

MAKING ASSETS COUNT

To: General Purposes Committee

Date: 1st July 2014

From: David Bethell, Making Assets Count Programme Manager

Electoral division(s): All

Forward Plan ref: N/A **Key decision:** No

Purpose: To inform the Committee on the background, objectives and 2014/15 priorities for the Making Assets Count Programme.

Recommendation: The Committee are asked to:

- Note the contents of this report; and
- Support the development and delivery of Making Assets Count projects to deliver the Programme objectives.

<i>Officer contact:</i>	<i>Member contact</i>
Name: David Bethell Post: MAC Programme Manager Email: david.bethell@cambridgeshire.gov.uk Tel: 01223 715687	Name: Cllr Steve Count Chairman: General Purposes Committee Email: steve.count@cambridgeshire.gov.uk Tel: 01223 699173

1.0 INTRODUCTION

- 1.1 The Making Assets Count (MAC) Programme brings nine Cambridgeshire public sector organisations together in a partnership that aims to use their combined property portfolio in a more efficient and effective manner. MAC is a partnership of all five District Councils, the County Council, Police Service, Fire Service and Health providers.
- 1.2 The key objectives for MAC are to deliver better public services for communities and reduce the cost of property occupation.
- 1.3 This paper sets out the current position of MAC following a self-assessment of the Programme in February-March 2014.

2.0 BACKGROUND

- 2.1 In 2010 eight cross-partner and cross-cutting projects were created under an initiative called Making Cambridgeshire Count (MCC) to consider where joining-up would be beneficial – Making Assets Count was one of these projects. The majority of the MCC projects have now ended. However, there is continued support for MAC from all the partner organisations at the highest level as there is a collective realisation that substantial savings and improved service delivery are achievable from the joint consideration and use of the combined public sector property estate.
- 2.2 The Making Assets Count (MAC) Programme brings public sector organisations together in a partnership that uses their combined property portfolio in a more efficient and effective manner. MAC seeks to ‘sweat assets – save services’.
- 2.3 There has also been consultation and involvement from parts of the Government including Communities and Local Government (CLG), Homes and Communities Agency (HCA), Job Centre Plus and Treasury.
- 2.4 Collectively Cambridgeshire's public sector asset base that can be involved in MAC has a net book value of circa £570 million (as at 31st March 2013) – this excludes schools and social housing. This forms a substantial asset base for MAC to deliver benefits for Cambridgeshire residents.
- 2.5 Major property investment projects within MAC take time to be investigated and developed properly with partners before benefits can start to be realised.
- 2.6 MAC is recognised by Government as an example of best practice. The Programme was chosen as a Capital Asset Pathfinder in 2010/11 and was referenced in the Government's ‘Leaner and Greener: Delivering Effective Estate Management’ report. The Programme was also awarded the Association of Chief Estate Surveyors (ACES) 2012 Award for Excellence in Property Management.

3.0 GOVERNANCE ARRANGEMENTS

- 3.1 The MAC governance structure is made up of a Member Reference Group, a Programme Board and geographically-based Project Boards. MAC also reports to the Cambridgeshire Public Service Board and partner's Committees, Boards and Cabinets as appropriate.

- 3.2 The Member Reference Group is comprised of Portfolio holders/key Members or representatives of the MAC partners and provides a steer and input to MAC activity. Currently the Chair of the Reference Group is Councillor Steve Count.
- 3.3 The MAC Programme Board is made up of senior officers from each partner. There are two Sponsors from the partner organisations who advocate the MAC Programme. The Sponsors are currently the Chief Fire Officer for Cambridgeshire Fire and Rescue Service and the Chief Executive of Fenland District Council.
- 3.4 Project Boards are formed along District lines to ensure that local considerations are at the forefront of proposals for change.
- 3.5 A diagram setting out the governance arrangements for MAC are set out in **Appendix A**.

4.0 MAC PROGRAMME OBJECTIVES

- 4.1 Through MAC, the key benefits of reducing the overall footprint of the public sector estate and lower property occupations costs are as follows:
- Delivery of significant property-related revenue savings (up to 50% has been demonstrated through business case work).
 - Capital gains through the disposal of surplus properties.
 - Service alignment benefits through service and partner co-location.
 - Improve public services and create new retail, housing and community facilities for communities.
 - Regeneration, economic development and growth across Cambridgeshire.
 - Support for jobs and skills in the construction industry.
 - Improved energy efficiency and carbon emission reductions.
 - Contribute to the Localism agenda and provide opportunities for the community to engage in determining outcomes.
 - Ensure that short-term considerations do not compromise long-term sustainable and environmentally responsible property and asset management.
 - Share knowledge and learning with other public and private sector organisations/partnerships, both locally and nationally.
- 4.2 The performance measures for Making Assets Count are to deliver the following:
- 20% rationalisation of the public sector property estate.
 - 20% disposal of surplus properties.
 - 20-50% in revenue savings.
 - A 20-30% reduction in carbon emissions.
- 4.3 When the MAC Programme commenced the financial objectives were estimated to be:
- Revenue savings by year 10 estimated to be around £19 million across the partnership.
 - A 20% increase in capital receipts through this activity will possibly achieve between £20 million and £40 million across the partnership.

- 4.4 As part of the programme management and governance review and to address concerns raised by the Resources and Performance Overview & Scrutiny Committee, the financial objectives set out above are to be reviewed to be more realistic and robust, based on what the partnership now understand the achievable benefits to be.

5.0 MAC OBJECTIVES 2014/15

- 5.1 MAC Programme Board members, the MAC Member Reference Group and the County Council's Resources and Performance Overview & Scrutiny Committee¹ have all stressed to need for pace and delivery of projects that demonstrate both tangible and intangible benefits. In order to successfully meet this objective and make best use of the resources available to MAC, prioritisation on specific projects and a more pragmatic approach has been taken by the Programme Board.
- 5.2 The MAC Project Plan for 2014/15 identifies projects that are targeted for completion and/or substantial progress during the year. It also sets out the planned deliverables and the expected high-level benefits for these specific MAC projects.
- 5.3 The projects planned for completion in 2014/15 are:
- March Office rationalisation (rationalisation/co-location)
 - Joint Operation Centre: Waste Hub (South Cambridgeshire District Council/ Cambridge City Council co-location)
 - St Ives Phase 1 (County Council Adult Day Services/Police Station co-location) – **completed 02/06/2014**
 - Chatteris Hub Phase 2 (further co-location)
 - Whittlesey Community Hub (Phase 1 – Fenland District Council and County Council co-location)
 - Cambridgeshire Asset Management Strategy Action Plan ('suite' of standardised estate management documents and processes)
- 5.4 The projects for substantial progression in 2014/15 are:
- MAC Joint Venture / Market Towns
 - Ely Phase 1
 - Joint Operations Centre: Highways services
- 5.5 MAC is being presented as part of the Member's Seminar Programme on the 12th September 2014. The seminar will look at the aims, objectives and achievements of MAC and provide more information on the projects summarised in this paper.
- 5.6 Improvements to the management and governance of MAC have also been undertaken and will continue to be implemented in 2014/15. This follows a review of the governance and management arrangements for MAC carried out between February and March this year by the MAC Sponsors and Programme Manager, with input from the Executive Director: Economy, Transport and Environment,
- 5.7 This has resulted in the following improvements to the management of the Programme.

¹ January 31st 2014

<http://www.cambridgeshire.gov.uk/CMSWebsite/Apps/Committees/Meeting.aspx?meetingID=695>

- Established clear and robust reporting and governance structures/lines for the MAC Programme.
- Set out clear roles, responsibilities, accountabilities and authority levels for all MAC partners and Programme support staff.
- Greater involvement in and directing of the Programme and Projects by MAC leads, Sponsors and Board members.
- The overall governance improvements have helped to create a better focus on supporting the programme within the MAC Member Reference Group. The Group have fully endorsed the management improvements that have been delivered based on the programmes' self-assessment.
- Completed/reviewed key programme management documentation that supports governance and project delivery and reduce the risk of the above issues recurring.
- Targeting resources and prioritisation of projects to ensure that programme pace and delivery of tangible benefits are improved, whilst acknowledging that this will result in a focus on specific projects for 2014/15 and in subsequent years.

6.0 MAC BENEFITS DELIVERED AND KEY 2013/14 MILESTONES

- 6.1 Since becoming established as a Programme, MAC has delivered 18 tangible benefits and 20 procedural/governance benefits. These are detailed in the Making Assets Count Benefits Log in **Appendix B**.
- 6.2 A glossary of acronyms/terms used in this paper is included in **Appendix C**.
- 6.3 The key milestones of the Programme in 2013/14 were:

Cambridgeshire-wide:

MAC Public Property Partnership (Joint Venture)

- Consultants report completed and signed off April 2013
- 'In principle' agreement from MAC partners secured July-October 2013
- Specialist advice on Stamp Duty Land Tax implications of the proposal provided November 2013.

AMS Strategy Action Plan (including Facilities Management work)

- 'Suite' of standardised estate management documents produced

Cambridge City/South Cambridgeshire:

Joint Operations Centre – South (Waste Hub & MiniJOC)

- Detailed Business Case completed May 2013
- Two-hub Model Options Appraisal completed September 2013
- Waste Hub² project Full Business Case commenced February 2014

Sackville House/South Cambridgeshire Hall

- Co-location of County Council Supporting Businesses and Communities Service into South Cambridgeshire Hall completed February 2014

East Cambridgeshire:

Ely Phase 1

- Consultant report on potential redevelopment opportunities completed May 2013

² The Waste Hub involves the co-location of SCDC's and Cambridge City Council's waste services at SCDC's new waste depot near Waterbeach.

- Initial apportionment options work undertaken September 2013

Fenland:

March Office Rationalisation

- Project Initiation Document completed August 2013
- Project Team (to produce Full Business Case and suggest preferred option) established March 2014

Chatteris Community Hub

- Co-location of Fenland District Council 'One Stop Shop' services within Chatteris Library completed August 2013
- Occupation under the MAC Memorandum of Terms of Occupation (MOTO)

Huntingdonshire:

St Ives phase 1 (Police/CCC co-location)

- Refurbishment work to allow shared use of Police Station by Adult Day Service designed and contractor appointed March 2014
- Occupation under the MAC Memorandum of Terms of Occupation (MOTO)

7.0 CONCLUSIONS

- 7.1 It has been opportune to use the changes in key personnel involved in MAC that occurred at the end of 2013 to undertake a self-assessment of the Programme. This has improved underlying governance issues that would have otherwise created challenges for MAC project delivery.
- 7.2 MAC is a complex partnership with competing agendas from partners. The complexities of delivering innovative projects across these partners should not be underestimated.
- 7.3 Targeting the resources available to MAC on specific annual projects will ensure that tangible benefits are delivered.

8. ALIGNMENT WITH CORPORATE PRIORITIES

8.1 Developing the local economy for the benefit of all

The following bullet points set out details of implications identified by officers:

- The Making Assets Count (MAC) Programme will enable the County Council to effectively use property resources in a way that will benefit individuals, communities and the county as a whole.
- As a key partner in MAC, the County Council will provide leadership to enable regeneration, housing growth (both affordable and market), community infrastructure and economic growth through construction and development.
- MAC projects can support investment in Cambridgeshire's future workforce through apprenticeship and training opportunities in the construction industry.

8.2 Helping people live healthy and independent lives

The following bullet points set out details of implications identified by officers:

- Bringing partners' services together through the development of new public service hubs and/or the co-location of services in existing buildings will help local people to lead full, independent lives. Having appropriate services brought together under one roof (such as health, employment, and social services) improves joint working between services and partners and improves the service offered to local people.
- Co-located services and public service hubs are designed to be multi-functional and include community use. New hubs will involve local services and communities in their design.
- The investment in community infrastructure will support communities that are growing to access essential services.

8.3 Supporting and protecting vulnerable people

The following bullet point sets out details of implications identified by officers:

- The co-location of public services and/or the development of new public service hubs will help support the most vulnerable in Cambridgeshire's communities. Having appropriate services brought together under one roof (such as health, employment, and social services) improves joint working between services and partners and improves the service offered to local people.

9. SIGNIFICANT IMPLICATIONS

9.1 Resource Implications

The following bullet points set out details of significant implications identified by officers:

- Property resources will be used in a more sustainable way to create low-carbon and centrally-located hubs/co-located properties and residential/retail development.
- Performance has the potential to be improved through the ability of MAC to deliver benefits in a more co-ordinated manner than acting unilaterally.

9.2 Statutory, Risk and Legal Implications

The following bullet points set out details of significant implications identified by officers:

- Co-location of services and the creation of joint public service hubs can result in a dilution of sovereignty over the property assets involved.
- This can be managed by a strong legal and operational structure that clearly defines the County Council's service requirements.
- Legal and operational structures will ensure the return of benefits to the Council in proportion to the value, property or finance invested in MAC projects.

9.3 Equality and Diversity Implications

The following bullet points set out details of significant implications identified by officers:

- The design of hubs or co-located buildings would have due regard to the Council's Equality Act duties.

- Community Impact Assessments will be undertaken as part of individual projects.

9.4 Engagement and Consultation Implications

The following bullet points set out details of significant implications identified by officers:

- Discussion, engagement and involvement on MAC projects have taken place with relevant County Council Services, MAC partners (inc. District Councils) and other agencies.
- Public service hub creation offers opportunities for engaging strongly with the voluntary/community sector. In developing hubs Community Impact Assessments will be undertaken.

9.5 Localism and Local Member Involvement

The following bullet points set out details of significant implications identified by officers:

- MAC has a Member Reference Group composed of Portfolio holders/key Members or representatives of the MAC partners. The Group provides a steer and input into MAC activity. The current Chair of the Group is Cllr Steve Count.
- MAC has been reported to the Resources and Performance Overview and Scrutiny Committee and will continue to be reported to the General Purposes Committee.
- Local Members will be involved in relevant MAC projects.
- Members are informed of current work on MAC through the MAC Newsletter and through the discussion of MAC as part of the Member Seminar programme in September 2014.

9.6 Public Health Implications

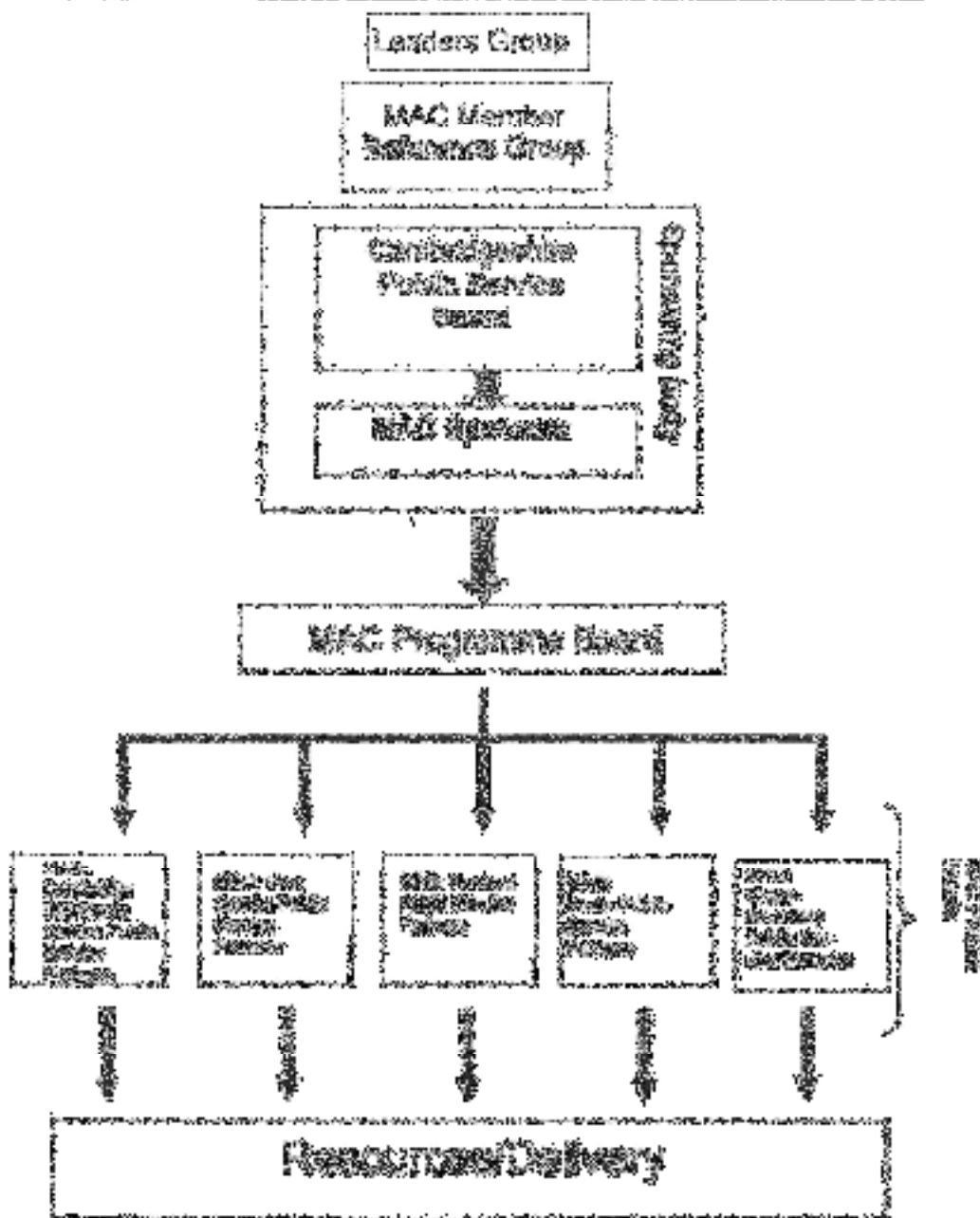
The following bullet points set out details of significant implications identified by officers:

- The development of public service hubs/co-located facilities that bring health provision together with other services should have a positive impact on the health of Cambridgeshire's residents.
- Depending on the locations developed through MAC, there are opportunities to improve the health of the worst off through new facilities and co-location of complementary services.

Source Documents	Location
Making Assets Count Project Plan 2014/15	Contact David Bethell (david.bethell@cambridgeshire.gov.uk) or Cat Rutangye (cathryn.rutangye@cambridgeshire.gov.uk)
Making Assets Count: Strategic Asset Management. Cabinet paper 9th July 2013 (item 6)	http://www.cambridgeshire.gov.uk/CMSWebsite/Apps/Committees/Agendaltem.aspx?agendaltemID=7079
Making Assets Count Partner Occupation Agreements. Cabinet paper 5th March 2013 (item 11).	http://www.cambridgeshire.gov.uk/CMSWebsite/Apps/Committees/Agendaltem.aspx?agendaltemID=6591

Appendix A: MAC Governance Structure

Cambridgeshire County (MAC): Governance Structure Chart



Notes:

The MAC governance structure is made up of a Member Reference Group, a Programme Board and geographically-based Project Boards.

The Member Reference Group is composed of Portfolio holders/key Members or representatives of the MAC partners and provides a steer and input into MAC activity.

The overall sponsoring body responsible for the programme is the Cambridgeshire Public Service Board, which has nominated two of its members to act as programme sponsors. The sponsors are currently Graham Stagg, Chief Fire Officer for Cambridgeshire Fire and Rescue Service and Paul Medd, Chief Executive of Fenland District Council.

The MAC Programme Board is made up of senior officers from each partner as well as the two Sponsors.

Project Boards are formed along District lines to ensure that local considerations are at the forefront of proposals for change. These Boards are led by the relevant District Council Programme Board member. A separate Project Board considers county-wide issues.

Appendix B: MAC Benefits Log

No.	Type of change	Title	Partners involved	Benefit 1	Benefit 2	Benefit 3	Benefit detail	Change completed
1	Process	Formation of MAC Programme	All	Enabler			Formation of the board to oversee the work of MAC enables all other benefits. Governance structure, reporting to CPSB gives robustness to partnership.	Summer 2011
2	Process	Formation of District MAC Groups	All	Enabler			Forming district groups to take projects forward enables these to be locally-led so that solutions take account of community needs.	Autumn 2011
3	Process	Approval of Asset Management Strategy	HDC, County, SCDC, ECDC, FDC, CFRS	Enabler			AMS provides a strategic overview to which the partners can work. Approval of this document by members give political agreement to proceed. Delivery of the Action Plan will enable sharing without industry.	Autumn/Winter 2011/12
4	Property	Land swap - Somers Road (PRU)	County, FDC	Enabler			CCC and FDC traded pieces of adjoining land to create 2 more useful plots. Led to sites for new PRU and Eco-project. (See 5 & 6)	Autumn/Winter 2011/12
5	Property	Wisbech Pupil Referral Unit	County	Improved service delivery	Financial		The creation of a suitable site through MAC has enabled the delivery Wisbech of a new PRU. The search for a site had proved problematic and funding was at risk of being lost.	Spring 2012
6	Property	Wisbech Quality & Environmental Design Competition Site	FDC	Environmental	Regeneration		A Land swap between FDC & CCC has enabled FDC to acquire suitable land to launch a 'Design, Acquire & Build' competition, seeking high quality, sustainable residential, commercial or mixed-use development on a former derelict site overlooking the River Nene. The project will seek major visual improvements, regenerating an important gateway into Wisbech.	Winter 2013
7	Property	PCT take space at Pathfinder House	HDC, PCT	Property rationalisation	Financial		Approximately 30 PCT employees have moved from a leased location to Pathfinder House making better use of public sector-owned space.	Spring 2012
8	Property	SCDC use CCC FM contractual arrangements	SCDC, County	Financial			SCDC are using county's main M&E and buildings contracts, as they had lots of individual contracts which was proving costly for them to run and manage. This way SCDC amalgamate all contracts into 2 which is saving money on procurement and actual contract costs but it also means they can look at the FM labour on site and achieve savings there as well.	Spring/ Summer 2012
9	Service	College of West Anglia Technology Block and Office	County, FDC	Improved service delivery	Regeneration	Property rationalisation	CCC and FDC are contributing sums to develop 2 buildings on the College of West Anglia site in Wisbech. The Fenland MAC group is working to maximise the opportunities these new buildings present.	Spring 2013
10	Property	FDC new cleaning tender	FDC, County	Financial			FDC use the current county cleaning contract and are tendering with county for the new one. This saves procurement costs and also makes both parties part of a bigger chunk of business. FDC sit in the Cambridgeshire North lot total value about £650,000, which means both should achieve some good efficiency savings.	Winter 2012/13
11	Community	Magistrates Courts	ECDC, FDC, County, Police	Regeneration			Ministry of Justice have worked with MAC to establish sustainable uses for 2 courthouses which are no longer in use. Both are key sites for future MAC regeneration projects and 1 is of historical and cultural value to the local community.	In progress
12	Service	Job Centre Plus opportunities	JCP, County, ECDC, Hunts	Improved service delivery	Financial		JCP are a partner of the MAC board and through MAC solutions are being proposed to help sustain and enhance their presence in a number of locations. JCP also have a key site which, through MAC, is in scope of the Ely project.	In progress
13	Service	St Ives Police Station	Police, County	Improved service delivery	Property rationalisation	Financial	The County Council's Adult Day Service has relocated from a poor quality leased property to a significantly improved space in St Ives Police Station. The Police Station is more efficiently used with vacant space occupied, and running costs being shared between the Police and CCC.	June 2014
14	Community	Other partners	MAC team	Enabler			A number of other organisations outside of the immediate MAC partnership have been in contact with/contacted by MAC eg Education Establishments, Health services deliverers, the Probation Trust, Peterborough CC. The scale of MAC and commitment shown by partners enables these conversations. This will inevitably lead to other and wider benefits.	Ongoing
15	Property	Venue Request Tool	County, CFRS, FDC, City, HDC, JCP, NHS	Financial			This was originally a CCC project but through MAC has been expanded to cover partners. The VRT makes the accessing of public sector meeting space easier saving money spent on hiring external venues.	Spring 2012

23	Process	FM Group established	HDC, FDC, ECDC, City, Police, CFRS	Enabler	Financial	Improved service delivery	Co-ordinating and procurement structure.
24	Process	MOTO completed and approved	CCC	Property rationalisation	Enabler	Financial	MOTO approved in pipeline for services, Chatteris able to use.
25	Process	RIEP-funded GVA Strategic Asset Management report	CCC, GVA, EELGA, HDC, FDC, ECDC, Police, Fire, Health	Financial	Property rationalisation	Improved service delivery	Report reviews cases and suggests solutions to market agility (Amalgamated JV) chosen as
26	Process	Use of condition survey contract by Cambridge City Council	City Council	Financial	Enabler		Undertaking of housing properties

Appendix C: Glossary of MAC Acronyms/Terms

Acronyms/Terms	Description
AMS	Asset Management Strategy: Cambridgeshire has a joint public sector Asset Management Strategy that provides a strategic overview of property objectives to which the public sector can work.
CCC	Cambridgeshire County Council
CFRS	Cambridgeshire Fire and Rescue Service
City Council	Cambridge City Council
Community Hub	Community Hub: Hubs seek to bring public-facing services together in a single location, improving accessibility, service quality and convenience for communities.
ECDC	East Cambridgeshire District Council
EELGA	East of England Local Government Association
FDC	Fenland District Council
FM Group	Facilities Management Group: Facilities Management representatives from across the MAC partners who facilitate joint working and sharing of buildings.
GVA	GVA Grimley Consultants
HDC	Huntingdonshire District Council
JV	Joint Venture
MAC	Making Assets Count
MiniJOC	Mini-Joint Operations Centre: This project seeks to join public service depot functions across the south of Cambridgeshire together on a single site. It is 'mini' as the waste service functions are now being taken forward separately through the Waste Hub project (see below).
MOTO	Memorandum of Terms of Occupation: MAC partners have resolved to co-operate around the occupation of their properties. To support this, a standardised partner occupation agreement has been created – the MOTO or 'Memorandum of Terms of Occupation'.
PRU	Pupil Referral Unit
SCDC	South Cambridgeshire District Council
Waste Hub	Waste Hub: The Waste Hub project seeks to bring South Cambridgeshire District Council's and Cambridge City Council's waste services together on a single site at SCDC's new waste depot near Waterbeach.