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## **ASSET MANAGEMENT (Min 376/02)**

### **1 SUMMARY**

- 1.1 The Council is required to submit a Capital Strategy and Asset Management Plan annually for assessment as part of the Single Capital Pot regime. This report provides Members with information on the assessment of the Asset Management Plan submitted in July 2002 (attached to this report at Appendix A), the feedback received from the Government Office for the East Of England (Go-East) and proposals for development of the plan for 2003/4.

### **2 INTRODUCTION**

- 2.1 Members may recall advice to this Committee in July 2002 with regard to the "single capital pot" system used for the allocation of Central Government capital support to local authorities. The first allocations using the new system were made in December 2001.
- 2.2 The allocation provides a single Basic Credit Approval (BCA) for each authority rather than separate or 'ring fenced amounts' for specific service areas. The majority of the 'pot' is allocated on a needs basis derived from Government statistics and indicators. The remainder is based upon an assessment of local authorities' Capital Strategy and Asset Management Plans and of performance in service delivery.
- 2.3 Plans are judged against pre-set assessment criteria based on a range of primary and secondary requirements. Authorities must comply with all the primary requirements or no reward is earned and the strategy is assessed as "poor". If the primary requirements are met the assessment will progress to the secondary requirements. If less than 75% of these criteria are met, the authority gets a "satisfactory" rating. If 75% or more of the criteria are satisfied together with at least one of the factors in each group, then the authority has a "good" rating. The assessment criteria is attached at Appendix B.
- 2.4 Rochford's Asset Management Plan met the necessary criteria and is assessed as "good". As last year, this should result in an allocation of £50,000 additional capital support.

### **3 FEEDBACK FROM THE GOVERNMENT OFFICE OF THE EAST OF ENGLAND.**

- 3.1 Go-East's assessment is that "the Asset Management Plan is a well written document that is clearly referenced. A majority of details are present, but some sections would benefit from clarification where highlighted."

- 3.2 While bearing in mind that more than 75% of the criteria has been met, there is still an opportunity for further improvement. A copy of the feedback is attached in full at Appendix C. Areas requiring clarification and highlighted in the assessment are dealt with point by point as follows:

**Primary Criteria**

*Comment: How the Asset Management Plan linked to the Community Plan was not clear and expansion on this point would have been useful.*

Response: The Council has not yet agreed a Community Plan.

*Comment: Further details concerning the type of information held would have been useful.*

Response: This can be included in the 2003/4 Plan.

*Comment: Reporting methods (for performance measures) were not clear but it has been ascertained they are submitted.*

Response: Performance measures are included in the Quarterly Performance Reports and annual statistics are provided within the Asset Management Plan which has been reviewed by Members annually prior to submission over the last three years. Proposals for further consideration of reporting methods appear later in this report in response to commentary on the secondary criteria.

*Comment: Option appraisal and corporate prioritising between capital projects were available in the Capital Strategy. To establish corporacy, it would have been helpful to have some confirmation details in the Asset Management Plan as well.*

Response: This can be taken from the Capital Strategy and included in future plans.

*Comment: The 3 year capital programme has been outlined. Limit details were supplied concerning output/outcome targets.*

Response: Further details can be included in future plans.

**Secondary Criteria**

*Comment: How the CPO contributes to the work of other relevant corporate and business planning groups is unclear.*

Response: In many authorities the CPO is a defined role held by a full-time Corporate Property Officer. Rochford has a small establishment and officers routinely carry diverse responsibilities. The overarching nature of the Corporate Director's role requires involvement in most, if not all, relevant corporate and business planning groups at officer level. In this way, the CPO is in a unique position to contribute to such work. The situation is similar with regard to the Corporate Management Board referred to later in the same paragraph.

*Comment: Details / examples (of general property implications and consultation feedback) would be helpful in future.*

Response: Examples can be provided in future plans.

*Comment: Further details on centralising financial and property data would be useful.*

Response: This is a complex area and brief details only were provided. Data for asset management is being developed in line with the Council's ICT/IS Strategy and IEG2 statement. This is centred on the Uniform Spatial 7 (GIS) system and is referred to in the plan. However, while information on assets is available as a corporate resource, there are still several discrete systems in use providing financial information on assets for different purposes. These include Uniform 7 for land terrier information, Brandt for the general ledger and Comino for housing and property maintenance. The Corporate Director (Law, Planning & Administration) and Head of Administrative and Member Services are currently reviewing the management of data generally in the organisation with a view to centralisation and hope to bring a report to Council later in the year.

*Comment: Insufficient details of some Performance Indicators. Links to corporate objectives not clearly stated.*

Response: The national property performance indicators are unnecessarily complex and different information is required for Best Value. A new indicator, BV180, includes 38 pages of guidance on how to complete it. It is accepted that further work is necessary, particular with regard to the creation of meaningful and useful local performance measures and these should be directly linked to corporate objectives.

*Comment: Comparison of performance and competitiveness of property and property services with other similar organisations / providers are not clearly outlined.*

Response: This work is outstanding from the Asset Management

Best Value Review due to staff shortage and other more pressing issues such as the implementation of the modernising agenda, e-government initiatives, etc.

*Comment: There are insufficient details on how performance measures relate to customer satisfaction.*

Response: Details can be supplied but this needs to be included in further work on performance measures.

*Comment: Further details to show continuous improvement evidence such as setting new targets and action plans from results would have been constructive*

Response: As above, further work is necessary.

*Comment: The plan refers to national surplus property indicators, unfortunately the criteria concerns local ones.*

Response: The plan explains that there is virtually no property held by the Council that can be considered surplus to operational requirements but that information gathered on national indicators is used to monitor office space. There is possibly an opportunity to devise a better local indicator.

*Comment: The plan does not specifically mention a report to Members that makes recommendations concerning maintenance backlog.*

Response: As well as strategic reports such as this plan and the capital strategy, Service Committees receive regular reports addressing service issues such as this.

*Comment: There is no evidence concerning the collection of suitability data.*

Response: The Council's property portfolio is comparatively small for a District Council. Members have reviewed the portfolio formally on three occasions in the last ten years and reports on individual property matters are presented to Service Committees on a regular basis. Additional work on the suitability of various categories of property for their current and future use is likely to be disproportionate to the benefit derived from such work. Nevertheless, as the electronic estate management module is developed, data on suitability can be collected as part of that process.

*Comment: Further information concerning a 3-5 year strategy would have been helpful*

Response: The Council has a 3 year rolling capital programme and this is the basis of the capital strategy. Although a requirement of the draft was that the plan should not exceed 20 pages, less for smaller authorities, this information can be included in future plans.

#### **4 THE WAY FORWARD**

4.1 The appointment of the Corporate Director (Law, Planning & Administration) as CPO was intended to be an interim measure to ensure the development of the Asset Management Plan. However, given comments made above and the size of the establishment at Rochford, it is probably appropriate that he continues in this role and proceeds to update the plan with a view to reporting on this in July 2003. In the meantime, subject to this Committee's view, Corporate Management Board have determined some amendment to the current plan to facilitate this.

4.2 Firstly, it is suggested that the Property Maintenance and Highways Manager be designated Deputy Corporate Property Officer with particular responsibility for property performance indicators. The Property Maintenance and Highways Manager has day to day responsibility for gathering and collating such information and can prepare a report on performance indicators for Members prior to consideration of the revised plan. This report should include (a) reporting methods, (b) links to corporate objectives, (c) improved local indicators, (d) relationship to customer satisfaction and (e) proposals for continuous improvement.

4.3 Secondly, Operational Management Team should take over the responsibilities of the officer level Asset Management Group. OMT meet monthly and it is suggested that corporate property issues become a standing item on their agenda. This will cross reference with Corporate Management Board to ensure, and demonstrate, that asset management is being considered regularly at a corporate level but should be less demanding of officer time.

#### **5 RESOURCE IMPLICATIONS**

5.1 There are implications with regard to Officer time. Some of this work would have been necessary in any event and is cross-referenced with other corporate issues. The Corporate Director (Law, Planning and Administration) estimates that 10-15% of his time has been taken up with asset management over the last two years. This should reduce since the Asset Management Plan is now established.

5.2 This work has resulted in additional capital support from government of £100,000 in that time.

**6 RECOMMENDATION**

6.1 It is proposed that the Committee **RESOLVES**

- (1) to endorse the action of officers to date and above proposals
- (2) to receive a report from the Property Maintenance and Highways Manager on property performance indicators in June 2003 and
- (3) to consider a revised Asset Management Plan in July 2003

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**Background Papers:**

Letter from Go-East dated 14 January 2003

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