



POLICY AND RESOURCES SCRUTINY COMMITTEE – 30TH SEPTEMBER 2014

**SUBJECT: REVIEW OF ASSET MANAGEMENT (LAND AND PROPERTY)
STRATEGY – PROGRESS UPDATE**

**REPORT BY: ACTING DIRECTOR OF CORPORATE SERVICES AND SECTION 151
OFFICER**

1. PURPOSE OF REPORT

- 1.1 To inform Scrutiny members of progress against recommendations for improvement flowing from a review of the council's Asset Management (Land & Property) Strategy: September 2013 by the Auditor General for Wales.
- 1.2 The Auditor General's review was presented to Audit Committee on the 6th November 2013.

2. SUMMARY

- 2.1 The Auditor General concluded the review by making 5 Proposals for improvement. They were:

P1: Develop a robust Asset Management Strategy for its property and associated infrastructure. The strategy should:

- Set out a vision for each type of asset that shows how it contributes to the delivery of the council's priorities
- Set targets for assessing progress, including the condition and suitability of each asset
- Describe an overall plan for implementing the Strategy
- Be approved by Members

P2: Ensure that the individual service asset management plans are developed as soon as possible and are used to inform the Council's financial planning process.

P3: Finalise its current review of property performance data and agree which data should be monitored and reported at an officer and member level

P4: Develop and implement arrangements to monitor the delivery of the strategy

P5: Formalise the role of the Asset Management Group to improve governance and accountability. This should include:

1. Reviewing the membership of the Group
2. Developing terms of reference to include responsibility for:
 - Leading on all corporate asset management issues
 - Leading on decisions around individual assets
3. Ensuring that meetings are recorded appropriately

3. LINKS TO STRATEGY

- 3.1 Asset Management is a key component of the council's forthcoming Medium Term Financial Plan deliberations.

4. THE REPORT

- 4.1 The planned delivery dates, as agreed with Audit Committee, of the 5 Proposals for Improvement described above are:

P1: March 2014

P2: January – March 2014

P3: April 2014

P4: April 2014

P5: October 2013

- 4.2 The current state of completeness is:

P1: Develop a robust Asset Management Strategy for its property and associated infrastructure - Partially Complete

The development was making reasonable progress and reference was made to such strategies published by leading local authorities in England and Scotland such as, for example, West Lothian Council. It became clear that a Strategy as described by the Auditor General under P1 was much wider than the current council Land & Property Strategy and work was undertaken to analyse the various "associated infrastructure" elements that should contribute to a whole authority Asset Management Strategy.

A comprehensive Asset Management Strategy should include:
Property (Land & buildings) including Community & Leisure
Highways & Related Assets
Education (Schools Asset Management Plan)
Caerphilly Homes
Fleet
ICT
Human Resources

Although some of the above are already in place they were written at a time when local government finances were more stable. Members will be more than aware that the council is facing unprecedented budget pressures and current strategies will inevitably be touched by future cuts in services. Consequently it is submitted that progress on the development of a revised Asset Management Strategy be delayed until such time that the council's financial position becomes clearer, a revised MTFP is agreed, and services can better plan. In essence the MTFP will become the driver for the development of the Asset Management Strategy

P2: Ensure that the individual service asset management plans are developed as soon as possible and are used to inform the council's financial planning process – Partially Complete

Discussions have been held with various services but as in P1 above the financial position is preventing meaningful progress being made. The financial climate is such that rather than service asset management plans being "used to inform the council's financial planning process" the situation is reversed where it is the financial planning process that will have to inform service asset management plans!

P3: Finalise its current review of property performance data and agree which data should be monitored and reported at an officer and member level – Complete

A report identifying a number of properties that are “candidates for disposal” has been circulated to officers and will be presented to Scrutiny as part of the proposed Asset Rationalisation Programme. The candidate sites have been identified based upon condition, running cost, useage, efficiency etc.

P4: Develop and implement arrangements to monitor the delivery of the strategy - **Incomplete.**

This recommendation cannot be completed until P1 and P2 are fully developed.

P5: Formalise the role of the Asset Management Group to improve governance and accountability - **Complete**

5. EQUALITIES IMPLICATIONS

5.1 The local Government Measure defines fairness and access as one of the criteria that constitutes ‘improvement’ within the Wales Programme for Improvement 2009.

6. FINANCIAL IMPLICATIONS

6.1 There are no financial implications associated with this report.

7. PERSONNEL IMPLICATIONS

7.1 There are no personnel implications associated with this report.

8. CONSULTATIONS

8.1 All consultation responses have been incorporated into this report.

9. RECOMMENDATIONS

9.1 It is recommended that Scrutiny Committee note the progress made to date and in particular the reasons for delay of progress described in paragraph 4.1 P1.

10. REASONS FOR THE RECOMMENDATIONS

10.1 To ensure Regulator reviews are appropriately managed and monitored across the Authority.

11. STATUTORY POWER

11.1 Local Government measure 2009, Wales Programme for Improvement 2010.

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