

***Place Based Productivity Programme  
Procurement, Capital and Shared Assets Workstream  
Mapping exercise of models and approaches***

*The LG group offer to government is that councils can deliver ‘more for less’, achieving better outcomes with less money. Given the scale of government spending cuts, councils must radically redesign in order to ‘protect’ front line services and achieve ‘more for less’.*

*As part of the efficiency agenda councils have been continuously looking for improvement and value for money. Some of these places had already moved their approach to ‘redesigning’ services and exploring new models of delivery. An increasing number of councils are now entering this arena since this year’s budget and the government’s announcements of future spending cuts to 2014.*

*This paper maps examples of current plans and proposals by councils who are exploring new models and approaches to sharing of assets and procurement services and consideration of pooling of Capital Budgets. The paper also identifies good practice case studies identified by the Audit Commission in their research carried out between September 2008 and May 2009.*

*At this stage the mapping has focused, in the main, on whole council approaches, and it is possible to map examples of new service specific models at a later stage. This agenda is moving at a fast pace, so this paper captures examples to illustrate current thinking but it is not, and cannot be, a comprehensive picture of all activity on this theme. Initial figures show that there is at least £370bn of public sector assets around the country with £30bn of central government funds spent on buildings per annum.*

*The following categories are offered as a way to navigate the different models and approaches councils and public sector partners are exploring. Although examples are given in each category there are no ‘pure’ examples. In practice many councils are mixing and matching different elements to suit local circumstances.*

*From the research there are many examples of collaborative working with other public sector partners, particularly PCTs, however, the current innovative practice has to be around mapping the public realm of an area, working with all public sector partners in that area and establishing a vehicle to deliver an area based asset management approach and efficiencies (whether through an asset backed delivery vehicle, joint venture, property company or property alliance).*

## **New and Emerging Delivery Models:**

### **1. Public Sector Property Company:**

The council is in the process of establishing a public sector property company to include all operational and non-operational property of the constituent bodies participating (County and District Councils, Fire Authority, Police Authority, PCT etc). This involves mapping of the public realm across the area.

***Example: Cambridgeshire County Council (Suffolk are looking at following a similar route)***

### **2. Collaborative Estate Management Review:**

A pilot study with seven councils has identified benefits of £640m over 10 years across the West Midlands Region through collaborative review of estate management. A Property Alliance with full governance has been launched to accelerate efficiencies from the region's public estate and achieve place based public service delivery.

***Example: West Midlands Property Alliance (Pilot councils: Worcestershire CC, Staffordshire CC, Coventry CC, Bromsgrove DC, Redditch BC, Tamworth BC and Walsall Council)***

### **3. Public/Public Partnership:**

The council has established a joint public services organisation with a PCT with a single Chief Executive and a joint management team to share services and accommodation. "Hub and Spoke" model being established to share frontline services. Other public sector partners looking to join the partnership.

***Example: Herefordshire Council and NHS Herefordshire***

### **4. Collaborative Working:**

- **County-District**  
**Example: Lancashire County Council with its District Councils**
- **Council- PCT**  
**Example: LB of Richmond and PCT ('Property Terrier' joint land deal)**  
**Example: Herefordshire Council and NHS Herefordshire**
- **Local public services**  
**Example: LB of Merton and Met. Police/PCT/Fire & Rescue (joint assets review with a view to shared property deals and assets/co-location)**
- **Unitary - Unitary**  
**Example: South Gloucestershire is undertaking work on AM in the four West of England Unitaries as part of the Total Place project**  
**Example: Manchester CC and Salford CC are sharing locations**

## **5. Other Examples:**

*This generally involves either a derivation of the models already mentioned or a 'mix and match' approach:*

- **Kent CC** - A cross-agency property board is being formed to agree in more detail the details of the asset management project and to oversee development of the work in a mutually beneficial manner. Looking at one building to house Kent County and Borough Councils and PCT shared services function and conducting a series of deep dives to map their assets.
- **Leicestershire County/Leicester City** - Working together on place based budgeting and Asset Management as it fits within their Total Place implementation programme (no details found re: current status)
- **Essex CC** - 12 District Councils, FRS and Police piloting a regional model based on West Midlands model to map the public estate.
- **Hertfordshire CC** - mapping public estate across county, districts and police.
- **LB of Tower Hamlets** - A corporate accommodation strategy involves flexible working with the release of one of the corporate buildings (a number of other London Boroughs are looking at similar approaches through Transformation Programmes - source: London Efficiency Challenge)

### **Good Practice in Strategic Asset Management:**

*The Audit Commission's national report on property asset management **Room for Improvement: Strategic Asset Management in Local Government** published a supporting document in August 2009 on good practice case studies from their research. Brief examples are given here:*

- **Hampshire CC** - Has begun an ambitious strategic review of its property. It aims to combine flexible working with delivery of shared services with partners, and more efficient use of its asset base. The wide ranging programme incorporates:
  - flexible and mobile working
  - facilities management
  - property and infrastructure
  - organisational change
  - transforming through technology
  - improvements to the customer interface

*A new office shared with the PCT opened in Fareham to allow fully integrated joint working between Health and Adult Services. In addition, the council is developing a new public service village combining county, district and other functions from the voluntary sector and police for Borough of Havant and a new civic centre transforming the capacity of statutory and voluntary agencies to interact with children, young people and families. (contact: Howard Short - Programme Leader, [howard.short@hants.gov.uk](mailto:howard.short@hants.gov.uk))*

- **Wychavon DC** - Used its assets as enablers of change to boost the local economy and provide excellent services for local people. It has been commended by the Audit Commission for the past 3 years through effective and innovative use of its assets to deliver value for money. The council has also taken the opportunity to share assets with partner organisations where possible e.g. Civic Centre campus shares space with the police, PCT and a third sector organisation 'Welcome to our Future'. (contact: Vic Allison - Deputy MD, [vic.allison@wychavon.gov.uk](mailto:vic.allison@wychavon.gov.uk)) **Note: Selby DC following a similar model**
- **East Riding of Yorkshire Council** - It has developed a sophisticated and comprehensive data system for monitoring its property portfolio, helping it to rationalise its estate and identify opportunities to share with partners e.g. The Petuaria Centre built in 2007 houses a public library, the council's customer service centre and the Borough community centre. Partners include council's library services, social services, adult education, the local parish council, police, PCT and the citizen's advice bureau. (contact: Richard Simpson - Strategic Asset Manager, [Richard.simpson@eastriding.gov.uk](mailto:Richard.simpson@eastriding.gov.uk))
- **Lancashire County Council** - Stands out for its use of up to date information on property costs, suitability and sufficiency to identify the scope for improvement and to target detailed property reviews. Brought together into an annual property performance report this helps the council rationalise its estate e.g. strategic review of office premises in Preston has released nine leased properties and three owned properties achieving revenue savings in excess of £450k per annum and capital receipts of £2.4m. (contact: Stephen Costello - Director of Property, [Stephen.costello@property.lancscc.gov.uk](mailto:Stephen.costello@property.lancscc.gov.uk))
- **LB of Wandsworth** - Managed to generate substantial savings from its estate whilst reducing maintenance backlog and improving services for customers. The council has used its estate to maximise capital receipts and generate revenue savings which contribute to a low council tax for residents. (contact: Nigel Powlson - Assistant Director of Administration, [npowlson@wandsworth.gov.uk](mailto:npowlson@wandsworth.gov.uk))
- **Sevenoaks DC** - Secured capital and revenue savings from its estate over the past decade which other districts of comparable size have not achieved. Effective management and scrutiny processes and a challenge culture have driven the need for a leaner estate. (contact: Jim Latherton - Professional Services Manager, [jim.latherton@sevenoaks.gov.uk](mailto:jim.latherton@sevenoaks.gov.uk))

*Much of the work in the above case studies is still on-going and even where specific projects have been completed they will still provide a useful comparison when areas have been selected.*

## ***Working with places and sharing practice***

*Local Government Improvement and Development (formerly the IDeA) has resources available to work with some specific places to challenge and support them to take their practice to the next stage and to share what works with the rest of the sector.*

*Based on this mapping exercise we would propose that two areas are invited to work with us and receive the support (which includes up to a total of £100k) and share their practice with the rest of the sector.*

*Our proposed criteria for selecting the area(s) are:*

- the area needs to be partly advanced so that we can capture learning and disseminate and ideally focusing on shared procurement services and alignment of capital budgets across partners*
- the area needs to be actively engaging their communities in the debate on the future model they are proposing*
- the area needs to be actively engaged with other public sector partners e.g. Police, PCT, Fire and Rescue*
- the two areas should be looking at different models to ensure that the learning is most relevant to the sector*

*The programme board is asked to agree the criteria and decide on those areas which most meet the criteria.*

*A timely decision on the areas to work with will enable the support to be most effectively delivered.*

### ***Summary information***

*A more detailed summary on the approach of some of the leading edge councils and partnerships listed above is provided in the following pages.*

*All information has been compiled through desk top research of publically available papers, communication with local government bodies/personnel (RIEPs/Regional Associates) and networking with asset management specialists.*

## **Model: Public Sector Property Company**

### **Cambridgeshire County Council: Making Assets Count project**

*Cambridgeshire is one of the fastest growing counties in the country and delivery of this growth will require significant capital investment in a worsening public sector funding climate. This facilitates the need to get more from the public sector assets. Cambridgeshire is the East region Capital and Assets pathfinder.*

*Under the Making Cambridgeshire Count banner a project called Making Assets Count has been created that will focus on two main strands:*

- *Rationalisation of the existing operational estate*
- *Maximising the investment potential from pooling public sector-owned land and buildings*

*The key elements are:*

- *Consideration of establishment of a public sector property company to include all operational and non-operational property of the constituent bodies participating in this project (County and District Councils, Fire Authority, Police Authority and PCT) excluding Council Housing*
- *In terms of research and report on this approach the commission will assume 5 differing examples (including those at Glasgow City Council and London Borough of Croydon) to look at the pros and cons of each.*
- *Projects already approved and underway; examples: £4.5m investment in farms estate, Shire Hall Campus and new £6.5m facility in Wisbech for possibly sharing with partners*
- *Co-sponsors of the project are Cambridgeshire Horizons (Alex Plant, CX) and Chief Fire Officer, Graham Stagg*
- *Across all partners estate equates to 1,799 buildings with an operational value of £1.08m and non-operational value of £285m*
- *Mapping of the public realm on to one GIS hosted by the County Council has largely been completed covering all public sector property assets with a report to partner groups in Summer 2010 regarding continued support*
- *Suitability survey underway hosted by County Council with completion by Autumn 2010*
- *Public sector AMP headings are drafted with adoption aimed for Winter 2010*
- *Identification of and aligning capital programmes (pooled budgets) by Spring 2011 and a report to partner governing groups by Spring 2011 with possible outcome being establishment of a public sector property company*

**Summary:** *DTZ are currently commissioned to take this next phase of the project forward. We would need to see how investment would be employed as there is a danger of us just contributing to payment of their fees/charges. Good option for investment as looking to align capital programmes by Spring 2011 and sharing procurement frameworks across the area.*

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## **Model: Collaborative Estate Management Review**

### **West Midlands Property Alliance (WMPA): Transforming Local Government Property Asset management**

*A jointly funded project by Local Partnerships and Improvement & Efficiency West Midlands (IEWM) with seven councils (Staffordshire CC, Bromsgrove DC, Coventry City Council, Redditch BC, Tamworth BC, Walsall Council and Worcestershire CC) to deliver the first collaborative estate management review undertaken within Local Government and act as a blueprint for others to share and learn from.*

*The initial pilot study has identified a potential to deliver benefits of £640m over the next 10 years across the Region (£467m capital receipts and £163m revenue savings) and a reduction in the carbon footprint of 50,000 tonnes per annum. IEWM encouraged the creation of the WMPA to govern the next stage of the programme i.e. Phase 2 and ensure a focussed, co-ordinated and collaborative approach to the realisation of the efficiency opportunities.*

*The WMPA was launched in December 2009, being an unincorporated local authority led body, which has been created to orchestrate and oversee a programme which will:*

- Accelerate the achievement of value and efficiencies from the region's public sector estate*
- Contribute to the successful achievement of place based delivery of public services*
- Result in the creation of a smaller, higher quality, better utilised public sector estate*

*WMPA involves all 33 of the region's local authorities and works in close collaboration with other local, sub-regional, regional and national public bodies including central government. WMPA is governed by an Executive Board consisting of representatives from central, regional and local government, and is chaired by the Chief Executive of Coventry City.*

*During April and May 2010, Worcestershire CC and OGC facilitated a number of workshop sessions across the region to help authorities and their partners with the process of mapping assets and identifying rationalisation and collaboration opportunities. A cluster of the five authorities within the Birmingham and Black Country sub-regions are actively looking at practical solutions to the physical barriers that discourage the collaborative occupation of accommodation by public sector partners.*

*The two sub-regions of Staffordshire, and Coventry, Solihull & Warwickshire are separately working on initiatives to move towards more collaborative models of Facilities Management delivery, not only to achieve greater efficiency but also to respond to the new ways in which assets will be shared and occupied.*

*The benefit of the work and activity of the WMPA is not solely restricted to the West Midlands with the existence of the National Improvement & Efficiency Partnership providing a network for each of the nine RIEPs to plug into and share*

*learning emerging from innovative work in different regions and support the 11 Total Capital pathfinders.*

**Summary:** *Well advanced project with input of Local Partnerships (provision of Programme Manager). Option for investment to move towards a regional approach i.e. West Midlands.*

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## **Model: Public/Public Partnership**

### **Herefordshire Public Services**

*Herefordshire Council and the Primary Care Trust were established in December 2007 as Herefordshire Public Services with a single Chief Executive and joint management team. Herefordshire are supported by funding from CLG and WM RIEP around developing fresh approaches to customer insight.*

*A Joint Corporate Property Strategy 2009-2012 was approved in December 2009 and a number of activities are under way:*

- An external partner has been commissioned, through OGC, to analyse the joint accommodation needs. Work is due to start in September 2010.*
- By September 2010 they aim to create a public/public partnership for corporate services as a joint venture.*
- By November 2010 a detailed planning approval will be submitted for accommodation to house a joint back office. The target date for completion is December 2013.*
- They already have a joint Chief Executive. Assistant Chief Executive and many Directors and are well advanced in understanding the future structure necessary to support the joint organisation (e.g. in relation to adult care etc).*
- Front Office Services will also be shared and they have made considerable progress on their "Hub and Spoke" model (the Hub is in Hereford and the 5 spokes are in 5 market towns - all delivering shared customer services). They are now looking at involving other partners - West Mercia Police, HMRC, Jobs etc.*
- Major exercise in 2010/11 to explore how the further sharing of corporate support services can deliver efficiencies. Part of this initiative will be to look at creation of a joint procurement "centre of excellence" on a sub-regional or regional basis and to establish better engagement with the third sector.*

*The main issues being encountered seem to relate to differing organisational cultures (e.g. in terms of community engagement, partnership working etc.) between the local authority and the NHS.*

**Summary:** *A well advanced example of joint working covering a wide range of areas including capital and assets. I suspect that they have a lot to contribute in terms of their experience and plans. Good option as a non CLG assets pathfinder to invest resources in. Attracted a lot of national interest from Government and other local authorities.*

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## **Model: Collaborative Working**

### **Lancashire County Council (LCC)**

The source of investigation was a report on the Audit Commission website (<http://www.audit-commission.gov.uk/localgov/goodpractice/useofresources/Pages/lancashire.aspx>) identifying good practice in Corporate Asset Management in LCC. This report refers to joint work with NHS and district councils.

Identified four areas of work that might be of interest:

- LCC is trying to align its asset management plans with district councils. About 50% of districts have agreed Statements of Intent. Belief that the other districts lack resources although there may also be unwillingness in some cases to work with the County. These statements are visionary/strategic documents and no actual plans exist.
- Team Lancashire is an initiative supported by the NWRIEP that includes property. Unfortunately, this has had limited success which they put down to limited resources available to the districts and county/district relationships.
- The LSP covering Lancaster has an Asset Management Group that is working to map assets across the public sector.
- LCC have had separate talks with the NHS and has one good example of joint development and use of specialist facilities (an “extra care housing scheme”) in Ormskirk. This was a great success but looks like a one-off because discussions with the SHA and PCTs have stalled as their roles are being reviewed.

**Summary:** Ormskirk may be a good one-off example. LCC seem keen but future progress depends on improving relationships between the players (e.g. county and districts). If this could be achieved then increasing the resources available to the districts might generate some progress. High risk if selected as could take considerable time to improve County/District relationships.

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