

Service & Resource Planning 2010/11 - 2014/15
Corporate Asset Management Plan 2010/11 – 2014/15

Introduction

1. The Asset Management Plan (AMP) has taken a different approach to previous years. It is a shorter, higher level document that intentionally avoids detailed explanations of needs or proposals for property and detailed action plans. It does however start to set out how our property will need to change to help meet efficiencies and objectives. It is a first step to having a clearly defined Asset Strategy, derived from corporate objectives and priorities. It is intended that the Strategy is fully developed by July 2010, to be used in the next round of Service and Resource Planning.

Purpose of the Asset Management Plan

2. The purpose of the AMP is to:
 - Give an overview of the Council's strategic direction and objectives and the implications this has for its property
 - Describe the objectives for property that arise from this and the strategy for each category of its assets (the asset strategy)
 - Set out the action to be taken, at a high level
 - Provide a clear statement of the Council's approach to its property
3. An initial Asset Strategy is included in the AMP but this will need to be developed. It will be a high level corporate strategy which establishes the role of the Council's assets in meeting strategic objectives and the business efficiency strategy. The strategy needs to be driven by corporate objectives, rather than services determining their property needs.
4. The Council's property will need to change significantly in terms of its size, composition, use and cost if it is to positively contribute to meeting Council objectives at a time of significant change.
5. Asset management is a contributor to business resource planning and seeks to ensure that the property asset base is optimally structured in the best corporate interest of the organisation. The Asset Strategy drives the asset management process.
6. The benefits of good asset management are clearly set out in best practice guidance. Land and buildings are the slowest of all strategic resources to respond to change, due to legal, financial, construction and development constraints and so it is necessary to plan for change in a systematic, long term way. Incremental change will not normally suffice as it cannot respond to the challenges of delivering modern public services and delivery of community objectives. The Asset Strategy will help to deliver a structured and programmed approach to change in assets. Good asset management and demonstrating a strong link between corporate

objectives and how assets are managed is a requirement of central government.

7. There will also be a lower level Asset Programme which identifies specific needs and proposals based on the strategy, where possible involving cross-directorate shared use and funding and puts these in to programmes of action. The programmes will include acquisitions; capital projects; refurbishment; maintenance and disposals.
8. The Asset Management Plan considers the period from 2010/11 to 2014/15 to allow forward planning and integration with the Council's service and resource planning process, and Medium Term Financial Plan but also considers longer term business drivers and asset needs.

Objectives and Business Efficiency Strategy

9. The County Council's objectives and Business Efficiency Strategy determine decisions about the Council's direction and therefore its property.
10. The Corporate Plan for 2010/11 onwards is under development. It is likely to contain the following priorities and themes:
 - **World Class Economy** - a need to balance housing growth and infrastructure needs; making it easier to get around the county; improving skills and educational attainment and supporting the local economy;
 - **Healthy and Thriving Communities** - community self-help; civic pride; independent living and personalisation of services; crime and fear of crime including anti-social behaviour; improving health and well-being;
 - **Environment and Climate Change** - mitigating and adapting to climate change including flooding and meeting our carbon reduction targets; waste and recycling and maintaining the built environment including 'clean and green';
 - **Better Public Services** - making efficiencies; access to services; partnership working; customer engagement and responsiveness; equalities and locality working
11. There are also the cross-cutting themes.
 - **Breaking the Cycle of Deprivation**, focused on reducing the gap between the best and worst off, targeting resources where they are most needed, prioritising Banbury and Oxford for pilot work and six localities (Abingdon, Banbury, Bicester, Carterton, Didcot, Oxford).

- **Localities working** – there is the need to ensure that the County Council has the appropriate assets to ensure the right services can be provided at a local level, in an integrated way

12. The **Business Efficiency Strategy** requires a rationalisation of the asset base to help deliver £106 million of savings between 2010/11 and 2014/15. The asset strategy will also need to be prepared with regard to the Single Conversation and the development of a Local Investment Plan.

Financial Context

13. The UK Economy is still in recession although there are signs of modest growth. There is an uncertainty about the strength of the recovery and this is reflected in the forecasted growth for 2010 which stands at 1%. It is projected that the recovery in the unemployment could take up to 5 years. In addition, the scale of national debt means that public spending will be reduced by £50 billion over the next 4 to 5 years.

14. These conditions place higher demand on public services and have significant implications on capital resources. The council has already experienced a sharp reduction in the value of capital receipts as well as delays in delivery of the disposal programme during 2009. Similarly, it is witnessing increasing demands from developers to reassess and renegotiate the need for, and terms applied to, contributions and infrastructure secured through planning obligations. It is very likely that we will receive significantly less settlement from the central government from 2011/12 onwards.

15. This makes the effective use of the Council's limited capital resources of utmost importance in a financially very challenging environment, when the challenges of growth and infrastructure development have never been more significant.

How do our Assets Need to Change?

16. The Council's objectives, overall theme of breaking the cycle of deprivation and Business Efficiency Strategy mean that the asset base will need to change to support delivery of those objectives. The broad property implications of the objectives are shown below.

World Class Economy

- Infrastructure will need to be provided for growth areas
- Schools will need to be improved to help raise educational attainment, including through the Primary Capital Programme and Building Schools for the Future

Healthy and Thriving Communities

- Changes to the provision of adult social care will mean changes to the property estate
- Encouraging community self help through joint and community use of property
- The need to improve health and well-being will require more effective working and co-location with our partners

Environment and Climate Change

- The environmental impact of our property will need to be reduced and the estate be made more resilient to climate change to minimise impacts on services and costs
- Improved facilities for waste disposal and recycling will be required

Better Public Services

- The cost and size of the estate needs to be reduced
- The number of staff to be accommodated will decline
- The amount of maintenance that can be carried out may reduce and available funding must be used for the highest priorities
- Property must be treated as a corporate and community resource and its future planned with our partners
- Investment will need to be focussed on priority localities and services and joint asset planning with partners

The Council's Property Portfolio

17. The Council has approximately 850 properties, the vast majority of which are operational rather than investment properties. They have an asset value approximately of £1.4 billion. The main property types are listed below.

- | | |
|------------------------|-----------------------------|
| • 32 secondary schools | • 20 day centres |
| • 226 primary school | • 10 highway depots |
| • 13 special schools | • 105 houses |
| • 24 fire stations | • 26 children's centres |
| • 43 libraries | • 29 young people's centres |

18. There is significant investment in the portfolio each year, through the capital programme and the repairs and maintenance programme. This has led to significant investment in for example schools, offices, children's centres and libraries. However only 41% of the portfolio is fully fit for purpose and there is a maintenance backlog of £77.5 million. There will need to be significant change to the portfolio for it to be affordable and to

ensure it supports delivery of the Council's objectives. The challenge is to reduce the size of the portfolio and refigure in a way that is strategically driven and affordable. This will involve radical review and cultural change.

Property Themes

19. In view of the Council's objectives and Business Efficiency agenda the Council's property themes are set out below. The purpose of these Themes is to set out the overall approach to property. There are specific and detailed targets for property included in the annual Report on the Performance of the Property Portfolio.

| | |
|----------------|--|
| Theme 1 | A smaller property portfolio contributing to efficiency savings |
| Theme 2 | Changing the portfolio to support locality working |
| Theme 3 | Increased co-location of services and sharing with partners and community organisations to improve service delivery and reduce costs |
| Theme 4 | Property that is fit for purpose and supports corporate priorities and emerging service business models |
| Theme 5 | Improved environmental performance of our buildings to contribute to targets to reduce carbon dioxide emissions |

Approach to Asset Base

20. The main types of property held by the Council are set out below with an explanation of the approach that is being taken. It is intended that decisions about assets are considered corporately and are guided by the themes above and not by individual service or type.

Offices

21. The Better Offices Programme had made substantial improvements to the quality of office accommodation, by disposing of unsuitable properties and investing in a smaller number of good quality, more effectively used offices. The programme will make a significant contribution to the provision of high quality services, reduce costs and improve environmental performance. There will need to be further improvement in the utilisation of offices to ensure that they are effectively used and help deliver efficiencies. This will require a clear vision, policy and support for the way

we want our staff to work to ensure they make best use of time, property, information and reduce travel.

Adult Social Care

22. The key impacts for Social and Community services in regard to its capital requirements are:

- Demography
- Transforming Adult Social Care
- Service related properties are fit for purpose
- Efficiency Agenda

23. Given the pressures from demography and the current economic climate the aims for the capital programme over the next 5 years for adult social care is to deliver revenue savings at the same time as improving outcomes for service users. The key areas for investment are therefore those which deliver future efficiency savings as in Extra Care Housing and those where services efficiencies and initiatives require capital investment to support them. It is expected that this programme would be mainly financed through prudential borrowing and reinvestment of any residential property or sales of land.

24. The directorate is also heavily involved in ensuring infrastructure requirements surrounding new and existing housing developments deliver service provision in line with this strategy and has developed Section 106 modelling to identify the capital requirements to fund these plans.

25. Future plans around day services are currently on hold awaiting a review of the requirements for services based at these locations in the light of self directed support. The current plans will ensure that those already committed to Abingdon and East Oxford will be delivered leaving the decisions surrounding Wantage and others to be made following the review.

Extra Care Housing

26. A key priority is for the use of County Council land and other assets in the development of facilities for cost effective housing. For sheltered and extra care housing this will be particularly important for drawing down any grant support from the Housing Corporation, reducing the long term revenue costs, and ensuring that the County is able to get the best advantage from any section 106 arrangements and being able to ensure that there are nominations agreements in place that will allow our priorities to be met.

Work on existing residential provision

27. Work is continuing with the Order of St. John to re-provide the homes in Banbury, Bicester, Chipping Norton and Thame. The funding for the new homes is largely provided within the funding strategy for Homes for Older People.
28. The remaining 8 homes within which the Order of St. John provide a service need to be reviewed in the context of changing needs. These homes are listed in Appendix 2. The Resource Implications are not yet known.
29. The Extra Care Housing strategy is seen as a key one for the redevelopment and re-provision of services in these homes. However, there is also a need to enable the development of Extra Care Housing throughout the County.

Residential Accommodation for Adults with Learning Disabilities

30. This strategy aims to provide Supported Living accommodation through partnership with Registered Social Landlords. The aim is to provide purpose built accommodation to increase the independence of adults with learning disabilities. The costs of supporting people in such accommodation is less than the cost of supporting them in residential care.
31. There will be a continuing need for purpose built premises and this is identified in the Learning Disability Housing Strategy.

Other housing and residential requirements

32. In the long term there is a need for providing residential accommodation for Adults with a Physical Disability and Acquired Brain Injury through partner organisations with the land being provided through the County Council. The need identified is for about 30 units of accommodation a year.
33. There is also a need to replace residential accommodation for people with mental health issues, with housing within the community, similar to the strategy for adults with learning disabilities.

Process and System Development

34. This investment is likely to be required to support the changes envisaged to services going through major transition. We are in the process of evaluating what changes are appropriate and will lead to revenue savings which would pay for the cost of any prudential borrowing.

Libraries

35. The asset strategy for the library portfolio is driven by current service constraints, population growth, service modernization and community needs.

Current service constraints

36. Fitness for Purpose Surveys show that libraries compare very poorly with the overall results for the county's property portfolio. 18 properties (44%) are identified as unfit for purpose or unfit for purpose with the potential for economic improvement. Priorities for improvement (excluding funded priorities) are the Central Library, Chipping Norton, Cowley and Summertown.

Population growth

37. Significant, planned housing growth increases pressure on the library infrastructure which is often inadequate to meet the demands of existing communities. Securing improved or new provision in areas of planned growth (excluding the current capital priorities) is therefore a priority, most notably in Didcot and Grove.

Service modernization

38. Consultation indicates that the key determinants of library use and customer satisfaction are:

- 17. An excellent book stock,
- 18. Easily accessible services with retail type opening hours
- 19. Relaxed, modern, comfortable environments

39. Since 2004 the library service has significantly improved in the first two areas and library use has increased. Modernisation of library buildings is now the most important action to be taken to improve performance, drive up core business and improve customer satisfaction. The busiest service points, with high footfall in the city and the county's towns are the highest priorities for improvement. Excluding the current capital programme, these include, Abingdon, Henley, Wantage and Witney,

Community need

40. In areas of disadvantage, library services have a role with other partners in helping to break the cycle of deprivation. The ways in which this may be achieved is currently being explored through the Community Libraries project and while demands on the library infrastructure in areas of relative deprivation may not always be great (for example in Berinsfield) there will be asset implications in delivering shared services, for example, through shared buildings.

Young People's Centres

41. The provision of high quality Young People's Centres as centres of excellence is at the heart of our local communities contribution to the five key Every Child Matters agenda; the 2010-2013 Children and Young People's Plan and the government's Youth Matters: Next Steps agenda by providing safe "places to go" for young people that are attractive, accessible and make young people feel valued.
42. The Children, Young People and Families Directorate restructured its services in January 2009 to create three areas with integrated teams working across the areas and using local venues for service delivery. Young People's Centres offer an opportunity to be at the heart of this process and are already beginning to, or are planning to, provide opportunities for co-location wherever possible.
43. An Integrated Youth Support Accommodation Strategy 2009 was approved in July 2009, which included priorities for investment based on Fitness for Purpose, co-location opportunity and locality deprivation rating.
44. The drive is to develop contemporary environments where young people engage in positive activities and include multi-functional spaces, welcoming accessible cafe-style area and high quality external sports and play areas. There is a commitment to work up feasibility studies on the properties so with as opportunities for investment arise, there can be a rapid response.
45. There has been considerable success since autumn 2008 in securing external capital funding.
 - "Back on Track" (Department for Children, Schools & Families) to provide facilities in four centres for alternative education provision and opportunity to enhance existing provision – Witney, Kidlington (both for completion in March 2010), Abingdon and Didcot (both for completion in March 2011) – £1.92 million. There is an additional investment of developer funds of £300,000 for Didcot.
 - "Co-Location" funding (Department for Children, Schools and Families) to provide opportunities to co-locate services in Banbury, Chipping Norton and Bampton (for completion in August 2011) – £4.8 million.

Re-use, Recycling & Recovery of Waste

46. The Waste Recycling Centre Infrastructure Development Programme is fundamental to the Council's priority and theme of Environment and Climate Change.
47. The priorities for the 2010/11 programme require the council to increase, refurbish/redevelop and geographically relocate its WRC assets to achieve sustainable, continuous improvement in service provision. Phase 1

(2010/11) will see construction of the County's first undercover Waste Recycling Centre and Reuse Shop, north of Oxford City. The development will serve as an enabler to the redevelopment of the Redbridge Recycling Centre Health and Safety issues. It is also proposed to relocate Dean Pit, near Chipping Norton.

48. The second phase (2012–15) of the programme will see the relocation of Alkerton to serve the Banbury area, relocation of Ardley to serve the Bicester area and the redevelopment/upgrade of Stanford-in-the-Vale. The longer term (phase 3, 2015+) will review the need to develop smaller satellite recycling centres to serve housing growth.
49. The Council is in the process of letting a DBFO contract for the delivery of a facility to treat our residual waste. The preferred bidder proposes to build an energy from waste facility at a large capital cost. It is intended that at the end of the contract period (25 years plus any extension) that this asset comes under the control of the Council under a long lease arrangement. The Council could then let another contract for its continued operation.

Schools

50. The priority areas approved for the distribution of available funding within the CYP&F Forward Plan are set out below. There may need to be some difficult policy decisions to ensure that the challenges and themes that need to drive change in the Council's assets are applied to schools. They are often the main property assets within a community. The priorities are currently:

- Primary Capital Programme
- Secondary Capital Programme (Building Schools for the Future)
- Provision of School Places
- Children's & Family Centres
- Halls and Kitchens
- Special Educational Needs
- Locally Controlled Voluntary Aided Programme (LCVAP)
- Risk Management Programme including health and safety
- Opportunity Developments
- Outdoor Education Service
- Improvement of Youth Centres
- Children's Homes Development

Resource Implications

51. The overall capital requirements of the asset strategy and the approach to funding those requirements and their revenue implications is set out in the Capital Strategy, which is prepared and approved to the same timescale as the AMP.

52. As the asset strategy is developed, the HR and ICT implications will also be set out in the AMP.

Performance Management

53. Performance against national and local property indicators is used to monitor performance of the property portfolio and with benchmarking information and targets for future performance, is included in the annual Report to the Cabinet on the Property Portfolio.

54. The report detailing the performance of the Council's property from April 2008 to March 2009 was considered by Cabinet in October. Work is ongoing to improve benchmarking information so there is better information about how our assets are performing compared with other authorities. Changes in the estate for 2008/09 were not all positive and this is another indicator that the approach to property needs to change.

55. In summary, the report showed:

- A slight reduction in the number of fit for purpose properties to 41%, although only one third of the portfolio was surveyed in 2008/09. The target of 90% of property fit for purpose by 2015 will be difficult to achieve
- Capital receipts of £6,947,871
- Total required maintenance increased by 4.4% from 2007/08. Total spend on repairs and maintenance reduced, although the percentage split between planned and responsive maintenance has improved to 59% and 41% respectively. This is disappointing in view of the additional prudential expenditure
- 64% of properties perform better than typical in terms of environmental performance – a slight reduction on 2007/08 largely attributable to a particularly cold winter

Organisational Arrangements

56. In November 2008 the County Council Management Team asked for a review of the Council's Capital Governance Structure.

57. The purpose of the review and new arrangements is to improve the delivery of corporate objectives through better management of our assets. Analysis carried out before the review stated that the structure in place at the time was an obstacle to this as there was:

- a limited visibility of top down priorities and cross-portfolio political debate on policy developments in the capital arena
- a limited strategic approach to place shaping
- disaggregated teams and functions
- limited application of strategic programme management

58. The new governance structure has a Capital Investment Board and a Capital Programme Board to replace the Capital Steering and Working Groups and these will operate at a higher level than and have strong links with Cabinet and CCMT. The aim is that the new structure will assist in:

- Changing the culture and approach to asset management
- Better planning of capital investment
- More effective use of assets
- Enhanced cross-service working
- Improved working and asset sharing with partners

59. The role of the Capital Investment Board is to set the vision and agenda for capital investment and asset planning to put in place the next generation of infrastructure and to deal with growth, joint service delivery and partner relationships.

60. The role of the Capital Programme Board is to provide a single point of contact for all capital and asset matters, to ensure development and delivery of the asset strategy, enhance cross-service and organisation working, develop a programme of strategic capital investment and to provide officer leadership and challenge.

61. Property Services is planning a restructure from April 2010 to allow a refocusing of resources to increase the capacity for strategic work, particularly development of the asset strategy.

Strategic Actions

62. The main strategic property actions required to support the achievement of the Council's objectives are to have:

By the end of 2009/10

- completed the Better Offices Programme
- a consolidated Facilities Management Service in place
- a strategy in place for the provision and procurement of Property Services from 2012 when most existing contracts come to an end
- a programme of property reviews to help achieve the asset strategy approved by the Capital Programme Board

By the end of 2010/11

- a fully developed asset strategy approved and in use to help ensure that decisions about property support the Council's objectives
- a plan underway for meeting Business Efficiency savings from reducing the size of the portfolio with savings commencing in 2011/12
- arrangements in place for joint asset planning with partners

- a “New Ways of Working” framework in place to allow our staff to work effectively and flexibly and to make the most effective use of our assets

By the end of 2011/12

- the new procurement arrangements for Property Services in place and able to deliver the savings required by the Business Efficiency Strategy

By the end of 2014/15

- delivered the property savings required by the Business Efficiency Strategy

Annually

- met the fitness for purpose targets
- met the disposals target
- delivered the capital programme
- delivered the repairs and maintenance programme
- met the target for reducing carbon dioxide emissions

January 2010

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