

PERFORMANCE & GOVERNANCE COMMITTEE – 27 SEPTEMBER 2011

ASSET MANAGEMENT PLAN- ANNUAL REPORT

Report of the: Deputy Chief Executive & Director of Corporate Resources

Status: For consideration

Executive Summary: This report details the progress made against the Asset Management Plan, reports the performance of the Council's properties and identifies further improvements to be undertaken in the forthcoming year.

This report supports the Key Aim of

Effective Management of Council Resources

Portfolio Holder Cllr. Ramsay

Head of Service Head of Financial Services – Mrs. Tricia Marshall

Recommendation: That Members note the contents of this report.

Property Ownership

- 1 The Council's property can be identified as four groups according to use and impact on the Council's services as follows:

CATEGORY (defined by the CIPFA)	No. OF UNITS	AREA (m²)	ASSET VALUE (£)
Depots, Offices & Public Conveniences (property employed to deliver/support services)	34	20,939	8,814,711
Community Buildings (property held for the benefit of the community)	30	1,570	4,274,379
Other Properties (property held for income generation)	28	12,210	1,807,079

Surplus Properties (property no longer required by the council)	5	239	3,066,573
TOTALS	97	34,958	17,962,742

Property Review

- 2 Since the last report to Members (15 February 2011) the transfer of the following property has been completed:
 - Granville Road, Westerham (amenity land to parish) (£nil)
 - Gamecock Field, West Kingsdown (car park to parish (£5,000))

- 3 Completion of the following transfers to the respective parish council is expected in the near future
 - Small Grains, Fawkham (amenity land to parish)
 - Wellfield, Hartley (allotment land to parish council)
 - Chalk Pit, Otford (scout hut site to local scout group)
 - Forge Way, Shoreham (amenity land to parish)
 - Chancel Close, West Kingsdown (amenity land to parish)
 - Land adjoining Seal School, Zambra Way, Seal (to the school)
 - Scout hut. Larkwell Lane, Hartley (to the scouts)
 - Public Toilets, Fullers Hill, Westerham
 - Public Toilets, Lower St Johns Hill, Sevenoaks
 - Public Toilets, Ide Hill
 - Public Toilets, Kemsing

- 4 One of the two remaining tenants of the Cobden Road Centre, Sevenoaks has vacated their accommodation. A possible solution has been identified in respect of re-locating one tenant which will form a separate report to Members.

- 5 The remaining tenant of Meeting Point, 27-37 High Street, Swanley is considering purchasing the freehold of the premises from the District Council and the outcome of these discussions will be reported separately to Members.

- 6 A report on the disposal of former public toilets at Leigh and Swanley will be reported to Members later in the year.
- 7 The tenant of the Council's only remaining residential property has submitted a Right to Buy application and Members will be informed of the outcome of this matter.
- 8 A £1.3m government grant funded refurbishment and extension of the accommodation at the Hever Road Travellers site is due for completion at the end of September. This will increase the number of pitches from 12 to 16 and will provide each pitch with an energy efficient, low maintenance amenity block.
- 9 There have been no significant rent reviews due in respect of Council property since the last report to Members.
- 10 The Council has provide accommodation within the Council Offices for Kent Police Community Support Unit and the Police Public Office. It is anticipated that Moat Housing local office will occupy part of the 2nd floor of the offices from November paying an annual rent and contributing to the running costs of the building.

Property Condition & Condition Surveys

- 12 The Council's property holdings are categorised in accordance with the CIPFA Property Category Definitions as listed below:

Condition categories A – D

- A** – Good, performing as intended and operating efficiently (32.7% of the Council's properties are in this category)
- B** – Satisfactory, performing as intended but showing minor deterioration (61.2% of the Council's properties are in this category)
- C** – Poor, showing major defects and/or not operating as intended (6.1% of the Council's properties are in this category)
- D** – Bad, life expired and/or serious risk of imminent failure (0% of the Council's properties are in this category)

Repair priority levels 1 – 3

- 1** – Urgent works that will prevent immediate closure of premises and/or address an immediate high risk to the health & safety of the occupants and/or remedy a serious breach of legislation. (No Council properties are in this category)
- 2** – Essential work required within two years that will prevent serious deterioration of the fabric or services and/or address a medium risk to the health & safety of the occupants and/or remedy a minor breach of legislation. (20.4% of the Council's properties are in this category)

3 – Desirable work required within three to five years that will prevent deterioration of the fabric or services and/or address a low risk to the health and safety of the occupiers and/or a minor breach of legislation. (79.6% of the Council's properties are in this category)

- 13 The property element of the Council's asset maintenance budget has been reviewed as part of the budget process and the current year £318,000 shows a £95,800 reduction from the 2010/11 budget.
- 14 An access audit and priority plan put in place. 81% of Council buildings publicly accessible areas are considered accessible.
- 15 The Council continues to be retained by Sevenoaks Town Council to manage the maintenance of the Stag Community Arts Centre and Stag Theatre and is retained by Tandridge District Council to manage the maintenance of their leisure buildings generating a combined income of some £27,000 p.a.

Performance Indicators

- 16 National Property Performance Indicators and are benchmarked against all English and Welsh Councils who are part of the Institute of Public Finance Asset Management Forum. The collection of data by the Institute for 2009/10 has only just been completed and no request for 2010/11 made. At the last review only some 50 authorities provided comprehensive data and the validity of such a small percentage sample must be in question.
- 17 Energy and water use across the corporate properties continues to be monitored and from a peak of an annual energy consumption of 1,850,009kwh (683.6 tonnes CO²) in 2007/08 the consumption in 2010/11 was 1,680,565 (606.6 tonnes CO²). Water use in 2007/08 was 3,034m³ reducing to 3,008m³ in 2010/11.

Condition & Suitability Surveys

- 18 Appropriate surveys will be undertaken with the various service providers as part of the asset maintenance budget review later in the year.

Corporate Objectives

Green & Healthy Environment

- 19 The Council purchases energy through a buying consortium, replaces plant with energy efficient alternatives and has developed a Carbon Management Action Plan. Further energy savings initiatives are investigated as part of any plant replacement/renewal programme.

Dynamic & Sustainable Economy

- 20 The Council works with social housing providers to, wherever possible, provide land to enable all ranges of social housing to be constructed especially in rural areas.

Effective Management of Council Resources

- 21 The Council continuously reviews its property holdings with a view to reducing the amount of surplus property and promotes the transfer of local amenity land to the local town and parish councils if it is considered that that would provide a more effective local management.

The Asset Management Action/Improvement Plan

- 22 Appendix attached to this report.

Asset Management Plan (AMP)

- 23 The AMP held by the District Council is a substantial document drawing information from a number of sources. Members wishing to view the complete plan should contact the Professional Services Manager on Ext. 7209.
- 24 Following the Audit Commission identifying Sevenoaks District Council as a case study for Good Practice in Strategic Asset Management in 2009, the Department of Communities and Local Government Best Practice Compendium identifies Sevenoaks as an example of good asset rationalisation practices.

Key Implications

Financial

- 25 The implementation of the Asset Management Plan is undertaken within existing staff resources and asset maintenance is funded from a previously agreed annual budget.

Legal, Human Rights etc.

- 26 No legal or human rights issues have been identified.

Value For Money & Asset Management

- 27 The proposals contained in this report will enable the District Council to satisfy the requirements of the Comprehensive Performance Assessment and will aid the achievement of Value for Money in asset management and capital investment.

Community Impact & Outcomes

- 28 No issues have been identified.

Resource (non-financial)

29 No issues have been identified.

Equality Impacts

30 No issues have been identified.

Sustainability Checklist

31 No issues have been identified.

Risk Assessment Statement

32 The information and procedures outlined in this asset management plan will enable the Council to assess and compare the performance of its assets and if the Asset Management Plan is not regularly updated and reported the Council will not be able to provide the required information to the appropriate government departments nor make valued judgements in respect of future asset use.

Sources of Information: Asset Management Plan, Master Copy

Contact Officer(s): Jim Latheron extn 7209

Dr Pav Ramewal
Corporate Resources Director