

## ISLE OF ANGLESEY COUNTY COUNCIL

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| <b>Report to</b>                  | <b>County Council</b>                                   |
| <b>Date</b>                       | <b>27 September 2012</b>                                |
| <b>Subject</b>                    | <b>Corporate Property and ICT Asset Management Plan</b> |
| <b>Shadow Portfolio Holder(s)</b> | <b>Bob Parry</b>  |
| <b>Lead Officer(s)</b>            | <b>Mike Barton</b>                                      |
| <b>Contact Officer</b>            |   |

### **Nature and reason for reporting**

Section 3.2.2.1.3 of the Council's Constitution identifies plans and strategies which the Council should be adopted by the full Council as a matter of local choice. Changes to the Corporate Asset Management Plan are proposed and Section 3.2.2.1.3 of the Constitution applies in this instance.

### **A – Introduction / Background / Issues**

1.1 At its meeting on 23<sup>rd</sup> July 2012 the Board of Commissioners considered a report on Corporate Property and ICT Asset Management Plan and resolved as follows:-

To recommend to the County Council:-

- That it endorses the Anglesey Asset Management Plan and incorporate into that Plan the proposals set out in the report for addressing the property and ICT (internal and external) asset requirement for Anglesey Council and specifically to approve the following recommendations:-
- That the Senior Leadership Team be authorised to explore an initiative to implement a property and ICT rationalisation which includes commercial and development sites alongside the total corporate assets of Anglesey Council, other than as noted in Section 5 of the report, and that a business case be presented to the Board for further consideration and approval by January 2013;

- That the Senior Leadership Team is authorised to prepare a plan during 2012-13 for addressing surplus schools places and considering alternative uses for space so released, with the provision of a suitable ICT infrastructure to link devolved services to the corporate systems;
- That the Senior Leadership Team consider all available funding options in consultation with Welsh Government to identify further funding streams to take forward the capital programme for property and ICT rationalisation through a potential public private partnership;
- That the Senior Leadership Team be authorised to proceed with the procurement process for establishing a public/private partnership approach to rationalising property and ICT infrastructure, subject to the business appraisal and consideration of Welsh Government's 21<sup>st</sup> Century School regional procurement strategy, including evaluation of the procurement process against the proposed public/private vehicle;
- That the Chief Executive or his delegated officer be authorised to enter into negotiation with Local Partnerships for a Service commission as described in Section 5 of the report and that an initial working budget of £30,000 from the Council's feasibility budget be established for this purpose.

1.2 A copy of the report is appended for information.

The report sets out proposals for radical changes in the way the Council manages its property assets for the future.

A key element of the proposal is the need for the Council to take a holistic approach to the asset strategy and to ensure that the estate is able to effectively provide support for the corporate direction and vision for the island. The strategy will crucially involve the following enabling workstreams:-

- HR Strategy to facilitate flexible working, hot desking, outsourcing, etc.
- ICT strategy to provide infrastructure capable of supporting flexible and locally based service delivery.
- The provision of locally based service hubs and new service delivery models through process re-engineering and supported by the Council's estate.

- Consultation Strategy with staff, the public, Unions and partners.
- Economic regeneration, including destination management, as a key enabler to the strategy and overall vision for the island.

## **B – Considerations**

- 2.1 The report of 23<sup>rd</sup> July 2012 sets out a variety of reasons why the Council must reconsider its approach to asset management for the future.
- 2.2 The recommendations from the Board of Commissioners to the County Council, if adopted, would enable the proposed changes to the asset management strategy to be commenced. As noted in the report of 23<sup>rd</sup> July 2012, the approach being recommended is not without risks. These risks need to be examined further along with a degree of testing of the proposals to be undertaken to provide greater certainty of success. It is proposed that once this preliminary work is successfully concluded a Business Case is prepared for approval prior to commencement of a process to seek a private sector partner to take forward the strategy through a local asset backed vehicle, or similar.

## **C – Implications and Impacts**

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|----------|---|--|
| <b>1</b> | <b>Finance / Section 151</b>                                      |  |
| <b>2</b> | <b>Legal / Monitoring Officer</b>                                 | No comments  |
| <b>3</b> | <b>Human Resources</b>  | Early consultation with HR required to identify effect on staffing |
| <b>4</b> | <b>Property Services</b><br>(see notes – separate document)       | Included within the report   |
| <b>5</b> | <b>Information and Communications Technology (ICT)</b>            | ICT require input into further dialogue and reporting              |
| <b>6</b> | <b>Equality</b><br>(see notes – separate document)                |  |
| <b>7</b> | <b>Anti-poverty and Social</b><br>(see notes – separate document) |  |

| <b>C – Implications and Impacts</b> |  |  |
|-------------------------------------|--|--|
| <b>8</b>                            | <b>Communication</b><br>(see notes – separate document)      |  |
| <b>9</b>                            | <b>Consultation</b><br>(see notes – separate document)       |  |
| <b>10</b>                           | <b>Economic</b>  | IACC property assets create positive economic impacts (direct/indirect). The impact of any policy or disposal should be considered in terms of opportunity/threat to economic well-being (and not just the financial gain from a sale process).<br><br>IACC policy on asset transfer needs to be clarified and incorporated into the Asset Strategy. |
| <b>11</b>                           | <b>Environmental</b><br>(see notes – separate document)      |  |
| <b>12</b>                           | <b>Crime and Disorder</b><br>(see notes – separate document) |  |
| <b>13</b>                           | <b>Outcome Agreements</b>                                    |  |

| <b>CH - Summary</b>   |
|---|
| The recommendations of the Board of Commissioners of 23 <sup>rd</sup> July 2012 in relation to the Corporate Property and ICT Asset Management Plan are presented for consideration and adoption by the County Council. |

| <b>D - Recommendation</b>  |
|--|
| That the County Council approves the recommendations of the Board of Commissioners of 23 <sup>rd</sup> July 2012 with regard to the Corporate Property and ICT Asset Management Plan |

**Name of author of report: Mike Barton**  
**Job Title: Head of Property Services**  
**Date: 03/09/2012**

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| <b>Appendices:</b> |
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| Report to Board of Commissioners of 23 <sup>rd</sup> July 2012. |
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| <b>Background papers</b> |
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AGENDA ITEM NO.

| <b>ISLE OF ANGLESEY COUNTY COUNCIL</b>   |  |
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| <b>Report to</b>   | <b>Meeting of the Board of Commissioners</b>                               |
| <b>Date</b>  | <b>23<sup>rd</sup> July 2012</b>   |
| <b>Subject</b>   | <b>CORPORATE PROPERTY AND ICT ASSET MANAGEMENT PLAN</b>                    |
| <b>Portfolio Holder(s)</b>   | <b>Shadow Portfolio Holder Property and Maritime, Councillor Bob Parry</b> |
| <b>Lead Officer(s)</b>   | <b>Mike Barton</b>   |
| <b>Contact Officers</b>  | <b>Mike Barton, Chris Staddon, Dylan Edwards, Rhys Griffiths</b>           |
| <b>Nature and reason for reporting:</b>  |  |
| <b>TO REVIEW THE FUTURE MANAGEMENT STRATEGY FOR PROPERTY ASSETS, EXCLUDING HOUSING</b> |  |

**A – Introduction / Background / Issues**

- 1.1 At its meeting on 1 December 2009 the Executive considered a report on property asset management, excluding Housing stock, and the resolutions included the following:-
- Given the serious maintenance backlog, that all possible opportunities be taken to rationalise and reduce the Council's property stock and that schools, leisure, smallholdings and social care reviews take the need to reduce the backlog by taking rationalisation into account.
  - As of 1<sup>st</sup> April 2010, all non-school structural maintenance budgets to be pooled and treated as a corporate resource to be utilised by Property to best manage the Council's maintenance backlog, whilst having regard to the needs of services.
  - That a report be submitted to the Executive by 31<sup>st</sup> March 2011 updating the Asset Management Plan taking into account service rationalisation, the Council's revised priorities, up to date capital values and condition surveys.

1.2 Subsequently the Leader established a number of cross party Task and Finish Panels to review specific parts of the Council's property portfolio. These Panels covered the following areas of work:-

- Smallholdings
- Leisure Centres and Leisure Facilities
- Heritage and Culture sites
- Asset Rationalisation, covering all Council property other than those being considered by other Task and Finish Panels and excluding Schools and Residential Homes for the Elderly which were already on-going .

Work on reviewing Social Services Care provision, including residential homes, has been carried out under the direction of Social Services.

The review of schools rationalisation has been ongoing, driven in part by a requirement to submit information to Welsh Assembly Government in connection with the 21<sup>st</sup> Century Schools programme.

In addition a variety of property related reviews have been conducted under the Council's Affordable Priorities Programme.

These have included specific groups of properties such as Leisure Centres, Library Services, Visitor Attractions and Amenities, Area/Cash Offices and Public Conveniences.

1.3 The Task and Finish Panels established by the Leader have all presented reports to the Executive during 2010 or the early part of 2011.

At the time of drafting this report proposals are being developed for transformation of residential care homes.

Whilst the overall Affordable Priorities Programme has clarity of purpose there is still uncertainty regarding details within some of these projects reviewing specific groups of properties and subsequent initiatives have overtaken a number of these projects, for example Destination Management Planning.

A report on Industrial and Commercial properties was prepared in March 2011 however this, together with a more substantial review of asset management, was deferred at the time by the Commissioners.

In recent months a Task and Finish review was established by the

Commissioners which involved Members and Officers working together on a more radical review of property particularly focusing on schools surplus places and the broader aspects of asset management planning. This report arises from that review and now provides options for consideration and to set the future strategies for the authority with regard to asset and estates management to establish the requirements for 21st Century assets with schools being given the highest priority in terms of being a corporate asset and providing the opportunity to address surplus places.

The review and this report emphasises the need for the Council to take a holistic approach to the asset strategy to ensure that the corporate direction and vision of the organisation is supported by the estate. A number of enabling strands combine with this including:-

- HR Strategy to facilitate flexible working, hot desking, home working and outsourcing.
- ICT Strategy to provide the infrastructure capable of supporting flexible and local service delivery
- Local service hubs and partnerships
- New service delivery models and process re-engineering, supported by the estate
- Consultation strategy including the public, staff, unions and partners.
- Economic regeneration and destination management as a key element of the overall vision for the island.

The outcome of this review and proposals for a new approach to asset management within and throughout the authority must be owned at the highest level to succeed. The proposals, if approved will need to be prioritised for delivery but with an initial emphasis on the schools agenda, and will need to be considered by the County Council in due course in accordance with the Constitution.

## **B - Considerations**

### **2.0 UPDATES FOLLOWING THE WORK OF THE TASK AND FINISH AND OTHER REVIEW PANELS.**

The requirement for services to give consideration to asset rationalisation has received a mixed response to date.

The processes of reviewing various assets through Task and Finish



Panels each of which considered only specific groups of properties did not enable the Council to take an effective overview of all assets. For example, the Smallholdings Panel has carried out extensive work to prepare a Service Asset Management Plan for the estate which provides a good framework for that estate to be taken forward over the next 10-15 years. However, the Panel did not consider the role of smallholdings within the overall Portfolio of assets held by the Council or the impact that retaining the estate could have on the maintenance of other assets. The panel reviewing Asset Rationalisation had effectively been limited to considering only those properties which were not included in the work of other Panels. Although this Panel reviewed properties on the basis of 4 areas across the island and also within each of the 5 urban areas, it was not possible at that time to consider in detail the potential for cross-cutting provision of service delivery, for example, how Leisure Centres might be used to provide other services the Council wishes to deliver.

The Panels reviewing Leisure facilities and Heritage and Cultural Sites have not delivered significant asset rationalisation for the Council to date. The conclusion of the Leisure Panel reported to the Executive on 18<sup>th</sup> January 2011 was to transfer the Beaumaris Leisure Centre, make a number of staff structural changes and to reduce service delivery in a number of sites. At the time of drafting this report discussions are still ongoing with regard to the Beaumaris site, however significant reductions to the service revenue account have been made. Decisions on the three main Leisure Centres are awaiting the Leisure and Property Services Strategy for the future provision of indoor Leisure facilities on the island. That work is now nearing completion and a draft report has been prepared

The Leisure Service has recently obtained approval to enable a sufficiency review and options appraisal to be conducted. This work is scheduled to commence in July 2012 with a report by September. The findings of these two studies are now intended to be combined into a report to the Board of Commissioners during the Autumn.

The conclusion of the Heritage Sites Task and Finish Panel reported to the Executive in February 2011 was that a lease agreement for operation of one heritage site be approved along with other identified revenue savings. Remaining sites are now being reviewed further in the context of the Destination Management Plan for the Isle of Anglesey.

The Rationalisation of Property Task and Finish Panel developed a list of properties to be disposed of, but it was recognised that this

constituted essentially the “low hanging fruits”. It is considered that more radical approach and work is required to achieve the end result of addressing the serious maintenance backlog and the surplus capacity in operational properties facing the authority, particularly with regard to schools surplus places.

The Commissioners have challenged the Council’s strategic priorities for rationalising its assets and have placed particular emphasis on options for schools reorganisation to support the Welsh Government’s 21<sup>st</sup> Century Schools programme. There is therefore a detailed operational review of schools within each of four key areas:

- Holyhead area
- North Western area
- Central area
- Eastern area

The Commissioners have requested the Anglesey Council prepare a final report to be presented to the Commissioners/ Executive by end of September 2012 which will address options for rationalising the Anglesey property estate with the priority being to address school places.

In addition to this work a further imperative has been emerging in terms of addressing a recent draft Estyn report which emphasises the need to urgently review the schools estate with particular reference to surplus places.

It is apparent from consideration of all the above issues that the Council whilst having undertaken the necessary work has not been in a position during 2011/12 to make meaningful changes and to address the resource implications in respect of a Corporate Asset Management Plan but Commissioners have been in discussions with the Leader and Officer Task and Finish group on establishing innovative ideas around asset rationalisation in order to provide significant changes to the Council’s asset base through a public/private partnership vehicle that could provide an opportunity to address the 21st Century requirements of property and ICT for Anglesey .

### **3.0 MAINTENANCE BACKLOG**

- 3.1 An ongoing programme of revisions to condition surveys indicates a worsening situation with regard to building conditions and the maintenance required to retain premises in good order.

The Asset Manager’s report for 2011/12, as a consequence of updated condition surveys, indicates that the maintenance requirements on all

property excluding smallholdings has risen from £16m in 2009 to £18m. These are estimates of maintenance required over the next 5 years. The current estimate for schools alone is £12.74m, and the estimate for all other properties (excluding smallholdings and Housing) is £5.29m.

The pooling of non-schools structural maintenance budgets for 2010/11 provided an initial capital budget for £600k per annum to address planned maintenance requirements for all buildings and property assets, excluding schools, smallholdings and Housing. The budget for 2011/12 and 2012/13 has been reduced to £450k.

- 3.2 Property Services use a risk based matrix to prioritise use of this available funding for properties other than schools and smallholdings. The matrix is reviewed with services individually and at the Corporate Property Group. A similar matrix is used for separate Education and schools funding. A separate programme of improvements to the smallholdings estate is funded by ring-fenced rental income and receipts from sales.

The condition of schools was re-assessed during 2011 and the value of works in respect of health and safety risks alone in schools is some £2.36M, whilst urgent repair work in all schools is estimated at a further £3.14M. Both categories of work should demand high priority attention and ideally be completed during the current financial year. The allocated repair and maintenance budget for the year to cover all schools is £0.74M (this excludes works relating to mobile classrooms, traffic management, etc.). The allocation of this budget has been agreed with the Education Service and primarily is to be used to address specific risks such as fire risks, gas interlock/canopies in kitchens, hot and cold water services and toilet facilities. An allocation has been made for pipework replacement at one school and there is a small provision for boiler replacements. A small contingency sum remains unallocated but there is concern that this may be insufficient to ensure that no schools close due to health and safety issues or failure of vital components leading to environmental concerns. No budget allocation is available to cover other categories of maintenance, for example painting and decorating

It is apparent that the current budget provisions will not be sufficient to address maintenance requirement for these buildings over the next 5 years, which is the period covered by the current estimates of required maintenance. With present budget resources it will take over 15 years to address the current identified maintenance requirements and less than half of the urgently required maintenance will be completed over the next 5 years, leaving Council buildings in a declining condition and

jeopardising the future service delivery for the public.

With this scenario in mind it is clear that the Council has to make serious decisions in the near future with regard to its buildings stock. It appears that the Council is moving toward a situation whereby it can no longer afford to adequately maintain all the buildings it owns and occupies. Either budget provisions must be significantly increased or the Council must take decisions to vacate and dispose of buildings and properties. This decision cannot be taken in isolation of consideration of service delivery. The present situation will impact at some future stage on services, either by the effects on annual budgets, by the disposal of property or by the enforced closure of premises. The Council must decide on its priorities to avoid uncontrolled building failures.

#### **4.0 OPTIONS FOR REVISED CORPORATE ASSET MANAGEMENT PLAN**

- 4.1 The Council's Asset Management Plan as approved in 2009 provided a broad framework for managing the Council's property portfolio over a 5 year period. The guiding corporate aim of the Plan is:

“To optimise the use of County Council assets for the benefit of long term improved service delivery to the benefit of the County residents, service users and businesses ensuring financial return at minimal, sustainable cost.”

The Commissioners have challenged Anglesey Council to discharge the Asset Management Plan through exploring innovative ways of releasing resources to shape a 21st Century approach to the asset (property and ICT) requirements of Anglesey Council. This approach should build on the Asset Management Plan with the priority being to address schools surplus places with an approach to take a corporate view of property, immediately shrinking the footprint of schools with surplus places, devolving service delivery to release central property use and assist to use up any suitable school surplus places during 2012-13. The Commissioners have also challenged Anglesey Council to prepare an approach to releasing surplus property asset through a public/private partnership approach that can support a re-positioning of its property and ICT infrastructure in a planned and managed way. This report takes account of the Commissioners challenges to Anglesey Council and the Commissioners Board are requested to consider this

report and make recommendations as a way forward for Anglesey Council.

4.2 In order to address immediate concerns regarding maintenance of operational buildings the following options are suggested for discussion. Options in this section are based on reducing the number of buildings required to be maintained by the Council on the assumption that it is unlikely in the present economic circumstances that budgets can be increased for the foreseeable future:

- identify target numbers of buildings in each category to retain – details of locations to be decided in due course
- identify externalisation options which may allow facilities to be provided by private or voluntary sectors eg. Council maintained Leisure Centres
- identify secondary school requirements based on new catchment areas indicated in section 2.0 above •
  - identify options for combining secondary and primary schools on same site eg. Holyhead, Amlwch
- identify options for transfer of portfolios to private sector eg. industrial and commercial units
- review current strategy for smallholdings and consider options for use of income on operational buildings
- identify options to further reduce the number of public conveniences maintained by the Council
- allow buildings to close on an “ad hoc” basis as a consequence of external intervention or risks relating to health and safety and/or environmental conditions
- take a risk based approach to consequences of closure of buildings, including risk of adverse publicity/ public reaction

4.3 Work carried out in recent years has provided the Council with a good and developing estates knowledge base of properties, including recent asset valuation data, and which is available for use to assist decision making. It is also noted that there appear now to be limited investment properties available to sell and there is currently a poor market response for potential sales.

4.4 Approaches to assets management in the past have resulted in the following:

- model for delivery of public services dictated to a large extent by availability of Council owned land and buildings
- \* “silo” approach to estates with buildings allocated to

- individual services for use, operation and management
- limited development of options for shared use of buildings within the Council
- limited development of shared service options with 3rd sector and other public sector bodies
- office accommodation allocated to services areas for exclusive use

4.5 There is an urgent need proceed to implement an alternative high level corporate estates management strategy supported by a phased implementation plan to support the Council's vision for the island over the coming 10 to 15 years. The longer term vision for the estate needs to be driven at the highest levels within the organisation and should complement and be integrated with other strategic plans and the key questions which need to be addressed are:

- what kind of estate will help the Council to achieve its corporate objectives, and
- how does the Council move from the present situation to what is required in the future.

4.6 Based on discussions to date it is proposed that a strategy of area based service provision is considered for the asset rationalisation that is required. Service requirements within each area will be reviewed in order to determine the optimum estate requirements to deliver services to the public. Assets not required to provide these services would be disposed of and income/savings so generated would be allocated for building adaptations and refurbishment together with ICT infrastructure to ensure facilities are fit for purpose for the future.

Through the strategic use of ICT and by developing innovative partnership arrangements with ICT manufactures, vendors and service providers Anglesey can seek to become a lead authority in the provision of 21st Century Schools and in the enablement of modern public service delivery. Advantage can be gained by having a coordinated approach to ICT delivery across all areas of the council's business thus enabling the council to co-locate services as it seeks to rationalise its property estate. As the rationalisation of the property estate matures further consideration should be given to investing in home working, mobile and hot desking capabilities. The Commissioners have been supportive in strengthening the council's corporate centre and in recognising the role ICT plays in the transformation agenda and this has helped position ICT more corporately.

A key element of the 21st Century Schools programme is the

investment in infrastructure and technology to enable the transformation of the learning environment by utilizing smart technology beyond and within the school and Anglesey must aim to achieve this in partnership with the Welsh Assembly Government and strategic partners. A co-ordinated approach to digital infrastructure projects across Council should be considered as a mechanism for ensuring engagement with Government and the private sector both regionally and nationally is cohesive.

However, the process of disposal and reinvestment follows a traditional approach, is lengthy in execution and does not easily allow the Council to provide new facilities prior to closure of old buildings. This approach has led to controversy in the past and innovative approaches to property assets are emerging across the United Kingdom and Anglesey has been securing knowledge transfer to assist it in moving forward on property rationalisation and ICT infrastructure.

The Commissioners have been fully supportive of the approach that is now being taken to enable further development work on the asset management plan to take place and to accelerate the pace of change with particular emphasis on schools surplus places..

## **5.0 OPTIONS FOR MAKING USE OF ASSETS TO PROVIDE ADDITIONAL FUNDING**

- 5.1 In recent years a number of initiatives have been developed to enable Local authorities to make better use of public sector assets by incorporating private sector finance.

Amongst these initiatives the concept of a Local Asset Backed Vehicle (LABV) may be utilised to provide operational benefits within a controlled framework.

The Key characteristics of a LABV include the following:-

- \* medium or long term partnership or joint venture between the local authority and private sector partner
- \* use of council owned assets to raise funds which can be used for a programme of investment.
- \* public sector contributes assets; private sector contribute, funding and capacity to deliver.
- \* 50/50 partnership in the form of a new corporate entity with risk and reward shared.

Initial discussions have taken place with public sector experts in this

field and Commissioners are fully informed on and supportive of taking such an approach to rationalising the property and ICT requirements of Anglesey Council. If this report's proposals and recommendations are approved it is considered this may lead to the creation of a significant funding stream to enable assets fit for the 21<sup>st</sup> Century, to be put in place. It is suggested that the key driver for such an approach should be the delivery of a revitalised schools estate and which would assist in addressing issues raised by Estyn as well as the Welsh Government's broader 21<sup>st</sup> Century Schools.

- 5.2 An initiative of this nature is not without risks and appropriate expertise to develop the business appraisal, programme governance and procurement process would be required at key stages of development. At an early stage the Business Case would need to be prepared to evaluate the Concept, appraise options for creating a suitable vehicle and , critically examine private sector appetite through soft market testing being undertaken prior to proceeding with an accelerated procurement process.

Currently the Council has neither the skills or capacity in-house to undertake such work and an essential first step would be the engagement of appropriate external assistance and the engagement of suitable expertise has been explored recently by Anglesey officers in consultation with Commissioners with the discussions having been with Local Partnerships.

- 5.3 Local Partnerships is a not for profit organisation owned jointly by LGA and HM Treasury and funded partly by rate support grant and partly by income from service commissions. The organisation has a Memorandum of Understanding (MoU) in place with Welsh Government for the provision of various services which would include work of the type under consideration here. It is understood that the MoU provides options for any local government organisation to draw off services under framework arrangements and this is currently being explored with Welsh Government officials together with any invest to save grants that may be available to pump prime the approach.

Subject to finalising the discussions with Welsh Government officials on the approach it is proposed that Local Partnerships be engaged through this MoU to enable further explanatory work to be carried out, to review options for LABV or similar funding vehicles and prepare a Business Case as appropriate for subsequent approval prior to assisting with a procurement process commencing in January 2013. This approach will need to take into account the Regional approach to



21st Century Schools framework contracts and Anglesey will participate in this approach as an option, whilst the Anglesey vehicle will provide an option for making a comparative benchmark on value for money.

The Commissioners have challenged Anglesey to present a way forward on property and ICT investment requirements through exploring innovative ways of addressing the difficult public sector budget settlements and releasing asset resources leading to operational efficiencies that will assist in delivering vital public services. The Commissioners Board is invited to consider this proposal and, if agreed, to establish a working budget and authorise relevant officer to proceed with this initial work with a budget of £30,000 being recommended at this stage.

It is recommended that Commissioners approve this initiative and, a review is undertaken as part of the initial work and to consider the inclusion of appropriate commercial and development sites with the LABV, as an alternative to the current practice of sale on the open market. It is noted, however, that a number of future receipts from existing sites have been allocated to date for schools projects within the current, recent or planned capital programmes and such receipts should be ringfenced for this purpose.

### **Commissioners Views**

The Welsh Government Commissioners have been fully consulted on the proposals contained in this report and fully endorse the need for local government generally to be innovative in terms of exploring options for releasing resources to invest in property and ICT rationalisation. The release of resources to invest in downstream efficiencies is crucial in the current economic climate and Anglesey is engaging with world class expertise such as Hay Group and Cisco to provide insights and benchmarks to best practice both within the UK and internationally. This is demonstrating a culture shift from the Old Anglesey to a new Anglesey that was marked in a milestone meeting of the new Senior Leadership Team and Executive Members on 12 July 2012 where a strategy for taking Anglesey forward over the next three years was established that takes into account the challenges that Anglesey is facing. That approach demonstrated a real commitment from Anglesey Members and Officers to establish a sustainable corporate governance recovery and service improvements particularly for social services and education.

The Welsh Government Commissioners challenge to Anglesey was to be innovative but within acceptable risk assessment criteria and public sector norms. Anglesey needs to take this position against a backdrop of reduced budgets on revenue and capital but with a need to address surplus places and technology transformation to gain efficiencies - not a new challenge to local government - but Anglesey is also facing a major change process to meet the expectation of a corporate governance intervention.

Commissioners have asked Anglesey Officers to prepare this report which will seek to develop a Concept Note leading to a Business Appraisal of the options facing Anglesey as soon as possible (within 3 months). Subject to that Business Appraisal the Commissioners consider it important that Anglesey proceeds to procurement for a private sector partner to deliver the property and ICT internal and external requirements. This should be progressed through an accelerated 12 month competitive dialogue process.

The Concept Note will be the subject of consideration at two Officer meetings on 16 August 2012 which will take account of the Welsh Government 21st Century broadband roll-out, with the aim to commence a Business Appraisal in September. This would allow a procurement process to commence in January 2013 with Local Partnerships being invited to participate in these meetings with a view to commissioning their expertise following discussions of procurement arrangements and funding streams with Welsh Government.

This consultation with Welsh Government officials on the funding options and their commitment to explore this route with Local Partnerships being engaged against their framework contract/MOU is an important first stage for Anglesey and Commissioners will be challenging and supporting Anglesey Officers in this dialogue through knowledge transfer and though leadership. The Welsh Government Commissioners are therefore fully supportive of this approach being taken forward by Anglesey and consider it augers well for the aim of being a leading authority in Wales over the next few years.

| <b>C – Implications and Impacts</b> |   |  |
|-------------------------------------|---|--|
| <b>1</b>                            | <b>Finance / Section 151</b>                                      | As the option appraisal is developed the costs/efficiencies and funding will need to be developed alongside, and will form part of, any decision   |
| <b>2</b>                            | <b>Legal / Monitoring Officer</b>                                 | No comments  |
| <b>3</b>                            | <b>Human Resources</b>  | Early consultation with HR required to identify effect on staffing   |
| <b>4</b>                            | <b>Property Services</b><br>(see notes – separate document)       | Included within the report   |
| <b>5</b>                            | <b>Information and Communications Technology (ICT)</b>            | ICT require input into further dialogue and reporting  |
| <b>6</b>                            | <b>Equality</b><br>(see notes – separate document)                |  |
| <b>7</b>                            | <b>Anti-poverty and Social</b><br>(see notes – separate document) |  |
| <b>8</b>                            | <b>Communication</b><br>(see notes – separate document)           |  |
| <b>9</b>                            | <b>Consultation</b><br>(see notes – separate document)            |  |
| <b>10</b>                           | <b>Economic</b>   | <p>IACC property assets create positive economic impacts (direct/indirect). The impact of any policy or disposal should be considered in terms of opportunity/threat to economic well-being (and not just the financial gain from a sale process.</p> <p>IACC policy on asset transfer needs to be clarified and incorporated into the Asset Strategy.</p> |

| <b>C – Implications and Impacts</b> |  |   |
|-------------------------------------|--|---|
| <b>11</b>                           | <b>Environmental</b><br>(see notes – separate document)      | Implications to be considered on a case by case basis |
| <b>12</b>                           | <b>Crime and Disorder</b><br>(see notes – separate document) |   |
| <b>13</b>                           | <b>Outcome Agreements</b>                                    |   |

| <b>CH - Summary</b>  |
|--|
| <p>The Council's Corporate Property Asset Management Plan for non-Housing assets is required to be reviewed. The Council's strategic priorities have been revised during 2011 and the Asset Management Plan should reflect and support these aims and objectives.</p> <p>The condition of operational buildings requires a revised strategic approach together with short term decisions to address concerns regarding the Council's future ability to deliver services from its estate.</p> <p>Options are presented for discussion and to provide direction for the revised Asset Management Plan.</p> <p>A proposal is made to engage external assistance to commence work with regard to a Local Asset Backed Vehicle or similar initiative.</p> |

| <b>D - Recommendation</b>   |
|---|
| <ol style="list-style-type: none"> <li>1. The Commissioners are requested to consider and endorse the Anglesey Asset Management Plan and incorporate into that Plan the proposals set out in the report for addressing the property and ICT (internal and external) asset requirement for Anglesey Council and specifically to approve the following recommendations;</li> <li>2. That the Senior Leadership Team be authorised to explore an initiative to implement a property and ICT rationalisation which includes commercial and development sites alongside the total corporate assets of Anglesey Council, other</li> </ol> |

than as noted in section 5 of the report, and that a business case be presented to the Board for further consideration and approval by January 2013.

3. The Senior Leadership Team is authorised to prepare a plan during 2012-13 for addressing surplus schools places and considering alternative uses for space so released, with the provision of a suitable ICT infrastructure to link devolved services to the corporate systems
4. The Senior Leadership Team to consider all available funding options in consultation with Welsh Government to identify further funding streams to take forward the capital programme for property and ICT rationalisation through a potential public private partnership.
5. The Senior Leadership Team be authorised to proceed with the procurement process for establishing a public/private partnership approach to rationalising property and ICT infrastructure, subject to the business appraisal and consideration of Welsh Government's 21st Century School regional procurement strategy, including evaluation of the procurement process against the proposed public/private vehicle.
6. The Chief Executive or his delegated officer be authorised to enter into negotiation with Local Partnerships for a Service commission as described in Section 5 of the report and that an initial working budget of £30,000 from the Council's feasibility budget be established for this purpose.

**Name of author of report – Mike Barton**

**Job Title – Head of Service (Property)**

**Date**

**Appendices:**

**Background papers**