

The Guardian roundtable in association with British Gas and Mears

Building partnerships

At a time of huge financial pressures on local authorities, effective asset and facilities management is vital. So how can the public sector make better use of its property and land portfolio? **Saba Salman** reports on a recent debate

England's public buildings - from town halls to government offices, from council leisure centres to housing - combine to form a national property portfolio estimated to be worth £370bn, although some say that figure could be as much as £500bn. Every year, according to figures from the Department for Communities and Local Government (DCLG), £30bn of central government funds is spent on buildings.

At a time of unprecedented financial pressure on the public sector, asset management - ensuring that land and buildings are effectively run, maintained and aligned with an organisation's corporate aims - has never been more crucial. The issue is even more important thanks to rapid technology change, energy scarcity and the green agenda.

While the economic context encourages efficiency in the running of buildings, the localism bill (which offers communities, among other things, the chance to take over the running of local buildings) has turned the spotlight on to neighbourhood assets. In particular the bill aims to establish where these assets are, how much they are worth and how they are managed.

A recent roundtable debate, hosted by the Guardian and sponsored by British Gas and social housing maintenance and domiciliary care provider Mears, focused on how to enable public sector assets and facilities to be better managed. To enable frank discussion, the debate was held under the Chatham House rule, allowing comments to be reported without attribution.

How the public sector views its asset management strategy - how well planned it is and how much it reflects corporate goals - also affects its relationship with the private sector. It is therefore vital for public bodies, the roundtable heard, to have a "proactive asset management strategy" in place.

Effective use

The government's capital and assets pathfinder programme, which identifies residents' needs as a basis for managing the surrounding property, was mentioned as an example of how areas can be helped to make more effective use of their property. Central government is also considering how to reduce the costs of its estate, including the use of centrally managed leases, possibly in partnership with the private sector.

While many local authorities have grasped the nettle of asset management, something of a culture change is required to encourage others to adopt a commercial and performance-based approach. For instance, there was a view at the roundtable that some councils are overly attached to their traditional town hall bases, which are often expensive to maintain. One non-council contributor said local authorities were sometimes encumbered with old town halls, especially as the local community often has an emotional attachment to their buildings: "What can you do with them? There are no buyers for them. They need endless adaptation."

However, not all councils see their headquarters as expensive liabilities. Many local authorities have introduced ways to maximise the use of their buildings by creating a specific strategy related to its use - what one speaker described as "sweating the asset" - by hiring them out for events, such as weddings and conferences.

What can also help local authorities get the best out of their properties, the roundtable heard, is creating an overarching asset management framework, possibly in partnership with other agencies. The discussion heard about Westworks, a group of 21 housing associations and councils in Wessex, which have joined forces to bulk buy and make savings.

New mobile technology that enables staff to collect data about buildings and facilities was cited as a way organisations could improve asset mapping. In Bristol the council has been exploiting the use of new technology; for example, mobile devices that allow gas engineers to collect data on assets and "feed" the council's asset management database.

As one participant explained, mapping public sector properties from housing to office space allows authorities to "make enormous saving in real pounds and in operational footprint". As the roundtable reflected, knowing what your public sector peers own in your region makes it possible to avoid duplication and to share



A corporate event takes place in Birmingham's town hall: councils often generate revenue from their property by maximising use Photograph: photolibary.com

facilities. Public sector agencies that share, for example, a depot for vehicles could also share their maintenance, saving money through joint procurement.

However, a truly area-wide outlook for public buildings means a cross-sector approach where different public bodies - health, education, government and local authority - have a shared vision for their buildings.

The challenge here, the roundtable heard, is gathering information. While some agencies have detailed databases of their assets, such as the NHS estate, which has mapped its corporate buildings, not all organisations know who owns what and data is not shared. This issue is being addressed by local authorities in the west of England, who share a database on empty properties; and in Kent, the No Use Empty scheme aims to get more unused private housing back into use.

However, embarking on an area-wide asset management strategy can often be tricky as each public sector body has its own independent plan in operation, as one participant put it: "We liken it to

planetary alignment; each partner has an individual asset management strategy. Trying to get them together is like trying to align the planets."

How much organisations share information about assets, the roundtable heard, often boils down to individual personalities and, when local authorities are involved, if information sharers are of the same political complexion.

The DCLG's recently launched public asset demonstrator map is one project that the roundtable felt might help local authorities share information. It combines a number of public sector databases and in time will grow to map out more areas.

Creating a single public estate would not only bring huge savings, but would be more environmentally efficient.

The roundtable was told that energy efficiency and asset management go hand in hand, with the best in the public sector streamlining their assets and reinvesting funds into energy efficiency measures.

The roundtable was told about the opportunities for local areas under the government's Community Energy Sav-

ings Programme (CESP), which requires energy suppliers to deliver energy saving measures to 90,000 homes in deprived areas.

One scheme in Cumbria has improved 600 housing association-owned homes with improvements including insulation and other energy efficiency measures.

There was a strong feeling that partnerships between the public and private sector could result in the growth of the kinds of energy performance contracts (as opposed to contracts that simply supply energy) that are commonplace in the US, allowing the public sector to enter into long-term agreements on supply and energy efficiency.

One participant added: "With non-domestic buildings there are opportunities around contracted energy savings that you can make ... [such as] remote monitoring and smart meters." Clever use of technology supplied by the private sector, as the roundtable heard, can help the public sector monitor energy use, conserve energy and by help cut costs.

On the subject of efficiency, the trend

towards more home working is having an impact on public assets. "Innovation and technology is hastening hot desking and remote working," said one participant, "the convention of going to a place of work - that is all changing." On one hand, allowing staff to work from home means downsizing corporate space but, as some participants warned, a mass office exodus can adversely affect the local economy of neighbourhoods which lose offices.

The answer, it was felt, is to think of asset management in a wider social context. "Local authorities working with the wider public sector need to think of the regeneration issues that homeworking can bring," stressed one contributor.

Another solution is to think in terms of flexible working, rather than home working; enabling staff to move from a town centre space that could release capital funds to under-used district offices, for example, thereby revitalising out-of-town areas.

The ageing population, the move to reduce hospital admissions and the rise of community care are also affecting how homes are used. As a result, the roundtable was told, councils and housing associations must deliver asset management strategies that keep up with an older population living at home longer. The challenge of delivering an asset programme that keeps up with changing local demography represents, as one contributor said, "a bit of a difficult time in terms of working out what that means ... what facilities they need and will need [in the future]".

However, as the roundtable heard, the best asset management focuses on the individuals who use those assets and how far the property keeps up with the needs of that individual as well as the corporate goals of the landlord. "You cannot consider the asset without the user," one participant stressed, "you cannot consider the house without considering the individual in it."

At the table

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Mapping properties can 'make enormous saving in real pounds and in operational footprint'

Ray Blundell
Group sales
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David Wright
Facilities manager,
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