

## Outline Business Case Template

<b>Strand title</b>	Better Use of Public Sector Assets
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### 1. Aims and objectives

Public sector bodies hold significant property assets within Surrey. A review of this estate in a holistic way across Central Government, the County Council and District and Boroughs will provide the opportunity to deliver a more cost effective joined solution and deliver enhanced public service.

This strand will work closely with the other 5 key areas of this pilot and utilise the skills and experience gained in delivering savings to Surrey over recent years. Significant savings have been delivered to the taxpayer by reducing the asset base by remodelling, disposing or working more collaboratively with our District and Boroughs to deliver front line and back office services.

Collaboration between the primary providers of front line services facilitated by asset integration would result in a public offering for services that would deliver seamless service delivery. Savings to the public purse would be delivered by sharing facilities and collaboration will provide greater opportunities to consider options for achieving best value from the assets no longer required.

The Asset strand will give additional impetus to work on rationalisation of the public estate in Surrey to:

- Reduce its overall size and cost
- Improve the efficiency of use
- Generate capital receipts
- Facilitate co-location of services and front and back offices across the county
- Support regeneration

The above points assist in supporting and underpinning the other strands within this pilot:

- Emergency Services Collaboration
- Family Support Programme
- Increasing Youth Participation
- Dementia Friendly Communities
- Transforming Justice

In supporting these wider objectives, property services overarching remit is to be a catalyst for economic development and regeneration within the county, through investment in existing and new opportunities that will drive new income streams and enhance value for money from existing assets.

The benefits for local residents will be two fold, the first being a number of joined up front of house public services providing more joined up provision of services and secondly in terms of financial savings from more effective use the wider public sector estate.

## 2. Case for change

The case for change has been highlighted previously by the Council and had led to Surrey being one of twelve regional pilots working with the Government Property Unit (GPU) to drive greater rationalisation across the asset estates on the One Public Estate Programme.

Surrey has significant experience to date in delivering streamlined assets that support and underpin an authority that delivers excellence within its public facing and back office functions. These skills and abilities will be used to support not only this strand but work closely with the council's other strands under this programme, particularly the Blue Light collaboration element.

Surrey is currently already utilising our experience in the South East 7 collaboration comprising a Partnership of Brighton & Hove, East Sussex, Hampshire, Kent, Medway, West Sussex and Surrey. This partnership is already delivering real change to the region and core strands on Waste, Highways, ICT, Property Asset Management and SEN and Disability work streams are driving real and demonstrable improvements to service delivery and enhancing public facilities and services in our region whilst providing the scope to delivering financial savings for all the partners.

The opportunities from this strand of the Public Sector Transformation Network are significant. Within Surrey (excluding MOJ custodial assets and specialist land holdings), the Government have 235 recorded assets, including those held by the Police & NHS, comprising land holdings of 350,000 m<sup>2</sup>. Nationally, the average cost per sq m for Government property is £409 per annum (2011/12 figures). On this basis the total cost to central government of its assets in Surrey is more than £140 million per annum.

Surrey has a detailed and extensive asset map of its own portfolio and that of Surrey's eleven districts and boroughs. The council's property portfolio includes about 700 operational assets which are utilised for the delivery of services with a further 400 non-operational assets. The non-operational estates includes an extensive Rural Estate which extends to 1,200 hectares with approximately one hundred tenants occupying a mixture of dairy farms, grassland farms, and smallholdings and grazing as well as cottages and rural businesses.

These assets are currently being mapped against central government holdings.

Significant savings are achievable across the public estate from rationalisation as stated, the first step in evaluating opportunities will be driven by a collaborative approach to sharing property data from the relevant public bodies.

The Council will continue to work closely with the GPU alongside the relevant parent departments responsible across the region and London drawn from:-

Department for Environment, Food & Rural Affairs	Highway Agency/Department of Transport
Department for Works & Pensions	Food Standards Agency
Government Office Residual Estate	Health
Her Majesty's Revenue & Customs	Ministry of Defence
Department for Communities and Local Government	Ministry of Justice

The County Council proposes that it will act as the primary central lead taking responsibility across the main providers of public services. The review will act as a catalyst for evaluating opportunities to co-locate which could facilitate a more effective and efficient offering to the public.

Combining this lead role, together with the partnership ethos already adopted across the SE7, and the significant experience already demonstrated by the council to drive change on a large scale will lead to a reshaping the front face of public services in the longer term.

### 3. Proposed new delivery models

A joint property board will be established to provide the strategic direction required to take these ambitions forward. This new board will comprise of Directors and elected Cabinet members across the partnerships including senior representations from Central Government from the GPU.

This board will be supported operationally by the Property team, with additional resources recruited or contracted as and when necessary to drive and deliver specific site opportunities.

The first step in this process will be the work required to produce a shared asset register and the development of a long term joint asset management plan that sets clear objectives and timescales for delivering combined solutions.

The Joint Asset management plan will build upon principles used for the development of the County Council's asset plan and will include-

- A clear strategy and approach to assessing whether property assets are fit for purpose, both now and in the longer term.
- A process of evaluation that ensures that the requirements of the customer are placed at the heart of the consideration
- An approach that will focus on delivering property solutions that maximise flexibility of use to provide resilience against future service delivery changes, and
- Provision of solutions that deliver efficient design and incorporate the best energy efficiency available.

### 4. Changes required

To deliver a joined up asset strategy it will be necessary to enhance the work already underway with the GPU through the One Public Estate Programme and ensure that at a national level there is a firm commitment on the following points :

- Greater transparency with Central Government Departments on long term strategies
- Commitment to the proposed Joint Property Board with clear accountability for decision making
- The key issues for agreement at a Joint Board will include
  - Terms of Reference
  - Over-arching principles underpinning a Collocation Strategy and rationalisation policy
  - Joint asset management plan to deliver opportunities
  - Identification of immediate opportunities for rationalisation at locations within Surrey
- Agreement of financial principles.

At a local level Surrey will continue to work closely with the Districts and Boroughs on improving the offering to the public, such as the work already ongoing with Spelthorne BC on the Knowle Green project of providing new civic buildings incorporating County Adult Day Services, and locality based Social Services as well as possible Health Centre and linkages with Ministry of Justice on Probation and Court Services.

### 5. Financial case

Surrey County Council has a proven record of delivering significant financial savings from property projects and rationalisation. These include

- A project to deliver a rationalisation of the office estate has delivered savings in excess of £6m per annum from the closure of a number of leasehold buildings. Greater utilisation has been achieved from the remaining office portfolio from smarter working initiatives resulting in an improved desk ratio of 3:5 (3 desks to 5 people) An energy efficiency programme which has

reduced CO2 emissions and energy usage by 21% from the 2009/10 baseline by 2012/13

- A co-location programme with District & Boroughs which has enhanced partnership working and reduced business mileage.

There is more that could be achieved, Surrey has completed an ambitious public sector estates review which identified 18 significant opportunities for asset collaboration. Together these 18 totalled 153,000 sq m of space which, through collaboration, could be reduced by 21.5% to 120,000 sq m with significant estimated capital and revenue savings

These projects demonstrate that the council has the ability to deliver major change and rationalisation projects. Taking this approach over a wider partnership approach, incorporating the GPU, undoubtedly would result in significant benefits.

Additional resources will be required to support this transformation strand. Resource requirements will grow and be determined by the phases outlined above. Requirements include

- The initial phase includes support to the Joint Property Board, data collection and identification of potential opportunities. This phase will be supported by the existing Property Team however due to the scale of the work there is a requirement for additional resources of 1.5 FTE at an estimated cost of £100,000 per annum.
- The development of the Joint Asset management plan will identify any further resources required. The cost of these resources will be incorporated into the business case evaluation and will include staff to deliver identified projects from initial feasibility through to full delivery

## 6. Implementation plan

The council's property team will continue, as part of the GPU pilot, to work closely with regional leads identifying current and future opportunities within Central Government departments.

These strategic meetings are already starting to produce greater collaboration between central and local government with meetings with realistic outcomes being identified with DWP, DoT and MoJ

In terms of implementation of proposals monthly strategic meetings are already diarised with the GPU and other partners and set out below are key dates/next steps for progressing this strand.

October 2013	GPU, Surrey CC & and all eleven District & Borough Partners Workshop
December 2013	Establish Joint Property Board
Monthly	GPU Strategy Meetings
Quarterly	All Partner Workshops

Alongside these regular meetings the following program sets out a broad time line across this strand.

Complete Shared Asset Register	November 2013
Joint Asset Management Plan	March 2014