The Finance Committee are currently undertaking an inquiry into the process of asset management in the Welsh public sector. This inquiry is considering two main areas:

- processes involved in the management of the Welsh Government’s own estate; and
- guidance, support and the promotion of good practice by the Welsh Government in relation to asset management across the wider Welsh public sector.

Further detail on the terms of reference for this inquiry can be found on the committee’s webpages.¹

The Committee previously called for information,² however due to the limited responses received, now requires further evidence in support of this inquiry. In order to properly understand the issues involved and to gain appropriate evidence for consideration, the Committee needs to develop an understanding of how asset management is approached in local government/health bodies.

To this end, we are seeking further detailed information in relation to the process and practice of asset management within your organisation and would appreciate it if you could provide the information requested below, as fully as possible, and provide examples where you feel it is appropriate.

### Strategic links and leadership

1. How does asset management fit within the organisation’s overall strategy?

The Council Plan is the overarching plan for the Council and defines where the Council focuses its attention and resources, how it judges its performance and the contribution it makes to the wider community. The Council Plan sets out three themes – Economy, People and Place and a corporate theme of Organisations – striving for excellence. These themes are intertwined – the economy requires the right people in terms of entrepreneurship and skills and they need the right place to work from in terms of business sites and infrastructure. The corporate theme of Organisation underpins the Councils’ ability to promote and enable the delivery of services required by the economy, people and place.

The Council’s property assets are essential to the delivery of its services and therefore, it adopted a Corporate Land and Buildings Strategy in 2009 to reinforce the corporate nature of asset management and to emphasise the importance and significance that the property portfolio plays in the delivery of the Council’s services.

The plan enables the Council to manage its assets strategically and corporately in order to optimise the use of resources, with property decision making (excluding housing) and repair and maintenance budgets being centralised in the Assets and Economic Development department.

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¹ National Assembly for Wales, Finance Committee, [Asset Management Inquiry](#)
² National Assembly for Wales, Finance Committee, [Asset Management Inquiry](#)
2. Does the organisation have an overall asset management strategy and published plans which support the corporate objectives?

The Council has a Corporate Land and Buildings Strategy (due to be updated in 2014). The aim of the plan is to ensure that all land and premises are fit for purpose, cost efficient and meet the longer term needs of services.

The Plan sets out the key issues in respect of ownership verses leasing, backlog maintenance, requirements for condition surveys, the national context, legislation and regulation impacts and decision making and governance.

a. How does this strategy link into the capital investment strategy and wider financial planning?

All proposals for capital investment, either in land or property are considered by the Joint Officer / Member Corporate Land and Buildings Strategy Group (CLBSG) – a working group set up by the Executive Board. This working group is comprised of both Executive Board and non-Executive Board Members and key officers.

Each service which utilises property assets has a Service Asset Management Plan (SAMP), which describes how the service will develop and identifies the consequential impact on land and buildings. These plans also influence decisions on capital investment.

All capital investment in property has to comply with the Council’s Corporate Land and Buildings Strategy and be cleared by CLBSG before it is considered by the Executive Board. This allows the Council to maintain a strategic overview of investment decisions.

The Council’s Capital Programme is also reviewed by CLBSG – both in terms of assessing bids from departments to have projects included in the programme, capital receipt, monitoring and quarterly monitoring of the current programme.

3. Who has responsibility for leadership on asset management:

a. At a Cabinet/Board level?

The Council has a Lead Member who is responsible on a political level for all of the Council’s asset management. This Member chairs the CLBGS and sits on the Executive Board.

b. At Executive level?

Strategic and Performance Director (and Head of Assets and Economic Development) – advise the CLBSG and Lead Member.

c. At Service level?

The Head of Assets and Economic Development provides strategic overview supported by the Assets and Business Development Manager and Strategic Assets Manager on a day to day basis.
4. How are Council/Board Members engaged with property asset management and how regularly does the Council/Board review asset performance?

The Council’s Executive Board has set up a Joint Member / Officer Corporate Land and Buildings Strategy Group (CLBSG). Five of the ten Members of the Executive Board are nominated on the CLBSG, in addition to five other non-executive Members. All Members of the Council are able to attend if they choose.

The CLBSG deals with property issues ranging from major regeneration proposals, which involves Council assets to small, individual properties.

The Lead Member has monthly meetings with the Head of Assets and Economic Development to review asset management issues. The Executive Board does not receive reports on overall asset performance on a regular basis. Individual elements such as the Commercial Estates and Markets are reviewed more frequently. Scrutiny Committee is also working on a review of the Indoor Markets (114 stalls / 24 shops).

5. Is there a dedicated property division or similar? If so please detail its structure and relationship with other service divisions.

The Council does not have a separate ‘Property Division’. The Assets and Economic Development Department (one of nine service departments) provides the professional advice and management of the Council’s property assets – including surveying, valuation, design, maintenance, security, cleaning and disposals. See attached structure diagram at appendix 1.

6. Across the organisations (e.g. at Council/Board, Executive and Service level) can you demonstrate that property is utilised as a corporate resource and enabler of service provision?

The Council’s Corporate Land and Buildings Strategy provides the context for asset management. The individual Service Asset Management Plans articulate this at service level.

The Council is currently undertaking an Office Accommodation review and a Community Assets review. Both of which will entail detailed assessments of service needs and consequential property requirements. In many cases, this will entail rationalisation of space and disposal of property or non renewal of leases.

All property assets which are declared surplus to requirements at service level are returned to the Assets and Economic Development department for reuse and or disposal.

Most recently, the Council has chosen to relocate the Registrars Office from rented accommodation by investing in some remodelling of its Guildhall offices to accommodate the service. Thereby, saving in excess of £68K p.a. and making better use of a building which was underused. This decision has provided better accommodation for the service and saved the Council revenue costs, with pay back on capital within 2 years.

Systems and Processes

7. Can you demonstrate that property maintenance is supported by adequate information systems? Are these information systems used to:

- Benchmark performance against that of other bodies; and/or
- Link with other relevant systems (e.g. geographical information systems)

  The Council operates a property database known as 'Infoprop' which is essentially a bespoke system that has been developed from the former Clwyd County Council Database. The system contains all the functionality of a traditional property database with the extra capacity to deliver a number of reports that have developed over time.

  The information contained on this database is used to provide information to complete the CLAW property benchmarking returns.

  The ‘Infoprop’ database is not currently linked with any other relevant systems however we do operate a number of other systems such as ‘E PIMS Light’ and ‘P2P’ in tandem with ‘Infoprop’.

8. How often does the organisation conduct an options appraisal to ensure that the property maintenance backlog is being managed effectively?

a. Is there a programme of regular property reviews? If so, what do these consider and how often are they conducted?

b. Is information on running costs and environmental impact available to the review team?

The Council have recently completed a desktop exercise that has looked at the whole of its property portfolio (excluding housing) with a view to informing and prioritising planned work to effectively manage the property maintenance backlog. This exercise has included the review of individual Service Asset Management Plans (SAMP’s) and consultation with stakeholders to ensure any potential future disposals are taken into consideration. All requests regarding property have to be submitted to the Strategic Asset Manager and are then reported to Corporate Land and Buildings Strategy Group (CLBSG) before approval is sought from the Executive Board. The Council also has an Asset Management Implementation Group (AMIG) which consists of managers from all service areas that meet on a monthly basis to handle budgets, regulatory issues, planned maintenance etc.

The SAMP’s are regularly reviewed with each service manager and provide a tool to inform strategic property decisions, including acquisition, adaptation or disposal of assets. Maintenance costs for each of the assets are available on the ‘Infoprop’ data base and running costs for the utilities are recorded and monitored by the Carbon Management team using ‘Systems Link’ energy software. Currently 62% of our sites (excluding housing) have automatic meter readers (AMR) for gas and electricity and all of our relevant assets over 500m2 have Display Energy Certificates (DEC’s) and new buildings all have Energy Performance Certificates (EPC’s). All of this information is readily available to the property teams.

9. Can you demonstrate that decisions on new capital projects and other planned works are based on a clear business case, including options appraisal and whole-life costing?

To obtain capital funding for projects The Council has a detailed bidding process which requires officers to submit information which includes a business case and options
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appraisal and also includes revenue implications. All major schemes are delivered in accordance with the Council’s Project Management Code of Practice which includes a formal risk assessments process. There is no formal procedure in place for whole life costing, however CLAW is currently developing a Whole life costing model which will be adopted by the Council.

10. How does the property division interact with service divisions, what are the arrangements for involvement/support?

There is no ‘property’ division within the Council. The Assets and Economic Development Department comprises asset management, property planning, commercial estates, design services, FM and property maintenance. The Council also operates an Asset Management Implementation Group (AMIG) which meets on a monthly basis and consists of officers from the property team, managers from each of the service areas and Members and looks at a variety of property and asset related issues.

Resources and value for money

11. What are the levels of resource available, at corporate level, to review property assets and running costs? Is this adequate?

The responsibility for reviewing assets sits predominantly with the Strategic Asset Manager and a team of Development Surveyors and support staff. Decisions are based on historical data supported by a limited amount of ‘real time’ surveys by Property Surveyors. There is limited funding currently available to undertake a wholesale review of property information such as condition surveys, and updating site plans. This type of work has to be very selective on a project by project basis and also means that some of the data used to provide information for benchmarking which requires information on the whole of the property and asset portfolio is out of date. The availability of recent measured surveys would enable Asset Managers to undertake options appraisal work without the necessity to re-inspect when each exercise is carried out.

12. What information on the property costs of the buildings occupied by services is available to senior management, and how is this utilised by them in considering service delivery?

All of the information currently held is available to senior management and will normally be contained in any report that is prepared for the Corporate Land & Buildings Strategy Group. There is a set procedure in place for dealing with disposals and acquisitions. Detailed information in respect of occupation costs is included within the SAMP for each building.

13. Does property maintenance have adequate resources to meet its policy objectives and is sufficient priority given to routine maintenance within the budget process?

a. Is funding maintenance linked to the condition of assets?

No. There are limited financial and physical resources to deal with planned and reactive maintenance and address the backlog of repairs. The current Council priorities have, and
continue to make it difficult to secure capital funding for planned maintenance. There is currently no funding in the capital programme to make any real impact on the backlog repairs. The capital funding which is available, i.e. £524,000 for 2013/14 will be used to address regulatory requirements and minor building improvements.

14. Given the current climate of reducing budgets, is there any perception at corporate, or service, level that resources should be diverted directly to front-line services rather than to property management?

Certain services (e.g. grant maintained schools) had traditionally operated with devolved budgets, however, over recent years a number of establishments have opted ‘back-in’. Those establishments did not generally possess the technical expertise to effectively manage their building stock and became burdensome. There is no suggestion that funding cuts will impact disproportionately on property management. In fact, the Office Accommodation Review and Community Assets Review has looked to identify investment on a spend to save basis.

15. Can you provide examples of how the organisation works with partners to achieve economies of scale in asset management?

The Council has worked closely with other North Wales Authorities as part of the North Wales Procurement Partnership but this had delivered limited results. Wrexham and Flintshire Councils have combined to procure a legionella contract which avoided duplication in the procurement process and apportioned the costs in the commissioning of expert Consultants. Wrexham, Flintshire and Denbighshire are currently exploring the possibility of collaborative contracts for a number of building maintenance contracts and there is continual dialogue between the parties looking at opportunities to procure contracts together and share best practice. Wrexham and Flintshire also share the use of a very limited number of buildings.

16. Can you please detail the framework in place to continuously review and improve the performance of property management?

a. Are there annual performance plans, agreed by Council/Board Members, setting clear targets for improvement?

b. Does the organisation include this information in public performance reporting?

The Chief Executive of the Council currently chairs the National Assets Working Group which looks at property performance and we are part of the ePIMS project which is intended to create an all Wales public sector database. The Council’s Asset Management Plan is in the process of being updated and the individual SAMP’s are used to inform any
property related issues and updated whenever there is a change in the particular circumstances. The Council are undertaking an 'office accommodation review' and have rationalised our 'office' portfolio considerably. The Council have produced a comprehensive Corporate Land and Buildings Strategy for 2009-14. Any strategic asset decisions have to be referred to the Corporate Land and Buildings Strategy group which consists of officers and Members. The Council provides annual submissions for CLAW property benchmarking data.

Guidance and good practice

17. What if any, guidance is adhered to in conducting asset management in the organisation?


18. Do you share good practice and lessons learned on asset management with other organisations/professional bodies, and if so, via what mechanisms?

The Council is a member of the Association of Chief Estates Surveyors (ACES) Welsh Branch, this provides a regular forum for the sharing of good practice, and experiences using Asset Management as a driver for change.

Professional bodies including the RICS also provide the opportunity for sharing good practise, but these can be limited because members in the Public Sector represent a minority of the overall membership.

The Council is also an active member of the Consortium of Local Authorities in Wales (CLAW) and officers regularly attend meetings to share best practice and submit annual data to benchmarking.

The Council recently worked with external advisors to undertake a major review of its Office Accommodation requirements and to develop a model for rationalisation of community assets. The process engaged with Members through a series of workshops and led to an approved programme of action.

The Office Accommodation review was built around agreed principles which stem from the Corporate Land and Buildings Strategy and include:

- where cost effective and appropriate, new office environments will move to an open plan environment and existing open space environments will not be partitioned;
- space provision will be approximately 6m² for office workers;
teams encouraged to reduce storage;
back scanning to be introduced for large paper file storage; and
all large meeting rooms to be 'held in common'.

This has resulted in capital investment of about £750K and savings in excess of £330K p.a. with payback in 2-3 years.

The model for Community Assets Review enables the Council to engage other public and voluntary sector bodies to rationalise accommodation requirements for service delivery in local communities. This is currently underway.

A North Wales Link Officers Group met to be briefed on the process and opportunities by the Council’s external advisors and to share ideas. The opportunity for other Local Authorities to follow the process is available.

19. Would a central source of expertise and good practice be beneficial to the Welsh public sector, and if so where should this sit?

a. Would training in property/asset management be beneficial?

It would be beneficial for organisations to have access to a central source of expertise at a national level, with a centralised database, supported by consultancy guidance. However, this will be most effective if the guidance is not proscriptive, recognising the need for individual solutions to specific local requirements.

CIPFA provide a National Best Value Benchmarking Scheme, based upon the National Property Performance Management Initiative (NaPPMI), which uses Performance Indicators. It is claimed that this is now accepted as an industry standard in England and Wales, but use of this service may be costly.

In most circumstances however, it is better to go directly to an organisation to learn about opportunities than to read it in a report. Signpost to good practice would be beneficial. Perhaps the WLGA could help.

Training is always beneficial. An opportunity to share good practice would be welcomed.

20. Would the drive to improve asset management benefit from a repeat of the Wales Audit Office’s 2010 report on buildings management?

Not sure of the benefit of this. See (19) – training, support and sharing best practice is more productive and likely to improve asset management.
NB – This shows AD reporting lines only and does not show all accountabilities, responsibilities or direct reports. Statutory officers are not shown on this diagram.