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<b>REPORT TO:</b>	<b>FINANCE &amp; MANAGEMENT COMMITTEE</b>	<b>AGENDA ITEM:</b> 10
<b>DATE OF MEETING:</b>	<b>30 AUGUST 2001</b>	<b>CATEGORY:</b> <b>DELEGATED</b>
<b>REPORT FROM:</b>	<b>CHIEF EXECUTIVE</b>	<b>OPEN PARAGRAPH NO:</b>
<b>MEMBERS' CONTACT POINT:</b>	<b>DAVID SOANES EXT 5714</b>	<b>DOC:</b>
<b>SUBJECT:</b>	<b>ASSET MANAGEMENT BEST VALUE REVIEW</b>	<b>REF:</b>
<b>WARD(S) AFFECTED:</b>	<b>ALL</b>	<b>TERMS OF REFERENCE: CE1</b>

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### **1.0 Recommendations**

- 1.1 That the proposed Terms of Reference, Scope and Project Plan for the Asset Management Best Value Review be agreed.

### **2.0 Purpose of Report**

- 2.1 To set out details of the terms of reference, scope of the review and the project plan.

### **3.0 Detail**

- 3.1 The Council's Asset Management services are being reviewed during this financial year. This covers the strategic management of all the Council's land and property assets (except housing, garages and sheltered accommodation). The review complements the work undertaken on the annual Asset Management Plan (AMP).
- 3.2 Unlike many of the reviews within the 5 year programme, this review does not deal with one particular service area, but cuts across a number of service areas. Asset Management includes work undertaken within Economic Development, Facilities and Development, Community and Leisure Development, Direct Services, Building Maintenance, Legal and Member Services and Exchequer Services.
- 3.3 The review team is led by the Economic Development Manager (Corporate Property Officer) and includes representatives of many of the services mentioned above, together other colleagues acting in a challenging or supporting role. The team also includes officers from Derbyshire County Council, who are currently undertaking a Property Services review, and Erewash Borough Council. Unison are represented whilst Cllrs Southerd, Brooks and Lemmon will now be joining the team as Member reps.

3.4 The proposed Terms of Reference are as follows:

- As part of the Best Value process, Members agreed that Asset Management should be dealt with in Year 2. The Best Value Performance Plan identified this review as being justified in terms of improving performance, providing high quality, value for money services, involving the community and protecting the environment.
- A Value for Money study of Asset Management within the authority, undertaken by District Audit, made a number of recommendations for improving the service.
- There is now a national requirement for authorities to produce annual Asset Management Plans and the review therefore comes at an opportune time.
- Asset Management is a cross service issue with most departments having at least some role. It is therefore appropriate to deal with strategic issues, rather than the detail of the management of particular properties.
- Officers and Members recognise the need to review property holdings, particularly to try and generate capital receipts, but also to ensure that property is being managed in the most efficient manner.

3.5 As set out above, the review team have agreed that it is appropriate to deal mainly with strategic issues as there is insufficient time or resources to undertake a detailed study of the management of each group of assets.

3.6 The review team considered a wide range of issues which needed to be addressed within the review. These have been highlighted during the preparation of the AMP, within the District Audit study, and as a result of consultation with users of the assets.

3.7 The proposed Scope of the review is divided into four sections:

**Assets as a corporate resource** - including

- contribution to meeting the Council's corporate objectives;
- linkages to other Council strategies; and
- relationship with other services, other organisations and the public

**Corporate Property Issues** - including

- the need to develop a comprehensive strategy, with objectives for holding property and the procedure for identifying surplus or underused properties;
- why we hold the properties and land that we have;
- whether they are fully utilised; and
- what opportunities there are for property sharing/letting of space/disposal.

**Management Responsibilities** - including

- the way we manage our properties;
- the option of having a Central Property Services Department looking after all aspect of property management;
- clarity of management roles and responsibilities;

- alternative options for delivery of the various property services;
- the competitiveness of the property management function, in terms of price and quality
- the level of member involvement in property issues and the current committee structure as it relates to property
- repairs and maintenance strategy

#### **Civic Office Usage** - including

- competitiveness of revenue costs and alternative provision
- incentives to encourage building users to reduce space and costs, such as introducing asset rents and devolving revenue cost management to budget holders
- imposition of space standards and letting of surplus space
- potential impact of changes in service delivery such as hot desking and home working and whether we should be encouraging them.

3.8 In addition to the consultation referred to in 3.6, Divisional Managers are currently being consulted on their views of the asset management services provided by different departments. The team would also like to ascertain Members views on some of the issues set out above, and will be undertaking this consultation in the very near future.

3.9 The review will contain an Implementation Plan to map the way forward and set out the actions required.

3.10 A Project Plan has been prepared to track progress of the review over the coming months (attached as Annex A).

#### **4.0 Financial Implications**

4.1 The review will make a number of recommendations for changes. Most of these will lead to potential savings, but there may be some expenditure involved in order to realise those longer term savings.

#### **5.0 Corporate Implications**

5.1 The review is obviously very time consuming for those involved. It is likely to also lead to a number of additional smaller reviews as part of the implementation plan. There are potential implications on the structure of the organisation, on working methods and on future location of different services.

#### **6.0 Community Implications**

6.1 Should space be made available within the Civic Offices, this could provide opportunities to assist other organisations with their accommodation needs.

## **7.0 Conclusions**

- 7.1 The Asset Management review will complement work undertaken for the AMP and concentrate on Assets as a corporate resource, Corporate Property Issues, Management Responsibilities and Civic Office Usage. An implementation plan will map the way forward and detail action points to be progressed following the review.

## **8.0 Background Papers**

Asset Management Plans - November 2000 and July 2001  
District Audit study - November 2000