

**ASSET MANAGEMENT PLAN**

(Report by the Head of Law, Property and Governance)

**1. INTRODUCTION**

The purpose of this report is to update Cabinet on the National Performance Indicators in respect of the Council's property portfolio for 2008/09. In addition related asset management issues are also drawn to the attention of Cabinet.

**2. BACKGROUND**

2.1 Information on property performance indicators, now called Performance Management Indicators (PMIs), has been produced on a regular basis after they were first introduced in 2002. These are summarised in Appendix A together with a brief commentary including, where appropriate, comparison with other authorities using information from the IPF Asset Management Network (IPF). Section 3 highlights the main elements of these indicators.

2.2 Asset management is considered a key area of the use of resources assessment, although the external review of asset management was not required for 2008/09.

2.3 A summary of the Quirk report (May 2007) concerning the community ownership of assets was presented at the last annual report to Cabinet. There are several initiatives currently in discussion and a more detailed update will be provided next year. One scheme that was completed during the year was the new synthetic pitch in St Neots, provided as part of a section 106 agreement, and then leased to the local football club to manage.

**3. OUTCOMES**

3.1 The main changes between 2008 and 2009 and principal highlights are set out below. More detailed comments on the indicators are contained in appendix A.

- There has been a substantial increase from 15% to 47% in the number of operational properties in category A – good (PMI 1A)
- There has been a reduction from 54% to 43% in the essential category of the required maintenance for operational property (PMI 1B ii)
- The percentage of urgent repairs at 3% compares favourably with the national average of 12% (PMI 1B ii)
- Planned repairs increased from 38% to 42% (a rise of 10%) although this is below the IPF average of 56% (PMI 1D iii).

- Energy and water costs are above the IPF averages (PMI 2).
- The suitability of operational property in the top categories (95%) compares favourably with IPF average of 81% (PMI 3).
- The number of accessibility surveys has risen to 31% of all operational properties but is still below the national average (PMI 4).
- Capital schemes are generally managed well in terms of time and costs compared to national averages (PMI 7).
- PMIs 5 and 6 are relative new indicators which will be used in future analyses.

#### **4. ASSET MANAGEMENT DEVELOPMENTS**

4.1 Achievements during 2008/09 have included:

- Opening of Block D, Pathfinder House
- Completion of the Creative Exchange and transfer of management to NWES
- Extension to the café including improved kitchen facilities at Hinchingsbrooke Country Park
- Internal remodelling of Huntingdon Leisure Centre – new gym, spa, soft play, reception, changing rooms and car park at a total cost of £1.5m.
- Major improvements at the St Neots Leisure Centre including a new reception area at a cost of £300k
- Transfer of new synthetic sports pitch by the developers of Loves Farm and subsequent lease to St Neots Town FC including community use.
- Planning consent obtained for starter units scheme in St Ives on the site of a former depot.

4.2 Registration of all land and property with the Land Registry is now virtually complete despite delays at the Land Registry. A new corporate database is being developed to contain all information relating to property ownership and asset management.

#### **5. CONCLUSION**

5.1 Continued improvements over the last year clearly demonstrates the Council's commitment to provide and maintain buildings in a fit and proper manner for the effective delivery of services.

5.2 The overall level of expenditure on repairs has generally been maintained and there is a gradual improvement in the percentage of planned maintenance rather than reactive repairs.

#### **6. RECOMMENDATION**

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

## **BACKGROUND INFORMATION**

Estates Asset Management files. Report to Cabinet 29<sup>th</sup> January 2009

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## APPENDIX A

### HUNTINGDONSHIRE DISTRICT COUNCIL PROPERTY PERFORMANCE INDICATORS 2009

#### PMI 1 CONDITION AND REQUIRED MAINTENANCE

1A. % of gross internal floor space in condition categories A-D

	Operational		Non- operational		Total*
	31.3.09	31.3.08	31.3.09	31.3.08	31.3.09
A. Good	47	15	19	22	37
B. Satisfactory	52	81	81	77	62
C. Poor	1	4	0	0	1
D. Bad	0	0	0	1	0

\* this combines the floor areas for both operational and non-operational property

	2009	2008
Operational Gross Internal Area (sq metres)	27,878	27,770
Non-Operational Gross Internal Area (sq metres)	15,400	14,839

1B. Required maintenance by cost

(i) Total cost in priority levels 1-3:

£4,037,000 (31.3.09)

£3,988,000 (31.3.08)

The 2008/09 figure comprises:

- |              |            |
|--------------|------------|
| 1. Urgent    | £113,000   |
| 2. Essential | £1,698,000 |
| 3. Desirable | £2,226,000 |

(ii) As a % in priority Levels 1-3:

	Operational		Non-Operational	
	31.3.09	31.3.08	31.3.09	31.3.08
1. Urgent	3	2	2	5
2. Essential (2 years)	43	54	37	37
3. Desirable (3-5 years)	54	44	61	58
	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

	2008/09	2007/08
iii) Overall costs per square metre	£93	£94
1C. Annual % change to total maintenance:	-3%	+36%
	<b>2008/09</b>	<b>2007/08</b>
1D. (i) Total spend on maintenance:	£392,000	£415,000
(ii) Total spend on maintenance per sq metre:	£9.06	£9.73
(iii) Percentage of total maintenance: planned	42%	38%
responsive	58%	62%

#### Comments on PMI 1 - Condition and Required Maintenance

1. The purpose of this indicator 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.
2. In PMI 1A there has been a substantial improvement in operational properties over the previous year with an increase in category A (good) to 47% while category B is at 52%. These compare favourably with IPF averages of 16% (A) and 60% (B). The changes mainly reflect the relocation to Block D Pathfinder House.
3. Approximately 70 % of the required maintenance by cost ( PMI 1B (i) ) relates to the leisure centre with 12% to non operational properties. With regard to the overall costs per sq metre (PMI B (iii) ) the figure of £93 compares favourably with the IPF average of £104.
4. With regard to PMI 1B (ii) the percentage for urgent repairs (3%) is well below the IPF average of 12% while the figures for essential work are similar at around 43%.
5. Information in PMI 1D relates to the total expenditure on maintenance and the split between planned and responsive repairs. The planned percentage is below the IPF average of 56%. Under best practice the aim is to move towards a higher percentage spend on planned repairs.

## PMI 2 ENVIRONMENTAL PROPERTY ISSUES

		<b>2009</b>	<b>2008</b>
2A	Energy costs per square metre	£23.41	£18.38
	Energy consumption kwh per square metre	417	353
2B	Water costs per square metre	£3.17	£3.20
	Water consumption by volume m3 per square m	*	*
2C	CO2 emissions in tonnes per square metre	0.12	0.097

\* information has been collected on individual properties

### Comments on PMI 2 A, B and C – Environmental Property Issues

- 1 These figures apply to all operational buildings which includes 7 leisure buildings with 5 swimming pools. Not surprisingly, therefore, energy costs are above the IPF average of £9.60 and water costs are above the IPF average of £1.69 per square metre. CO<sub>2</sub> emissions have increased and are above the IPF average of 0.07.
- 2 Part of the reason for the increase in energy consumption over the previous year has been the difficulty in assessing usage for some buildings. Hopefully the measures in place will assist with producing accurate figures for future analysis.
- 3 The purpose of these indicators is to encourage the efficient use of assets and to measure year on year improvements in energy efficiency. With the refurbishment of buildings generally and the move to new offices it is expected that energy usage will fall. In addition a campaign for reducing carbon emissions will commence in 2010.

## PMI 3 SUITABILITY SURVEYS –OPERATIONAL PROPERTY

		<b>2009</b>	<b>2008</b>
3A	% of the portfolio by GIA :	100	100
3B	Number of properties :	37	39
3C	% graded satisfactory or above :	95%	95%

### Comments on PMI 3 A and B – Suitability Surveys

- 1 These surveys are required for all operational properties in order to determine whether buildings are fit for purpose. The assessments are based on systems adopted by other local authorities and include the following criteria – location, accessibility, environment, health and safety, fixtures and fittings and image. The outcome of the annual desktop review is summarised below:

Score out of 30	2009	2008
1-6 Unsuitable	0	0
7-12 Poor	2	2
13-18 Satisfactory	11	11
19-24 Good	24	24
25-30 Very Good	3	2
Total	40	39

- The assessments have been carried out for all Council operational properties and compare favourably with the IPF average of approximately 75% of buildings. The two buildings rated poor are the public conveniences in South Street, St Neots and the Octagon storage depot in St Ives. Reviews will be carried out annually in order to reflect improvements undertaken during the year.

#### **PMI 4 BUILDING ACCESSIBILITY SURVEYS –OPERATIONAL PROPERTY**

Access audit undertaken:	<b>2009</b>	<b>2008</b>
4A % of the portfolio by GIA :	31%	15%
4B Number of properties :	12	9
Accessibility plan in place		
4C % of portfolio :	31%	15%
4D Number of properties :	12	9

#### Comments on PMI 4 A, B, C and D – Building Accessibility Surveys

- 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.
- While progress continues to be made, the percentage of properties with an access audit is below the IPF average of 87%. The Facilities Manager will be undertaking further assessments during the current year.



## **PM1 5 SUFFICIENCY (CAPACITY AND UTILISATION) –OFFICES**

	<b>2008/09</b>	<b>2007/08</b>
For financial year ending 31 <sup>st</sup> March.		
5A.1 (a) Operational office property as a percentage of the total portfolio	28%	29%
(b) Office space per head of population (per square metre)	0.045	0.048
5A.2 Office space as a % of total floor space in operational buildings	80%	80%
5A.3 (a) Number of offices shared with other public agencies	2	1
(b) Percentage of office buildings shared	20%	11%
5B.1 Average floor space per office staff	Not assessed	
5B.2 Average floor space per workstation	Not assessed	
5B.3 Annual property cost per workstation	Not assessed	

### Comments on PMI 5 A and B – Sufficiency (capacity and utilisation) Office Portfolio

- 1 The purpose of this indicator introduced in 2007 is to measure the capacity and utilisation of the office portfolio.
- 2 Information has been provided for PMI 5A but not yet for PMI 5B in view of the continuing changes in office accommodation. It is intended to refine these in due course so that more accurate information will be available once the new office project is completed.

<b>PM1 6 SPEND ON PROPERTY</b>	<b>2008/09</b>	<b>2007/08</b>
6A Gross property costs of operational estate as a percentage of the gross revenue budget	3.2%	3.5%
6B Gross property costs per square metre for operational property	£78	£83

### Comments on PMI 6 A and B – Spend and Property

- 1 This indicator aims to measure the overall property costs and changes in costs over time.

- 2 The percentage figure is well below the IPF average of 6.5%. As with PMI 5B, a more accurate assessment will be possible when the office moves have been completed.

<b>PM1 7 TIME AND COST PREDICTABILITY</b>		<b>2008/09</b>	<b>2007/08</b>
7A	Time predictability, design	75%	72%
7B	Time predictability, post contract	75%	86%
7C	Cost predictability, design	87%	100%
7D	Cost predictability, post contract	87%	100%

#### Comments on PMI 7 A, B, C and D – Time and Cost Predictability

1. There were 8 applicable schemes in 2008/09 (7 schemes in 2007/08)
2. This indicator relates to all projects over £50k. The Council's performance compares favourably with the IPF averages of 64% (7A), 31% (7B), 66% (7C) and 66% (7D). This confirms that building contracts are generally managed within acceptable time and cost limits. One scheme that did create problems in all the categories was in fact managed by external architects.