

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

1. PURPOSE

The purpose of this report is to inform the Cabinet of the following:

- The national property performance indicators in respect of the Council's property portfolio for 2005/06
- The use of resources assessment for asset management
- Proposed changes to the property indicators.

2. BACKGROUND

- 2.1 Information on property performance indicators has been produced annually since they were introduced in 2002. Under new guidance last year three indicators were dropped and the number of others introduced to bring the total required up from 12 to 19. Section 3 reports on these indicators.
- 2.2 The asset management implications of the use of resources assessment undertaken at the beginning of 2006 is considered in Section 4.
- 2.3 Following further consultations, additional indicators are proposed for the current year and these are referred to in Section 5.

3. REPORT ON THE INDICATORS

- 3.1 The indicators are now called Performance Management Indicators (PMI's). Outcomes for comparable indicators for 2004/05 and 2005/06 are set out in Appendix A. The following paragraphs provide a brief commentary on the indicators and, where appropriate, comparison is made with other authorities using information from the IPF Asset Management Network (IPF).

3.2 PMI 1 Condition and Required Maintenance

- 3.2.1 This is intended as a national indicator and the previous indicator has been expanded to include annual changes in expenditure, maintenance spend per square metre and a split between planned and responsive maintenance. The purpose is to measure the condition of assets, changes in condition and the spend on maintenance. It applies to all property where the Council has a repairing obligation.
- 3.2.2 In PMI 1A, the percentages within categories A-D have remained broadly the same as the previous year. Compared to the operational properties of other authorities, the 5% in A is low (IPF average 18%) while B at 86% is within the upper quartile (IPF average 58%). This position should change over the next few years as more properties move from satisfactory to good following refurbishment and the opening of new offices.

- 3.2.3 With regard to required maintenance (PMI 1B), the Council is well below the average for urgent work (1% compared to 12%) but has a relatively high figure for essential maintenance (55% compared to 42%)
- 3.2.4 The increase in required maintenance by cost (PMI 1C) relates entirely to leisure buildings where a further condition survey, as part of a 10 year programme, has recently been carried out.
- 3.2.5 Information is now included under PMI 1D on maintenance costs. The figure per square metre has fallen from £10.69 to £9.74 since the previous year. For the first time, the split between planned and responsive expenditure is provided; under best practice the aim is to move towards a higher percentage spend on planned repairs.

3.3 PMI 2 A, B and C: Environmental Property Issues

- 3.3.1 These are also national indicators and have been expanded to include energy and water consumption in addition to costs. They apply to all operational property occupied by the Council and the purpose is to encourage efficient use of assets and year-on-year improvements in energy efficiency.
- 3.3.2 Energy costs of £11.25 are below the IPF average of £13.89. Water costs are above the IPF average. CO2 emissions at 0.10 are above the IPF average of 0.07.
- 3.3.3 Information has also been collected on energy and water consumption.

3.4 PMI 3 A and B: Suitability Surveys

- 3.4.1 These are required for all 37 operational properties in order to assess whether buildings are fit for purpose. Based on systems used by other authorities, the relevant buildings have been assessed against the specific criteria – location, accessibility, environment, health & safety, fixtures & fittings and image. The outcome of this review is summarised below:

<u>Score out of 30</u>	<u>Number</u>
1-6 unsuitable	0
7-12 poor	2
13-20 satisfactory	29
21-30 good	6

The assessments will be reviewed annually in order to reflect improvements carried out to the properties.

3.5 PMI 4 A, B, C and D: Building Accessibility Surveys

- 3.5.1 These are required for all operational properties and the surveys have to be carried out by a competent person. An access audit is defined as “an examination of a building, its facilities or services reported on against predetermined criteria to assess its ease of use by disabled

people". After the audit an accessibility plan is drawn up to identify the actions necessary.

- 3.5.2 As part of a best value indicator there has been a requirement to list all council buildings open to the public and to assess their accessibility under Part M of the Building Regulations 1991. Of the 16 buildings included only one (Hinchingsbrooke Countryside Centre) complied although several others were close to achieving this rating.
- 3.5.3 It is proposed that all buildings will be inspected by the Facilities and Access Manager and assessed under the 2000 Building Regulations. This is programmed to take place over a two year period.

4. CPA – USE OF RESOURCES

- 4.1 A detailed report on this was considered by Cabinet on the 27th September 2006. Of the five themes reviewed by external auditors, Asset Management achieved level 3 out of 4 which is classified as good performance. The following comments were made:
1. A process of bench marking should be put in place and the results communicated to stakeholders.
 2. Asset Management information should be integrated with financial information.

The report added that the Council will need to consider the cost benefit analysis of addressing these two issues if a level 4 is to be achieved.

- 4.2 With regard to the former, benchmarking information is being developed through the IPF Asset Management network. The results will be included in the report to Cabinet.
- 4.3 The second issue is being addressed through the introduction of an electronic GIS system coupled with a computerised asset management record system. It is intended that these are implemented during 2007.

5. PROPOSED PMI's

5.1 PMI 5 – A and B: Sufficiency (capacity and utilisation) Office Portfolio

The purpose of these indicators, totalling 8 in number, is to measure the capacity and utilisation of office space, including

- Operational office space as a percentage of the total portfolio
- Office space per head of population
- Office buildings shared
- Floor space per number of staff
- Floor space per workstation
- Annual property costs per workstation

Initially there will be a requirement to provide some basic data in order to set up the calculations. Once established the figures should be relatively easy to provide and adjust annually.

5.2 **PMI 6 A & B – Spend on Property**

The aim of this indicator is to measure the overall property costs and changes in costs over time. The two requirements are:

- Gross property costs of the operational estate as a percentage of the gross revenue budget
- Gross property costs per sq metre Gross Internal Area (GIA) by CIPFA Categories/types

The definition of property costs does not include management costs.

5.3 **PMI 7 – A, B, C and D: Time and Costs Predictability**

This is similar to a previous indicator and aims to measure time and cost predictability pre- and post contract for use as a national indicator. It applies to all projects with a contract value of £50,000 or more inclusive of fees relating to operational buildings. The previous indicator was more restrictive on the type of projects.

- 5.4 Provided that the relevant information can be collated at minimal cost, it is proposed that the additional indicators should be included along with the basic indicators outlined in Section 3. Not only will these become acknowledged as best practice but they will also provide benchmarking information.

6. **AMP DEVELOPMENT**

- 6.1 Progress is continuing with updating the Council's land ownership records. Registration of all land and property with the Land Registry is now 75% complete and the remainder should be finalised during 2007. The exercise has also highlighted numerous areas of amenity land/open space which are maintained by the District Council but for which there are no records of ownership. It is proposed to apply for registration of these parcels of land in accordance with Land Registry requirements.
- 6.2 As mentioned in para 4.3 above, an electronic GIS package is to be established in 2007 which will provide a corporate record of all ownerships. Linked to this will be a new software system containing detailed information on land and buildings.
- 6.3 As part of the CPA returns, information on non operational property is provided quarterly such as voids, arrears, business enquiries etc. In 2006 a Business Tenant Survey will be carried out and information provided on business support and advice.
- 6.4 Achievements during 2005/06 have included:
- Essential maintenance is proceeding at various leisure centres
 - Sale of residential development land on Oxmoor with a value of £1.9 million.

- Continuing progress with the HQ office accommodation and operations centre project.

7. CONCLUSIONS

- 7.1 It is essential that property assets are maintained in a suitable condition in order to ensure that the appropriate level of service can be delivered effectively. Property indicators provide information which can assist in the process of determining priorities for expenditure. Asset management is now considered as a key area of the use of resources assessment undertaken by the Audit Commission.

8. RECOMMENDATION

It is recommended that the report be received and the information in Appendix A be approved.

BACKGROUND INFORMATION

Legal and Estates –Asset management Files
Report to Cabinet 24th November 2005

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