

South Derbyshire District Council

CORPORATE ASSET MANAGEMENT PLAN

2005/2006



**South Derbyshire
District Council**


at the Heart of the National Forest

**FINANCE AND PROPERTY SERVICES
CORPORATE SERVICES DIRECTORATE**

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1. THE PLAN IN CONTEXT: SOUTH DERBYSHIRE

- 1.1 South Derbyshire covers an area of approximately 340 square kilometers and has a population of 86,500 (ONS Mid 2004 estimate). The district lies within the heart of the National Forest and is 95% 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. Latest census figures show that between 1991 and 2001, the population grew by 12%, compared to 3% for Derbyshire and the Country as a whole. 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.
- 1.3 Further development, planned to 2011 in conjunction with the Derbyshire Structure Plan, is being progressed through the review of the South Derbyshire Local plan. 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.
- 1.4 Swadlincote is the main town within the district and has a population of circa 32,500 people. A former mining town, it is an area that has been identified for growth opportunities and future development. The rest of the district mainly comprises of a mixture of villages, smaller settlements and rural areas. This contrast presents a challenge in terms of the equitable delivery of services.
- 1.5 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.
- 1.6 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.
- 1.7 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. 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.

- 2.2 This plan follows from the 2003/2004 AMP AND is a working document that will be subject to change and future development.

3. DEVELOPMENTS SINCE THE LAST PLAN

- **A changing level of requirements for Corporate Performance Assessment (CPA) and how that has reflected on the plan.**

3.1 Like other Authorities across the Country, South Derbyshire District Council has already received an audit of its asset management process. As part of this process, the Council formerly submitted its Asset Management Plan (AMP) to the Office of the Deputy Prime Minister IN 2003. The authority was given a satisfactory scoring for asset management as a result.

3.2 However, the level of requirements has increased since the time the last AMP was produced in 2003. Central Government continues to be committed to improving public services. With this in mind, the public sector is faced with challenging better use of what resources it has available and to make better use of those resources to deliver real savings that can be redirected into improvement of front line services.

3.3 The government has realised the significant impact that a good quality, effectively managed property estate can have on enhancing service delivery. During 2005 the Office of the Deputy Prime Minister (and the Royal Institution of Chartered Surveyors) produced guidance which reinforced the message that by adopting best practice, any local authority can gain the maximum benefit from their assets, efficiency savings, better services and modernised working.

3.4 Property is one of the four key resources in local government and sits alongside its staff, IT and Finance. With property representing such an important part of a local authority's resources, strategic property management has become more important, together with the need to develop asset management plans and corporate property strategy to address the Council's future service needs and requirements.

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 sustainable service needs in the future.

3.6 For this reason, policy outlined in the previous AMP has been amended to reflect these changes and will focus on the areas for improvement that have resulted from an increase in the level of requirements. The AMP also includes a plan of action.

- **New organisational management structure.**

3.7 In August 2004, the Council made changes to its senior management structure in order to make the organisation "fit for purpose" in the long term. The new structure has a Corporate Management Team of four people, headed by the Chief Executive. Each member of the Corporate Management Team has responsibility for a number of service areas:

MEMBER OF CORPORATE MANAGEMENT TEAM	SERVICE AREAS
Chief Executive and head of paid service	Legal and Democratic Services
Deputy Chief Executive	Policy and Economic Regeneration Business Improvement within the Council Planning Services
Director of Corporate Services	Finance and Property Services Revenue Services Human Resources IT & Customer Services
Director of Community Services	Housing Services Environmental Services Leisure and Community Development

- **New organisational arrangements for property and asset management.**

- 3.8 As a result of this change, Property Services was separated from its former position within Economic Development and is now incorporated within the Council's Finance function. This strategic move was taken given the appreciation that property and asset management functions have a direct link to Finance, in particular in budgeting, generating investment and the use of resources.
- 3.9 The Council's Economic Development Manager is no longer responsible for the Council's property function. The Council has now employed a Corporate Asset Manager to oversee both property and asset management functions and to drive forward areas of improvement in order to meet CPA and other property related challenges it faces.
- 3.10 The Council has also separated the maintenance function relating to public and other non-housing property away from the Housing Services maintenance section. Within Housing, it has employed a Public Buildings Officer to deal with repairs, maintenance and facilities management issues relating to all public buildings. This person also acts as a consultant to Property Services in respect of maintenance and repair of other Council owned property.

- **Changes to corporate service requirements and developments since the 2003/2004 AMP.**

- 3.11 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 2003/2004 AMP was produced. However, the Council does currently have the following requirements:

Cemetery space

- 3.12 The Council has a demand to increase space available in the Castle Gresley, Newhall and Etwall areas. Where possible it is looking at the option of utilising land within those areas that it already owns, that is under utilised.

This requirement is being progressed with the advice and support of the Property Services department.

Village Halls and Parks

- 3.13 The potential transfer of these assets to various community groups remains outstanding at the time of writing this document. Once the Council has information on cost of ownership of these assets and repair liabilities, it can make an informed decision whether to transfer the freehold interest in them or whether to grant a long leasehold interest to community groups.

Garage Sites

- 3.14 The Council is currently undertaking a review of its garage sites that provide no real service need, are under utilised and that produce a poor rate of return. Each site will be judged on its own merits and will be subject to thorough appraisal.
- 3.15 Opportunity costs of disposing of village halls for minimal consideration or utilising land for cemetery space rather than selling it on the open market will have to be realised. Future maintenance costs and current market values also need to be taken into consideration.

- **A Review of action arising from the 2003/2004 AMP**

- 3.16 This is detailed in **Appendix 1**, which shows the main requirements for Asset Management. The Appendix details progress to-date and further action required.
- 3.17 Many of the issues contained in the previous AMP are still relevant and have in fact been given greater emphasis in the Council's Use of Resources Assessment. The main issues are dealt with in Section 5.

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.
- To ensure that property space utilisation meets corporate service objectives both now and in the future.
- Working with the Council's Public Buildings 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. Following difficulty in recruiting to the Property Surveyor post, the Council has employed temporary staff to fulfill the role in the short term.
- 4.3 Following a review of current workload demands, the Council has also employed another surveyor (also known as Domestic Land Sales Officer) on a one year fixed term contract. This post and the resources required to deliver this service within the future will be subject to further review in April 2006.
- 4.4 In addition to the existing staffing structure, the Council is also employing consultants on a temporary basis to review and improve its property data and records, as well undertake a review of repairs and maintenance issues and compile up to date and detailed stock condition information.
- 4.5 Longer term, resources will need to be considered as part of the review of the service in April 2006.

The portfolio

- 4.6 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, open space, shops and industrial units. The Council has a total portfolio valued at £13.6m as at 31st March 2005. This figure is based upon its existing asset register, which is currently being reviewed.
- 4.7 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 Some data is available as to the general condition of assets, split into categories of good, satisfactory, poor and bad. However, the Council is working on improving the quality of this data by commissioning full stock condition surveys.
- 4.10 With a view to dealing with this issue shorter term, approximately 10% of the portfolio has been surveyed in detail at the time of producing this document, based upon current property data. It is the intention that further resources

be commissioned to complete this exercise for the remainder of the portfolio as soon as possible.

- 4.11 This information 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 then needs to be prioritised accordingly and linked to a proactive planned programme of maintenance, to be reviewed on a regular and rolling basis in order to comply with the standards required.

Whole Life Costing

- 4.12 Such a program will need to 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).

5. THE FUTURE: ISSUES TO PROGRESS and ACTION PLAN

- 5.1 This is detailed in Appendix 1. The Council recognises that the standard of its current property data management information is no longer adequate to comply with the increased standard that is now expected. A report has been submitted to Council members highlighting key areas for improvement and an increase in resources to start dealing with such a challenge shorter term, which was approved in June 2005.

- 5.2 Following that date, the Council has been investigating ways in which the work required could be delivered effectively. The main issues include:

Data Management and the Property Terrier

- 5.3 Accurate and complete data is essential to aid both day-to-day and proactive strategic management decisions and effectiveness. It provides the foundation to any successful and efficient property management department. It is also a CPA requirement for any local authority to maintain an up to date asset register.
- 5.4 Current property management data that exists within the authority is available in different formats and has been produced at different times by different people - it is predominantly manually based. Furthermore, currently not all paper records are stored in one place. All of this information needs bringing together and validating to ensure accuracy.
- 5.5 To rectify this problem shorter term, the Council is improving its paper records and property filing system and where possible, collating all information available to store on one file as one single point of reference. The Council is also employing external support to interrogate all existing data held in the terrier and property records.
- 5.6 The data will be verified and added to once new data is available or where there are required changes to data as part of that process. In consultation with all key users of the current data, new software will be provided as part

of this exercise, that will provide a much more robust method of storage and use of data. Once data is validated, it will be entered from scratch into the system.

- 5.7 This process will take time to develop and complete. At this stage, an estimation of time is given in **Appendix 1**. The Council thereafter needs to consider how it will resource the effective management of this data in the future and support strategic asset management planning.

A proactive annual program of planned maintenance based on a rolling program of condition surveys

- 5.8 As indicated within the AMP, this area is being developed and the Council is progressing with surveys with a view to having a planned maintenance program in place that will link to budget requirements, service needs and objectives.
- 5.9 This will be an area for development over time and further review. With the benefit of knowledge of ongoing maintenance requirements that will follow a stock condition survey, the Council will need to manage a planned maintenance program and future surveys required.

General maintenance

- 5.10 The improvement of the maintenance service the Council provides for non-housing stock was addressed as an issue in the Best Value review and former AMP. An increase in work is anticipated following the creation of a planned maintenance program and demand for reactive maintenance work remains high. The Council will need to consider this issue.

Comprehensive Performance Assessment (CPA)

- 5.11 The authority's arrangements for asset management will be audited in late 2005 and will continue to improve in the delivery of its asset management function and follow best practice. A number of areas have already been progressed.
- 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 once the authority has the benefit of validated and up to date management 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, but remain subject to further review, as the data that they rely upon and as corporate objectives and their link to asset use changes.

5.12 However, it is appreciated that progress needs to be made in order to reach the higher levels set out in the Annual Use of Resources Assessment regarding asset management (for CPA).

5.13 Appendix 1 highlights initial areas for improvement and the current action plan.

Government Efficiency Targets (Gershon)

5.14 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.

5.15 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 focusing on improving in this area with the work it is undertaking on improving its property data and stock condition information.

6. CORPORATE OBJECTIVES AND THEIR LINK TO ASSET MANAGEMENT

6.1 The Council has set itself specific aims and objectives, from which have been agreed a number of objectives that will require a contribution from asset management.

To strengthen and develop the local economy through support for business development and inward investment.

- 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 promote the health and welfare of all sections of the community, including access to leisure and cultural activities.

- Where appropriate, devolve the direct management of assets to the community.
- Where appropriate create user groups for major assets.

To secure continuous improvements in the quality and efficiency of services provided by the Council.

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

To manage resources efficiently and effectively.

- To produce corporate guidelines for the holding, disposal and management of 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

- 6.2 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.
- 6.3 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.
- 6.4 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. As highlighted in the capital strategy, the development of "Prince 2" methodology for project management at the Council during 2005/06 should enhance this area.
- 6.5 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. Therefore, this mechanism aims to provide a guide and a more objective assessment against which new spending proposals are prioritised.
- 6.6 It effectively asks Council members/officers to provide a business case for both revenue funding and new capital investment. The system is corporate and an independent panel of Members and Officers assesses all bids.
- 6.7 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
- 6.8 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

- 6.9 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.
- 6.10 This programme 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.

- 6.11 Once property data is complete and has been verified, the Council can consider basing investment decisions on whole life costing and option appraisal
- 6.12 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.
- 6.13 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.
- 6.14 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.

Economic Development

- 6.15 The assembly of land can provide opportunities to encourage new businesses into the area. Property Services actively market any land or property it owns that is available for disposal or to let. Particulars are sent out by the Customer Services team within the Council, who collate data of interest received, which is forwarded to Property Services and Economic Development.
- 6.16 Information is also available on the Council's Website. In addition, Economic Development manages a database of current property availability and requirements and provides details to interested businesses or individuals as a service it provides.
- 6.17 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 premises availability.

E-Government

- 6.18 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. The service will be developed through e-government initiatives, the Council having invested in a new website and software package, which will be populated by the end of 2005.
- 6.19 In addition, once property records have been validated and subject to any appropriate consents, the Council could investigate ways in which its terrier records can be displayed as read only documents to aid prompt reference by members of the public who want to access such records via the internet to establish whether the Council owns a piece of land.

- 6.20 The system could be stored on the Council's intranet and used by Customer Services to deal with land ownership enquiries in the future. These are all options that remain subject to further investigation once records are up to date.
- 6.21 Generally, the use of such an innovative system may pose change on demand for the Council's service and service delivery requirements in the future. This will need to be monitored and reflected in future AMPs.

The Corporate Plan

6.22 The Council's Corporate Plan:

- Sets out the Council's vision and ambitions for South Derbyshire.
 - Explains the Council's plans and priorities for service delivery over the next three years.
 - Provides a framework for the Council's contributions to local and regional partnerships.
 - Assists local people and organisations to become more involved in the work of their Council.
- 6.23 Effective management of the Council's property portfolio can contribute to the Council's key aims and objectives. The Corporate plan recognises that the AMP and a corporate property strategy are mechanisms to help the Council develop sustainable solutions with the aim of making the best use of the Council's resources and capital assets.
- 6.24 Opportunities and challenges outlined within The Corporate Plan may have property implications and asset management policy needs to reflect these.

Service delivery arrangements

- 6.25 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. The development of sustainability and sufficiency studies with the benefit of improved detailed information concerning the assets we own will assist with the future consideration of property requirements.
- 6.26 Property is an illiquid 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

- 6.27 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

- 6.28 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. With the benefit of improved 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.

The Best Value Performance Plan 2005.

- 6.29 The Council's vision is to promote and enhance the social, economic and environmental well being of the community through the provision of cost effective, customer focused services. The BVPP sets out the Council's approach to performance management and efficiency improvements, which are an important element of the AMP.
- 6.30 It 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 of service delivery. 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.

7. ACCOMMODATION REQUIREMENTS AND PROJECTS

- 7.1 A number of corporate property projects are currently taking place and these are detailed below.

Office moves project and one stop shop

- 7.2 Following a full period of consultation with users of the Civic Offices and surveys, the Council has committed funding to meet the urgent short-term need for space requirements. As a result of this, a project has commenced to reconfigure the layout of the Civic Offices.
- 7.3 The reception area is also being redesigned and improved to accommodate a "one stop shop" concept with the aim of centralisation and improvement to customer services. These projects are ongoing at the time of producing this document.

Town Centre Strategy and review of the Civic Offices

- 7.4 As with all its operational assets, longer term the Council must challenge whether the accommodation provided within the Civic Offices is fit for purpose and will meet future service needs. Up to date information on the condition of the asset has been commissioned and the Council proposes to carry out a feasibility study to look at the best future use of this asset.

- 7.5 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. 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

- 7.6 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 is to complete in September 2005 and phase 2 is anticipated to commence early in 2006.
- 7.7 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.

8. THE PORTFOLIO AND ITS PERFORMANCE

Performance indicators

- 8.1 The latest property performance indicators calculated by the Council are included in **Appendix 2**. These have been produced using what information is available at the time of producing this document and are likely to be subject to change once up to date and detailed property data is available as part of the data management improvement process.
- 8.2 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

- 8.3 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. The results of the 2004 benchmarking exercise are shown in **Appendix 3**.
- 8.4 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. Nether the less, 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 improvement

- 8.5 The improvement of the Council's property and land ownership records will assist in providing an assessment of the portfolio and performance indicators

in the future. This exercise will have greater magnitude once property data is fully up to date and has been verified and the Council has a more accurate picture of the performance of its assets on that basis.

- 8.6 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.

9. DISPOSALS

Public open space and domestic land sales.

- 9.1 The number of applications to purchase public open space and miscellaneous pieces of land that is owned by the Council that are received remains high. The Council's Domestic Land Sales Officer deals with the processing of all applications.
- 9.2 There is a general Council policy in place not to dispose of public open space unless there are "extenuating circumstances". In order to review the policy, it is proposed that a report be should be considered by the Council to include:
- What are extenuating circumstances and whether the Council wishes to stand by its decision not to sell once that decision has been made.
 - Whether the Council wishes to charge a minimal one off administration fee for dealing with these applications. Such a fee will not cover the true cost of Officer's time taken to deal with the application from receipt to legal completion, however it is intended to be a contribution to the cost. Other Authorities who have similar requests do charge a fee for dealing with them.
- 9.3 Any changes to policy in respect of sales of land and public open space needs to be reflected in the Council's Corporate Property Strategy and future AMPs.

Informed decision making

- 9.4 With the benefit of full and up to date information on each asset, the Council will be able 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. 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.
- 9.5 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 and Corporate Property Strategy.

- 9.6 The Council has identified a small number of plots of land that meet no real service need and are providing minimal return. Subject to formal Council approval, it is anticipated that these assets be disposed of early in 2006.
- 9.7 With the benefit of improved property data and an opportunity to engage in informed decision-making, a Corporate Property Strategy will be produced which will provide a benchmark for the holding onto and effective use of the Council's assets in the future.
- 9.8 Using this document and 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.
- 9.9 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.

10. CONSULTATION, PERFORMANCE AND MEASUREMENT

Consultation

- 10.1 The Council is committed to consult the community on the best use of assets. It has developed a Consultation Strategy to ensure that statutory requirements are met, that limited resources are used economically, efficiently and effectively, and that consultation continues to be meaningful and relevant to local people and other stakeholders.
- 10.2 Key stakeholders, most of who have already been consulted, include:

- Divisional Managers, 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

- 10.3 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.

- 10.4 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

- 10.5 The Corporate Asset Manger undertakes the responsibility of organising the Asset Management and Monitoring Group, meeting approximately every three months or more frequently when necessary. Membership of the revised group includes the Director of Corporate Services, Head of Finance, and the member with the responsibility for property and a number of service division managers including all those who have a property management role within the Authority.
- 10.6 The aims and objectives of this group are set out within **Appendix 4**. The group will continue to discuss future drivers for change and what the knock on effects may be for asset management.
- 10.7 Once detailed information is available to assist informed decision making within this forum, the Council needs 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.
- 10.8 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.
- 10.9 In addition, Members are separately consulted on a regular basis on the Asset Management process. The Council has retained a streamlined committee system, rather than moving to a cabinet system. Land and property responsibilities were previously split between the three policy committees.
- 10.10 However, following a Best Value Review, all Asset Management matters have been moved under the responsibility of the Finance and Management Committee, to ensure that a single group of Members gains expertise in dealing with all asset matters. The Chair of this committee therefore holds the ultimate responsibility for property in the Council. He attends meetings of the IPF network together with the CPO and also attends the Asset Management and Monitoring Group.
- 10.11 Any reports that are sent to the Finance and Management Committee first have the approval of the Corporate Management Team, who consider asset management issues in the light of the Council's strategy, aims and objectives both shorter and longer term.

Performance and Measurement

- 10.12 The improvement of data and property records will aid future performance monitoring. The results of current performance indicators are included within **Appendix 3**. The authority has reviewed the figures it can on what

information it currently has available, but does acknowledge that these indicators will be subject to further review once more detailed data is available.

10.13 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.

10.14 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

10.15 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.
- 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 Council 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 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.
- e) 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.
- f) The Community has been involved in the management of assets e.g. 'Friends of' groups have been established for several of the local Parks.
- g) 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.

- h) The Property Services Department has more recently been working closely with a range of consultants to challenge how existing asset data and asset management can be improved within the Authority. It will need to consider how a sustainable property service can be delivered in the future, once progress has been made in relation to the issues highlighted in the action plan in **Appendix 1**.

11. REVIEW

Ongoing 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 Corporate Property Strategy once produced.

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- 11.2 A year on from when resources were committed to improve corporate property management, a thorough evaluation process will take place, following which a report will be produced and sent to Corporate Management Team and members setting out:

- The progress that has been made in the areas identified for further improvement.
- What work still needs to be undertaken and whether additional resources are required.
- Recommendations as to how the service will be delivered in the future and the realistic level of resources required to ensure that an effective and fully functional property management and asset management service is provided, which can be sustained in the future to meet both the needs of the Council's customers and internal service requirements.

- 11.3 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.

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 Plan 2005/2008.
- The South Derbyshire Local Plan (adopted 1998).
- South Derbyshire District Council's Best Value Performance Plan 2005.
- Whole Life Costing Procurement Proforma (IPF).

ASSET/ESTATE MANAGEMENT: UPDATED ACTION PLAN SEPTEMBER 2005

REQUIREMENT	WHAT CURRENTLY EXISTS	PROGRESS TO DATE AND ACTION REQUIRED	PROPOSED TIMETABLE and OUTCOMES
<p>The Council needs an annual programme of planned maintenance based upon a rolling program of property surveys and the Council has assessed the backlog of maintenance.</p> <p>The Council's capital program gives priority to potential capital projects based on a formal, objective approval process.</p> <p>The need to ensure that assets are fit for purpose through adequate provision of maintenance, repair and budgeting.</p>	<p>A survey of Council owned non-housing properties was undertaken in 2001 to broadly categorise them into the four condition categories.</p> <p>However, no planned maintenance schedule for non-housing property currently exists.</p> <p>A detailed stock condition survey has been commissioned for 10% of the portfolio that is representative of a mix of properties that the Authority holds.</p> <p>This information has been used for performance indicators, subject to further surveys.</p> <p>The Council's capital programme does give priority to potential capital projects, based on a formal, objective approval process.</p>	<p>Expenditure to be prioritised and opportunities for disposal or improvement of corporate asset use after review of data.</p> <p>Further survey work needs to be commissioned once a report has come back indicating possible costs and further recommendations.</p> <p>Once we have all information back, we need to produce a planned maintenance program for all Council owned assets over the next 5 years, with rolling surveys and action plans for funding, linked to budgeting and finance requirements.</p> <p>Future resource requirements will need to be considered in order to resurvey all properties, manage repairs and the planned maintenance program in the future.</p>	<p>September 2005: The results of the 10% of surveys back. Data analysed with recommendations.</p> <p>January 2006: Further surveys commissioned.</p> <p>December 2006: Results from stock condition surveys on whole portfolio provided, inputting on Asset Management software.</p> <p>Resources commissioned to manage this in the future and planned maintenance program in place. Funding for urgent works approved and works commenced.</p> <p>Program for resurveys produced and being implemented to keep data up to date.</p> <p>Service Managers to benchmark the cost of owning and managing their assets when undertaking their service reviews.</p>
<p>The Council has an up to date asset management plan (AMP) that details existing asset management arrangements and outcomes and the planned action to improve corporate asset use.</p>	<p>2005/2006 AMP produced that reflects current situation and progress to be made.</p>	<p>The AMP is a working document that will be subject to change once improvements have been made and where there is a change in policy and service requirements.</p>	<p>Ongoing review of AMP when data verified in the future or changes required.</p>

ASSET/ESTATE MANAGEMENT: UPDATED ACTION PLAN SEPTEMBER 2005

REQUIREMENT	WHAT CURRENTLY EXISTS	PROGRESS TO DATE AND ACTION REQUIRED	PROPOSED TIMETABLE and OUTCOMES
The Council has an up to date asset register.	<p>Map info: this displays plans over which information is displayed.</p> <p>Greenley System: This stores information behind each layer.</p> <p>Property management records in a variety of formats and locations.</p> <p>Paper records are also stored in a number of locations.</p>	<p>Data needs to be streamlined and more use made of I.T.</p> <p>The Council will be provided with software to develop with a view to handling property data and to ease the decision making process.</p> <p>Information will be transferred from the Greenley system into an Access database for verification and inclusion in new system.</p> <p>All paper-based records are to be collated centrally for ease of access when completing validation exercise.</p> <p>Short-term resources are being commissioned to gather all property information and validate what data currently exists, both in the terrier and all other property management records. For some areas, this exercise needs to be commenced from scratch.</p> <p>Longer term, once all records are up to date, the Council will need to consider how it will keep corporate property data up to date in the future, given ongoing changes when property is sold, purchased or there is a change in the data held.</p> <p>This exercise will also need to explore how all-corporate data that relates to Council owned assets could be held centrally.</p>	<p>By December 2005: information transferred to an Access database. All internal departments affected consulted.</p> <p>By June 2006: Software populated and property management records up to date given information found.</p> <p>By December 2006:</p> <p>Terrier updated and investigations carried out made where no information found. Review of exercise then needs to be carried out.</p> <p>Where there are no deeds providing ownership verification, investigations with service departments are to be carried out to establish maintenance and ownership knowledge.</p> <p>Where possible, applications for first registration to be submitted to the Land Registry with a statutory declaration. Upon confirmation of ownership details, the terrier can be amended.</p> <p>Eventually information as to land ownership available in reception and on the internet. Customer services also have access to the system and handling telephone ownership enquiries.</p> <p>All property management records on one system that will highlight case work requiring action. This can be compared against the current case list and any outstanding work can be dealt with.</p> <p>The Council can also plan for any tenant options to break or other events that will have financial implications on budgeting.</p>

ASSET/ESTATE MANAGEMENT: UPDATED ACTION PLAN SEPTEMBER 2005

REQUIREMENT	WHAT CURRENTLY EXISTS	PROGRESS TO DATE AND ACTION REQUIRED	PROPOSED TIMETABLE and OUTCOMES
<p>The Council makes investment and disposal decisions based upon a thorough option appraisal and whole life costing.</p>	<p>Suitability and sufficiency templates produced but not developed.</p> <p>User satisfaction surveys have been circulated for Civic Offices and as a result an office moves program have been implemented.</p>	<p>The Council needs to carry out whole life costing appraisal and option appraisal on all schemes where appropriate.</p> <p>Again this relies upon the existence of accurate information upon which decisions can be made. This is being improved with a view to Corporately working towards this in the future.</p>	<p>By December 2006: The Council will have in place a format for decision-making agreed by members and Corporate Management team and circulated to all staff members affected. Information at this stage should be available to make decisions in this context.</p>
<p>The Council's arrangements for reporting to members are sufficient to fulfil their responsibility in relation to the Council's land and buildings portfolio at both strategic and service level.</p>	<p>The Council does have a dedicated member who is responsible for property and does report to members on property issues.</p> <p>The Council has an Asset Management Working Party forum set up, which consists of representatives from service departments as well as the member responsible for Property, Head of Finance, the Director of Corporate Services and the Corporate Asset Manager. Issues are raised in this forum.</p> <p>The Council's Finance and Management Committee has been set up to focus on the approval of property issues.</p>	<p>A report has been approved by Committee and Corporate Management team, which highlighted key areas for improvement. Funding has been provided to make whatever progress is possible short term.</p> <p>As part of this, resources have been commissioned to verify and update existing data as well as to complete missing data and provide software.</p> <p>Once information is available, this needs to be reviewed and revised details need to be reported to members on a regular basis.</p>	<p>By December 2005: Information transferred to an Access database. All internal departments affected consulted as part of this process.</p> <p>By December 2006: Terrier updated and notes made where no information found.</p> <p>Where there are no deeds providing ownership verification, investigations with service departments are to be carried out to establish maintenance and ownership knowledge.</p> <p>here possible, applications for first registration to be submitted to the Land Registry with a statutory declaration. Upon confirmation of ownership details, the terrier can be amended.</p>

ASSET/ESTATE MANAGEMENT: UPDATED ACTION PLAN SEPTEMBER 2005

REQUIREMENT	WHAT CURRENTLY EXISTS	PROGRESS TO DATE AND ACTION REQUIRED	PROPOSED TIMETABLE and OUTCOMES
Disability Discrimination Act 1995 (DDA): Works required to comply.	<p>The majority of Council owned property from our existing asset register has been surveyed. Other surveys not carried out underway. Any other properties not included on this list may require surveying at a later date should new properties be found to be Council owned.</p>	<p>Proposed works have been split into phases. Tenders to appoint a contractor to commence work on phase 1 where received on 14/03/05. Phase 1 now underway: scheduled completion September 2005.</p> <p>Common areas on industrial estates etc have also been surveyed where the Council has responsibility as landlord. Recommended works commissioned.</p> <p>Planning for phase 2 now underway. Client owning Departments to advise as to priority of properties to be included in this and future phases.</p>	<p>By October 2005: Phase 2 prioritised with Client consultation and involvement.</p> <p>By December 2005: Phase 2 documentation prepared and contractors instructed.</p> <p>By January 2006: Works commence on phase 2.</p> <p>By June 2006: Phase 3 prioritised with Client consultation and involvement.</p> <p>By December 2006: Phase 3 documentation prepared and contractors instructed.</p> <p>By January 2007: Works commence on phase 3.</p>
Reviewing Policy on Land Disposals.	<p>General policy on not to sell public open space unless there are "extenuating circumstances". Also internal departments may not want to sell.</p>	<p>The Council has recruited an officer to deal with these issues and generally support the team. This is a temporary post on a one year fixed term contract.</p> <p>As a result, the initial backlog of cases has now been assessed and substantially reduced.</p> <p>Proposed review of:</p> <ol style="list-style-type: none"> 1) Whether a charge is made for dealing with applications (some Authorities charge £50.00 per application to contribute to staff time). 2) What are "extenuating circumstances." 	<p>By June 2005: Revision of all outstanding cases and way forward with each case identified.</p> <p>By December 2005: Review policy on whether to sell public open space.</p> <p>By December 2005: Land sales database in place to record progress with all applications.</p> <p>By December 2005: Land sales procedure written and adopted.</p> <p>By December 2005: Decision reached as to whether to charge fees and fee charging scheme in place if so.</p> <p>Ongoing thereafter.</p>

ASSET/ESTATE MANAGEMENT: UPDATED ACTION PLAN SEPTEMBER 2005

REQUIREMENT	WHAT CURRENTLY EXISTS	PROGRESS TO DATE AND ACTION REQUIRED	PROPOSED TIMETABLE and OUTCOMES
Overall disposals and Corporate Property Strategy.	<p>Some land sites and other assets have been identified for disposal.</p> <p>The Council does not have a formal agreed policy for the disposal of surplus property and does not link such decisions to thorough option appraisal.</p> <p>A draft Corporate Property Strategy has been written, which needs to be revised once data has been reviewed.</p>	<p>Once property records are reviewed, need to formulate and agree a general policy for holding onto and disposing of assets.</p> <p>This will provide a benchmark to aid the decision making process. All individual cases will be judged on their own merits against this policy.</p>	<p>November 2005: Initial proposals for disposal to be submitted</p> <p>By December 2006: Full disposals programme and Corporate Strategy in place.</p>
Benchmarking - review and develop PI's.	Performance indicators based upon current information. These have been benchmarked with other local authorities within the area.	Existing performance indicators revised for 2005/2006.	<p>By August 2006:</p> <p>September 2006: Figures are benchmarked with other authorities.</p>
Regular review of Asset Valuations.	Asset register that requires modification	<p>A 2005 register exists:</p> <p>20% of the total portfolio needs to be valued each year or where there are changes in market conditions.</p>	<p>By January 2006: Provisional rolling program of valuations in place.</p> <p>By December 2007: All assets on asset register included in rolling program.</p>
Resources for Property and Estate management.	<p>Temporary staff currently being employed</p> <p>The Council has tried but not been able to recruit to the full time position of Property Surveyor.</p>	<p>How the Council delivers the property management service in the future is subject to review. It needs to regularise provision of the service longer term.</p> <p>In terms of marketing, the option of marketing properties jointly with another Authority is being explored.</p>	<p>Ongoing: Discussions with other authorities and options explored in detail.</p> <p>By June 2006: A review of progress made with regard to the issues, together with the issue of case work and day to day property management. A report will follow to members setting out recommendations as to how the Council moves forward with the provision of the service in the future and what resources are realistically required on a longer term basis to manage progression and deliver what is required.</p>

ASSET/ESTATE MANAGEMENT: UPDATED ACTION PLAN SEPTEMBER 2005

REQUIREMENT	WHAT CURRENTLY EXISTS	PROGRESS TO DATE AND ACTION REQUIRED	PROPOSED TIMETABLE and OUTCOMES
<p>Consider opportunities to share assets with other occupiers and develop a home working policy if practical.</p>	<p>The Council already shares part of the Civic Offices with the police and a number of Housing properties are shared with other corporate occupiers.</p> <p>A Tourism partnership involving all the National Forest authorities has been developed, which involves neighbouring District Councils using their Tourist Information Centres (TIC's) to promote South Derbyshire.</p>	<p>Once the Council has a full appreciation of what assets it holds and has carried out suitability studies and sufficiency consultations, more options can be explored further.</p> <p>The option of a home working policy needs to be addressed at Corporate Management team level. It is believed that initial discussions with managers highlighted that this concept may not be achievable in practical terms, but the issue requires thorough research.</p> <p>A feasibility study is to be commissioned to appraise the current Civic Office facilities and look at options for site sharing and making best use of the asset.</p>	<p>Ongoing.</p>