
REPORT TO:	FINANCE & MANAGEMENT COMMITTEE	AGENDA ITEM: 8
DATE OF MEETING:	22 NOVEMBER 2001	CATEGORY: DELEGATED
REPORT FROM:	CHIEF EXECUTIVE	OPEN
MEMBERS' CONTACT POINT:	DAVID SOANES EXT 5714	DOC:
SUBJECT:	ASSET MANAGEMENT	REF:
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE: CE1

1.0 Recommendations

- 1.1 That Members note and comment on the Asset Management Best Value Review draft baseline assessment, the work undertaken on challenge, consultation, comparison and competition, and the progress made on implementing the Action points emanating from the Asset Management Plan.

2.0 Purpose of Report

- 2.1 To advise Members of the progress made to date on the Asset Management Best Value Review, and progress on implementing actions arising from the Asset Management Plan 2001.

3.0 Detail

Best Value Review

- 3.1 At the 30 August 2001 meeting of this Committee, Members agreed the Terms of Reference and Scope of the Best Value Review and also a Project Plan.
- 3.2 The review was also considered by the Corporate Scrutiny Committee on 10 September 2001.
- 3.3 Since then substantial progress has been made on pulling together the information for the baseline assessment, and on the 4 C's - Challenge, Consultation, Competition and Comparison.
- 3.4 Collation of information for the Baseline Assessment has not been easy. This is principally because Asset Management Services are provided by 6 different Divisions of the authority, to varying degrees. In cases where Asset Management is only a small element of the service provided, the information required has to reflect this, and it has been difficult at times to extract only the relevant information from that for the

whole service or division. There has also been some delay in obtaining the relevant information from certain divisions.

- 3.5 A draft version of the Baseline Assessment is attached for comment (Annex A). Some of the information has still to be collected, and some needs to be worked on or put in a different section of the report.
- 3.6 The Review Team has **challenged** why the Council holds its assets, where certain policies had derived from, our legal and moral obligations etc. Following on from this the team undertook a SWOT (Strengths/Weaknesses/Opportunities/Threats) analysis of three options - keeping management of assets in-house, passing to the private sector, and working in partnership with other local authorities. This is attached as Annex B.
- 3.6 The previous report noted that **consultation** had taken place with Council staff, tenants and other service users on various Asset Management issues, and this informed the Scoping of the Review. In addition, Divisional Managers have now been consulted on their views of the asset management services provided by different departments. Their responses have been summarised and are attached as Annex C.
- 3.7 Councillors Southerd, Brooks and Lemmon are part of the Review Team. As well as providing valuable input at meetings, a separate consultation meeting was held with these Members, to ascertain their thoughts on a number of pertinent issues.
- 3.8 We have **compared** what we do with about 25 other local authorities and a number of private sector companies, asking them questions about the way they manage property, whether they have outsourced this work etc. The survey was conducted partly by phone and partly by post. A summary of the findings of this survey, which will assist us in challenging the way we operate, is attached as Annex D.
- 3.9 The Review has particularly benefited from the input of officers of Erewash Borough Council and Derbyshire County Council, particularly in relation to property sharing and comparing how we do things.
- 3.10 Meetings have taken place with those who could provide **competitive** alternatives to some or all of our in-house management of assets. These include a couple of local firms of chartered surveyors, one national firm and a national Facilities Management company. We are in the process of putting together the information which they will require in order for them to provide us with quotes.
- 3.11 We are now starting to put together some options for the way forward, and aim to consult on these during January 2002. We will then produce the Review report and an implementation plan and bring these to this committee on 28 February 2002.

Asset Management Plan 2001 (AMP)

- 3.12 The AMP was submitted to Government Office for the East Midlands (GOEM) in July 2001. It contained an Action Plan, a copy of which is attached as Annex E.
- 3.13 Actions 7-13 are being dealt with within the Best Value Review, although some will be outworked as part of the Implementation Plan.

- 3.14 We have commenced monitoring of the 5 high level Performance Indicators (Action 2) set by the Department of Transport and the Regions (DETR). These are set out in Annex F. Most of the figures should be available by the end of the year, to inform the Best Value Review.
- 3.15 In addition to the consultation already undertaken with a variety of asset users, we are preparing some questions for the next Citizens Panel questionnaire, covering Parks, Car Parks, Toilets and the Market (Action 3)
- 3.16 The validation exercise referred to in Action 4 has now been completed.
- 3.17 Building Maintenance are including a bid for the works to bring those properties currently classified as Category C (Poor condition) to Category A (Good condition), within the Capital Programme bid process (Action 5)
- 3.18 The review of lettings for which no detailed records exist (Action 6) is continuing.
- 3.19 We have started to consider the possible disposal of the Market Street shops and the Grove Street properties.
- 3.20 York Consulting have been asked by DETR to evaluate the AMP/Capital Strategy process to date, and we have been selected as one of 15 authorities to assist with this. Following a visit by York Consulting and interviews with those involved in the process, they have produced a report which is now being considered. Further details will be communicated to Members in due course.

4.0 Financial Implications

- 4.1 The Best Value review will make a number of recommendations for change. Some of these will lead to potential savings, but there may be some expenditure involved in order to realise those longer term savings. There may however be other recommendations which will lead to an increase in resources required.

5.0 Corporate Implications

- 5.1 The Best Value review is obviously very time consuming for those involved, and this time commitment will remain for some time during the implementation stage. The various Action points emanating from the AMP also require substantial time resources.

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.
- 6.2 Opportunities for sharing space within all the Council's assets will continue to be explored.

7.0 Conclusions

- 7.1 Good progress has been made on the Asset Management Best Value Review. The baseline assessment is at a draft stage and the 4 C's have been considered. The Review Team will shortly produce and consult upon options for the way forward, prior to completing the review report and implementation plan.
- 7.2 Work is progressing on the Action points emanating from the AMP.

8.0 Background Papers

- 8.1 Asset Management Plan July 2001.