



It's all happening in Halton

Asset Management Plan 2008

Managing property as a resource for the Borough



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To be completed.



FOREWORD

Provided by Executive Board Member: Corporate Services



EXECUTIVE SUMMARY

To be completed following consideration of the draft report.



PROFILE OF HALTON

Halton Borough Council is a Unitary Authority providing the full range of local government services within the Borough. The Borough of Halton covers 7,937 hectares and incorporates the towns of Widnes and Runcorn in addition to the villages of Hale, Moore, Daresbury and Preston Brook.

Location

Located within the M62 and M56 corridors and straddling the River Mersey, the borough has superb communication links by road, rail, sea and air. Situated between Manchester International and Liverpool John Lennon Airports and close to the Port of Liverpool, all major European and international markets are within easy reach of the Borough of Halton.

People

The 2006 mid-year population estimates show the combined resident population increasing from 118,800 to 119,500 who live in 54,859 households, giving an average house occupancy of 2.17.

An estimated 287,400 people live within a twenty minute drive of the centre of the Borough of Halton. This equates to 116,600 households of which 72% are owner occupiers and 14% are engaged in professional or managerial occupations. Within 30 minutes the population increases to 868,000 individuals or just over 252,100 households.

Within the Borough of Halton 65.8% of households are owner occupied (2001 Census). 19.7% of the population are engaged in professional or managerial occupations whilst a further 24.1% of people work within manufacturing or elementary occupations (Annual Population Survey 2006).

The Halton unemployment rate in May 2007 was 2.9%, down 0.3% on the previous year's figure of 3.2%. This compares with a figure of 2.5% in the North West and 2.1% in Great Britain. The Index of Multiple Deprivation (IMD) 2007 ranks Halton as 30th highest out of 354 local authorities, in the previous IMD 2004 Halton ranked 21st, showing an improvement over the intervening years. The IMD 2007 ranks all the Census Super Output Areas (SOAs) in Halton, giving an overall impression of the depth of deprivation for a district.

The 2001 Census showed that 21.5% of the resident population of Halton has a limiting long-term illness (LLTI), lower than the Greater Merseyside figure of 23.4%, but higher than the North West (20.7%) and Great Britain (18.2%) figures.

20.2% of the population in Halton have no qualifications (13.8% in Great Britain) whilst 16.8% of people hold a Level 4 Qualification (Equivalent to a degree) compared to 27.4% nationally.

Business

Halton has a diverse, dynamic and growing economic base. International companies such as Diageo, O2, Ineos Chlor Group, Atos Origin, YKK, AEGON, BNFL and Yokogawa power the economy of Widnes and Runcorn.

With plenty of affordable space to grow, a superb workforce and a brilliant location between Liverpool and Manchester, the area is one of the North West's major business hubs.

- Over the last five years over 150 new companies have created more than 6,000 new jobs. Recent investors include BNFL, TNT, Lidl UK and international insurance group AEGON.
- The call centre industry is thriving within Halton. O2 (formerly BT Cellnet) employs over 1,700 people in Runcorn.
- 26% of all exports originating from Greater Merseyside are produced in Halton. Halton is by far the largest exporter in the sub-region.
- Halton has the highest proportion of businesses in the knowledge driven production sector in the North West and 9th Highest in Great Britain.
- In terms of GVA per head productivity, Halton is the most prosperous area in Greater Merseyside and the 4th most prosperous in the North West, above the Cheshire, regional and national averages.

INTRODUCTION AND CONTEXT

Strategic Asset Management

The purpose of this plan is to put a process in place that ensures that the land and buildings that the Council owns or occupies (its asset base) are optimally structured in the best corporate interest of the Authority.

An effective strategy ensures that the asset base is suited in terms of quality, location, fitness for purpose and cost effectiveness to facilitate the achievement of the Council's corporate goals and objectives.

The Asset Management Plan supports the delivery of Council services, has clear and direct links to the Council's five priorities from its Corporate Plan, together with departmental priorities driven by these priorities in accordance with Departmental Service Plans.

The Asset Management Plan (AMP)

Property assets require a structured, long term approach to their management for three key reasons:

1. They are expensive both in terms of their capital value and their annual running costs.
2. They require careful management throughout their whole lives to ensure that they provide best value in terms of maintenance, income generation and effective use
3. It takes time to properly determine new accommodation needs, to procure them and to bring them into use.

Through the Corporate Asset Policy, this AMP identifies the Council's strategy for maximizing the potential of its asset base. It also describes the Council's organisational arrangements for implementing its Corporate Asset Policy and identifies critical success factors and assess current performance.

Asset Management has to:-

- Consider and regularly review the sufficiency, suitability, condition and cost of existing property.
- Consider and regularly review the use of administrative buildings having particular regard to developments in technology and the potential for introducing innovative and flexible working arrangements, actively pursuing those opportunities arising when considering support services and service delivery arrangements.
- Seek ways of supplementing the limited resources available within the Capital Programme.
- Challenge the reasons for retaining non-operational property.
- Identify on an ongoing basis properties that are surplus to requirements and how they might be dealt with.

In addition, the assets not held for direct service delivery, such as those let for commercial use or held for use by community groups should :-

- Produce maximum income for the Council or otherwise, through their usage, make a contribution to the social, economic or environmental aspects of the borough by promoting and aiding development of new or fledgling businesses.
- Be retained if they have strategic importance, such as the potential to influence physical and economic regeneration within the borough.

By providing a strong approach to asset management significant support is provided to the achievement of the Council's corporate objectives. The Asset Management Plan (AMP), therefore, supports the delivery of Council services and has clear and direct links to the priorities set out in key strategic documents and departmental service plans.

This plan provides the driving force to ensure the council continually assesses, refines and improves the asset base, as a vital component in the delivery of improved services. It is more than just a property issue, by providing adequate resources to its implementation it has the capacity to be the catalyst for change and a major influence in the delivery of service objectives.

Accurate and current data on the asset base, supported by performance indicators and benchmarking information, identifies those properties which fall short of required standards and which should be disposed of or refurbished. This information will also help improve property performance and inform the Medium Term Financial Plan.

The AMP provides the Council with the opportunity to challenge its traditional approach to the extent and use of its asset base. It also provides the means by which a more imaginative approach can be brought to dealing with existing problems, in order that the property portfolio becomes a positive and valued asset.

Corporate Planning Framework, Goals & Objectives

A number of key strategies and strategic documents direct the delivery of services to the people of Halton and these include the following :-

A Community Strategy For A Sustainable Halton 2006 – 2011

this is an overarching strategy aimed to enhance the quality of life of local communities through actions to improve the economic, social and environmental well being of the area and its inhabitants.

The Corporate Plan 2006 – 2011

outlines goals the Council and the Borough aim to achieve to help build a better future for Halton. It concentrates on the challenges and priorities planned over the next five years to help improve the quality of life for people in Halton. The vision remains constant, that Halton will be a thriving and vibrant Borough where people can learn and develop their skills; enjoy a good quality of life with good health; a high quality, modern urban environment; the opportunity for all to fulfil their potential; greater wealth and equality, sustained by a thriving business community; and safer, stronger and more attractive neighbourhoods.

Relating to each of the corporate plan objectives, the asset management plan contributes as shown:-

| | |
|--|--|
| Healthy Halton | Promotes the vision to create ready access to a wide range of social, community, cultural, social and sporting assets. |
| Halton Urban Renewal | Encourages the creation and sustainability of a 21st century business environment with the required variety and quality of sites, premises and infrastructure that can support high levels of investment and economic growth. |
| Halton's Children and Young People | Advances a culture where property assets are central in providing safe environments and communities in which the young person's future is given positive focus through lifelong learning and potential employment opportunity. |
| Employment Learning & Skills in Halton | Central to fostering enterprise by identifying potential development opportunities. |
| A Safer Halton | Contributes to the processes of design and delivery of well built, well maintained and safe neighbourhoods which in turn provides the opportunity to deal with anti social behavioural hotspots. |
| Corporate Effectiveness and Efficiency | Confirms the council wide ethos of property assets being central to the quality and efficiency of all services. |

Procurement Policy & Improvement Plan

places procurement in the overall context of the Council's Corporate Plan and demonstrates the links to strategic priorities, identifying and implementing practices that will ensure continuous improvement in procurement through challenge, comparison, collaboration and partnering.

The Best Value Performance Plan 2007 – 8

is an important element of the Council's approach to improvement planning and delivering best value. It is an integral part of the organisation's corporate planning arrangements, as such the plan provides an assessment of the Council's overall performance in relation to those statutory indicators that form the national Best Value Performance Indicator data set.

Departmental Service Plans

inform this plan, by reference to the accommodation requirements necessary to deliver and improve each individual service, allowing the corporate strategy to address, holistically the corporate objectives and vision.

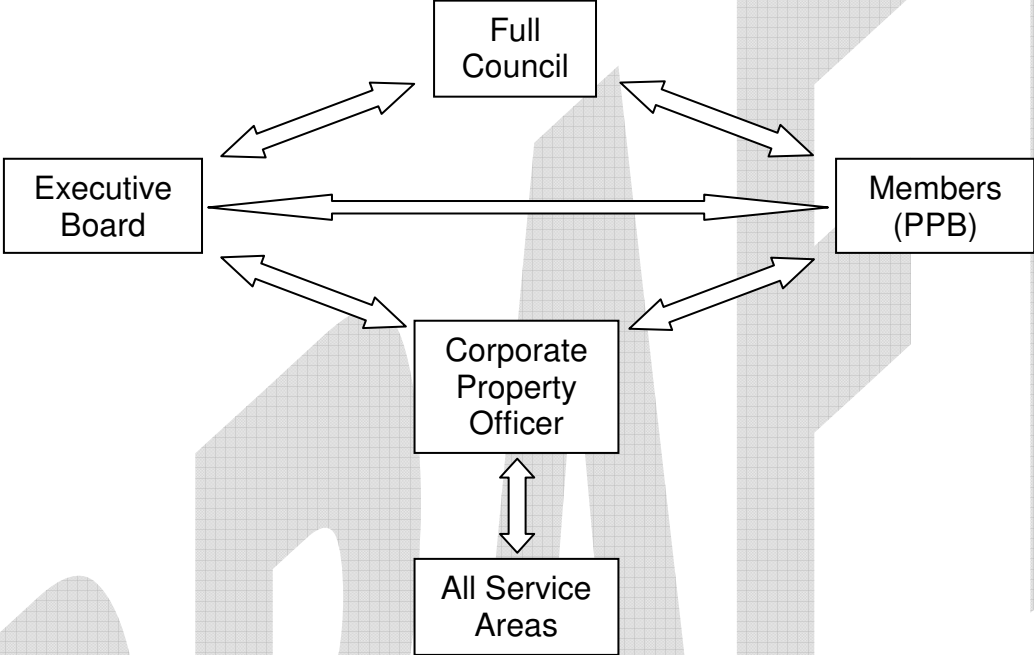
Organisational Framework

The corporate asset management planning process was established in the Council's Corporate Asset and Capital Strategy Management Plan (2002). In essence the Strategic Director – Corporate & Policy, as Acting Corporate Property Officer (CPO), is the focal point of the process. Each directorate, through their respective service

plans, provide input to the plan via the CPO, there is then a clear accountability to the Management Team reported directly to that body through it's weekly meetings. Reports are then made, at Member level, to the Executive Board held fortnightly and the Policy & Performance Board (PPB) on a six week cycle.

The terms of reference relating to asset planning issues have been adopted by the Management Team and are attached as Appendix 1.

The present asset management organisational arrangement is indicated below:



Current Asset Base (excluding highways)

Detailed below is the Council's current asset base together with its estimated value. It totals in excess of 3250m further emphasising the importance of managing it effectively.

| The Boroughs Assets | Number | Value (£) |
|--------------------------------|------------|--------------------|
| Car Parks (off street) | 15 | 561,295 |
| Cemeteries / Crematoria | 3 | 499,000 |
| Community / Youth Centres | 10 | 2,894,925 |
| Depots / Workshops | 3 | 1,911,500 |
| Entertainment Centres | 1 | 7,771,650 |
| Farms (Tenanted) | 1 | 379,600 |
| Housing (HRA) Property | 1 | 813,600 |
| Industrial Estate | 4 | 7,149,300 |
| Industrial Unit | 1 | 627,450 |
| Land & Building(s) | 26 | 4,448,828 |
| Land Only | 51 | 32,243,489 |
| Land Only (CRA1) | 3 | 0 |
| Land Only (CRA3) | 12 | 0 |
| Libraries/Museums/Galleries | 3 | 2,118,500 |
| Lifelong Learning Facility | 1 | 5,424,550 |
| Markets | 2 | 5,934,277 |
| Mooring / Fishing | 1 | 200,250 |
| Office/Admin Buildings | 16 | 6,924,929 |
| Offices - Commercial | 2 | 594,000 |
| Other Land (Direct) | 39 | 153,705 |
| Other Land (In Direct) | 2 | 1,770 |
| Parks | 8 | 0 |
| Playing Fields (Inc. Changing) | 11 | 3,015,549 |
| Public Conveniences | 2 | 176,800 |
| Residential Homes/Day Centres | 13 | 9,003,300 |
| Schools | 62 | 148,148,806 |
| Shops - Commercial | 5 | 719,000 |
| Sports Centres/Swimming Pools | 5 | 16,800,000 |
| Waste / Recycling | 1 | 217,500 |
| TOTALS | 304 | 258,733,573 |

CORPORATE ASSET POLICY

Corporate Asset Objectives

In addition to the corporate asset management objectives that are drawn from the documents and strategies outlined in the section headed Corporate Planning & Organisational Framework the following objectives exist that relate purely to the asset management function.

- to develop and deliver an Asset Management Plan annually
- to develop and secure a corporate approach to the use, management, procurement and 'ownership' of property assets
- to further develop and maintain a strong organisational framework for corporate asset management
- to commission, oversee and implement a regular review of all property assets (Property Review), reporting back with recommendations and decisions including identifying surplus assets suitable for reuse or disposal
- to challenge the existing use of, need for and performance of all property assets and to monitor and report on performance in support of continuous improvement
- to identify and secure efficiency gains and savings through the strategic management of all property assets
- to ensure that corporate asset management information is effectively communicated to all stakeholders
- to consider and promote new ways of working and incentives for the more efficient use of space, property and energy
- to form clear linkages between strategic asset management and the Medium Term Financial Plan
- to work with existing partners and identify new partner opportunities to jointly use each others property assets
- to deploy assets in support of partnerships which maximise opportunities for Halton and its people
- to improve buildings and other assets in accordance with the needs of the Disability Discrimination Act and to ensure equality of access to services and employment opportunities for all
- to deploy assets in support of partnerships which maximise opportunities for Halton and its people
- Report on performance of property assets against key National Property. Performance Management Initiative Performance Indicators – (NaPPMI)
- Make property information more available through extended access to the P2.net property system using the Council's intranet.

Data And Performance Management Systems

The Council recognises that modern local government requires a highly integrated approach to knowledge management, the Council's approach continues to evolve for various reasons such as the publication of new research, guidance, legislation and performance indicators; alongside improvements in technology.

The asset management information database (Concerto P2.net) is the major part of the property management information structure. The software has been developed in conjunction with a number of local authorities. There is an emphasis on communication within the software, with the capability to automatically generate performance indicator information to the appropriate areas. It is fully web based allowing secured access for consultants, clients and users direct from site.

The system includes:-

- a site module, providing comprehensive information on each property, its condition and with regard to schools suitability and sufficiency detail. In addition this module is used to maintain all information relating to leases, rents, ownership, responsibilities, asset valuations and rates of return.
- extensive project planning tools, allowing full import and export facility with Microsoft Projects, enabling the full range of projects to be effectively managed including risk analysis capability, relating to property management
- an energy module enabling all energy costs and usage to be recorded, monitored and managed
- full work ordering, invoicing and payment system with integral interface to the council's financial package, Agresso, providing commitment budgeting facility, and by dynamic linkage to site information providing greater control of programmed maintenance
- performance indicator measurement and automated notification, incorporating links to other software packages where appropriate, including those located outside Property Services
- complete property oriented helpdesk function
- mail tracking system
- equipment register
- case register linked to legal service function
- incident log
- visit log
- time recording

Future development of the system will include an asbestos register, a legionella monitoring and register function, a document management system and automated links to the MapInfo system of GIS that the council uses.

The Computer Aided Design (CAD) database is presently being expanded, the intention is to create a complete record of "intelligent" drawings for the property portfolio which can then be linked to the Concerto P2.net system providing a seamless interface between graphical and data systems. A CAD viewing system is currently being developed as a module of Concerto P2.net.

Whilst the information in the database is extensive, there are still areas of data that require updating and verification This creates a number of resource issues associated with maintaining the system. Additionally the development of further reports, which again will have resource issues, is necessary in order to best utilise the data held to provide 'business intelligence' and apply it to the making of informed decisions.

With the changes in legislation and the requirements of e-government it is essential that our consultants/partners and client departments share access to the database(s) used by the department, allowing both read and write access, by maintaining the Concerto P2.net suite of software this facility can be made available.

The ability to pull together data from various sources allows for more meaningful performance indicators to be devised at a local level and the potential for increased benchmarking with other users. This will allow Property Services to provide a more efficient and robust analysis of data. The commitment of the Council to move forward

with the e-procurement requirements of the government make it essential that all property related issues can be directly integrated with minimum interfacing.

Communication, Consultation And The Stakeholder

Senior Level

The Executive Board Member for Corporate Services has the specific responsibility for all property related issues within his portfolio, the CPO communicates via the Management Team through it's weekly meetings, reports are then made, at Member level, to the appropriate board held at regular intervals and the Policy & Performance Board (PPB) on a six week cycle.

Internal

Property Services consults with stakeholders at a number of levels. The priority objectives of each service department are identified in the relevant service plan and reflected within Property Services' Service Plan. Regular meetings with service departments, throughout the year, deal with other management and asset management issues as and when they arise.

The Accommodation Review was carried out by Property Services in 2006, adopted as the strategy for the Council it will be reviewed at regular intervals and will form the basis for future occupancy discussion and agreement for all property occupied by a service. The present arrangement, where all recruitment involving increasing accommodation need has to be approved by the CPO. This arrangement will be reviewed during 2008/9 as more progress is made towards hot-desking / home-working.

Additionally, Property Services communicates with occupiers of buildings, providing copies of reports and advising on how to resolve any issues raised by building audits, surveys and other performance monitoring.

External

The Council has embraced the provision of the "one stop shop", with four Direct Link offices serving the borough. Centralising the telephonic service of the council through the Contact Centre has enabled the communication process to be streamlined with many calls being satisfactorily resolved at this first point of contact.

Suitability & Sufficiency

The system in place for school suitability and sufficiency surveys, which forms part of reports to The Department for Children Schools and Families (DCSF previously DfES) is well-established. Assessments cover location, security, accessibility, space, fixtures and fittings, image, environment, health & safety and particular service requirements. A non-school suitability assessment, Framework For Determining Suitability And Sufficiency Of Assets (FDSSA) attached as Appendix 2, has been developed and recently approved by Management Team for use in the borough, and will be actioned during 2008/9 with the results fed back through the Asset Management Working Group.

Impact of Government Policy and Statutory Responsibilities

Service Transformation: A better service for citizens and businesses, a better deal for the taxpayer (Sir David Varney report December 2006)

Sir David Varney reported that the leading edge of the new service economy that has emerged is much slicker, more immediate, more convenient to the citizen and less intrusive on the busy citizen's time. The focus is increasingly on the 'totality of the

relationship' with the citizen. Public sector bodies are encouraged to deliver citizens and businesses a more joined up service.

The council is able to clearly demonstrate that it has been proactive in its approach to these challenges via its Direct Link (One Stop Shop) programme, which is transforming services for Halton's population and businesses. The Direct Link programme will deliver more joined up services across council departments and with key partners (e.g. Halton & St Helens PCT). The direct link centres already provide a face to face contact for council services across all directorates.

The Council is already in discussions with other public sector providers in the Borough to increase the use of shared buildings in order to both deliver efficiency savings and provide a better frontline service to the public.

The Quirke Review : Community Ownership and Management of Public Asset (May 2007)

The Review's terms of reference were to identify ways of overcoming barriers to the community management of assets. The theme was taken up in the Local Government White Paper 'Strong and Prosperous Communities' in the context and overall statement that "the aim is to give local people and local communities more influence and power to improve their lives".

The Quirke Review was published as 'Making Assets Work' in May 2007 and the Government's response 'Opening the Transfer Window' published the following week. The principal findings of the Review were that:

- asset transfer should take place where it can realise social or community benefits without risking wider public interest concerns;
- in appropriate circumstances, the benefits of asset transfer can outweigh the risks involved;
- risks can be managed by drawing on the experience of others.

The Government's response was to accept the Quirke Review in full and included five main actions:

- i.) publication of new guidance to Local Authorities on corporate asset management, with specific reference to guidance on the transfer of assets (likely to be published in April 2008);
- ii.) preparation of a toolkit on risk management involved in the transfer process;
- iii.) provision of greater access to expert advice and organisational development on the management of assets to community organisations, through local providers. The council could be such a provider, or agent;
- iv.) smaller investment of public funds through specialist financial intermediaries with the ability to achieve high leverage ratios. A demonstration programme is to be launched in selected areas as models for others to follow;
- v.) a major campaign to spread the word especially to community groups, taking a bottom up approach such as the proposed 'Community Call for Action'.

Although the Council has, over a number of years prior to of the Quirke Review, followed similar principles in leasing a number of its premises to the voluntary sector, with the acceptance of the review there is now need for a more formal approach. This forms part of the Policy and Performance Board's Topic Work for 2008/09.

Energy Performance of Buildings Directive (March 2007)

The need to reduce CO₂ emissions is widely accepted on both environmental and financial grounds. Far from being a threat, energy efficiency provides a huge opportunity for the council.

The objective of The Energy Performance of Buildings Directive (EPBD) 2002/91/EC is to promote the improvement of the energy performance of buildings within the European Community. Implementing the EPBD will encourage owners and tenants to choose energy efficient buildings when seeking new accommodation and to improve the performance of buildings they occupy. Implementation of the Directive is seen as an important contribution to reducing carbon dioxide emissions as part of the UK climate change programme.

From October 2008 public sector occupiers of larger buildings (exceeding 1000m²) will need to display an Display Energy Certificate (DEC) in a prominent place clearly visible to the public. The DEC shows the energy performance of a building based on actual energy consumption. The DEC must show the "asset rating" of the building, which is a numerical indicator of the amount of energy estimated to meet the different needs associated with a standardised use of the building.

With about 75 buildings (including schools) having a useable floor area of 1000m² or more, the impact on the council in financial terms has yet to be fully determined. It is hoped that the initial outlay of using an Accredited Energy Assessor (at approximately £1,500.00 per property) to produce the Certificates will be far out weighed by the greater level of awareness of energy use in the council's buildings and that any investment opportunities identified, if taken up, would recover the cost in most cases.

Health and Safety Legislation

Policies and procedures are in place that meet the requirements of legionella prevention, asbestos identification and management, fire regulation and DDA compliance. Risk assessments and surveys of all buildings have now been carried out and are used to progress schemes of management and reduction of risks and where schemes are carried out to remove or reduce risks as far as is practicable and economic. Ongoing management and review of risk assessments is built into regular work programmes.

In summary, Property Services keeps up to date with legislation and guidance on Government practice issued by a wide range of government and partner organisations. By doing so the use of the council's assets can be planned in such a way as to anticipate and quickly react to best practice for the benefit of Halton.

The Resource Context

The council has a track record of sound financial management. A culture of best value has been long rooted in service and resource planning. Today the council's strategies build on the successes, continuing priorities regarding savings and

efficiencies will be addressed. Two areas which, in the next three years, are to be considered are:

- *property*: savings in office space are being targeted including the introduction of suitability and sufficiency audit and continued accommodation review
- *procurement*: moving forward further efficiencies, firmly based on Gershon principles, that will allow the Council to release both finance & resources that can be redirected towards front line services. Partnering contracts for Runcorn Town Hall and John Briggs House are two examples of this new approach.

The strategy is incorporated into the council's overall approach to improvement and includes a number of initiatives that will deliver increased value for money – home/mobile working, process improvement, shared services and improved property management.

The council's medium term financial strategy considers resources over a three year period and is based upon:

- The Corporate Plan
- Departmental Service Plans and the financial impact of these strategies
- Financial factors that will affect the council over the next three years
- Cost of capital investment, in line with any Investment Strategy
- Anticipated levels of Government support
- Overall availability of resources
- Levels of Council Tax

Details of the capital programme can be found in the council's Capital Strategy which should be read in conjunction with this Asset Management Plan. The council has committed the following financial resources to its asset management priorities:

- £1.4m to address programmed maintenance
- £200k per annum for DDA related schemes

In addition to mainstream capital and revenue funds the council also bids for Challenge Funds (e.g. European Funds, Working Neighbourhood Fund etc).

CHANGES IN THE ENVIRONMENT & IMPLICATIONS FOR PROPERTY Market For External Provision

The Council has a good track record in making efficiency savings and has, over the past five years, redirected some £7.5m of those savings towards its priorities. However, it recognises that in a tight financial framework it needs to continually look for further efficiency savings. In order to ensure that the organisation remains focused on the need for greater efficiency, the Council has created a Business Efficiency Board of elected members with the following terms of reference:

- To draw up and oversee a programme of reviews aimed at securing continuous improvement in the efficiency and effectiveness of Council services.

- To promote partnership working and collaboration with other public and private bodies where that supports the Council's Efficiency Strategy.
- To oversee the Council's preparations for any CPA or subsequent corporate assessment process.
- To monitor performance against the Council's Efficiency Strategy, particularly in relation to the identification of cashable and non-cashable gains.
- To ensure the Council has processes in place to benchmark its activities and to learn from best practice to ensure continuous improvement in its performance.
- To monitor the implementation of the Council's procurement strategy.
- To act as the Council's Audit Committee.
- To act as the Council's Closure of Accounts Committee.

The Council continues to work with neighbouring Authorities in Merseyside and Cheshire on identifying collaborative programmes which identify potential efficiency savings, and is working closely with the Regional Centre of Excellence.

The Business Efficiency Board of members is mirrored by a corporate group of officers chaired by the Strategic Director – Corporate and Policy, which is charged with co-ordinating and implementing the Council's agreed policy in this area.

The Council is currently considering the method of procuring its Property Service function and a final report detailing options and making recommendations will be published during 2008/9

Other Factors

There are a number of external influences for change which will affect the provision of council property and property services and include:

- The Building Schools for the Future programme
- Primary Schools Capital Programme
- The Government's Extended Services agenda-facilities fit for the future in local communities;
- Preparing for the governments mandatory Carbon Reduction Commitment in 2010
- Changes in legislation
- Government guidance on Asset Management in Local Authorities

SERVICE DELIVERY & ACCOMMODATION NEEDS

Overview

The Council has, over the years, carried out a number of reviews of its office accommodation needs, but this has always proved difficult, primarily because of the ever-changing landscape of local government and the public sector more generally. The Base Budget Review Working Party identified 'accommodation' as a possible area for savings / rationalisation and an accommodation review was carried out in 2006 (concentrating on the major administrative centres) and a strategy was adopted in 2007

The purpose of the strategy is to:

- Set some objectives around the future accommodation decisions the Council needs to make
- Look at the current make-up of the Council's office accommodation
- Make proposals for the rationalisation of that accommodation
- Assess the financial impact of those proposals
- Make efficiency savings

A major step forward in the way accommodation needs are met, is the introduction of the Accommodation Criteria Process (see Appendix 3) which requires accommodation impact to be considered before recruitment is undertaken.

Council Services

Council services are subject to constant review, an essential element of the process is the planning of individual projects within overall programmes and the consideration of the many support elements to services - Information & Communication Technology (ICT), Property Services, Human Resources, Communications & Marketing.

Recognition and incorporation of these elements within service plans has taken place at a micro rather than macro level. The preparation and review of Departmental Asset Management Plans, to inform and support corporate property strategy, will assist the process and identify opportunities for rationalisation at individual and wider service levels.

New Working Practices In The Council

The introduction of the Working Flexibly For You Strategy 2007 – 2010 sets out the business context for new working practices. Recognition of the potential for flexible and home working does not negate the need for detailed service consideration by managers prior to implementation, the consequential effects on accommodation requirements.

Increased adoption of remote working, using touch down facilities in offices shared with other services, will remove individual work spaces but require wider provision of adequate flexible shared facilities.

Agencies & Joint Accommodation

The council already has shared accommodation with two main partners, Halton & St Helens PCT and The 5 Boroughs Partnership (a large mental health trust providing specialist services to the boroughs of Halton, Knowsley, St Helens, Warrington, Wigan and Leigh) in addition to shared accommodation for the Community Safety Team, made up of Police and Council representation. The council also leases space in Halton Hospital, Whiston Hospital and Warrington Hospital to deliver services.

Examples of shared use are:

Halton & St Helens PCT

- Catalyst House – leased by HBC shared by PCT
- Pingot Centre – leased by HBC shared by PCT
- Runcorn Town Hall – owned by HBC shared by PCT
- Independent Living Centre – leased by PCT shared by HBC
- The Bridges – owned by PCT shared by HBC

The 5 Boroughs Partnership

- Vine Street Centre – owned by HBC shared by 5 Boroughs
- St John's Centre – owned by 5 Boroughs shared by HBC



EXISTING PORTFOLIO AND CURRENT PERFORMANCE

Statement of Portfolio

The council holds a diverse and widespread portfolio of land and property assets throughout the borough which includes operational property (e.g. offices, administration buildings, day centres, libraries, schools and youth centres etc.) and non-operational/investment property (e.g. shops, offices, industrial estates, farms, agricultural land and allotments etc.).

There are 305 property assets with a total asset value of £256.50m (2005 valuation) – See Appendix 4 . Operational properties, assets supporting front line service delivery, account for over 45% of the value of the asset base whilst 22% (67 assets) of the total property asset value comprises the schools portfolio. Non-operational assets account for only 33% of the total property assets.

Asset values are based on the book value of the Council's assets, for financial purposes. Approximately 25% of assets are re-valued each year, on a rolling programme.

Performance

In addition to the currently evolving set of asset management PI's (NaPPMI – previously COPROP), the Council has an Action Plan for Asset Management (APAM) 2008-11, see Appendix 5, for use as a tool to monitor performance. Whilst it's primary function is identification of all key actions and co-ordination of asset management activity, an emphasis on 'measures of success' has been introduced to enable a focussed annual review of activity to assess performance and feed the results into and improve future activity.

The Council also recognises the importance of actively managing its performance in reducing energy consumption generally, and specifically in all its operational properties. The council has signed up to the Local Authority Carbon Management Programme and has established an action plan setting out measures to reduce carbon. Past experience from other authorities in the Carbon Management Programme suggests the biggest usage of carbon is from buildings therefore this area offers the greatest scope for carbon reductions and subsequent financial savings. For example, an Energy Audit was carried out at the Stobart Stadium Halton the results of which indicated that through a combination of good housekeeping and some technical improvements, savings of approximately £16,000 from the current £120,000 energy bill could be made. Given the Council's current spend on energy (excluding schools) is in the region of £1.5m, a similar reduction across the Council's buildings could save in the region of £150,000 to £200,000 per annum.

Runcorn Town Hall is presently being refurbished and as part of this exercise an Energy appraisal has been carried out in order that maximum efficiencies are achieved. Similarly the Building Schools for the Future Programme will also provide further opportunities to create more energy efficient school premises over the five-year life span of the action plan

Required maintenance information is compiled using the results of condition surveys. Funding is targeted at urgently required maintenance and significant success has been achieved in this category of work, however, there is still a considerable amount of less urgent work identified as requiring action over the next five years.

The resulting Required Maintenance figure across the council's portfolio of land and property assets stands at £4.9m (at 31/03/07) which compares to the 2005/06 out turn value of £5.2.

Looking ahead, the intention is to maintain a balance of 70% programmed maintenance to 30% response maintenance on the council's operational estate

The council continues to review various options with a view to addressing the required maintenance liability on its operational portfolio (excluding schools) within a period of 5 to 8 years.

The following approaches could be used to address these options:

- delivery of further office accommodation rationalisation opportunities
- disposal of property that is surplus to operational requirements
- re-investment of capital receipts from any disposals

The delivery of the council's Building Schools for the Future and Primary Capital Programmes will in the medium term play a key role in addressing the required maintenance on the schools portfolio.

See Appendix 6 for details of NaPPMI indicators.

Statutory & Regulatory Codes

Access to public buildings

The council's 2006/07 submission in respect of Best Value Performance Indicator (BVPI) 156 reported that 59.38% (i.e. 38 out of its 64 existing public buildings [falling within the definition of BVPI 156] were fully accessible to and suitable for disabled people [in accordance with the 1991 Version of the Building Regulations Approved Document M]. For 2007/08 the target has been set at 63.00%.

Access Audits have been completed for the all corporate buildings and Accessibility Plans prepared, although it should be noted that some of these fall outside the Government's definition for BVPI 156. Capital funding in the region of £200k has been approved for the two year period to April 2010 and a programme to target DDA improvements is well under way.

REVIEW AND CHALLENGE

Gap Analysis

Gap Analysis is required to highlight the key property and asset management changes essential to progress from the existing circumstances and allow future property needs and Property Services requirements to be met.

This analysis will be developed through a workshop during 2008/9, involving the Corporate Property Officer, the Asset Management Working Group and Property Services. The analysis will, in summarising the key property issues and changes needed, indicate relative levels of priority in order that informed decisions can be made.

The CPO will examine the results in relation to the performance of the Council's assets and identify any gaps in asset service provision and likely forecasted requirements for the next 3 to 5 years. This will enable a structured consideration of the suitability of an asset, whether it is underused or has become surplus.

It is considered essential that the Council's complete property portfolio be reviewed in a strategic and pro-active manner. Therefore the CPO will develop a rolling review of all the Council's property assets. Each year, a review will take place alongside the annual valuation process. This will also involve consultation with the relevant Strategic Directors, Operational Directors and Portfolio Holder through the Asset Management Working Group, being the immediate stakeholders and users.

Review of Asset Strategy, Property Objectives & Delivery Mechanisms

The process of review is reliant on the gap analysis process, challenging the asset management practices can then provide a more streamlined approach to all property related matters.

Review Of Roles & Responsibilities For Property

Setting up the appropriate groups to carry out the gap analysis should be a priority but will require a genuine commitment to the asset management process with ownership at the most senior management and member levels.

Review Of Decision Making Process

The Asset Management Working Party is the principle decision making body for submission to Management Team and Members where appropriate. The CPO will strengthen the role taking a more prominent position within the council and enforcing the protocols established within the AMWG

Key Challenges In Asset Management Planning

Despite the fact that a formal review process relies on the correct hierarchy being in place, it is possible to identify our ongoing corporate challenges. These are: -

- Respond to the continuing challenge of the CPA Use of Resources requirements for 2008.
- Respond to the new challenges of the CAA requirements for 2009 onward

- Further embed asset management planning with business planning at corporate and service levels. The role and contribution of property needs to be more explicit in business plans by improving the engagement of service managers and Members in asset and capital investment planning.
- Link asset management performance with service delivery performance.
- Use our property portfolio as a driver and enabler of change in the organisation.
- Address the community asset transfer initiative, using it as an opportunity to engage with the community and deliver corporate and service objectives.
- Adequately resource major corporate initiatives, e.g. Office Accommodation Strategy, including home working policies.
- Measuring and benchmarking property performance.
- The development of the capital programme process needs further refinement.
- Further develop the mechanism for corporate prioritisation of all new capital investment needs irrespective of which of the Service Directorates claims precedence.
- Prepare for the impact that full asset depreciation will have when introduced as part of the Whole of Government Accounts agenda.
- Continue to develop an approach to asset management planning which will ensure the AMP is a “living” document that reflects organisational priorities and best practice.
- Use of annual report to review progress and influence programmes

ASSET MANAGEMENT PROGRAMME

2007 Accommodation Strategy

As part of the asset management process the Council undertook a full review of its occupation of corporate office accommodation including costs, space utilisation and types of ownership. This provided the Council with sufficient information to produce an initial two phased development to accommodate Health and Community in Runcorn Town Hall and John Briggs House. The major refurbishment of Runcorn Town Hall will produce an efficient building in all respects for the next 25 years. A more minor refurbishment of John Briggs House, which is a much smaller traditional building has resulted in a re-organisation of accommodation to meet the needs for the foreseeable future. The principles adopted in the Strategy will be applied to all administrative buildings on a programme base.

Asset Transfer Policy

This will be developed through a Topic Group of the Policy and Performance Board during 2008/09.

Suitability and Sufficiency Surveys

The non-school suitability assessment, Framework For Determining Suitability And Sufficiency Of Assets (FDSSA) provides a pro forma that enables managers to assess, against set criteria the suitability / sufficiency of the space they presently occupy which will inform the AMWG to allow incorporation in future accommodation requirements.

Depot Reorganisation

Following on from the Accommodation Strategy a review of the Council's depot requirements will be undertaken in 2008/09.

Capital Programme

The council has a five year capital programme, detail of which is contained in the council's Capital Strategy. Prioritisation of schemes is also a part of that strategy. The current disposal strategy requires Property Services to dispose of 2½ million pounds of assets to support the capital programme

Revenue Programme

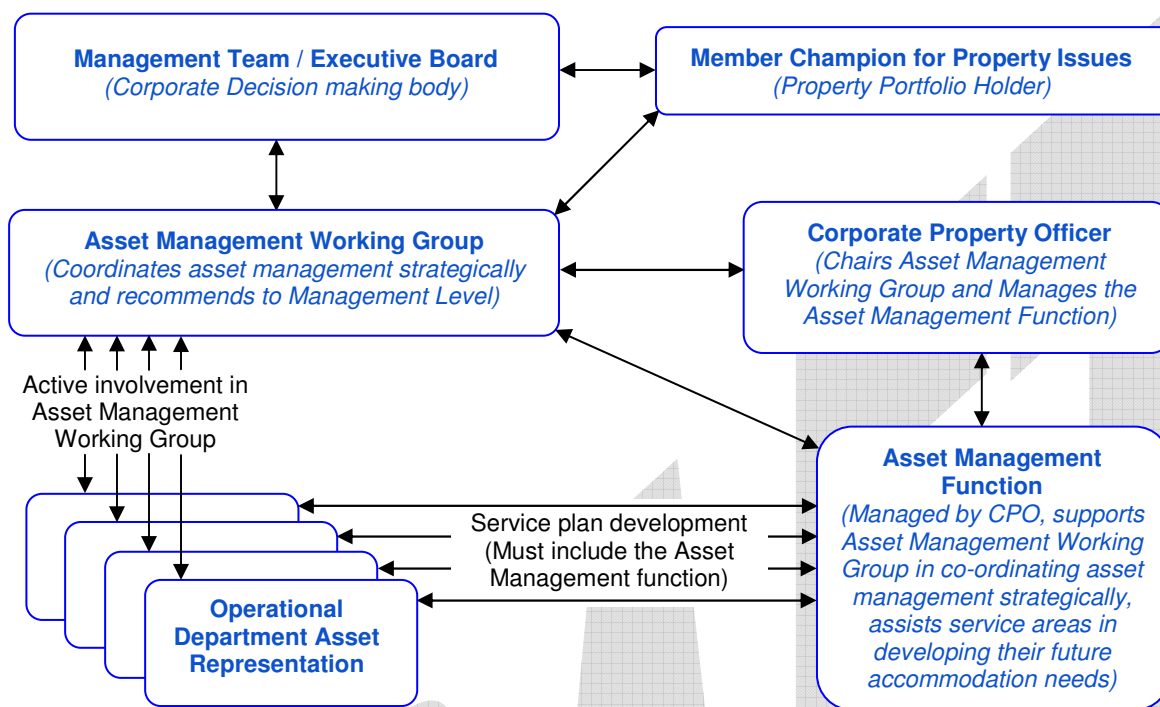
In the past it has not been shared throughout the organisation but will now be reported through the Asset Management Working Group. The programme is formulated from Condition Surveys, but in future will be further influenced by the results of the suitability / sufficiency surveys.

Responsibilities For Implementation

The Corporate Property Officer in conjunction with the Asset Management Working Group is responsible for implementing all actions. Policy decisions will be developed through the Policy and Performance Board with formal decisions being made by the Executive Board.

* RICS Public Sector Asset Management Guidelines – A Guide To Best Practice (January 2008)

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This simple structure identifies the key roles and responsibilities that need to be present to facilitate a successful corporate approach to asset management. Clearly there are also many other mechanisms that will need to be in place to enable this structure to succeed, such as consultation methodologies and decision-making structures in the wider organisation. The Council has substantial assets. It is essential that it uses those assets effectively to support its overall priorities.

Timetable For Implementation by the Asset Management Working Group

The following table is a summary of the actions required to deliver good asset management strategy within the council. This is a high level view, indicating priority and timing, of those actions identified in the Action Plan For Asset Management in addition to corporate goals which impact on asset management.

| Asset Management Strategy And Plan Actions | Timing | Priority |
|---|----------------|-----------------|
| Undertake a council wide review of property function with emphasis on delivery of service | Immediate | 1 |
| Investigate the role of Corporate Landlord (CL), carry out option appraisal for move to CL status. Report to MT | Immediate | 1 |
| Produce and implement detailed action plan for developing corporate asset management practices and procedures to meet with CAA compliance (2008/09) | Immediate | 1 |
| Incorporate existing and introduce Service Asset Management Plans which must include remaining accommodation efficiency statements | Short | 1 |
| Revise and update a council wide Office Accommodation Strategy with a view to make CSR savings of 3% year on year for the next three years | Short | 1 |
| Develop, introduce and ensure compliance with improved Capital Appraisal Priority Selection process, previously under utilised | Short | 1 |
| Develop and implement a corporately acknowledged maintenance programme for all assets where council has direct maintenance responsibilities | Short | 1 |
| Introduce systems to ensure proper maintenance of assets covered by delegated budgets, including schools | Short | 1 |
| Develop and deliver improved and extended property and property services performance management systems including data services | Short | 1 |
| Develop robust policies to address all environmental issues relating to assets | Short | 1 |
| Explore and develop opportunities for shared use with the Council's existing partners and identify other potential partnerships | Short / Medium | 2 |
| Undertake Strategic Review of Non-Operational Property | Medium | 2 |
| Undertake a programme of portfolio reviews and challenge the use of assets, reporting on their fitness for purpose in meeting corporate objectives. | Medium / Long | 2 |

| | | |
|--|-------|---|
| Link financial and asset planning at strategic and operational levels | Short | 2 |
| Develop a Community Buildings Strategy to further transfer of assets to the third sector | Short | 2 |

Timing and Priority Key:

| Timing | Definition |
|---------------|-------------------|
| Short Term | < 3 years |
| Medium Term | 3 – 5 years |
| Long Term | > 5 years |
| | |

| Priority | Definition |
|-----------------|-------------------|
| 1 | High Priority |
| 2 | Medium Priority |
| 3 | Low Priority |

Overall Programme

Effectively this section of the plan is the next step in the business process and strictly speaking is not a part of the actual Asset Management Plan. If the plan is accepted as a strategy providing a clear statement of direction for the asset base then the programme will ultimately detail works required to move the council forward.

After reviewing the asset base in some detail, relating the practical implication of the plan, specific projects will have to be developed in order to fully implement the strategy. This may need to be in stages having assessed both the corporate objectives and affordability. In any event the programme must be financially robust and fully integrated into the council's overall budget planning.

CONCLUSION

This document is intended to show where and how the council has progressed the asset management function in its business processes, moving to a five year type of planning which is constantly monitored and updated.

Accordingly, the plan indicates organisational arrangements required to move the process forward over the next five year period. This plan must be subject to regular review to ensure that the council, throughout its hierarchy, maintains a strategic approach to the management of its assets. In addition, this will involve the council working with its partners to co-ordinate asset management actions to achieve shared objectives. This Annual Review will be brought to the Policy and Performance Board.

The 2008 AMP details many initiatives where the council's land and property assets contribute to the discharge of the council's strategic aims and objectives. It is about how the council's second most expensive resource (after staff) is managed and developed in such a way as to provide value for money and property that is both fit for purpose and relevant for the council's customers in the next five years and beyond.