

From: Peter Oakford, Deputy Leader and Cabinet Member for Finance,  
Corporate and Traded Services  
Rebecca Spore, Director of Infrastructure

To: Policy and Resources Cabinet Committee – 17 January 2024

Subject: Proposal for the new Asset Management Strategy

Key Decision: Involves the adoption of major new strategies or frameworks which are not included on the Policy Framework.

Classification: *UNRESTRICTED*

Electoral Division: All

**Summary:**

This report provides an update on the proposal for the development of the new 2024 - 2030 Asset Management Strategy.

**Recommendations:**

The Policy and Resources Cabinet Committee are asked to note the development of the proposal for the new 2024-2030 Asset Management Strategy and comment on the draft Aims and Approaches set out in this report.

**1. Introduction**

- 1.1 The current Asset Management Strategy (AMS) ended in 2023, and a replacement Asset Management Strategy (2024 –2030) is being developed, alongside Kent County Council’s (KCC’s) core strategic objectives and by considering the outcomes achieved and lessons learnt from the existing AMS (2018-2023).
- 1.2 The current AMS 5-year plan 2018 to 2023 focused on six key themes:
  - Innovation and customer focus,
  - Safe, warm, dry, and proactively compliant,
  - Effective asset and estate management,
  - An efficient, adequate, and appropriate estate,
  - Maximising regeneration and growth in Kent,
  - Reducing the estate's environmental impact and the environment's impact on the estate.
- 1.3 Internal engagement workshop sessions have been undertaken to review the 2018-2023 AMS, which reflected on what had been achieved; lessons learnt; and areas for improvement. It also identified areas to be considered for the new Strategy, which includes ambition, vision, and new themes.

1.4 These lessons learned will inform the new AMS.

## **2. The Current 2018 - 2023 Asset Management Strategy**

2.1 The current strategy set out to deliver the following key outcomes:

- Optimise asset performance and income to provide value for money and support service delivery.
- Keep properties safe, compliant with regulations, and in good repair.
- Drive efficiency by ensuring the estate meets evolving organisational needs regarding space, location, and cost.
- Manage assets effectively utilising best practices and enhancing data/reporting for decision-making.
- Maximise opportunities for income generation and growth through the asset base.
- Reduce the environmental impact of the estate in line with Kent's Environment Strategy.
- Complete transfer of any remaining directorate-managed complex assets into the corporately managed estate.
- Improve monitoring and management of compliance across all the Council's assets and services.
- Adopt project management best practices for asset-related initiatives.
- Develop staff through training on asset management strategies and plans.
- Assign clear asset-related roles and responsibilities across teams.
- Leverage technology to transform service delivery models and the Council's property footprint.

2.2 The outcomes were significantly impacted by the COVID-19 pandemic during the course of 2020, 2021 and part of 2022 as a new normal was established.

2.3 The key findings of the internal engagement workshop sessions included:

### 2.3.1 Key Successes:

- Rationalisation of the property portfolio by 10%, from 2,230 assets down to 1,816 through disposals and mergers. Improvement in the quality of asset data recorded on KCC's property database. This has enabled key decisions and priorities to be made by the Asset Strategy team regarding the future of these sites.
- Delivery of the Council's capital and disposal plan
- Success in receiving governmental grants, has meant the enhancement and implementation of local carbon projects. This has been achieved through solar farms; school expansions and maintenance projects which has promoted energy efficiency and savings to KCC sites and has generated energy for the national grid. Assisting KCC to meet its net zero targets.
- Wildlife friendly landscaping has been identified and implemented and has promoted bugs, butterflies, and other wildlife to return to the area, aiding in plant diversity.
- Staff development within Infrastructure has meant the provision of a skilled and diverse workforce, which has been achieved through apprenticeships and project management qualifications and continues to be a priority.

- The launch of the Future Assets Programme as part of the Strategic Reset priorities. Office facilities which are aligned to and support KCC's People and Service Strategy.

### 2.3.2 Lessons Learned:

- The Corporate Landlord model for good estate and asset management was not fully embedded across the organisation. Issues included lack of centralised control and siloed decision making.
- Backlog maintenance remains a risk at £165 million, with some buildings in poor condition. Condition surveys and investment prioritisation processes needs improvement.
- Property performance measures could be strengthened. Further work is recommended to establish portfolio wide key performance indicators (KPIs) and benchmarks to drive improvement.
- Currently there are a number of data recording systems, which has caused issues with the provision of consistent, real and reliable data.

2.4 In summary the 2018-2023 AMS outcomes were that good progress was made to rationalise the estate, securing capital receipts, meeting environmental goals, and developing staff. However, further work is needed on strengthening capacity, data systems, property performance, and backlog maintenance.

## 3 Moving Forward with the New 2024-2030 Asset Management Strategy

3.1 The new AMS has been devised from KCC's strategic core objectives; Securing Kent's Future budget recovery plan; the evaluation of the 2018-2023 AMS and from feedback through stakeholder engagement.

3.2 The key drivers for the new strategy are:

i) Securing Kent's Future:

- Financial Sustainability: achieving sustainability requires a commercially focused approach that balances supply and demand for services.

ii) Net Zero Targets:

- Reducing our environmental footprint and improving efficiency are essential to achieving our Net Zero emissions targets.

iii) Property Enhancing Service delivery:

- Optimising our property portfolio is crucial for enhancing service delivery.
- This includes ensuring the property service provided in buildings meets the service need and any new investment in buildings is designed to be fully fit-for-purpose by supporting service delivery.

iv) Adherence to Legislative Framework and Health and Safety Compliance

- Compliance with the legislative framework and health and safety regulations is paramount.

3.3 This strategy will ensure that the KCC's property and assets portfolio are optimised along with the continued collaboration with partners regarding the potential shared use to ensure efficiencies can be realised to deliver KCC's statutory and essential

services. Securing our short and medium-term position is crucial for effective future planning.

3.4 The new strategy will seek to ensure that the Council's asset portfolio is aligned to service delivery, is greener, and financially sustainable.

3.5 We aim to do this by committing to a new mission statement a draft of which is set out below:

*“KCC is committed to providing a sustainable estate of the right size and type to meet its operational and business needs. The estate must be adaptable to change, affordable and sustainable.”*

3.6 It is proposed that the new strategy will be for 6 years to 2030. This is to align the AMS with KCC's other key strategies, such as:

- i) The Kent Economic Strategy 2030
- ii) The Kent Environmental Strategy 2030
- iii) The Kent Health and Wellbeing Strategy 2022-2030
- iv) Framing and Securing Kents Future 2022-2026 & 2023-2025

3.7 We are embarking on a journey to transform how we manage our assets and would like to set ambitious goals for the next six years. However, we need to breakdown ambitions to lay the groundwork to ensure we have a sustainable estate by focusing on the following:

- i) Data accuracy will continue to be a priority and will ensure the baseline data is secure with a solid sustainable foundation.
- ii) The KCC estate will be analysed in respect of its use; landlord responsibility; income and expenditure and potential for partnership working with the establishment of baseline data to enable future KPIs to measure performance and outcomes.
- ii) The strategy will be reviewed at key intervals to ensure that it continues to be aligned with KCC's core strategic and emerging objectives, and where required, amended to reflect these.

3.8 Following the previous 2018-2023 strategy, the outcomes and lessons learnt will continue to be strengthened to ensure a solid foundation, to refine our asset information into one cohesive framework. This will allow us to critically evaluate our portfolio, retaining only the essential assets that align with service needs. This process will establish a new baseline estate.

3.9 The accurate baseline data will ensure that KCC can enable the implementation of long-term, lifecycle management strategies, which will capture comprehensive lifecycle information for all its assets, enabling whole-life cost analysis to inform decision-making. This will ensure KCC maintains a proactive approach to its estate.

3.10 Through buy in from all stakeholders across KCC, all decisions relating to the requirement, use or need of an asset will require a robust and sound business case.

- 3.11 By aligning assets with service requirements, our future estate will directly support the service provision's needs and integrated models. Assets will be designed and managed for multi-purpose use; flexible in terms of function; and facilitating agile working to create a fit for purpose estate.
- 3.12 We will actively engage with stakeholders internal and external to KCC to demonstrate how assets can enable new operating models, digital adoption, and integrated delivery to shape service transformation.
- 3.13 Environmental principles will be embedded into our asset strategies to continuously improve energy efficiency, reduce emissions, and drive sustainability with the aim of driving towards KCC's net zero targets in line with the Council's policies within the resources that are available.
- 3.14 Robust asset data will enhance KCC's strategic capital and revenue planning and will enable the forecast for long-term asset and investment needs, which will promote spending efficiencies and building utilisation by enhancing the performance of the estate.
- 3.15 We will work to adopt smart building technologies, utilise intelligent building management systems, and automation to provide flexibility and data-driven insights within the resources that are available. This will ensure there is a holistic approach to the management of KCC's estate, where efficiencies, economies of scale and the monitoring of our estate will become proactive rather than the current reactive approach.
- 3.16 By embracing smart technology, we will be able to focus on improving the management of KCC's assets and will be able to have reliable and effective systems in place, to ensure rent reviews, lease renewals, building maintenance, parts replacements etc. are undertaken in a timely and efficient manner.
- 3.17 We will continue to develop our culture and invest in our staff to provide a holistic service that embraces these technologies and enhances the service offer that supports the use of KCC's operational buildings.
- 3.18 All proposed changes in property requirements for a Service, which includes bringing services back in-house, will be supported by a sound business case that considers initial investment but also ongoing costs and provides a budget for future maintenance and lifecycle costs.
- 3.19 We will seek to explore a sinking fund model for the corporate estate within the resources available to cover the ongoing maintenance requirements of all the non-school assets. This will be informed via planned preventative maintenance assessments and life-cycle condition surveys for existing assets which will be utilised to support service delivery. The maintenance budgets continue to be under pressure, and it will be important to ensure that any spend is prioritised. For any new assets/change of use projects, this will be funded from the project initiation to ensure that the already inefficient Modernisation of Assets (MoA) budget is not stretched further.
- 3.20 Any business cases that propose an increase in building footprint or prevents the reduction in the carbon footprint, must factor in the funding for carbon offsetting

costs, so they do not have a detrimental impact on achieving the 2030 carbon neutral target (which requires a 35% reduction in the building footprint). The project budgets will need to fund the offsetting.

3.21 There is a requirement for KCC buildings to be compliant and adhere to the Equality Act, which includes Disability Discrimination Act 1995 (DDA) requirements, however, this does not always result in buildings being practical for all users based on individual needs. Currently there is no specific budget to support the non-school estate to make buildings accessible for staff or users (although there is a budget for school adaptations to meet individual student’s needs, funded from top-slicing the budget). As part of the new AMS, it is proposed to explore an element of existing maintenance budgets to be allocated to create a dedicated budget for making buildings accessible to meet individual staff needs, and potentially for service users if the budget allows. Any provision or ringfencing of the budget for this purpose will result in further reprioritisation of the funding that is available.

#### 4. New Focus/Aims

- 4.1 Drawing on the themes identified in the previous AMS (2018-2023), internal stakeholder workshops were conducted to review the existing themes/principles and to decide whether they were still relevant and appropriate for the new strategy.
- 4.2 The workshops agreed that the ‘themes’ should become the ‘Aims and Approaches’ which is supported by its definition/objectives/principles to provide clarity. These will be framed to support the context in Securing Kent’s Future:

Key Draft Aims	Description
<b>Sustainability</b>	To provide economic and environmental sustainability, by being budget focused and laying a firm foundation for the future.
<b>Optimisation</b>	Ensuring efficient use and commercial management, to always maintain best value and utilisation for KCC and its service user.

Draft Approach	Description
<b>Transparency</b>	Internally and externally, when you deal with us you will find we are transparent, open and deal with you fairly.
<b>Collaboration</b>	With stakeholders and other organisations to improve asset management practices and innovations.
<b>Innovation</b>	A culture of continuous improvement and constant innovation of asset management by embracing and utilising new technology, use of AI (Artificial Intelligence) and testing new practices.

- 4.3 Within the approach the key enablers are: having the right data, the right skills, the right reporting structures, the right capacity, and people in the right place, doing the right thing with access to robust data.
- 4.5 The strategy will require a culture shift towards asset sharing; flexibility; and cross-service and external collaboration, to ensure best value, economies of scale, efficiencies and services which are fit for purpose in a positive and focused environment, which is critical to Securing Kent's Future.

## 5. Options considered, dismissed, and associated risk

Since the current strategy expired in 2023, the Council will need to adopt a new strategy to support its core strategic objectives moving forward and to support Securing Kent's Future – Budget Recovery Strategy.

## 6. Equalities implications

Since this is an overarching strategy there are no equality implications, but there may be implications when the strategy is implemented, at which point an Equalities Impact Assessment (EQIA) will be completed.

## 7. Data Protection Implications

There are no data protection implications.

## 8. Governance

In line with the Council's governance process, since this decision involves the adoption of a new strategy not included on the Policy Framework, a key decision will be required to adopt the new strategy.

## 9. Next Steps

9.1 Continue to draft the new AMS, taking on board feedback from the Policy and Resources Cabinet Committee and stakeholder/partner engagement in January 2024.

9.2 Return to the Policy and Resources Cabinet Committee in March 2024 with the new AMS for consideration.

## 10. Recommendations

The Policy and Resources Cabinet Committee are asked to note the development of the proposal for the new 2024-2030 Asset Management Strategy and comment on the draft Aims and Approaches set out in this report.

## 11. Background documents

Asset management strategy 5-year plan 2018 – 2023 (Kent.gov.uk)

[https://www.kent.gov.uk/\\_data/assets/pdf\\_file/0019/5545/Asset-management-strategy.pdf](https://www.kent.gov.uk/_data/assets/pdf_file/0019/5545/Asset-management-strategy.pdf)

## 12. Contact details

Report Author: Rebecca Anderson  
Job title: Interim Asset Strategy Manager  
Telephone number: 03000 41 77 31  
Email address:  
[rebecca.anderson2@kent.gov.uk](mailto:rebecca.anderson2@kent.gov.uk)

Director: Rebecca Spore  
Job title: Director of Infrastructure  
Telephone number: 03000 41 67 16  
Email address: [rebecca.spore@kent.gov.uk](mailto:rebecca.spore@kent.gov.uk)