

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3. Procedure How?

In order to deliver against the StAMP, a new working model will need to be established with services and support services to maintain quality asset data and up to date service asset management plans.

Communication, relationships and trust across the organisation will need to be improved. New working practices will need to be embedded to facilitate the Corporate Landlord Model currently operated by the Council such as a new Corporate Asset Procedure that sets out how the council does things and who is responsible around the management of assets. The Councils Property Services Team (acting as Corporate Landlord) will be responsible for managing and implementing this StAMP.

In support of this process and to aid communication across the Council, an Asset Management Working Group (AMWG) will be established and develop better working relationships with services and embed the framework around roles and responsibilities of how we manage our estate. This will enable services to plan ahead, adapt and understand the changing need for service delivery and back office needs and understand that there is a trusted, supportive and proactive team in place to help them. Services will need to work with Property Services to maintain their service action plans to inform accurate and timely property interventions.

The StAMP framework will:

- Challenge whether we hold assets to ensure we achieve optimum use and economic benefit.
- Inform our future use of all land and property assets owned or occupied by the council.
- Develop the operational model across the estate, identify roles and responsibilities and strengthen the client corporate landlord role.
- Cover all Council assets and interests, whether owned or leased.
- Support the delivery of value for money from the estate and council land interests.
- Work with Directorates to maintain service asset management plans to ensure facilities for delivery of services are fit for purpose.
- Ensure our data system is accurate and kept up to date.

How we will achieve this.

- Reinvigorate and embed the Corporate Landlord model by investing in our property services and providing a procedural framework for the council
- To support this continuous cycle of review and implementation, an Asset Management Working Group will be established with representatives from all services to ensure modern working-practises, legal requirements and service needs are kept up to date and can be accommodated with suitable and joined-up approach.
- Develop and implement a Corporate Asset Procedure to set out who does what, when and why.
- These management tools will allow a standardisation of approach across the Council that avoids risk and optimises the use and management of assets.
- A full review of all leases and occupancies will be undertaken to understand renewals, rent increases, liabilities and note dilapidation requirements which will aid budgeting.
- Be more proactive around governance and works planning to optimise the use and time and budgets for maintenance and refurbishment works.
- Develop and communicate the new working relationship with Hoople on building maintenance services to ensure new roles and responsibilities are agreed and all colleagues instructed.
- Develop, with assistance from colleagues, a Design Guide for maintenance, repair, new build and improvements to streamline works and ensure links to corporate strategy and policy such as carbon management.

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- Ensure our investment Portfolio is managed effectively and for maximum benefit to support local business, skills and employment opportunity.

4. Delivery Programme When?

The Delivery Programme consists of various aspects, drawn together to actively manage the estate. The main output is an Implementation Plan supported by a rationalisation programme along with lease reviews, outcome from Service AMP and the AMWG.

The Implementation Plan will be a live document, developed to include a short, medium and long term view per asset. It will take into account the service asset management planning needs, savings targets, carbon management and the changing requirements for workspace. It will have a review timetable built in to ensure that it remains relevant, beneficial and productive as well as regular monitoring and reporting.

In line with the Council Capital Strategy, the Implementation Plan will take into account proposals to:

- Categorise and rationalise the current corporate administrative estate
- Identify front of house requirements and seek opportunity where it presents
- Introduce better ways of working to drive efficiency, for example home working
- Support the organisation to meet its carbon reduction targets.

Reporting

As stated, we accept that things change and therefore an annual review of the Delivery Programme will be undertaken. The opportunity will also be taken at this time to produce an annual report on achievements, issues and actions for Management Board.

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