


Agenda Item No:	11	
Committee:	Council	
Date:	15 December 2016	
Report Title:	Asset Management Plan 2017-20	

1 Purpose / Summary

- To seek approval from Council that the Asset Management Plan 2017-20 is acceptable and can be adopted.

2 Key issues

- The Council last published its Asset Management Plan in 2007. During the past 9 years there has been significant financial, legislative and structural changes affecting and influencing the management of assets.
- In common with other Local Authorities across the UK, Fenland District Council faces unprecedented challenges and budgetary pressures.
- The Asset Management Plan 2017-20 has been prepared to ensure that FDC and the management of its property assets is fit to meet the future challenges and ensure that its property assets are well managed to meet the needs of our services and our customers.

3 Recommendations

- Council approve the attached Asset Management Plan 2017-20 (at appendix 1) and agree that it is adopted as a policy document of FDC.
- It is further recommended that Council approve the appointment of the Director of Growth & Infrastructure as the Council's Corporate Property Officer.

Wards Affected	All
Forward Plan Reference No.(if applicable)	
Portfolio Holder(s)	Cllr John Clark – Leader Cllr Ralph Butcher –Portfolio Holder for Growth Cllr Chris Seaton – Finance Portfolio Holder
Report Originator	Gary Garford – Corporate Director & Corporate Property Officer Justin Wingfield – Head of Business & Economy Trevor Watson – Head of Asset & Projects
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1.0 Introduction

- 1.1 The Asset Management Plan 2017-20 (AMP) is attached at **appendix 1**. The AMP 2017-20 is a proposed policy document presented to Council for adoption by Fenland District Council to aid the delivery of the Council's transformation project to refine existing processes, maximise the value and use of our assets and provide a clear plan for the future of our assets.
- 1.2 The previous AMP was written in 2007 and was intended to last for 3 years. However, despite regular reviews and nine years later a very different picture has emerged with a rapidly changing landscape within both National and Local Government, the onset of austerity and changes in socio-economic and political arenas, coupled with the new challenges that Brexit will bring. In the face of these significant changes and persistent financial pressures upon the Council, it is imperative that FDC adopts an 'up-to-date' and 'fit for purpose' AMP.
- 1.3 In response to these factors, Officers set out just over a year ago to create a new AMP to ensure that FDC is able to meet the ever-changing needs of our customers and ensure that our property and assets are fit for purpose and able to meet the demands of the Council's services.
- 1.4 It is important to note that the AMP 2017-20 sets an approach for managing the Council's assets and currently focuses on the Council's property portfolio. It does not include 'non-property' assets or public-realm assets (street lighting/furniture, highways, playground equipment etc.).
- 1.5 The Council's Corporate Asset Team, responsible for promoting the effective use and a management of the Council's assets in accordance with good standards, will ensure that asset groups not included within the AMP 2017-20 will be addressed via bespoke strategies, however the fundamental principles as contained in the proposed AMP will apply. Such asset groups include sewage treatment works (STWs), car parks and Wisbech Port.

2.0 Purpose & scope

- 2.1 The Asset Management Plan describes the Council's approach to management of its assets and provides links to the operational and technical details that underpin the overall strategy. The Asset Management Plan 2017-20 is intended to provide the framework for decision-making across the estate and for individual buildings, and shape delivery of a resource at the heart of the Council's current and future offer to customers.
- 2.2 The AMP sets out how the Council will manage property and assets in the future. In particular it:
- Establishes property as a strategic resource which will be managed corporately;
 - Align the Corporate Vision with service delivery & the relationship with the assets it occupies;
 - Provides a clear high level statement of the purpose and performance levels;
 - Ensures asset governance, statutory compliance and establishes risk;
 - Establishes the Corporate Property Officer (CPO) as the single point of responsibility for all Council property;
 - Focuses upon releasing surplus assets to secure capital receipts and/or revenue income from the Property Portfolio.
 - Helps support the decision-making process relating to our assets.
 - Helps inform and shape the planned maintenance of our assets

3.0 The Key Stakeholders

- 3.1 To ensure that good asset management practice is engrained within the organisation it is intended that awareness will be raised through engagement with key stakeholders:

- Members – For the AMP to be successful it will need endorsement at the highest level. It is intended that the Portfolio Holder for Growth, with responsibility for assets will be an ambassador for the implementation of the AMP;
- Corporate Management Team – The Chief Executive, through CMT and it's appointed 'Corporate Property Officer' (a senior Officer lead and symbolic figurehead for asset management issues) will ensure 'top-down' implementation of the AMP throughout the organisation;
- Corporate Asset Team – By mandate from Members & CMT, the CAT will become the stewards of the AMP, ensuring that the vision, strategy and action plan are realised via the implementation of the AMP;
- Service Managers – Will help to shape the direction & needs to be met by the AMP through their experience of their services and the interaction with the Council's customers.

4.0 Structure of the Asset Management Plan

The structure of the Asset Management Plan 2017-20 follows 3 key questions:

- Where are we now? – What is the baseline position? How are assets currently supporting Service Delivery? E.g. Physical condition and suitability of the Asset? What data is required to assess this?
- Where do we want to be? – What are FDC's plans for the future and what assets are needed to support future service need? (Develop an understanding of impact of future service changes and set targets for improving the condition and performance of assets, to match service need).
- How do we get there? - How will FDC move from where we are to where we want to be? Prioritisation of future investments in assets, requiring rigorous approach to the evaluation of options and choices, to maximise user benefits, provide value for money, be affordable and have an acceptable level of risk.

5.0 Where are we now?

5.1 It is important to consider the value of the previous AMP and why the AMP 2017-20 will have an important role to play in the future. Since 2007 the Council has made significant progress in terms of reducing its liabilities, increasing income from its assets and raising capital receipts from the disposal of surplus assets. The AMP has enabled Fenland District Council to continue forging ahead with its ambitious service transformation and regeneration programme. A few small examples of progress and achievements delivered over the last 9 years include:

Structural & Corporate:

- The Housing Stock Transfer to Roddons Housing Association;
- Adoption of the Cambridgeshire County-wide Asset Management Strategy;
- Completion of the mandatory Land Registration of FDC's property assets.

Financial

- Disposal of £5.4m of surplus assets, to fund and support the capital programme;
- Realisation of operational savings through co-location and better utilisation of space.

Physical

- Construction of The Boathouse Business Centre and South Fens Enterprise Park
- Construction of Chatteris Leisure Suite and major Leisure Centre refurbishments;
- Nene Waterfront remediation and development of Lot 3.

Environmental

- Completion of 30 efficiency projects saving £72k p.a.;
- The realisation of £380k in utility cost savings.

5.2 The Council has a diverse property estate spread across the district. The estate includes assets in each of the 4 market towns of Chatteris, March, Whittlesey & Wisbech, together with a number of assets in the surrounding villages and the rural environment. The estate is predominately

freehold and reflects the historic preference of asset ownership. The AMP 2017-20 describes the broad dimensions of the portfolio in the Portfolio Summary on page 11 of the AMP. Further work is in progress related to assessment of other core assets areas such as the Port of Wisbech and STW's.

- 5.3 The AMP 2017-20 will help to meet the needs of our customer in future by providing the right asset in the right condition to meet the needs of the service. During the life of the Asset Management Plan 2017-20, Officers will undertake a variety of tasks which will assess and categorise assets within the portfolio through:
- Condition & repair;
 - Age, Suitability & Sufficiency
 - Statutory Compliance
 - Sustainability & Energy
 - Performance Management & Data recording
- 5.4 The focus to date has been on primarily on our property-based assets. Further analysis and assessment of the Council's car parks and other assets, such as Wisbech Port and Sewage Treatment Works will be undertaken during the life of the AMP and the principles of the AMP will be applied to the results and findings of those assessments to ensure that they meet the needs of our customers and the services being provide by or from them.
- 5.5 One of the tools that Officers can use to assess our assets to undertake condition surveys, which apply a Condition Rating of A-D (A being Good) and a Priority Rating of 1-4 (1 being Urgent) as a criteria for categorisation. The AMP 2017-20 explains that an up to date assessment of our property base has recently been carried out through the preparation of a series of Surveys of the Council's core Operational Assets.
- 5.6 The completion of the first tranche of Condition Surveys (10 key operational assets), has enabled the Council to also establish that the current value of backlog repairs to the portfolio is £3.29 million. **Although this figure is likely to increase as other assets are assessed, this does not imply that the cost of those repairs will have to be incurred, as through the asset challenge process, options may include disposal of underperforming or inadequate assets, and the delivery of that service from partner or alternative premises, as an example.**
- 5.7 The current backlog repairs figure also does not represent a failure to manage or repair, nor does it assert that where repairs are required - taking into consideration the factors in 5.6 above - that such repairs are undertaken immediately. The repairs backlog figure represents the cost today in bringing the Council's assets up to a Good condition. The Cambridgeshire Asset Management Strategy identified that many of our neighbouring authorities have backlog repairs amounting to significant sums.
- 5.8 The current Property Repairs backlog:
Urgent and Essential repairs – those to be undertaken within 2 years
- Urgent £430,000 + Essential £200,000 = £630,000
- 5.9 The existing annual building and sites repairs and maintenance budget of approx. £530,000 addresses the day to day repairs of our assets and the application of these funds to reduce the Urgent & Essential repairs backlog is currently under review.
- 5.10 An allocation of £400,000 from the revenue reserve to fund capital was made in 2015/16 to address part of the urgent repairs already identified. Further budget provision may be required in subsequent years to maintain our assets and this will be determined as part of our ongoing financial management processes. Officers will continue to assess the backlog repairs position and in conjunction with actions from the asset challenge process, will prioritise and fund as and when appropriate within the resource allocation in agreement with the Portfolio Holders for Growth and Finance.

6.0 Where do we want to be?

- 6.1 The AMP explains how it fits with the Business Plan and how our well managed asset base can positively contribute towards our objectives, create improvements to the delivery of our services and recognise tangible savings from the efficiencies generated.
- 6.2 The Council's priorities, as contained within the Councils Business Plan are to 'support the overarching aim of improving quality of life in Fenland'. This is to be achieved by addressing social, environmental and economic needs for residents, enabling them to lead happy and fulfilled lives. Good Asset Management plays a key part in supporting these aims and to this end the Council will adopt the following Asset Management Vision and Mission:

Asset Management Vision 2019

"To ensure that Fenland District Council operates an efficient and effective estate which supports the Council's Corporate Priorities and provides sufficient flexibility to respond to change and to enable the cost effective delivery of Council services across the District"

Asset Management Mission

"To be a robust and well managed Authority, recognised for good quality Asset Management, working together across the whole public sector estate to achieve efficiency targets, realise cost savings and work to provide a cohesive and effective service to our customers and the Community at large".

- 6.3 The future strategic direction of asset management in Fenland will need to ensure that the Council's asset portfolio is fully utilised, cost effective and efficient. In future it is anticipated that the Council will have a smaller asset base and the assets that are retained will be used more intensively, likely to produce additional income and ceased all unnecessary expenditure.
- 6.4 Assets will need to be more flexible, able to support a greater number of uses and complement collaborative service models which may dictate the requirement to share accommodation or further rationalise FDC's retained asset base. Our management and use of assets must also support the Council's move towards financial self-sufficiency.
- 6.5 In this respect the following Strategic Asset Management Priorities have been identified:
- To establish a stronger asset management culture;
 - To better understand how our assets perform;
 - To challenge whether we need to keep all of our assets;
 - To dispose of assets we no longer require or explore alternative uses;
 - To improve our financial management and decision making processes;
 - Where appropriate and justified, to acquire new assets;
 - To maintain and continue to invest in the assets we retain;
 - To ensure that we maximise the efficiency of our assets;
 - To better utilise the assets we retain;

7.0 How do we get there?

- 7.1 The challenge for the AMP is to acknowledge the economic, political and demographic challenges and set out a plan of how to take FDC from '*Where we are now*' to '*Where we want to be*', ensuring that sufficient resources are programmed and allocated to achieve each action.
- 7.2 The final section of the AMP includes an action plan (pages 30-34), where actions are summarised in each of the 9 Strategic Asset Management Priorities. Project resources, leads and target timescale for delivery of the particular task are being developed in conjunction with the Growth Portfolio Holder and progress will be reported via Portfolio Holder briefings and Council performance reports.

8.0 Summary

- 8.1 To summarise the needs and actions of the AMP 2017-20 going forward:
- FDC faces some significant financial, social and demographic challenges;
 - Planning for the future will involve the Council becoming financially 'self-sufficient' and more agile;
 - The Government continues to pursue an austerity agenda driving authorities to do more for less and work smarter with limited resources;
 - Opportunities exist to generate greater revenue income and use capital receipts for reinvestment into services and Council priorities;
 - Greater collaboration with other partner authorities is required and will become the new 'norm';
 - Continued consideration of alternative delivery models/options for services;
 - The Council's future asset strategy will require a greater focus on repairs and management to ensure it maximises the benefits from its diverse portfolio, which includes Leisure, Business and Port Assets;
 - It is important that the Council positions itself to ensure that the portfolio is able respond to forthcoming legislative changes and provides flexible operational workspace for the ever-evolving workforce;
 - Performance management requirements will need to be rationalised and improved to ensure that monitoring of performance complements the Council's need become leaner and more efficient.
 - The AMP has an added impetus to ensure that FDC maximises its asset base;
 - Solid corporate governance will ensure improvements/efficiencies are achieved.

Appendix 1 – Asset Management Plan 2017-20

Asset Management Plan

2017-20



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1 Introduction

In common with other Local Authorities across the UK, Fenland District Council (FDC) faces unprecedented challenges and budgetary pressures. Therefore, it is imperative that the Council's current property portfolio is capable of meeting the needs of our services and supporting the growth and inward investment aspirations for the Fenland area, whilst offering good value for money.

The aim of this Asset Management Plan (AMP) is to set out how the Council will manage its property portfolio in the future including how it can:

- Establish a stronger asset management culture
- Improve the understanding of how retained assets perform
- Challenge whether all assets need to be retained
- Dispose of assets no longer required or explore alternative uses
- Improve the financial management and decision making process
- Where appropriate and justified, acquire new assets
- Maintain and continue to invest in the assets retained
- Maximise the efficiency of retained assets
- Better utilise retained assets

2 Background

This version of the AMP has been prepared to reflect the rapidly changing landscape within local and national government, including growing financial pressures within FDC itself. It replaces the AMP written in 2007.

As a medium sized property owner with an asset base of circa 556 assets (including Parks & Open Spaces), the Council seeks to ensure that these assets are used to deliver the Council's wide ranging objectives contained within its Corporate Business Plan and Service Plans.

However, the Council faces a number of major challenges with regard to the property portfolio. These include:

- A property portfolio that, in some cases, is ageing with increasing liabilities for repairs & maintenance.
- The pressures on Council revenue budgets which dictate a service by service review of how property is utilised and what could be declared surplus.
- Up until recently, Service Teams managed their property in relative isolation leading to potential inconsistencies and inefficiencies across the Council. This AMP will help to bring asset management together to ensure consistency and drive out inefficiencies.

Due to the factors above, the Council needs to realise greater value from the property portfolio. This will include:

- The delivery of in excess of £3.49 million of Capital Receipts between now and 2020 to support the Council's Capital Budget. The programme will, however, need

to be flexible to meet circumstance such as further assets coming into the disposal programme and certain assets potentially coming out of the disposal programme if a new service requirement is identified.

- Using Property in different ways to support Regeneration and the 'Growth Agenda' for the district.
- Maintaining revenue streams from our investment portfolio in an increasingly competitive market where tenant default and insolvency remain key concerns. Current forecasts indicate a rental stream of approximately £1 million to year end 2015/2016.
- Assessing the option for the development of Council-owned land holdings to achieve capital and/or revenue receipts.

3 Scope

This AMP covers all property assets owned by the Council. It does not include 'non-property' assets or public-realm assets (street lighting, street furniture etc) but does include the port and car park estate.

The AMP in the context of Asset Management is an intermediate-level document which sits beneath the Cambridgeshire Asset Management Strategy (AMS) and above the suite of FDC Property & Estates Management Policies which determine how day-to-day decisions are made, reviewed and implemented.

4 Format of the Asset Management Plan

The AMP sets out the Council's strategy for managing its property portfolio and what will be done to meet the challenges faced.

In the context of Asset Management, the plan has been written in a way which focuses on three important questions:

Section 5 - Where are we now?

- **What is the baseline position?**
- **How are assets currently supporting service delivery?**
- **What is the physical condition and suitability of these assets?**

Section 6 - Where do we want to be?

- **What are FDC's plans for the future?**
- **What assets are needed to support future service needs?**
- **How can we develop an understanding of impact of future service changes?**
- **How can assets be improved to match service need?**

Section 7 - How do we get there?

- **How will future investment in assets be prioritised?**
- **How will options and choices be evaluated?**
- **How can we maximise user benefits whilst providing value for money and having an acceptable level of risk?**

The AMP also aligns with the guidance provided by the Royal Institution of Chartered Surveyors (RICS) and the Department for Communities & Local Government (DCLG).

5 Where are we now?

5.1 Context of AMP – setting the scene

Fenland District Council is an ambitious Local Authority with a strong track record of success through the delivery of projects and services which focus on raising aspirations, improving the quality of life and ensuring high standards of service for its residents. Fenland also faces some unique and significant challenges, linked to health inequalities, deprivation and infrastructure limitations.

Our property portfolio is at the forefront of many services we deliver and so it is important to consider the local and national policies and other influences which might affect how our assets are used going forward.

5.1.1 Financial Context

It is well documented that Local Government has been at the forefront of austerity measures introduced by the Government following the General Election in 2010. The Government is also currently in the process of implementing a strategy for Local Government to keep 100% of Business Rates revenues it collects by the end of this Parliament. By 2019/20 FDC will need to become financially self-sufficient and is already planning for the complete withdrawal of the Central Government Revenue Support Grant (RSG).

In November 2015, the Council embarked upon an internal Comprehensive Spending Review (CSR), which sought to identify how further savings could be secured. At the time of writing, Members have approved a series of cost saving and revenue increasing initiatives to help the Council meet the financial challenges it faces, with each initiative requiring further investigations into potential savings which could be made. Many such initiatives involve a reduction to or cessation of services and inevitably this will result in a further review of corporate accommodation.

FDC's Members have always been clear, that where possible, front line services should be protected and to date this has been achieved by prudent financial management, through initiatives such service reviews, shared services, improved procurement processes and additional income generation.

5.1.2 Demographics

Although the district remains relatively sparsely populated, Fenland has experienced considerable housing and population growth in recent years. Growth in employment in Fenland has not matched workforce expansion and out-commuting

is increasing. Currently, almost 40% of Fenland's working population commute out of the district for work. To meet the needs of the growing workforce, Fenland requires growth in employment and business opportunities, leading to an improved range of jobs for everyone. To achieve this, workforce skills and infrastructure needs to be improved to retain and attract employers, and the district needs to maintain a presence and appeal to potential investors.

5.1.3 Cambridgeshire Asset Management Strategy (2011-2021)

The Cambridgeshire Asset Management Strategy (AMS) is an innovative collaboration of the County Council, all five district councils, the Police, Fire and Rescue Service and the Primary Care Trust from across Cambridgeshire. To put that into context, collectively Cambridgeshire's public sector asset base has a book value, as at 31 March 2010, of £1.53 billion made up from £1.19 billion of operational property and the balance from non-operational property.

The overriding aim of the AMS is to get the best value from the combined public estate providing what is needed for service delivery to the service users in Cambridgeshire and driving optimum benefits from any investment estate. In general terms, the vision is that the partners are able to effectively collaborate in relation to strategic asset management and to rationalise the combined operational estate.

On a practical level, the AMS encourages much closer collaboration and working relationships between public sector partners in Cambridgeshire. The Making Assets Count Programme Board (MAC) oversees the implementation of the AMS, with senior management representing each partner. The AMS, through MAC is as much a cultural initiative, as much as it is about physical asset management. The Council's AMP will continue to accord with the overarching principles of the county-wide AMS.

5.1. Localism

The Government is committed to passing new powers and freedoms to Local Authorities. They intend that power should be exercised at the lowest practical level - close to the people who are affected by decisions, rather than distant from them. In challenging financial times, this flexibility is enabling local authorities to innovate and deliver better value services to its taxpayers.

Fenland has fully embraced this decentralisation of decision making, actively seeking to engage with other public sector partners to drive financial and efficiency savings to the benefit of the public purse and to the customers who receive Fenland's services. Indeed, community asset transfer, co-location and shared services represent just a few of the initiatives that FDC has embraced to drive efficiencies and realise savings. The Government's Localism Act of 2011 provided local communities with the Right to Challenge, the Right to Bid, the ability to plan through Neighbourhood Planning and the Right to Build.

- **Community Right to Challenge**

The Community Right to Challenge came into force in June 2012. This allows voluntary and community groups, parish councils or two or more members of local authority staff to express an interest in running a service currently commissioned or delivered by a local authority. Where the

expressions of interest are accepted, the local authority must run a competitive procurement.

- **Community Right to Bid**

The Community Right to Bid came into force in September 2012. The Community Right to Bid allows communities to nominate buildings and land that they consider being of value to the community, to be included on a local authority maintained list. If any of the assets on the register are put up for sale, the community is given a window of opportunity to express an interest in purchasing the asset, and another window of opportunity to bid.

- **Neighbourhood Planning**

The Localism Act sets out how communities will be able to get more involved in planning for their areas – specifically around creating plans and policies to guide new development, and in some cases granting planning permission for certain types of development.

- **Right to Build**

The Community Right to Build allows local communities to undertake small-scale, site-specific, community-led developments. The new powers aim to give communities the freedom to build new homes, shops, businesses or facilities where they want them, without going through the normal planning application process. To proceed, the proposals must have the agreement of more than 50 per cent of local people that vote through a community referendum and meet some minimum requirements (for example, they should generally be in line with national planning policies and strategic elements of the Local Plan).

5.1.5 Local Plan – May 2014

In 2014, FDC adopted its innovative Local Plan, departing from a very traditional policy approach in favour of an aspirational ‘pro-growth’ plan, focussed on significant growth and increasing prosperity. The Local Plan vision for Fenland looks to maximise the potential of the area and deliver jobs, skills, dynamic town centres, vibrant villages, improved housing, and new infrastructure.

The mainstays of the Local Plan are the aims to deliver 11,000 new homes by 2031 to accommodate a predicted 17,700 additional residents and to create some 85 hectares of employment land, producing some 7,200 new jobs over the plan period. This approach aims to combat the continual growth in ‘out-commuting’ and to ensure the Local Plan delivers a bright and prosperous future for Fenland.

5.1.6 Economic Development Strategy

FDC’s Economic Development Strategy 2012-2031 aims to promote employment growth, diversification and skills development through its four main themes:

- Enterprise
- Workforce development
- Business retention & growth
- Inward investment.

The Council's own asset base continues to support the economic growth of the district through the provision of affordable workspace and conference facilities, as well as the release of land for future housing and employment purposes.

5.1.7 Regeneration Plan

Fenland has established a high level internal project group which oversees the delivery of its Regeneration Plan. This includes a series of projects aimed at reinvigorating and rejuvenating the district, such as:

- a successful jointly supported bid to the Heritage Lottery Fund to improve Wisbech High Street
- the redevelopment of the Nene Waterfront
- improvements to transport infrastructure across the district
- reduction of the prevalence of dilapidated and empty properties with the aim of bringing them back into use.

5.1.8 Wisbech 2020 Vision

On a more localised level, Fenland are founding partners to the Wisbech 2020 Vision. The Wisbech 2020 Vision creates a bold vision for the future success of the town of Wisbech and is an exciting partnership plan to address the current and future challenges facing Wisbech to maximise the opportunities available to the town and address current inequalities and deprivation issues.

The vision has been promoted and steered by the Leaders of Cambridgeshire County Council, Fenland District Council, Wisbech Town Council and the local MP. Private and voluntary sector partners have also played a significant role in supporting the Wisbech 2020 Vision

5.1.9 Wisbech Garden Town

Part of the Wisbech 2020 Vision is to explore opportunities for the town. Such an opportunity arose as part of the recent Cambridgeshire and Peterborough devolution process to consider the potential for further growth of at least 10,000 additional homes as part of the Governments Garden Town prospectus. This is being pursued as a 'big idea' from the Wisbech 2020 Vision and further feasibility work is currently being undertaken.

5.1.10 Health & Wellbeing Strategy

Based on the Index of Multiple Deprivation (2015), Fenland is Cambridgeshire's most deprived district (ranking as 80th most deprived authority out of 326 nationally). Deprivation levels in Fenland are generally more severe to the north of the district, and this is particularly evident in Wisbech.

It has been recognised in the Local Plan that 'Fenland has high levels of obesity, low levels of exercise and healthy eating, high rates of road injuries and deaths, high rates of smoking and low male life expectancy compared to Cambridgeshire, the East of England and national averages.' This was identified in the Joint Strategic Needs Assessments for Cambridgeshire (JSNA) and NHS's Health Profile Fenland 2012.

As a result, the plan 'makes provision for appropriate housing, improved access to quality local services, healthy transport choices such as cycling and walking, access to our green infrastructure and active recreation, good place making (including creating new, and connecting with existing, vibrant and successful communities,)

and promoting renewable energy and energy efficiency to help address fuel poverty.’.

Policy LP2 of the adopted Local Plan sets out the detail behind the proposal in relation to developments in Fenland.

5.2 Progress and achievements since 2007

Since the last Asset Management Plan was produced in 2007, FDC has continued to forge ahead with its ambitious service transformation and regeneration programme. A summary of the main headlines of progress and achievements delivered over the last 9 years is listed below:

Structural & Corporate

- Completion of transfer of Council Housing Stock to social housing provider;
- Completion of the mandatory registration of all Council-owned assets with the Land Registry;
- Adoption of the Cambridgeshire Asset Management Strategy 2011-2021;
- Creation of the Assets & Projects Team – rationalisation of staffing and roles from Property Maintenance & Engineering Disciplines;
- Creation of the Business & Economy Team – rationalisation of staffing and roles from Asset & Estates Management and Economic Development disciplines;

Financial

- Disposal of £5.4 million of surplus assets
- £23 million receipt received from the Housing Stock Transfer
- Invested £330,000 to refurbish the Council’s ageing Light Industrial Units
- Secured an annual saving of £27,000 from co-location at Whittlesey & Chatteris Community Hubs
- Raised circa £45,000p.a. through sharing surplus office space with public sector partners (Cambridge and Peterborough Foundation Trust (CPFT), community organisations and grounds maintenance contractors)
- The total spend on the Capital programme up to March 2016 was £49 million

Physical

- Construction and completion of The Boathouse Business Centre in Wisbech
- Construction and completion of South Fens Enterprise Park
- Construction of the Chatteris Leisure Suite
- Extension and refurbishments to the Hudson, George Campbell and Manor Leisure Centre’s
- Community Asset Transfer of Wisbech Market Place to Wisbech Town Council

- Rationalisation and refurbishment of the Council's Public Conveniences
- Community Asset Transfer of surplus public conveniences to Wisbech & March Town Council's
- Construction of Whittlesey Bus Station and the creation of a pedestrian friendly market square in Whittlesey (funded by Cambridgeshire County Council).
- Vacation of Chatteris & Whittlesey One Stop Shops and a move into Community Hubs
- Managed the £1.1 million remediation scheme at the Nene Waterfront (NWF) sites;
- Disposed of Lot 1 of NWF in Wisbech to create 70 new dwellings, including 24 affordable units.
- Investment into our car parks throughout the district, including refurbishment and replacement of lighting, drainage, surfacing and lining.
- Port estate investment into boatlift, slipway, boatyard and workshop facilities.

Environmental

- Since 2009 the Council has undertaken 30 energy efficiency projects across the estate, which will save around £72,500p.a. & £1.1m of energy over their lifetime.
- Since 2008, and as a result of introducing a series of energy efficient measures, the Council has saved £381,731 on gas and electricity combined.
- 11 Sewage Treatment plants have been transferred out of FDC's ownership.
- Retained Sewage Treatment Works have benefited from capital investment to improve the quality, efficiency and environmental acceptability of FDC's Sewage Treatment assets with £400,000 worth of replacement works and £260,000 worth of refurbishment works.

5.3 Portfolio Summary

What we own

The Council has a diverse property estate spread across the district. The estate includes assets in each of the 4 market towns of Chatteris, March, Whittlesey & Wisbech, together with a number of assets in the surrounding villages and the rural environment. The estate is predominately freehold and reflects the historic preference of asset ownership. The broad dimensions of the portfolio are summarised in the Portfolio Summary in figure 1 below.

It should be noted that when considering the Portfolio Summary in figure 1, further condition surveys are to be completed, which will include: Wisbech Port; Sewage Treatment Works, the Council's light industrial units; public conveniences and miscellaneous community buildings. As part of the asset management regime, costings and funding will be developed further and the values in figure 1 below will be subject to change.

Portfolio Summary – what we own (continued)

The Council is a District Local Authority and differs from the services provided by Unitary and County Local Authorities. FDC's core service areas include:

- Corporate Services
- Leisure
- Parks and Open Spaces
- Housing
- Community
- Environment
- Economic Estate
- Port Estate
- Car Parking & Sewage Treatment

The Council continues to recognise that it must minimise expenditure in order to release revenue for service priorities. Total property running costs were £3.16 million in 2015/16 representing 24% of the Council's net annual spend. Of this, utility costs account for almost 19% of the annual running costs.

5.3.1 Types of Asset owned

Operational Assets are property assets which are held, occupied, used or contracted to be used on behalf of the Council in the direct delivery of the services for which it has a responsibility, whether statutory, discretionary, for the service or the strategic objectives of the Council. The Council's Operational assets include: FDC's Leisure Centre's, The Base, 'Fenland @ your service' shops and Community Hubs.

The requirements for, and changes in, operational property will be drawn from the Councils Business Plan and Service Plans which are prepared in conjunction with service managers.

Non-Operational Assets are property assets that are not used for operational purposes, such as:

- surplus property
- assets held for income producing or commercial development purposes (examples include FDC's Light Industrial units & the Nene Waterfront Regeneration Area)

Non-Operational assets directly contribute towards the Council's financial and capital strategy. Sound management principles are employed to maximise their contribution towards the corporate priorities.

The rationale for continuing to hold non-operational assets will be challenged through the asset challenge review process.

Leased out - 27% of the portfolio is leased out and this comprises a variety of different asset types and properties occupied by private individuals and companies, as well as community and sports groups.

In 2015/16 The Council received an income from its assets of approximately £935,000 and comprises:

- £788,385 - Business Premises,
- £17,944 - Land & Buildings,
- £102,480 - Port Estate,
- £23,863 – Miscellaneous

The Council recognises that it is important to ensure that the Business Premises estate meet occupancy targets, thus minimising empty business rates liability and void holding costs. Investment in the Council's older light industrial stock has ensured compliance with statutory obligations, helping to reduce voids and ensure continued tenant satisfaction.

Surplus sites account for approximately 17% of the portfolio and extend to approximately 45.7 Hectares (113 Acres). The Council has a rolling 5 year disposal programme ensures that the Council prioritise disposal based upon potential capital value and cost to the authority in holding the vacant site.

A significant number of surplus sites were retained following Housing Stock Transfer in 2007 with the sole intention to raise capital receipts. However, the resultant economic crisis and reduction in resources has significantly slowed the process of disposal. The Council is currently engaged in a process to bring forward a larger number of disposals.

Surplus asset disposals play a key role in securing funding for the Council's capital programme and over the last 8 years have produced capital receipts of £5.4 million.

5.4 Condition and Repair

During 2015/16, the Council spent £656,020 on building and sites maintenance and repair. The current ratio of reactive to planned maintenance is heavily weighted in favour of reactive maintenance, with the exception of service and maintenance contract works which account for approximately 5-10% of the overall expenditure.

It is important that the Council surveys and records the condition of its assets to assess and identify any immediate health and safety issues, risk or liabilities to the Council. Investment needs also need to be identified to ensure that buildings remain in a reasonable state of repair.

New condition surveys have been completed for 10 key Operational Assets and our surface car park estate. To date, resources have been assigned to the delivery of the Council's capital programme. However, a rolling programme of condition surveys and a planned maintenance programme will be developed to address the areas identified within the surveys.

Condition surveys are assessed on Condition Rating of A-D (A being Good) and a Priority Rating of 1-4 (1 being Urgent). The completion of the first tranche of Condition Surveys (10 key operational assets); together with our car parking estate has enabled the Council to also establish that the current value of backlog repairs to the portfolio is £3.95 million. Excluding the surface car parks, the value of backlog repairs to the key operational assets

so far surveyed amounts to £3.29m, of which £630,000 (19%) are deemed urgent or essential. Of the 10 key assets surveyed, 70% are considered to be in a Good condition, 30% in a Satisfactory condition and none that considered to be Bad or Poor.

Further condition surveys are in progress including Wisbech Port, the Council's light industrial units, public conveniences and miscellaneous community buildings which will lead to the creation of a planned maintenance and repair plan which will link to funding requirements. It should be recognised that the estimated repairs exclude the asset challenge process recommended in this plan, so this approach will help drive down requirements.

5.5 Age, suitability and sufficiency

The value of performance information collection cannot be over-emphasised and enables a fuller assessment of the contribution individual assets make to the Council's objectives. As well as ensuring buildings are in a reasonable state of repair, they also need to be suitable (fit for purpose) in order to support service delivery. A building which is of the wrong type in the wrong location can impact on the quality and effectiveness of service delivery from it.

As with condition surveys, it is important that assets are regularly reviewed for suitability. A review of the suitability of the Council's operational portfolio has been completed, however the value of this review may be limited as it was undertaken prior to the recent CSR process. It is intended that a further Suitability Review should be undertaken once further work has been carried out in relation to the CSR process.

5.6 Statutory Compliance

Statutory Compliance, as the title infers, imposes a series of mandatory responsibilities upon the Council as a corporate body and is discharged by Duty Holders on behalf of the Council's Chief Executive Officer.

Statutory compliance includes a wide range of responsibilities in connection with areas which include:

- Legionella
- Gas & Electricity Safety
- Control of Asbestos at Work
- Confined and controlled spaces
- Pressure Systems
- Operational safety risk assessments
- Machinery and plant maintenance and inspection
- Working at height
- Protective equipment
- Fire safety, detection and suppression equipment

In the majority of cases, the Council's Assets and Projects Team discharge these functions, maintaining a register of inspections, issuing permits for works and collating and actioning recommendations. In addition, appointed Duty Holders within Service Areas are also responsible for certain compliance tasks and subsequent reporting processes.

Health and safety and statutory compliance adherence remains at the centre of all aspects of Asset, Estate and Facilities Management. Failure to comply and meet stringent standards can at worst lead to death or serious injury and is often punishable by custodial sentences and/or unlimited fines.

Recent developments in the construction industry and the enacted Construction (Design and Management) Regulations 2015, which replace the 2007 CDM regulations, implement new requirements and duties on all owners of assets, whom intend to undertake works of refurbishment, repair or construction.

5.7 Sustainability and Energy

5.7.1 Energy Consumption & Management

The Council has recently adopted an Energy Plan 2016-19, which is the third 'Keen to be Green' Energy Savings Plan. The plan looks to identify actions which the Council can implement over the next three years in order to continue to realise financial savings and reduce energy consumption. The plan has been developed to deliver the following strategic objectives:

- Long term year on year revenue savings through energy management projects
- Enhanced building, facilities and assets
- Waste minimisation and diversion away from landfill
- Behavioural change through environmental awareness campaigns
- Integrated energy savings within Council policies and procedures

An energy baseline assessment has recently identified that the Council's Leisure facilities account for around 70% of the overall energy consumption. Energy efficiency projects have recently commenced to reduce demand and increase efficiency at these locations, with all of the Council's other operational premises being reviewed at the same time.

In recent years, the Government has focussed efforts, through legislation, to encourage carbon reduction and increased energy efficiency measures. Measures include the introduction of Energy Performance Certificates (EPC's) and Display Energy Certificates (DEC's), revision to Building Regulations and simplifying Planning Policy for energy generating products. In the past, FDC has considered the installation of Solar PV on operational premises but has chosen not to proceed. In the current financial context and with the aid to the latest Energy Plan 2016-19, projects to reduce revenue expenditure are likely to be scrutinised in greater detail.

Legislative changes coming into effect in April 2018 will make it illegal to let any property with an energy performance rating of F and G. Work is ongoing to ensure that all FDC premises are compliant with these requirements.

5.7.2 Green Leases

The 'green lease' was first developed in Australia where its use became mandatory in all Government owned and occupied buildings. It was then expanded to the private sector around the world as a voluntary initiative

There is currently no agreed legal definition of a green lease. However, the intention of such a lease arrangement is to improve the sustainability of a rental building by providing a system for engagement between owners and occupiers in relation to environmental management and performance.

Essentially a green lease contains additional provisions whereby the landlord and tenant undertake specific responsibilities or obligations with regards to the environmental operation of a property. At the most basic level, a green lease seeks to remove restrictions contained within a standard lease that prevent energy efficiency works taking place. It is likely that green leases will become more commonly adopted as legislation to deal with legally binding carbon reduction targets in the Climate Change Act 2008.

The Council needs to consider, in line with its commitments to reduce energy consumption, whether it should adopt a model Green Lease for its investment estate. Adoption should follow a criteria-based application, with clear outputs and outcomes which seek to reduce operational expenditure and improve operational efficiency and/or increase rental income.

5.8 Performance Management and Data Recording

Data is currently collated in a series of disparate systems and spreadsheets, which does impede the assessment and analysis of performance data. The Council corporately employs the use of the Uniform IDOX system which includes an Estates and Asset Management module. To date, this system has only been populated with basic data.

The Uniform IDOX system is capable of recording and reporting upon the following information:

- Register of all land and property assets
- Ownership details
- Occupation details, including third party occupiers
- Financial information regarding cost of ownership, occupancy and income
- Valuation information
- Reports upon asset condition, surveys and statutory compliance data
- Legal title and restrictions
- Linkages to terrier and spatial GIS data

A large volume of data is captured by the Council's Assets and Projects and Business and Economy Teams. This includes operational data recording, but further measurement is needed to address the following areas:

- The condition of the asset
- The cost to the Council of owning and/or operating the asset
- The suitability of the asset to deliver the service operating from it
- How used the asset is (sufficiency)

- Environmental impact of the asset

The outcomes will be measured by a range of specific Performance Indicators, which will ensure that the portfolio of assets is being managed effectively and efficiently.

6 Where do we want to be?

6.1 Vision, mission and objectives

The Council's priorities, as contained within the Councils Business Plan are to 'support the overarching aim of improving quality of life in Fenland'. Good asset management plays a key part in supporting these aims and to this end the Council has adopted the following Asset Management Vision, Mission and Objectives:

Asset Management Vision 2019

"To ensure that Fenland District Council operates an efficient and effective estate which supports the Council's Corporate Priorities and provides sufficient flexibility to respond to change and to enable the cost effective delivery of Council services across the District"

Asset Management Mission

"To be a robust and well managed Authority, recognised for good quality Asset Management, working together across the whole public sector estate to achieve efficiency targets, realise cost savings and work to provide a cohesive and effective service to our customers and the Community at large".

Asset Management Objectives

During the time horizon of this Asset Management Plan the Councils objectives are to:

- Improve quality of the operational estate
- Deliver a reduction in costs through a more efficient operational estate
- Align the use of property resources with service delivery requirements
- Establish transparent and consistent decision-making on assets that takes account of the full costs of service delivery
- Use data more effectively to manage and maximise benefits for the asset base
- Ensure our assets are fit for purpose, safe and compliant
- Increasing the level of income generated by the Council's assets
- Reducing expenditure associated with the Council's assets
- Improving the quality of services delivered by the corporate asset function

6.2 Corporate Objectives Linked to the AMP

The AMP continues support the Council's Business Plan and key priorities under the headings of Communities, the Environment and the Economy. For further information on the correlation between the AMP and the Council's Business Plan, please see figure 3.

6.3 Asset Management Reporting Framework

The Leader of the Council has appointed Cabinet Members who have a specific portfolio of responsibility. Asset Management is the responsibility of the Portfolio Holder for Growth, who acts as the member lead for asset management. The Council's constitution delegates specific responsibilities to the Portfolio Holder for Growth with respect to property issues and asset management. The Cabinet, Portfolio Holder and/or Corporate Property Officer (CPO) are responsible for making decisions with respect to matters such as acquisitions, disposals and the appropriate use and management of assets to deliver the Council's priorities.

The Corporate Management Team (CMT) leads the officer contribution to strategic development and direction, and comprises the Chief Executive and Corporate Directors. CMT meets regularly, and the CPO is responsible for briefing CMT on property matters to enable CMT to consider issues affecting the AMP in the context of the Council's wider objectives, please see figure 3

6.4 Role of the Corporate Asset Team (CAT)

By adopting a 'Corporate Landlord Model', FDC will reinforce and enable the Corporate Asset Team (CAT) to act as a single point of reference and responsibility for all estate planning matters. The day to day delivery is delegated to the Head of Assets and Projects and the Head of Business and Economy.

Within the CAT, the Corporate Director for Growth & Infrastructure is the Council's Corporate Property Officer (CPO). As a member of the Council's Corporate Management Team (CMT), the CPO has the responsibility and authority to implement the necessary actions to facilitate effective asset management.

The CAT's objective is to promote the effective use and management of the Council's assets in accordance with good standards, adhering to internal policies and defined standards, including those established by external bodies.

Figure 2 below explains the cascade of responsibility and the relationship of Asset Management within the organisation

The AMP does not exist in isolation but is set within the context provided by other corporate, business and service plans and is influenced by and influences other strategies and initiatives that support FDC's aims and objectives. Figure 3 below explains how the AMP features within the wider context.

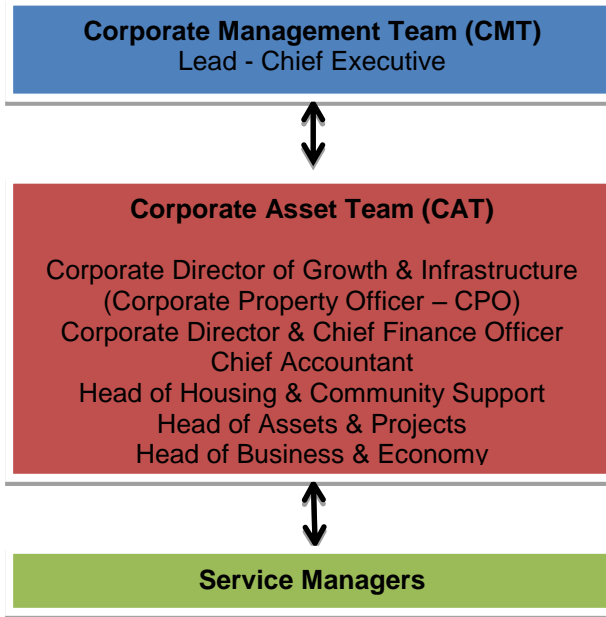


Figure 2: Roles and responsibility of Asset Management within FDC

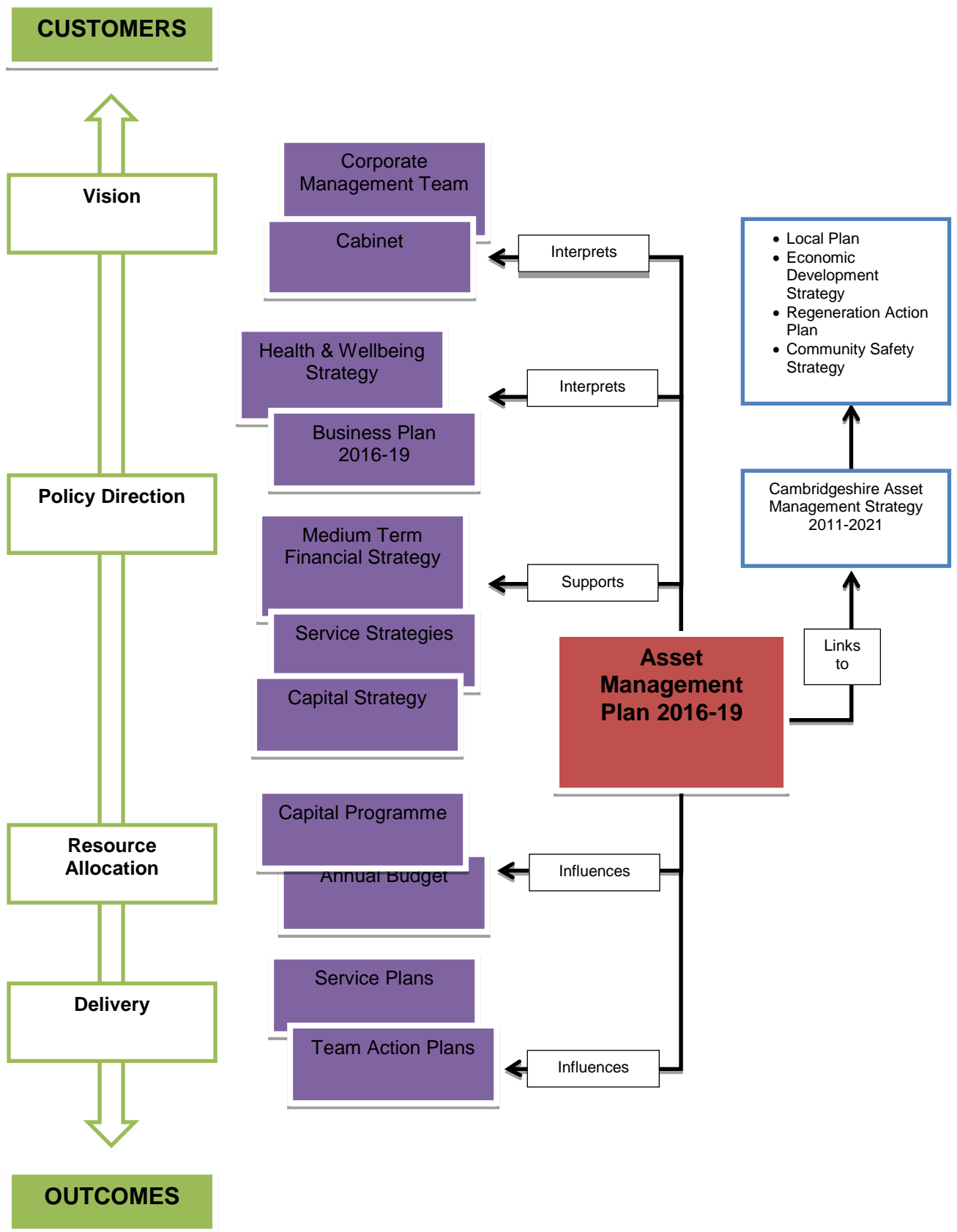


Figure 3: The role of the AMP in line with FDC's aims and objectives

6.5 Strategic Asset Management Priorities

The future strategic direction of asset management in Fenland will need to ensure that the Council's asset portfolio is fully utilised, cost effective and efficient. In future it is anticipated that the Council will have a smaller asset base and the assets retained will be used more intensively and likely to produce additional income.

Assets will need to be more flexible and compliment collaborative service models which may dictate the requirement to share accommodation or further rationalise FDC's retained asset base. Our management and use of assets must also support the Council's move towards financial self-sufficiency.

Fenland is very well placed to support collaborative service delivery, already a founding member of the Making Assets Count Programme, and a partner to the County-wide Asset Management Strategy and engaged with Public Sector Partners to share premises and services.

The strategic direction will reflect changes in customer demand, the point of service delivery (and whether this is physical or virtual) and how the capital expenditure requirements can be better and fully utilised

FDC wants to ensure that the limited resources it has are channelled in the most effective way to maximise the impact for the benefit of our customers and partners.

The Council's strategic asset management priorities were identified by assessing how successful the existing asset management practices are and considering where improvements and refinements are required to ensure that FDC achieves its vision to:

- operate an efficient and effective portfolio which supports the Council's Corporate Priorities
- provide sufficient flexibility to respond to change
- enable the cost effective delivery of Council services across the district

Our strategic asset management priorities are:

- 1. To establish a stronger asset management culture;**
- 2. To improve the understanding how retained assets perform;**
- 3. To challenge whether all of assets need to be retained;**
- 4. To dispose of assets no longer required or explore alternative uses;**
- 5. To improve the financial management and decision making processes;**
- 6. Where appropriate and justified, to acquire new assets;**
- 7. To maintain and continue to invest in retained assets;**
- 8. To maximise the efficiency of retained assets;**
- 9. To better utilise retained assets;**

Section 6.6 below includes an explanation of how the 9 Strategic Asset Priorities listed above can be achieved. The actions needed to achieve these aims, who will deliver them and the target date for completion are included in the action plan in section 7.

6.6 Strategic Direction for Asset Management

6.6.1 Establishing a stronger asset management culture

Improved positioning and profile of Asset Management

The continuing financial challenges facing FDC highlights the importance of managing our asset resources efficiently and effectively. This will involve underlining the strategic importance of asset as a resource and the effective communication to Members and officers alike.

It is important to establish clear priorities in order to ensure that the most pressing issues and initiatives are addressed. With a reducing Capital Programme, resources are increasingly focussing upon revenue-funded activities, such as maintenance, data management and service liaison.

Greater implementation and integration of The Corporate Landlord

Under a Corporate Landlord model, the ownership of an asset and the responsibility for its management, maintenance and funding are transferred from the service team to the 'Corporate Landlord', which is a centralised corporate body. In FDC's case, duties are discharged by the Assets and Projects and Business and Economy Teams. The service team would be required to make a case for occupation or additional expenditure/investment within the property from which they wish to deliver a service from and the Corporate Landlord, thinking strategically, is able to allocate space or budget for repairs, or manage investment within the premises, ensuring that such does not exceed the requirements for service delivery and is balanced against the Council's asset base.

Ownership of assets sits with the Council corporately and not the individual service areas. Occupation should be reviewed strategically and regularly with services to ensure that the buildings are being used to best effect and provide value for money to the Council or maintain a service to the Community at the expected levels.

Whilst the Council has adopted some of the principles of a Corporate Landlord model already, a continued application of this model needs to be implemented, with further support given to Service Managers. This will help to ensure compliance and to encourage cross-service opportunities to optimise the portfolio and avoid inefficient resource management and needless expenditure.

Please also see actions 1 and 2 of the AMP Action Plan 2017-20.

6.6.2 Improved understanding of how retained assets perform

Improving Portfolio Knowledge

FDC's performance data is presently contained within a variety of paper and electronic databases and access to information is not integrated. Good asset data is and should be, central to good decision making.

Improvements are required to support data recording, management and analysis and it is considered essential that greater use is made of the Council's IDOX Uniform asset database. This would also help to ensure improved reporting,

monitoring of expenditure and management of lease activities which will enable the effective allocation of the limited resources available. In turn, such actions will lead to operational efficiencies, income maximisation and expenditure rationalisation.

GIS at Fenland

GIS and the benefit upon the management of assets with reliable spatial data cannot be over-emphasised. FDC needs to improve integration and spatial data management practices to ensure that data can be analysed and shared, and that it is accurate and up-to-date. Significant efficiencies could be achieved if improvements to the spatial recording of data are made, providing that such advances link with improvements in data recording and analysis.

Please also see actions 3 and 4 of the AMP Action Plan 2017-20.

6.6.3 Challenging whether all assets need to be retained

Asset Challenge

In the past, the Council has taken a limited 'asset by asset' approach to asset challenge, which reduces the strategic effectiveness and ability to maximise the value of its retained assets. The Council should develop a formal asset challenge policy, giving rise to a review of all Operational and non-Operational assets.

Asset challenge at its basic level should provide a clear and unbiased assessment of all Operational and non-Operational assets. Initially this could be undertaken on a thematic or 'service by service' approach, for example assessing all Leisure assets or corporate accommodation assets at the same time. Data collated from suitability and condition surveys can assist in assessing whether the cost of refurbishing or reconfiguration of asset exceeds the benefit of disposal. Where possible, the Council should consider releasing assets with a high level of backlog maintenance where there is economic justification. Disposal could lead to the re-investment of funds to acquire or construct new premises, or could lead to sharing premises or the adoption of an entirely different delivery model.

Please also see action 5 of the AMP Action Plan 2017-20.

6.6.4 Disposal of assets no longer required or exploring alternative uses

Asset Disposal

As with the continuing challenge to only occupy and operate assets that support service delivery, or generate income to support services, the need to dispose of costly or burdensome assets is a key objective. Disposals and the release of capital receipts will link with the Councils Capital Strategy. Options for disposal will include sale, letting or management agreement.

The Council has an existing Surplus Land register and this forms the basis of a reducing 5 year disposal programme. The programme will continue to apply a strategy of prioritising the disposal of assets that are the most costly to maintain. The method of disposal will be considered by the Business and Economy Team in consultation with the Corporate Property Officer, Portfolio Holder or Cabinet (where necessary) and an established process and policy is currently in operation.

Community Asset Strategy

The Council has, in the past, supported the transfer of property assets to Town and Parish Councils and community groups as a mechanism to promote community sustainability and service delivery. Community asset transfer, undertaken in an effective manner, can bring significant benefits to both the Council and the community at large. The Quirk Review, published in 2007, was the first formal review of the role of the community in the management of public sector assets. It considered that a great many benefits can arise if Community Asset Transfer is used effectively and FDC should look to implement a formal policy that supports this approach where it is in the interests of the Council and the community.

Asset Management to Deliver Growth and Regeneration

A key driver of Fenland's future fortunes is the growth of the district - more homes and more jobs are likely to lead to greater prosperity. The adopted Local Plan supports Fenland's ambitions and the Council's own asset base will be fully exploited to support this growth. Assets which are located in identified growth areas will be positioned to maximise development, redevelopment and financial benefits to the Council and the District.

Optimising the portfolio in a difficult market

The Fenland district is recognised as one of the lowest value areas in the country. Recent information published by the Valuation Office Agency indicated that Fenland has the lowest average residential land values in England. Traditionally private developers have been slow to invest in the area.

Although the property market has shown improvements since the depth of the recession in 2008, capital costs associated with development costs often exceed market value of the completed projects resulting in significant viability difficulties. Timely release of potential development land will aid the capital receipt projections, but will also not overburden the market by offering too many development sites for sale at any one time.

The Council holds a non-operational investment estate which produces a revenue surplus. The estate comprises a combination of light industrial and serviced office premises and was established to provide start-up business premises. Whilst continued occupancy levels are robust, the Council must now challenge whether these asset are in fact investments, rather than just economic development drivers.

Please also see actions 6, 7, 8 and 9 of the AMP Action Plan 2017-20

6.6.5 Improving the financial asset management and decision making process

Budget Management

The Council's annual Budget and Medium Term Financial strategy clearly state that the Council will continue to drive efficiencies, looking at alternative models of service delivery and indeed, through the CSR process, consider which services might no longer be provided by the Council or provided in a different way. Budgetary controls and improved consequence modelling will assist the Council in managing the impact of such changes.

The recent implementation of the updated Agresso accounting system has facilitated the use of commitment accounting, providing a greater understanding of where funds are already committed, and enabling the residual funds, particularly repairs and maintenance, to be allocated more effectively. The revised Agresso system also improves reporting for budget holders and this is particularly important when reviewing spend profiles against budgeted projects or repairs. Further training would help to promote further utilisation of the Agresso system for enhanced budget management.

Revenue

In terms of revenue income, the rent accounting and collection processes need to be reviewed. Whilst some progress has already been achieved between service teams, further improvements to reporting and 'real time' assessment of rent accounts are required and the Council should consider this as a priority.

Capital

There have been three main areas of challenge in relation to securing capital receipts:

- The prioritisation of relevant staff resources to other important service areas e.g. capital project delivery. When disposing of assets through Private Treaty sales, delays have arisen when unforeseen claims or difficulties have arisen during the disposal process.
- The underlying local market is not as strong as it could be.

Development viability locally has proved challenging and this is reflected in the land values being received.

Option appraisal and project prioritisation

The CAT has traditionally undertaken an assessment for Capital project approval and has assessed applications from services as to where available capital should be invested. As direct result of austerity, the reducing capital programme has resulted in capital prioritisation in circumstances only where such investment:

- is of a statutory nature
- is health and safety-related
- protects or mitigates losses from an asset
- is considered a 'spend to save' initiative or increases revenue.

Where project proposals fall outside of these criteria, it will be rejected. The assessment criteria is considered robust, however the business case development for approved projects could benefit from further development.

Please also see actions 10, 11, 12 and 13 of the AMP Action Plan 2017-20

6.6.6 Where appropriate and justified, acquiring new assets

Asset Acquisition

Whilst the thought of acquiring an asset at a time of austerity may initially appear counter-intuitive, a review of our asset suitability will identify how intensive and well

utilised our existing assets maybe. In certain justified circumstances, it may prove to be more prudent for FDC to pursue an acquisition (either through leasehold, freehold or new build opportunities) of a new, fit for purposes assets for service delivery.

In addition, assets may be acquired to support our investment portfolio to increase financial returns. Assessment of such criteria will differ from the Council's operational estate requirements and will set clear criteria and policy in which asset acquisition may be appropriate for operational needs, capital receipts or investment returns.

Please also see action 14 of the AMP Action Plan 2017-20

6.6.7 Maintenance and continued investment in retained assets

Improving Asset Management Practice & Policy

A review of all Asset Management Policies is required, to ensure that local and national property-related initiatives and key legislation have been established or revised.

Maintenance and Repair

It is absolutely imperative that the Council places significant gravity on the continued upkeep and maintenance of its assets and with the aim of ensuring that the majority of future expenditure is spent on planned maintenance, rather reactive repairs.

Planned preventative maintenance (PPM) requires significant improvement. The benefits of PPM cannot be overstated, resulting in less down-time or disruption to services, improved and effective budgeting and the reduction of the risk of breakdown or failure. At present, the ratio of reactive to planned maintenance is heavily in favour of reactive. This increases the 'in-year' financial risks of not being able to plan for unexpected maintenance or costly repairs.

The completion of the current round of condition surveys undertaken in support of this AMP will enable FDC to develop a Planned Maintenance Plan, which in turn will ensure that investments made will reduce backlog maintenance issues, whilst providing a stable platform and justification for future expenditure. This will enable FDC to plan for future areas of capital expenditure and creating greater resilience to meet 'in-year' maintenance challenges from the revenue account.

Capital programme/projects

FDC has had a strong track record in the delivery of its capital programme, with investment shared between the delivery of new assets (South Fens Enterprise Park, Chatteris Leisure) and remodelling and refurbishing existing assets (Manor and Hudson Leisure Centre's and Light Industrial Units). However, with the significant savings required, the capital programme is much reduced, focussing solely on consolidation, 'spend to save' initiatives and health and safety related projects. In future years, there will be a continuing need to consolidate capital spending. Following the completion of the condition surveys, it will be essential that funds are directed towards appropriate projects.

Access to funding

A reduction in funding from Central Government to Local Authorities is forcing local authorities to work smarter and become more financially self-sufficient. FDC will continue to look towards opportunities to exploit growth in Business Rates revenue to increase the revenues retained, and through the release of its own commercial development land, to raise capital receipts and increase levels of occupancy of its business premises estate to maintain stable revenue income. In future, the Council may need to consider borrowing to ensure it is able to satisfy its future capital programme and meet the needs of its investment ambitions. That said, borrowing will not be undertaken lightly and a robust business case will be required, together with a process of assessment and option appraisal to ensure that borrowing is the most appropriate approach.

Please also see actions 15, 16, 17 and 18 of the AMP Action Plan 2017-20

6.6.8 Maximising the efficiency of retained assets

Energy Efficiency

As already stated, approximately 70% of the Council's energy consumption is from the Leisure service, which operates 4 leisure centres (including 3 swimming pools). The Council has recently approved an £830,000 investment towards energy efficient and cost reduction measures aimed at reducing the operational cost of the Council's 4 Leisure Centres. The investment will be made on an 'invest to save' basis, where it is expected to payback within 10-14 years, and provide the Council with a return on investment of 6-10%.

Where the Council has embarked on 'new-build' projects, sustainability standards (predominately BREEAM), have been obtained. Not only will efficient construction and retro-fitting help meet ever more stringent environmental and sustainability standards, but it will also reduce the operational expenditure of our assets.

A review of cost of consumption of power and heating is to be undertaken with a view to identifying methods of cost reduction through use of Building Management systems and smart metering.

Please also see action 19 of the AMP Action Plan 2017-20

6.6.9 Better utilisation of retained assets

Business Transformation

In order to ensure continued financial and service sustainability, FDC has embarked upon a programme of Business Transformation, reviewing how it manages paper-based records and transactions (Paperless Project), how and where it engages with its customers (Channel Shift), how it utilises its corporate office accommodation (Accommodation Review and Agile Working). These crucial elements will continue to ensure that FDC challenges the way it uses space and the amount of space it requires in order to deliver its services and might include requirements to invest in appropriate technology to support agile and flexible working practices. These initiatives will continue to form the structure of continuous review to ensure that assets are utilised fully, or disposed of, where they are no longer justified.

Partnership working, Shared services and joint working

The prudent financial management and continual evaluation of the Council's financial position has placed the Council in a strong position. We will continue to work closely with our partners ensuring that money spent from the combined public purse is targeted and used effectively.

Existing partnership working has included the creation of community hubs in Whittlesey & Chatteris, joining CNC Building control and the Anglia Revenue Partnerships. Working collaboratively is a key objective of the Council, resulting in full commitment to the County-wide Making Assets Count programme. It is further acknowledged that as funding models changes and service delivery evolves, the Council will need to retain flexibility in the way that it approaches the occupancy of its existing operational estate. The Council must continue to work collaboratively with its partners to ensure the utmost efficiency of its budget.

Asset management and value for money

Baseline assessments of our operational and non-operational assets and recording of key performance measures will help to ensure the continued adherence to best value principles. A healthy challenge of the way we deliver services and the assets we occupy to do so, will become ever more important.

Please also see actions 20, 21 and 22 of the AMP Action Plan 2017-20

7 How do we get there?

7.1 AMP Action Plan

The AMP Action Plan below acknowledges the challenges set out in previous sections and outlines how the 22 actions will be achieved.

The delivery of this Action Plan will be agreed with the Portfolio Holder for Growth and the Corporate Property Officer and will remain under regular review to ensure that targets are met and in response to external factors, the Action Plan remains flexible, ensuring resources allocated to meet the needs of the Action Plan.

ACTION REF	Purpose	Action
Establishing a stronger asset management culture		
1	Improved positioning and profile of Asset Management	Ensure strong leadership from CMT, providing support to service managers to emphasise their roles and responsibilities to ensure that they understand the importance of managing the Council's asset resources efficiently and effectively;
2	Greater implementation & integration of The Corporate Landlord	Review the terms of reference of CAT and the CPO to provide governance on discharge of the 'Corporate Landlord' role. Ensure that an appropriate Corporate Landlord Model is fully implemented, ensuring that Corporate Directors & Service managers understand how the Corporate Landlord model works; Ensure that repairs & maintenance spend is overseen by the Assets & Projects Team and that budgeting and financial processes are amended to accommodate the centralisation of revenue & maintenance budgets; Meet at least twice a year with Service Managers to discuss asset and premises related matters;
Improved understanding of how retained assets perform		
3	Improving Portfolio Knowledge	Revise and implement a series of new and meaningful performance measures, establish new processes for capturing the revised performance measures and use

ACTION REF	Purpose	Action
		<p>the data to help make informed asset decisions;</p> <p>Establish a project group who will oversee the collation and input of data onto the Uniform IDOX system, using the IDOX system to make better informed decisions in connection with the Council's asset portfolio.</p>
4	GIS at Fenland	Ensure that spatial & contextual data are linked and utilised via Uniform IDOX, using spatial data records to make better informed decisions and assist with the Asset Challenge process;
Challenging whether all assets need to be retained		
5	Asset Challenge	<p>Develop a series of criteria to aid the decision making process, including, where appropriate, the preparation of option appraisal and formal business cases including a programme of implementation;</p> <p>Implement a portfolio-wide challenge programme;</p>
Disposal of assets no longer required or explorations of alternative uses		
6	Asset Disposal	<p>Review existing asset disposal policy;</p> <p>Review the existing surplus land disposal list and re-profile the programme to ensure it reduces the overall revenue burden of holding surplus premises;</p> <p>Link the management of the disposals programme and the realisation of capital receipts with the Council's Capital Strategy.</p>
7	Community Asset Strategy	Create an effective community asset transfer policy, in accordance with best practice guidance, which includes assessment criteria to support decision making in each case;
8	Asset Management to Deliver Growth & Regeneration	Identify the assets considered to have strategic importance and those most likely to deliver growth and regeneration and develop an options paper to determine how FDC could maximise value/development from these sites.
9	Optimising the portfolio in a difficult	Ensure that long term objectives are defined for the investment portfolio and

ACTION REF	Purpose	Action
	market	develop an asset investment strategy to support a sustainable economic footing.
Improving the financial management and decision making process		
10	Budget Management	<p>Ensure that budgetary controls relating to operational expenditure on assets is centrally managed by the Assets & Projects Team (e.g. repairs & maintenance, energy);</p> <p>Ensure open communication is maintained with all officers who have responsibility for other areas of budgetary control affecting assets.</p>
11	Revenue	<p>Review and develop improvements to the rent accounting system, to ensure timeliness and accuracy of reporting, including the implementation of a system capable of generating VAT invoices and providing 'live' income data to improve rent arrears monitoring;</p> <p>In line with the Corporate Debt policy, review and revise the rental arrears recovery policy and process to simplify the procedure for the collection and recovery of rent arrears.</p>
12	Capital	Dispose of surplus assets, establishing achievable disposal targets to support the delivery of the Capital Programme and the development of the Capital Strategy.
13	Option appraisal & project prioritisation	Implement a review of how business cases are developed and assessed by the CAT and look to introduce a streamlined process, based upon best practice examples.
Where appropriate and justified, acquiring new assets		
14	Asset Acquisition	<p>Review and update existing acquisition policy, which will include greater scrutiny of how acquisition of new or replacement assets may support the Council's objectives and investment approach;</p> <p>Ensure that all assets built by, or on behalf of the Council, accord with good practice, acknowledging 'whole life costing' principles and are economically &</p>

ACTION REF	Purpose	Action
		environmentally sustainable.
Maintenance and continued investment in retained assets		
15	Improving Asset Management Practice & Policy	Implement a review of all existing asset policies and undertake necessary revision to ensure they accord with the existing and future needs of the authority;
16	Maintenance & Repair	<p>Ensure that condition surveys are undertaken on a rolling basis every 3 years;</p> <p>Develop a Planned Maintenance Plan from the existing round of condition surveys, which will address the repair and maintenance of those areas considered urgent and essential and focus expenditure on those assets that have a long term future;</p> <p>Aim to ensure that all premises are either in Good or Satisfactory condition within the lifetime of this AMP and that the balance of reactive to planned maintenance reduces over the period of this AMP;</p> <p>Create a ring-fenced capital repairs fund which can be used 'in year' to replace large or costly elements of asset structures or monitoring & evaluation equipment;</p>
17	Capital programme/projects	Review assessment criteria which promote 'invest to save' initiatives, reducing revenue expenditure or increasing income.
18	Access to funding	Develop criteria in which borrowing may support 'invest to save' initiatives or produce a revenue return which can provide an investment income to support the delivery of the Council's core objectives;
Maximising the efficiency of retained assets		
19	Energy Efficiency	<p>Ensure that energy consumption data is collated, and the results are used to support planned energy reduction initiatives where the payback period and return on investment is considered acceptable;</p> <p>Promote energy conservation initiatives with building/service users.</p>

ACTION REF	Purpose	Action
Better utilisation of retained assets		
20	Business Transformation	Undertake a comprehensive Corporate Accommodation Review, which will ensure better utilisation of operational assets and provide a more accurate understanding of surplus capacity and the effects of Channel Shift;
		Set clear criteria to ensure that storage capacity is optimised, seeking to reduce physical storage space, to be replaced, where necessary, with virtual storage;
21	Partnership working (AMS/MAC) Shared services/joint working	Maintain an open dialogue through the MAC programme to identify opportunities for closer working, co-location or shared service delivery;
		Continue to accord with the established principles of the Cambridgeshire-wide Asset Management Strategy (AMS 2011-2021).
22	Asset management and value for money	Approach Asset Management with a commercially and financially sustainable attitude, ensuring that all of our actions result in positive outcomes that benefit the Council and its customers;

Glossary of Terms

Acronym	Meaning
AMP	Asset Management Plan
AMS	Asset Management Strategy
BREEAM	Building Research Establishment Environmental Assessment Method
CIPFA	Chartered Institute of Public Finance and Accountancy
CSR	Comprehensive Spending Review
CMT	Corporate Management Team
CAT	Corporate Asset Team
CPO	Corporate Property Officer
DCLG	Department for Communities and Local Government
GIS	Geographical Information System
FDC	Fenland District Council
FM	Facilities Management
MAC	Making Assets Count
PI	Performance Indicator
RICS	Royal Institution of Chartered Surveyors
RSG	Revenue Support Grant
SLA	Service Level Agreement
VAT	Value Added Tax

Definitions

Whole-life costing

An investment appraisal and management tool which assesses the total cost of an asset over its whole life. It takes account of the initial capital cost, as well as operational, maintenance, repair, upgrade and eventual disposal costs.

Medium Term Financial Strategy

A strategy which outlines the Councils investment and other financial goals for the period usually defined as between 3 to 5 years.

Capital Strategy

A strategy to determine how capital resources are used to fund corporate and community priorities, and to support effective and timely investment in the Council's assets, including prioritising the Council's own investment requirements

Community Asset Transfer

A change in management and / or ownership of land or buildings, from public bodies to community and voluntary sector groups, community enterprises, social enterprises, etc.

Invest to Save

An approach to investment, where the money spent will be recovered through savings generated from that investment.