

## **Comprehensive Area Assessment 2009**

Cambridgeshire County Council was assessed early in 2009 under the new Comprehensive Area Assessment regime. The section covering Strategic Asset Management is section 3.2, Managing Resources, of the Key Lines of Enquiry.

The County Council produced a self assessment for this area of activity which was investigated and challenged by the auditors by on site inspections and interviews with key personnel. The Auditors gave the council a score of 3 (exceeds minimum requirements – performing well) for the Key Line of enquiry **“Does the organisation manage its assets effectively to help deliver its strategic priorities and service needs?”** and in their report issued in December 2009 provided the following endorsement:

**“Asset management arrangements are more deeply established, and the Council has performed well in this area in recent years. The Council has a strong track record of notable performance, awarded beacon status in 2006 for demonstrating a clear vision, excellent services & a willingness to innovate, achieving level 4 in the 2007 & 2008 CPA assessments, as well as attaining national recognition of its suitability reviews & ‘mapping the public realm’ initiative through citation in the Audit Commission’s June 2009 ‘Room for Improvement’ report. There continue to be areas of achievement, with the Council’s strategic programme to ensure property assets are fit for purpose underpinned by the Better Utilisation of Property Assets (BUPA) programme.”**

The County Councils self assessment, reproduced below, shows the depth and breadth of activity that helped the Council achieve the high score in this area which was achieved by only 57 out of a total of 150 County and Single Tier authorities in England.

## **KLOE 3.2 – Self Assessment**

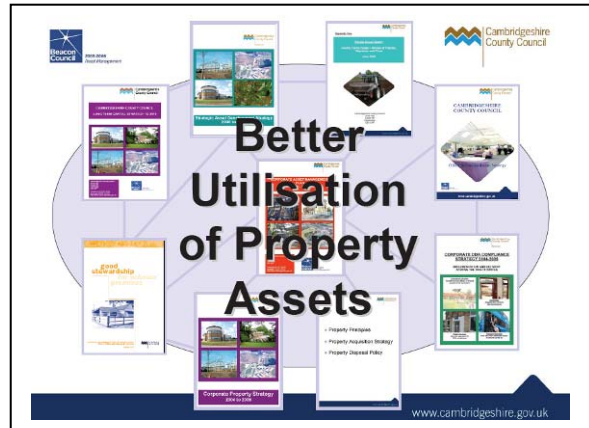
### **1.0 Introduction**

- 1.1 Cambridgeshire County Council has, over recent years, adopted a strategic approach to property asset management adopting a suite of strategies, e.g. Corporate Asset Management Plan 2006-2011, Long Term Capital Strategy to 2016 and the Office Accommodation Strategy to 2016. This approach has been nationally recognised as best practice through the Beacon award in 2005 for Asset Management and achieving level 4 for section 2.3 (The Council manages its asset base) in the key Lines of Enquiry for Use of Resources in the Comprehensive Performance Assessment 2006, 2007 and 2008.
- 1.2 Cambridgeshire has continued to build on this good practice to deliver and maintain assets to support front line service delivery.
- 1.3 Much of the approach identified in the 2008 CPA is ongoing and feeds into many of the projects currently in progress.  
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### **2.0 Strategic Approach**

- 2.1 The Council has adopted and embedded a comprehensive, forward looking, interlinking and proactive suite of strategies that builds upon previous best practice and includes:
- Strategic Asset Management Plan 2006-2011.
  - Office Accommodation Strategy 2006. This is the strategic basis for the Council's WorkWise project and development of flexible working policies.
  - Estates Strategy (now called Better Utilisation of Property Assets Programme (BUPA)) as part of the Integrated Plan (IP), this supersedes the traditional capital strategy. This programme is a broad approach across a ten-year time horizon to bring forward an additional £100m of capital receipts.
  - Corporate Property Strategy 2004-2009.
  - Strategic Asset Development Strategy 2005 -2016
  - Long Term Capital Strategy 2005 - 2016.
  - Corporate DDA Compliance Strategy 2004-2009, being refreshed as part of a Single Equality Strategy 2009.
  - County Farms Estate – review of policies, objectives and Plans undertaken in 2006 and being implemented.

- Good Stewardship Guide for schools' premises 2005.
- Environment and Community Services Asset Management Plan 2007-2009.
- Property Acquisition Strategy 2009.
- Property principles 2008.
- Disposal policy 2008.



- 2.2 The Council maintains an up to date asset register on the eBusiness system. This is regularly updated with, for example, the results of the 2007 suitability survey of the non-mainstream schools estate and the results of the rolling update of valuations (each year 20% of portfolio is reviewed).
- 2.3 The Council's Corporate Property Officer for Strategic Asset Management is the Director of Finance, Property and Performance who reports to the Chief Executive. This post is the chair of the BUPA programme board (see below re BUPA)
- 2.4 The Better Utilisation of Property Assets Programme is the Council's strategic 10-year implementation programme to ensure that non-mainstream schools property assets are fit for purpose, in the right condition and in the right place to aid the delivery of front line services, deliver better access and outcomes for the community, improve value for money and mitigate the adverse impacts on the environment and prepare for climate change.
- 2.5 This programme contributes to the Council's strategic objectives:
- Objective 2: Tackling climate change.
  - Objective 3: Enabling people to thrive and supporting and protecting vulnerable people.
- Furthermore the programme supports the Council's service delivery principles of:
- Principle 1: Delivering high quality, effective and efficient services.
  - Principle 2: Working in partnership to achieve a shared vision for Cambridgeshire.
- The Programme Board considers project briefs, applies resources as well as providing review and challenge to strategic policy development such as the recently approved disposal policy.
- 2.6 BUPA is based on the Council's quinquennial suitability survey of the non mainstream schools estate which identified those property assets that have

utilisation issues arising that require further consideration, more than likely through a 'project'. These projects no longer focus on the needs of an individual service but are crosscutting across the Council. An example of this is the Corporate Storage and Distribution project. This is aimed at meeting the needs of a range of services and includes Registration services, Library services, Archaeology services, Music service, Swimming service, County Records service and Cleaning/catering services. This project, as with all BUPA projects, will investigate the opportunities to join services with other public sector bodies and the third sector. The BUPA Board has now approved the brief for this project and the options will be presented in Autumn 2009. Such projects will explore various options as appropriate, e.g. alternative uses, disposal, and change of tenure, flexible working, partnerships, and amalgamations.

- 2.7 BUPA has reaffirmed that all non-mainstream schools property is a single corporate resource and can be likened to a cross cutting service asset management plan. All capital receipts arising from the programme are ring fenced to the programme (not projects), and the Programme Board recommend to Cabinet which projects receive investment, agree targets and the outcomes.
- 2.8 Within the IP the financial resources have been identified (including prudential borrowing requirement) to fund the programme. The original programme of investment was envisaged to be £85m (with the major components being the replacement and updating of service delivery buildings £22m, Shire Hall Campus £25m, development of the Farms Estate £4m, interim maintenance £5m, with the ring fenced programme and existing commitments amounting to £29m.
- 2.9 The Quirk review on the transfer of assets to the community is expected to bring forward demands for more local involvement and therefore reduce the amount of available resources. A working assumption of a capital receipt of £5m being foregone over the 10-year period is assumed with net capital sales after costs over the 10-year period amounting to £112m. There is no financial gap and net excess of receipt of £27m being available for the payment of debt, which if used for this purpose will produce a revenue yield rising to £1.5m p.a. or reinvestment to benefit front line services. A recent example of a "Quirk" type disposal is Cabinet's approval of the disposal of the **Marwick Centre** by way of a lease to support FACET's work in providing training and work experience for disabled people.
- 2.10 With respect to Quirk, whilst there is an assumption of a forgone receipt there will be other wider benefits for the community:
- For third sector organisations – the ability to become financially sustainable and move beyond reliance upon grants, to build capacity and gain a stronger sense of purpose by having a tangible asset.

- For CCC – to be able to unlock sources of funding that it itself cannot access, to deliver services to groups that it itself finds hard to access, to use its assets more effectively to achieve particular service objectives, and to remove under-used land or property which may often be a drain on resources through, e.g. the need to secure or maintain it.
- For the wider community – to restore what are deemed important buildings by the community and provide services that are currently lacking or not currently being provided in the right location.

2.11 The figures for BUPA are reviewed annually as part of the update to the IP.

2.12 BUPA Programme Board currently has representatives from all three current offices at Director level namely OCS, OCYPS and OECS. This has been updated to reflect new organisational (Corporate Leadership Team) arrangements from April 2009 and the new Directors have joined the board in advance of formal commencement of their new roles. Current activity of the Board includes the approval of project briefs:

2.12.1 **Shire Hall Campus Project.** A multi-stage project to examine the options available to the Council for back office accommodation. The project is underway with a detailed investigation by nationally regarded consultants. The Shire Hall campus project is a key component of the BUPA programme in that it is currently the largest project in terms of value. It relates to the delivery of a property solution to support service improvement/transformation, increase partnership working whilst delivering substantial revenue savings and contributing to the Council's ambition to reduce its carbon footprint.

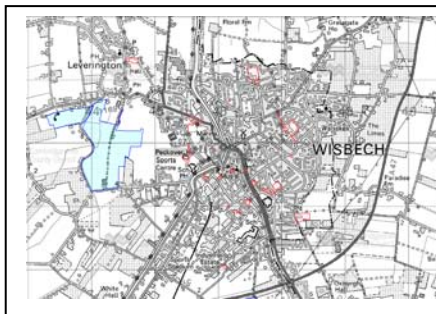
2.12.2 **Central & West Office Accommodation and Fenland office accommodation.** These projects are focusing on providing good quality accommodation with the overall aim to support service improvement by the provision of good accommodation and facilities.

2.12.3 **County Farms Estate Viability to include Local Development Framework representations and strategic tree planting.** This project is aimed at enhancing the long-term value of the Council's land holding. This will provide capital receipts in future years to meet future demands. In respect of the CFE in particular and more generally by maintaining and improving investment returns to support other CCC priorities, contribute to the Council's carbon reduction commitments, improve biodiversity and provide public access and leisure opportunities for the health and well being of the people of Cambridgeshire.

The strategic tree planting and LDF representations will provide long term capital receipts.

The strategic tree planting will provide biodiversity opportunities.

- 2.12.4 **Wisbech.** This project seeks to capitalise on the restructuring of CCC's property portfolio to enable a dramatic increase in the Council's operations in Wisbech, thus providing key investment and job opportunities in a deprived area, as well as enhancing the image and quality of CCC property holdings in the town. This project will also contribute to tackling climate change, enabling people to thrive and deliver high quality services.



- 2.12.5 **St Neots.** Is an expanding market town on the South Western edge of Cambridgeshire. Despite its status as one of the county's market towns, it does not have a major CCC presence. This coupled with the predicted increase in households would indicate that the town would benefit from a customer focused service facility. Recent workshops held with CCC services indicated a specific need for services for children and young people.

- 2.10.6 **Corporate Storage and Distribution.** The County Council currently stores a range of items from paper files to musical instruments, from books to archaeological relics. Many of these items are being stored in unsuitable conditions or in expensive office accommodation. In 2003 a concept study explored a proposal to amalgamate and centralise the storage and distribution functions of various services across the County Council. Following this, the Accommodation Suitability Survey in 2007 identified a number of storage requirements that were not being met. This project will contribute to the Strategic Objective of managing and delivering the growth and development of Cambridgeshire's communities and tackling climate change together with the Service Delivery Principles of delivering high quality, effective and efficient services and working in partnership to achieve a shared vision for Cambridgeshire

- 2.10.7 **Employee training.** The Council has a number of establishments for the delivery of a wide range of training activities ranging from employee training at such places as Cambridge Professional Development Centre, environmental subject training at Stibbington through to outdoor training at Grafham Water. Most of these units operate as freestanding trading units and are under substantial budgetary pressures. This project will focus

particularly on facilities for employee training, and the way this training is delivered will also require careful consideration. The other main factors include the rising use of external facilities to deliver training due to the lack of suitable Council owned facilities and availability of those facilities.

Further work is underway to develop project briefs for the Cambridgeshire History Centre and Children's Outdoor Education centres.

- 2.13 A particular example of the strategic approach is the development of **Shelford Library** in partnership with a Housing Association. This project is a good example of the principal that the Council doesn't need to "buy its way out of the maintenance backlog". This project will provide a new fit for purpose library with the bonus of providing 5 much needed social housing units for key workers and a longer-term commercial investment if service delivery arrangements change in the future



- 2.14 BUPA is also overseeing the development of important policy areas, for example the development of property principles and the acquisition strategy. These will form the foundation of property projects commencing now and which will deliver new facilities in support of frontline services in the forthcoming years.

### 3.0 Managing assets to provide VFM.

- 3.1 There is continual member challenge to the property assets through the Council's SPOKES system. Generally each month a property transactions report is submitted to Corporate Services Spokes chaired by the portfolio holder where challenge and guidance on high level or controversial issues/projects is provided from this cross party group. Some of the subject areas, for example, include national property indicators; policy development covering such areas as disposals, acquisitions and community transfer; property disposals e.g. sale of 59ha at Duxford to the Imperial War Museum; Lease at a peppercorn rent of **Marwick Centre** to FACET who provide training and work experience to disabled people in Fenland five days a week; property acquisitions such as additional land at Shirley School to allow expansion for development as an all through primary school; option appraisals such as the Shire Hall Campus review; and ongoing projects such as WorkWise. SPOKES has also considered the grant aid from the sale of an existing asset to support the development of a community run sports hall (Fulbourn).

- 3.2 The County Council undertakes a periodic condition survey of the schools portfolio, the latest being 2007/8. This survey has shown the effect of the substantial investment by government over the last 10 years in existing schools and the construction of new schools such as at Arbury and St Neots. The required (backlog) maintenance has been reduced by over 6%.

The County Council also disposes of redundant school building/sites where the opportunity arises. A current example is in Sawston, the existing separate Infant school and Junior schools are to be amalgamated to provide an all through school in accordance with existing policy. The existing buildings are in poor condition and therefore a completely new range of school buildings with community facilities is being provided on the existing site of the Junior school and the Infant school disposed of with the receipt used to support the new build. The build phase will be completed autumn 2009.

- 3.3 The County Council is currently undertaking a significant detailed assessment of the options available in respect of the Shire Hall Campus, its main HQ building. This project is aimed at ensuring the council is obtaining best vfm for its back office functions as well as promoting partnership working. The project is aiming to have the flexibility to include partners and discussions have commenced with the PCT, the County Fire and Rescue Service and Cambridge University. It will also deliver a fundamental way in which the Council delivers back office support through new ways of flexible working.



In conjunction with the consultants, ranges of options have been identified. Three options were based on staying on site and four options on relocation. In summary the options are (using the numbering system in the DTZ report):

- 0A Baseline** - All buildings retained including Registration Office.
- 0B Enhanced baseline** - All buildings retained including Registration Office. Capital investment in Castle Court, Shire Hall and Octagon. Disposal of part of site, lease out 2 wings of Castle Court.
- 1 Shire Hall reconfiguration** - Shire Hall refurbished and extended (infill the centre light well). Disposal of Castle Court, 42 Castle Street, Police House.
- 2 Relocate to single site** - to new owned facility (wholly consolidated). Registration Office - stand-alone facility. Small city centre service access office. Disposal of whole site for one-off capital receipt.
- 3 Split site with city centre presence** - Corporate suite located on city centre site. Registration Office - stand-alone facility. Operational hub

located outside city centre. Disposal of whole site for one-off capital receipt.

- 4 **Split site with Shire Hall presence** - Corporate Suite constructed on vacant land at front of site. Operational hub located outside city centre. Registration Office - stand-alone facility. Disposal of remainder of site, one-off capital receipt (reduced amount reflecting reduced area).
- 5 **Multi dispersed sites** - Corporate Suite constructed on vacant land at front of site. Three operational hubs located outside city centre (1 large and 2 smaller hubs. The 2 smaller hubs located in North and West of the county). Registration Office - stand-alone facility. Disposal of remainder of site, one-off capital receipt (reduced amount reflecting reduced area).

This early stage 1 work focused on financial modelling and particular sites have not been selected for the off site options.

The consultants presented the net present value for each option based on a 25-year period. To date this work has not produced a clear leading option and further work is underway on two of the options to provide more detailed information for consideration by Members in the future. This work is likely to take four to six months. The options are:

- The enhanced baseline - stay on site. This would involve investing in the buildings to keep the site running for up to ten years whilst allowing time for further detailed consideration of the options and a solution to be delivered.
- Relocating to alternative off-site accommodation, this could include a site outside Cambridge but with good accessibility, as well as one on the edge of the city.

3.4 The Council, through ESPO, procured a EU compliant Estates Framework contract for estates services covering valuation, agency, strategic asset management rating, estate management, development, planning and compensation. This was aimed at overcoming the continual cycle of seeking bids for seeking professional services for individual projects, reducing the exposure to the risk of contravening financial regulations and building long-term relationships with suppliers. Since starting in February 2007 there has been a high level of activity with over 250 enquiries to the framework being made covering 60 areas of work.

3.5 An example of the success of the Estates Framework contract was the retention of specialist-rating surveyors on a no win-no fee basis. Their appeal work is on going and approximately £550,000 of savings (over 5 years) will accrue on the non-domestic rates bill for the schools estate. Appeals on the remainder of the property portfolio are programmed

## 4.0 Partnership and community working

4.1 The County Council provides the secretariat for the District Asset Management Forum, an officer group that reviews mutual strategic asset management issues. The forum members include the County Council, all five Cambridgeshire District Councils, Peterborough City Council, Cambridgeshire Constabulary, Cambridgeshire Fire and Rescue and Cambridgeshire PCT (represented by Anglia Support Partnership).

4.2 The District Asset Management forum is promoting a joint project, hosted by the County Council, to map the public realm. The project aims to map all the property assets for the public sector on to one single IT system accessible by public sector colleagues and is hosted by the County Council. The overall objective is to have the property and land assets owned and/or occupied by all public bodies (inc. CCC) in Cambridgeshire, viewable on a web page. This will enable a much broader outlook for authorities dealing with Asset Management. It is a tool to investigate and consider the joint use of land and property owned/occupied by a number of different public sector organisations, which will result in improved service delivery and cost savings to all concerned.

At present the Council has a web site set up and data has been collected from several District Councils, Cambridgeshire Constabulary, a Parish Council and some sites occupied by Cambridgeshire PCT.

The system is now live and property colleagues in CCC and the other public sector bodies are encouraged to use it. A recent example of use is by South Cambridgeshire DC and Huntingdonshire DC for Gypsy and Traveller site searches as part of the LDF process.

4.3 A recent innovation is to share the system with Cambridgeshire ACRE (Action with Communities in Rural England). They have agreed to add their data set on properties owned by the voluntary (3rd) sector, and work is currently underway to source the data. It has also been shared with CCC's Risk Management and Research teams. As more data is added it will increasingly become a useful tool to ascertain the ownership of public sector land, which will inform option appraisals and projects under the Estates Implementation Strategy.

4.4 Cambridgeshire CC is a member of the Cambridgeshire COMPACT. This is a partnership agreement between statutory bodies and the voluntary and community sector designed to improve relationships and provide a framework within which all parties can understand what to expect from each other. In the Cambridgeshire context the Compact has produced a Funding & Commissioning Code, which includes advice on the transfer of assets.

- 4.5 The Council developed the Good Stewardship Guide for Schools' Premises 2005. The purpose of this guide is to assist Headteachers and Governors of community schools to provide good stewardship of school premises. The guide includes topics on temporary buildings, design fees and self-assessment audits, Disability Discrimination Act, water hygiene and appointing a property adviser. The guide is also provided to Headteachers and Governors of Foundation and Aided schools who have found the information contained in the guide useful. Good Stewardship is a joint responsibility for schools and the County Council for, whilst the County Council still own the property assets and employ school personnel, the delegation of budgets and responsibilities, particularly for school maintenance, has brought about significant changes to roles. Schools now have an increased and vital role to perform in discharging good stewardship.


The guide seeks to set out clearly where responsibilities now lie; provide guidance on how to fulfill the various responsibilities and aims to show how, working together in partnership, schools and the County Council can meet their duty of care for school premises and for the safety of those using them.

Further guides are currently in development for schools seeking Trust and Foundation status and for schools where Children's Centres are being established.

- 4.6 The County Council has commenced investigation of Local Asset Backed Vehicles as a way of providing the resources to kick start new housing developments in the Cambridge City fringes. Early work will include the hosting in April 2009 of a conference for 25+ local authorities that are either undertaking or investigating a similar approach in their area.
- 4.7 **Shelford Library** as described above is a very practicable example of the ongoing partnership work with Housing Associations to assist them in providing social housing.
- 4.8 The County Council is working with Haddenham Parish Council to develop a nature reserve on a closed landfill site. The Parish Council has taken a lease (at £1pa) and are currently developing landscaping plans to create the reserve.

## 5.0 Sustainable Development

- 5.1 This important area is supported by a robust Climate Change and Environment Strategy developed and approved in 2008.
- 5.2 The County Farms Estate is an important contributor to sustainability in Cambridgeshire in the area of ensuring we are living within environmental limits.

- 5.3.1 The County Farms Estate has constructed its first wind farm at Warboys that opened in early 2007 and was developed in partnership with a specialist company and adjoining owner. The nine turbines on the Estate's land produce an important revenue stream and contribute to the Council's strategic objective to tackle climate change. The s106 agreement for the planning permission established the Red Tile Wind Farm Trust Fund Ltd, which is charged with distributing money paid by the owner (currently Fenland Windfarms Ltd.) of the Wind Farm. The funds are used to support projects within Warboys and the surrounding parishes for renewable and efficient energy and projects that conserve or improve the environment.
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- 5.4 Work is continuing to identify further sites on the estate with the aim of undertaking soft market testing later in the year.
- 5.5 Under the BUPA programme The Farms Estate is currently undertaking a project to improve the insulation of the dwellings with a scheme of upgrading thermal insulation in roof spaces and walls together with installation of double glazing. The project is structured so as to take advantage of the grant aid available to householders from government thereby reducing the cost to the Council and providing VFM for CCC and occupiers
- 5.6 The Council is funding its part of the project through the BUPA programme whereby the business case is demonstrating a return on capital employed either through increased rents at the next re-letting of the individual farm holding or improved capital value.
- 5.7 The County Council disposed of land in the centre of the Milton Country Park to South Cambridgeshire District Council by way of a long lease. This allowed the District Council to sublet this land and adjacent land to Cambridge Sports Lake Trust, thereby maintaining a valuable area of accessible greenspace and supporting the protection and enhancement of wildlife but also providing for local residents to be able to access the greenspace for recreation and health benefits. This also removed the maintenance liability for the Council for the duration of the lease.