

Corporate Property Asset Management Strategy

2022-2025

Foreword and Vision

A robust and forward thinking strategy for the management of our land and assets is critical to ensure that the right decisions are made regarding their future use, management, development or disposal.

Our Asset Management Strategy sets the framework for managing our corporate property portfolio for the next five years, including how we make strategic property decisions which support our corporate objectives and ensure that our estate is sustainable, efficient and fit for the purpose of delivering excellent service.

Our property portfolio not only needs to support frontline service delivery, but it also needs to respond to and plan for future changes in the way that we deliver those services and also, to the needs for an increasingly flexible and agile workforce. As partner organisations undergo similar transformation, we need to be in a position to embrace opportunities to collaborate and co-locate services, so that the overall public estate burden is reduced and our residents benefit from streamlined and joined up access to services.

After our people, our property assets are our biggest resource and are key to transforming the way in which we deliver our services. Shrewd and effective asset management will not only ensure that our estate is sustainable and able to support future service deliveries, but that it can drive, support and contribute to wider Council priorities, including our carbon reduction agenda.

Our strategy balances ambition and enterprise, with a methodical and evidence based approach, focusing on the delivery of our Property 2025 vision that every asset we hold will be reviewed, that we challenge the reason for holding it and put in place an asset management plan appropriate to its future role in our portfolio.

Organisational Drivers

The Asset Management Strategy responds to and supports the key corporate strategy, planning and policy documents.

Our strategic approach governing how we work with and for communities, and in collaboration with partners, is underpinned by the Council's three strategic areas of activity; **Vision Derbyshire, Thriving Communities and Enterprising Council**.

Corporate Property 2025 is a five-year programme to review every asset and ensure that the property portfolio is aligned to deliver the three strategic areas of activity:



Council Plan Objectives

Our Council Plan 2021-25 sets out that we will focus our efforts over the next four years on the following priorities.

High performing, value for money and resident focused services.

Effective early help for individuals and communities.

A prosperous and green Derbyshire.

Resilient, healthy and safe communities.

“ Our Council’s ambition is to work together with our partners and communities to be an enterprising council, delivering value for money and enabling local people and places to thrive.

Council Plan Objectives

The Asset Management Strategy will support the Council's priorities by optimising its property assets to create an efficient and effective estate. Ensuring that we have the right buildings in the right places to enable excellent service delivery.

In support of this, the following key actions have been identified for Corporate Property:

- In the next year, we will have implemented a programme to centralise the Council's property assets and budgets to ensure the most effective use of our land and buildings
- In four years we will have rationalised our land and building assets and improved the management of those that remain

Centralising our property assets and budgets will support the Council Plan outcomes by creating:

- A central strategic approach to property decisions
- One single point of accountability
- Corporate governance
- Consistency of approach and service level for building users, arising from improvements in quality and suitability of space
- The ability to project and report on budgets and costs

Rationalising our land and building assets and improving the management of those that remain will lead to:

- Reduced running costs
- Improved quality and suitability of those that remain
- Reduced maintenance backlog
- Increased capital receipts
- Reduction in the cost of failure arising from non-compliance
- Increased revenue contributions from a commercialised estate
- The transition from reactive to planned maintenance and whole life maintenance
- Improved service environment for employees and service users
- A more sustainable estate with a reduced carbon footprint
- Ultimately no inefficient assets

Helping to deliver the Corporate Services and Transformation Service Plans

The Department is key in supporting the leadership of the Council and Elected Members, ensuring good governance and legal compliance; and providing human resource, property and financial management for the Council.

Over the next twelve months the Department will direct effort and resource towards supporting the agreed Council Plan priorities, whilst balancing the challenges of a reducing budget. The Department will continue to play a critical role in embedding the Council's strategic approach across the whole organisation.

The approach, which encompasses three strategic areas of activity - **Thriving Communities, Vision Derbyshire and Enterprising Council** - governs how we work as a Council, with and for communities and in collaboration with partners. Together these key areas place the Council in a stronger position to understand, adapt and respond to future challenges and to bring about the changes needed to ensure future success. Embedding the approach will require the Department to continue to drive forward a rapid pace of change and a hugely challenging and ambitious strategic programme of transformation.

As corporate landlord, we will not only seek to deliver our own Service Plan Priorities, but those of other service areas, Service Plan Priorities which will be supported and/or delivered by Corporate Property

- Achieving the Departmental budget savings target
- Progressing work to centralise all the Council's property assets and budgets to ensure the most effective use of our land and buildings
- Delivering the Property 2025 programme to review every asset and ensure that there is a plan in place for its effective management
- Developing the Council's new Asset Management Strategy and Asset Management Plan

The specific Corporate Property deliverables identified in the Service Plan, which deliver the Council priorities are:

- Completed a programme to centralise ownership, management and responsibility for all of the Council's land and property assets and budgets, within Corporate Property, to ensure the most effective use of our land and buildings

- Developed and approved an Asset Management Strategy for our land and buildings establishing how we will make strategic property decisions which support our corporate objectives and ensure that our estate is sustainable, efficient and fit for the purpose of delivering excellent service
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- Developed an Estate Management Strategy and Disposal Protocol which delivers the objectives of the Asset Management Strategy, the asset challenge process and the asset plans, ensuring that the Council only retains the buildings that it needs to deliver services
- Reduced carbon emissions from Council property and vehicles, street lighting and procurement

Helping to deliver the Corporate Services and Transformation Service Plans



The creation of a robust and ambitious Asset Management Strategy forms one of the key deliverables itself, but also sets out the framework for ensuring that the others are also delivered.

The Service Plan also sets out a number of key deliverables which deliver the departmental priorities and services. These are some of the activities and underpinning processes which support delivery of the Asset Management Strategy and the Service Plan and contribute to the effective management of our portfolio.

- Approved and implemented the Future Strategy for Centralised Management of Corporate Assets
- Developed a set of core, built environment design and fabric performance criteria, for the construction and adaptation of council assets
- Developed a set of required performance and design standards to reduce carbon emissions from the Council's land and building assets and developed a programme for their implementation

- An Estate Management Strategy and Disposal Protocol which deliver the objectives of the Asset Management Strategy, the asset challenge process and the asset plans, ensuring that the Council only retains the building that it needs to deliver services
- A Property Maintenance Strategy to ensure that the Council's land and buildings are maintained to protect and enhance their value
- A Facilities Management Strategy to ensure that the Council's operational portfolio is managed efficiently and effectively. Ensuring a safe and efficient working environment which enhances the working conditions of staff, visitors and public. A suite of performance metrics that support utilisation, energy and Facilities Service provision. Working in partnership with our joint venture company Vertas Derbyshire Ltd on for the delivery of cleaning, grounds and caretaking services

Helping to Deliver Other Corporate Strategies

Capital Strategy

The framework established by the Prudential Code for Capital Finance in Local Authorities supports local strategic planning, local asset management and proper option appraisal.

The Council's approach to capital investment is fundamental to the financial planning process and ensures that:

- An affordable and sustainable capital programme is delivered
- Use of resources and value for money is maximised. Public 42 PHR-1164
- A clear framework for making capital expenditure decisions is provided
- A corporate approach to generating capital resources is established
- Access to sufficient long term assets to provide services are acquired and retained
- Invest to save initiatives to make efficiencies within the Council's revenue budget are encouraged

- An appraisal and prioritisation process for new schemes is robust
- Capital expenditure contributes to the achievement of the Council's strategic plan

The Asset Management Strategy supports the Council's Capital Strategy by ensuring that all asset decisions are based on robust processes, sound business cases and in full consideration of the Council's wider strategic objectives. In particular:

- Every asset is reviewed in a number of ways, its place in our portfolio is challenged, and those surplus to requirements or poorly performing are disposed of
- Asset disposals are programmed, with the resultant capital receipt able to reduce the capital borrowing required and/or support other programmes
- Assets plans contain whole life costing information, enabling long term capital liabilities to be projected and factored into decision making

- Robust Service Asset Planning, ensures that property interventions are targeted on the long term asset needs of the organisation, reducing abortive capital spend
- Asset reviews ensure that all options are considered and that the best consideration is gained for the Council
- Our assets are considered as part of the One Public Estate programme, ensuring that resources and value for money is maximised across the entire public sector portfolio
- Governance is in place to ensure that asset decisions are considered, within the context of the wider corporate objectives and in a way which is transparent and accountable and auditable

Helping to Deliver Other Corporate Strategies

Commercial Activity and Investment Property

The Capital Strategy sets out that the CIPFA Code defines investment property as property held solely to earn rentals or for capital appreciation or both. Returns from property ownership can be both income driven (through the receipt of rent) and by way of appreciation of the underlying asset value (capital growth). The combination of these is a consideration in assessing the attractiveness of a property for acquisition. The Council does not currently borrow to fund these type of activities, however this Asset Management Strategy creates a framework of robust asset review and planning processes which includes the opportunity for income generation from assets, where that supports the business case and enables development in line with corporate objectives.

Economic Growth Strategy

Enabling and delivering economic growth and regeneration is one of the Council's priorities and particularly in the context of recovery from the pandemic. Our Asset Management Strategy supports delivery of the economic development and place shaping aspirations for our county, by working with Economic Growth colleagues and wider partners to take a locality based approach to asset management.

Financial Plan

After our people, our property assets are our largest and most valuable resource and also our greatest cost.

Like almost all local authorities Derbyshire County Council is looking to make strategic property decisions which generate savings, new income streams or capital receipts, which contribute to reducing the increasing funding gap.

In support of this, all assets are considered both corporately and commercially.

Effective asset management also mitigates the holding costs for those assets we retain and manage because they are essential for service delivery.

Our Asset Management Strategy ensures that every asset we own is reviewed and challenged, identifying those which are performing poorly and taking appropriate steps to reduce costs and/or increase income.

A centralised approach to managing our property budgets ensures that the true cost is understood and reported and decisions are consistently made in accordance with corporate priorities.

The activities supporting the Asset Management Strategy will ensure that costs and potential savings can be projected, with the plan that this data will eventually be available over a 25 year period, creating greater budget certainty.

Service Delivery Strategies

The Service Asset Management Plans will pick up the future asset needs required to deliver excellent service and this helps us to make intelligent property decisions, reduce abortive work and plan for the future, all in partnership with service area leads.

In parallel our strategy enables us to proactively develop ways to deliver the wider service strategies through our Corporate Estate and Asset Management Decisions. One example would be the ASCH new housing models. As we review our land and assets, windfall opportunities will be released which could be used to deliver new ASCH housing. We can also acquire suitable sites where non exist currently. We need to be mindful of these wider strategic needs and our role in delivering them.

Helping to Deliver Other Corporate Strategies

Carbon Reduction Strategy

In October 2021, Derbyshire County Council approved a Climate Change Strategy, with the aim of reducing emissions generation by the Council to net-zero by 2032 or sooner.

Our property portfolio has an important role to play in delivering the strategy by:

- Prioritising the review of poorly performing assets
- Reducing our footprint generally to create a streamlined estate
- Reducing the carbon emissions from our retained estate, through strategic investment and intervention
- Ensuring that performance standards are attached to every brief for capital development
- Providing opportunities for microgeneration
- Including sustainable energy production and carbon offsetting in site appraisals

One Public Estate

The One Public Estate supports locally led partnerships of public sector bodies to collaborate around their public service strategies and estate needs.

Derbyshire County Council Corporate Property hosts the Derbyshire One Public Estate Programme. Embedding this resource in the Asset Management team ensures that we are making strategic asset decisions within the wider context of the public estate and maximising opportunities for co-location, innovative solutions to shared service delivery and locality based review of our assets alongside those of our partners, as one 'system'.

Strategic Partners/Joint Ventures

The Council has entered strategic partnerships to deliver:

- Design Services
- Project and Programme Management
- Cleaning and Caretaking Services

- Grounds Maintenance
- Access to the marketplace for other property services and specialisms as appropriate

This drives greater efficiencies and enables a performance led approach, benefiting from private sector expertise and access to the skills market in support of the various programmes required to deliver the strategy.

Our LLP with Public Sector Partnerships has been named Develop Renew and it supports our Asset Management Strategy and Property 2025 programme with specific asset and portfolio reviews, where development potential has been identified and/or the partnership is able to add value to land and property assets. They provide land promotion, solutions for the management of portfolios, where there is limited rationale for the Council to hold them and development activities.

Helping to Deliver Other Corporate Strategies

Workplace, Wellbeing and People Strategies

The Council recognises the importance of the promotion and the maintenance of the physical and mental health, safety and wellbeing of its workforce.

Our workplace has a significant role to play in our sense of wellbeing. Asset led transformation delivers workplaces which can respond to the changing working environment. The rationalisation of the administrative accommodation can help drive change and reduce the reliance of the traditional workspace, thus assisting in reduced property costs.

The centralisation of property assets, so that we can provide consistent quality of spaces, a single point of contact and a defined service level agreement will provide certainty and accountability for service areas.

Our strategy will enable change and promote agile and flexible working where appropriate. Service Asset Management Plans and a Business Partner approach to working with services, ensures that we understand their future needs and that we have service led buy in to asset decisions.

Equality, Diversity and Inclusion Strategy

The Council will strive to deliver “A fair and inclusive Derbyshire, where all communities are strong places, where equality and diversity are seen as positive aspects of everyday life and where individuals get on well together and feel included in the communities in which they live, work or study”.

There is work to be done in ensuring that we can deliver on this pledge, but our asset planning process ensures that fitness for purpose is a consideration in all property decisions. Our suite of performance criteria for capital works will ensure that inclusion and accessibility are paramount in the design of new spaces, but also in the delivery of our workstreams.

Digital Strategy

The Council’s Digital Strategy is in development in the context of a rapidly changing digital landscape.

It will need to support digitally enabled transformation of services and working practices.

The public desires more effective digital services in the internet age, making a wide range of services more accessible and improving the experience customers have when they interact with the organisation.

This has a significant knock on effect for both our front line service delivery demand on our assets and the way in which our workforce engages.

Our Asset Management Strategy and the governance wrapped around it ensures that we can respond to and support Modern Ways of Working principles and opportunities in property decisions

Corporate Property Strategies

Property Maintenance Strategy

The strategy ensures all assets are maintained in an appropriate condition and in efficient operation to fully support the Council Plan and departmental service delivery. The strategy maintains property & land assets whilst maximising value from the available budgets by directing tailored maintenance services in line with asset categorisation to reduce the maintenance backlog and burden.

Maintenance definition – the proactive prevention or remedial correction of defects to the building fabric and its associated plant and equipment.

The strategy will cover the following areas:

- Condition surveys to support asset planning – rolling 5 year programme
- Premises reviews - annually
- Statutory compliance including H&S for the estate
- Reactive repairs (D2D)
- Planned preventative maintenance (PPM)

- Planned maintenance programmes (PMP)
- Whole Lifecycle Costing
- Reduction in maintenance backlog and burden
- Limit disruption to service delivery
- Dilapidations
- Aligning maintenance interventions with Asset Plan outcome
- Maximising available budgets

Estate Management Strategy

The Strategy protects and maximises value from the Estate throughout the full life cycle of assets. The strategy covers the following:

- Essential, accurate and reliable asset valuations
- Proactive lease management including expert-Landlord and Tenant advice
- Positive management of the Estate

- Protecting and challenging land and property
- Maximising returns from new Lettings and other income generation opportunities

Development

The design and project management functions of the Council were transferred to our development partner Concertus Derbyshire Ltd in two stages in 2020 and 2022, creating a commissioning model for the design of most capital projects.

Our Asset Management Strategy will therefore be supported by a suite of documents setting out the performance criteria for capital developments.

These will include sustainability and carbon footprint requirements for all new works and refurbishment projects, helping us to meet our carbon pledges and targets.

This suite of design standards will ensure that the running costs, carbon output, energy use and lifecycle costs are agreed in advance of any works commencing, so that the Council as client can predict future lifecycle costs for the assets

Property Strategies

Facilities Management Strategy

The objective of the Facilities Management Strategy is to build a dynamic, vibrant and proactive facilities management service; creating opportunity, value and consistency in approach to ensure that the Council's premises provide spaces that are fit for purpose and enable the Council to deliver its business objectives, provide well utilised, safe and functional spaces for employees, elected members, visitors, service users and members of the public.

This strategy will support the Asset Management Plan, providing data on premises, utilisation and ergonomic data, energy and cost performance to support the strategic planning process.

Facilities Management can play an important role in the business performance of the Council and contribute to savings by ensuring all of our spaces are fit for purpose, harmonic and well utilised and we are not hindered by 'dead' or wasted space.

- Space will be delivered that can adapt to changing environments, based on service department requirements to improve services and ensure our premises don't hinder performance
- Client liaison is vital to understand strategic development and end user satisfaction
- Developing space standards and targets and monitoring usage and performance
- Providing environments that focus on health and happiness to improve productivity
- Understanding the interaction between users and space
- Adapting spaces for corporate strategies
- Understanding and implementing technology solutions for premises management
- Undertaking change when required to make better use of space

Disposals and Acquisition Protocol

The Disposal and Acquisition Protocol provides a framework to be ambitious and add value from surplus and underutilised land and property whilst rationalising the Estate. The Council will:

- Deliver ambitious redevelopment and disposal opportunities
- Generate income to support delivery of services
- Release capital from the Estate to deliver the Capital Strategy
- Rationalise the Estate in line with Council Plan key actions
- Embed enterprising and innovative methods to deliver the Council Plan
- Provide a consistent and considered approach to the appraisal of assets for disposal

Introducing the Estate

Derbyshire covers an area of 255,000 hectares. The county lies in the centre of England, forming the north-west part of the East Midlands Region. It is bordered by four administrative counties (East Cheshire, Staffordshire, Leicestershire and Nottinghamshire) and seven metropolitan districts (Barnsley, Sheffield, Rotherham, Kirklees, Oldham, Stockport and Tameside).

Derbyshire County Council covers the entire county excluding Derby City. Within the area covered by Derbyshire County Council there are eight district council areas: Amber Valley, Bolsover, Chesterfield, Derbyshire Dales, Erewash, High Peak, North East Derbyshire and South Derbyshire. Derby City is served by the unitary authority of Derby City Council.

Derbyshire is predominantly a rural county and has a population of 785,765 (Source: 2016 Mid-Year Population Estimates, June 2016, Office of National Statistics (Nov 2017)). The main conurbation is Chesterfield, supporting a population in excess of 104,000. The remainder of the County is comprised of smaller towns and villages, mostly concentrated along the eastern and north-western edges of the County. A sparsely populated central core, much of which lies at altitudes of 300m or more, includes part of the Peak District National Park.

Some key demographic statistics for Derbyshire are:

Derbyshire's population will increase by 8% between 2016 and 2041 (this is lower than the predicted 10% increase for England);

The population aged 90 will more than double between 2016 and 2041;

In 2016, 62% of the Derbyshire population were of working age. By 2041 this figure is expected to drop to 55% meaning that 45% of the population will be children and older people. (Source: Derbyshire Observatory)

These changes in demographics will result in changes in demand for services and also the types of services required. It is therefore important that the Council has a robust Property Asset Management Framework in place to help facilitate these changes.

Introducing the Estate

The Property Portfolio and Composition of the Estate

The Council's land and property portfolio comprises over 4469 separately listed assets with a current aggregate book value more than £2.155bn. There is a wide range of assets in the Council's portfolio including homes for older people, day centres, country parks, libraries, adult education centres, schools, children's centres, and civic amenity sites, some of which are historic buildings. It includes land and buildings the Council leases in from other public sector and private sector landlords as well as the land and buildings the Council owns.

The primary objective for holding land and property is to enable the delivery of services to the people of Derbyshire and the strategic aim is to have appropriate and cost-effective buildings from which to deliver these services. It is therefore important that the Council reviews its assets regularly to ensure alignment with service delivery requirements.



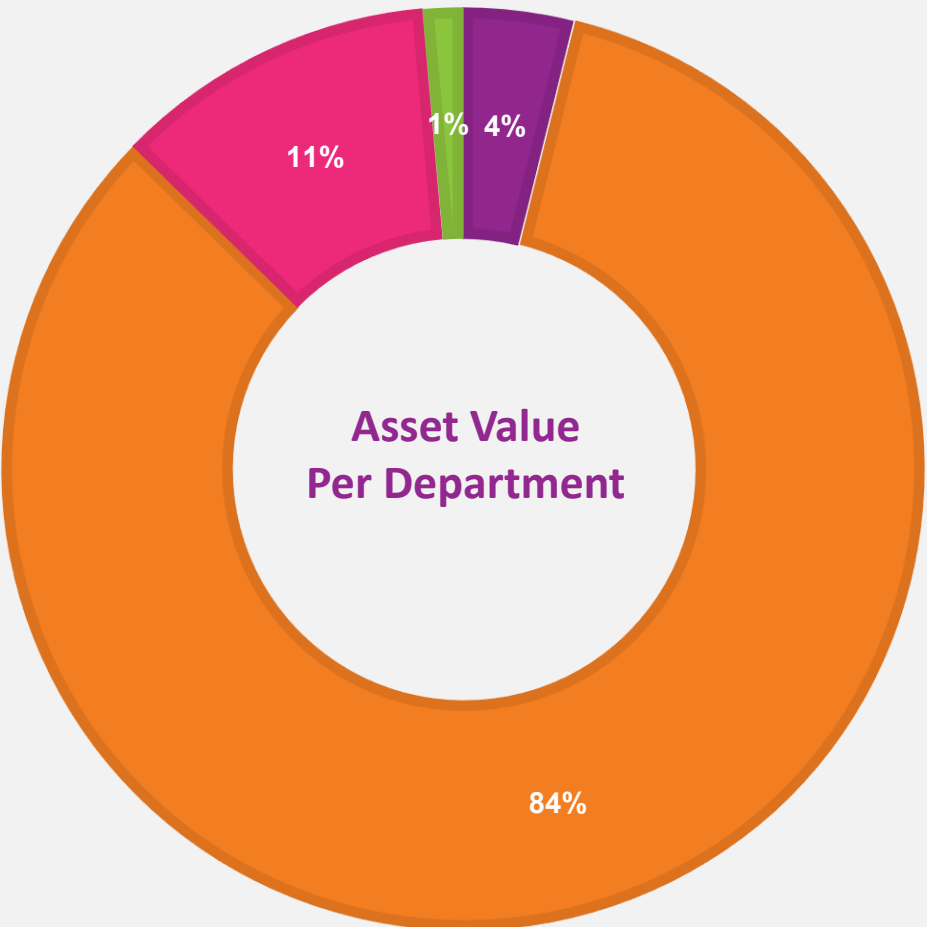
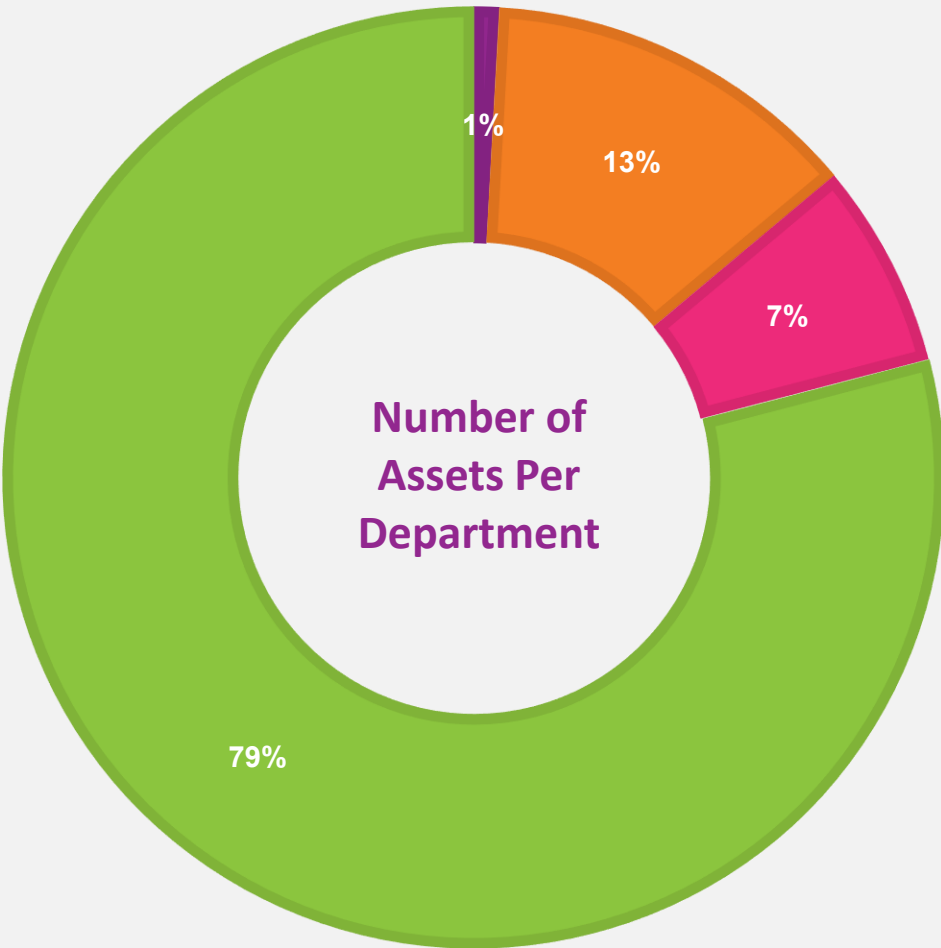
Introducing the Estate

The table and pie charts below illustrate the nature and asset value of the Council's land and property estate across the Council's four service directorates (as at 31/03/2018):

Department	Property Type	Number of Assets	Asset Value (£) (as at 31/03/2018)*
Adult Social Care and Health	Residential	34	49,160,458
	Day Centres	22	30,188,423
	Others, e.g. workshops, supported living accommodation, land	17	3,871,012
Children's Services	Schools	477	1,682,928,298
	Children's Homes	12	11,335,649
	Others, e.g. youth centres, children's centres, family support centres, land	89	104,879,481
Corporate Services and Transformation	Administrative	29	85,618,654
	Libraries	44	39,118,796
	Tenanted Portfolio	65	11,406,021
	Others, e.g. museum, playing fields, land and record, register and coroner's offices	174	107,062,282
Place	Depots	16	6,575,023
	Civic Amenity Sites	13	12,122,743
	Land	3404	3,763,915
	Countryside Sites	65	5,838,462
	Others, e.g. managed properties and car parks	8	1,575,895
TOTAL		4469	2,155,445,111

*The Asset Valuations carried for accounting purposes are undertaken on a five year rolling programme with 20% of land and property assets being valued every year. This means that some Asset Valuations are five years old.

Introducing the Estate



Key National Policy Drivers



Climate Change

As well as the global climate emergency and our responsibility to ensure that we do our utmost to protect our environment for future residents of Derbyshire and beyond, the impact of climate change on Council budgets is already a very real challenge.

The rising cost of fossil fuels creates an imperative to improve the energy efficiency of our buildings. In addition the incidences of extreme weather look likely to increase and there is a danger that years of chronic underinvestment in property maintenance will result in higher levels of damage to our assets.

Responding to Key National Policy Drivers

Public Sector Building Condition Challenge

Our portfolio consists of a wide variety of buildings from newly built assets to heritage assets, several hundred years old.

Our property data is inconsistent, as a result of a tendency to focus on the fundamental basics of statutory compliance, the piecemeal allocation of budgets and responsibility for assets across the service areas and the resultant lack of central accountability and the reduction in resources.

This creates a significant challenge, but it has been recognised that we need to address the backlog of maintenance liabilities and our Repairs and Maintenance Strategy will focus on this key area.

The five year programme of asset review and planning, resulting in the creation of an asset plan for every asset, based on accurate condition and other data, is key to ensuring that we understand the state of our estate and lead to the necessary intelligence for us to release or improve poorly performing assets and align our estate with our strategic values.

Right to Contest

The Right to Contest was created in 2014 and provides a mechanism for anyone to seek the sale of potentially surplus or redundant publicly owned land or buildings, where they could be put to better economic use.

Our programme to ensure that every asset has a plan in place, will enable us to respond to queries and defend the Council's position where necessary, whilst supporting the Thriving Communities approach of reducing bureaucracy to enable access to our assets where there is demonstrable community benefit.

The Hackitt Review

This Strategy places a renewed emphasis on pro-active asset management, including ensuring that our assets are compliant with operational policies and procedures, recognising and mitigating risks and working on a reactive basis.

Covid

Our corporate estate has had to respond to the pandemic. It has been a steep learning curve, but we rose to the challenge of enabling business continuity, whilst keeping our staff and our customers safe.

The Council took the opportunity to review our future working model and the Corporate Property team have delivered a new way of working in our CHQ, based on flexible and agile working.

Our strategy will ensure that this more agile approach is embedded in every decision that we make and our Service Asset Management Plans will help service areas to identify new working models for service delivery, which we can respond to in our asset planning for the future.

Our Strategy

Our Asset Management Objectives:

- Ensuring that we have the right buildings in the right place to support excellent and dynamic service delivery
- Creating the right kind of flexible spaces that work effectively and efficiently for everyone who uses them
- Being ambitious and enterprising in how manage our buildings to maximise value for money, income and savings
- Strengthening partnerships to support colocation, co-delivery of services and more resilient communities
- Responding to the climate change agenda by reducing our carbon footprint

Underpinning all of this will be planned and preventative maintenance, robust and continuous asset challenge, performance benchmarking of our portfolio and performance monitoring.

NOW	FUTURE of the FULL PROPERTY PORTFOLIO
Benchmarking and Governance	Exemplary consistent service
Develop and implement energy policy	Net Zero Carbon Estate
Analyse property data and align assets to service delivery	No inefficient assets
Strategic asset reviews forecasting assets for disposals	Forecasting 25 year portfolio wide revenue savings and capital receipts
Develop and implement whole life cost model	All buildings to have a 25 year plan and budget projections
Identify and unlock development opportunities across the public estate	Innovative property development to benefit the community

Our Strategy:

Implement Corporate Landlord/Asset Optimisation Model

Asset Optimisation delivers optimal value from its assets at all times through their lifecycle. This is achieved by creating accountability and allowing for intelligent corporate decision making throughout the life cycle of an asset and the Estate.

The Model brings the responsibility and accountability for land and property asset management, including all budgets and decisions, centralised within Corporate Property.

The centralisation budgets and data enable automated performance reporting for individual assets and the full estate. Corporate Property and assets will be benchmarked against broad property market conditions, not limited only to Local Authorities or similar bodies

Implement a Continual Cycle of Robust Asset Challenge

Asset Challenge is the process of systematically challenging and reviewing our estate. Each asset is reviewed as part of a rolling programme to ensure that only the buildings and assets needed for the future are retained.

The process explores the purpose and utilisation of assets and draws on data and intelligence about the buildings and the services operating from them.

There are various types of Asset Challenges; individual assets, review of same type of assets e.g., libraries, leisure centres, administration buildings, commercial estate, service review (all service assets), area-based review (geographical), These are explained in more detail in the following pages.

All asset challenges are important, but they do not all result in rationalisation and disposal. Some lead to investment in improvements, redesign or redevelopment to maximise the space, co-locating with partners to maximise the benefits, increases in social value and other beneficial offers.

An Asset Challenge evaluates the strategic purpose for holding the asset, identifies opportunities and risks associated with the asset and analyses the performance of the asset. An analysis of this data, along with consultation with internal and external stakeholders of the asset determines an outcome as one of the following:

- Retain and manage in current form
- Retain and remodel
- Retain and redevelop
- Lease out (state whether commercial or community)
- Dispose – in the short term (within 5 years)
- Dispose – in medium term (within 5-10 years)
- Dispose – in long term (10+ years)

Our Strategy

How we review our assets:

Locality Reviews

- Links with partners, One Public Estate, Thriving Communities etc. new models of delivery and co-location opportunities
- Focus on the assets required to deliver excellent service in each area
- Implementing wider corporate objectives and cross cutting projects
- Identifying gaps in provision and finding innovative ways to address them
- Seeking opportunities to consolidate assets and reduce operational costs

Service Asset Planning

- Working with service areas to identify short medium and long term service asset requirements
- Innovative new models of service delivery
- Flexible spaces, enabling agile working in alignment with Modern Ways of Working

- Avoiding abortive work by understanding the long term goals
- Manage the transitional period
- Strategic level and operational level joint planning meetings to support service area buy in

Portfolio Reviews

- By service area or service delivery purpose
- By type or purpose – administrative, depot etc.
- By potential – industrial units, residential
- By opportunity – Carbon footprint or sustainable energy generation, income generating etc.

Individual Asset Reviews

Assets are triaged and programmed for review according to priority. Priorities include high holding costs, pending lease break or end etc.

Each asset has been categorised as:

- Operational/essential for business
- Having development potential
- Commercial and income generating
- Held for some other reason (historic, legacy etc)
- Surplus for disposal

Each asset will have an action plan and be managed according to its category.

- Fit to service strategy, invest to save, maintain, performance monitor, continually review, feasibility, implementation of project
- Manage commercially, maximise potential, performance manage, invest as required, continually review
- Innovation, thriving communities and other partnerships, invest to save, maintain, continually review
- Uplift potential value through planning, demolition etc, dispose for capital receipt

Our Strategy

The Importance of Service Asset Management Plans

Strategic asset management planning underpins Corporate Property's strategy. One of the key things separating local government from the private sector, in respect of asset management, is that everything we do relates back to the delivery of our public services.

Our Service Asset Management Plans (SAMP) set out how we will manage and maintain our assets in line with Council and service priorities. Developing a detailed understanding of our Service departments is critical to designing and managing an asset solution that meets their requirements. We require:

- An understanding of the Services strategic business objectives and goals
- Detailed 5-year workforce plan that outlines how headcount is likely to change in the future
- Allocation plan that demonstrates support to the Place agenda

What is a SAMP?

The Service Asset Management Plan (SAMP) is used to articulate a service's land and property needs through collaboration with Property and Service departments to identify short, medium- and long-term service asset requirements and opportunities. The aim is to influence how we manage and maintain our assets in line with Government and Council plans by addressing service property asset needs within the overall corporate property agenda.

The SAMP is a live document which is continually reviewed and updated by the Asset Management Business Partners who work alongside services as they change, grow, and develop strategies, policies, and deliverables.

The SAMP analyses the current and future asset requirements of the service; and considers whether the assets are fit for purpose, displays the service delivery aspirations, what buildings and spaces the service area need now and, in the future, identifies the gap and helps to inform the future capital programme.

This is all done by creating a programme of work relating land and assets to service strategies and needs via a set of short-, medium- and long-term projects.

This is the first SAMP for Derbyshire County Council and it will provide a baseline position bringing together the deliverables achieved over the last 18 months and our forward looking, asset management strategy over the next five years (2020/21–2024/25).

Why is a SAMP important?

The SAMP allows property services to be at the heart of the Council's business, to support people and places, and sets out our roadmap to aligning our property resources and services to the needs of our Services and the community.

It fundamentally allows property to work in a more strategic way, as the future vision is a collaboration by all departments we support, meaning we can forecast, prepare, and maintain the property estate in a proactive and sustainable way.

Our Strategy

What's in our Asset Plans?

Over a five-year programme, every asset will be reviewed in one or more of the above ways and will have a robust plan in place for its future management, according to its category.

The programme was prioritised for review according to a number of flags, including high holding costs, lease end dates or breaks, maintenance liability etc.

The asset review programme is constantly flexing to respond to arising opportunities or pressures.

The asset plans contain a brief description of the asset and the most up to asset data and condition information.

The properties are performance bench marked against four criteria:

- Energy efficiency – weighted at 40%, the highest
- Running costs – three year average
- Maintenance Liabilities

• Suitability/Fitness for Purpose

Performance is given a RAG rating from very poor to good. Whole life cycle costings are applied.

The asset is challenged with regard to:

- Why do we have the asset?
- What corporate objective does it help to deliver?
- Is it required to deliver the outcomes of a service plan?
- Does it align with a service delivery strategy?
- Could the service be delivered from another asset?
- What social value does the asset deliver for the Council?
- Are there any risks associated with holding the asset?
- Are there any opportunities which could be exploited – e.g. alternative uses, lease out?

- What are the barriers to exploiting these opportunities?

- What are the risks to exploiting these opportunities?

- If you had a blank canvas, would you replace the asset like for like on the same site?

The plans include an options appraisal, which covers whether the asset could form part of an asset rationalisation project, with the aim of reducing the number and cost of assets in a locality, with costs and benefits. They also include a development appraisal to determine whether the asset has any development potential and if so, whether the Council would be best to capitalise on that potential, either now or in the future.

The outcome is then summarised with an action plan and the actions are tracked to ensure they are implemented. The asset plans are live documents, which can be used to inform strategic decision making and asset management decisions. They can be adjusted in the light of new information and in any case will be reviewed as part of business as usual once the plans are all in place.

Our Strategy

What is a Locality Review?

A place-based approach to reviewing DCC assets will deliver savings in running cost, deliver capital receipts, cut carbon emissions, and provide better public access to public services. Place-based asset management ultimately leads to fewer but higher quality buildings that are better used.

Other benefits are the proximity of many public services under one roof will create synergies for joint working and economies from sharing resources. We are active members of the One Public Estate programme, working closely with other Public Sector organisations across the county to explore opportunities to reduce premises costs and make assets work better for our communities and customers.

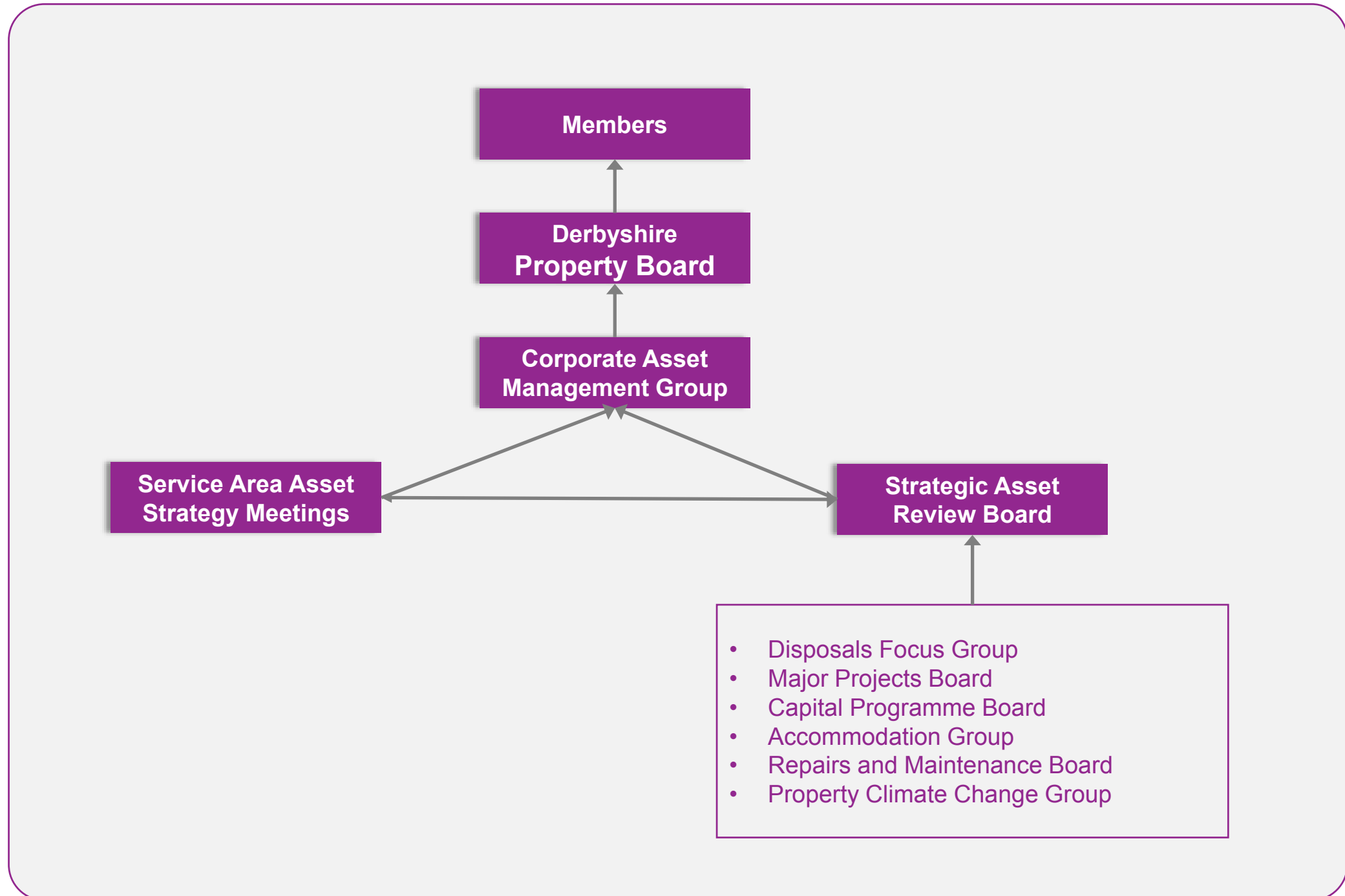
The aim of One Public Estate is to enable public sector providers to work together to get more from collective assets whether that's catalysing service transformation, unlocking land for new homes or regeneration, reducing asset running costs and generating income through capital receipts for sites no longer required in public service.

The main objectives of the local OPE programme are to:

- Jointly assess public sector assets & work together to improve service outcomes
- Support wider regeneration
- Support the net zero agenda
- Identify joint opportunities for the utilisation of assets
- Increase engagement and collaboration
- Overcome geographical or organisational boundaries
- Deliver best value through economies of scale, cash savings or shared learning
- Share risk management



Our Governance



Our Governance

The governance ensures that property decisions are made using the best of our property expertise, that there is a clear programme showing how service areas are involved in the planning and decision-making processes around their asset needs and that the strategy itself and strategic asset management decisions are overseen corporately, via the Corporate Asset Management Group (CAMG) and the Derbyshire Property Board.

The key board in Corporate Property is the Strategic Asset Review Board (SARB), which is attended by all senior managers within property, as well as all members of the Asset Management Team and key business partners from all support functions. The asset reviews and plans are signed off at this meeting and the key deliverables and outputs are captured, monitored and then reported into the Corporate Asset Management Group and others as appropriate.

From time to time additional core and sub-groups are added to the corporate property suite of governance meetings, to report into the Strategic Asset Review Board, for example a Property Climate Change Group has been established to agree the necessary actions and processes for reducing our carbon footprint.



Measuring Success and Performance

Year 1:

- ✓ Complete our Asset Management Strategy – to be reviewed annually & presented to members every 5 years
- ✓ Complete our Asset Management Plan - reviewed quarterly at SMT,
- ✓ First state of the estate report produced at end of year one
- ✓ 20% of all assets will have an asset plan in place - signed off by Strategic Asset Review Board (SARB) and Corporate Asset Management Group (CAMG)
- ✓ Set out how we will benchmark and measure property performance - agreed at SMT
- ✓ Set a target for the performance level we wish to eventually achieve
- ✓ Capital receipts will be programmed for 5 years - appropriate KPI attached and reviewed annually by SARB and CMT
- ✓ Revenue savings projected over next five years aligned to Corporate Property targets and year one achieved

- ✓ Complete the wider restructure of the property division - It will be complete
- ✓ Live Planned maintenance programme in place for next five years which meets the SAMPS - signed off SARB and DMT
- ✓ Property governance will be in place - reviewed by SARB and SMT, CAMG

Year 2:

- ✓ Asset Optimisation implemented - will get us to an efficient effective asset base
- ✓ SAMPS will have been written for all four divisions - signed off by CAMG
- ✓ End of year two we will have an energy policy - reviewed annually by SARB, CAMG and CMT
- ✓ Whole life cost model will have been developed - signed off at SARB and SMT
- ✓ By end of year 2 the Capital programme linked to the service plans will be drawn up - SARB and CAMG
- ✓ FM strategy in place (in 4 years we'll have started to deliver standardisation of spaces) - reviewed annually SARB, CAMG and CMT

- ✓ Disposals and Acquisition Protocol in place - reviewed annually SARB and SMT
- ✓ A programme to get to carbon zero by 2032 will be in place

By the end of 5 Years:

- ✓ All asset plans will have been reviewed and all assets have a plan in place - signed off by SARB and CAMG
- ✓ A rolling programme of reviewing the plans, according to priority, will be in place as BAU
- ✓ Plan outcomes will be programmed and tracked for delivery, as either disposal, development or retain and manage.
- ✓ A programme of rationalisation projects will be in place, based on our future corporate asset needs.
- ✓ 25 year portfolio wide revenue savings forecasted

Strategic aims:

- ✓ Long term plan is 80% of assets are in the good category
- ✓ Partnership working and place based service delivery including the one public estate programme

Introduction to The Asset Management Plan

The Asset Management Strategy is a Framework that aligns our estate to National, Corporate and Service objectives which sets out our vision and purpose, our strategic objectives and the programmes and activities we will put in place to deliver these over the next five years.

The Asset Management Plan is a live document which flows from the strategy and provides more detail of what we will do, how and when, with clear measurable targets.

The Asset Management Plan will be reviewed every six months by our Property SMT and the outcomes will be overseen by Corporate Asset Management Group.

Appendices

- A1 – Asset Management Plan
- A2 – Property Maintenance Strategy
- A3 – Estate Management Strategy
- A4 – Development Strategy
- A5 – Facilities Management Strategy
- A6 – Disposals and Acquisition Protocol