
“Doing things Differently” – A New Approach for a sustainable future
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PRODUCTIVITY – PREVENTION – PROCUREMENT – PARTNERSHIP
Introduction
KCCs Asset Management Strategy sets the high-level strategic framework for managing our property portfolio effectively over the next 3 to 5 years. It will guide our future strategic property decisions to ensure we manage our property portfolio sustainably and efficiently so that it can adapt to remain fit for the future and support frontline delivery.

Since the last Asset Management Plan in 2007 the environment in which the Council operates has changed considerably. This presents both a number of challenges and opportunities, to drive change in how we deliver our services and the infrastructure needed to support this.

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

As outlined in the RICS Public Sector Asset Management Guidelines, there are three core elements to the Asset Management document. These are:

- The Property Asset Management Strategy
- The Property Asset Management Policy
- The Property Asset Management Action Plan

The document gives context to the national and regional position in terms of policy and the current composition of the portfolio, as well as outlining key projects currently taking place.

The strategy and policy will remain in place until 2017, while the Action Plan will be updated annually and form part of the Property and Infrastructure Business Plan for each year.
Our Role:

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

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

- Overseeing day to day management including maintaining and repairing existing properties;
- Developing new buildings that are well designed and fully meet service needs;
- Identifying and disposing of surplus properties;
- Capital Project Delivery;
- Effective management of leases and licences;
- Ensuring that the estate is used as effectively as possible.

Why is the Asset Management Strategy important for Kent?

Our property portfolio is a valuable resource for Kent County Council. Valued at £1.87Bn\(^1\) property is a huge investment for Kent. It costs a significant amount of money to manage and maintain each year c. £90m in 2012\(^2\) and, on average we have spent £209m pa on capital projects with a set Capital Programme of £695m for the next 3 years.

We have a duty to deliver “best value” in how we manage our estate to ensure that we can achieve the best social, economic and environmental benefit for the people of Kent. This means managing our limited resources in an intelligent and integrated way to provide value for money for Kent taxpayers.

How the Council uses its property portfolio can play a significant role to stimulate regeneration and growth for the Kent economy. Public services, and the needs and demands of our customers, are evolving and changing rapidly. It is important that our approach to asset management remains relevant, innovative and flexible enough to respond to changing needs and priorities of our services. This strategy sets out how we will achieve this.

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\(^1\) 2013 – Based on most recent valuations – Current Use Value
\(^2\) Including schools portfolio
The Asset Management Vision, Policy Statement & Strategic Themes
The Asset Management Vision 2017

“an efficient and effective estate which supports and responds to enable the delivery of the Council’s services across Kent”

The Asset Management Mission

“To be the leading Public Sector Organisation for Asset Management, working together to surpass efficiency targets across the Public Sector estate whilst delivering an enhanced and sustainable service experience to the people of Kent”

The Asset Management Targets

- 30% Reduction in the number of non-school properties;
- Generate £100m Capital Receipts;
- Achieve a 37% reduction in property asset revenue costs (£10m reduction from 2011);
- Increase the utilisation of the estate to ensure that accommodation fits the purpose and meets the needs of our services;
- Deliver the Corporate Capital Programme effectively;
The Asset Management Policy Statement

We are committed to managing Kent’s Property Assets in a way that provides Best Value to the people of Kent on a sustainable basis, supporting the delivery of services in the right place and in the appropriate environment.

We will embed a culture of innovation that delivers new ways of working and provide the efficiencies required whilst protecting the value retained of the estate for future generations. At all times through the process of transformation we will adhere to the values and behaviours and respect all staff and service users.

This policy is endorsed by the Executive Management Team. It is the responsibility of all Kent County Council employees to ensure its implementation. The Director of Property & Infrastructure Support has overall accountability for this policy and ensuring it is regularly reviewed.

We will:

- Manage the Estate Differently by transforming the portfolio of property assets to meet the changing environment, ensuring we provide the right environments, in the right place on the best terms, innovating to find the best solutions to meet customer needs whilst achieving our financial goals;
- Manage Our Estate Effectively through effective Asset, Project and Estate Management, using clear Policies and Action Plans to meet our strategic goals and developing clear reporting to inform Members and internal departments in decision making;
- Keep our properties Safe, dry and warm through the implementation of clear maintenance plans and efficient Facilities Management;
- Maximise Regeneration & Growth through effective procurement and linking Public Sector requirements with regeneration opportunities;
- Protect the Environment through best use of appropriate technologies, utilising available financing to support implementation and meeting the objectives of the Carbon Reduction Action Plan.

To deliver these outcomes we will:

- Promote the Asset Management Plan and Policy;
- Engage with internal departments, public sector organisations, community organisations and other stakeholders to understand needs and asset collaboration opportunities;
- Improve data management and reporting to support decision making and enable best delivery of Estate management and FM services;
- Review and Develop Key Policies and procedures to support delivery, protect the estate and ensure best practice;
- Take a holistic approach to the portfolio, understanding the whole-life costs of properties and setting clear performance targets for the operational and investment portfolios;
- Understand and balance risks between the performance of our assets and the needs of our service users and stakeholders;
- Use best practice in planning processes, programme and project management tools;
- Train and develop our people to support the implementation of our strategies and plans;
- Assign clear roles and responsibilities to all staff in the provision and maintenance of assets;
- Be realistic in our ambitions; Clear in our advice; Innovative in approach; Effective in Delivery
Part B – The Asset Management Framework
The RICS Public Sector Asset Management Guidelines have been used to inform the process for the Asset Management Strategy. This ensures “best practice” in the development and implementation of the strategy.

Key elements of the Asset Management Strategy review are:

- Review of the Corporate Vision & Mission;
- Review Service Delivery Strategies (including current reviews);
- Asset Planning (understanding the portfolio and required changes to meet the above);
- Delivery – The Asset Management Action Plan

The corporate Vision and Mission have been discussed in the previous section with a review of the Bold Steps and the related Medium Term Financial Plan.
Kent County Council has an extensive and diverse property estate spread over a large geographical area. Most of our property portfolio involves direct provision of public services for which we have a statutory or discretionary responsibility.

The estate includes schools, primary and secondary and special schools; libraries; playing fields; children’s and youth centres; day centre and registered Care Centres; depots and waste disposal sites; adult education centres, houses and offices.

The portfolio is valued at £1.87Bn with a revenue cost of £90m pa (2012). To put this into perspective the schools portfolio is valued at £1.4Bn and the “operational” non-school portfolio valuation is c. £530m. The operational portfolio costs c. £27m to run.
Leasehold Portfolio:

We will ensure that the Council’s portfolio remains “fit for purpose”, and continues to meet the changing needs and priorities of the people of Kent. This will mean that the current profile of the estate will change over time as our frontline service delivery transforms. Through this period of change we have the opportunity to innovate to deliver a better, more effective portfolio supporting services for the people of Kent.

The basic principle for the future portfolio will be to ensure there is flexibility where there is uncertainty and potential change in the short to medium term (1-5 years) and invest or commit to longer terms at premises where there is likely to be long term stability.

We will continuously review the portfolio and work with services to identify opportunities to reduce the portfolio or increase efficiencies. Where there are lease opportunities (expires, breaks etc.) we take the principle that the lease will not be renewed unless the business case proves best value and there are no opportunities to collaborate or work flexibly without affecting the ability to deliver the front-line services.

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*The figures include historic leases and licences which are not determinable and were given at a low, nil or peppercorn rent (KCC Landlord). Modern agreements are given on a commercial basis.*
The Schools Portfolio:

Of the Schools portfolio, to date the value of those transferred to Academy status and are leased through 125 year leases accounts for over £712m of the portfolio.

Maintenance Backlog of School Properties

The maintenance backlog has seen an overall reduction of 40% since 2010. There have been significant reductions in the high priority (D1 & D2) cases falling by 79% and 45% respectively.

The Council has delivered an ambitious Capital and Maintenance Programme to address significant backlog maintenance, and continues to have a dedicated modernisation programme.

<table>
<thead>
<tr>
<th>Year</th>
<th>D1</th>
<th>D2</th>
<th>C1</th>
<th>C2</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>£3,001,890</td>
<td>£7,530,033</td>
<td>£3,681,162</td>
<td>£39,892,847</td>
</tr>
<tr>
<td>2012</td>
<td>£5,037,729</td>
<td>£8,703,590</td>
<td>£5,476,066</td>
<td>£10,135,233</td>
</tr>
<tr>
<td>2011</td>
<td>£6,268,239</td>
<td>£9,468,607</td>
<td>£4,934,932</td>
<td>£42,568,438</td>
</tr>
<tr>
<td>2010</td>
<td>£14,164,261</td>
<td>£13,659,615</td>
<td>£9,244,779</td>
<td>£52,550,310</td>
</tr>
</tbody>
</table>

(Note: Backlog Maintenance for which KCC is responsible)

The Council continues to support our schools through “Class Care” which gives our schools access to the knowledge and expertise to manage their buildings effectively and aims to keep schools “Warm, Safe and Dry”. This enables schools to focus on the provision of education whilst Property & Infrastructure Support manages the maintenance and statutory monitoring programmes. This scheme is also available to Academies.
Through this service KCC’s vision is to keep schools “Warm, Safe and Dry” for the future generations learning in Kent.

**Driving Value through Our Estate:**

<table>
<thead>
<tr>
<th>Requirement</th>
<th>Amount</th>
<th>%</th>
<th>By When</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Receipts from Sale of non-school Assets</td>
<td>£100 million</td>
<td>19%</td>
<td>2017-18</td>
</tr>
<tr>
<td>Revenue Savings from efficiency savings and leasehold rationalisation</td>
<td>£10m</td>
<td>37%</td>
<td>2017-18</td>
</tr>
</tbody>
</table>

Current Position – Medium Term Financial Plan Targets:

Work against the targets commenced in 2012 and are due to be met by year end 2017-18 (5 years). In 2012-13 we delivered 16.9% with estimates for 2013-14 c. £20-£24m. The pipeline continues to be developed as service transformation programmes progress alongside asset reviews.

Work progressed to drive efficiencies through a number of key programmes.
Part C
Achieving the Vision
Achieving the Vision
“Doing Things Differently”

In order to achieve our vision, we will deliver a number of key programmes focussed around 5 themes:

- **Theme 1**: Managing Our Estate Differently
- **Theme 2**: Managing Our Estate Effectively
- **Theme 3**: Keeping Us Safe, Warm & Dry
- **Theme 4**: Maximising Regeneration & Growth
- **Theme 5**: Protecting the Environment

**Action Plans**

To keep the strategy live and relevant it will be refreshed on an annual basis by Property & Infrastructure Support. Each theme is supported by Asset Management Action Plan with detailed work-streams, actions and performance measures which will be working part of the document and link into the Property and Infrastructure Support Business Plan.

**Detailed Property Policies & Procedures**

The themes are underpinned by a suite of detailed online policies and procedures, which can be found on KNet. They are regularly updated to keep pace with changes in national policy, legislative requirements and business needs. They set out a clear set of practical guidelines for our staff and contractors on specific topics.
“DOING THINGS DIFFERENTLY” – KCC’s Asset Management Strategy – at a glance

THEME 1
Managing Our Estate Differently
Exploring how property assets can help enable innovative options for service Transformation
Reviewing Assets to ensure services are in the right place to meet local needs
Delivering Asset Collaboration with public, voluntary and community sector partners
Transforming our office estate to support new ways of working
Where possible, support options to use our estate for the wider benefit of Kent
Review the way we hold our assets to ensure the structure is the most appropriate and efficient way

Action Plans

THEME 2
Managing Our Estate Effectively
Analysing values and estate costs to provide best Value for Money
Targeting expenditure, reducing costs and delivering £10m property revenue savings to help protect frontline services
Rationalise the Leasehold portfolio to reduce costs and rebalance the portfolio
Delivering Capital Targets driving receipts through Asset Rationalisation
Delivering a new Lean Total Facilities Management approach
Delivering our Capital Programme with Smart Procurement and best practice In project management
Ensure our estate is fit for purpose

Action Plans

THEME 3
Keeping Our Estate Safe, Warm & Dry
Ensuring that we have Warm, Safe & Dry properties protecting all property users
Ensuring the portfolio is accessible to all
Raising awareness of Health and Safety requirements across the Council
Delivering a new Lean Total Facilities Management approach across the estate
Delivering the appropriate modernisation of Assets through the Capital Programme
Ensuring we deliver the right Assets for the growing communities
Supporting Academies, delivering advice and services to enable best practise and delivery

Action Plans

THEME 4
Maximising Regeneration & Growth
Ensuring our Capital Programme delivers transformational schemes that will promote growth and regeneration in Kent’s communities
Creative use of Assets to drive new Housing Supply under Kent’s Housing Strategy
Working with partners to assist regeneration projects and programmes across Kent
Working in partnership with the private sector on key projects
Offering the best opportunities for local Kent suppliers and apprenticeships in property contracts

Action Plans

THEME 5
Protecting the Environment
Targeting Green Investment in retained properties to maximise their Efficiency and sustainability
Reduce the running costs of the portfolio by improving energy and water efficiency
Embed ISO 140001 and implement The Environmental system into all Projects – Plan; Do; Check; Act
Actively support and meet the targets set out in Kent’s Environmental Policy and Carbon Reduction Action Plan

Action Plans
“To innovate and change the way we use our estate, working with others to maximise the value of the estate for the people of Kent”

**The Vision – by 2017 we will have:**

- A realigned portfolio enabling flexible working from core hub properties;
- Improving the efficiency and occupation of the state, reducing our property portfolio by 30%;
- Co-locating with other Public Sector organisations;
- Have reviewed and improved where necessary the structure of how we hold property;

**Actions – What we will do:**

- We will develop property options to enable service transformation and support best delivery of services to the people of Kent;
- We will ensure the estate is fit for the future with flexible agreements where services are subject to short to medium change and investment in long term property requirements;
- We will deliver asset collaboration solutions to share space and running costs with our partners, in order to deliver services in a more integrated way;
- We will create property solutions that support and empower Property & Infrastructure Support staff to deliver new ways of working;
- We will review how we use our assets to find the most effective way to deliver transformation and hold long term assets;
- Working closely with our customers to understand demand and requirements, ensuring that changes do not adversely affect delivery of front-line services.
Theme 2
Managing Our Estate Effectively

“Driving Best Value from the estate, balancing costs and delivery needs to deliver a flexible and sustainable portfolio”

The Vision – by 2017 we will have:

- Reduced the running costs of the portfolio by 37% - having reviewed all contracts and expenditure;
- A reduced number of leases where KCC is the tenant;
- Reduced our freehold portfolio to meet the Capital Receipts £100m target;
- A new property data management system that will improve our ability to monitor and identify opportunities and provide better information for decision making;
- A new Facilities Management structure providing improved service at a reduced cost;
- A portfolio, policies and systems that are flexible and ready to deal with

Actions – What we will do:

- Review all costs within the portfolio to drive best value in day to day management of assets;
- Negotiate all lease opportunities to deliver best value in leased occupation whilst delivering the right solution to services;
- Review data management to provide the right information to internal teams and Members and inform our property decisions as part of the implementation of a new system;
- We will continually review our portfolio to ensure it meets the needs of the Council’s business, providing flexibility or long term certainty where required;
- Deliver the new FM service model
**Theme 3**
Keeping Our Buildings Safe, Warm & Dry

“Through good practice ensuring all buildings are appropriate and all people who use or visit our services are safe”

**The Vision – by 2017 we will have:**
- A new FM structure that provides improved services more efficiently, providing better information on maintenance to support continued improvement;
- Inclusive environments that provide appropriate and safe environments for all staff and service users;
- Lifecycle costs and use them to increase understanding and plan maintenance and financial costs of running the estate.

**Actions – What we will do:**
- We will continue the work on a Total Facilities Management solution to improve service and efficiency;
- Continue to develop lifecycle costing for all new properties to improve our understanding the future costs of the estate;
- We will ensure all visitors and users to our buildings continue to be safe;
- We will ensure the estate is fit for purpose through good delivering best practice in maintenance programming;
- Where we occupy others buildings we will work with Landlords to ensure their duties are being carried out to the standards required.
Theme 4
Maximising Regeneration & Growth

“To maximise all opportunities to regenerate key areas of Kent, making best use of assets and capital for the benefit of future generations of Kent”

The Vision – by 2017 we will have:

- Supported regeneration and housing strategies by the appropriate location of new operational hubs and liaison on disposals;
- Delivered key projects in progressing Live Margate, working closely with Thanet District Council to regenerate Margate.

Actions – What we will do:

- We will work with and support the Economic Development Team to obtain best value from all assets and Capital Expenditure, focussing new buildings and developments, where possible, in areas requiring regeneration and growth across the county;
- To work with the KCC Housing team to facilitate and support delivery of the Housing Strategy;
- Support the use of local Small / Medium Enterprises and Kent business where possible in the work that we do;
- Promote the use of apprenticeships and skills / training opportunities.
Theme 5
Protecting the Environment

“To become the Lead County for carbon reduction and the sustainable use of environmental technologies in property”

The Vision – by 2017 we will have:

- Maintained and improved the use of the environmental system of Plan; Do; Check; Act embedded in all projects, in line with ISO 14001 Environmental Management Standard principles;
- Policies to ensure environmental aspects are covered in all projects and maintenance;
- Researched and made best use of sustainable solutions, making use of all incentives to reduce costs and emissions across the estate;
- Met the targets set out in Kent’s Carbon Reduction Plan.

Actions – What we will do:

- Target “green” investment in retained properties to maximise their efficiency and sustainability;
- Reduce the running costs of individual buildings by improving energy and water efficiency programmes;
- Reduce the backlog and future burden of maintenance by investing in sustainable construction;
- Where appropriate, all new and redeveloped buildings to meet the BREEAM “Very Good Rating”.