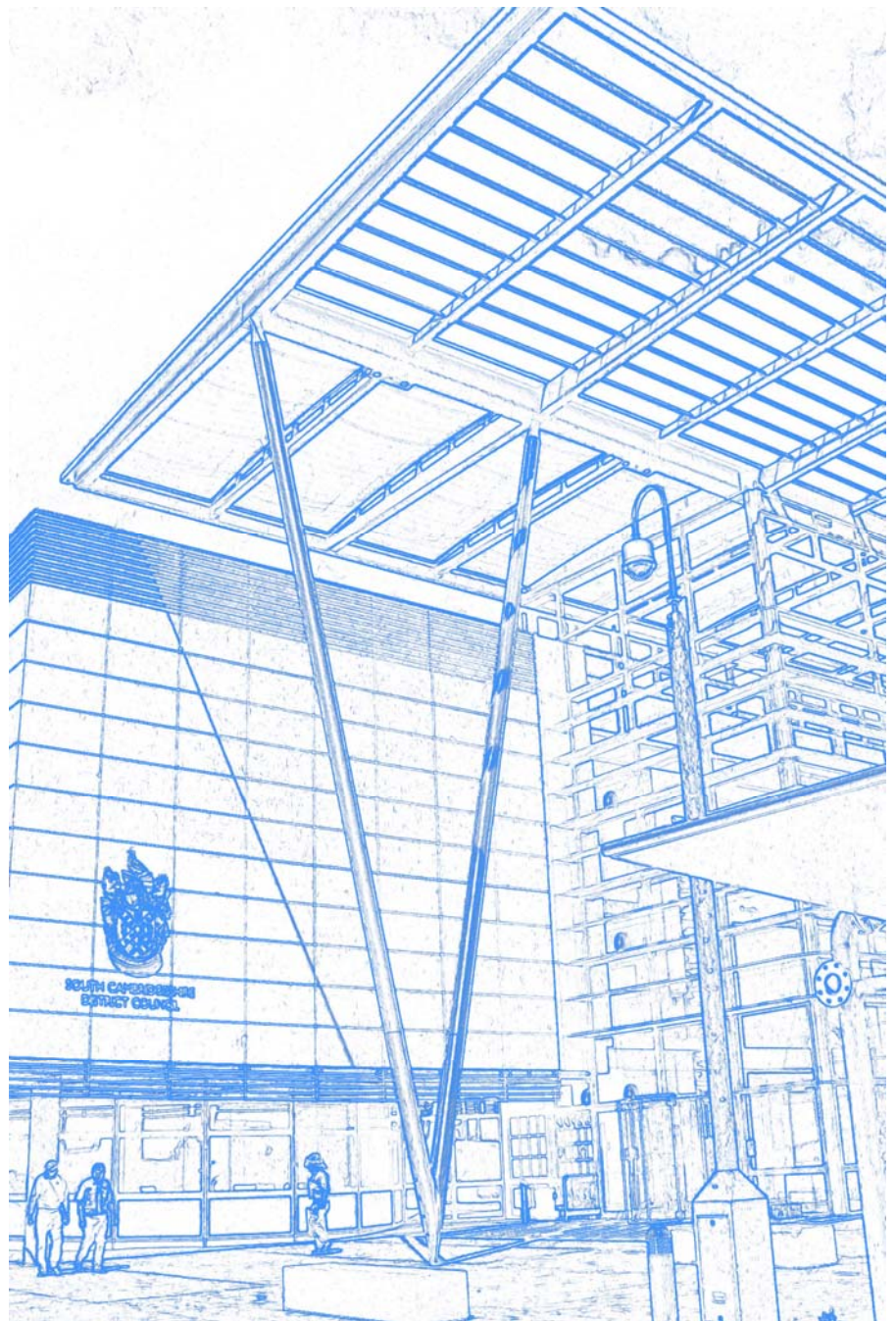




South
Cambridgeshire
District Council

Draft asset management plan 2006/2007 – 2008/09



January 2006 revision

South Cambridgeshire District Council

Asset Management Plan (AMP) 2006/07 to 2008/09 v5draft

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1. Scope and purpose

1.1 The Council's Asset Management Plan (AMP) is concerned with management of the Council's non housing buildings and landholdings. The management of housing assets is dealt with separately in the Council's Housing Business Plan. This AMP covers a three year period from 2006/07 to 2008/09. The AMP aims to:

- Ensure that all the Council's buildings are managed effectively, efficiently and sustainably.
- Provide high quality, accessible accommodation for the Council's staff and customers
- Ensure that use of the Council's assets contributes to corporate objectives and priorities

2. Background and Context

2.1 *Corporate policy context*

2.1.1 The Council's corporate objectives are:

- High quality, accessible, value for money services
- Quality village life
- A sustainable future
- A better future through partnership

2.1.2 The Council's priorities for 2006/07 are:

- To improve customer service
- To increase the supply of affordable housing
- To make a success of the new town at Northstowe and other major new settlements

2.1.3 This AMP is part of a suite of Council strategies and plans which set out how the Council will carry out its business, and as such the AMP should be read in conjunction with the Capital Strategy, and both are key elements of the Council's Medium Term Financial Strategy along with the Housing Business Plan (which is effectively the asset management plan for the Council's housing stock) and the Council's Performance Plan.

2.2 *Financial context*

2.2.1 The Council became debt free in 1996 and from that date was able to use its capital receipts to fund a significant capital programme, primarily delivering improvements to its housing stock. From 2004/05

the effect of national capital receipts pooling has been to reduce the value of receipts available to the Council for investment. Over the same period the number of Right to Buy house sale completions has reduced significantly (105 in 2002/03 to 40 in 2004/05), so overall the availability of capital receipts to fund capital expenditure of housing or non housing projects is significantly reduced.

2.2.2 In 2005/06 the Council had its proposed Council Tax increase 'capped' by the Secretary of State and savings of £2.6m revenue expenditure over two years have to be delivered, resulting in cuts of almost 20% in the original budget. Pressure on the revenue budgets had already forced the Council to cease financing any capital expenditure from revenue.

2.2.3 These financial circumstances affect the Council's ability to invest in its assets and to maintain them into the future. As a direct consequence of the capping savings exercise, decisions were made to dispose of the Council's shopping car parks and to explore future management arrangements for Milton Country Park.

3. Organisational arrangements for asset management

The Council has defined officer and team responsibilities to manage its asset portfolio.

3.1 Corporate asset management team (CAMT)

3.1.1 The Corporate asset management team comprises the following members:

Director of Housing & Environmental Services ('Corporate Property Officer') - Steve Hampson
Housing Asset & Investment Manager – Steve Annetts
Chief Accountant – Adrian Burns
Management Accountant – Graham Smith
Finance Project Officer – John Garnham
Planning and GIS Manager - Paul Grainger

3.1.2 The Corporate asset management team meets to

- Ensure management and maintenance of asset data in an asset register
- Carry out a programme of annual asset challenge and review
- Develop and oversee asset management performance indicators
- Review performance and plan future arrangements

- Present an annual report to Corporate management team (CMT) in July of each year, so that any budgetary requirements are determined in advance of the annual budget setting process, and so that the AMP is refreshed annually.

3.2 Corporate Management Team (CMT)

3.2.1 CMT will:

- Undertake strategic management of the Council's assets and make recommendations to the Resources & Staffing Portfolio Holder
- Allocate responsibility for operational assets to individual CMT members
- Make proposals for variation to revenue and capital budgets following revision of the AMP
- Systematic review and challenge of property use, provision and management
- Take into account stakeholder views about the Council's property assets

3.3 Resources & Staffing Portfolio Holder (PFH)

3.3.1 The annually revised AMP is then referred to the Resources & Staffing PFH for adoption and on to Cabinet for endorsement.

3.3.2 The Housing Portfolio Holder is responsible for determining small housing land parcel disposals and each parcel is considered at a Housing PFH meeting, following consideration of the options and consultation.

3.4 Work with partners

3.4.1 Members of the Corporate asset management team maintain good working relations with other property holding public sector agencies in the district and, where appropriate, joint discussions about future options are held

3.4.2 For example, in 2005/06 there have been joint discussions with the Primary Care Trust (PCT) regarding the possible location of a mental health housing project in Sawston; and with the County Council and PCT regarding a new health and community centre at the Windmill estate, Fulbourn.

3.4.3 The Council is linked into the Cambridgeshire Property Forum, which comprises the County Council and other district councils and which

facilitates information exchange and performance and cost benchmarking.

4 What are the Council's non housing assets?

Description	No.	Area	Value (£m)
<i>Operational assets (used for the provision of Council services)</i>			
South Cambridgeshire Hall, Cambourne	1	5,055sq m	16.8
Milton Country Park visitors centre/car park	1		1.2
Shopping car parks	5		0.5
<i>Non-operational assets</i>			
Shops	2		0.2

Table 1: Council operational and non-operational assets

4.1 Developing a comprehensive corporate asset register

- 4.1.1 At present, details of the Council's assets are stored in a number of locations. The Finance & Resources Department holds an asset register which is used as the basis for the Council's accounts.
- 4.1.2 The Housing & Environmental Services department manages a Land Terrier system which contains details of all the Council's landholdings on Ordnance Survey (OS) based maps.
- 4.1.3 During 2005/06, the Council is continuing to register all its landholdings. This work is being undertaken in partnership with the Land Registry and when complete in 2006/07, the Council will have a fully registered definitive list of its landholdings.
- 4.1.4 In unifying data by eliminating multiple datasets the opportunity will be taken to ensure compliance with the BS7666 Local land and Property Gazetteer. This will provide an official Unique Property reference Number (UPRN) for each property or parcel of land.
- 4.1.5 The following data will be captured and maintained to national standards...
- Description
 - Location
 - Unique Property Reference Number (UPRN)
 - Site area
 - Tenure
 - Budget code
 - Financial charges

- Planning designation
- Value
- Operational budget
- Condition
- Energy efficiency

4.1.6 The data capture and migration programme is being integrated with the Positional Accuracy Improvement (PAI) project in partnership with Ordnance Survey (OS). This will ensure the highest accuracy and consistency, using OS Mastermap as the principal mapping reference.

4.1.7 The Council has completed a disabled access audit of its properties and all achieve full disabled access.

4.2 Maintenance and repair of existing assets

4.2.1 There is no maintenance backlog in respect of the assets listed above. Revenue expenditure and capital investment ensures that current and future maintenance requirements are met.

4.2.2 The Council's Cambourne office was completed on 30 April 2004. The construction has been subject to a defects liability period and works by both the developer and contractor to remedy defects are ongoing.

4.2.3 Service and maintenance contracts have been put in place for the following specialist items:

- the mechanical and electrical plant and equipment, including heating and ventilation;
- the air handling units in the ICT Communications Room;
- the ETFE polymer resin roof; and
- the moveable walls in two meeting rooms.

4.2.4 Provision has also been made in the revenue budget for the Cambourne office for minor repairs and maintenance that may be required during the financial year.

4.2.5 £46,320 has been included in the revenue estimates for 2006/07 in respect of service and maintenance contracts, minor repairs and maintenance. Any major items of repair or other investment would require a report to Members and separate budget approval.

4.2.6 Maintenance of buildings and grounds at Milton Country Park is estimated at approximately £39,660 for 2006/07.

5. How are the Council's assets performing?

5.1 Performance indicators

5.1.1 It is recognised that a key part of performance management is the introduction of the National Property Performance Indicators (PPI's). Results from the collection of data from the estimates 2006/2007 year, which follows the guidance contained in DTLR document; Single Capital Pot Guidance 2003 Annex C, is set out within this section. The Council's performance in relation to the five national PPI's are set out below:

PPI 1A – Condition of Assets

% gross internal floor space in condition categories A - D

Asset Category	Condition Category			
	A	B	C	D
Operational – other land and buildings	100%	0	0	0
Non-operational general	0	100%	0	0
Non-operational surplus	0	100%	0	0

Key

Category A: Good - Performing as intended and operating efficiently.

Category B: Satisfactory - Performing as intended but showing minor deterioration.

Category C: Poor - Showing major defects and/or not operating as intended.

Category D: Bad - Life expired and/or serious risk of imminent failure.

PPI 1B – Backlog of Maintenance

Backlog of maintenance by cost expressed i) as total value and ii) as a % in priority levels 1 - 3

Asset Category	Total Backlog £'000	Condition Category			
		A	B	C	D
Operational – other land and buildings	0	0	0	0	0
Non-operational general	0	0	0	0	0
Non-operational surplus	0	0	0	0	0

No backlog of maintenance exists to existing buildings

Key: Priority level 1: Urgent works
 Priority level 2: Essential works
 Priority level 3: Desirable works

PPI 2 A, B, C Non Operational Investment Properties

Overall average internal rate of return for each of the following non-operational investment portfolios

Indicator	Category	Overall Average Rate of Return
PPI 2A	Industrial Portfolio	No assets in this category
PPI 2B	Retail Portfolio	No significant assets in this category
PPI 2C	Agricultural Portfolio	No assets in this category

PPI 3 Management Costs

Total annual management costs per sq m (GIA) for the property portfolio

Indicator	Category	Annual Strategic Management Costs per SqM
PPI 3	Operational Property	£12.34
PPI 3	Non Operational Property	Not significant

PPI 4 A, B, C, D Efficient Use of Assets

Indicator	Operational Buildings Occupied by South Cambridgeshire District Council	Cost per SqM Cambourne offices
PPI 4A	Repair & maintenance costs	£12.67
PPI 4B	Energy costs	£17.61
PPI 4C	Water costs	£0.61
PPI 4D	CO2 Emissions	?

PPI 5 A & B Delivery of Capital Projects within budget and on time

Qualifying Projects		
PPI 5A Cost predictability	% of projects where outturn falls within +/- 5% of the estimate	100%
PPI 5B Time predictability	% of projects falling within +/- 5% of the estimated timescale	0%

5.1.2 Benchmarking will initially be carried out by the CAMT by comparing the performance indicators of this Council with those in the asset management plans of other councils. Membership of the Cambridge Property Forum should also facilitate good practice and performance comparison.

6. Options appraisal and programme and plan development

6.1 The Corporate asset management team will use the following 'asset challenge model' against each of the Council's assets in order to determine whether it is...

- Fit for purpose?
- Offering value for money?
- Well located?
- Secure by way of tenure?
- Opportunities for partnering?
- Right size?
- Best utilised?

6.2 Consideration of these factors will lead to consideration of the following options:

- Retain and maintain
- Retain and refurbish
- Retain with alternative use
- Develop
- Dispose

6.3 A programme of asset review will be planned by the Council's asset management team.

6.4 In 2005/06 the Council decided to investigate disposal of five shopping car parks and detailed options appraisals are being carried out in respect of these sites. Similarly, consideration is also being given to disposal of two shop units at Sawston.

6.5 These initiatives will effectively leave the Council owning just two significant non housing building assets – South Cambridgeshire Hall and Milton Country Park Visitors Centre. An options appraisal is being carried out in relation to Milton Country Park (to complete in 2006/07).

6.6 The asset management practices adopted by the Council will be proportionate to the size of this portfolio.

7. Future developments

7.1 Appraisal of Council land holdings

7.1.1 For 2006/07 the Council's housing strategy team will be carrying out an audit of all Council landholdings to

- Identify options and opportunities to provide additional affordable housing
- Maximise capital receipts to fund the Council's capital programme
- Support other corporate objectives and priorities where practical – for example the identification of suitable land for travellers sites

7.1.2 This project was originally funded for 2005/06 but as a consequence of capping, funding was lost. An alternative funding arrangement with the Council's preferred partner housing associations is being developed and it is hoped that the work can be completed by March 2007.

7.2 Collation of property and land holding information into a central asset register

7.2.1 The Council's Land Terrier system holds information about all the Council's landholdings, and is amended when land is sold or transferred. However the OS based system does not, at this time, provide links to a text based description of the asset containing the information set out at paragraph 4.1 above. The activities described at 4.1 in respect of checking and amending Land Registry entries, and the identification of land that could be developed (at 7.1 above), should ensure that the Council's records are up to date and accurate.

7.2.2 The next step is linking textual data to the corporate Geographic Information System (GIS). This work will be completed within by May 2006 providing a fully integrated back office system that displays both spatial and textual data linked to a property address from the LLPG. This complies with the Council's IEG programme of phased replacement of back office systems.

7.3 Best use of South Cambridgeshire Hall

7.3.1 The number of staff based at South Cambridgeshire Hall is set to reduce either as a consequence of reducing budgets or as new methods of home working are developed. Use of office space and the further potential to let office space will need to be considered and CMT will be reviewing shared use of accommodation.

Appendix One – action plan

(All to be overseen by the CAMT, with progress monitored at June 2006 meeting)

Registration of all Council landholdings with the Land Registry – April 2006

Review of Council landholdings to commence - HS team – April 2006

CAMT to met and agree workplan for 2006/07 – April 2006

Capture and migration of spatial and textual data to be completed – June 2006

CAMT to review all assets and make recommendations to CMT - June 2006

CMT to review AMP and CAMT report – July 2006

R&S PFH and Cabinet to review AMP and CAMT annual report - September 2006

Review of Council landholdings to complete – March 2007