

## Strategic links and leadership

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

Our collaborative asset management work will consider the property implications from our draft Single Integrated Plan across the public and voluntary sector. There is a growing focus on place based asset management within Blaenau Gwent. We are a pilot project for the National Assets Working Group. We have established a Public Property Partnership Board which has pulled together the Public Sector and Third Sector organisations in Blaenau Gwent and also provides links to RSLs.

One of the drivers for the Corporate Landlord model, which is currently being adopted by the Authority, is to ensure our Maintenance Strategies are better aligned to our corporate priorities as identified in our Corporate Improvement Plan and Medium Term Financial Strategy.

The Draft Performance Management Framework has adopted **the Council's** corporate results based accountability approach. This will focus on how well we are delivering our asset vision with increased emphasis on how our property contributes to our corporate priorities and community outcomes

### 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 Council adopted its Strategic Asset Management Plan (SAMP) in January 2012. This provides the broad direction for asset management over the medium term and states the **Council's vision for its assets to** ensure asset management effectively supports the corporate priorities identified through its strategic plans. A number of key challenges and issues that need to be addressed are identified in the SAMP. Many of these issues have been identified in the Wales Audit Office Property Management Review report in 2010, and through the development of the Asset Management Service Risk Register. These critical success factors have informed the development of a Framework for Action which is delivered through an annual Action Plan. The Action Plan clearly sets out the work needed to address the issues together with responsibilities and timescales. Work is prioritised according to corporate priorities and the residual risk of not implementing the required action. Progress is monitored through the Corporate Asset Management Working Group (CAMWG) using a traffic light system.

Performance will be managed through an annual review of the SAMP, including progress in implementing the Framework, and reported to Executive together with a new Risk Register and Annual Action Plan

Capital bids submitted for funding from the capital programme require budget holders to demonstrate that the proposed scheme is in accordance **the Council's Strategic Asset**

Management Plan. Bids are then discussed at CAMWG to confirm schemes that are supported by the group. This is then taken into account in filtering bids.

Asset management projects including Workplace Transformation, disposals through the Area Review process and our collaborative asset management project will contribute to the Council achieving its required efficiency savings. Workplace Transformation

Due to the current economic climate, capital receipts will become increasingly difficult to achieve to support the capital programme. In recognition of this, a target for capital receipts is built into the programme for 2014/15 only. At this stage there is nothing built in for subsequent years. Also taking into account reductions in the availability of grant funding, the Council recognises the risk this creates and the need to consider alternative funding mechanisms for delivering regeneration and other capital projects. To mitigate the risk we are undertaking a pilot project for the NAWG to consider alternative approaches to funding, procurement and delivery such as a LABV/PPP approach.

3. Who has responsibility for leadership on asset management:

a. At a Cabinet/Board level?

The Council's Executive approved the SAMP and has overall responsibility for Asset Management. They will receive an annual update on the progress made and revised priorities and actions based on current demands and opportunities to confirm new priorities for each financial year.

b. At Executive level?

The Executive Member for Work Transformation and Partnership has accountability for asset management. The Executive Member for Corporate Governance has responsibility for Estates.

c. At Service level?

Key Council service areas are represented at senior officer level on CAMWG, which is chaired by the Acting Chief Officer - Environment and Regeneration. He is the lead Director for Asset Management and has a weekly briefing with the Executive Member for Work Transformation and Partnership. Regular meetings are held with service areas during the ongoing work of the Strategic Asset Management Team, either on general issues or on project/ property specific issues.

There are service area representative on the Public Property Partnership Board to ensure they are also engaged with the collaborative asset management work and to identify opportunities.

Formal project management arrangements for projects such as the Workplace Transformation Programme also ensure senior user representation at Assistant Director level and above.

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

A Draft Performance Management Framework is being developed and will set out responsibilities. This needs formal consultation and approval but will propose the following:-

The Team Leader - Strategic Asset Management is responsible for managing overall property performance and the development of this Framework. The performance data required is mainly held in the developing K2 (Tribal) asset management database. Service departments are responsible for managing specific elements of this data.

The Corporate Asset Management Working Group (CAMWG) considers both operational and strategic asset management issues. The Group has clear Terms of Reference which outline its role in **monitoring operational performance of the Council's** property portfolio:

- to establish, monitor and review property performance indicators and benchmarks
- to oversee, receive, agree and keep under review reactive and planned maintenance works to ensure that expenditure fits Corporate Property Objectives
- to review energy costs and carbon emissions annually with a view to seeking efficiencies
- to monitor the energy efficiency programmes
- to monitor the DDA compliance programme
- to review the performance of the **Council's Industrial portfolio**

CAMWG is also responsible for monitoring progress against the Corporate Asset Management Annual Action Plan.

**The Council's** Corporate Overview Scrutiny Committee will be responsible for reviewing an annual **"State of the Estate" property performance report**. The review may lead to the report, or certain aspects, being subject to more detailed scrutiny through Task and Finish Groups, Member Briefing sessions or other engagement mechanisms.

**The Council's** Executive will be responsible for reviewing progress against the Council's Corporate Asset Management Plan through the SAMP Annual Review

Executive will receive an annual update report outlining achievement against the annual action plan and priorities for the Council. The first one of these is currently being prepared following the first full year of the SAMP. This report will look back at what has been achieved and also outline key priorities and actions for the coming year.

Executive also receives reports on specific asset management work streams such as the Area Review Report and recommendations and the NAWG projects. It also receives updates on key projects such as Workplace Transformation. The Executive also approves key asset management policies such as the Community Asset Transfer Policy and Acquisitions and Disposals Strategy which have all been approved in the last year.

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

The Strategic Asset Management Team has recently been relocated to the Estates Division of Legal and Corporate Support to ensure there is a clearer focus on higher level strategic work. They were previously located within Technical Services where the focus was more on operational matters.

The Team comprises four officers – Team Leader Asset Management, Property Asset and Review Officer, Workplace Transformation Officer and Programme Manager – Collaborative Asset Management. Only the Team Leader is in a permanent position with the others on fixed term contracts funded externally. The Team reports to the Head of Estates and Strategic Asset Management and has close links with Estate colleagues.

The Team works closely with service areas through its day to day support role and on specific projects e.g. workplace transformation and collaborative asset management across the public/ voluntary sector estate.

There is a strong link between the Asset Management Team and Technical Services department as this is required to:

- develop and produce key performance data
- support the introduction of corporate landlord
- develop the maintenance strategy
- provide data for the Area Review process
- provide technical support for options appraisals etc

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 Council is adopting a Corporate Landlord system in April 2013 following a year of preparatory works. This is aimed at fully understanding and utilising property as a corporate resource and ensuring capital and maintenance budgets are aligned in the most effective way to deliver corporate priorities and service provision.

The Council also has a number of initiatives ongoing which are aimed at aligning the **Council's property portfolio with the necessary service provision for the Authority and** other public/ voluntary sector partners. These include:

- Workplace Transformation Programme – a corporate project which will set out a clear way forward for key buildings, identifying buildings to be released and providing new corporate standards for areas such as printing, agile working, desk:staff ratios, corporate IT infrastructure and co-location of services
- Collaborative asset management – considering how the Council and its property portfolio can work with other partners to take forward potential co-location and alternative occupation of surplus Council premises
- Area Reviews – looking at portfolio as a whole rather than service based reviews

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)

The Council has recently implemented the Tribal K2 Asset Management System and is working towards data population and **full use. The system links with the Council's GIS** system GGP and we are exploring link with our energy software TEAM and our procurement software CIVICA. Once fully populated, the system will be utilised to produce all property data including that to monitor performance and benchmark with other bodies.

Fully populating the system will require financial and staff resources in the initial period together with an ongoing commitment to maintaining the data. Due to resource constraints this will require prioritisation in line with corporate priorities e.g. schools CAD and condition surveys will be undertaken first.

Benchmarking is currently only carried out in respect of the Local Government Data Unit benchmarking for national PIs. **Local PI's** have also being developed as part of the draft Performance Management Framework.

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?

**An initial review of the Council's** portfolio (excluding schools and industrial portfolio) has been undertaken in consultation with the services. A report is being taken to the next to CAMWG which will then be presented to Scrutiny/Executive. This contains a high level review of suitability and condition and a simple traffic light system of red/ amber/ green for each building **together with an "asset action" to inform future investment/use.** Properties requiring immediate action and/or further options appraisal work have been highlighted and Asset Management will work with service areas to advance this work. The reviews will be updated annually on a rolling programme with 20% being re-surveyed and 80% desk top (subject to retaining our existing resources).

A draft Performance Management Framework is being developed which it is proposed will include both national and local PIs around backlog maintenance, condition ratings and planned:reactive maintenance ratios

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

We have running cost data for the majority of buildings, although we do not routinely utilise data for environmental impact. Running cost data for the previous financial year are provided by our Resources department and are used for options appraisals on a project basis e.g. Workplace Transformation, Business Resource Centre relocation and Depot remodelling.

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?

Capital project proposals must now go through a recently adopted formal project management process which requires the preparation of a clear business case. There is some commitment to whole life cost information with any acquisition of land and **property under the Council's** approved Strategy for the Disposal and Acquisition of Land and Property which stipulates that the financial consideration should be based on whole life costing.

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

The Asset Management Team interacts widely with other service areas and are positioned as a resource to work with service areas in optimising service delivery.

This takes the form of:

- co-ordination and dissemination of information through CAMWG and other meetings,
- co-ordinating and advancing the introduction and use of the K2 property database system
- taking a lead in key areas such as Workplace Transformation and Collaborative Asset Management.
- representation of services as Senior Users on formal project boards e.g. Public Property Partnership Board, Workplace Transformation.
- Asset Management representation on Service initiatives e.g. Social Services Collaboration Board, Business Resource Centre relocation
- regular meetings

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?

The Property Review Officer is only a temporary officer which is not adequate. The initial area review is only the start of the process and resources will be needed to take forward options appraisals and key projects stemming from the review

With regard to the analysis of energy consumption and cost data, the current provision is 1x 0.75 FTE officer dealing with central billing and invoice payment. This is a reduction in resources by 1xFTE since 2011. Due to the volume of utility invoicing, this leaves insufficient resources and time for data analysis, benchmarking exercises and identifying

savings. A second member of staff in Leisure is also involved in energy data entry into the TEAM Sigma software and invoice processing (approx 0.25 FTE) as part of their wider remit of facilities management. With the introduction of smart metering across the majority of the Councils portfolio, more complex energy data is now available to analyse to identify savings potential and to assist with statutory reporting. At present there is no dedicated resource to undertake this – this is being done in part, on an ad hoc basis by the Senior Energy Officer (1xFTE) as an addition to his original remit.

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?

We do not currently have up to date condition surveys for the whole portfolio. At the moment we commission them on an ad hoc basis when needed for options appraisals such as Workplace Transformation. With the introduction of K2 the Council is intending to commit to a rolling programme of both CAD and condition surveys. Schools will be the initial priority in line with our Medium Term Financial Plan and corporate priorities. However, we will also be undertaking additional surveys to support decision making within services for example alternative service delivery options for Leisure. Running costs for properties are available through our Resources department.

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?

Our maintenance budgets have been subject to year on year reductions as part of meeting the required Council efficiency savings. A rolling programme of condition surveys will be used to inform our Maintenance Strategy. but is unlikely to lead to an increase in funding for maintenance. However, implementation of a Corporate Landlord approach will ensure that corporate priorities are taken into account when making planned and reactive maintenance decisions.

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?

See 13 above.

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

The Council has always worked in partnership with the third and voluntary sector to provide stand alone or shared accommodation. Our Community Asset Transfer Policy was introduced so we can adopt a pro-active approach to supporting the Third Sector with the

community use of assets. As part of the Area Review process it is intended to identify opportunities for the Third Sector to utilise facilities where there is a need and demand.

Work is also ongoing through the National Assets Working Group funded Collaborative Asset Management project. An initial public sector and voluntary sector workshop has taken place to agree a terms of reference and commitment to mapping all assets on the WG e-pims lite mapping system. Following this successful initial workshop a Public Property Partnership Board has been established. The group is now beginning to focus on demand mapping and an early project considering the feasibility for a potential shared **“public sector hub”** facility in Ebbw Vale.

The NAWG has also funded work investigating a potential Local Asset Backed Vehicle in Ebbw Vale. This work is being undertaken with partner organisations/land owners and investigating the benefits of potentially pooling assets to deliver longer term regeneration benefits. Initial discussions have also taken place with Powys CC to see if any joint working around framework contracts can take place.

Our Technical Services department is also undertaking design work on behalf of Merthyr Tydfil CC as they do not have the necessary in-house resources/skills.

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?

As referred to above, an annual SAMP update report to focus on actions against the annual Action Plan and to agree the work programme for the next 12 months will be reported to Executive. A draft Performance Management Framework has been prepared **which will include an annual “State of the Estate” report** and identifies key performance indicators.

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

Not at the moment but this will be considered during consultation in respect of the Framework with CAMWG.

Guidance and good practice

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

RICS Asset Management Guidelines, WAO Buildings Management Report, CIPFA/CLAW guidance

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



We attend CLAW/CIPFA meetings and share good practice with our colleagues. This group now has a newly merged Asset Management and Estates Group. We are also listed as WG Invest to Save and NAWG projects so do receive calls from other Local Authorities undertaking similar projects and share our experience.

We research areas of good practice e.g. CIPFA Property website (especially their documents area) and contact relevant Local Authorities direct to discuss their approach. Examples include the Capital Asset Pathfinders in England for our collaborative asset management project where we have adopted their approach to governance.

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?

We do not feel there is a need to “re-invent the wheel” in terms of good practice websites. However, there is a need to ensure they are properly utilised and kept up to date e.g. W.A.O. Good Practice Exchange and CIPFA.

As mentioned in the previous consultation, it is difficult to get consultancy support now due to the financial restrictions. A central source of expertise that we could use for specific projects e.g. introduction of Corporate Landlord would be useful. This has been demonstrated with the funding we have received for our Workplace Transformation Project Manager, Collaborative Programme Manager and consultants for the LABV work.

There is already a good supply of training for asset managers available through CIPFA; the issue is the cost and we are not able to attend due to budget restraints. IF WG could provide the same training for free/via CIPFA this would be useful.

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

The previous report and the subsequent Corporate Assessment provided the drive needed to take asset management forward and raise its profile within Blaenau Gwent. This has enabled us to take a more innovative approach in some areas as pilot projects for the NAWG and successfully obtain Invest to Save funding which is a considerable benefit. We now have the relevant supporting policies and strategies in place such as the Corporate Asset Management Plan and the team has been relocated to give a more strategic focus. We still have a lot of work to do but **the “stick” of the audit report** contributed significantly to raising the profile and funding for asset management within the Council.