

South Derbyshire District Council

CORPORATE ASSET MANAGEMENT PLAN

2006/2007



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FINANCE AND PROPERTY SERVICES
CORPORATE SERVICES DIRECTORATE

CONTENTS

1. THE PLAN IN CONTEXT: SOUTH DERBYSHIRE
2. PURPOSE OF THE PLAN
3. DEVELOPMENTS SINCE THE LAST PLAN
 - The Comprehensive Performance Assessment (CPA) 2005.
 - Property and Asset Management.
 - Progress made since the 2005/2006 Asset Management Plan (AMP).
 - Government Efficiency Targets (Gershon)
 - Changes to corporate service requirements and developments since the 2005/2006 AMP.
4. PROPERTY AND PROPERTY SERVICES
 - Aims and Objectives.
 - Resources and structure.
 - The portfolio.
 - Condition of assets.
 - Whole life costing.
5. CORPORATE OBJECTIVES AND THEIR LINK TO ASSET MANAGEMENT
 - General Corporate Objectives that relate specifically to asset management.
 - The Capital Investment Strategy.
 - Capital Planning.
 - Acquiring land.
 - Economic Development.
 - Advances in information technology.
 - The Corporate Plan 2006/09.
 - Service delivery arrangements.
 - Managing development pressure in sustainable ways.
 - Making best use of resources.
 - The Best Value Performance Plan 2006.
6. ACCOMMODATION REQUIREMENTS AND PROJECTS
 - Office moves project and one stop shop.
 - Town Centre strategy and review of the Civic Offices.
 - The Disability Discrimination Act 1995: improvements to Council buildings.
7. THE PORTFOLIO AND ITS PERFORMANCE
 - Performance indicators.
 - Benchmarking.
 - Areas for further development.
8. DISPOSALS
 - Public open space and domestic land sales.
 - Informed decision-making.
 - The formulation of a rolling program of disposals.
9. CONSULTATION, PERFORMANCE AND MEASUREMENT
 - Consultation.
 - Reporting.
 - Asset Management and Monitoring Group.
 - Performance and measurement.
 - Partnership working.
10. THE FUTURE: ISSUES TO PROGRESS AND ACTION PLAN
 - The Comprehensive Performance Assessment 2006.
 - Our Action Plan.
 - Gershon
 - Reactive property maintenance.
11. REVIEW
12. FURTHER READING

1. THE PLAN IN CONTEXT: SOUTH DERBYSHIRE

- 1.1 South Derbyshire covers an area of approximately 340 square kilometers and has a population of 89,300 (ONS, 2006 estimate). A large part of the District lies within the National Forest and is largely rural. It is in close proximity to Derby to the northern boundary and towns of Burton on Trent (to the west) and Ashby de la Zouch (to the east). It enjoys excellent road links to the A50, M1, A38 and M42.
- 1.2 South Derbyshire is one of the fastest growing districts in the East Midlands. Census figures show that between 1991 and 2001, the population grew by 12%, compared to 3% for Derbyshire and the Country as a whole. In addition, the Office for National Statistics predicts that the population of South Derbyshire will rise to 94,200 people by 2010 (ONS, 2006 estimate).
- 1.3 Such levels of growth have been a catalyst for an increase in demand for housing development and the improvement of services and facilities within the District.
- 1.4 Further development, planned to 2011 in conjunction with the Derbyshire Structure Plan, is being progressed through a new local development framework (for planning purposes). As the district continues to develop, the Council is challenged with the opportunity of disposing of surplus land and property on the open market at the correct time to meet such demand and reviewing its asset management policy.
- 1.5 Swadlincote is the main town within the district. A former mining town, it is an area that has been identified for growth opportunities and future development. Following the development of a large supermarket store, which opened in October 2006, there has been interest in the town and demand for redevelopment.
- 1.6 Town centre improvements are also scheduled to commence early in 2007, which include a £5.7 million, 10-year master plan to improve the physical fabric of the town. The rest of the district mainly comprises a mixture of villages, smaller settlements and rural areas. This contrast presents a challenge in terms of the equitable delivery of services.
- 1.7 Within the district there are a number of villages such as Melbourne and Repton that are of architectural and historic importance. There are 711 listed structures within the district and 22 conservation areas in total, which includes one within the Town Centre of Swadlincote.
- 1.8 Asset management as a Council function does not operate in isolation to the rest of the Council. It is recognised that asset management policy and the use of the Council's land and property, both now and in the future needs to take into consideration proposed changes to service demand and Council strategy.
- 1.9 This plan will focus upon this in more detail and highlight areas for development of a cohesive Corporate approach to the proactive, sustainable and efficient management of the Council's land and property holdings.

2. PURPOSE OF THE PLAN

- 2.1 The Asset Management Plan (AMP) sets out the Council's property related requirements and its vision for the proactive management of its non-housing related property portfolio over the coming year.
- 2.2 Asset Management planning is a process that must be kept under constant review to take into account changes in the market, central government requirements, legislative changes, Council strategy, corporate objectives and service requirements.
- 2.3 This plan follows from the 2005/2006 AMP and is a working document that will be subject to change and future development.

3. DEVELOPMENTS SINCE THE LAST PLAN

The Comprehensive Performance Assessment (CPA)

- 3.1 The Council was inspected in 2004 as part of the Comprehensive Performance Assessment process. At that time, the Audit Commission recognised that the Council had made significant progress in addressing corporate issues such as the organisation structure and developing a Community Strategy and that its performance in managing and using its financial resources was good.
- 3.2 Auditors commended the improvements made and the Council's proposals to improve how it manages its asset base. The Council remains committed to reaching higher levels set out in the Annual Use of Resources Assessment regarding asset management (for CPA).
- 3.3 The authority's arrangements for asset management are subject to continuous revision and improvement in order to follow best practice and become a strong performing Council in this area. **Appendix 1** details the action plan to achieve this target.
- 3.4 The Government continues to appreciate the significant impact that a good quality, effectively managed property estate can have on enhancing service delivery. Advice from bodies such as the Institution of Public Finance is that asset management planning will remain a high profile subject within the CPA, Use of Resources process.
- 3.5 South Derbyshire District Council intends to follow good practice and is committed to improvement of its asset management and property management function to meet CPA and central government requirements, as well as meeting sustainable service needs in the future.

Progress made since the 2005/2006 Asset Management Plan.

- 3.6 Further to the production of the 2005/2006 AMP, a substantial amount of work has been done to improve the performance of the Council's asset management records and base. Detail is set out below.

Resourcing Property Services

- 3.7 The Council has considered various options relating to how it can provide a long term and sustainable method of delivering the property management service. This included the option of outsourcing and going out to the market place in order to meet service delivery requirements.
- 3.8 The Council agreed that in house recruitment was the preferred option and a recruitment exercise is underway to recruit a permanent Property Surveyor. Should this not be possible, the option of external resourcing will be progressed.

Property Records

- 3.9 The Council has made significant progress with the improvement of its property records following the production of the 2005/2006 AMP. The filing system within the Property Services section has been reviewed and a file has been set up for each asset.
- 3.10 Paper based property records that have been found for each asset have been centralised on its file. An asset management system has been purchased, and staff have been trained to use it. Data has been populated, following a full validation exercise.
- 3.11 The asset management system is being developed further at the time of producing this document. The Council will continue to review its property records on an ongoing basis and the asset register will be subject to continuous revision to ensure that it is up to date.
- 3.12 In addition, the Council is continuing to commission stock condition surveys, which will include the production of CAD plans and such data is being loaded onto the system. The Council's Legal Department, working in conjunction with Property Services, is also well underway with the voluntary registration of all Council owned land. As this is completed, the Council's property terrier is updated.
- 3.13 The continuous improvement and constant update of the Council's property records will remain an ongoing exercise.

Disposal of Assets Deemed Surplus to Requirements

- 3.14 The Council has now approved and adopted a Corporate Disposals Policy. A number of pieces of land have been identified as surplus to requirements and reports have been taken to Council recommending disposal where appropriate.
- 3.15 With the benefit of continuous improvement of property data, the Council proposes to commission full suitability and sufficiency studies, together with a full analysis of all the assets it owns in order to make informed decisions as to why it is holding onto property.
- 3.16 Any disposals remain subject to the full approval of the Council's Finance and Management Committee.

Planned Maintenance

- 3.17 The Council has commissioned stock condition surveys for a typical split of 10% of the portfolio and further surveys are now being commissioned for the remainder of the portfolio. An action plan and strategy has been produced to address the potential backlog of maintenance that the Council could face based upon the information that is already in place.
- 3.18 On this basis, the Council has approved the action plan to address a rolling program of property surveys and planned maintenance work and a program of works is being commissioned. Such a plan will be subject to continuous revision and members will be constantly updated with any changes.

Backlog Maintenance

- 3.19 Based upon the results of the surveys carried out to date, the total of backlog maintenance at the time of producing this document is perceived to be in the region of £1.965m. Prior to surveys being carried out last year and with the data held at that time, which has now been improved, this figure was thought to have been in the region of £13.7m.
- 3.20 The difference between these figures clearly demonstrates the importance of the exercise to continuously improve data relating to the Council's assets. These figures will be subject to change over time.
- 3.21 The Action Plan is being treated as a working document, which will be revised when more properties have been surveyed or when there is a change in the data that it relies upon. With the benefit of the continuous improvement of data over time and resurveys, the Council will have a clearer perception of its total maintenance liability and will be able to plan for it affectively, making the best use of its financial resources.

Joint Working

- 3.22 The Council has worked proactively and jointly with a neighboring Authority to tender for and instruct a local Agent to market any vacant property that it has. This ensures minimisation of void levels and maximisation of rental income received from the commercial portfolio. Working jointly with this Authority has meant that the Council has been able to benefit from economies of scale and joint purchasing power.

Government Efficiency Targets (Gershon)

- 3.23 The Government's 2004 efficiency review seeks year on year efficiency savings of 2.5% per year over the next three years, such savings to be redirected into other service priorities. This may create pressure to identify real savings and as property is one of the Council's largest resources - effective property management may assist with achieving this target.
- 3.24 It is recognised that in order to achieve this successfully, the Council needs to have a full and continuous up to date appreciation of what property it owns, what it costs to run and how it is used. The Council is continuing to improve in this area with the work it is undertaking on improving its property data and stock condition information and data will be subject to further review in the future on an ongoing basis.

Changes to corporate service requirements and developments since the 2005/2006 AMP.

- 3.25 Consultations with service managers have indicated that there has been no significant change in policy that has had an impact upon their service requirements for property since the 2005/2006 AMP was produced. However, considering the requirements outlined within the former plan, the following course of action has been taken:

Cemetery space

- 3.26 A review has been completed of existing cemetery space. The Council has identified that within the next couple of years, existing cemetery space within Church Gresley and Etwall will have reached its capacity and there is a service need to identify additional space for burials within the urban area.
- 3.27 The requirement for any additional space is being progressed with the advice and support of the Property Services department. Additional land has also been allocated to extend the cemetery at Newton Solney, which was taken out of a larger piece of surplus land that the Council has recently disposed of at public auction.

Village Halls and Parks

- 3.28 The potential transfer of these assets is to be considered as part of the asset management process. Disposals are to be considered on a case-by-case basis subject to the full approval from the Council's Finance and Management Committee.
- 3.29 The Local Government White Paper, Strong and Prosperous Communities (October, 2006) highlights a proposal to encourage community ownership and management of assets, provided their sale does not compromise the long term ability of Councils to invest in new infrastructure by accessing current resources.
- 3.30 Central Government are to debate the principle of transferring Council owned assets to community groups and the Council's asset management policy will need to consider any formal central government policy that may be adopted in the future.

4. PROPERTY AND PROPERTY SERVICES

Aims and Objectives

- 4.1 The Council's Property Services Unit has the vision of:
- Maximising the value and use of the Council's land and property holdings, through the use of proactive property management initiatives, ensuring the minimisation of voids and rent arrears and the maximisation of rental income.
 - To ensure that property space utilisation meets corporate service objectives both now and in the future.

- Working with the Council's Public Buildings Officer, Energy Officer and Procurement Officer to minimise running costs and investigate opportunities for savings that can be reinvested into the improvement of frontline services.
- To identify and dispose of surplus Council assets on a rolling program. The Council can utilise such capital receipts to either improve the existing property portfolio or to reinvest into frontline services or to aid delivery of Council strategy.
- To provide a professional advice service to internal customers.
- To provide an efficient service to members of the public.

Resources and structure

- 4.2 On the permanent establishment, Property Services currently comprises of a Corporate Asset Manager and Property Surveyor post. Pending recruitment to the Property Surveyors post or pending going out to the market to outsource the property management service if necessary in the future, temporary staff remain employed within the Council.
- 4.3 The Council's temporary Domestic Land Sales Officer has now left the Council.
- 4.4 In addition to the existing staffing structure, the Council has employed external support on a temporary basis to review and improve its property data and records, to review repairs and maintenance issues and compile up to date and detailed stock condition information. As a result, substantial progress has been made to the Council's asset management service and this arrangement remains ongoing, again subject to continuous and further review.

The portfolio

- 4.5 The Council owns a mixture of operational (properties held for the direct delivery of a service) and non-operational (investment/surplus) properties, which include leisure centres, civic and public buildings, sports facilities, shops and industrial units.
- 4.6 The Council has a total portfolio valued at £14.4m as at 31st March 2006. This figure is based upon its existing asset register, which remains subject to continuous revision.
- 4.7 In April 2006, the district's housing stock stood at 37,070, including 3,180 Council homes. Information detailing the Council's housing portfolio can be found in the Housing Business Plan.

Condition of assets

- 4.8 It is a CPA requirement for any local authority to have assessed the backlog of maintenance of its property holdings and also to have in place an annual programme of planned maintenance based upon a rolling program of property surveys.

- 4.9 The Council remains committed in pursuing a planned and sustainable approach to the provision, maintenance and retention of its land and property assets.
- 4.10 It continues to work on the improvement of the quality of its property records by commissioning full stock condition surveys for all of its assets and resurveying each asset on a rolling basis.
- 4.11 In the meantime, the Council is proceeding with a phased planned maintenance program using the information contained within surveys that have already been carried out. Phase 1 of the works will consist of any urgent priority work identified within these surveys.
- 4.12 The planned maintenance program is subject to further review once all Council buildings have had a full survey and the results of such surveys are known. The amount of repairs and maintenance required to the portfolio needs to be re-prioritised accordingly and linked to a proactive and fully encompassing planned program of maintenance.

Whole Life Costing

- 4.13 Such a program will be linked to the Council's budgeting priorities, the use of resources and taken into consideration when looking at whole life costing and option appraisal. Whole life costing can be defined as "the systematic consideration of all relevant costs and revenues associated with the acquisition and ownership of an asset" (Construction Best Practice, 1998). It will be used to address possible decisions about the future use of the main Civic Offices and other major assets.

5. CORPORATE OBJECTIVES AND THEIR LINK TO ASSET MANAGEMENT

General Corporate objectives that relate specifically to asset management.

- 5.1 There are implications for all services due to the nature and, in particular growth of the District. These are recognised in the Council's Best Value Performance Plan (2006) and the Council has identified a number of challenges for service provision.
- 5.2 These will require a contribution from asset management as set out below.

To attract more high quality jobs to the area and manage development pressure in sustainable ways.

- To look at opportunities to use Council assets as a contribution to economic and community development schemes developed in partnership with other organisations.
- Where identifiable economic development objectives are being met, to continue to provide premises for small businesses.

To safeguard and enhance the natural and built environment.

- To improve the appearance of sites and premises within the district.

- To enhance the value of recreational and other assets to reduce the need to travel to attractions outside the district and bring services closer to their users.

To maintain leisure and community facilities to an acceptable standard.

- Where appropriate, devolve the direct management of assets to the community.
- Where appropriate create user groups for major assets.
- To invest in the improvement of leisure and community facilities where appropriate.

To provide extra services to meet the needs of a growing district and provide services equitably across the district.

- To improve customer satisfaction with the repairs and maintenance service.
- To be among the better performing authorities.

To manage resources efficiently and effectively.

- To consider and review corporate strategy for the holding, disposal and management of council owned assets.
- Improve management capabilities through the centralisation and improvement of asset data.
- To maximise the efficient use of assets and ensure that they meet current and future needs.
- To identify and efficiently dispose of any surplus assets, any receipts being used for the good of the community in South Derbyshire.
- Investigate opportunities to maximise use of Council buildings and provide one-stop services by locating other partners within Council buildings.
- Provide a safe and healthy working environment for staff.

To listen to and represent the people of South Derbyshire in county, regional and national arenas.

- To regularly consult customers on the Council's land and property assets.

To support the development of the National Forest and its enjoyment by residents and visitors.

- To develop and maintain, where appropriate, sustainable facilities which contribute to attracting visitors to the National Forest.

The Capital Investment Strategy (2006/09)

- 5.3 The Council's Capital Strategy provides a framework for the AMP. This sets out the Council's objectives and priorities for capital investment over the next three years. Much emphasis is on working in partnership with other bodies to stimulate investment in South Derbyshire.
- 5.4 The focus is placed on responsible bidding to emphasise that the Council will only bid for funds where they help to achieve its key aims and objectives. The strategy refers to the Council's recognition of the need to dispose of surplus assets to help it achieve some of its capital aspirations.
- 5.5 The Capital Strategy recognises the need to develop measures that focus on the outputs/outcomes produced by capital schemes rather than the core process of monitoring the finance and implementation of the schemes.
- 5.6 The Council uses a scoring system to evaluate and prioritise projects. Each bid is required to outline the proposal and to quantify the outputs and outcomes to be delivered in order to meet the Council's priorities.
- 5.7 Therefore this mechanism aims to provide a guide and a more objective assessment against which new spending proposals are prioritised.
- 5.8 It effectively asks Services to provide a business case for new capital investment. The system is corporate and an independent panel of Members and Officers assesses all bids.
- 5.9 The scoring system takes account of the following:
 - How far a bid meets local (Council) priorities
 - How far it meets wider regional and national priorities
 - The degree of risk involved
 - How much partnership working is delivered
 - External funding levered in
 - Income generation and future cost savings
- 5.10 The evaluation also recognises sustainability, i.e. the ongoing running costs associated with new capital projects. It is no use providing a new facility where there are insufficient revenue resources to run it. The system is applied to allocate resources between improving and maintaining existing assets as well as developing new capital projects.

Capital Planning

- 5.11 The Council plans its capital investment in a 5-year rolling programme. The intention is that this longer-term programme will help to focus council resources and bidding effort on schemes that are prioritised within the programme.
- 5.12 This program will evolve over time and will clearly need to take into account new pressures on capital finance that are not fully identified within the existing programme, in particular extra resources that may be required to deal with planned maintenance.
- 5.13 Once property data is complete, the Council will base investment decisions on whole life costing and option appraisal.

- 5.14 The Council places a high priority on regenerating and encouraging investment in South Derbyshire, especially in areas that have previously experienced high levels of unemployment. The Council places particular emphasis on improving the quality of life for existing residents as well as attracting tourism into the area.
- 5.15 It is therefore seeking to use capital resources to work with private and public partners to generate investment within the District. This is set out in more detail within the Capital Strategy.
- 5.16 In addition, it is recognised that the identification of surplus housing land and property can generate much needed capital receipts for the Housing Revenue Account, which can support the development of sheltered housing schemes as well as contribute to the improvement of the existing stock and services.

Acquiring Land

- 5.17 Unless existing land owned by the Council can be utilised, conversely there may be a need to acquire land. For example, the Council's capital strategy identifies the possible need to acquire land in certain urban areas for cemetery space. In addition, acquiring land or joint site assembly may well play a part in regeneration and providing facilities for leisure and recreation.
- 5.18 Any resources for acquiring land could be generated via commuted sums and in particular those relating to planning section 106 agreements. Any additional resources over and above this would be subject to the Council's usual business case framework for evaluating new capital investment.

Economic Regeneration

- 5.19 At April 2006, the district had an unemployment rate of 1.4%, compared with 2.8% nationally. However, some parts of the district (mainly former coalfield communities) had rates closer to national average.
- 5.20 The assembly of land can provide opportunities to encourage new businesses into the area. Any vacant or surplus Council owned land or property is actively marketed. The Council's Economic Regeneration Unit also collates data of demand for property within South Derbyshire. Information of property available is included on the Council's Website.
- 5.21 A relationship has also been established with Business Link, an essential local facility that provides advice to start up and established business who often have specific relocation needs. This business refers their Clients to the Council should they require further information on the availability of suitable premises.

Advances in information technology

- 5.22 Property Services is a key service provided by the Council. As part of its function, it deals with land enquiries, applications to purchase land, new letting enquiries and other Council owned property related queries.
- 5.23 The service will be developed through making use of technology. The Council has already invested in and developed a software package. In addition, the

Council has invested in its website and is increasingly using it as a tool to aid efficient service delivery (www.south-derbys.gov.uk).

The Council's Corporate Plan (2006/09)

- 5.24 The Council has produced a new Corporate Plan that sets out the Council's vision for South Derbyshire, together with its plans and priorities for delivering local services. The Council's vision is to "make South Derbyshire a healthier, more prosperous and safer place to live".
- 5.25 Actions to deliver the main priorities are set out in 6 themes. One of these themes "Higher Quality Services" commits the Council to "strengthen our approach to the management of our land and property portfolio." Effectively, the plan recognises that the Council's aim is to make the best use of its capital assets and that a significant issue affecting all assets is investment for maintenance and improvement.
- 5.26 This AMP is recognised as a tool for delivering that objective. In addition, the Corporate Plan highlights the importance of the resourcing of existing services, service improvements and new facilities with a view to improvement of efficiency of services in order to fund new community priorities. Proactive and efficient asset management will support service delivery and these corporate objectives.
- 5.27 Opportunities and challenges outlined within the Corporate Plan may have property implications and asset management policy needs to reflect these.

Service delivery arrangements

- 5.28 As service priorities change to adapt to the demands of our customers, our space and property user requirements may change in the future. Council owned property needs to be fit for purpose both now and in the future.
- 5.29 The development of sustainability and sufficiency studies with the benefit of up to date and detailed information concerning the assets we own will assist with the future consideration of property requirements.
- 5.30 Property is not a liquid asset that generally cannot be purchased or sold quickly, and therefore, is relatively inflexible to fast changes in user requirements. Ongoing consultations and proactive planning with service managers and key stakeholders will ensure that the assets that are within the ownership of the Council are effective both in short, medium and longer term to meet corporate and service goals.

Managing development pressure in sustainable ways

- 5.31 As part of the asset management process the Council can consider whether its land that has been identified surplus to requirements can contribute to effective land assembly with the aim of providing the social infrastructure required by our growing population.

Making best use of resources

- 5.32 The Council recognises that it can not afford to be complacent about its current good financial position and that the need for constant review of existing spending, consideration of alternative service delivery options,

shifting resources to higher priority areas and being more efficient is as important as ever.

- 5.33 Property is an expensive overhead. It is recognised that good asset management will play a vital role in improving the way in which the authority uses its resources.
- 5.34 With the benefit of improved and up to date property data the Council can consider its property requirements in a more accurate way to ensure that effective asset management meets corporate plans and service delivery requirements.
- 5.35 In addition, the Council remains committed to the future identification of assets that may be surplus to requirements. Disposals will be considered where appropriate and subject to the approval of the Council's Finance and Management Committee, in order to generate resources for capital investment.

The Best Value Performance Plan 2006.

- 5.36 The plan makes several references to property asset implications, such as the importance of effective and efficient management to ensure valuable assets contribute to the achievement of the Council's vision and constant improvement to service delivery.
- 5.37 The effective management of property is also one area where the Council may generate real efficiency savings that can be redirected into the improvement of front line services.

6. ACCOMMODATION REQUIREMENTS AND PROJECTS

- 6.1 A number of corporate property projects remain ongoing since the production of the 2005/2006 AMP, but some have been completed as detailed below.

Office moves project and one stop shop

- 6.2 Following a full period of consultation with users of the Civic Offices and surveys, the Council has carried out necessary alterations to improve the building in order to meet short-term service needs and requirements. Member's accommodation has also been improved.
- 6.3 80% of enquiries are being dealt with through the Customer First project. Utilising funding from central government, the reception area has been redesigned and improved to accommodate a "one stop shop" concept with the aim of centralisation and improvement to customer services.

Town Centre Strategy and review of the Civic Offices

- 6.4 As with all its operational assets, longer term the Council will challenge whether the accommodation provided within the Civic Offices is fit for purpose and will meet future service needs. The Council is in the process of considering its longer-term service needs and a full accommodation review and option appraisal (whole life costing exercise) is to be undertaken.

- 6.5 In addition to this, the Council is committed to improvement of the town centre. The Swadlincote Town Centre Strategy 2001 recognises that local assets provide the solid foundation of a successful town centre regeneration initiative and that Civic Way provides an opportunity to improve the edge of the town centre.
- 6.6 A part of the town centre is currently under redevelopment and this will add to work already undertaken since 2000.

The Disability Discrimination Act of 1995: improvement to Council buildings

- 6.7 The Council has committed funding to the improvement of its buildings used by members of the public in order to meet the requirements of this Act and improve public service. Works have been prioritised and a 5-year programme of works is underway. Phase 1 of works has been completed and phase 2 of works has been commissioned.
- 6.8 Service managers will be involved in the phasing of future works in order to provide transparency as to what is proposed. This process will take into account service delivery issues, whether assets are fit for purpose in the future and other works that are to be completed at each property.
- 6.9 In addition, building accessibility plans are to be developed with service managers. An accessibility plan can be defined as “observations following access audits which can be used to identify the actions to be undertaken” (COPROP, 2005).

The improvement of Parks and Recreation Grounds.

- 6.10 The Council has taken the opportunity to work with the local community to enhance some of its major assets. Based upon the outcome of consultation with local residents, a service need was identified to improve the quality of parks and recreation facilities within the District.
- 6.11 The Council has made significant achievements in upgrading the qualities of its open spaces and play areas. In particular, significant restoration work has been completed at the Maurice Lea Memorial Park, where almost £1m has been invested. New and updated play facilities have also been provided at Linton and Hartshorne where almost £55,000 has been invested.

7. THE PORTFOLIO AND ITS PERFORMANCE

Performance indicators

- 7.1 Performance indicators are subject to further revision and development at the time of producing this document. The improvement of the information behind these figures will provide a realistic and reliable set of indicators, which can be challenged and investigated further.

Benchmarking

- 7.2 The Council is a member of the Local Authority Midlands Benchmarking Group (LAMB), which meets on a five monthly basis to benchmark indicators and discuss issues relating to asset management. This exercise remains ongoing.

- 7.3 It is acknowledged generally that different authorities have different types of properties, of different sizes, in different condition and may have slightly different service aims and objectives. Nevertheless, the benchmarking exercise provides an opportunity to consider how the Council is performing generally in areas of asset management and property performance in comparison to other authorities in attendance.

Areas for further development

- 7.4 A substantial amount of work has been undertaken to improve the Council's property records. It is recognised that their continuous improvement and review will assist in providing an accurate assessment of the portfolio and performance indicators in the future.
- 7.5 Service managers will benefit from information relevant to their property portfolios and in conjunction with the Property Services department, will be able to develop targets for their assets that are based on corporate and service priorities.

8. DISPOSALS

Public open space and domestic land sales.

- 8.1 There is a general Council policy in place not to dispose of public open space unless there are "extenuating circumstances".
- 8.2 Any changes to policy in respect of sales of land and public open space will be reflected in the Council's Corporate Disposals Policy and future AMPs, subject to approval by the Finance and Management Committee.
- 8.3 The previous backlog of the number of cases that the Council had received from members of the public requesting to purchase Council owned land has now been minimised. A number of disposals are being progressed where appropriate, which remain subject to full approval on a case by case basis by the Council's Finance and Management Committee in due course.

Informed decision making

- 8.4 With the benefit of full and up to date information concerning each asset, the Council proposes to make clearer, more informed decisions as to whether an asset is performing as an operational tool or whether it is meeting a satisfactory required rate of return. It also intends to follow good practice and proposes to use a model similar to the IPF whole life-costing model where this is appropriate.
- 8.5 This will provide a set of criteria to judge each asset against and an opportunity to consider whole life costing and option appraisal issues in more detail.
- 8.6 Working with this, it is proposed that service managers remain closely involved in the asset management and decision making process and with the use and development of sustainability and sufficiency studies at service level, the Council will be able to determine whether assets are fit for purpose or will meet future service objectives.

The formulation of a rolling program of disposals.

- 8.7 With reference to the Council's Disposals Policy, a small number of plots of land that meet no real service need and are providing minimal return have been identified. Approval to dispose of these assets has been provided by the Council.
- 8.8 The Council will benefit from continuously improved property data in the future and an opportunity to engage in informed decision-making by using whole life costing and option appraisal models.
- 8.9 With the benefit of an informed decision making process, a decision to dispose of individual assets may be taken. It is proposed that any assets for future disposal will be amalgamated into a 5-year disposal program.
- 8.10 This will link to budgeting and financial commitments of the Council and may assist with providing real savings that can be redirected into front line services. In addition, the Council will continue to challenge what is required from its property portfolio and take forward areas for improvement, which may involve disposals, as part of that process.
- 8.11 Any proposals regarding disposals will be subject to the usual internal consultation with service users and will take account of any legal or planning considerations. In accordance with current policy, any disposals will be subject to approval of the Council's Finance and Management Committee.

9. CONSULTATION, PERFORMANCE AND MEASUREMENT

Consultation

- 9.1 The Council is committed in consulting relevant stakeholders on the best use of assets. Key stakeholders, most of who have already been consulted, include:
- Heads of Services as users of Asset Management services.
 - Council staff, particularly as occupiers of Civic Offices and Depot.
 - Other users of the Civic Offices.
 - Those who use the Council's other directly held assets such as the Town Hall, Sports Pavilions and Parks, Toilets, Car Parks, Bus Shelters.
 - Users of facilities managed on behalf of the Council by private sector contractors i.e. Market, Leisure Centre and Forestry Centre.
 - Tenants of commercial premises.

Reporting

- 9.2 With the data available on the performance of the property estate, reports have previously been submitted to Members and Chief Officers, in addition to service plans, which set out performance outcomes in relation to property performance indicators.
- 9.3 Reports are provided to Members, as part of a regular monitoring report, on the financial progress and performance of the capital programme. Given the change in standards required and the work currently being undertaken to

improve data, these reports will be enhanced in the future and will provide a stronger basis for corporate decision-making.

Asset Management and Monitoring Group

- 9.4 The Corporate Asset Manger undertakes the responsibility of organising the Asset Management and Monitoring Group, which continues to meet approximately every three months or more frequently when necessary.
- 9.5 The Council proposes to consider what changes it wants to make to the organisation over time and how they impact upon future property requirements. Any such effects will need to be programmed and planned effectively to ensure that the outcome is fully achievable, costed and appreciated.
- 9.6 Other working parties have also been set up to concentrate on specific projects and disposal issues, providing the opportunity for a cohesive and corporate approach to such exercises.
- 9.7 In addition, Members and the Council's Corporate Management Team are separately consulted on a regular basis on the Asset Management process via the Corporate Management Team meetings and the Council's Finance and Management Committee process.

Performance and Measurement

- 9.8 The continuous improvement and review of property data will aid future performance monitoring.
- 9.9 Estates Officers across the Midlands continue to meet to benchmark, discuss important changes to policy and share ideas. Derbyshire Leisure Officers also meet regularly to discuss, amongst other things, the benchmarking of facility based leisure activities.
- 9.10 In addition, the Council continues to remain a member of the Institute of Public Finance (IPF) network, which supports and provides examples of best practice in asset management for local authorities.

Partnership working

- 9.11 The Council and several other partners have now established a Local Strategic Partnership (LSP) for South Derbyshire. The Council has an established track record of working in partnership and in relation to property includes the following:
 - a) The Council has developed a pragmatic approach to managing facilities, with the private sector being contracted to manage a number of assets (e.g. the Green Bank Leisure Centre) resulting in a number of benefits to the authority. The Local Government White Paper, Strong and Prosperous Communities of October 2006 sets out proposals to look at the frameworks and systems within which Councils operate, the structures and incentives for partnership working and the interaction of local public services with citizens and communities.
 - b) Business Link Southern Derbyshire provides advice and support to small and medium sized enterprises. As part of this role, they provide valuable

support to existing property tenants when requested. This company is based in Derby but has a dedicated business development advisor covering South Derbyshire and an office at the George Holmes Business Centre in Swadlincote, which was formerly owned by the Council but transferred to Southern Derbyshire Chamber to ensure continued business support use.

- c) South Derbyshire District Council and the Forestry Commission currently manage the Rosliston Forestry Centre, land from each party having been assembled to provide the centre originally.
- d) The Local Government White Paper, Strong and Prosperous Communities of October 2006 highlights a greater emphasis to work together across service boundaries to focus on the improvement of whole areas rather than just individual services.
- e) The authority embraces opportunities to work with other Authorities who may already have resources that can be utilised to deliver the level of service required. Property Services have been working closely with a number of other Authorities that include Derbyshire County Council.
- f) The Council shares its premises with like minded organisations e.g. The District Wide Tenants Representative Group, Neighbourhood Watch, the Crime and Disorder Partnership and Citizens Advice Bureau. It is hoped that further opportunities for sharing may evolve through the development of the asset management process.
- g) The Community has been involved in the management of assets e.g. 'Friends of' groups have been established for several of the local Parks.
- h) Management of certain assets has been devolved to as local a level as possible e.g. Parish Council management of public toilets. The potential disposals of playing fields and village halls remain subject to contract and Council consent once terms have been agreed and each matter has been investigated.

10. THE FUTURE: ISSUES TO PROGRESS and ACTION PLAN

Use of Resources Assessment (CPA) 2006

10.1 The authority's arrangements for asset management are subject to continuous improvement. A number of areas have already been progressed substantially:

- The Council has an up to date AMP that details existing asset management arrangements, outcomes and planned action to improve corporate asset use.
- The Council has a designated corporate property function.
- The Council does have arrangements in place to report to members that are sufficient to ensure that they fulfill their responsibility in relation to land and property. Whilst not just performance related reports are sent to this forum, the Council does realise that this arrangement will improve with the benefit of the continuous validation of records, upon which data can be reported and informed decisions can be made.

- The Council has an up to date corporate capital investment strategy linked to its corporate objectives and medium term financial strategy.
- The Council's capital program does give priority to potential capital projects, based on a formal, objective approval process.
- A member has been allocated portfolio responsibility for the Council's fixed assets.
- Performance indicators have been developed and they remain subject to further review, as the data that they rely upon and as corporate objectives and their link to asset use changes. With the benefit of continuously revised and up to date and reliable property data, the Council will be able to evaluate asset use in relation to corporate objectives accurately and it intends to develop performance indicators fully in the future in order to achieve that objective.
- The Council has stock condition surveys for a number of buildings and has compiled a program of works based upon the recommendations and priorities outlined therein.
- Using the information already in place, an action plan and strategy has been produced to address how the Council can deal with the potential backlog of maintenance and commission stock condition surveys in the future, which has been approved by the Council. (Please refer to appendix 2 for information).
- Following the completion of all surveys and a full analysis of repairs and maintenance issues and priorities, it is anticipated that the Council will be in a position to revise the program to provide a fully encompassing annual program of planned maintenance and a rolling program of property surveys.
- The Council has purchased a property management system, property data has been validated and the system has been populated. It continues to review and improve data to ensure that the system is up to date.

10.2 In addition, the Council has made significant progress over the last year with improving the Council's asset management base and it is appreciated that work still needs to be completed in order to reach the higher levels set out in the Annual Use of Resources Assessment regarding asset management (for CPA).

10.3 The action plan to drive forward areas of continuous improvement has been reviewed and is included within **Appendix 1** of this document. This will be subject to further review in order to meet any future changes in requirements and service delivery.

Government Efficiency Targets (Gershon)

10.4 The Government's 2004 efficiency review seeks year on year efficiency savings of 2.5% per year over the next three years, such savings to be redirected into other service priorities. As property is one of the Council's largest resources - effective property management may assist with achieving this target.

- 10.5 It is recognised that in order to achieve this successfully, the Council needs to have a full appreciation of what property it owns, what it costs to run and how it is used. The Council is continuing to improve in this area with the work it is undertaking on improving its property data and stock condition information.

Reactive property maintenance

- 10.6 The improvement of the reactive maintenance service the Council provides for non-housing stock was addressed as an issue in the Best Value review and former AMP. Demand for reactive maintenance work remains high. The Council will need to consider this issue.

Suitability and Sufficiency models, whole life costing and performance indicators

- 10.7 The Council will develop a whole life costing approach to the procurement and management of its assets. It proposes to use its property data to accurately utilise sustainability and sufficiency models to identify how assets support and contribute to the effectiveness of frontline service delivery and consider whether they are fit for purpose both now and in the future.
- 10.8 All relevant costs and revenues associated with the acquisition and ownership of its assets are to be considered to make investment and disposal decisions based on thorough option appraisal and whole life costing. The Council will develop a set of performance measures in relation to assets that evaluate asset use in relation to corporate objectives. Performance indicators and the accuracy of benchmarking exercises will also be advanced and improved.

Building accessibility plans

- 10.9 These are to be developed with service heads and people who have responsibility for the day-to-day provision of services from the operational property portfolio.

11. REVIEW

- 11.1 The contents of this AMP and areas identified for improvement will be subject to stringent and constant review. Any changes will be reflected in an amendment to the plan and if necessary the Council's Disposals Policy.
- 11.2 Changes to legislation, customer demands and service delivery issues, together with changes in the requirements set out by central government, will undoubtedly affect future demand for the service that is provided. Such changes in demand need to be reflected in the Council's asset management process in the future.
- 11.3 As agreed by the Council, the option of outsourcing to the market place for provision of the property management service in the future will be taken forward, should in house recruitment not be possible. The Council's Asset Management Plan will be updated to reflect resourcing in the future.

12.0 FURTHER READING

- RICS/ODPM guidance can be found at: www.rics.org/asset-management.
- South Derbyshire District Council's financial strategy and spending plans 2005/2008.
- South Derbyshire District Council's Capital Investment Strategy 2005.
- South Derbyshire District Council's Corporate Disposals Policy 2006.
- South Derbyshire District Council's Corporate Plan 2006/2009.
- The South Derbyshire Local Plan (adopted 1998).
- South Derbyshire District Council's Best Value Performance Plan 2005.
- Whole Life Costing Procurement Proforma (IPF).
- COPROP Performance Management Initiative, Property Performance Indicators 2005.
- The Local Government White Paper, Strong and Prosperous Communities 2006.