



KCC Asset Management Strategy (2013-17)

- Draft Report Overview -

Pictures for reference only



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PRODUCTIVITY – PREVENTION – PROCUREMENT - PARTNERSHIP

Introduction

Purpose:

KCC's Asset Management Strategy sets the high-level strategic framework for managing our property portfolio effectively over the next 3 to 5 years. It will guide our future strategic property decisions to ensure we manage our property portfolio sustainably and efficiently so that it can adapt to remain fit for the future.

Since the last Asset Management Plan the world has changed considerably and with funding being severely cut we need to change our approach and ensure we can continue to meet the changing needs of the services we provide for the people of Kent.

Our property assets are an important part of supporting and enabling us to transform the way we deliver public services with our partners and it is therefore essential that we have an innovative and forward thinking strategy in place.

"Strategic Property Asset Management is the process which aligns business and property asset strategies, ensuring the optimisation of an organisation's property assets in a way which best supports its key business goals and objectives"

RICS Public Sector Asset Management Guidelines 2nd Edition

Our Role:

In Kent County Council our properties, and spending on them, are managed centrally by the Property and Infrastructure Support division who act as the '**corporate landlord**'. This enables our resources to be prioritised and directed where they are most needed, and ensures that the property portfolio is aligned with KCC's strategic objectives in 'Bold Steps for Kent'. We work with elected members, services and partners to develop innovative solutions for adapting our property portfolio to better support the changing business needs of our services.

It is our role to manage the Council's portfolio effectively, providing best value for our services and the people of Kent. Managing the portfolio includes:

- Maintaining and repairing existing properties (Facilities Management)
- developing new buildings that are well designed and fully meet service needs
- identifying and disposing of surplus properties (best value of capital)
- Capital Project Delivery (new buildings for schools, [libraries] and regeneration)
- Effective management of leases and licences
- ensuring that space is used efficiently

Why is the Asset Management Strategy important for Kent?

Our property portfolio is a valuable resource for Kent County Council. Valued at **£1.92Bn¹** property is a huge investment for Kent. It costs a significant amount of money to manage and maintain each year – **c.£xm (1)** - and last year we invested a further **£xm (1)** in Capital Projects, modernising and adapting properties including schools to meet today's and future requirements.

We have a duty of '**best value**' to manage this efficiently so we can achieve the best social, economic and environmental benefit for the people of Kent. This means managing our limited resources in an intelligent and integrated way to provide value for money for Kent taxpayers.

We also have to plan for the future to stimulate regeneration and growth for the Kent economy, provide vibrant community facilities for our residents and use opportunities for green investment to ensure our properties are sustainable and energy efficient.

Public services, and the needs and demands of our customers, are evolving, reforming and changing rapidly. It is important that our approach to asset management remains relevant, innovative and flexible enough respond to changing needs and priorities. This strategy sets out how we will achieve this.

{Picture of buildings}



¹ To be confirmed once 2013 asset valuations are completed and additional information is secured from Finance in March 2013

1. Context for the Asset Management Strategy

P&R NOTE: This section outlines the 'External factors' affecting the way we manage out assets. This includes sections on the policy landscape and funding pressures from Central government and also pressures from the economic environment, for example the Property Market and the lending landscape.

This essentially 'sets the scene' in a generic context.

Further sections are due to be added where noted.

Since our last Asset Management Plan (2007) was published, we have experienced an extraordinary period of change – with an extremely challenging and volatile economic climate, and significant public policy shifts. These national policy agendas set the context for why we need to **do things differently** and transform the way we manage our property portfolio.

National economic environment

In order to tackle the deficit the Coalition Government has put in place stringent reductions in revenue and grant funding for public services, with a drive towards austerity and value for money. The Government are keen to ensure that this does not adversely affect critical frontline services, but instead drives efficiency and policy savings to transform service delivery. This includes the reduction of the cost base of property assets, without negatively affecting the efficiency and quality of front-line service delivery to customers. This is challenging given the financial constraints of substantial year-on-year capital and revenue budget reductions over the medium term. To achieve this will require more than just property savings – it will require creative new ways of providing services and exploring innovative 'invest to save' capital projects.

An example of the approach that the Government is keen to encourage is the Department for Local Government's '**Capital & Assets Pathfinder Programme**' which has challenged 11 areas nationally, including Kent, to better use public sector land and buildings to improve services and generate savings. The initial projects have identified small scale efficiencies, such as rationalising space, with provision for long term, large scale change, such as the redevelopment of town centres. At its heart is co-location of both public and private sector to offer significant reductions in capital and running costs to re-invest into the local community. To identify such opportunities, good quality, transparent information on public assets and open dialogue between partners is essential.



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The Localism Agenda

The 'Localism Act' (2011) aims to shift power from central government back into the hands of individuals, communities and local authorities, giving local communities a greater say about what happens in services in their area. Three important aspects of the Act which most influence asset management are new powers surrounding the Community Rights, Neighbourhood Planning and Housing reforms. The Act places the emphasis on local authorities to radically reconsider service delivery and this means that we will have to re-think how our property assets support this rapidly changing environment.

In particular, the Community Rights mean that increasingly services may not be directly provided by local authorities, but by a mixed economy of providers including voluntary & community groups, parish councils, social enterprises and mutuals. If other providers are taking on the direct delivery of services, we need to carefully consider what the property options and implications for this are – for example who is responsible for the ownership, running costs, maintenance liabilities and asset locks of properties associated with the service and how the use of existing buildings may need to change.

The localism agenda also means that people have more choice and control about what happens in their local community. The **Community Right to Buy** enables public and private local amenities and buildings –such as old town halls, community halls, (or even the last village shop or pub) to be nominated for listing by the local planning authority as 'assets of community value'. If the local authority has made the decision to sell the asset, communities will have extra time to prepare a bid to take over the running of the building (not the service). This extends existing powers under the 'Local Government Act' (1972 & 2000) to allow public bodies to transfer assets to community groups at below market value to further local social, economic and environmental wellbeing, without seeking the Secretary of State's consent.

Where appropriate, we want to support communities to keep assets in public use as an important and vibrant part of the social capital of local life. There are a range of community asset options that we can identify, in order to help communities best deliver the social outcomes they want to achieve, beyond just the Community Right to Buy. We have to be mindful of balancing this with our 'best value' duty to ensure that we keep in mind value for money and deliver this at a fair price for Kent's

² Diagram part of principles of Pathfinder – taken from https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/5949/19535881.pdf

taxpayers, with clear, transparent conditions to manage community expectations without creating unnecessary delay in realising essential capital receipts to reinvest in public services or deliver savings.

A Changing Education Landscape

The implementation of the *'Education Act'* (2010) has prompted fundamental change in the education landscape and the role of the Local Education Authority. Increasingly more of Kent's schools will seek to transfer into academies and free schools, and are developing federations between schools. As such, the education property estate is moving away from direct local authority control to the independent academies taking responsibility for the ownership, management and maintenance of school buildings. As the way education services and support are delivered from the local authority is transformed, schools are becoming an integral and vital local hub for district based working, with a range of universal and targeted services for children & young people using school buildings and other community spaces in a different way to provide services that better meet local need. Demographic pressures, such as the increasing demand for primary school places in growth communities, mean that local authorities need to respond swiftly to continue to ensure the school estate is fit for the expanding communities of the future. The challenge will be creating flexible and pragmatic asset management policies for schools to respond to this rapid pace of change.

Health & Social Care Integration

The significant reforms put in place by the *'Health & Social Care Act'* (2012) have prompted one of the most extensive reorganisations in the history of the National Health Service. As local authorities take on new responsibilities for public health from April 2013, and as health services are commissioned at a local level by GP Clinical Commissioning Groups, health and social care services will need to work radically differently together. This is rapidly changing the local geography of providing local services and as frontline community health and social care practitioners integrate they will need co-location and asset collaboration solutions to share space effectively together to transform the way they deliver community and outreach work.

The *'Care and Support White Paper'* (2012) advocates that local authorities and parish councils, together with their local communities, should maximise the potential for spaces and buildings in a community to act as meeting places or centres for activity that is open, welcoming and accessible to all. Leisure centres, libraries, day centres and community centres should be open, inclusive and culturally sensitive venues. Promoting the innovative use of venues in communities will help to reduce social isolation and increase connections for social care service users, their families and carers. High quality design and asset collaboration options will be drivers to transform existing spaces into vibrant community facilities adding value to the public realm.

Planning Reform

The Government has introduced a new National Planning Policy Framework to enhance local democratic accountability, and ensure that, whenever possible, planning decisions should be made at the local level. There have been significant changes in the planning system to encourage more local control and flexibility over planning decisions made through a faster and leaner planning system. This agenda

aims to put councils and communities at the heart of the planning system, with core aims to deliver more homes and economic growth whilst ensuring that communities benefit from development, and new homes are matched with new jobs and investment. This means that any strategic asset management approach should carefully consider how these changes impact on planning proposals for new schemes in the capital programme as an enabler for growth and regeneration.

Growth & Regeneration

The Government sees these planning reforms as a key driver for growth, a significant priority at both national and local level. The *Growth and Infrastructure Bill (2012/13)* is aimed at stimulating jobs, development and infrastructure. The draft legislation provides for a relaxation on orders granting development consent which authorise compulsory acquisition of land belonging to a local authority – enabling local authorities to have more choice to dispose of surplus land in the manner they choose – this is particularly aimed at getting more brownfield sites back into productive use to stimulate local regeneration.

The *Infrastructure (Financial Assistance) Bill (2012/13)* paves the way for the Government to underwrite £40bn of private sector investment in nationally significant housing and road infrastructure projects that are ready to progress but may have stalled due to lack of investment (for example Kent's Eastern Quarry scheme). It provides for £10bn for national housing projects, including £300m to fund 15,000 affordable homes at no cost to developers, bringing 5,000 empty homes back into use – an issue which also remains a key regeneration priority in Kent. Stimulating the local housing market is also a priority, supporting in the Bill by extending the 'First Buy' mortgage support scheme for first time buyers – complemented by the 'Lend a Hand' scheme in Kent supported by Kent County Council, Tunbridge Wells Borough Council and TSB.

The Government's *Autumn Statement (2012)* focused on maximising growth and supporting local business. It contained a commitment to a revised version of PFI scheme, with the first PF2 project being a £1.7bn scheme to rebuild and renovate 219 schools. There is also money allocated for Capital Projects for investment in roads, broadband, higher education and new schools, Kent has successfully bid for the first round of the £350m Regional Growth Fund, to provide a further stimulus for jobs and growth.

Lord Heseltine proposed, a range of growth measures in his report '*No Stone Unturned: In pursuit of growth*' (2012), setting out a key role for Local Economic Partnerships (LEPs) to lead the development of new 'Strategic Plans for Local Growth'. The Government will devolve a greater proportion of growth-related spending on the basis of these plans by creating a single funding pot for local areas from April 2015, a significant opportunity for Kent. Lord Heseltine has also proposed that the Government Property Unit should work with Local Authorities to identify and publish details of all surplus and derelict public land, so that LEPs and Local Authorities can collaborate to bring this land back into reuse in support of the local economic strategy. This builds on the existing move to create a 'One Public Estate' of central and local assets which would require each participating local authority to produce a plan for growth and how they would reduce expenditure for publicly owned assets. This complements Kent's direction of travel to strategically manage our asset

portfolio and explore options for asset collaboration with national, regional and local partners.

The Property Market

An overview of the market is being completed with figures from IPD (Key Property Databank) and projections for the market – this will be reflected in the opportunity we see in our portfolio and how we manage it in the future based on market projections.

We need to be conscious in our plans that market conditions over the last 5 years have been very difficult and that values, whilst not plummeting 30%+ as projected in 2008, are at lower levels [to be shown in graphs] and therefore returns from exiting property as an asset will currently be lower (i.e. we will be exiting in the lower part of the market cycle’).

This section will outline the market and projections – it will also look to include data for Kent to give a more specific feel (potentially from IPD)..

3. Kent Context

P&R NOTE: This section looks specifically at the current organisational initiatives from KCC which will influence the way we manage the portfolio.

Some of these elements will be outlined further with graphics

To ensure we are working cohesively as 'one council', the Asset Management Strategy needs to complement Kent County Council's strategic policy direction, which directly influences frontline service delivery.

Vision for Kent is Kent's countywide Sustainable Community Strategy which sets a 10 year partnership vision for the social, economic, and environmental wellbeing of Kent's communities. It is owned by the Kent Council Leaders, which brings together Kent County Council and our twelve District Councils. The vision requires partners to pull together in a shared approach to asset collaboration and rationalisation to better meet future service needs.

Bold Steps for Kent is Kent County Council's Medium Term Plan to 2015 which sets out three clear ambitions for radical public service reform - to help the Kent economy to grow; to put the citizen in control; and to tackle disadvantage. It urges a push towards greater localism and citizen empowerment which will require us to rethink how services are designed and delivered. One of the fundamental design principles is to utilise all the council's assets strategically to support our changing frontline service model, and rationalise back office functions – people, money, contracts and buildings – to deliver as one organisation.

KCC's **Medium Term Financial Plan** specifies how we will deliver the strategic priorities in 'Bold Steps' within financial limits and budgetary constraints. It sets out the national and local context of the current challenging financial period. KCC has made more than £250m savings over the last three years, but there are more challenging financial pressures to come in 2015-17, with an additional £15m additional pressures to fund in 2013/14 in light of the recent local government funding settlement, which was more challenging than expected. The plan identifies £10m of property revenue savings which will need to be achieved by 2015.

KCC's **Capital Strategy** is based on the key principle that capital investment should be deployed where it can have the greatest impact for the benefit of the people of Kent and deliver improvements in essential services. It sets the strategic direction for KCC's capital investment plans and projects within the Capital Programme. The strategy has a transformational stance to promote growth, but within the context of reduced borrowing and ensuring that all new bids to the Capital Programme align with the 'Bold Steps' priorities and have a robust business case for how they will provide more effective value for money – with 'invest to save' bids encouraged. Our capital strategy is inherently interlinked with our approach to asset rationalisation and disposals.

Our medium term strategic planning is underpinned by a suite of specific strategies and programmes which drive the detailed delivery of 'Bold Steps for Kent'.

[Unlocking Kent's Potential](#) is Kent County Council's long term partnership framework for regeneration and economic growth. It sets a vision for transformation in education and skills, the culture renaissance in the county and an efficient transport system that supports both the economy and residents. It is about improved housing conditions, particularly for the most vulnerable both young and old. The framework sets out how Kent is looking ahead to plan now for what will be needed in the future. Our strategic asset management approach will help to ensure we target our capital investment effectively to focus on investments that will stimulate and maximise economic growth and regeneration for Kent's communities.

The [Environment Strategy](#) underpins our Regeneration Framework, setting out KCC's approach to reducing its carbon footprint. An efficient and sustainable approach to designing buildings, and maintaining and managing our estate, is essential to helping to tackle the climate change agenda. This will also help to realise financial savings, by reducing running costs through improved energy and water efficiency within our buildings and reducing the longer term environmental and financial implications of the backlog of maintenance necessary for a more efficient estate.

[Kent & Medway's Housing Strategy](#) sets a shared ambition for development and managed growth in Kent and Medway that facilitates economic growth and regeneration. Effective housing partnerships between local authorities in Kent continuously review land and property holdings to identify opportunities to release land for new market or affordable housing. Through joint working arrangements between local authorities, developers and private registered landlords, the strategic housing capacity will be enhanced to seize opportunities presented by the recession that offer the best prospect of achieving strategic housing objectives and good value for money. This includes enabling innovative housing projects that promote long term growth (such as 'Live Margate') and town centre regeneration schemes.

[Doing Things Differently](#)

KCC is driving cultural and workforce change through our 'Doing Things Differently' transformation programmes. Managing our estate differently will be an important enabler to help transform the way we deliver for:

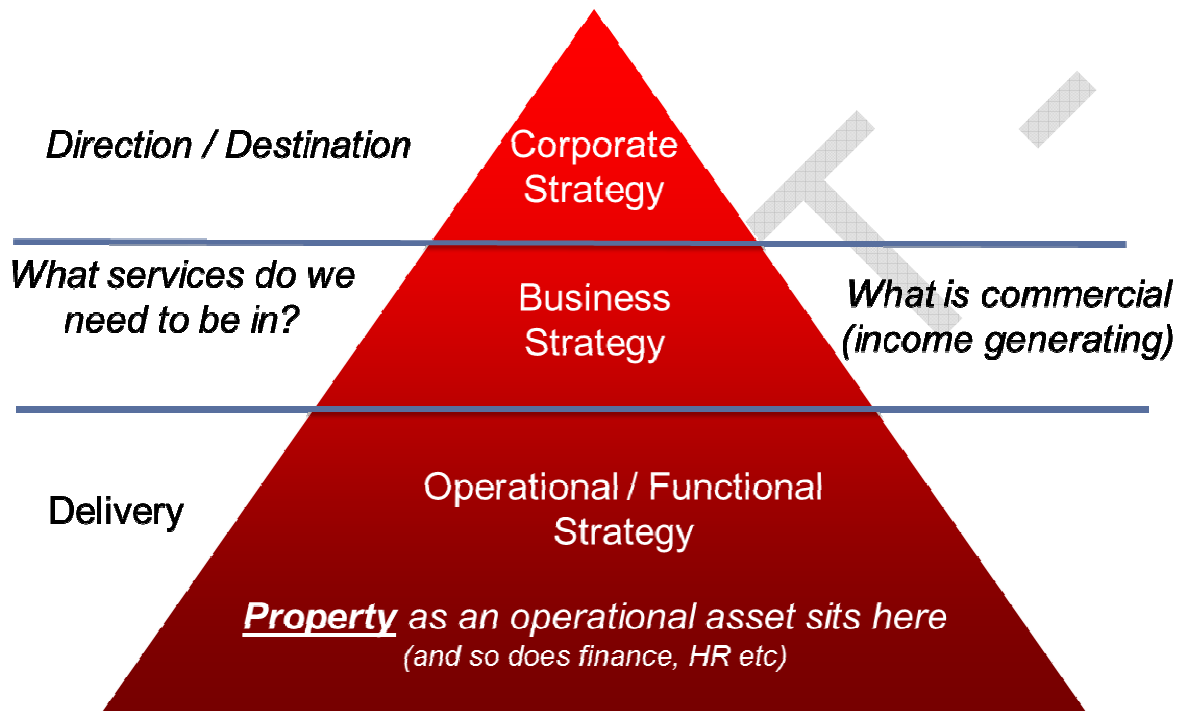
- **Our customers** (through our [Customer Services Strategy](#))
- **Our services** (transforming the way we deliver frontline services for communities, adult social care and children & young people)
- **Our people** (through effective workforce planning to ensure we have the right people with the right skills through our [Organisational Development and People Plan](#))
- **Our systems and processes** (making the best use of right equipment and technology to help us work smarter, as set out in our [ICT Digital Strategy](#))
- **Our new ways of working** (through ICT equipment, office environments, values and behaviours that support and empower a flexible workforce)

[Graphic to be included here to show current strategies and initiatives]

PART B – Roles & Responsibilities

P&R NOTE: Outlines the role of P&R in the organisation and then further how P&R is organised to deliver

This is an outline to the section



The role of the organisation

Setting a clear Strategic direction (Bold steps and those set out in Part A)

Setting clear corporate policy framework eg:

- Capital Policy
- Investment Policy
- HR Policy
- Risk Policy

The role of Services:

We need to clearly understand the operational / delivery requirements of services in order to make sure we support and add value to the supply of services. To do this services need to:

- Engage with the Asset Management Process;
- Have a clear Vision for the service;
- Clearly defined business plan (as part of the corporate process);
- Be realistic in defining the 'must have' and 'would like to have' requirements

The Role of Property Infrastructure and Support (P&IS)

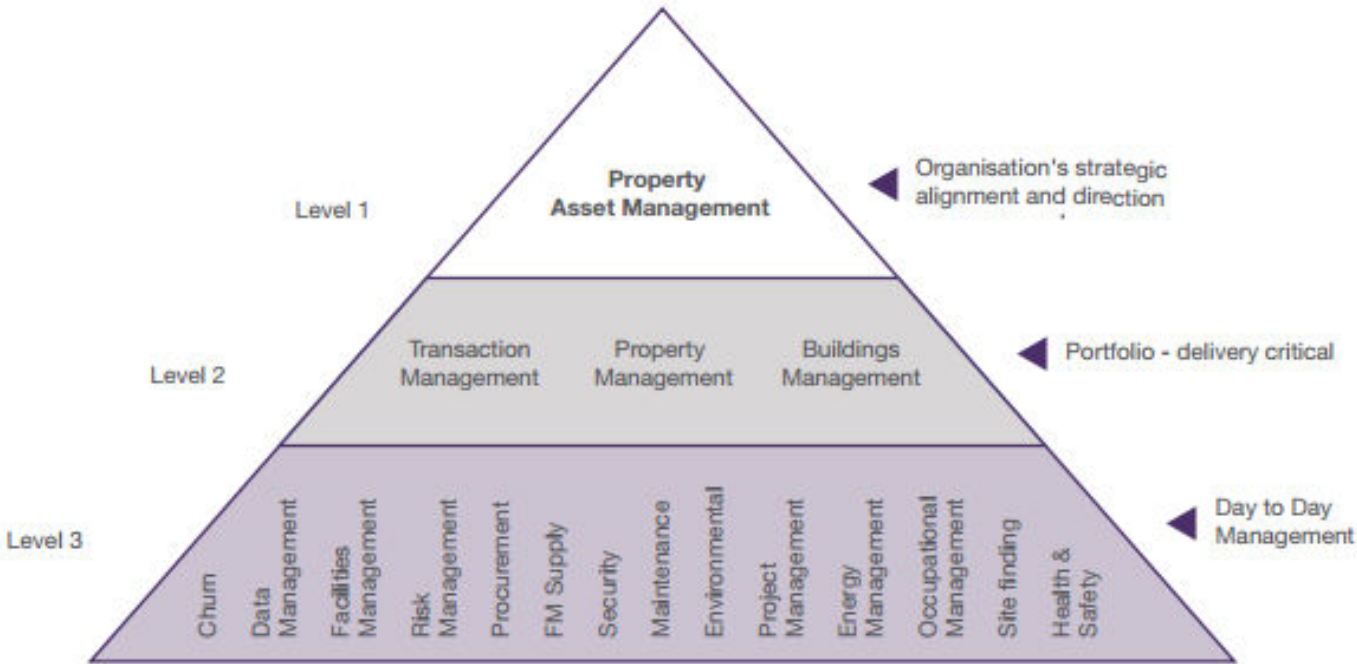
P&IS acts as the Corporate Landlord and therefore all property related decisions and spending needs to be managed by P&IS. The key reasons for this set up is to make sure that the organisation as a whole is using its assets efficiently.

In the past many services have managed sections of property that they used for service delivery. This led to services working in 'silos' and produced a wide and diverse portfolio which has overcapacity and is inefficient. By being able to view property asset usage from a corporate perspective the P&IS team are able to identify potential efficiencies in sharing space and looking to make space more efficient and effective to work in.

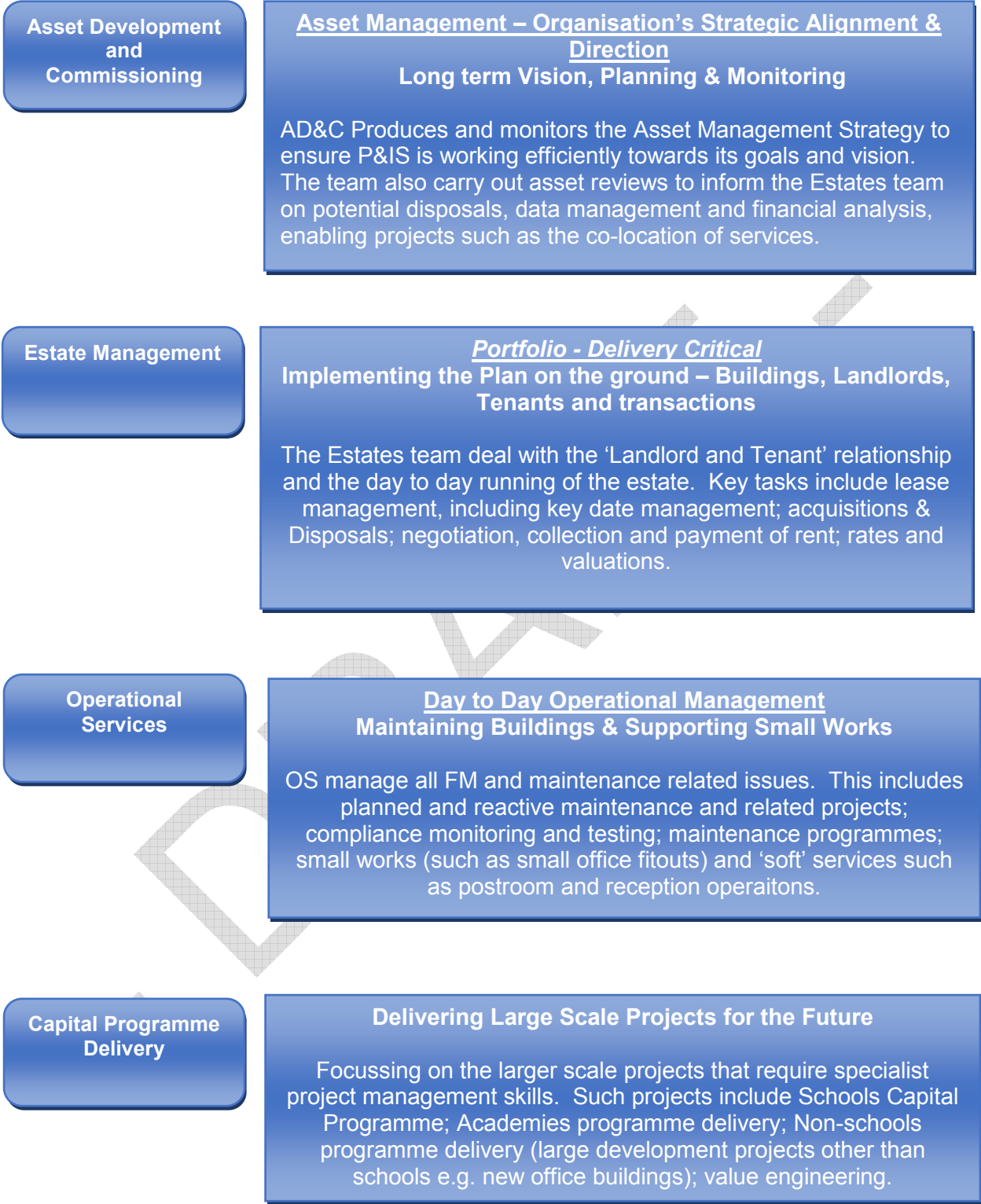
The P&IS team constantly engage with the services to ensure that they can be best served through the use of property.

The team is made up of property professionals (MRICS qualified surveyors) and staff with many years of experience in property and project management. Further skills are 'bought in' through outsourced projects with partners and these includes areas such as FM, property agents

The structure of P&IS is in line with guidelines on Property Asset Management (RICS) as shown below:



The P&IS team is divided into the following sections:



Corporate Landlord

Previously, properties in KCC were owned, managed, maintained and modernised on a directorate basis. In light of the significant financial savings required a more strategic overview was considered essential, not only to drive the efficiencies required, but also to provide more consistency across the whole estate. In 2011 property management functions across Kent County Council were centralised. All assets are now the remit of Property & Infrastructure Support as a 'Corporate Landlord', who collectively manage property requirements on behalf of the organisation, working closely with services. This allows the alignment of the portfolio to corporate objectives in [Bold Steps for Kent](#). All related revenue budgets have transferred to Property & Infrastructure Support and will be managed and prioritised centrally. These budgets include rates, utilities and Facilities Management. The Corporate Landlord approach will help us to drive a more consistent and strategic approach to asset management within KCC.

[diagram outlining the set up and benefits of the Corp Landlord approach]

11. Governance

P&R NOTE:

Outlines the Governance requirements in the current KCC set-up and Governance from Within P&IS

The key principle will be 'Making the Right Decisions for Kent and Future Generations and ensuring best value from our assets'

Good governance is essential to good property asset management. We need robust decision-making processes and clear accountability and responsibility, with transparent reporting, performance management and activity measures.

Need to clarify the role and terms of reference of these groups in relation to strategic asset management.

- Strategic Property Asset Forum (SPAF)
- PAG – Project Appraisal Group - approval to plan/spend
- Procurement Board
- New Ways of Working Programme Board
- Basic Need Programme Board
- Policy & Resources Cabinet Committee and Property Sub Group (of this committee)

Link to procedures for decision making – flow charts/decision trees

- DRAFT -

**THESE SECTIONS CONTINUE TO BE DEVELOPED WITH
FURTHER ENGAGEMENT WITH SERVICE DIRECTORATES AND
STAKEHOLDERS DURING MARCH**

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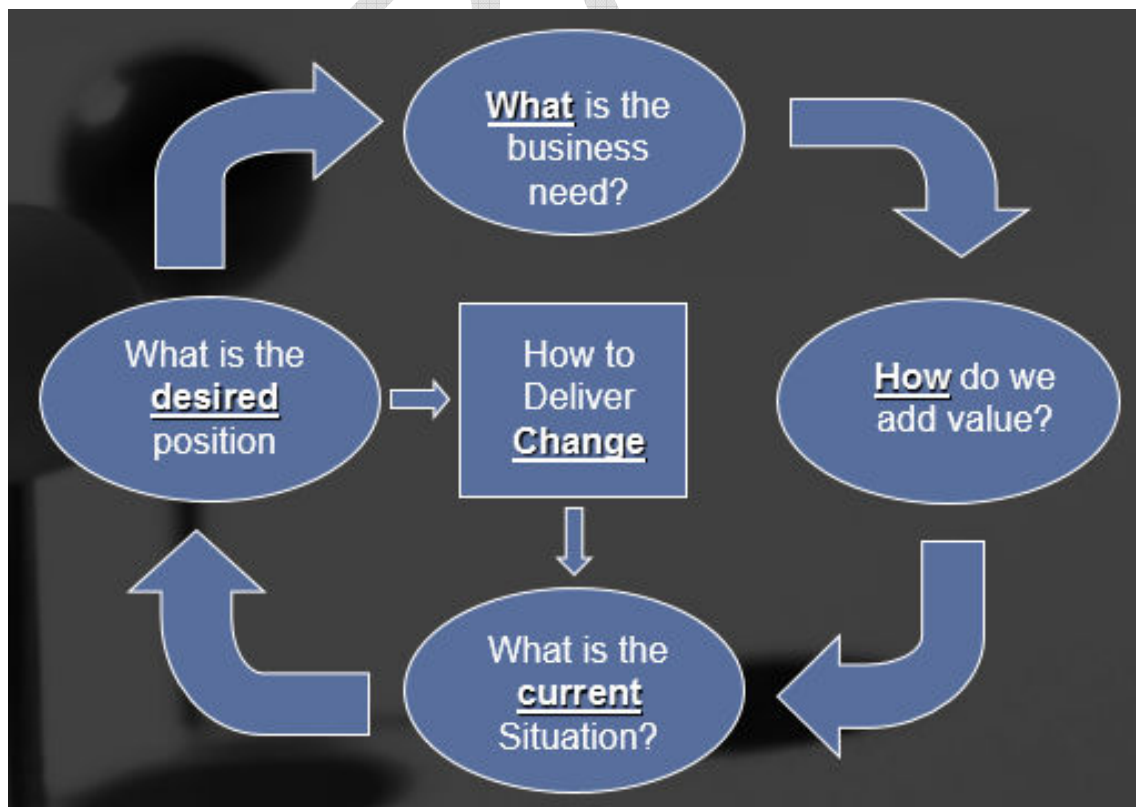
PART C – The Asset Management Framework

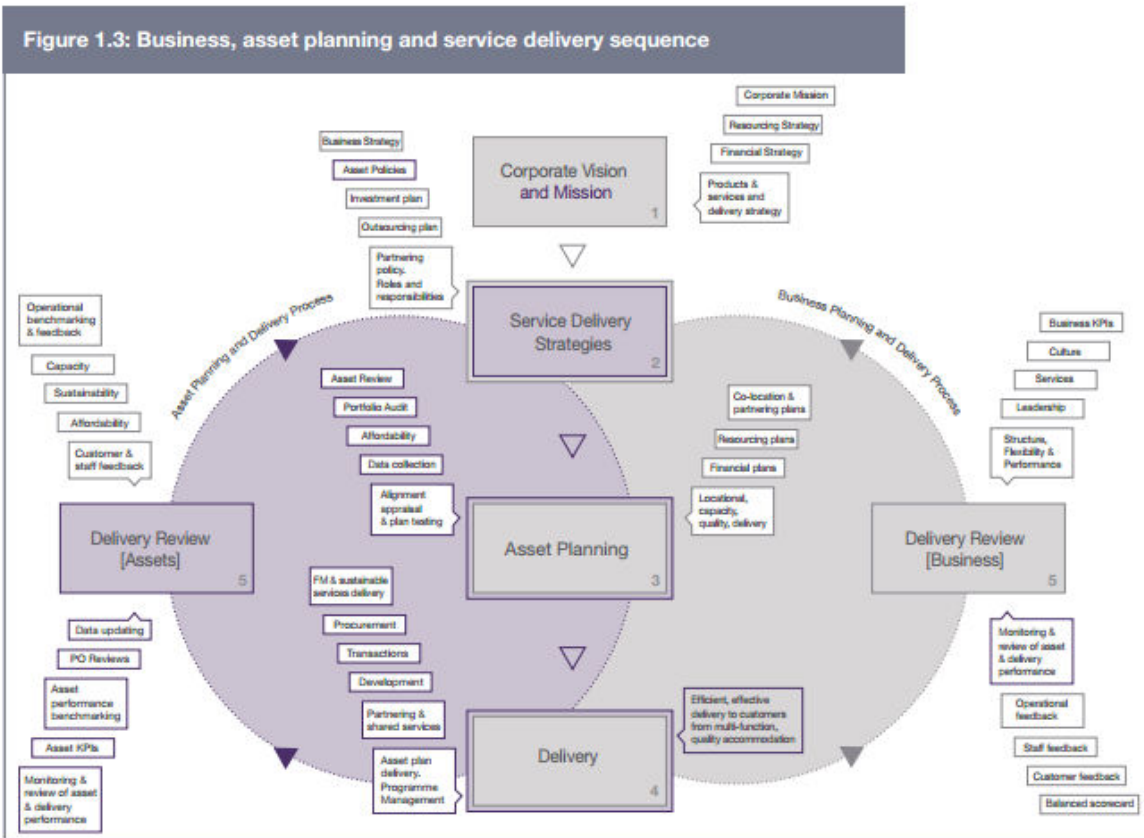
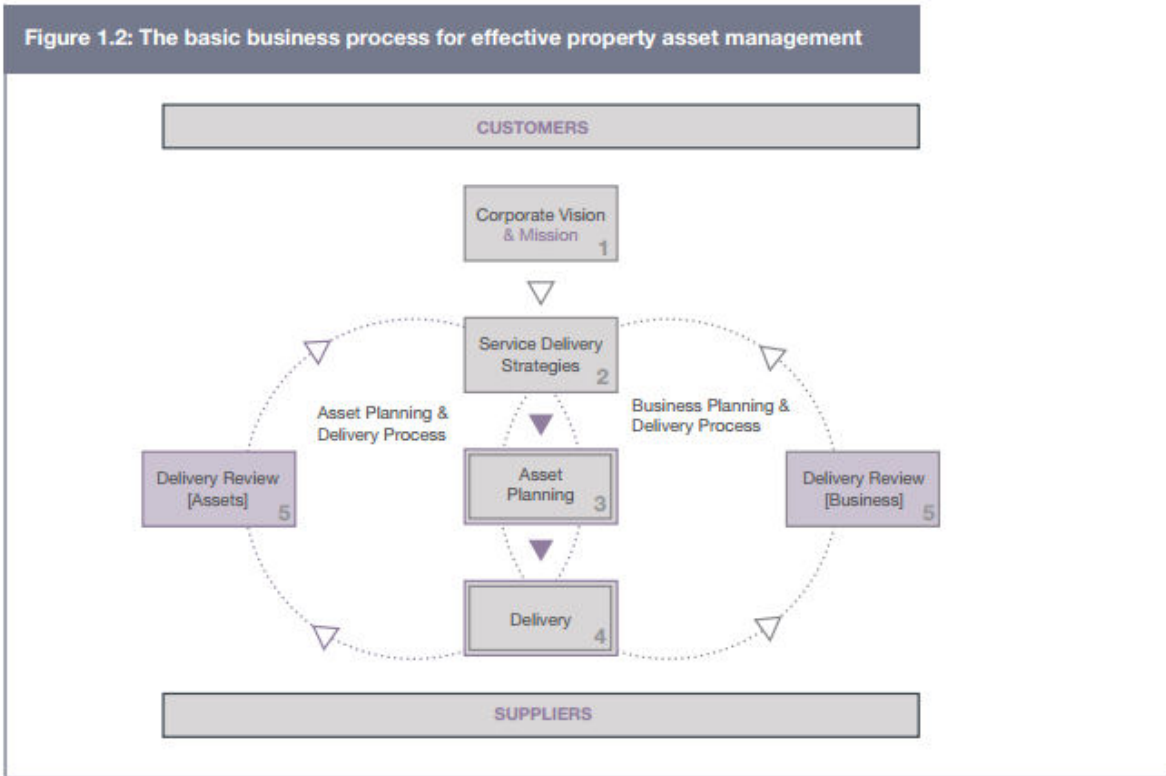
P&R NOTE:

This is a short section outlining the approach taken in Asset Management. The Framework is in line with RICS guidelines and will make specific references to the RICS Public Sector Property Asset Management Guidelines 2nd Edition. There will also be reference to the Institute for Asset Management (IAM) Guidelines which are used commercially for Asset Management.

The framework outlines the core principles and processes in this asset management plan and the ongoing review (Continual Asset Management Improvement)

- Where are we now? – Understanding our current asset portfolio
 - Schools – move to academies?
- Where can we add value (Best Value)
- Where do we want to be? – Our Vision
- How do we get there? Achieving the Vision [**short referring to C**]
 - **Review**
 - **Plan**
 - **Deliver [Framework from RICS]**





³ Diagrams Reference to RICS Public Sector Asset Management Framework 2nd Edition – to be confirmed on Copyright for inclusion or to include framework base on OJ pg.19

In delivering the Asset Management Strategy we need to understand the following:

- **What is the need for assets?** What assets do services need in order to deliver effectively? What must they have as a minimum – and what would they like to have?
- **How do we add value?** This is looking at the way we can be innovative with the use of the assets to add value to the delivery of the service i.e. through collaborative workspaces – working together and increasing communication / this can also be adding value to the assets themselves i.e. through development/ regeneration;
- **What is the current situation?** What is the current portfolio and how does this currently deliver?
- **What is the Vision?** – what would be the portfolio of choice (taking into account factors such as finance etc)
- **How do we get there?** What is the plan to transform the estate?

P&R NOTE:

This section applies the framework to outline the strategy specific to Kent. This section includes:

- Outlines of service delivery strategies and needs / bringing these together to for a consolidated plan; this also includes the corporate need and conflicting requirements i.e. capital requirement (Business Need);
- Highlights areas for adding value (co-location etc);
- Outlines and figures of the current estate / plans;
- Shows the vision for the portfolio – what it should do in its ‘best’ form for the future;
- The change/ delivery side is outlines in the next section.

To complete these sections we have:

- Run workshops
- Engaged with services
- Reviewed corporate plans and strategies
- Reviewed service business plans and strategies
- Reviewed the portfolio key statistics
- Reviewed internal capabilities

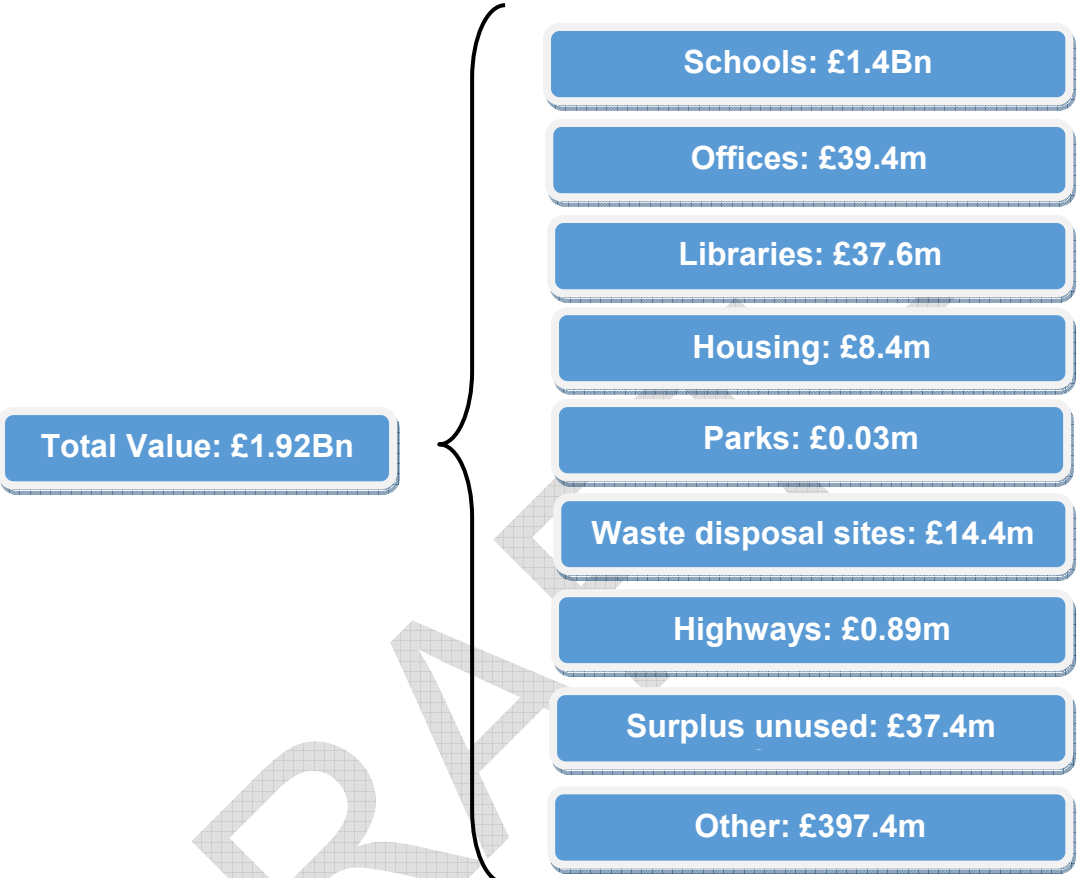
The following shows some example statistics and plans – the detail will be included in the final draft (due April) once all reviews have been completed and a concise picture can be given – this will be sent to the next P&R committee.

Note:

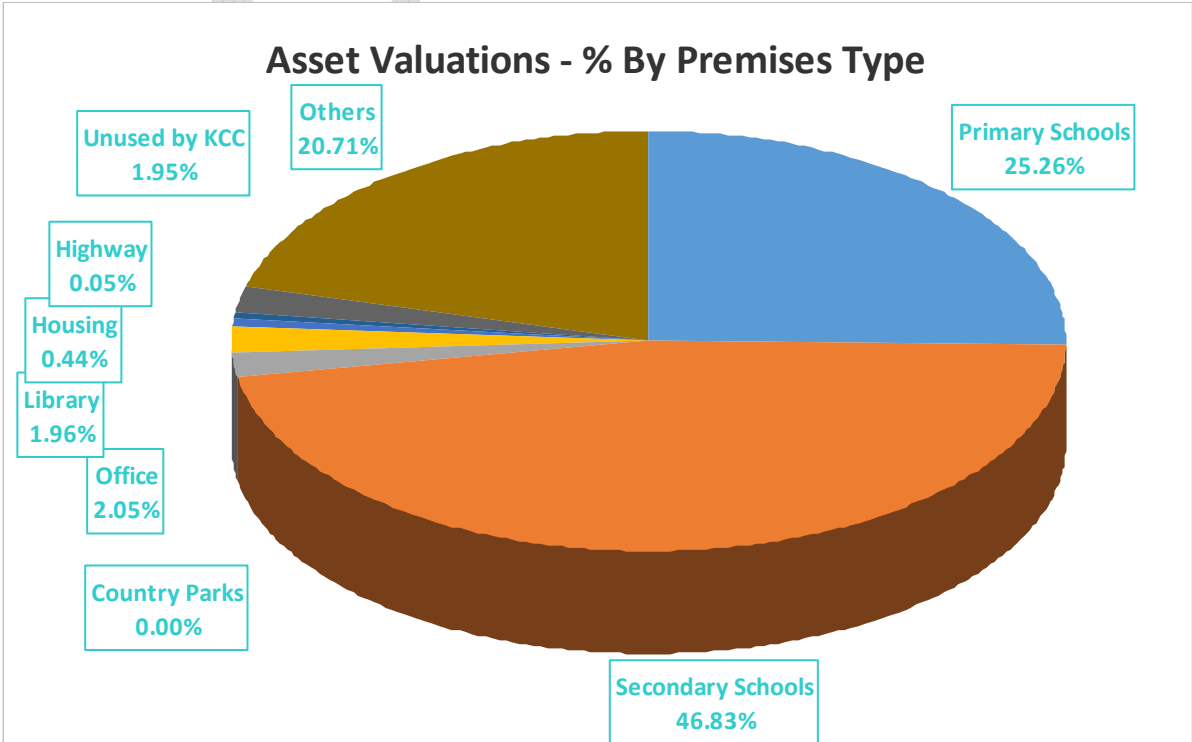
Service Strategies are currently being developed as part of the transformation programme. The plan will outline a framework and then look to update service strategies as they develop (on an annual basis).

The Asset strategy will look at a more flexible approach for some areas of service delivery where there is the potential for services to change at short notice.

The portfolio is made up of 1,782 properties with a total value of £1.92Bn. This is broken down into the following groups ('Other' Refers to properties that cannot be categorised under the CIPFA descriptions – these will be described further in the final document):



Graphics for value distribution



KCC Property Asset Distribution Across Kent [others to show schools / offices / libraries etc to show clusters]



Where do we need to be? A vision for asset management in Kent

P&R NOTE:

This section will conclude the framework work and draw conclusions on the vision for the KCC Asset Management Strategy and where the portfolio needs to be and what we need to achieve over the next 5 years.

The section includes:

- Vision Statement for KCC Property Asset Management;
- Vision Statements from each of the P&IS Teams ;
- Key Strategic Themes for Asset Management through which all work in P&IS can relate (down to the individuals objectives);
- Outline what P&IS will do meet the vision (commitment statements);
- Graphic Illustrating how the themes meet the KCC Organisational Vision for Kent

Example of Asset Management Themes:

Managing Our Estate Differently

[Examples of possible commitments]

- We will develop property options to enable service transformation
- We will deliver asset collaboration solutions to share space and running costs with our partners, in order to deliver services in a more integrated way
- We will create property solutions that support and empower our staff to deliver new ways of working

Managing Our Estate Effectively

[Examples of possible commitments]

- We will target limited resources to best effect, ensuring best value in the use of our assets and resources;
- We will deliver a lean, consistent approach to Total Facilities Management across the estate

Keeping Our Estate Safe, Warm and Dry

[Examples of Possible commitments]

- We will protect occupants and users by ensuring that we have safe, warm and dry properties through the appropriate modernisation and maintenance of assets

Maximising Regeneration and Growth

[Examples of potential commitments]

- We will work with our partners to deliver transformational capital projects that promote growth and regeneration in Kent's communities
- We will creatively use our assets to drive new housing supply that meets our strategic housing objectives
- We will support Kent business by providing the best opportunities for Kent suppliers and apprenticeships in our property contracts

Protecting the Environment for the Future Generations

[Examples of potential commitments]

- We will embed the principles of ISO 14001 in the management of property assets;
- We will reduce the Carbon Footprint of the portfolio by X, in line with Central Government requirements;
- We will ensure we benefit from any incentives available in the implementation of new 'green' technologies.

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PART D – Achieving the Vision – Doing Things Differently

P&R NOTE:

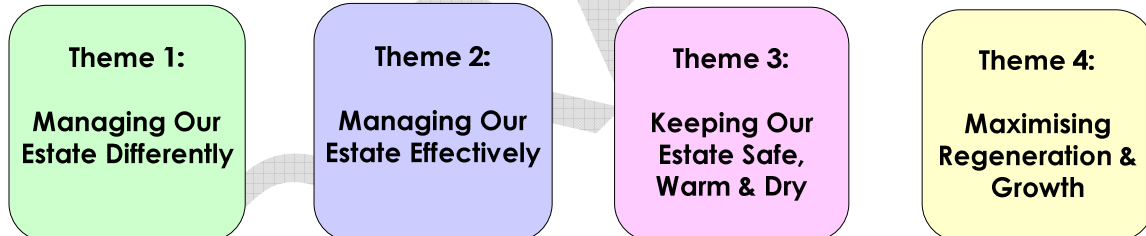
This section will run through the core ‘Strategic Themes’ ; Define them, identify the key drivers for them and the ultimate goal / vision for each theme.

Current initiatives linked to each theme will be included as examples.

An outline is given below along with an example diagram to link themes, workstreams and action plans (please note Environment is to be added to this – wording may change as this is developed further through discussions in P&IS and services)

The detailed sections will be available in the draft plan (end March)

Given the drivers for change set out in Part A, we understand that in order to achieve our vision, the way we manage our estate and our approach to strategic asset management needs to adapt and evolve. This part of the strategy sets out the 4 key themes for ‘**Doing Things differently**’ – the themes outline the practical detail for how we will achieve this change.



Action Plans

To keep the strategy live and relevant it will be refreshed on an annual basis. Each theme is supported by an [Action Plan \(link\)](#) with detailed workstreams, actions and performance measures, which are reviewed annually.

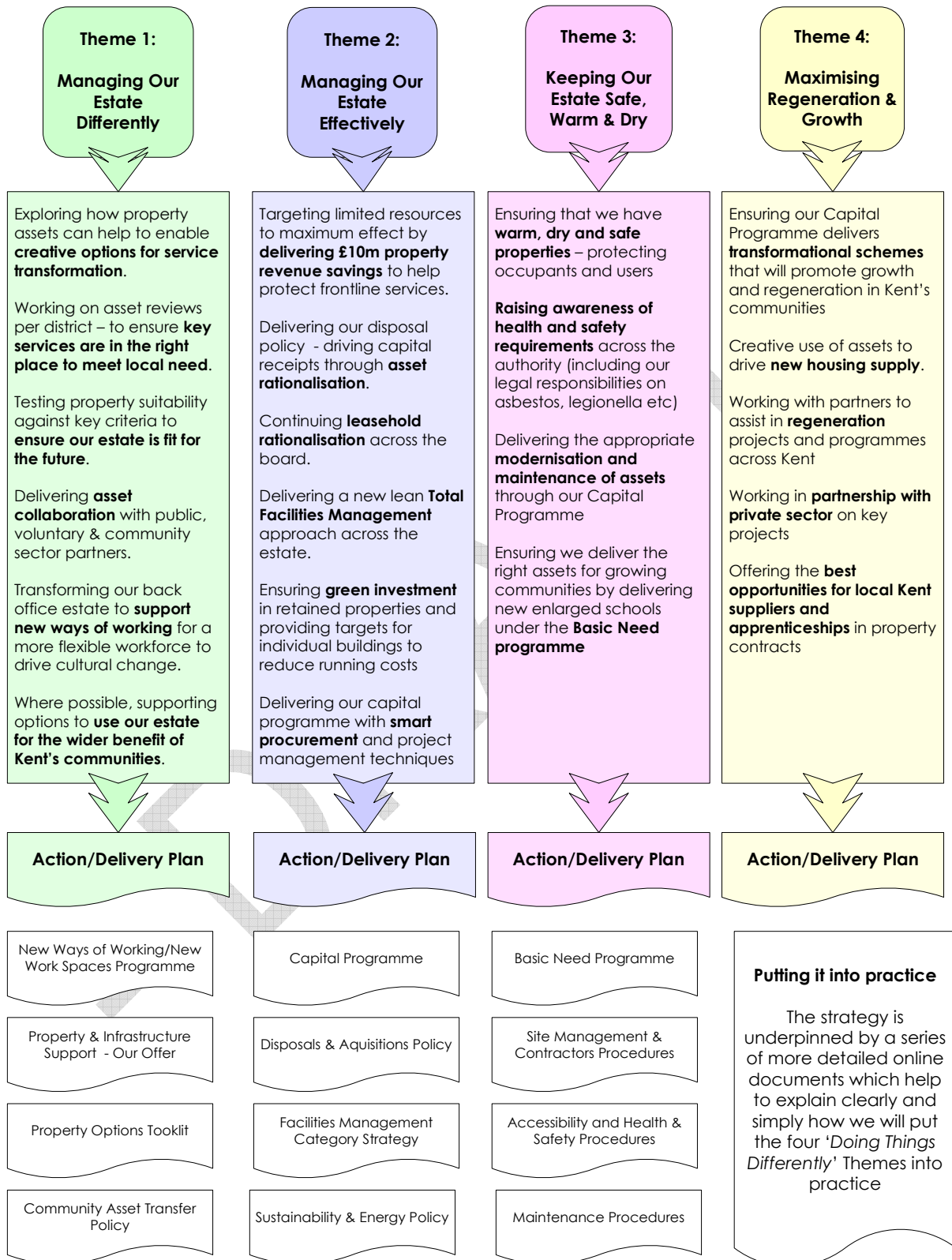
As with any new policy or strategy, it will be important to regularly review how our assets are performing to help determine whether the strategy should be refreshed or changed. In this way the strategy will remain a ‘living document’.

Detailed Property Policies & Procedures

The themes are underpinned by a suite of detailed online [policies and procedures \(link\)](#), which can be found on KNet. They are regularly updated to keep pace with changes in national policy, legislative requirements and business needs. They set out a clear set of practical guidelines for our staff and contractors on specific topics.

“Doing Things Differently”

KCC’s Asset Management Strategy – at a glance



Theme 1: Managing Our Property Assets Differently [Innovation]

Service transformation

Asset collaboration

- Partnership Working
- Asset Reviews

New ways of working

- Change Management
- Working Smarter
- A Changing Work Environment

Community Asset Management

- Community Asset Transfer Policy
 - Community Right to Buy
 - Supporting Communities
-

Theme 2: Driving Best Value from the Portfolio [Managing Our Estate Effectively] [Best value – efficient – delivery]

Effective Asset Management

- Data management
- Programme Management of Initiatives and Themes
- Key Financial Management (top level)
- Annual Business Planning

Effective Portfolio Management

- *Asset Rationalisation*
 - Freehold Disposals
 - Leasehold Rationalization
 - Acquisitions
 - Property Investment Management (Property Enterprise Fund (PEF))

Total Facilities Management

Smarter Ways of Working

Smart Procurement

Financial Management

Theme 3: Keeping Our Buildings Safe, Warm & Dry [Compliant – effective Maintenance/FM]

Maintenance and Modernisation of Assets

Health & Safety

Basic Need Programme

Theme 4: Maximising Regeneration & Growth [investment – development]

- Outline Initiatives [*Live Margate / Link to Kier Kent Initiative / Unlocking Kent's Potential*]

Targeting Capital investment

- Funding opportunities
- Regeneration

New Housing Supply

- Innovative Projects with the Private Sector
- Partnership Working

Supporting Kent Business

Theme 5: Protecting the Environment

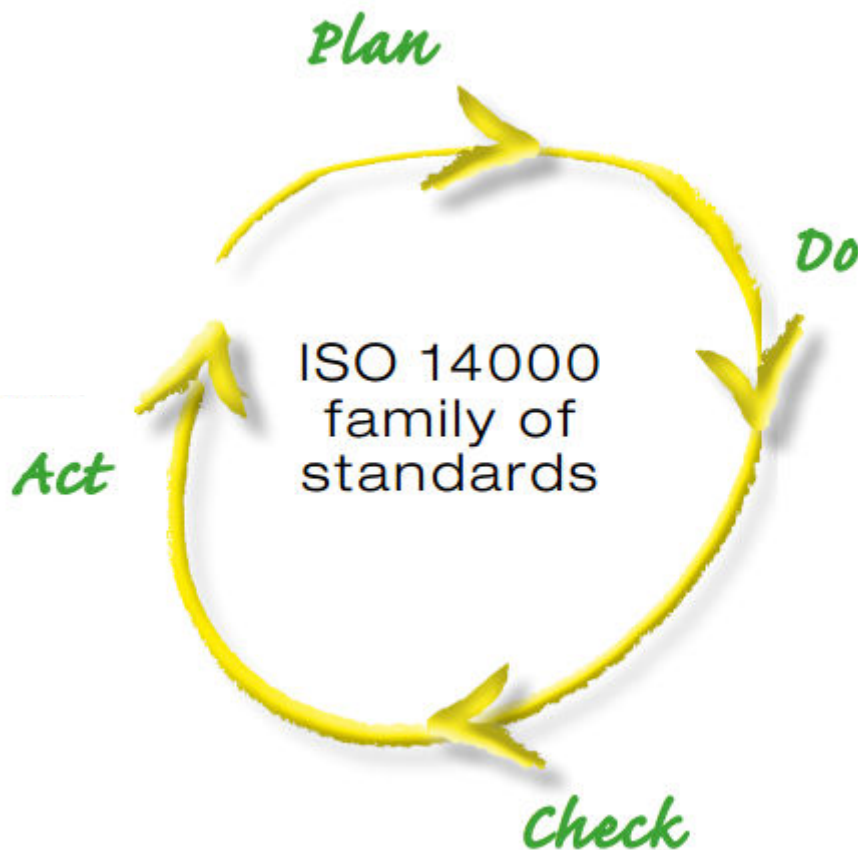
- Outline Initiatives [*reduced carbon footprint – ISO 14001*]

What are we going to do?

- Implement an Environmental system of Plan; Do; Check; Act in all projects, in line with ISO 14001 principles;
- We will formulate policies to ensure environmental aspects are covered in all projects and maintenance;
- We will ensure that the principles of ISO 14001 are included in our processes so finding and implementing sustainable solutions are part of what we do

How will we achieve this?

- Targeting green investment in retained properties to maximise their efficiency and sustainability
- Reducing the running costs of individual buildings by improving energy and water efficiency
- Reducing the backlog and future burden of maintenance by investing in sustainable construction



PART D – Putting It Into Practice

P&R NOTE:

This section will outline how we will put into practise the key themes over the period of the strategy. It will have links to the annual business plans and help guide future plans so they are in line with the core themes.

The plan will also highlight policies and processes that need to be in place to enable effective delivery of the strategy. Links will take reader to the specific policies and this will be added to where policies are due to be completed.

There will be an outline programme for delivery – this will give an ordered and programmed delivery of the strategy and try to balance interrelationships between initiatives – this will be a working part of the document;

Finally the section will link the Key workstreams for 2013 to the strategy and give an outline of what is happening as we move into the 2013 strategy and where these apply / any changes required to current initiatives (none currently identified in P&IS)

To deliver in these austere times we need to be sure we are as efficient and effective as ever. This means focussing on the following:

- **Priorities:**
Workstreams and initiatives are prioritised and promoted both within P&IS and organisationally;
- **Programmes:**
Managing the actions and work-streams, understanding the interdependencies and ensuring they share the same vision and do not have conflicting goals (i.e. sell a building to meet the Capital Receipts goal which could have been effectively used to combine services in under Collaborative working)
- **People:** These are difficult times and there are considerable challenges ahead. During such times it can be easy to be so focussed on the goal that we forget that ultimately this is about people and providing the best services we can and making the best of what is a testing position. We must ensure that we maintain our **Values and Behaviours** and respect others whilst we deliver our one sustainable plan for Kent.

Action/Implementation Plans

[This will outline the overall plan, workstreams and prioritise work programmes – this will then link to the one year Asset Management and business plan]

Key Workstreams - 2013

- **Implementing Asset Strategy** and re-establishing role of property assets can help drive service transformation
- **Reinforcing reductions in property revenue costs protect frontline services**
- Working on **Asset reviews** per district – to ensure key services in the right place and ensuring key service hubs
- Delivering new enlarged schools under the **Basic need programme**
- **Testing property suitability** against key criteria
- Ensuring **PIS is embedded in service transformation** programmes and providing options for Members/officers
- **New work spaces** as a cross-organisation project to drive savings to protect savings and promote a flexible workforce
- Delivering **asset collaboration projects** with public partners
- Disposal strategy and delivery - **driving capital receipts through asset rationalisation**
- Continuing **leasehold rationalisation** across the board



Key Workstreams - 2013

- **Warm, dry and safe properties** – protecting its occupants and users and raising awareness of health and safety requirement across the authority
- Delivering **new lean FM delivery** across the estate.
- Supporting Health/FSC health transformation programmes
- Delivering capital programme with **smart procurement** and project management techniques
- Creative use of assets to drive **new housing supply**
- Working with partners to assist in **regeneration project programmes** across Kent
- Supporting **local partners/communities** using KCC assets where applicable
- **Green investment** in retained properties and providing targets for individual buildings to reduce running costs
- **Working in partnership with private sector** on key projects
- Offering the best opportunities for **local Kent suppliers** in property contracts/supply chain.



Detailed Policies & Procedures

[outline of current policies and procedures in place and what we need to do to help move the plan forward – links to documents – this will also need to be added to as we progress]

Performance Management

P&R NOTE:

We need to monitor where we are on the current Strategy, if we are behind, if it is working, and if it remains on course. This section outlines key measures so we can chart our course.

The outline below is an idea of what measures will be included – these will be monitored throughout the year and Strategy Updates will be released annually.

It is essential with any journey that the organisation, including staff, members and the public, are able to see where we are and be sure that we are heading consistently in the right direction.

The key here is to make sure we are taking a balanced and sustainable approach – cutting corners now could lead to increased problems in the future so it is essential that we get our approach right for the future generations of Kent. For example, we could save money in the short term by using/fitting cheaper components; however the lifecycle of the component can be much shorter increasing costs over the life of the property and so not giving value in the long term (i.e. short-termism).

We also need to make sure we have a sustainable approach to the capital investment we have in the property portfolio. There is a delicate balance to be had between extracting capital value now to relieve the current economic pressures and support the current work we do, or to ensure we take a long term view, extracting some value now to support essential work and extracting best value from the investment in the estate producing long term revenue income.

The key KPI themes are based on the following principles:

- **Financial** – can we fund the journey and is it sustainable;
- **Time** – are we taking the best route; how long will it take and if we are delayed do we know the impact?
- **Quality** – Are we getting best value? Are we cutting corners? Are we delivering?

The Key themes will be measured by the following metrics:

- Financial;
 - Portfolio Asset Value (Open Market values)
 - Capital Receipts to target (£100m);
 - % Capital receipts to Capital projects;
 - % Capital Projects funding reliant on Capital receipts;
 - % to investment projects (invest to save/create income);
 - Revenue Costs to target (£10m pa);
 - Rent Costs
 - Liabilities (such as backlog maintenance)
 - Return on Investment (Non-statutory Capital projects)
 - Cost of Capital (internal return i.e. cost of leasing operational estate as compared to opportunity cost of capital through ownership)
 - Budget / forecast to Actual variance
 - Backlog maintenance costs
- Timescales;
 - Project delivery – projection to actual;
 - Workstream – Projection to delivery;
- Quality
 - Reactive failures/ maintenance in property estate
 - Internal customer survey rating
 - External customer survey
 - Investment returns (benchmarked to generic property funds and other asset classes)

The monitoring will split the Schools Estate measures as there is less opportunity in this section of the estate and we need to ensure that the real position is not obscured by the size and particular nature of the estate. With many schools moving across to Academy status it is envisaged that this estate will reduce significantly in size during the period of this strategy. Work will still progress and any opportunities identified through vacant/ underutilised property will be highlighted.

[monitoring dashboard (Map and destination) to be outlined – this will be integrated into the Oracle system during roll-out]

CASE STUDIES:

- **Live Margate;**
- **New Workspaces;**
- **Kier & Kent;**
- **Environmental Project [ISO140001 – Green Deal / Bio-mass)**
- **Partnership working / Co-collaboration**
- **Asset review – example of where have invested and made return (King’s Hill)**
- **FM**
- **Capital Projects Delivery**
- **Good Estate Management (lease profiling / beneficial negotiation)**

Comments:

Diagrams are to be altered/ put in place and referenced/copyright where required;

Pictures and design to be completed at end;

Data review and more statistics will be completed