FLINTSHIRE COUNTY COUNCIL

REPORT TO: CORPORATE RESOURCES OVERVIEW & SCRUTINY

COMMITTEE

DATE: THURSDAY, 17 JANUARY 2013

REPORT BY: DIRECTOR OF ENVIRONMENT

SUBJECT: ASSET MANAGEMENT AS A FLINTSHIRE FUTURES

WORKSTREAM

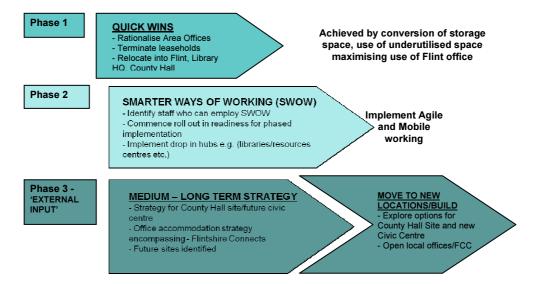
1.00 PURPOSE OF REPORT

1.01 To provide an update on the Assets Workstream within the Flintshire Futures Programme.

2.00 BACKGROUND

- 2.01 The Council has developed the Flintshire Futures Programme as its corporate programme for modernising and transforming the organisation and to make best use of its resources and secure efficiencies. Within this programme are a number of specific workstreams, Assets being one such workstream.
- 2.02 The previous Executive agreed to half yearly reporting on the progress of the programme and its projects twice yearly to both Cabinet and Overview and Scrutiny once at the mid stage of the year and once as part of the annual budget setting process as part of our efficiency forecasting work. The mid year report was submitted to Scrutiny on the 11th October 2012 by the Head of ICT and Customer Services.
- 2.03 This report provides information on the various strands of activity within the Assets workstream, which is a complex programme of work which touches upon a wide number of services within the Council. Our approach is set out in the diagram below.

Three Phased Approach



2.04 Our vision to achieve this strategy is:

"Modern buildings which can be used flexibly are adaptable, sustainable and intensively used by the Council and our partners, utilising the latest technology, to create, support and deliver modern and effective 21st Century services"

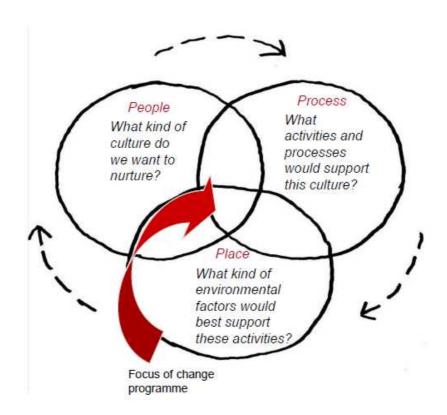
- 2.05 We have approximately £1000m worth of assets in a large and varied estate. We aim to rationalise by disposing of properties which are under-utilised, inefficient or poorly located. This will, in some cases, deliver capital receipts for reinvestment and reduce running costs. Our office accommodation currently costs us £1.75m per annum and has a carbon footprint of 1862 tonnes per year. We will ensure our properties are fit for purpose, meet our customer needs and are efficient to run.
- 2.06 The majority of our corporate property portfolio is offices and staff accommodation with County Hall being by far the largest and least efficient. The most recent condition survey has identified that there is a backlog £6million of maintenance required. The current space allocation is almost 12sqm per desk and as there is mostly a 1:1 desk/person provision this equates to an annual cost of £1280 per desk/person. By modernising the way we work and reducing the space provision to 8sqm per desk this can be reduced to £600 and by reducing the desk provision to 1 desk for 2 people the cost per person could be reduced to £300, over a 76% reduction.
- 2.07 In addition to this we can reduce the amount of storage space we currently use. In County Hall 10% of the net internal area is dedicated for storage use (that's almost 6 tennis courts and excludes space within offices for filing etc). This costs £156,000 per year. By implementing Electronic Document

Management dedicated storage space can be reduced to 2% of floor area, in a smaller building this could mean a reduction in running costs of £130,000 each year.

2.08 In addition we will encourage local community groups to use our assets to build sustainable social enterprises through Community Asset Transfers, and promote public and third sector co-location where appropriate.

3.00 CONSIDERATIONS

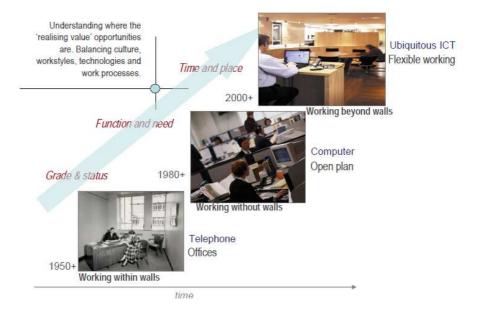
3.01 In understanding where we are now and where we need to be in the future we must consider our journey and in relation to this measure the initial value of our buildings, how these support the core activities of the Council and citizens of Flintshire and what measures we must deploy to modernise the services we provide.



- 3.02 In analysing our buildings it is clear that a number now have issues such as:
 - customer access with offices in the wrong location and which do not serve our customers well in terms of accessibility, i.e. not in the heart of the community;
 - high running costs and large carbon footprint, energy hungry
 - building condition which is generally is poor and requires substantial investment;

- space standards which poor, with traditionally laid out floors and many cellular offices;
- team inter-dependence not fully considered;
- contribute negatively to issues of productivity and culture;
- appearance which is poor and as a consequence presents a poor image of the Council
- 3.03 Essentially the assets workstream touches on a number of elements within other workstreams of the Flintshire Futures Programme for example:
 - human resources and the development of supportive policies that assist a transition from current to future (agile and mobile working);
 - document management through electronic document scanning, retention and retrieval;
 - development of agile and mobile ways of working through the use of new technologies;
 - intensification of building use and a cultural change from employees presenteesim to output based management by objectives,
 - an employer of choice.
 - efficiency savings through the increased utilisation of space leading to an overall reduction in core office requirements;
- 3.04 In developing the work involved in this workstream it is also apparent that there may be an opportunity to create, in some cases, a community aspect through developing a community based approach within the asset disposal programme. This approach is supported and further reinforced by the Councils Community Asset Transfer Policy which seeks to support, assist and enable local community groups and third sector organisations to occupy the Councils surplus accommodation.
- 3.05 What we are seeking to do is to move from a traditional office based approach to one which is highly responsive, flexible and which uses space intensively and is supported through modern technology. The journey is set out below:

Change in design and distribution of space



- 3.06 We have already started delivering a number of themes from the three phased approach and this activity is identified below:
 - review of third party leases on a rolling basis and where appropriate these are being terminated
 - relocation of services and consolidation into other Council
 Offices more notably Flint which now has a utilisation level of
 9m² from a previous level of 15m²; this has enabled us to vacate
 the ground floor offices to potentially accommodate a Flintshire
 Connects and partner organisations.
 - a number of service areas are now working in an agile or mobile way eg Building Control working mobile through the use of new technology, Revenues and Benefits who now work in an agile way;
 - developing the rationalisation of accommodation at County Hall and the exploration of options
 - further development of Flintshire Connects sites at Flint and Connahs Quay following the opening of the Holywell connects office.
- 3.07 Targets have been set within the workstream and these are set out below:
 - reduction in floor space from 12m2 to 8m2 per person, this will reduce further in time
 - reduce level of storage from 10% to 2% (this could mean a reduction in running costs of £120k pa or more)
 - reduce floor space to 50% by 2016
 - reduce office costs by 50% by 2016
 - 95% of the workforce to be mobile or agile workers by 2016
 - explore a total facilities management solution over the next three

- years, involving the integration of a number of hard and soft FM functions such as security, CCTV, Maintenance and Repairs, campus management, cleaning and catering
- Increase the number of assets offered up on the basis of Community Asset Transfers
- 3.08 Within the whole Flintshire Futures approach there are clear linkages to the Medium Term Financial Plan (MTFP) and efficiencies generated through this particular workstream, like others, will contribute to the overall level of efficiencies within the Councils budget setting process.

4.00 RECOMMENDATIONS

4.01 That Members note the report

5.00 FINANCIAL IMPLICATIONS

5.01 None as a direct result of this report.

6.00 ANTI POVERTY IMPACT

6.01 Not as a direct result of this report.

7.00 ENVIRONMENTAL IMPACT

7.01 Should be positive in terms of reducing energy and hence carbon emissions.

8.00 EQUALITIES IMPACT

8.01 Positive in improving access opportunities for those with disabilities.

9.00 PERSONNEL IMPLICATIONS

9.01 Not as a direct result of this report.

10.00 CONSULTATION REQUIRED

10.01 Key stakeholders and Members is ongoing activity.

11.00 CONSULTATION UNDERTAKEN

11.01 Report to Scrutiny on the 11th October 2012.

12.00 APPENDICES

12.01 None

LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985 BACKGROUND DOCUMENTS

None included

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