

Response to National Assembly for Wales
Research Service: Enquiry

As provided by Bleddyn Evans, County Valuer & Asset Manager,
bleddyn.evans@conwy.gov.uk
on and behalf of Conwy County Borough Council
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Strategic Links and Leadership

1. **How does asset management fit within the organisation's overall strategy?**

The Authority has a Corporate Asset Management Plan for its Land and Buildings (2012-22). The Plan makes it explicit that the Authority will use its asset base in its pursuance of its Corporate and Service objectives and outcomes under the Corporate Plan. All assets are held as a corporate resource, and as per the Asset Management Plan, Services are to liaise with custodians of the asset base, namely the Authority's Estates & Asset Management section in utilising land and buildings in pursuance of their objectives. Asset Management is an important component in the Authority's business decision making processes, and by its identification as a corporate function, enables the alignment of assets to Corporate and Service considerations.

2. Does the organisation have an overall asset management strategy and published plans which support the corporate objectives?
 - a. How does this strategy link into the capital investment strategy and wider financial planning?

The Authority has a Corporate Asset Management Plan (AMP) for Land and Buildings (2012-22), a copy of which is enclosed. There is a Delivery Plan, also attached, and associated documentation to support the delivery.

Capital investment in the Authority's portfolio is to be processed via procedures set up as a consequence of the Asset Management Plan, namely the Service Asset Management Plans (SAMP surveys), which identifies, for example, the condition of the asset and the cost in ensuring the asset remains operational over a period of time, or Service specific improvements required. The SAMP covers seven areas of consideration, these being Whole Life Work; Cost in Use; Sufficiency; Suitability Utilisation; Statutory Regulations and Energy. This holistic overview of the assets ensures a balance view of all the factors relating to each property in a single report. The works and monies identified via the SAMP surveys inform the business planning processes in what investment is required. It also identifies which assets which the Authority shouldn't invest capital in, and should dispose of.

As per the attached AMP, there is approximate backlog maintenance (at the time of its publication) of some £25,000,000 (twenty five million pounds). Accordingly it is very difficult to plan capital investments across the portfolio

due to the level of deficiency in the stock condition, available budget as well as transformational programmes which put a number of assets at risk in terms of their continued use.

In addition, as part of the AMP, a Project Request Process was devised where capital investment requests are also considered by an AMP Team.

3. Who has responsibility for leadership on asset management:
 - a. At a Cabinet/Board level?

Portfolio Holder for Finance and Resources

- b. At Executive level?

Chief Executive

- c. At Service level?

The County Valuer and Asset Manager, who leads the Authority's Estates & Asset Management section.

4. How are Council/Board Members engaged with property asset management and how regularly does the Council/Board review asset performance?

In developing the Asset Management Plan during 2011-12, a Project Board was established, which comprised of Cabinet Members and Strategic Directors. The Project Board delivered the Asset Management Plan, and within the Plan the Authority's assets are to be reviewed via the Service Asset Management Plans, whereby 20% of the portfolio is considered annually.

The Delivery Plan made it explicit that there would be an annual Highlight Report, and it is intended to report to the Authority's Principal Scrutiny Committee in May 2013.

5. Is there a dedicated property division or similar? If so please detail its structure and relationship with other service divisions.

There is a dedicated Estates & Asset Management section, which currently sits within the Environmental, Roads and Facilities Section (following the amalgamation of Environmental & Technical Services, Highways and Property Management and Asset Services). There is a proposal to relocate Estates & Asset Management from the above section and place within an appropriate Corporate Service. As indicated within the AMP, it works closely with Council Services in managing the Portfolio and identifying opportunities for service improvement through the utilisation of assets, reduction of liabilities, and identification of opportunities for capital receipts.

6. Across the organisations (e.g. at Council/Board, Executive and Service level) can you demonstrate that property is utilised as a corporate resource and enabler of service provision?

The AMP makes it explicit that property is a Corporate Resource and there has been good buy-in from Services in the main that all decisions regarding land and buildings are processed through the Estates and Asset Management Section, where the Section act as an implied Landlord's agent, and any modifications, investment, disinvestment is put through the Section. A good example of the management of the asset base as a Corporate Resource is the AMP Project Request Process which was set up as consequence of the AMP, whereby any qualifying works (over and above £5,000) comes through a prescribed process for verification. A copy of this is attached.

Systems and Processes.

7. Can you demonstrate that property maintenance is supported by adequate information systems? Are these information systems used to:
- Benchmark performance against that of other bodies; and/or
 - Link with other relevant systems (e.g. geographical information systems)

There is Corporate Asset Management System which contains information regarding property maintenance. It is used to benchmark performance against other bodies as part of the KPI which are reported to Welsh Government. The Asset Management System also has GIS links at multiple levels which includes locations; ownership; leases; utilities and fixed assets, and the Authority's properties are recorded on a digital terrier as a consequence of the Voluntary Land Registration process, which is nearing completion.

8. How often does the organisation conduct an options appraisal to ensure that the property maintenance backlog is being managed effectively?
- a. Is there a programme of regular property reviews? If so, what do these consider and how often are they conducted?

There is a regular review of the Authority's asset base by way of the Service Asset Management Plans which looks at 20% of the portfolio every year. The Service Asset Management Plan process is attached.

- b. Is information on running costs and environmental impact available to the review team?

The Group 1 survey of assets has yet to be reported as part of the AMP Highlight Report, but due for reporting in May this year. Information on running costs and utilities are contained within the Asset Management System and accessible to the Estates & Asset Management section and all 277 users of the system, many of which are location based e.g. Headteachers, and will be referred to when presenting the Group 1 survey results, if deemed necessary and of benefit.

9. Can you demonstrate that decisions on new capital projects and other planned works are based on a clear business case, including options appraisal and whole-life costing?

The Authority has a Business Planning Framework that considers all substantial capital expenditure.

The Primary School Modernisation Programme which has been running for the last five years which is based on HM Treasury Green Book 5 Case Model for each of the schools. This method has also been adopted in both our Library and Office modernisation programmes which includes full option appraisals and Net Present Values for each proposal, as identified in the AMP.

10. How does the property division interact with service divisions, what are the arrangements for involvement/support?

As per the AMP, all Authority assets are held centrally where the corporate body acts as an implied Landlord, and the Estates & Asset Management Section operates as implied Landlord's Agent. In accordance with the AMP, Services occupy assets by way of an implied tenancy, and for modifications, investment, disinvestment etc, require implied Landlord's consent through Estates & Asset Management. All property related decisions are channelled through the Estates & Asset Management Section as per the principals of the AMP and its supporting documents. The AMP advocates early engagement by all Services with the Estates & Asset Management Section on their needs and is included in the Corporate Project Initiation Document Template for consideration in any project that is considered by the Authority.

Resources and Value for Money

11. What are the levels of resource available, at corporate level, to review property assets and running costs? Is this adequate?

There is a difficulty in dealing with strategic and operational requirements relating to property, where the operational requirements are deemed more critical, and with potentially fewer officers to meet these demands in the future, the resource available will be come inadequate.

12. What information on the property costs of the buildings occupied by services is available to senior management, and how is this utilised by them in considering service delivery?

Information regarding property costs is available by way of the Asset Management System. The System is available for approximately 277 staff within the Council and it is used in production of the Service Asset Management Plans which are then communicated to the Services and reported to Senior Officers and Members via the AMP Highlight report.

13. Does property maintenance have adequate resources to meet its policy objectives and is sufficient priority given to routine maintenance within the budget process?

a. Is funding maintenance linked to the condition of assets?

Funding maintenance is linked to the strategic need of the asset to continue to provide the operational function. If the condition deems that works are required, then funding is pursued following the usual Business Planning Framework process.

14. Given the current climate of reducing budgets, is there any perception at corporate, or service, level that resources should be diverted directly to front-line services rather than to property management?

Yes.

15. Can you provide examples of how the organisation works with partners to achieve economies of scale in asset management?

The Authority have worked closely with nearby Local Authorities Ynys Mon and Flintshire in looking at the Asset Management System application (Technology Forge) in developing the benefits of its utilisation, but this did not include procurement of the application, as the respective Authorities were at different stages within their development.

The Authority have worked closely with nearby Local Authorities such as Gwynedd and Ynys Mon in procuring external professional support for undertaking a review of the Authorities rating liabilities.

The Authority have worked closely with Housing Associations (Pennaf and North Wales Housing) in considering proposals on its land for Extra Care Housing schemes, as well as working with the Health Board with accommodation for front line services.

16. Can you please detail the framework in place to continuously review and improve the performance of property management?

a. Are there annual performance plans, agreed by Council/Board Members, setting clear targets for improvement?

The SAMPS are reported as part of the AMP Highlight Report due to be reported in May. Areas for improvement will be highlighted and targets will be set.

b. Does the organisation include this information in public performance reporting?

Only as far as the KPI's are concerned.

Guidance in Good Practice

17. What if any, guidance is adhered to in conducting asset management in the organisation?

The Corporate Asset Management Plan and the supporting documentation, copies of which are attached.

18. Do you share good practice and lessons learned on asset management with other organisations/professional bodies, and if so, via what mechanisms?

Yes, insofar as regular liaison with nearby Authorities, and via CLAW.

19. Would a central source of expertise and good practice be beneficial to the Welsh public sector, and if so where should this sit?
- a. Would training in property/asset management be beneficial?

Yes and be delivered by Welsh Government?

20. Would the drive to improve asset management benefit from a **repeat of the Wales Audit Office's 2010 report on buildings** management?

Yes.