

Chichester District Council

CABINET

12 April 2016

Asset Management Plan 2016-2021

1. Contacts

Report Author:

Paul Over, Executive Director,
Tel: 01243 534639 E-mail: pover@chichester.gov.uk

Cabinet Member:

Gillian Keegan, Cabinet Member for Commercial Services,
Tel: 01798 344084 E-mail: gkeegan@chichester.gov.uk

2. Recommendation

2.1. That the Asset Management Plan 2016-2021 be approved.

3. Background

3.1. The Asset Management Plan (AMP) is a key corporate document which is due for review. It prescribes the way in which the Council arranges itself to manage and maintain both its operational and non-operational property portfolio. Public property assets are estimated to be worth over £370bn nationally and at Chichester the portfolio (operational and non-operational) is currently valued at £115 million, with rental income generated at £2.5m per annum, maintenance costs of circa £400k pa and asset replacement programme costing circa £3m over the next 5 years¹.

3.2. Whilst much of the former AMP remains relevant and useable there are some important issues that have occurred since the former plan was approved that have been given careful thought as part of this review:

- (a) A review of current best practice guidance e.g. RICS; CIPFA etc. has been undertaken to ensure that the new plan conforms
- (b) The Council's operating model has changed following the recent recession to one that emphasises commercial activity as a means to protect and develop services
- (c) Technological improvements have been made and a new financial system purchased that could improve data retrieval and knowledge management
- (d) Devolution and service sharing has grown in importance and this is likely to accelerate over the coming months/years
- (e) There is an accepted recognition that savings can be made from the public property portfolio
- (f) The Council is pursuing a New Ways of Working (NWOW) project and flexible working programme
- (g) The Council now acts as agent for Arun District Council in providing its property management service

¹ Pre Westgate transfer

4. Outcomes to be achieved

- 4.1. The AMP contains policies and procedures that will ensure the portfolio is effectively managed, that the Council's property remains fit for service needs and that non-operational property delivers an acceptable rate of return. The AMP contains specific outcome measures to monitor performance, indicate where improvement might be made and supports the delivery of the Council's priorities contained within the Corporate Plan.

5. Proposal

- 5.1. That the revised AMP, contained in the Appendix, is approved.
- 5.2. The AMP covers Organisational arrangements including linkages to Corporate Structure and Strategies and roles; Consultation; Data Management; Performance Management and Monitoring; Programme and Plan Development and Implementation including Property Review and Rationalisation, Shared use and/or co-location, Capital Programme, Repairs and Maintenance Programme, Acquisition Programme and Disposal Programme as well as Performance Information. The AMP includes an Action Plan that will be reviewed annually.
- 5.3. The revised AMP confirms the role of the Commercial Programme Board in relation to strategic property management and simplifies the process for identifying and planning for the service needs for property via the Service Plan/Corporate Plan.
- 5.4. It retains the role of Corporate Property Officer and proposes the integration of property and financial data to aid data collection and interpretation.
- 5.5. Finally, it proposes a new, simplified, suite of objectives for holding for holding property and their associated performance indicators to ensure that the Council's property assets remain fit for purpose.

6. Alternatives that have been considered

- 6.1. An AMP is not a statutory document and the Council could choose not to adopt one. However, with the increased emphasis being placed by Council on commercial activity, especially that associated with property assets, it is considered appropriate to have a strategic document that ensures this function is properly controlled and managed and subject to Member scrutiny.

7. Resource and legal implications

- 7.1. There are no specific implications for resources and the implementation of the AMP will be undertaken within existing staff resources, although specialist skills will be appointed to deliver project work where required. Effective asset management is designed to ensure that assets are held and managed to best financial advantage.

8. Consultation

- 8.1. A small group of officers comprising a representative from the Estates, Building Services, Corporate Improvement and Finance teams have led the review under the direction of the Executive Director and Commercial Programme Board. Relevant Heads of Service and managers have provided input into the review.
- 8.2. Both Portfolio Holders (Cllrs Keegan and Finch) have also been engaged and consulted throughout the process.
- 8.3. The revised draft has been considered by the Commercial Programme Board and approved for consideration by Cabinet.

9. Community impact and corporate risks

- 9.1. These are identified in the AMP together with the way in which community requirements are reflected in the asset management process.
- 9.2. The only risks are associated with not having an adequate AMP which leads to ineffective property management and an asset base that is not fit for purpose with inherent health and safety and financial risks.

10. Other Implications

	Yes	No
Crime & Disorder: Council property development follows “secure by design” principles and this will have a positive impact on crime levels	x	
Climate Change: there are measures within the AMP that focus on energy consumption which will have a positive impact.	x	
Human Rights and Equality Impact:		x
Safeguarding and Early Help:		x
Other (Please specify): eg Biodiversity		x

11. Appendix

- 11.1. Asset Management Plan 2016-2021.

12. Background Papers

- 12.1. None