

ASSET MANAGEMENT BEST VALUE REVIEW

EXECUTIVE SUMMARY

- 1.1 In accordance with the Government's Best Value regime the Council has undertaken to review all of its Services over a period of five years and to draw up improvement plans with the aim of placing it in the top 25% of local authority performers.
- 1.2 The Council has recognised the importance of Asset Management by placing it in the second year of its 5 year review programme.
- 1.3 The Review has included progression through a number of stages as follows: -
- Form and Develop a Review Team
  - Agree on Scope of Review
  - Prepare a Baseline Assessment
  - Consideration of each topic within the scope
  - Identify the key issues
  - Consideration and analysis of options to address the key issues
  - Analyse the Options
  - Prepare an Improvement Plan to deliver continuous improvement
  - Apply the 4 C's throughout the process
- 1.4 The Review was undertaken during the period April 2001 to October 2002, during which time there were regular reports to Finance & Management Committee, Corporate Scrutiny Committee and the Best Value Working Group.
- 1.5 The Review Team comprised representatives from the various services which manage assets, other officers acting in an advisory or challenge capacity, three Members, a union representative and two officers from other local authorities.
- 1.6 This review 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.
- 1.7 It was agreed at an early stage that the review would focus on strategic asset management, rather than the detail associated with each particular asset or group of assets (this should be dealt with in service best value reviews). The exception to this was the Civic Offices, which are not due to be considered in any service review. The issues relating to this building have been considered in this review, but have been included as an annex to the Improvement Plan, rather than as part of the main plan.
- 1.8 The customers of Asset Management services are primarily officers and Members of the Council, together with those users who have a legal interest in property e.g commercial

tenants. The public generally use the services run from assets and are less interested in the asset itself.

- 1.9 A large amount of work on asset management has already been undertaken during the last few years, both nationally and within this Authority. Some of the findings and recommendations of the various reports and studies had already been implemented prior to commencing this review. In addition a lot of progress has already been made on issues such as identifying and pursuing disposal opportunities. The team decided that the scope of the review would be based on the remaining recommendations of the work undertaken by District Audit, the Audit Commission's Hot Property report, the AMP action plan and the work carried out by York Consulting, together with the findings of consultation work undertaken to date. This did not mean that the team closed its mind to other issues, such as additional matters brought to light through the development of the baseline assessment
- 1.10 A baseline assessment was prepared between April and November 2001 (annexe B)
- 1.11 Each of the issues within the scope of the review was given full consideration, using the four 'C's' of Challenge, Compare, Consult and Compete.
- 1.12 Seven key issues were identified as needing action if the services are to improve:
  1. Development of Corporate Property Issues
  2. Lack of clarity with the Council's existing in house management
  3. Investigating method of provision of asset management
  4. Lack of member involvement in asset management issues
  5. Dissatisfaction with the repairs and maintenance service
  6. Lack of centralisation of asset data
  7. Insufficient performance management data and comparison
- 1.13 The report concludes with an Improvement Plan to deliver the required outcomes listed above (annexe A).

## ASSET MANAGEMENT - IMPROVEMENT PLAN

## Notes:

- The improvement plan runs for 3 years from January 2003 (although certain issues being looked at prior to this)
- S = start date F = finish date
- CPO - Corporate Property Officer (Economic Development Manager)
- EO - Estates Officer
- BM - Building Maintenance Manager
- FD - Facilities & Development Manager
- DS - Direct Services Manager
- LMS - Legal & Democratic Services Manager
- CE - Chief Executive
- CFO - Chief Finance Officer
- IT - IT Manager
- PD - Personnel & Development Manager
- TS - Technical Services Manager
- EH - Environmental Health Manager

There are potential staffing resource issues in delivering most of the actions set out below, and individual divisions will prioritise the time which they can spend together with their other duties. A specific reference is made within the Resources box where it is anticipated that there may be particular difficulties.

Before commencing each action, a strategic approach to undertaking that action will be agreed by the lead officer, which will include a list of the steps required to achieve the action together with a timescale for doing so.

For each Key Issue there is an identified required outcome. These outcomes also form some of the Council's new Property Objectives which link to the new Strategic Objectives. These Objectives are set out in section 4 of the Baseline Assessment.

**KEY ISSUE 1. DEVELOPMENT OF CORPORATE PROPERTY ISSUES**

*Required outcomes: A. To develop a Corporate Property Strategy*

*B. To have produced corporate guidelines for the holding, disposal and management of assets (Property Objective 12)*

*C. To develop a home working policy*

*D. To improve all Council buildings which are open to the public in line with the requirements of the Disability Discrimination Act.*

Action	Target Date	Performance Measures	Resources	Staff responsible	Lead Officer
1. Develop a corporate property strategy	S = Jan 03 F = Jun 03	Strategy completed		CPO & Asset Mgt & Mtrg group	CPO
2. Produce corporate guidelines for the holding, disposal and management of assets	S = Jan 03 F = Jun 03	Guidance completed		CPO & Asset Mgt & Mtrg group	CPO
3. Through service best value reviews, apply guidance to each group of assets to determine suitability for current and future use.	S = Aug 03 F = Mar 05	Suitability of all assets reviewed	Potential staffing resource issues	All property managers	CPO
4. Review the outcomes of the service best value reviews and develop a programme of action to address the needs identified	S = July 05 F = Dec 05	Programme of action developed		CPO Asset Mgt & Mtrg group	CPO

5. Continue to seek out suitable organisations for sharing Council property, through proactive discussions by Chief Executive, CPO and other officers	Ongoing	Possible property sharers identified		CPO EO	CPO
6. Develop a home-working policy.	S = Mar 03 F = April 04	Set up & lead an officer working group to identify all key issues, and actions reqd. Draft policy in place Pilot Study implemented -- to run for 6 months, and then be reviewed by working group.		CPO PD EH IT CFO	PD
7. Review disability access issues for all public buildings across the district	S = Oct 02 F = Sept 03	Action plan in place to implement minimum requirements of DDA	Resources required to implement improvements	BM CPO	BM

## KEY ISSUE 2. LACK OF CLARITY WITH THE COUNCIL'S EXISTING IN-HOUSE MANAGEMENT ARRANGEMENTS

*Required outcome: To clarify ongoing management arrangements (Property Objective 7)*

Action	Target Date	Performance Measures	Resources	Staff responsible	Lead Officer
8. Review the current management arrangements for each group of properties to reduce confusion and	S = Jun 03 F = Nov 03	Customers clear who manages which assets	Potential staffing resource	CPO EO BM	CPO

<p>provide clarity to customers. Also clarify the corporate roles and responsibilities of the CPO and Asset Management &amp; Monitoring Group. Put together a clear guide to show who manages each asset, to be circulated to all Divisional Managers (and their relevant staff) and Members.</p>			issues	FD DS	
<p>9. Monitor the impact of the above changes. If they have not achieved the additional clarity of function, consider in more detail the issues involved in centralising asset management functions.</p>	<p>S = Dec 03 F = May 04</p>	<p>Has necessary clarity been achieved?</p>		<p>CPO &amp; Asset Mgt &amp; Mtrg group</p>	<p>CPO</p>
<p>10. Service Managers to benchmark the cost of managing their assets when undertaking their service reviews</p>	<p>S = Aug 03 F = Mar 05</p>	<p>Costs of managing assets compared to other authorities determined</p>		<p>CPO EO BM FD DS</p>	<p>CPO</p>

### KEY ISSUE 3. INVESTIGATING METHOD OF PROVISION OF ASSET MANAGEMENT

*Required outcome: To establish the most appropriate method of service provision (Property Objective 8)*

Action	Target Date	Performance Measures	Resources	Staff responsible	Lead Officer
<p>11. Prepare a detailed specification of asset management activities and their frequency. (Some of this has already</p>	<p>S = Apr 05 F = Sep 05</p>	<p>Detailed specification for activities associated with each group of assets</p>	<p>Potential staffing resource</p>	<p>CPO EO BM</p>	<p>FD</p>

been prepared for the baseline assessment, but in insufficient detail to allow quotes to be prepared.)		prepared	issues	FD DS LDS	
12. Obtain quotes from private sector companies for the management of certain assets.	S = Oct 05 F = Dec 05	Quotes received which are accurate enough to compare costs		CPO EO BM	EO
13. Discuss with other authorities the opportunities for managing certain assets via a partnership approach.	S = Oct 05 F = Dec 05	Detailed picture obtained of the scope for partnership working		CPO FD DS BM	FD
Once the above are completed:					
14. Review options and agree appropriate ongoing management approaches for different assets, in light of cost-benefit analysis.	S = Oct 04 F = Dec 04	Future management approaches agreed for each group of assets	Potential staffing resource issues	CPO & Asset Mgt & Mtrg group	CPO

#### KEY ISSUE 4. LACK OF MEMBER INVOLVEMENT IN ASSET MANAGEMENT ISSUES

*Required outcome: To achieve Members greater understanding of asset management (Property Objective 9)*

Action	Target Date	Performance Measures	Resources	Staff responsible	Lead Officer
15. Review the terms of reference of the 3 policy committees, moving final	S = Mar 03 F = Sept 03	New terms of reference agreed		LDS CPO	LDS

decision making powers on all asset management issues to a single committee (probably Finance & Management).					CE	
16. Consider, in consultation with officers and Members, the future inter-relationship between the committees to ensure that appropriate input on asset management matters is retained.	S = Mar 03 F = Sept 03	New terms of reference agreed			LDS CPO CE	LDS
17. Consider Member involvement in the revised Asset Management Monitoring Group.	Jan 03	Decision reached on degree and level of Member involvement			CPO CFO CE	CPO

**KEY ISSUE 5. DISATISFACTION WITH THE REPAIRS AND MAINTENANCE SERVICE**

*Required outcome: To improve customer satisfaction with the repairs & maintenance service (Property Objective 10)*

Action	Target Date	Performance Measures	Resources	Staff responsible	Lead Officer
18. Make initial improvements e.g improve communication by sending a confirmatory letter to the building occupier	Jul 02	System of letter provision up and running		BM	



19. Undertake a full review of the Repairs and Maintenance Service, to cover the concerns raised.	S = Apr 03 F = Sept 03	Improvements effected which satisfy concerns of all customers	Potential staffing resource issues	BM	BM
20. Implement planned maintenance programmes for all assets	S = Apr 03 F = Jun 03	Planned Maintenance programmes in place	Possible additional budgets required	BM	BM

#### KEY ISSUE 6. LACK OF CENTRALISATION OF ASSET DATA

*Required outcome: Improved management capabilities (PO13)*

Action	Target Date	Performance Measures	Resources	Staff responsible	Lead Officer
21. Investigate asset management IT packages and determine best fit for authority of this size. Purchase software and populate system.	S = May 02 F = July 03	IT system chosen, purchased, installed and populated with data (note this cannot be completed until new Estates Officer in position)	Likely to be budget implications	GIS working group to oversee this IT, CPO, EO	CPO

**KEY ISSUE 7. INSUFFICIENT PERFORMANCE MANAGEMENT DATA AND COMPARISON**

*Required outcome: To be among the better performing authorities (Property Objective 11)*

Action	Target Date	Performance Measures	Resources	Staff responsible	Lead Officer
22. Review the Council's performance using those asset indicators currently monitored and assess how performance can be improved.	S = Jan 03 F = Apr 03	Performance reviewed Improvement possibilities identified	Possible resource implications	BM FD TS	FD
23. Benchmark property performance indicators (including newly developed local indicators) against a number of other LA's and ascertain those in the top 25%.	S = Jan 03 F = Jun 03	Top 25% performance identified, plus that of other benchmarking partners		CPO	CPO
24. Implement measures to improve our performance to meet these targets.	S = July 03 F = Feb 04	Action plan developed and improvements commenced	Possible resource implications	CPO BM CFO	CPO

IMPROVEMENT PLAN ANNEX

**CIVIC OFFICES ISSUES**

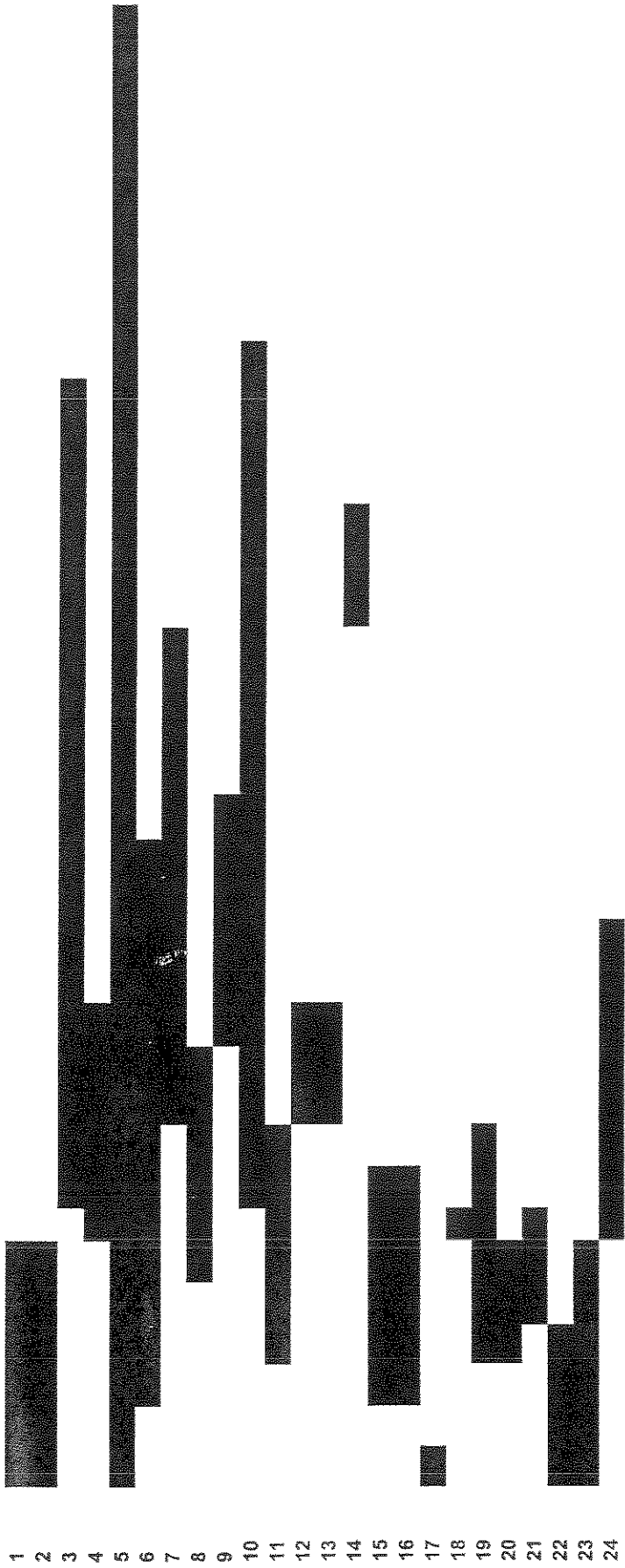
*Required outcome: Achieve the efficient use and management of the Civic Offices (Property Objectives 15-17)*

Action	Target Date	Performance Measures	Resources	Staff responsible	Lead Officer
1. Confirm with reference to the local property market why the Civic Offices should be retained as the base for the Council's activities.	Jun 04	Agents consulted		EO	EO
2. Explore alternative management arrangements with Facilities Management companies.	S = Oct 05 F = Dec 05	See key Issue 3		CPO BM	CPO
3. Undertake an Energy Audit and examine incentives for building users to reduce running costs.	S = Aug 04 F = Dec 04	Audit completed Feasibility of introducing incentives confirmed	Potential staffing resource issues	BM CFO	BM
4A. Benchmark costs of Cleaning & Caretaking functions	S = Mar 03 F = May 03	Services reviewed	Potential staffing resource issues	BM	BM
4B. If appropriate, obtain alternative quotes for delivery of those services.	S = Mar 04 F = Sep 04				
5. Identify the amount and position of	S = Oct 03	Figures obtained	Potential	BM	BM

surplus space, plus the degree to which floorspace standards are being met.	F = Dec 03		staffing resource issues		
6. Calculate the cost of moving people/partitioning v the income which might be achieved. Also consider further the introduction of asset rents to encourage building users to minimise space used.	S = Jan 04 F = Apr 04	Figures obtained Feasibility of asset rent introduction confirmed	Potential staffing resource issues	BM CPO CFO EO	CPO
7. Continue to seek out suitable organisations for property sharing, through proactive discussions by Chief Executive, CPO and other officers	Ongoing	Possible property sharers identified		CPO EO	CPO
8. Investigate issues affecting the work environment.	S = Jan 05 F = Jun 05	Recommendations for improvements		BM	BM
9. Develop a suitable forum for ongoing staff consultation / raising of concerns.	S = July 05 F = Oct 05	Forum in place		BM PD	PD

ASSET MANAGEMENT BEST VALUE REVIEW IMPROVEMENT PLAN TIMETABLE

ACTION Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec  
 ~2003 ~2004 ~2005



Annex A

