

**ASSET MANAGEMENT PLAN
(Report by the Head of Legal and Estates)**

1 PURPOSE

To report on the National Property Performance Indicators.

2 BACKGROUND

2.1 Since achieving a good assessment – the highest category available - in 2002 the Council is no longer required to prepare a formal Asset Management Plan. Last year it was necessary to submit core data and the five National Property Performance Indicators (NPPI's) to Go-East. For 2004 there is no longer a requirement to submit the core data and the deadline for the submission of the NPPI information (previously the end of July) has been removed. Confirmation is expected shortly that the NPPI return is to be forwarded to the ODPM rather than Go-East in the Autumn.

2.2 Since last year there have been no changes to the guidance. However, the ODPM has commissioned an independent review of the Asset Management Plan system and in particular the performance indicators. The aim appears to be to ensure that asset management remains high on the agenda of local authorities by providing a more useful set of indicators which will assist with overall performance management. It is expected that this review will be completed by the end of the year.

3 NATIONAL PROPERTY PERFORMANCE INDICATORS

3.1 The figures for the financial year 2003/2004 and for 2002/03 are set out in Appendix A. The following paragraphs contain a brief commentary on the indicators and where appropriate comparison is made with other authorities, based mainly on the returns collated by the Institute of Public Finance AMP network (IPF) for 2003.

3.2 NPPI 1 – Condition and Maintenance backlog

Backlog is defined as "the cost to bring the building from its present state up to the state reasonably required by the Authority to deliver the service or to meet statutory or contract obligations"

Since last year there has been a significant improvement and there are now no District Council operational properties within the worst category D. Based on the IPF figures the percentages are similar to the national average.

The total value of outstanding maintenance has been reduced by 10% with a reduction of over 50% in the urgent category (Priority 1). 33% of the cost is in the urgent and essential categories which compares favourably with a IPF average of 50%.

Maintenance costs can vary considerably among authorities depending on the nature of the property portfolio. The planned maintenance programmes to the Leisure Centres over the next few years should lead to significant improvements in these two indicators.

3.31 NPPI 2 – Internal Rate of Return

The figures assessed for industrial and retail premises are again similar to previous years. They generally compare favourably with information obtained through benchmarking.

3.4 NPPI 3 – Annual maintenance costs

These costs have been reduced by 50% from £4.43 per sq metre to £2.20 per sq metre over the last year. Although the figure is still above the IPF average of £1.54, the wide range of figures submitted indicates the difficulty of gathering the information for this indicator. It would be more useful for estates and property sections rather than service departments if the definition was amended.

3.5 NPPI 4A – Repair and Maintenance

The costs are close to the IPF average of £13.94 per sq metre. These will remain relatively high over the next few years as improvements to assets are implemented.

3.6 NPPI 4B - Energy

Costs have remained similar to the previous year and at £10.22 per sq metre are about 50% above the IPF average. To some extent these are related to the age and nature of the Council's assets.

3.7 NPPI 4C – Water

Costs have increased since last year and this NPPI remains in the upper quartile of IPF.

3.8 NPPI 4D – CO² emissions

The figure is similar to last year being situated in the upper quartile of IPF.

It should be noted, however, that not all the information under 4 B, C and D has been collated. Any changes prior to submission to ODPM will be reported to the Executive Councillor for Welfare and Resources & IT.

3.9 NPPI 5 A AND B – Capital schemes

In 2003/2004 there were only two schemes which fell within the criteria for reporting – Huntingdon Leisure Centre air handling unit (£170k) and Ramsey Leisure Centre changing rooms (£94k). Both schemes were part of an overall condition survey of Leisure Centres and therefore were never formally allocated a budget individually. However, based on the figures available both schemes came in above the original estimated figures. In one case this was only just above the 5% margin.

In terms of the timescale both were completed in accordance with the requirements of the indicator.

4 AMP DEVELOPMENT

4.1 Progress can be reported in a number of areas as follows:-

- identification of several small parcels of land for disposal
- continued improvement to the condition of assets
- maximisation of income and occupancy of non operational properties; and
- utilisation of assets to support the Oxmoor Action Plan

4.2 There are still a number of areas that need to be developed further including the following

- incorporating property information onto the GIS; and
- reviewing overall energy costs including procurement

5 CONCLUSIONS

5.1 It is essential that property assets are maintained in an appropriate condition in order to ensure that the level of services can be delivered effectively.

5.2 It is expected that the format of some of the indicators may well change over the next year.

6 RECOMMENDATION

6.1 It is recommended that -

- (a) the contents of this report be noted; and
- (b) Appendix A be approved for submission to ODPM

BACKGROUND INFORMATION

Legal and Estates – Asset Management Plan Files

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