

CONTENTS

- 1.0** Introduction
- 2.0** Corporate Property Strategy
- 3.0** Corporate Property Officer
- 4.0** The Asset Management Group
- 5.0** Consultation
- 6.0** Data Management
- 7.0** Performance Monitoring
- 8.0** Programme Development and Implementation

BRENTWOOD BOROUGH COUNCIL
ASSET MANAGEMENT PLAN 2008/2010

1.0 INTRODUCTION

- 1.1** This Asset Management Plan is produced to ensure that the Council utilises and manages its land, buildings and other assets within the Borough. The plan sets out the asset management processes for the Council and the steps the authority is taking to ensure efficient and effective asset management planning takes place across all Directorates and Services. This involves the Council in a formal planning process relating to the acquisition, disposal and maintenance of assets.
- 1.2** Brentwood Borough Council's Asset Management Plan (AMP) has been produced using DCLG (ODPM) guidance and comprises all Council-owned land and buildings and all other property either leased or rented by or from the Council, irrespective of the length of the lease or the Council's maintenance/repair responsibilities.
- 1.3** The plan's property portfolio originally included all play areas, parks and off-street parking areas but excluded areas of woodland, open common space and assets below £10,000 in value. The Asset Management Group (AMG), however, considered that the portfolio would be more representative and of greater practical use if it were to consist of all the Council's land and property holdings (except HRA), including those areas deemed to be below £10,000 in value by the District Valuer due to the condition/use the land is subject to.
- 1.4** The AMP portfolio includes all general fund-managed land and property.
- 1.5** The Plan does not include Housing Revenue Account property which is included within the Housing Strategy and Housing Revenue Account Business Plan.
- 1.6** The implementation of changes to legislation applicable to property and its management, continue to be assessed, e.g. Fire Safety Order and Energy Certification, etc.
- 1.7** Due to a fundamental reconsideration of the medium term financial plan and impending property initiatives it is considered appropriate to produce all AMPs for the period 2008 – 2010.

2.0 CORPORATE PROPERTY STRATEGY

- 2.1** The Council aims to provide and maintain as are necessary to achieve, the policies and objectives of the Council, as outlined within the Council's Community Plan, Corporate Performance Plan and Asset Management Plan. The objective is to do this in the most cost effective manner, ensuring such assets are in the most appropriate location possible and which comply with all relevant statutory requirements.

- 2.2** The AMG will be responsible for the strategic management of the Council's land and property portfolio and will produce, implement and monitor an Asset Management Plan.
- 2.3** No asset will be acquired, disposed of or have capital expenditure allocated to it without first being assessed by the AMG in terms of how it meets the policies and objectives of the Council's Community Plan, Corporate Performance Plan, Asset Management Plan and Corporate Property Strategy. Results of the reviews and assessments will be reported to the Council and/or relevant Executive Panels.
- 2.4** Before the Council acquires an asset (whether that be through outright purchase, lease, Section 106 agreement, gift, etc) that asset will be assessed by the AMG. This assessment will relate to the need for the Council to acquire the asset in order to meet the Council's stated policies and objectives. The assessment will explore whether there are alternatives to acquisition, such as shared use, delivering the service from other Council land and property or by an alternative means.

The availability of capital funding to acquire/develop the asset and the ongoing financial implications for the Council would also be part of the assessment.

- 2.5** Where a property is identified as no longer being required to meet the Council's policies and objectives, it may be declared surplus to requirements. Assets identified as surplus will be reported to the relevant Executive Panels with recommendations.
- 2.6** Where it is in the Council's financial interest to retain a surplus asset as part of its investment portfolio, then a business plan for the asset will be produced and clear economic and financial targets set for the asset to achieve.
- 2.7** Where an asset does not meet its financial targets the Corporate Property Officer (CPO) will refer the matter to the AMG, which may review all financial targets or recommend disposal to the Policy Board or Executive Panel of the Council.
- 2.8** Applications for capital funding for the maintenance or improvement of assets will be made by Directors/Heads of Service/appropriate managers to the Asset Management Group in accordance with the Capital Assessment Procedure.
- 2.9** The statutory responsibilities for property (such as the Duty to Manage Asbestos as detailed in the Council's Asbestos Policy and the duty to undertake fire risk assessments as defined in the Regulatory Reform Order) are delegated to the responsible Director/Head of Service/appropriate managers on behalf of the Head of Paid Service.

3.0 CORPORATE PROPERTY OFFICER

- 3.1** The Corporate Property Officer (CPO) is responsible directly to the Asset Management Group for maintaining a corporate overview of the Council's property portfolio and the Asset Register. The CPO has the authority to interrogate and challenge decisions, practices and procedures with respect to property management at all levels of responsibility across Directorates and Services on behalf of the AMG.
- 3.2** The CPO reports directly to the AMG on the effectiveness and efficiency of Directorates and Services in following a corporate approach to the management of the Council's portfolio related to the aims and objectives of the Council's Corporate Property Strategy, Asset Management Plan and Capital Strategy and Community Plan.
- 3.3** The CPO advises the AMG on performance indicators (collection of and types), structures and procedures for both current and future needs to further Strategic Corporate Asset Management within the authority. The CPO will present stakeholder questionnaires, service plans, Best Value reviews, property surveys, reports, capital applications, etc, to the AMG in such detail and content to enable the Group to undertake informed reviews of property portfolio and to allocate capital funding using a methodology based upon corporate priority.
- 3.4** The responsibilities of the CPO have been reported to Members of the Council, the Management Board and those officers responsible for maintenance of the property portfolio.
- 3.5** The CPO, where necessary and appropriate, attends Council, Policy Board and Executive Panel meetings where property issues are included in the agenda and advises the AMG of decisions made which would affect strategic Asset Management.
- 3.6** Input into the Capital Strategy is made by the CPO by attending Strategy meetings held during the preparation of the Capital Strategy.
- 3.7** The CPO will be provided with copies of any Best Value or other Service Reviews and Improvement Plans by the relevant Director/Head of Service/appropriate managers. The CPO will report back to the AMG on property issues arising from those reviews and their implications for strategic Asset Management.

4.0 THE ASSET MANAGEMENT GROUP

4.1 The Asset Management Group is responsible to the Council for the strategic management of the Council's assets. The AMG is supported by the CPO in undertaking the defined duties/responsibilities. The Group consists of the following:-

Head of Paid Service; Director of Environmental Services; Executive Law & Probity Officer; Director of Community Services; Head of Building Surveying Services (Corporate Property Officer); Director of Finance; the Chief Planning Officer and the Chief Executive of Brentwood Leisure Trust.

4.2 The AMG brings together those officers who have the responsibility for the whole of the Council's property portfolio. In addition there will be a number of officers who are responsible for the day to day managing of individual assets. These officers will attend the AMG meeting when required or when appropriate. The Director of Financial Services is responsible for producing the Council's Capital Strategy, the Head of Policy Services is responsible for the Community Plan and the Corporate Performance Plan; and the Corporate Property Officer is responsible for the Asset Management Plan.

4.3 The information/reports presented to the AMG by the CPO have a direct input into the community planning process and the development of corporate policies and objectives.

4.4 Brentwood Borough Council is a small local authority, therefore senior officers are able to work closely together with a more hands-on approach than would be possible in a larger Authority.

4.5 The AMG is responsible to the Council for the strategic management of the Council's property assets with the following terms of reference:-

- Implementation of the Council's Asset Management Land and Building Corporate Property Strategy on behalf of the Council.
- The establishment of an asset management database to be maintained and updated as necessary.
- The approval of capital projects and capital programmes for inclusion in the annual budget reports to elected Members.
- To ensure a methodology for allocating funds to capital projects is in place based upon corporate priority needs and that all projects are monitored and progress reported back to the AMG,
- To keep Members of the Council informed on strategic issues concerning the property portfolio.
- To undertake a series of periodic, cyclical reviews regarding the retention or disposal of property being either lease or freehold.

- The identification of surplus property.
- The setting of financial targets for investment properties to be met and reviewed during rent reviews and when new leases are being prepared.
- The allocation of budgets for both planned maintenance programmes and maintenance to ensure the most effective use and allocation of resources.
- To ensure that all property complies with all relevant statutory and operational requirements.
- To consider all acquisitions of property by evaluating the financial implications of doing so and whether or not existing properties could be used to deliver the service or whether the service could be delivered by an alternative means.
- That the property portfolio is managed in an effective, efficient and business-like manner.
- The setting of business plans for investment properties.
- That the property portfolio contributes to the achievement of the Council's aims, policies and objectives as outlined within the Community Plan, Annual Performance Plan and Asset Management Plan.
- That procedures and practices are in place for collecting the information necessary to produce the Performance Indicators for Asset Management planning and Performance Management.
- To produce for Members' approval an Asset Management Plan and Capital Strategy to be updated/reviewed/revised as necessary but which will be current at all times.
- To meet as necessary but at least four times per year.

5.0 CONSULTATION

- 5.1** The CPO, prior to each AMG review will consult those responsible for providing services from the property. This consultation is by way of a stakeholder questionnaire. Completed questionnaires are presented to the AMG as part of the review process. The questionnaire addresses the issue of suitability on behalf of the service provider.
- 5.2** Service review process includes consultation with users as to the suitability of the property in providing the service concerned. Such service reviews are forwarded to the CPO and then reported to the AMG as part of the review process and for possible future implications regarding capital funding.

5.3 Service Plans are forwarded to the CPO to be reported to the AMG where strategic property issues are concerned.

5.4 The Council has established a Local Strategic Partnership. Notes of LSP meetings are provided to the CPO to advise the AMG where matters relating to strategic Asset Management are discussed.

6.0 DATA MANAGEMENT

6.1 The Council has installed a comprehensive computerised Asset Management database. This consists of several modules and includes those for property details, condition surveys, suitability, estate management, performance indicators, hazards, etc. The software is written to meet the requirements of the Department of the Communities and Local Government.

6.2 Within the system all property/land within the Borough is able to have allocated to it a unique property reference number (UPRN).

6.3 Before acquisition of the system a survey of all users was undertaken as to their requirements for the storage of property information and the new system meets all of those requirements.

6.4 Training on the use of the software is given to all officers required to use, maintain and update the data. The CPO ensures that the Council's property portfolio correctly maintained and reports to the AMG on the maintenance, updating and effectiveness of the Database.

6.5 The database is available to all those who have been identified as requiring access to it.

6.6 Before data is stored within the database, the information is checked with legal documentation. A location plan of the asset is stored with the property data to provide visual identification of the asset.

6.7 The system's database enables planned maintenance programmes to be developed as the condition survey module prioritises work, thus allowing a planned maintenance programme to be produced based upon priority.

6.8 The information that is possible to record upon the database is:

- UPRN
- Estate Management (lease, freehold, rents, valuations, etc) arrangements
- Property data (construction location, floor plans, areas)
- Work undertaken
- Condition surveys
- Priority identification of work
- Suitability surveys

- Hazard records
- Energy Conservation
- Costings (to enable planned maintenance programmes and maintenance backlogs to be produced)
- The information required to produce Performance Indicators
- Additional user fields and modules are available to enable any item of data to be stored that the CPO or the AMG wish to have recorded.

6.9 A geographical mapping system is also being developed to assist in identifying sites, e.g. the recording of planning applications against this system will be linked with the Corporate Asset Management Database.

7.0 PERFORMANCE MANAGEMENT AND MONITORING

7.1 Reports are made to Members and Chief Officers on strategic property-related issues and reviews throughout the year. The Asset Management Plan and Capital Strategy are agreed by Members and the Council's Management Board prior to their implementation.

7.2 The Capital Programme is decided upon by giving priority to the Council's corporate policies, aims and objectives using a methodology assessment process. The Capital Programme is reported to Members each year for approval. The Capital Asset Programme for 2008/2009 is:-

Disability Discrimination Act Requirements	10,000.00
Town Hall Toilet Refurbishment	60,000.00
Town Hall Electronic Doors	25,000.00
Merrymeade Refurbishment	991,000.00
Warley Playing Fields Rewire Joint Use Pavilion	13,000.00
Brentwood Centre - Light Fittings	24,000.00
Brentwood Centre - Disabled Stairlift To First Floor Gym	20,000.00
Bishops Hall Internal Refurbishment	65,000.00
Anti Traveller Measures Warley Park & Hatch Road	11,000.00
London Rd Cemetery Resurfacing & DDA Improvements	13,000.00
KGPF Main Car Park DDA Access Improvements	20,000.00
Hampden Wood Footpath Resurfacing	25,000.00
MSCP – Various improvements	122,000.00
High St Public Toilets Short Term Refurbish	6,000.00
Bell Mead Foot Path Repair	7,000.00
Brackenwood Kneerail Fencing	20,000.00
<u>Project Preparation</u>	<u>181,000.00</u>
Total	1,613,000.00

7.3 The Capital Asset Programme for 2005/06 was £873,000; 2006/07 £1,248,000 and £683,000 for 2007/08. The Capital Asset Programme can be seen to make a significant contribution in the delivery of the Council's policies, aims and objectives.

- 7.4 Property reports are made to Members and the Council's Management Board throughout the year as appropriate and via the AMP on the condition of properties and estimated cost of repairs.
- 7.5 Stakeholder questionnaires ascertain the suitability of the premises by the current service providers, together with any possible changes in service delivery due to legislation, demand or condition.
- 7.6 Service reviews include comparisons with the performance of other organisations. These comparisons are contained within the service review and are forwarded to the CPO for reporting to the AMG.
- 7.7 Members are updated upon the progress and performance of the Capital Programme.
- 7.8 The following performance indicators are used:-

Indicator 1A - Buildings for which the Council has a repairs and maintenance responsibility.

PERCENTAGE OF GROSS INTERNAL FLOOR AREA (GIA) IN CONDITION CATEGORIES A TO D	
Condition A	5.4
Condition B	47.5
Condition C	45.2
Condition D	1.9
Total	100.00%

Indicator 1B(i) - The total value of backlog

This was assessed in 2003/04 as being £900,000 based upon an analysis of the surveys carried out at that time. However, with a capital programme of £2,804,000 (05/06-07/08) inclusive it can be seen that the Council has shown a very high level of financial commitment to the provision of good Asset Management in the maintenance and improvement of its land and property portfolio.

With the high level of the financial commitment shown above, it is reasonable to assume that this is likely to be above the value of any increase in the £900,000 backlog. The £900,000 value of backlog has therefore not been changed but a further analysis will be undertaken by the end of 2008/2009. In preparation for the District Valuers revaluation in March 2009.

F to
do
07/08

Indicator 1B(ii) is assessed from an analysis of the surveys referred to in 1B(i).

PERCENTAGE OF BACKLOG BY COST NOW IN PRIORITY LEVELS 1-3	
Priority 1	17%
Priority 2	40%
Priority 3	43%

Remains unchanged - see 1B(i)

Indicators 2 A, B and C

CURRENT INTERNAL RATE OF RETURN FOR THE PORTFOLIO EXPRESSED AS AN AVERAGE FOR (A) INDUSTRIAL; (B) RETAIL; AND (C) AGRICULTURAL INVESTMENT PROPERTY.		
2A	Industrial	Not Applicable
2B	Retail	Not applicable
2C	Agricultural	Not applicable

Indicator 3 The Strategic Management Costs for the Property Portfolio

STRATEGIC ANNUAL MANAGEMENT COSTS PER SQ M OF GIA	
Buildings (except Housing)	£1.80

Housing has not been included because the total GIA of all housing units is not readily obtainable. The indicator given below is the strategic management cost per dwelling.

Housing	£16.00
---------	--------

Indicators 4A-D

REVENUE RUNNING COSTS FOR OPERATIONAL BUILDINGS OCCUPIED BY THE LOCAL AUTHORITY		
4A	Repair maintenance costs per sq. m of GIA (excludes capital programme)	£6.88
4B	Energy costs per sq. m of GIA (heated floor area)	£13.58
4C	Water costs per sq.m of GIA	£1.00
4D	CO2 emissions in tonnes of carbon dioxide per sq. m (heated floor area)	0.155

Indicator 5A and 5B are for all single capital projects of £25,000 or more, including housing but excluding highways and I.T.

Indicator 5A

<p>PERCENTAGE OF PROJECTS COSTS WHERE OUT-TURN FALLS WITHIN +/- 5% OF THE ESTIMATED OUT-TURN, EXPRESSED AS A PERCENTAGE OF THE TOTAL PROJECTS COMPLETED IN THAT FINANCIAL YEAR. (COMPARISON OF ESTIMATED OUT-TURN PROJECT COSTS AT "COMMIT TO INVEST" WITH ACTUAL OUT-TURN COST AT PRACTICAL COMPLETION.</p>
<p><u>100%</u></p>

Indicator 5B

<p>PERCENTAGE OF PROJECTS FALLING WITHIN +5% OF THE ESTIMATED TIMESCALE EXPRESSED AS A PERCENTAGE OF THE TOTAL PROJECTS COMPLETED IN THAT FINANCIAL YEAR. (COMPARISON OF ESTIMATED TIMESCALE AGAINST ACTUAL TIMESCALE FOR PROJECTED DESIGN AND CONSTRUCTION).</p>
<p><u>100%</u></p>

8.0 PROGRAMME DEVELOPMENT AND IMPLEMENTATION

- 8.1** The AMG has agreed that a four year cyclical asset management review, survey and maintenance programme be put into place from 2006. Each asset will be surveyed and reviewed fully every four years and a service planned maintenance programme developed and implemented from the survey results and the AMG review. See Appendix 1 for survey/review programme.
- 8.2** The property reviews considered by the AMG. will include:-
- Condition Surveys
 - Fire Risk Assessments
 - Disability Discrimination Act Surveys
 - Asbestos Surveys
 - Energy Conservation
 - Priority Grading of Identified Work with Estimates
 - Crime and Disorder
 - Running Costs
 - Stakeholder Questionnaires
 - Best Value Reviews
 - Business Plans
 - Targets
- 8.3** Currently, suitability reports come from users and providers via Service Reviews and Stakeholder Surveys.
- 8.4** The information placed before the AMG by the CPO will provide the Group with sufficient detailed information to enable them to be able to undertake a considered review as to the necessity of retention or disposal of the asset and an overview of any planned maintenance and capital works programme.
- 8.5** Applications for capital funding are made to the CPO who presents them to the AMG in order for funding to be considered via a methodology based upon corporate priorities being the Council's policies, aims and objectives.
- 8.6** Where leases on properties are issued or renewed, the Council seeks to minimise their repair/maintenance responsibilities by changing, where possible, to full repairing leases by the tenant.
- 8.7** The Council encourages private companies to invest in Council property as a form of partnership in order to upgrade and bring about full utilisation of property for the benefit of the community.
- 8.8** Following AMG reviews and reports to the Management Board and elected Members of the Council, the following decisions regarding land/property actions have been agreed:-

Asset Disposals:

- (1) Old House
- (2) Keys Hall
- (3) Hutton Parish Hall
- (4) 18 Cadogan Avenue
- (5) 7/9 Crown Street

Acquisitions:

- (1) Merrymeade House

New Leases:

- (0)

Development:

- (1) The Council has established a planning brief for the redevelopment of land at William Hunter Way for a mixed retail/leisure use and consent is in the process of being sought
- (1) An agreement to refurbish Merrymeade House in partnership with Circle Anglia Housing for mixed community and residential use was entered into.

8.9 The non-housing Capital Strategy has been based upon the release of capital from the sale of assets. In order to facilitate this approach, the ongoing review of assets is essential for any property portfolio.

8.10 The Council has agreed, in addition to the above, that monies received from the sale of Council houses in excess of that required for the Housing revenue Account Business Plan, may be used for capital work for non housing property.

BRENTWOOD BOROUGH COUNCIL

DRAFT

ASSET MANAGEMENT PLAN

2008/2010