



Strategy and Estates ANNUAL REPORT 2010



Summary

The Strategy & Estates service provides professional strategic asset management advice for the management of over 1,400 buildings on 600 sites, 14,000 hectares of land with a total asset value of almost £1 Billion. Assets include corporate offices, farms, schools, park and ride sites, libraries, day centres, children's respite centres, registry offices, storage (for archives and archaeology), depots, landfill sites and other miscellaneous assets.

This is a web based summary of the teams' areas of activities and achievements and signposts sources of more detailed information.

The Council has built on its strong track record on asset management from the very early Corporate Asset Management Plan and Corporate Strategy required by government in 2000. A step change has occurred in government thinking on property and asset management in the last decade and the pace of change is increasing following the government's Comprehensive Spending Review in 2010. The pervasive impact of technology, the rise of the service culture and search for greater efficiency in the use of all resources have challenged professionals to deliver new and more responsive property solutions to meet the needs of the occupiers, customers and a wide range of other stakeholders. At a local level rapid demographic growth and changing pace of development in the sub-region bring additional pressures. This has recently been combined with the downturn and 'patchiness' in the property market across the County.

The Council's Better Utilisation of Property Assets programme commenced in 2009 and has been designed to ensure that all of the non-mainstream schools estate is fit for purpose and meets all envisaged service needs for at least the next twenty years. The scope of the ten year investment / disposal / realignment programme includes:

- Disposal / surrender of properties that are no longer fit for purpose, in the wrong location or no longer suitable for service provision and where a satisfactory business case for service transformation and refurbishment is unjustified;
- Re-investment into the existing portfolio and development / refurbishment of new facilities; and
- Review and development of appropriate strategies and policies.

The establishment of 'Making Cambridgeshire Count' in 2010 in conjunction with public sector partner organisations across Cambridgeshire identified eight key projects that will enable service transformation and continued delivery of high quality services in a more constrained financial context. 'Making Assets Count' (MAC) is focussing on the significant savings to be made by rationalising, combining and sharing the property assets and maximising the investment potential.

Cambridgeshire was identified as a 'Pathfinder' under the Government's Total Assets and Capital Pathfinder initiative programme. There is a significant overlap with the MAC activities and the eleven pathfinders are tasked to:

- Map all local publicly owned assets and capital funding streams;

- Co-design with central government a commissioning approach to asset management and capital investment, based on local needs;
- Develop and test different investment models that consider assets and capital funding together; and
- Maximise other opportunities through better asset management and capital investment, such as reducing running costs and increasing levels of private investment.

The team have successfully delivered solutions across the broad range of activities within their remit including:

- [Comprehensive Area Assessment](#) – achieved a score of 3 for asset management in the inaugural assessment and was on course for a 4 (the highest) for the 2010 assessment when CAA was withdrawn;
- Retained a 4 score (maximum) for asset management in the Comprehensive Performance Assessment 2009;
- Delivered new tenancies across 10% of the 13,000 ha County Farms Estate, initiated / agreed rent reviews to reflect improved farming profitability and successfully secured (BUPA) funding for future investment;
- Challenged the Inland Revenue valuations of Council assets to produce business rates savings in excess of £500,000 per annum;
- Delivered efficiency savings worth £128,000 through use of “Estates Framework Contract” to commission 140 elements of work across the 14 lists worth over £1m;
- Instructed solicitors to complete over £20m of property transactions;
- Identified and amalgamated sites to implement leasehold acquisitions e.g. [Wisbech Learner Centre](#);
- Provided diversity and disability awareness / Disability Discrimination Act / technical training across the Council; exceeded clarified BVPI 156 targets and encouraged managed solutions; minimised risk of civil action; and supported disabled staff and bids for Access to Work funding;
- Gained planning consent for 30 units of affordable housing on three sites;
- The Audit Commission cited two areas of good practice in their report – [“Room for Improvement – Strategic asset management in local government”](#) (page 66). The report highlighted the Council’s suitability survey methodology and mapping the public realm project; and
- Received national recognition for the Shelford library redevelopment.

The team has an estates framework consultancy contract that enables the prompt and cost effective procurement of external professional advice. A new four year contract is being procured in conjunction with Leicestershire County Council and the Eastern Shire Purchasing Organization which will be available for other public sector bodies to use.

More information can be found as follows;

County Farms Estate reports and publications covering

- Farm rental income – up 17% since 2006 even though 247 hectares of land and 13 houses have been sold;
- Capital receipts of £2.19m for 09/10
- Relettings covering approximately 10% of the farms estate;
- Tackling climate change through renewable energy opportunities and expanding on the 9no. 2MW turbines on red Tile Farm, Warboys
- Estate surplus on target and expenditure kept with budget;
- Estate investment through the BUPA programme;
- Environmental, Access and Social initiatives including guided walks on archaeological sites, biodiversity enhancement, woodland management, commemorating the estate centenary and business / management development workshops for tenants who are selling produce direct to the public;
- Establishing the internal rate of return for the whole estate of between 5 and 7% to 2050 based on the approved Farm Management Plans: and
- Future challenges

Asset Services team report covering;

- Freehold Disposals of surplus properties;
- Freehold acquisitions by agreement or using compulsory purchase powers for infrastructure projects;
- Leasehold acquisitions eg a temporary school site
- Leasehold management – a range of properties including commercial leases (204 where the Council is landlord and 102 where tenant) and caretaker housing;
- Land compensation Act 1973 Part 1 claims for highways infrastructure;
- Leases to voluntary groups - primarily on education sites to early years and child care providers;
- Asset Valuations in accordance with the International Financial Reporting Standards;
- General Valuations;
- National Health Service and Community Care Act 1990 Part 111 valuations required as part of the Adult Services teams' financial assessment for older persons receiving residential care;
- Court of Protection property disposals; and
- Rating Valuations.

Strategic initiatives

- Creative use of asset value at [Shelford library](#), to secure improved service facilities at minimum capital cost to the authority;
- Presentation to [CIPFA Annual Conference in Harrogate](#) on Better Utilisation of Property Assets, Making Assets Count and initial Pathfinder work;
- Sharing buildings and pooling assets in support of Localism, Growth and Partnership working and efficiency ([cabinet paper 16/11/10 item 12](#))
- Mapping the public realm across Cambridgeshire recognised as best practice [by the Audit Commission \(page 70\)](#)
- BUPA investment and collaboration with the College of West Anglia at Wisbech to provide new office facilities and an engineering block to facility skills development and effective delivery of public services in this market town. ([cabinet paper 14/12/10 item 7](#))