



Asset Management Plan 2008-2011



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1.0 Asset Management

Asset Management can be defined as optimising the assets of the Council in terms of service benefits and financial return. It is an important part of resource planning. There are two interacting components:

1.1.1. Strategic Asset Management

This focuses on the medium to longer term and involves decisions on asset investment linked to customer and end user needs and service delivery requirements. It involves a challenge to the holding of assets. There is an assumption that assets will only be retained where they provide greater value for money than the alternatives. New methods of service delivery, flexible working arrangements, shared services and developments in information technology are likely to make the Council less dependant on fixed assets in future years.

1.1.2. Operational Asset Management

Once the strategic investment decisions have been made this is the continuing management of the fixed assets on a short to medium term basis. The objective is to secure efficiency gains, ensure business continuity and support service delivery.

Fixed assets are the land and buildings for which the Council has responsibility, including car parks, street furniture, infrastructure and closed churchyards.

This strategy does not include land, houses, buildings and fixed assets associated with the Housing Revenue Account. A separate Asset Management Plan has been approved by Members.

Asset Management Planning helps to raise awareness of resources invested in the Council's assets and to develop strategies and programmes to ensure that they are deployed in the most effective way to meet the authority's corporate and service objectives.

This is a business process with the underlying purpose of achieving the better use of public assets, and of minimising the opportunity cost of resources tied up in land, buildings and fixed assets.

A number of management principles support effective strategic asset management

- There needs to be an integrated departmental and corporate approach to fixed assets.
- Explicit responsibility for, and corporate leadership of the strategic asset management function is required.
- The correct balance has to be taken between central control and devolved responsibility for land, buildings and fixed assets.
- A synergy is needed between the strategy for fixed assets and the service objectives linked to the use of those assets.

- Clear authority-wide property objectives need to be fed into the service planning process. These need to be communicated to elected members and managers with specific service delivery responsibilities
- Any change in the strategic role or management of fixed assets needs to be planned, co-ordinated, and prioritised within the Delivery Plan.
- The strategic and operational management of fixed assets needs to include wider community factors, including the potential for community use, ownership and potential transfer of the asset.
- Asset management needs to be backed by a simple and robust system of performance management which relates directly to Council or service objectives.
- Effective data systems have to be in place to support the management of fixed assets.
- Robust techniques are needed to justify decisions. These need to balance service benefits against financial returns and expenditure.

2.0. Corporate Asset Policy 2008

There are six key drivers in the development of a corporate policy on asset management. These are:

- Making a strong link between corporate objectives and the policy on fixed assets
- Ensuring the full involvement of key service areas
- Keeping a clear distinction between strategic and operational decision making on fixed assets
- Establishing key drivers for fixed asset decisions amongst officers and elected members
- Maintaining clear reporting lines to a strong corporate centre
- Integrating the Council's capital strategy and asset planning policy

2.1. Policy Statement

Within the context of the Asset Management Strategy the Council will:

- Promote a corporate approach to the management of property assets and build an understanding of the importance of assets in supporting service delivery.
- Ensure that property assets help to secure continuous service improvement.
- Review the Council's properties and gather information covering their sufficiency, suitability and cost.
- Rationalise the property portfolio, disposing of properties that do not support core service objectives or fail to make an adequate return on investment.
- Fully implement the requirements of health and safety legislation, fire safety legislation and the Disability Discrimination Act 2005.
- Where appropriate, promote sharing of premises between Council departments and with other public bodies and voluntary organisations.
- Minimise space usage and the running costs of buildings.
- Prepare and implement a Corporate Energy Policy to improve the energy efficiency of buildings.
- Prioritise building and maintenance works according to need and ensure that projects are delivered on time and within budget whilst minimising service disruption.

2.2. Corporate Asset Objectives 2008

This Corporate policy is supported by a series of specific objectives

Objective 1: To ensure the Council's service requirements are linked to an effective asset management solution:

- The Council will maintain sufficient financial resource and operational capacity to manage and maintain its fixed assets.
- Efficient and sustainable procurement will be undertaken for fixed assets.
- Accommodation will be suitable, accessible and maintained to the required standard.
- Assets will be sustainable and affordable for their whole life.

Objective 2. To raise awareness of the Council's assets and provide a clear decision making structure for their management and use:

- Standards will be set for the design, care and use of accommodation and assets, including a separate Accommodation Strategy.
- Compliance with legal obligations will be maintained and the minimum standard will be exceeded wherever possible.
- Elected members will have a strong role in decision making.

Objective 3. To manage asset management delivery to demonstrate continuous performance improvement:

- Effective processes and policies will be maintained to ensure effective asset, contract and project management.
- There will be choice and competition in the asset management process
- Performance targets will be set for asset management activities.
- Improvements in energy efficiency and a reduction in greenhouse gas emissions will be secured through the adoption and implementation of a sustainable development plan for the fixed assets.
- Accessibility to all council assets will be maximised.

Objective 4. To release value from assets by minimising running costs, structured investment or disposal:

- The need for the ownership and retention of assets will be challenged.
- Assets will be reviewed to identify where the cost of retention exceeds the value added.
- Opportunities will be sought for the sharing of assets with partners.
- Running costs will be monitored to target potential savings.
- Management arrangement will be continuously reviewed to ensure best value.

3.0. Headline Performance Indicators

Effective performance management is critical for the success of an Asset Management Service. Performance management is about:

- Achieving the Council’s aims and objectives through effective Asset Management.
- Prioritising what is important and what gets done.
- Motivating and managing staff and partner organisations.
- Measuring and communicating success.
- Improving the perception of service provision.

To be effective performance management should not be isolated to the performance of fixed assets alone. Performance management within the asset management function needs to link and overlap with the Community Strategy the Council Plan and contribute to individual service aims and objectives. Best Value indicators have been maintained for fixed asset management since 2000. The Council is working towards more effective monitoring by way of Local Indicators, shown in Table 1.

Table 1

Local Performance Indicators

<p>Suitability</p> <p>% of Portfolio by Gross Internal Area for which a Suitability Survey has been undertaken</p>
<p>Client Satisfaction</p> <p>Satisfaction with quality and delivery of service measured using “Constructing Excellence” ratings and benchmarked against industry standards</p>
<p>Meeting Statutory Responsibilities</p> <p>% of Council owned buildings that comply fully with the Disability Discrimination Act 2005, The Control of Asbestos at Work Regulations 2002, the Regulatory Reform (Fire Safety) Order</p>
<p>Staff Development</p> <p>Average continuing professional development provided by Council to property services employees measured in hours per annum</p>
<p>Carbon Management</p> <p>1. Energy Consumption in kWh per m2 Gross Internal Area 2. Water Consumption in m3 per m2 GIA 3. CO2 emissions – tonnes of Carbon per m2 GIA</p>
<p>Use of Resources</p> <p>Number of Asset Management service areas verified as level 3 using the Audit Commission Key Lines of Enquiry</p>

Asset Challenge

1. % of the Council's land and property assets by value that are categorised following asset challenge and have a long term action plan
2. The percentage of maintenance spend that is planned in advance

Project Management

1. % of capital projects where the outturn falls within +/-5% of estimate outturn, expressed as a % of the total number of projects completed in the financial year.
2. % of capital projects falling within +/-5% of the estimated timescale, expressed as a % of the total number of projects completed in the financial year.

The Association of Chief Corporate Property Officers in Local Government (COPROP) has a suite of national property indicators (Appendix 1). These are benchmarked with other East Midlands Councils through a cross-regional grouping.

4.0. Stakeholder Views

The Council has developed a long term approach to consultation across a full range of stakeholders. The programme for consultation on the asset base includes:

- People who use the Council's buildings and services
- Groups with special access requirements for the Council's buildings
- People who do not currently use the Council's buildings and services
- Third sector and local strategic partners
- The elected members of the authority
- The Council's Corporate Leadership Team
- The Council's own staff

5.0. Key Policy and Statutory Drivers

The areas of Government Policy and Statutory responsibility that influence the Council's asset strategy are:

5.1 Efficiency Programme

In the Treasury Spending Review 2004 the Chancellor asked Sir Michael Lyons to conduct a study into the management of public sector assets and how the current asset management regime might be improved to secure efficiency savings. Sir Michael published his findings and recommendations in 'Towards Better Management of Public Sector Assets – A Report to the Chancellor of the Exchequer' on 2 December 2004.

The report confirmed that the Government's objectives for public sector asset efficiencies were challenging but achievable. Public bodies would need to raise their game if they were to be sure of meeting that challenge.

As part of the 2007 Comprehensive Spending Review, the Department of Communities and Local Government was asked to produce a Framework for Local Authority Asset Management to emphasise the importance of good asset management.

This Framework was published alongside the Final Local Government Financial Settlement and has been used in the preparation of the Council's Asset Management Plan for 2008. It is supplemented by the Royal Institution of Chartered Surveyors publication "Public Sector Asset Management Guidelines", published January 2008. Taken together these two documents reflect a statement of current best practice for public sector asset management.

One of the national priority areas in asset management is community ownership and the transfer of local authority assets to third sector or community organisations. The "Quirk Review" of 2007 set the agenda for this to happen and the Community Assets Fund has been established to encourage local authorities to transfer land or buildings where appropriate. Asset Challenges and option appraisals need to include a review of potential community ownership to meet best practice guidelines.

5.2. Comprehensive Performance Assessment

- **Audit Commission Key Lines of Enquiry: Use of Resources Assessment**

The use of resources assessment looks at how well the council manages and uses its resources. As well as financial management and procurement this also covers asset management. Primarily it focuses on the importance of having sound and strategic management systems to ensure that resources are available to support the council's priorities and improve services. For asset management the inspection focus is on the development of the capital strategy and fixed asset management plan and how the council reports to elected members on asset management.

- **Audit Commission Key Lines of Enquiry: Access to Services Assessment**

Access to services is a cross-cutting theme applicable to all councils and all council services. Access is about focusing services to meet the needs of all sections of the community and to improve outcomes for all. An accessible and user focused organisation places the customer at the heart of service delivery.

There are four main asset related themes in this assessment

1. Access to services through a range of accessible and Disability Discrimination Act compliant locations and through a range of other remote methods.
2. Using t-government to support access to services.
3. Reaching all parts of the community
4. Partnership working with neighbouring councils, organisations and businesses to provide seamless and high quality access to services

5.3. Disability Discrimination Act 2005

The Disability Discrimination Act 2005 received Royal Assent on 7 April 2005. From December 2005 new laws placed a duty on public bodies to promote disability equality. This affects all public bodies - from local councils to government departments from

universities to hospitals.

The disability equality duty requires the public sector to actively promote disability equality, and is similar to the duty to promote race equality under the Race Relations (Amendment) Act 2000.

The legislation brought about a shift from a legal framework which relies on individual disabled people complaining about discrimination to one in which the public sector becomes a proactive agent of change.

Key public bodies are required to produce Disability Equality Schemes and action plans and to report annually on the outcomes and improvements they have achieved through these actions.

5.4. Health and Safety at Work etc Act 1974

The Health and Safety at Work etc Act 1974 places a statutory duty on all employers, including their managers, to provide and maintain equipment and systems of work that are safe and without risk to the health of employees or others who may be affected by their undertaking. Equally, employees are required to take reasonable care of their own safety and that of others who may be affected by their acts or omissions.

In addition, both employers and employees have a Duty of Care in tort (particularly negligence) towards those who may be affected by their actions or instructions.

Other regulations which relate to the Health and Safety at Work Act are:

- The Workplace (Health Safety and Welfare) Regulations 1992.
- The Management of Health and Safety at Work Regulations 1999.

Employers must:

- Provide information on health and safety.
- Undertake risk assessments.
- Eliminate and control risks.
- Have insurance.
- Undertake health surveillance.
- Provide Personal Protective Equipment (PPE).
- Make provision for those with special needs.
- Provide regular health and safety training.
- Look after health and safety of others and members of the public.

5.5. The Control of Asbestos at Work Regulations 2002

This legislation was introduced to protect those who come into contact with asbestos unknowingly or accidentally.

The new regulations were designed to compliment three other related pieces of legislation,

- 1998 Amendment of the Control of Asbestos at Work Regulations;
- 1998 Amendment to the Asbestos (Licensing) Regulations
- 1999 Asbestos (Prohibitions) Regulations.

The Regulations introduced a duty to manage the risk posed by asbestos containing materials in non-domestic premises, but including the common areas of residential property.

The Council is the duty holder for all its buildings and is required to:

- Assess whether the premises contains asbestos
- Assess the risk from the asbestos
- Take action to minimise the risk of exposure to asbestos fibres

5.6. Regulatory Reform (Fire Safety) Order 2005

On 1 April 2006 the Regulatory Reform (Fire Safety) Regulations came into force. They apply to non-domestic premises and replace the old regime of fire certificates prescribed by the Fire Precautions Act 1971 and the Fire Precautions (Workplace) Regulations 1997.

There is now a risk assessment approach, aimed at protecting those who are lawfully on the Council's premises and any person who is in the immediate vicinity of the premises and at risk from a fire.

The Regulations make fire safety the responsibility of what the Regulations call the "responsible person". This has similarities with the Control of Asbestos at Work Regulations 2002. The Council is the responsible person for all its buildings.

It is the duty of the Council to comply with the Regulations by taking general fire precautions, conducting a risk assessment, eliminating risks from dangerous substances, providing emergency routes and exits and providing information and training to staff. Where there are any alterations or changes in use, the Council must take steps to keep the fire assessment up to date.

The Council has taken necessary steps to ensure compliance with the requirements.

5.7. Civil Contingencies Act 2004

The Civil Contingencies Act 2004 places a duty on the Council to ensure that it is able to continue to provide critical functions during emergencies.

A Business Continuity Plan is being implemented by the Council in order to mobilise its response and undertake work to prevent or mitigate the severity of service disruptions.

The Plan identifies the recovery objectives, the structure for implementation and the communication processes to keep staff, partners and the public informed of necessary changes to service delivery.

Integral to this process are the premises occupied by the Council during the time of emergency. These may not be the normal Council offices as these may have been put out of operation.

The Business Continuity Plan identifies alternative premises that the Council could occupy in the event of a loss of key buildings as well as a management structure with defined responsibilities that ensure the appropriate level of response should an emergency occur. The intention is to ensure that sufficient fixed assets are available to the Council to enable it to perform its role under the Civil Contingencies Act.

6.0. The Resource Context

6.1. Capital and Financial Summary

There are three elements in the expenditure profile for the Council's fixed assets.

a. General Revenue expenditure

This can be broken down into:

- **Programmed Planned Maintenance:** This ensures that the assets are maintained to a pre-determined level of condition
- **Reactive Maintenance:** This deals with day to day operational issues as they arise and ensures continuity of service
- **Management Costs:** These are the internal and external costs involved in managing the assets
- **Operating costs:** These are the day to day costs involved in running the assets.

Revenue expenditure is planned in advance and prioritised on the basis of contribution to corporate objectives. As part of the on-going improvements there should be a strong element of challenge and the principles of strategic procurement, collaborative working and leverage need to be incorporated at all stages.

b. Capital Investment

- **Replacement:** This involves full or partial replacement of an existing fixed asset of sufficient extent to enhance the capital value of the asset and extend its period of useful life
- **Enhancement:** This is investment that improves the contribution to corporate objectives as well as increasing the value and useful life of the asset.
- **Development:** This is the procurement of a fixed asset where none existed previously

The Council's Capital Strategy is the determining factor in decisions on capital investment in fixed assets. All future decisions will be the subject of a full options appraisal. Procurement and project management are key success factors.

c. Corporate Expenditure

This is expenditure that links asset management with cross-cutting corporate objectives

and statutory responsibilities:

- Health and Safety
- Accessibility and equalities
- Customer Relationship Management
- Business continuity

These three types of expenditure are considered separately as each has different criteria for programme development, procurement and the decision to commit expenditure

6.2. The Fixed Asset Base

A full description of the existing fixed asset base is given at Appendix 2.

Non-operational assets are fixed assets held by the Council but not directly occupied or used in the delivery of front or back office services.

Operational assets are fixed assets held, occupied or used by the Council in the direct delivery of its statutory or discretionary services or their back office support functions.

The asset base comprises:

Operational Buildings

- Main Office Building
- Leisure Centres
- Pavilion Buildings
- Depot Buildings
- Public Conveniences

Non-Operational Buildings

- Store buildings
- Office buildings held for investment purposes
- Retail buildings held for investment purposes
- Industrial buildings held for investment purposes

Operational Land sites

- Council owned public car parks
- Markets

Non-Operational Land sites

- Agricultural, paddock, allotment, woodland or wildlife sites
- Public Open Space and right of way sites
- Public Parks
- Industrial development sites
- Residential development sites

Infrastructure

- Roadside seats
- Bus Shelters
- Street lamps
- Street name plates
- Closed Churchyards (maintenance obligation only)

6.3. Assessment of Condition

A five year planned and reactive maintenance programme is being prepared for the major operational and non-operational buildings.

The remaining operational and non-operational buildings have been assessed for suitability and condition.

The fixed asset infrastructure is surveyed on a regular basis and schedules of condition are maintained on an electronic database.

6.3.1. Operational and Non-Operational Buildings

Buildings are categorised as follows for condition and resource priority:

Condition

Category A – Good, Performing as intended, operating satisfactorily with no deterioration requiring immediate attention

Category B – Satisfactory but with deterioration that requires immediate attention

Category C – Poor, Showing major defects and not operating satisfactorily.

Category D – Unsafe or unsustainable condition, Life expired and/or in serious risk of imminent failure

Resource Priority

Priority Level 1. Urgent works required to prevent immediate closure. Serious Health and Safety issues

Priority Level 2. Essential work required within two years to prevent serious deterioration of the fabric.

Priority Level 3. Desirable work required within 3 -5 years

Priority Level 4. Longer term work required.

The condition and resource priority for the asset base is shown at Appendix 3

6.4. Maintenance Backlog

The maintenance backlog of Priority 1 works for the period 1999 to 2006 was £112,200.

This has a noticeable effect on the condition and serviceability of buildings owned by the Council.

It is planned to eliminate this backlog through improved procurement and a targeted five year programme of planned preventative maintenance. Appendix 4 shows the outline plan to eliminate maintenance backlog starting with the year 2008/09.

6.5. Health and Safety

Health and safety issues are classed as Priority 1 issues and are dealt with immediately using the Councils Asset Protection Funds. Where potential Health and Safety concerns are identified in surveys and through operational reports these are investigated and remedies at the first opportunity.

6.6 Access to Buildings

An access audit of the Council's operational buildings has been undertaken and will be refreshed in 2008. Although the public areas are fully accessible there are some non-public areas where work is required to provide full accessibility. During 2008 these are the subject of disability access plans with proposals to provide a level of access appropriate to the building and its use.

6.7. Planned and Reactive Maintenance Programme

A summary five year planned and reactive maintenance programme for the Councils fixed asset base is shown at Appendix 4.

This programme would eliminate the current maintenance backlog and move the assets that are currently in Category B into Category A

Some of the Council's assets may be reaching the end of their useful life or may no longer be making sufficient contribution to service delivery or corporate objectives to justify retention e.g. Highfields St Depot, Market Hall. These assets should be the subject of challenge and considered for disposal or re-development before a programme of structured planned maintenance is commenced.

6.8. Business Continuity Plan

The Council will undertake an 'asset challenge' of the key fixed assets; the findings of which will form the evidence base for the production of a Business Continuity Plan.

6.9 Data Collection and Asset Register

One consequence of the devolved responsibility for fixed assets is that it is difficult to access central asset register. The data is not held in a consistent manner. Heads of service maintain data records of variable quality and the property services consultancy has background data on condition and running costs.

The whole cost of assets is unknown and the Council cannot accurately assess the costs of management for the asset base or benchmark against other organisations.

All known data is being centralised into a property database during 2008.

7.0. Changes in the External Environment and their Implications

7.1 Transformational Government (t- government)

Traditional access channels such as the telephone and face-to-face contact will remain vital interfaces between local authorities and residents. Part of the e-Government agenda is to make people aware of alternative service delivery methods and provide the knowledge and the facilities to use them.

The vision is to improve the quality of, and access to services, reduce inequalities, and deliver a substantial part of Council services electronically.

These initiatives are changing the way that the Council uses its accommodation.

E-Government opens up more flexible ways of working, such as home working and hot-desking. This should lead to a progressive reduction in the accommodation needed for Council staff.

7.2 The Market for Accommodation and Support Services Provision

The changing environment of local government means that it is difficult to make strategic planning decisions on fixed assets.

Any move towards shared or collaborative services is going to have a fundamental effect on the accommodation needs of the council.

A large portion of the Council's office space is occupied by back office services. It is not clear how these services will be delivered in the future.

Many front line services could operate from a remote location and deliver efficiency gains to the Council.

Where services move to arms-length it is possible they may move away from Council owned accommodation.

The future asset requirements of the Council will be examined as part of the Asset Challenge and will be examined and evaluated in the context of this changing environment.

A sound strategy is to dispose of any assets that cannot fit into possible future service requirements or are unlikely to provide value for money in future years.

The remaining asset base should be the subject of individual option appraisals to determine a long term future. This is likely to involve the Council sharing its accommodation with other agencies as well as making use of medium to long term leasehold options. Private finance initiatives are an alternative that will need evaluation.

7.3. The Market for Property Services

In an environment where the Council has changing asset requirements the property services function needs to be responsive to this and ensure continuing performance improvement.

Almost certainly there will need to be a strategic asset function as well as the traditional operational asset management arrangements.

These services need to be linked closely to the corporate procurement and financial management structure. A clear distinction needs to be made between asset management (both strategic and operational) and other property services functions such as capital programme management and housing revenue account work.

A move towards long term framework agreements for asset management would move much of the operational responsibility for fixed assets to the contractor, leaving the in-house team to focus on strategic and service delivery issues.

To determine the future requirements for property services a strategic option appraisal on the service needs will be undertaken by the Asset Management Group as part of the move towards single asset management responsibility.

8.0. The Asset Challenge Process

A long term asset strategy involves a challenge of all existing fixed assets and an option appraisal judged against value and contribution to service delivery and corporate objectives.

There are five options for any fixed asset:

- Retain and continue to maintain through a programme of planned and reactive maintenance
- Retain and develop asset to improve financial and/or service delivery performance
- Retain asset, undertake minimum maintenance and dispose of asset when the time is right
- Dispose of asset immediately, in accordance with the Acquisitions and Disposal Strategy.
- Transfer the asset to a community or third sector partner

The Council needs to place each of its fixed assets into one of these categories

Asset challenge takes account of several factors:

- Consideration needs to be given to the extent to which new working practices within the Council are giving rise to changes in accommodation requirements. This might include a move towards greater home-working, out-sourcing of services, a decision to change the ratio of front to back office provision, increased partnership working and a policy to provide local access to services.

- Each service will have its own internal drivers that will change the approach to service delivery in future years and give rise to specific accommodation requirements. These need to be identified by Heads of Service and fed into a long term accommodation strategy
- There is an assumption that local authorities will share accommodation and services with other local authorities, government agencies and the voluntary sector.
- The needs and expectations of customers and residents will be a major determinant in the decision to retain buildings and community fixed assets such as car parks and street fixtures and furniture

It needs to be clear that the Council is not adopting too narrow an approach to accommodation provision, and is actively considering all available and appropriate opportunities for maximising the utilisation of individual assets in the best interests of individual service provision.

9.0. The Asset Management function

Responsibilities for the asset management function at the Council are:

Strategic Management Responsibility:

- **Corporate Property Officer: Alan Davies (Corporate Director)**
- **Lead Portfolio Member:** Cllr. Matthew Blain, the Cabinet Member for Resources

Operational Management Responsibility: John Leney: Head of Property Services (Shared Service arrangement with Charnwood Borough Council)

Single Asset Management Responsibility: John Leney: Head of Property Services (Shared Service arrangement with Charnwood Borough Council)

There is a cross-departmental Asset Management Group that meets every six weeks to discuss strategic and operational asset management issues.

No budget or decision making responsibility is devolved to this group

Procurement at the Council is the responsibility of the Service Transformation Team.

The capital programme is developed and monitored by Corporate Leadership Team

10.0. Review and Challenge

10.1. Gap Analysis

Having already established both the baseline position and expected areas of change, this section seeks to clearly identify specific 'gaps' in provision and provide a framework for the development of the action plan.

10.1.1. Review of Asset Strategy and Property Objectives: 2000 to 2008

The current asset management plan dates from 1999 and came into effect in January 2000. Whilst this document covers all the issues required at the time it no longer serves as a strategic document. Members are also aware that the Council has recently lacked strategic asset management capacity, but have addressed this with the Shared Services Agreement with Charnwood B.C.

At present the Council has not separated the strategic asset management function from the operational and day to day property and fixed asset work and thus there is currently no clear vision of the short to medium term requirements for the asset base.

Many of the Council's assets are reasonably new but financial constraints have meant that only essential works have been undertaken. Capital expenditure has been limited to works required to meet statutory requirements. This has resulted in the Council having a backlog of maintenance. Inevitably the assets are deteriorating and the policy on planned and reactive maintenance requires a fundamental review, linked to a process of property challenge.

In summary, the Council needs to decide which buildings it is going to retain and how it is going to use them. Once this decision has been made a programme of structured maintenance needs to be considered and if approved, Asset Protection Funds released to fund that programme.

10.1.2. Review of Roles and Responsibilities for Fixed Assets

A system of devolving responsibility for decisions on fixed assets to Service Heads has merits but needs to be guided and backed by a corporate strategy on the fixed assets. This is to ensure that decisions are placed in a strategic context. It is this strategic context that will be re-introduced by the Shared Services Agreement. Improvements will also be made in co-ordinating the Asset Management Group, the Procurement Plan of the Council and the development of the Capital Strategy Group.

10.1.3. Review of Decision Making Processes

The key issues to be addressed in the future are closely linked to the overall procurement agenda. They are:

- The importance of ensuring that elected members are fully involved in asset management at all stages, including the robust scrutiny of outcomes. The involvement to date has been very limited.
- The co-ordination of consultation on property issues. This will enable a corporate view to be taken on the strategic relevance of consultation data. No analysis of asset management consultation is currently undertaken outside the relevant service areas
- A proper options appraisal for major fixed asset decisions
- The need to make the connection between a long term asset strategy and corporate objectives in the decision making process
- The requirement to fully consider whole life costing, environmental impact, health and safety, equalities and statutory responsibilities

- The minimum level of professional input required for fixed asset schemes

10.1.4. Review of Key Lines of Enquiry

An analysis of performance against the Audit Commission Key Lines of Enquiry on Asset Management is given at Appendix 5.

11.0 Action Plan

ACTION	RESPONSIBLE OFFICER	TIMELINE
<p>Asset Register The creation of a single database to cover all fixed assets to include operational, management and financial data.</p>	Simon Harvey	December 2008
<p>Review of Corporate Property Function To include a review of the role and responsibilities of the Corporate Property Officer and the Asset Management Group. To consider the creation of separate functions for strategic and operational asset management.</p>	John Leney	September 2008
<p>Reporting to Elected Members A review of current reporting mechanisms with a view to maximising elected member involvement and scrutiny.</p>	John Leney	September 2008
<p>Whole Life Costing Linking the decision making process for asset management to the whole life cycle costing procedures of the Council's Procurement Manual.</p>	John Leney	December 2008
<p>Co-ordination of Consultation Data Introduce a single management responsibility for asset consultation including feeding responses into strategy development and providing feedback to consultees.</p>	John Leney	December 2008
<p>Health and Safety, Equalities and Environmental Appraisal Undertake structured appraisals of the Health and Safety, equalities and environmental impact of fixed asset base.</p>	Simon Harvey	December 2008

ACTION	RESPONSIBLE OFFICER	TIMELINE
<p>Service Review & Accommodation Strategy A review of the future requirement for fixed assets for each service area. This information to be fed into accommodation strategy development.</p>	Simon Harvey	April 2009
<p>Asset Challenge Challenge the use and retention of each Asset.</p>	John Leney	September 2010
<p>Options Appraisal Introduce a robust system of options appraisal for major decisions on asset management.</p>	John Leney	December 2008
<p>Reduction of Maintenance Backlog Introduce a programme of structured planned maintenance with a view to reducing or eliminating the maintenance backlog.</p>	Simon Harvey	July 2008
<p>Performance Indicators and Benchmarking Introduce the COPROP property indicators and amend the current suite of local performance indicators. Benchmark the COPROP indicators against the IPF network</p>	Simon Harvey	September 2008

Appendix 1: COPROP 2006-07 Indicators

National Performance Indicator 1A

1A % Gross internal floor-space in condition categories A-D

Category	GIA	% in category
A	4963	25%
B	12939	66%
C	191	1%
D	1485	8%
Not reported	0	0%
Total	19578	100%
Area Reported	19578	

1B i) as total required Cost in Priority levels 1-3

Priority	Cost
1	£112,200
2	£83,700
3	£130,500
Total	£326,400

ii) as a % in priority levels 1-3

Priority	% in category
1	34%
2	26%
3	40%
Total	100%

iii) Overall cost per square metre GIA

£ per sqm	£12.90
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1C Annual percentage change to total required maintenance figure over previous year

05-06 (£)	£279,371
06-07 (£)	£252,490

% change	-9.62%
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National Performance Indicator 1D

1D i) Total Spend on maintenance in previous financial year

06-07 (£)	£252,490
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ii) Total spend on maintenance per square metre GIA

Year	Maintenance (£)	GIA	£ per sqm
06-07	£252,490	19578	£12.90

iii) Percentage split of total spend on maintenance between planned and responsive maintenance

	Planned	Reactive	Total
(£)	£107,293	£145,197	£252,490
%	42.5%	57.5%	100.0%

National Performance Indicator 2007-08

Indicator 2A i)

Energy Costs (gas / electricity / oil / solid fuel) - £ spend per m ² GIA	£13.57
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Indicator 2A ii)

Energy Consumption (gas / electricity / oil / solid fuel) - kWh per m ² GIA	328.47
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Indicator 2B i)

Water Costs (gas / electricity / oil / solid fuel) - £ spend per m ² GIA	£3.77
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Indicator 2B ii)

Water Consumption (gas / electricity / oil / solid fuel) - m ³ per m ² GIA	3.56
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Indicator 2C

CO ₂ emissions - tonnes of Carbon per m ² GIA	0.0886
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Property Performance Indicator 3A**2006-07**

3A **% of Portfolio by GIA sq.m., for which a Suitability Survey has been undertaken**

Total GIA	GIA Surveyed	% of Portfolio
13282	0	0%

Property Performance Indicator 3B**2006-07**

3B **Number of Properties, for which a Suitability Survey completed within the last five years.**

No of properties	No audited	% of Buildings
29	0	0%

Property Performance Indicator 4B**2006-07****4B Number of Properties, for which an Access Audit has been undertaken by a competent person**

No of properties	No audited	% of Buildings
25	6	24%

Property Performance Indicator 4C**2006-07****4C % of Portfolio by GIA sq.m., for which there is an Accessibility Plan in place**

Total GIA	GIA Plan	% of Portfolio
43385	0	0%

Property Performance Indicator 4D**2006-07****4D Number of properties, for which there is an Accessibility Plan in place**

No of properties	No with Plan	% of Buildings
25	0	0%

Appendix 2: Premises List

Name	Description	Gross Internal Area (m ²)
Station Rd.Hugglescote	Cemetery	38
Cropston Dr, Coalville	Changing Rooms	90
Whitwick Park Changing	Changing Rooms	
North St. Whitwick	Community Centre	40
Ashby Road Depot	Depot	
Ashby Road Moira	Depot	
Depot/Waste Trans Station	Depot	
Highfield St, Coalville	Depot	1500
Swannington Depot	Depot	356
Forest Court	Industrial	394
Market St. Units, Coalville	Industrial	642
Marquis Ct. Ind. Units, Rawdon	Industrial	1900
Moira Workshhops, Furnace Lane	Industrial	279
Units 1-14 The Courtyard	Industrial	2702
Units 15-16 The Courtyard	Industrial	
Hood Park, Ashby	Leisure Centre	3560
Silver St. Whitwick	Leisure Centre	3600
Furnace La, Moira	Museum	494
Council Offices, Whitwick Rd	Offices	4005
Tanyard House, Measham	Offices	350
Town hall Mews, Ashby	Offices	195
Whitwick Business Centre	Offices	1782
Whitwick Park	P. Conveniences/ Tea Room	70
Baker St Coalville	Public Conveniences	75
Belvoir Shopping Centre	Public Conveniences	75
Coalville Park	Public Conveniences	22
Derby Rd, Ashby/Zouch	Public Conveniences	45
High St/Delven La,Cas. Donn.	Public Conveniences	30
Highh St, Ibstock	Public Conveniences	42
High St. Measham	Public Conveniences	42
Leicester Rd, Measham ***	Public Conveniences	35
Market Place, Kegworth	Public Conveniences	54
Market Place, Whitwick ***	Public Conveniences	35
Station Rd.Hugglescote ***	Public Conveniences	32
Ashby Town Hall	Retail Premises	169
Mease House, Measham	Retail Premises	354
Belvoir Shopping Centre **	Retail Premises(Market Hall)	2100
Blackfordby La Shops	Shops	391
Worthington Post Office	Shops	105
Coalville Park	Sports Pavilion	262
Name	Description	Gross

		Internal Area (m ²)
Coalville Park	Sports Pavilion	48
Hermitage Rec'n Ground	Sports Pavilion	166
Homestead Rd, Thringstone	Sports Pavilion	164
Melrose Rec'n Ground	Sports Pavilion	36
Melrose Rec'n Ground	Sports Pavilion	72
Millfield Rec'n Hugglescote	Sports Pavilion	35
Owen St, Coalville	Sports Pavilion	270
Scotlands Rec'n Ground	Sports Pavilion	164
Sth. Leics. Rec'n Ground	Sports Pavilion	80
Whitwick Park	Sports Pavilion	48
Whitwick Park	Stores	47
Broomleys Road Stores	Stores	28

*** to be closed 1 April 2008

** Market to be re-located

Appendix 3: Condition and Resource Priority

Definition of condition categories and priority levels

- **Condition Categories**

A: Good – Performing as intended and operating efficiently.

B: Satisfactory – Performing as intended but showing minor deterioration.

C: Poor – Showing major defects and/or not operating as intended.

D: Bad – Life expired and/or serious risk of imminent failure.

- **Priority Levels**

1: Urgent works that will prevent immediate closure of premises and/or address an immediate high risk to the health and safety of the occupants and/or remedy a serious breach of legislation.

2: Essential work required within two years that will prevent serious deterioration of the fabric or services and/or address a medium risk to the health and safety of the occupants and/or remedy a minor breach of the legislation.

3: Desirable work required within 3 to 5 years that will prevent deterioration of the fabric or services and /or address a low risk to the health and safety of the occupants and/or a minor breach of the legislation.

Table A. The percentage gross internal floor space in condition categories A-D for all property where the Council have a direct repairing obligation.

Operational Buildings

Category A	Category B	Category C	Category D
0%	86%	14%	0%

Non-Operational Buildings

Category A	Category B	Category C	Category D
23%	77%	0%	0%

Table B: The Percentage backlog of maintenance by cost expressed as a % in Priority Levels 1-3

All Operational and Non-Operational Buildings

Priority 1	Priority 2	Priority 3
34%	26%	40%

Appendix 4: Five Year Programme to eliminate Maintenance Backlog

Name	Description	GIA (m ²)	Backlog 2007/08	Reduction in Backlog 2008/09	Reduction in Backlog 2009/10	Reduction in Backlog 2010/11	Reduction in Backlog 2011/12	Reduction in Backlog 2012/13
Station Rd.Hugglescote	Cemetery	38	0					
Cropston Dr, Coalville	Changing Rooms	90	0					
Whitwick Park Changing	Changing Rooms	90	0					
North St. Whitwick	Community Centre	40	0					
Ashby Road Depot	Depot	750	0					
Ashby Road Moira	Depot	750	0					
Depot/Waste Trans Station	Depot	750	0					
Highfield St, Coalville	Depot	1500	50000	10000	10000	10000	10000	10000
Swannington Depot	Depot	356	4500	1500	1000	1000	1000	
Forest Court	Industrial	394	0					
Market St. Units, Coalville	Industrial	642	1000		500	500		
Marquis Ct. Ind. Units, Rawdon	Industrial	1900	0					
Moira Workshhops, Furnace Lane	Industrial	279	0					
Units 1-14 The Courtyard	Industrial	2702	0					
Units 15-16 The Courtyard	Industrial	450	0					
Hood Park, Ashby	Leisure Centre	3560	1200	600	600			
Silver St. Whitwick	Leisure Centre	3600	15000			5000	5000	5000
Furnace La, Moira	Museum	494	0					
Council Offices, Whitwick Rd	Offices	4005	7500	1500	1500	1500	1500	1500

Name	Description	GIA (m ²)	Backlog 2007/08	Reduction in Backlog 2008/09	Reduction in Backlog 2009/10	Reduction in Backlog 2010/11	Reduction in Backlog 2011/12	Reduction in Backlog 2012/13
Tanyard House, Measham	Offices	350	0					
Town hall Mews, Ashby	Offices	195	0					
Whitwick Business Centre	Offices	1782	0					
Whitwick Park	Public Conveniences	70	0					
Baker St Coalville	Public Conveniences	75	4500	1000	1000	1000	1000	500
Belvoir Shopping Centre	Public Conveniences	75	2000	500	500	500	500	
Coalville Park	Public Conveniences	22	0					
Derby Rd, Ashby/Zouch	Public Conveniences	45	0					
High St/Delven La,Cas. Donn.	Public Conveniences	30	0					
High St, Ibstock	Public Conveniences	42	0					
High St. Measham	Public Conveniences	42	0					
Leicester Rd, Measham	Public Conveniences	35	0					
Market Place, Kegworth	Public Conveniences	54	0					
Market Place, Whitwick	Public Conveniences	35	0					
Station Rd.Hugglescote	Public Conveniences	32	0					

Name	Description	GIA (m ²)	Backlog 2007/08	Reduction in Backlog 2008/09	Reduction in Backlog 2009/10	Reduction in Backlog 2010/11	Reduction in Backlog 2011/12	Reduction in Backlog 2012/13
Ashby Town Hall	Retail Premises	169	4500	1500	1000	1000	1000	1000
Mease House, Measham	Retail Premises	354	0					
Belvoir Shopping Centre	Retail Premises(Market Hall)	2100	2000	1000	1000			
Blackfordby La Shops	Shops	391	0					
Worthington Post Office	Shops	105						
Coalville Park	Sports Pavilion	262	0					
Coalville Park	Sports Pavilion	48						
Hermitage Rec'n Ground	Sports Pavilion	166	0					
Homestead Rd, Thringstone	Sports Pavilion	164	20000	4000	4000	4000	4000	4000
Melrose Rec'n Ground	Sports Pavilion	36	0					
Melrose Rec'n Ground	Sports Pavilion	72	0					
Millfield Rec'n Hugglescote	Sports Pavilion	35	0					
Owen St, Coalville	Sports Pavilion	270	0					
Scotlands Rec'n Ground	Sports Pavilion	164	0					
Sth. Leics. Rec'n Ground	Sports Pavilion	80	0					
Whitwick Park	Sports Pavilion	48	0					
Whitwick Park	Stores	47	0					
Broomleys Road Stores	Stores	28	0					
Reduction in backlog								
Total			112200	21600	21100	24500	24000	21000

Appendix 5: Self Assessment: Audit Commission Key Lines of Enquiry

Criteria for Judgement in the 2008 Use of Resources Assessment for Asset Management	Self Assessment against Criteria for 2007/08: MEETS CRITERIA	Self Assessment against Criteria for 2007/08: DOES NOT MEET CRITERIA
Level 2		
The council has an up-to-date corporate capital strategy linked to its corporate objectives and medium-term financial strategy	The Capital Strategy was revised in March 2008 and linked to the Council's revised priorities and MTFS	
The council has an up-to-date asset management plan that details existing asset management arrangements and outcomes, and planned action to improve corporate asset use	The current Asset Management Plan (2008) has been prepared in accordance with current guidelines including the RICS publication "Public Sector Asset Management Guidelines", published January 2008 and the DCLG publication "Building on Strong Foundations – a Framework for Local Authority Asset Management", published February 2008.	
The council maintains an up-to-date asset register.	This is fully up to date and is currently held in paper and electronic formals. In 2008/09 it will be transferred to a single on-line system	
The council has a designated corporate property function	The Corporate Director is the designated Corporate Property Officer and the corporate property function is delivered through a shared services contract with Charnwood Borough Council	

Criteria for Judgement in the 2008 Use of Resources Assessment for Asset Management	Self Assessment against Criteria for 2007/08: MEETS CRITERIA	Self Assessment against Criteria for 2007/08: DOES NOT MEET CRITERIA
Level 2 (cont)		
The council's arrangements for reporting to members are sufficient to ensure that they fulfil their responsibility in relation to the council's land and buildings portfolio at both a strategic and service level.	The Asset Management Plan is reported to elected members on an annual basis. The Portfolio holder for property receives regular briefings on strategic and operational property issues	
The council has an annual programme of planned maintenance based on a rolling programme of property surveys	The annual programme of planned maintenance is based on a rolling programme of surveys. This is being refined in 2008 to include annual surveys in addition to the five year full condition surveys. New targets are being established for the balance between planned and reactive maintenance.	
The council has assessed the level of backlog maintenance	This is assessed annually and presently stands at £112,200 in relation to General Fund assets. These are the Priority 1 works identified through survey. Assessment also completed for council dwellings, though this will be updated in 2008/2009.	
The council's capital programme gives priority to potential capital projects based on a formal, objective approval process	All projects are subject to the Project management framework which includes Business Plan	

Criteria for Judgement in the 2008 Use of Resources Assessment for Asset Management	Self Assessment against Criteria for 2007/08: MEETS CRITERIA	Self Assessment against Criteria for 2007/08: DOES NOT MEET CRITERIA
Level 3		
A member has been allocated portfolio responsibility for the council's asset management	Cllr. Matthew Blain, the Cabinet Member for Resources has portfolio responsibility for asset management	
Members are aware of the level of backlog maintenance and have approved a plan to address it as appropriate	This is reported to members on an annual basis and the 2008 Asset Management Plan includes a programme to eliminated the backlog	
The council makes investment and disposal decisions based on thorough option appraisal and whole life costing	Corporate Procurement Strategy includes whole life costing	
The council's asset management plan provides clear forward looking strategic goals for its property assets that shows how the council's land and buildings will be used and developed to help deliver corporate priorities and service delivery needs, now and in the future. The plan shows how property assets will be maintained, modernised and rationalised to ensure that they are fit for purpose	<p>The 2008 Asset Management Plan includes a policy statement and strategic objectives for the Councils asset base. A new set of key performance indicators is adopted.</p> <p>The plan includes for asset challenge and the planned improvement of the property assets including optimum space utilisation</p>	

Criteria for Judgement in the 2008 Use of Resources Assessment for Asset Management	Self Assessment against Criteria for 2007/08: MEETS CRITERIA	Self Assessment against Criteria for 2007/08: DOES NOT MEET CRITERIA
Level 4		
Performance measures and benchmarking are being used to describe and evaluate how the council's asset base contributes to the achievement of corporate and service objectives, including improvement priorities, sustainability objectives and set challenging targets for improvement.		Planned for 2008/09/10
The council fully integrates asset management planning with business planning at corporate and service levels. The role and contribution of property is explicit in business plans such as flexible working policies, ICT plans and customer access strategies		Planned for 2008/09/10
The council uses its property portfolio as an enabler of change. It understands the opportunity cost of its property and exploits this to deliver better value for money and benefits for the local community.		Planned for 2008/09/10

Criteria for Judgement in the 2008 Use of Resources Assessment for Asset Management	Self Assessment against Criteria for 2007/08: MEETS CRITERIA	Self Assessment against Criteria for 2007/08: DOES NOT MEET CRITERIA
The council integrates the management of its asset base with others for example, third sector and local public agencies to identify opportunities for shared use of property and to deliver seamless cross-sector, cross-agency and community based services to users		Planned for 2008/09/10
The council challenges whether all its assets are required, are fit for purpose and provide value for money to meet current and future needs by monitoring property performance and undertaking periodic property reviews. The council rationalises or disposes of under-performing or surplus assets		Planned for 2008/09/10