

Asset Management Strategy



Barnsley – the place
of possibilities.



BARNSELY
Metropolitan Borough Council

Executive Summary

Barnsley Council has reviewed how its land and property assets can be best used to enable the delivery of the priorities identified in the Corporate Plan and 2023 ambitions.

The Council holds a diverse portfolio with a wide range of assets that it either owns or occupies, with some operating commercially, all of which require consideration in terms of their management. The Asset Management Strategy will provide the appropriate governance arrangements to ensure these assets are effectively managed to support the Borough, its communities, and residents.

Strategic asset management is vital in ensuring that assets are managed in a structured way, through the Asset Management Plan, whilst providing flexibility within the context of public sector and the changing environment.

This Asset management Strategy and Plan covers the period 2023/24 to 2027/28 to ensure effective delivery of the Council's short-, medium- and long-term priorities. This programme of work has been aligned to the delivery of the £5.5M of savings required (over the same period) to support the balancing of the Medium-Term Financial Strategy (MTFS).

Given this covers a 5-year period the documents will be reviewed annually to ensure they still align with the organisation's priorities.

Asset Management Strategy 2023/24 to 2027/28

Purpose

This Asset Management Strategy (AMS) sets out the Council's direction of travel for over the next 5 years. This framework will allow the effective and efficient management of the diverse asset base, whilst demonstrating excellent service delivery and value for money (VFM).

Vision

A Barnsley public estate, where all land and property assets support the achievement of the Council's priorities and 2030 ambitions.

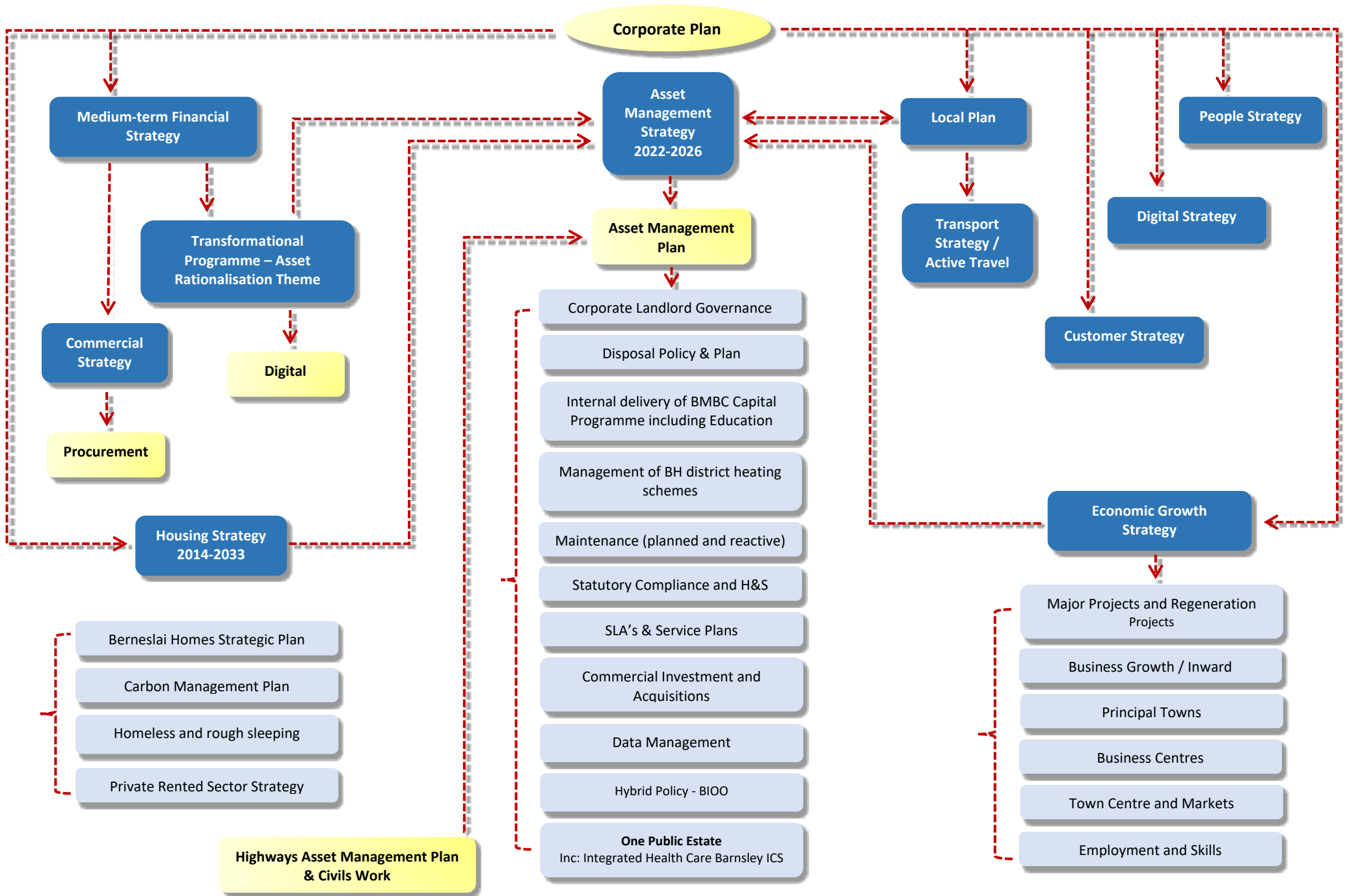
Introduction

Barnsley Council is a 'place of possibilities', working with partners from the public, private and voluntary sectors to create a place that grows ambition, enabling everyone to be the best they can be. We want our buildings and spaces to be positive places where people feel comfortable, welcome, and know they will have a good customer experience. Property assets are a key corporate resource that supports delivery of our Barnsley 2030 ambitious goals and Council Plan priorities (Healthy, Learning, Growing and Sustainable Barnsley). Therefore, effective management of our diverse portfolio will enable delivery of services for our residents and communities.

This strategy aligns our land and building assets to the Medium-Term Financial Strategy (MTFS) and council-wide transformational programme, contributing to the financial gap identified within the MTFS. Consideration will be given to reduce the running and maintenance costs from a combination of asset rationalisation and efficiencies, whilst maximising the commercial opportunities with the estate. It is also important that the scale of the Council's property portfolio is proportionate to the resources available.

The Council has introduced new ways of working, bringing a combination of home-based, office-based, and site-based working. This has resulted in the reconfiguration of workspaces and a stronger focus on collaboration, team working and hybrid technologically. In addition, as services progress their transformation reviews and reimagine their delivery models it may lead to further asset rationalisation. To respond to the changing operational property requirements (hybrid and transformation) ongoing review and regular monitoring of the office accommodation portfolio will be required. This strategy takes account of these changes.

The strategic alignment of this work and the contribution it will make to other agendas, strategies, and plans has been documented below in Figure 1.



To achieve the objectives, set out above, the following 9 design principles will be embedded in the organisation:

Table 1: Principles

Principle 1	<p>Council as Corporate Landlord The Corporate Landlord model centralises all estate related budgets, decision making and activities within Property Services based on a collegiate and inclusive governance structure.</p>
Principle 2	<p>Asset Informed Decisions we make about our assets are governed by the ongoing maintenance requirements of the asset itself enabling us to take a holistic approach to managing the portfolio.</p>
Principle 3	<p>Service-enabling All our assets exist to enable teams to deliver better services and outcomes, by taking an asset led approach we can ensure that they are fit for purpose for the services being delivered from the asset.</p>
Principle 4	<p>Place based All our assets are in the towns, urban centres, villages, and rural areas of the borough. Often, we have several different assets in one place, so we need to take a strategic view of our assets in each location to ensure the appropriate services are being delivered from the right assets in the right location.</p>
Principle 5	<p>Best use of resources The AMS will provide an effective management framework to actively maximise the value of existing assets and provide a strategic context for future investments / disinvestments.</p>
Principle 6	<p>Delivered to Sector Standards Royal Institute of Chartered Surveyors (RICS) guidelines are aimed at those engaged in property asset management and will support how we use data to support organisational objectives and inform the strategic management of assets.</p>
Principle 7	<p>Digitally enabled The management of the AMS and Plan needs to be supported by advancements in technology and data analytics such as artificial intelligence, sensor technologies, the Internet of Things (IoT), Building Information Modelling (BIM), supporting the way in which we look at, understand, and manage our assets.</p>
Principle 8	<p>Sustainability To improve and embed the operational efficiency of each building and their internal infrastructure to combat waste and minimise the carbon footprint / emissions.</p> <p>Establish 'habitat banks' by planting trees / etc so that we can sell carbon credits to developers.</p>

Principle 9	Lifecycle approach Each asset goes through 5 main stages during its life: plan, acquire, use, maintain, and dispose. Adopting this approach helps to achieve the 8 principles set out above.
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The objectives of this strategy are:

Table 2: Strategic Objectives

Objective 1	Delivering an efficient and fit for purpose estate, using assets innovatively whilst supporting service delivery
Objective 2	Guarantee all statutory and legal obligations are discharged
Objective 3	Supporting regeneration, housing, and economic growth
Objective 4	Maximise income growth from commercial and non-operational activities
Objective 5	Support leisure and cultural activities, contributing to Barnsley as a destination
Objective 6	Maximising opportunities available with key stakeholders and partners (OPE)
Objective 7	Contribute to the Councils environmental and sustainability agenda
Objective 8	Enable strategic decision through appropriate governance

These objectives have been mapped against the corporate priorities demonstrating the high-level outputs and associated actions that will be taken (Table 3).

Table 3: Corporate Actions and Outputs

Corporate Priority	AMS Objective		Expected Outputs	Action	Cluster
Healthy, Learning, Growing, Sustainable and Enabling	Objective 1	Delivering an efficient and fit for purpose estate, using assets innovatively whilst supporting service delivery	> Contribute to the delivery of the Medium-Term Financial Strategy (MTFS)	The AMS will be aligned to the delivery of these Strategies and Plans to maximise how Property Services support the corporate ambitions	All
			> Support the delivery of the Capital Strategy		
			> Enable the Corporate, Service and Transformation Plans to be achieved		
			> Create a modern working environment	Introduce consistent hybrid working practices across the whole of the portfolio	All
			> Rationalised portfolio	Review the asset base to determine if the stock should be retained or disposed	All
Enabling	Objective 2	Guarantee all statutory and legal obligations are discharged	> Compliant, safe, and resilient estate.	Introduce a comprehensive preventative and planned maintenance plan	All
Enabling and Growing	Objective 3	Supporting regeneration, housing, and economic growth	> Provision of sites and developments that support delivery of this ambition	Release of public sector sites for development.	1, 4, 5
				Development of Council owned sites	
				Strategic acquisition of sites	
Healthy, Learning, Growing, Sustainable and Enabling	Objective 4	Maximise income growth from commercial and non-operational activities	> Bring a strategic and consistent approach to the management of the investment portfolio	Invest and maintain our portfolio	All
				Maximise income generated through the council's commercial estate	1
				Commercialise services that could be externally traded	1
				Identify income opportunities within operational estate	1, 4, 5

Healthy and Enabling	Objective 5	Support leisure and cultural activities, contributing to Barnsley as a destination	> Protect and develop our heritage and cultural assets	Introduce a strategic long-term plan for cultural delivery across the borough and map the property requirements	4
Sustainable and Enabling	Objective 6	Maximising opportunities available with key stakeholders and partners (OPE)	> Colocation of public services to improve service outcomes	Attend the relevant partner asset board	5
			> Produce revenue savings & capital receipts by releasing sites	Alignment of strategies where possible	All
Sustainable	Objective 7	Contribute to the Councils environmental and sustainability agenda	> Reduction of the carbon consumption to contribute to carbon neutral ambitions	Introduce a carbon strategy for all assets and considered when acquiring or new builds	2
			> Reduction in utilities costs to support the MTFS	Ensure all EPC and DEC's are completed and maintained	
Healthy, Learning, Growing, Sustainable and Enabling	Objective 8	Enable strategic decision through appropriate governance	> Effective decision making on the best use of property assets (new, existing, disposal)	Introduce the Property Board with appropriate membership and TORs	All
			> Embedding positive relationships between Property Services and the respective Services/Directorates, to support service delivery and ensuring that requirements are best met, wherever possible, through available resources.	Creation of the cluster subgroups and ongoing forums for customer discussions	N/A

Overview of the portfolio

Barnsley Council owns significant land and property assets across the borough, and we want to make best use of these assets to be an enabler of our ambitions. The current corporate portfolio comprises of land and non-domestic property assets (2,598 in total), with a net book value of £262M. The portfolio costs £30M to run per annum and it is likely that this cost will increase further due to rising inflation, utilities charges and the Governments property revaluation exercise in 23/24.

A sensitivity analysis has taken place to illustrate the potential savings that could be achieved through the rationalisation programme. However, each asset varies based on age, condition, and usage, and has been considered in the round to provide an indicative saving target for the MTFs. Based on evidence in the sector, the Council is striving to achieve at least an 18% reduction (£5.5M) over a 5-year period. It is acknowledged that those assets that remain may require investment to ensure they are fit for purpose.

This analysis has been converted in Table 4 to demonstrate how this is expected to be phased across the 5 years of this strategy; acknowledging that progress with asset disposals can take longer, the savings have been set on an incremental basis. This table has been reported in the MTFs Budget Papers approved at cabinet on February 2023.

Table 4: Saving profile

	Year 1	Year 2	Year 3
	2024/25	2025/26	2026/27
Current Operating Budget	£30	£28	£24
% Annual Saving	£M	£M	£M
10.00%	£3.00	£2.84	£2.44
9.00%	£2.70	£2.55	£2.20
8.00%	£2.40	£2.27	£1.95
7.00%	£2.10	£1.98	£1.71
6.50%	£1.95	£1.84	£1.59
6.00%	£1.80	£1.70	£1.47
5.50%	£1.65	£1.56	£1.34
5.00%	£1.50	£1.42	£1.22
4.50%	£1.35	£1.28	£1.10
4.00%	£1.20	£1.13	£0.98
Annual Savings	£1.65	£2.27	£1.59
Cumulative Saving	£1.65	£3.92	£5.51
Cumulative % Budget saving	5.50%	13.50%	20.00%

Reviewing the portfolio

To deliver an effective rationalisation programme, all operational assets will need to be reviewed with a view to retaining, improving, or vacating. It's acknowledged that the current asset portfolio offers significant opportunities for:

- Improving efficiency of use, through increased occupation of buildings linked to hybrid working.
- Front facing services to share space in community hubs and co-locate with partners (family hubs, youth hub, health, and wellbeing hub).
- Energy efficiencies through technology and behavioural change.

There are 1,640 assets that been categorised as out of scope and these include, reservoirs, easements, adopted highways etc (further detail can be provided on request). NB: These assets will be subject to an evidence-based investigation (VFM review) which will examine and report on whether economy, effectiveness and efficiency has been achieved in the use of public funds. The remaining 958 assets have been categorised into clusters and representatives from within the Council and wider partners have been identified for each. Each cluster has been determined by grouping together assets synergies such as commercial, leisure, place based and hero assets.

To achieve the £5.5M saving, each cluster has been aligned to our strategic objectives and detailed action plans have been developed to explore various key lines of enquiries (KLOE) will form the basis, below is the high-level methodology (Table 5) that has been adopted:

Table 5: Methodology

Task 1: Verifying the baseline	The number, condition, current purpose, and value of our assets that are in scope. Have a clear understanding of our assets and how they currently perform by creating a standard profile of characteristics including, income, expenditure, energy consumption, carbon emissions, size, number of rooms, floors, occupiers, etc.
Task 2: Assessing the baseline	Carry out an assessment of the requirements of the operational buildings over the short (1 to 2 years), medium (3 to 5 years) and long term (2029+), using the following criteria: <ul style="list-style-type: none"> ➤ Operational/service need ➤ Maintenance. ➤ Running costs ➤ The nature of the building (e.g., heritage and listed buildings) ➤ Intensity of occupation; and ➤ Locality and place-based specific issues.
Task 3: Specific KLOE	To capture all the specific areas that need to be considered that only relevant to each cluster group.
Task 4: Options appraisal	By undertaking tasks 1 to 3 it will allow the options appraisal Appendix 1 to be completed. These options are not mutually exclusive and could run in parallel in some instances.

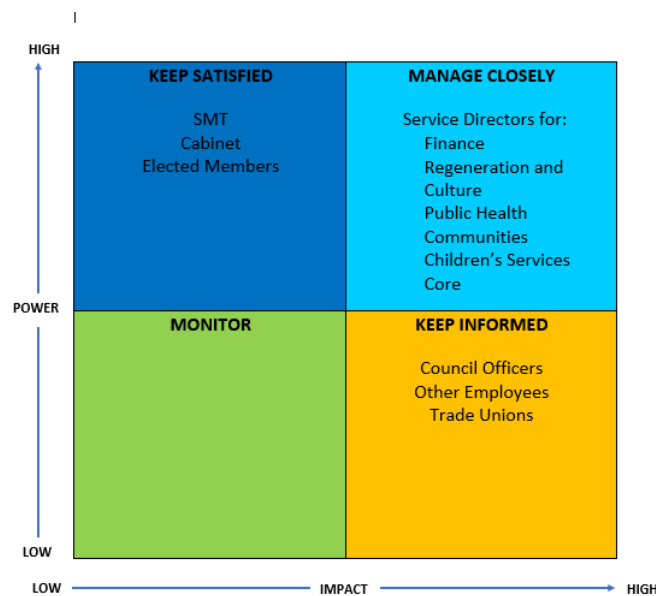
Task 5: Business cases	The outcome of these assessments will be presented in report format to the Strategic Property Board and will outline with the preferred options along with a clear rationale, considering, closure, demolition, replacement, disposal, investment, or transfer.
Task 6: Implementation plans	Following approval by the board the actions will be converted into an implementation plan and managed accordingly.
The detailed plans for each cluster and membership of the subgroups can be provided on request.	

Stakeholder engagement for adoption of this plan

Established relationships between directorates and asset management will be built upon to ensure that assets are being used in the best and most appropriate way to enable achievement of targeted service outcomes. Key service areas where assets play a particularly important role are:

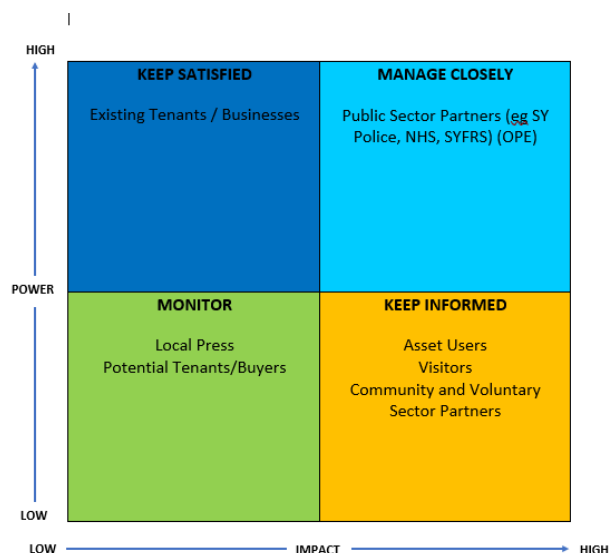
Internal: SMT, cabinet, Council Officers and employees, Elected Members. Key teams to be engaged include Finance, Regeneration and Culture, Public health, Communities, Children’s, and Core. The influence of each stakeholder has been captured in Figure 2.

Figure 2: Stakeholder influence



External: Tenants of our buildings, and businesses using our assets, residents, users of our assets, visitors, Community and Voluntary sector Partners, public sector partners (e.g., SY Police, NHS, etc). The influence of each stakeholder has been captured in Figure 3.

Figure 3: Stakeholder influence



Stakeholder engagement will be key for successful delivery of the AMS, and this will be undertaken in phases, starting internally first to build a baseline position and then overlaid with external viewpoints. The engagement will take place as follows:

- Online questionnaires / surveys
- Focus groups sessions
- Workshops
- Presentations at Strategic Asset Board, BLT, DMTs, SMT, Cabinet, other relevant Boards / capital oversight board
- Partner engagement
- Dovetail with the Finance / Data and Energy workstreams
- Including the wider consultation as and when appropriate.

Governance

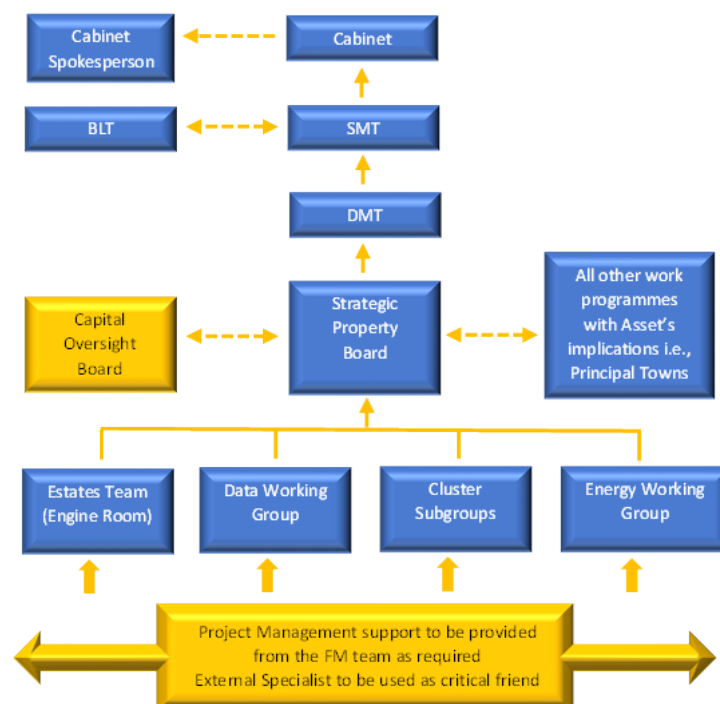
The development of the AMS action plan will be overseen by the Strategic Property Board, with Service Directors Regeneration and Finance appointed as co-chairs. The membership will be made up of representatives from Estates, Core Services, and each Business Unit. The TOR for this group will be developed for the group and outcomes will be reported directly into SMT and Cabinet.

A working subgroup will undertake and oversee the key focussed work. Both teams will be supported throughout by the Property Services team.

The Cabinet member for Regeneration and Culture will be regularly updated and Cabinet and member briefings will form part of the ongoing work of the SD Regeneration and Culture and SD Finance, who will collectively lead the process.

These governance arrangements have been captured in Figure 4.

Figure 4: Governance arrangements



NB: All property decisions must always go through the SPB, SMT and DMT.

Performance Management

To further enhance this knowledge and to provide a full range of information upon which to base future planning and decision making a range of key indicators will be used to assess performance on an annual basis. Effective Performance Management will help to improve performance through measurement and review. This will be implemented to ensure the successful delivery of this Strategic Asset Management Plan through a series of key performance indicators (KPIs). These will be developed based on the activities below:

- Office accommodation - a decrease in office accommodation of 20% (15 buildings) by March 2029.
- Condition of the property portfolio - Maintaining the retained estate - ratio of 70:30 on proactive v's reactive maintenance spend
- Revenue running costs.
- Revenue income growth
- Average cost of operating the office portfolio per FTE.
- Service/tenant satisfaction level (annual sample survey).
- m² of leased in space.
- m² of rationalised space.
- Carbon emission levels.
- Capital receipts.

Following adopting of the KPI's for Property Services in 2023/24, they will be reported corporately and where appropriate analysed and challenged. Any poor performance will be acted upon to drive improvements and exemplar performance.

In addition, benchmarking activity will take place so that the outputs can be compared against similar organisations. Any learning will be incorporated into ways of working, driving innovation and commercial approach to Asset Management.

Appendix 1: Options appraisal

Option	Impact	Challenges
1. Retain assets for employees to work from and deliver services Short to Medium term	<ul style="list-style-type: none"> • Improves the officer experience by having fewer but higher quality assets • Investment through a proper lifecycle plan 	<ul style="list-style-type: none"> • Co-locating the right services together • Hybrid is in its infancy • Financial restraints to improve the working environment / space
2. Divest of surplus assets by sale or lease surrender Medium to long term	<ul style="list-style-type: none"> • Lower running costs • Mitigate further energy rises • Reduce carbon footprint • Reduce capital funding to maintain the assets 	<ul style="list-style-type: none"> • Current market conditions
3. Income generation from the commercial portfolio Medium term	<ul style="list-style-type: none"> • Maximise opportunities where sale is not an option • Review service charge recovery 	<ul style="list-style-type: none"> • Current market conditions • Condition of the building stock • Political dynamics
4. Retain and explore One Public Estate opportunities Long term	<ul style="list-style-type: none"> • Improve integration with local services e.g., police and health • Shared costs • Improved customer offer / experience 	<ul style="list-style-type: none"> • Difficult to achieve when multi agencies are involved
5. Community asset transfer Ongoing	<ul style="list-style-type: none"> • Generates a revenue saving • Supports corporate priorities 	<ul style="list-style-type: none"> • Identifying suitable organisations • Political dynamics
6. Acquisition / New build Ongoing	<ul style="list-style-type: none"> • Full feasibility study to make sure all options are fully explored 	<ul style="list-style-type: none"> • Financial viability • Market availability