

**North East Derbyshire District Council**

**Cabinet**

**18 March 2015**

**Asset Management Strategy and Plan 2014-2017: Non Housing Property and Land**

**Report No PW/03/15/GG of Councillor P Williams, Portfolio Member with Responsibility for IT, e-Information and Asset Management**

This report is public

**Purpose of the Report**

- To seek member approval to adopt an Asset Management Policy and Plan for North East Derbyshire District Council. The purpose of this document is to make the Council's policy and Asset Strategy and Plan, clear and transparent to the public.

**1 Report Details**

- 1.1 The Asset Management Strategy (**Appendix 1**) sets out the councils vision and core values and focuses on 5 key objectives, which are:
- To ensure the Council's service requirements are linked to an effective asset management solution;
  - To raise awareness of the Council's assets, provide a clear decision making structure for their management and further develop a flexible portfolio of assets that meet changing service needs and delivery;
  - To manage asset management delivery to demonstrate continuous performance improvement;
  - To rationalise the asset portfolio and to target investment into buildings that have been identified as essential for long term service delivery and to release value from assets by minimising running costs, structured investment or disposal;
  - To adopt a sustainable approach to energy efficiency.
- 1.2 The Asset Management Plan sits behind the strategy and will be used to focus on making strategic and operational asset management decisions, which support the key objectives as laid out in the Asset Management Strategy and which contribute the Council's corporate vision and aims.

- 1.3 An improvement plan has been included within the document identifying 5 areas of action. 1. Production of an electronic asset database. 2. The implementation of the Disposals and Acquisitions Policy. 3. A public building access audit. 4. a rationalisation review of corporate assets. 5. The production of an accommodation strategy.

## **2 Conclusions and Reasons for Recommendation**

- 2.1 In order to continually improve the uses of corporate assets, to comply with government guidance and to ensure a consistent and transparent approach is adopted for the management of all corporate assets.

## **3 Consultation and Equality Impact**

- 3.1 The Strategy and Plan has been developed by Property and Estates staff in consultation with the Asset Management Group, SAMT and Portfolio Members.

## **4 Alternative Options and Reasons for Rejection**

- 4.1 None.

## **5 Implications**

### **5.1 Finance and Risk Implications**

- Duty on the Council, under section 123 of the Local Government Act 1972, to obtain the best consideration that can be reasonably obtained for the management of assets/disposal of land. This duty is subject to certain exceptions that are set out in the 'Local Government Act 1972: General Disposal Consent (England) 2003'

### **5.2 Legal Implications including Data Protection**

- There are no data protection issues arising out of this report.
- The document has been reviewed by legal and appropriate updates have been included.

### **5.3 Human Resources Implications**

- 5.3.1 No direct implications

## **6 Recommendations**

- 6.1 That Cabinet approves the Asset Management Strategy and Plan for North East Derbyshire District Council as attached in Appendix 1.

## 7 Decision Information

<b>Is the decision a Key Decision?</b> (A Key Decision is one which results in income or expenditure to the Council of £50,000 or more or which has a significant impact on two or more District wards)	Yes
<b>District Wards Affected</b>	All Wards
<b>Links to Corporate Plan priorities or Policy Framework</b>	<ul style="list-style-type: none"> <li>• Unlocking our <b>Growth</b> Potential</li> <li>• Providing Excellent <b>Customer Service</b></li> <li>• Developing <b>Healthy, Safe, Clean and Green Communities</b></li> </ul>

## 8 Document Information

Appendix No	Title
Appendix 1	Asset Management Strategy and Plan
<b>Background Papers</b> (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)	
Report Author	Contact Number
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# **Corporate Asset Management Strategy and Plan 2015-2019**

March 2015

## CONTROL SHEET FOR Corporate Asset Management Strategy and Plan

Strategy Details	Comments / Confirmation (To be updated as the document progresses)
Strategy title	Corporate Asset Management Strategy and Plan
Current status – i.e. first draft, version 2 or final version	First Draft
Strategy author	Joint Assistant Director of Property and Estates
Location of strategy i.e. L-drive, shared Drive	
Member route for approval	Cabinet
Cabinet Member (if applicable)	Cllr Williams
Risk Assessment completed (if applicable)	
Equality Impact Assessment approval date	Draft EIA March 2015
Partnership involvement (if applicable)	
Final strategy approval route i.e. Executive/ Council /Planning Committee	AMG, SAMT, Cabinet,
Date strategy approved	
Date strategy due for review	2019
Date strategy forwarded to Strategy and Performance (to include on Intranet and Internet if applicable to the public)	

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## Risk Management

This Policy is designed to ensure that the Council's assets are effectively managed which includes the effective management of risk. The development of this policy and associated documents such as the Accommodation Strategy are designed to ensure that the Council, Under section 123 Local Government Act 1972, does not sell land for a consideration less than the best that can be reasonably be obtained. An articulated strategy also helps to ensure that our management of assets is consistent with the objectives set out in the Council's Corporate Plan. Within the Asset Management Plan are a range of measures designed to ensure that the Council effectively manages its operational risks at properties and is providing a range of facilities that are safe to use for both residents and employees.

## Introduction

Welcome to North East Derbyshire District Council Asset Management Strategy and Plan 2015 - 2019, the corporate strategic document outlining existing asset management arrangements and outcomes together with planned action to improve asset use and maintain its value.

This plan reflects the Council's vision that North East Derbyshire will be a place that is clean and attractive, a place where people are proud to live and work, where they will prosper and are safe, happy and healthy.

The Council's office buildings, industrial and commercial land, parks and amenities, cemeteries, car parks, public toilets and other property have a combined net book value of around £28.5 million. In addition to the value invested in the assets there are significant revenue costs associated with operating and maintaining these properties., and have considerable upkeep costs. It is therefore absolutely vital that they are managed properly to make sure all of them are securing best value, in helping us to meet the Community's needs.

The Council sees its property assets as vital to the functions of this organisation and fully supports the development of this plan and the implications arising from it. The correct use of property assets and their strategic proactive future planning is intended to contribute to the continuing journey of improvement within the Council.

## **Asset Management Strategy**

The Council has developed a strategy to set the context for the preparation of the detailed Corporate Asset Management Plan.

### **Our Vision**

To manage the Council's corporate property and land asset portfolio effectively by providing:

- Buildings that meet the needs of the service, that are fit for purpose, sustainable and allow access for all.
- Assets that underpin corporate priorities and provide value for money.

### **Core Values**

**Sustainability** – We will reduce energy consumption within our buildings and report performance to elected members and officers through the use of Display Energy Certificates. We will always consider using sustainable materials from renewable sources and choose to use these options whenever possible.

**Engagement** – Joint Assistant Directors, Senior Managers and building users are regularly consulted with regard to accommodation changes, major refurbishments, and the standard of repair and maintenance to ensure informed decisions are made on how assets are managed.

### **Access**

Assets are a key channel by which our customers access council services. We will assist stakeholder access to services by ensuring that our buildings are in the right places, built to current standards and are accessible to all.

### **Efficiency**

The asset portfolio will be regularly challenged to ensure economic use of property and to reduce running costs.

Decisions to invest in assets will be based on options appraisals and whole life costing.

Accommodation will be reviewed and rationalised (if required/necessary) with a view to reducing the amount of office space for delivering the functions of the Authority.

### **Effectiveness**

Our property portfolio must meet the needs of our council services and of our service users. In

order to achieve this the asset management process will ensure alignment of plans. Accommodation will be used to support the way we work and the ability to meet standards and performance targets.

## **Partnerships**

Where ever possible we will seek to work in partnership with outside bodies and stakeholders to deliver reliable cost effective services. In particular the Council's housing service is delivered in partnership with Rykneld Homes our Arms Length Management organisation.

We will work with partners to seek opportunities to share assets in order to drive service improvement and reduce costs.

## **New / Refurbished Assets**

New or refurbished assets will be built/developed to the highest possible standard, they will be fit for purpose, flexible, energy efficient and will give access to all.

## **The Strategy**

The Asset Management Strategy sets out a number of key objectives, which are:-

1. To ensure the Council's service requirements are linked to an effective asset management solution;
2. To raise awareness of the Council's assets, provide a clear decision making structure for their management and further develop a flexible portfolio of assets that meet changing service needs and delivery;
3. To manage asset management delivery to demonstrate continuous performance improvement;
4. To rationalise the asset portfolio and to target investment into buildings that have been identified as essential for long term service delivery and to release value from assets by minimising running costs, structured investment or disposal;
5. To adopt a sustainable approach to energy efficiency.

The Asset Management Plan sets out how these objectives are to be achieved and implemented.

# **The Asset Management Plan**

## **1.0. Introduction and Context**

### **1.1. Asset Management**

Asset Management can be defined as optimising the assets of the Council in respect of service benefits and financial return. It is an important part of resource planning. There are two interacting components:

#### **1.1.1. Strategic Asset Management**

This focuses on the medium to longer term and involves decisions on asset investment linked to customer and end user needs and service delivery requirements. It involves a challenge to the holding of assets. There is an assumption that assets will only be retained where they provide greater value for money than the alternatives. New methods of service delivery, flexible working arrangements, shared services and developments in information technology, have made the Authority, and are likely to make the Council less dependent on fixed assets in future years.

#### **1.1.2. Operational Asset Management**

The asset management objective is to secure efficiency gains, ensure business continuity and support service delivery

Fixed assets are the land and buildings for which the Council has responsibility, including leisure centres, office accommodation, depots, area offices, car parks, street furniture, infrastructure and closed churchyards.

This strategy does not include land, houses, buildings and fixed assets associated with the Housing Revenue Account.

Asset Management Planning helps to raise awareness of the resources invested in the Council's assets and to develop strategies and programmes to ensure that they are deployed in the most effective way to meet the authority's corporate and service objectives.

This is a business process with the underlying purpose of achieving the better use of public assets, and of minimising the opportunity cost of resources tied up in land, buildings and fixed assets.

A number of management principles support effective strategic asset management

- There needs to be an integrated departmental and corporate approach to fixed assets.
- Explicit responsibility for, and corporate leadership of the strategic asset management function is required.
- The correct balance has to be taken between Council control and devolved responsibility for land, buildings and fixed assets.

- A synergy is needed between the strategy for fixed assets and the service objectives linked to the use of those assets.
- Clear authority-wide property objectives need to be fed into the service planning process. These need to be communicated to elected members and managers with specific service delivery responsibilities
- Any change in the strategic role or management of fixed assets needs to be planned, co-ordinated, and prioritised within the Corporate Plan.
- Asset management needs to be backed by a simple and robust system of performance management which relates directly to Corporate or service objectives.
- Effective data systems have to be in place to support the management of fixed assets.
- Robust techniques are needed to justify decisions. These need to balance service benefits against financial returns and expenditure.

## 1.2. The Council

North East Derbyshire covers an area of 259 square kilometres and sits on the edge of the Peak District National Park. It has good links to the neighbouring towns and cities of Chesterfield, Sheffield and Derby.

North East Derbyshire has a population of almost 100,000. The settlements with the highest population are Clay Cross, Dronfield, Eckington and Killamarsh.

The long term population projections suggest that the populations of North East Derbyshire will increase by 7,000 to 106,000 by 2030.

## 1.3. Corporate Vision and Aims

The Council's vision for the District is: -

North East Derbyshire will be a place that is clean and attractive, a place where people are proud to live and work, where they will prosper and are safe, happy and healthy

The Council's proposed corporate aims for the period 2015 to 2019 are: -

The key aim is Unlocking our **Growth** Potential

The Council also proposes to have three Supporting Aims:

Our Supporting Aims		
Our Aim	Our Aim	Our Aim
<i>Providing Our <b>Customers</b> with Excellent Service</i>	<i>Supporting Our <b>Communities</b> to be Healthier, Safer, Cleaner and Greener</i>	<i>Transforming Our <b>Organisation</b></i>

The Council has a Growth Strategy, which was approved in 2014, which has objectives to realise growth.

## **1.4. Organisational framework**

There are three chief officers. They are:

- Chief Executive
- Executive Director of Operations
- Executive Director of Transformation

Each chief officer has responsibility for a group of services.

Strategic and operational responsibility for property and fixed assets lies with the Executive Director of Operations

There are ten Assistant Directors, each responsible to one of the three chief officers. All chief officers and Assistant Directors are members of the Council's Strategic Alliance Management Team.

Responsibility for the delivery of the Asset Management Plan lies with the Assistant Director Property and Estates and the Architect to the Council.

Elected members operate through a Leader and Cabinet executive system. Asset Management sits under the IT, E-information and Asset Management, Portfolio Holder.

The Council has a system of performance management and elected members monitor service outcomes through quarterly reports to Cabinet and the Scrutiny Committees. Asset management cuts across a number of scrutiny committees.

## **2.0. Corporate Asset Management Plan**

There are six key drivers in the development of a corporate plan on asset management. These are:

- Making a strong link between corporate objectives and the policy on fixed assets.
- Ensuring the full involvement of key service areas.
- Keeping a clear distinction between strategic and operational decision-making on fixed assets.
- Establishing key drivers for fixed asset decisions amongst officers and elected members
- Maintaining clear reporting lines to a strong corporate centre.
- Providing clear links between the Council's Asset Management Plan, Acquisitions and Disposal Strategy and Asset Management Strategy.

## **2.1. Policy Statement**

Within the context of the Asset Management Plan the Council will:

- Promote a corporate approach to the management of property assets and build an understanding of the importance of assets in supporting service delivery.
- Ensure that property assets help to secure continuous service improvement.

- Review the Council's properties and gather information covering their sufficiency, suitability and cost.
- Rationalise the property portfolio, disposing of properties that do not support core service objectives or fail to make an adequate return on investment.
- Fully implement the requirements of health and safety legislation, fire safety legislation and the Equality Act 2010.
- Where appropriate, promote sharing of premises between Council departments and with other public bodies and voluntary organisations.
- Minimise space usage and the running costs of buildings.
- Prioritise building and maintenance works according to need and ensure that projects are delivered on time and within budget whilst minimising service disruption.

## **2.2. Corporate Asset Objectives 2014-2019**

This plan is supported by a series of specific objectives.

### **Objective 1: To ensure the Council's service requirements are linked to an effective asset management solution:**

- The Council will maintain sufficient financial resource and operational capacity to manage and maintain its fixed assets.
- Efficient and sustainable procurement will be undertaken for fixed assets.
- Accommodation will be suitable, accessible and maintained to the required standard.
- Assets will be sustainable and affordable for their whole life.

### **Objective 2: To raise awareness of the Council's assets, provide a clear decision making structure for their management and further develop a flexible portfolio of assets that meet changing service needs and delivery:**

- Standards will be set for the design, care and use of accommodation and assets, including a separate Accommodation Strategy.
- Compliance with legal obligations will be maintained and the minimum standard will be exceeded wherever possible.
- Elected members will have a strong role in decision making.

### **Objective 3. To manage asset management delivery to demonstrate continuous performance improvement:**

- Effective processes and policies will be maintained to ensure effective asset, contract and project management.
- There will be choice and competition in the asset management process, through tenders to secure the best outcome for the Council.
- Performance targets will be set for asset management activities.
- Improvements in energy efficiency and a reduction in greenhouse gas emissions.
- Accessibility to all council assets will be maximised.

**Objective 4. To rationalise the asset portfolio and to target investment into buildings that have been identified as essential for long term service delivery and to release value from assets by minimising running costs, structured investment or disposal:**

- The need for the ownership and retention of assets will be challenged.
- Assets will be reviewed to identify where the cost of retention exceeds the value added.
- Carry out a review on current management practices including exploring options for a more corporate approach to operational asset management.
- Opportunities will be sought for the sharing of assets with partners.
- Running costs will be monitored to target potential savings.
- Management arrangements will be continuously reviewed to ensure best value.

**Objective 5. To embed a sustainable approach to energy efficiency.**

- To achieve efficiencies where possible through energy conservation.
- To continue to work and develop ideas in partnership with the Nottinghamshire/Derbyshire Local Authority Energy Partnership.

### **3.0. Headline Performance Indicators**

Effective performance management is critical for the success of an Asset Management Service. Performance management is about:

- Achieving the Council's aims and objectives through effective Asset Management.
- Prioritising what is important and what gets done.
- Motivating and managing staff and partner organisations.
- Measuring and communicating success.
- Improving the perception of service provision.

To be effective, performance management should not be isolated to the performance of fixed assets alone. Performance management within the asset management function needs to link and overlap with the Corporate Plan and contribute to individual service aims and objectives.

#### **Indicators to be measured**

The use of property performance indicators is recommended and endorsed by the Department of Communities & Local Government (CLG) as a valuable means of measuring and comparing performance in asset management.

In establishing a framework for performance management it is essential to optimise the use of relevant benchmarking to provide useful comparator information.

Performance indicators in relation to public access to buildings, occupancy and yield will be developed, monitored and benchmarked against other organisations.

### **4.0. Stakeholder Views**

The Council has developed a long term approach to consultation across a full range of stakeholders. There is a formal consultation group that co-ordinates this process.

The current programme for consultation includes:

- **The elected members of the authority**

Members are engaged at an early stage of policy development through informal Leadership Team and Member Development Sessions. More formal performance reporting and monitoring occurs through Cabinet and scrutiny committees.

- **The Council's Strategic Alliance Management Team**

The Senior Management Team has taken positive steps to improve the co-ordination and effectiveness of the Council's consultation programme.

The Council has a work/life balance programme and the Management Team review the effectiveness of home working, hot desking and other flexible working arrangements. The success or otherwise of these innovations may impact on future property needs.

- **The Council's own staff**

The corporate mechanism for staff consultation is through staff road shows and briefings, team meetings, the employee survey and staff suggestion scheme.

The Council has developed a long term approach to consultation across a full range of stakeholders.

## **5.0. Key Policy and Statutory Drivers**

The areas of Government Policy and Statutory responsibility that influence the Council's asset strategy are:

### **5.1. Equality Act 2010**

The Equality Act 2010 established a general equality duty which requires the Council to:

- Eliminate discrimination, harassment, victimisation and any other prohibited conduct
- Advance equality of opportunity
- Foster good relations

The public sector equality duty, known as the specific duty was introduced with effect from 1 April 2011. The specific duty will require the Council to:

- Set, consult on and review equality objectives
- Demonstrate how the impact on equality has been assessed
- Use the Council's procurement function effectively to further its equality objectives
- Review and report on progress on a triennial basis

The Council has undertaken an EIA to ensure the Equality Act 2010 is being met and an equality objective has been included in the improvement plan.

## **5.2. Health and Safety at Work etc Act 1974**

The Health and Safety at Work etc Act 1974 places a statutory duty on all employers, including their managers, to provide and maintain equipment and systems of work that are safe and without risk to the health of employees or others who may be affected by their undertaking. Equally, employees are required to take reasonable care of their own safety and that of others who may be affected by their acts or omissions.

In addition, both employers and employees have a Duty of Care in tort (particularly negligence) towards those who may be affected by their actions or instructions.

Other regulations which relate to the Health and Safety at Work Act are:

- The Workplace (Health Safety and Welfare) Regulations 1992.
- The Management of Health and Safety at Work Regulations 1999.

Employers must:

- Provide information on health and safety.
- Undertake risk assessments.
- Eliminate and control risks.
- Have insurance.
- Undertake health surveillance.
- Provide Personal Protective Equipment (PPE).
- Make provision for those with special needs.
- Provide regular health and safety training.
- Look after health and safety of others and members of the public.

## **5.3. The Control of Asbestos Regulations 2006**

This legislation was introduced to protect those who come into contact with asbestos unknowingly or accidentally. The regulations were designed to simplify the legislative framework by introducing a duty to manage the risk posed by asbestos containing materials in non-domestic premises, but including the common areas of residential property. North East Derbyshire District Council is the duty holder for all its buildings and is required to:-

- Assess whether the premises contains asbestos.
- Assess the risk from the asbestos.
- Take action to minimise the risk of exposure to asbestos fibers.

The Council operates an online database that holds the information in relation to the location of all the sources of asbestos in its corporate portfolio. The system allows contractors and staff to be given access to asset' asbestos data and to enable receipt of notifications directly to the register.

## **5.4. Regulatory Reform (Fire Safety) Order 2005**

On 1 April 2006 the Regulatory Reform (Fire Safety) Regulations came into force which apply to non-domestic premises.

They are based upon a risk assessment approach, aimed at protecting those who are lawfully on the Council's premises and any person who is in the immediate vicinity of the premises and at risk from a fire.

The Regulations make fire safety the responsibility of what the Regulations call the "responsible person". This has similarities with the Control of Asbestos at Work Regulations 2002. The Council is the responsible person for all its buildings.

It is the duty of the Council to comply with the Regulations by taking general fire precautions, conducting a risk assessment, eliminating risks from dangerous substances, providing emergency routes and exits and providing information and training to staff. Where there are any alterations or changes in use, the Council must take steps to keep the fire assessment up to date.

The Council has taken necessary steps to ensure compliance with the requirements.

### **5.5. Civil Contingencies Act 2004**

The Civil Contingencies Act 2004 places a duty on the Council to ensure that it is able to continue to provide critical functions during emergencies.

### **5.6 Business Continuity**

A Business Continuity Plan has been implemented by the Council in order to structure its response and undertake work to prevent or mitigate the severity of service disruptions.

The Plan identifies the recovery objectives, the structure for implementation and the communication processes to keep staff, partners and the public informed of necessary changes to service delivery.

Integral to this process are the premises occupied by the Council during the time of emergency. These may not be the normal Council offices as these may have been put out of operation.

The Business Continuity Plan identifies alternative premises that the Council could occupy in the event of a loss of key buildings as well as a management structure with defined responsibilities that ensure the appropriate level of response should an emergency occur. The intention is to ensure that sufficient fixed assets are available to the Council to enable it to perform its role under the Civil Contingencies Act.

### **5.7 Financial**

Reduction year on year of Central Government funding has put a strain on the Councils revenue budgets. Effective asset management solutions and reduced reliance on accommodation space, can not only reduce direct cost to the Council, but can also result in opportunities to realise additional rental income.

## 5.8 Construction (Design and Management) Regulations

The Construction (Design and Management) Regulations 2007 (CDM 2007) came into force on the 6 April 2007 and are intended to focus attention on planning and management throughout the life of reconstruction projects from design concept to future maintenance of the completed buildings. The aim is for Health and Safety considerations to be treated as an integral part of a project's development, rather than an afterthought or bolt on extra. North East Derbyshire District Council has the major influence in the way their projects are run. Under CDM 2007 the following duties have been placed on the client:-

- Appoint a CDM Co-ordinator.
- Ensure the competence and resources of the project team.
- Ensure there are suitable management arrangements for the project including welfare facilities.
- Allow sufficient time and resources for all stages.
- Provide pre-construction information to designers and contractors.
- Appoint a Principal Contractor.

## 6.0. The Resource Context

### 6.1. Capital and Financial Summary

Appendix 1 summarises the core elements of the Council's capital programme as at March 2015. This policy will be updated on an annual basis to reflect the most recent approved capital programme.

#### a. General Revenue Expenditure

This can be broken down into:

- **Programmed Planned Maintenance:** This ensures that the assets are maintained to a pre-determined level of condition
- **Reactive Maintenance:** This deals with day to day operational issues as they arise and ensures continuity of service
- **Management Costs:** These are the internal and external costs involved in managing the assets
- **Operating Costs:** These are the day to day costs involved in running the assets.

Revenue expenditure is planned in advance and prioritised on the basis of contribution to corporate objectives. As part of the on-going improvements there should be a strong element of challenge and the principles of strategic procurement, collaborative working and leverage need to be incorporated at all stages.

#### b. Capital Investment

- **Replacement:** This involves full or partial replacement of an existing fixed asset of sufficient extent to enhance the capital value of the asset and extend its period of useful life.

- **Enhancement:** This is investment that improves the contribution to corporate objectives as well as increasing the value and useful life of the asset.
- **Development:** This is the procurement of a fixed asset where none existed previously.

The Council's Capital Strategy is the determining factor in decisions on capital investment in fixed assets. All decisions will be the subject of a full options appraisal. Procurement and project management are key factors in determining the success of a project.

### **c. Corporate Expenditure**

This is expenditure that links asset management with cross-cutting corporate objectives and statutory responsibilities:

- Health and Safety
- Accessibility and Equalities
- Customer Relationship Management
- Business Continuity

These three types of expenditure (revenue, capital and corporate) are considered separately as each has different criteria for programme development, procurement and the decision to commit expenditure.

## **6.2. The Fixed Asset Base**

A full description of the existing fixed asset base is given at Appendix 2.

Non-operational assets are fixed assets held by the Council but not directly occupied or used in the delivery of front or back office services.

Operational assets are fixed assets held, occupied or used by the Council in the direct delivery of its statutory or discretionary services or their back office support functions.

Fixed Asset Base:

- a. Operational buildings
  - Saltergate Offices and Annexe Chesterfield
  - Pioneer House Wingerworth
  - 2013 Mill Lane Wingerworth
  - Killamarsh Area Housing Office
  - North Wingfield Area Housing Office (Leased In)
  - Clay Cross Area Housing Office (Leased In)
  - 3 X Leisure Centres
  - 3 X Depots
  - 1 X Public Conveniences
- b. Non-Operational Buildings
  - 2 X Business Centres held for Economic Development / Investment purposes

86 X Industrial units held for Economic Development / Investment purposes  
13 X Commercial units held for Economic Development / Investment purposes  
7 X Community Clubhouses

c. Operational Land

16 X Car Parks (1 X leased In)  
2 X Cemetery land

d. Non-Operational Land

36 X Industrial Plots held for Investment purposes  
18 X Commercial Sites held for Investment purposes  
4 x Plots used for Community Buildings  
7 X Agricultural Land Sites  
2 X Agricultural Rights of Way (Non-Income producing)  
24 X Sites declared surplus and held for possible development  
2 X Former housing offices (vacant)  
43 X Play Areas and Recreation grounds  
75 X areas of Public Open Space  
55 X plots used for garden land  
3 X plots used for pigeon lofts  
10 X Grazing fields  
14 X Vehicle accesses

e. Infrastructure

105 X Lighting Columns  
Street nameplates (number not known – 2014 budget £6,000 )  
2 X Bus Stations  
2 X Reservoirs  
2 X Balancing ponds

### **6.3. Assessment of Condition**

The council holds a paper based asset condition survey which officers are planning to move onto an electronic based system. As part of this process it is planned to update the information held within the survey which is based upon a comprehensive survey undertaken in 2007. The current survey doesn't include cost information for renewing elements and doesn't include surveys for new properties added to the portfolio. In addition the current survey has not been updated when building elements have been replaced rendering the survey out of date.

### **6.4 Access to Buildings**

Generally public areas to the Council's operational buildings are fully accessible there are some non-public areas where work may be required to provide full accessibility. An EIA will be carried out for any proposed major changes to assets. Note - accessibility of public areas: there are a wide range of disabilities including visual and/or hearing impairments

and learning disabilities that may not have been fully considered.

## **7.0. Changes in the External Environment and their Implications**

### **7.1 Digital Services**

Traditional access channels such as the telephone and face-to-face contact will remain vital interfaces between local authorities and residents.

The Council's vision is to improve the quality of, and access to services, reduce inequalities, and wherever possible we will use electronic services to deliver the Council's services.

These initiatives are changing the way that the Council uses its accommodation.

Digital Services opens up more flexible ways of working, such as home working, mobile working and hot-desking. This should lead to a progressive reduction in the accommodation needed for Council staff.

### **7.2 The Market for Accommodation and Support Services Provision**

The changing environment of local government increases the complexity of making strategic planning decisions on fixed assets.

Initiatives such as shared or collaborative services will have a fundamental effect on the accommodation needs of most council's.

A large portion of a Council's office space is occupied by back office services. It is not clear how these services will be delivered in the future, but it may be that some services could be operated from a remote location delivering efficiency gains to the Council.

The future asset requirements of the Council needs to be examined and evaluated in the context of this changing environment.

In response the Council will ensure a robust strategy by examining future use and either disposing of or adapting any assets that do not fit into anticipated future service requirements or are unlikely to provide value for money in future years. The remaining asset base should be the subject of individual option appraisals to determine its long term future. This may well involve the Council sharing its accommodation with other agencies as well as making use of medium to long term leasehold options. Where appropriate, initiatives such as Development Partnerships will be considered.

### **7.3. Property Services**

In an environment where the Council has changing asset requirements the property services function will to be responsive to this and ensure continuing performance improvement.

There will need to be a strategic asset function as well as the traditional operational asset management arrangement.

These services would be highly suitable for shared working and need to be linked closely to the corporate procurement and financial management structure. A clear distinction needs to be made between asset management (both strategic and operational) and other property services functions such as capital programme management and housing revenue account work.

A move towards long term framework/contract agreements for asset management would move much of the operational responsibility for fixed assets to the contractor, leaving the in-house team to focus on strategic and service delivery issues. This approach will be one of the strategies which the Council will consider.

To determine the future requirements for property services a strategic option appraisal on the service needs will be undertaken by the Architect to the Council as part of the move towards single asset management responsibility.

## **8.0. The Asset Challenge Process**

A long term asset strategy involves challenge of all existing fixed assets supported by option appraisal evaluated against value and contribution to service delivery and corporate objectives.

There are five options for any fixed asset:

- Retain and continue to maintain through a programme of planned and reactive maintenance.
- Retain and develop asset to improve financial and/or service delivery performance.
- Retain asset, undertake minimum maintenance and dispose of assets at the appropriate point in time.
- Dispose of asset immediately, in accordance with the Acquisitions and Disposal Strategy.
- Retain or develop in partnership to secure wider Council objectives.

The Council needs to place each of its fixed assets into one of these categories

Asset challenge takes account of several factors

- Consideration needs to be given to the extent to which new working practices within the Council are giving rise to changes in accommodation requirements. This might include a move towards increased home-working, out-sourcing of services, a decision to change the ratio of front to back office provision, increased partnership working and a policy to provide local access to services.
- Each service will have its own internal drivers that will impact upon the approach to service delivery in future years and give rise to specific accommodation requirements. These need to be identified by Service heads and fed into a long term accommodation strategy
- There is a drive from government that local Authorities will share accommodation and services with other local authorities, government agencies and the voluntary sector or the private sector where appropriate.

- The needs and expectations of customers and residents will be a major determinant in the decision to retain buildings and community fixed assets such as car parks and street fixtures and furniture.

It needs to be clear that the Council is seeking to develop a strategic approach to accommodation provision actively considering all available and appropriate opportunities for maximising the utilisation of individual assets in the best interests of service provision.

## 9.0. The Asset Management function

Responsibilities for the asset management function at the Council are:

- **Strategic Management Responsibility:** Executive Director Operations
- **Corporate Property Officer:** Assistant Director Property and Estates
- **Operational Management Responsibility:** Architect to the Council
- **Single Asset Management Responsibility:** Facilities Manager
- **Member Champion:** IT, E-information and Asset Management, Portfolio Holder

The Council has a property consultancy service. This forms part of the Property and Estates Department and is able to provide professional advice and project management support to Assistant Directors on accommodation and fixed assets. There is no obligation to use the consultancy service and fixed asset projects are able to proceed without professional advice.

Procurement at the Council is the responsibility of the external Procurement Department who support the Council in all major procurement projects, including decisions relating to the fixed assets.

## 10.0. Review and Challenge

### 10.1. Gap Analysis

Having already established both the baseline position and expected areas of change, this section seeks to clearly identify specific 'gaps' in provision and provide a framework for the development of the action plan.

#### 10.1.1. Review of Roles and Responsibilities for Fixed Assets

A system of devolving responsibility for decisions on fixed assets to Assistant Directors has merits but needs to be guided and backed by a corporate strategy on the fixed assets. This is to ensure that decisions are placed in a strategic context. The risk of a departmental approach is that investment can be made with no consideration of the overall strategy for fixed assets and the long term impact on the Council's budgetary framework, future service delivery plans or statutory responsibilities.

To address this risk strategic the Council has set up an Asset Management Group, which has responsibility for advising on all fixed asset issues.

### **10.1.2. Review of Decision Making Processes**

The key issues to be addressed in the future are closely linked to the overall procurement agenda. They are:

- The importance of ensuring that elected members are fully involved in asset management at all stages, including the robust scrutiny of outcomes.
- The co-ordination of consultation on property issues. This will enable a corporate view to be taken on the strategic relevance of consultation data. Asset management consultation needs to be analysed corporately as well as within the relevant service areas.
- A proper options appraisal for major fixed asset decisions in line with the Councils Financial Regulations and Standing Orders.
- The need to make the connection between a long term asset strategy and corporate objectives in the decision making process.
- The requirement to fully consider whole life costing, environmental impact, health and safety, equalities and statutory responsibilities.

The Council has in place an Asset Management Group which will be tasked with ensuring that the principles outlined with this Strategy are adhered to, and that Members are provided with appropriate information upon which to base decisions.

## 11.0 Improvement Plan

Action	Owner	Lead Officer(s)	Target Date	Expected Outcome	Resources
Ensure that the Council has an appropriate decision making process in place concerning the utilisation of its fixed assets	Asset Management Group	Assistant Director – Property and Estates	June 2015	Informed decision making and effective strategic asset management.	Officer and Member Time.
Electronic Asset Data base for long term planning.	Architect	Architect	March 2017	Accurate up to date stock condition information	Officer time. Acquisition of software. Surveys of all buildings. Survey costs (approximately £40,000).
Implementation of the Disposals and Acquisitions Policy.	Assistant Director – Property and Estates	Assistant Director – Property and Estates	June 2015	To make the Council's approach in dealing with acquisitions and disposals transparent and consistent and to the correct procedure is followed in all cases	Officer and Member time
Public Building Access Audit	Architect	Architect	March 2016	To provide accessible public buildings for all.	Officer and Member time
Rationalisation -Review of corporate assets.	Assistant Director – Property and Estates	Assistant Director – Property and Estates	March 2019	Clear view on stock retention, improvement and disposal of corporate buildings	Officer and Member time.
Produce an Accommodation Strategy	Assistant Director – Property and Estates	Assistant Director – Property and Estates	March 2017	Clear corporate guidance on building usage.	Officer and Member time.

## Appendix 1 – Capital Finance Summary

### CAPITAL PROGRAMME 2014/15 to 2017/18

Capital Expenditure	Original Budget 2014/15 £	Current Programme 2014/15 £	Revised Programme 2014/15 £	Original Budget 2015/16 £	Original Budget 2016/17 £	Original Budget 2017/18 £
<b>General Fund</b>						
Private Sector Housing Grants (DFG's)	300,000	300,000	300,000	393,000	393,000	393,000
Demolition Costs (Holmewood)	50,000	50,000	0	50,000	0	0
ICT Schemes	120,000	196,000	196,000	130,000	50,000	50,000
Clay Cross Football Pitch	0	12,000	12,000	0	0	0
Dronfield Play Lottery Fund	0	7,000	7,000	0	0	0
Asset Refurbishment - General	47,000	36,000	36,000	150,000	150,000	150,000
Asset Refurbishment - Council House Lift	0	14,000	14,000	0	0	0
Asset Refurbishment - Eckington Pool Boiler	0	30,000	57,000	0	0	0
Asset Refurbishment - Coney Green BIC	117,000	167,000	167,000	0	0	0
Asset Refurbishment - Eckington Depot	0	30,000	30,000	0	0	0
DSC Pool Refurbishment	0	0	530,000	0	0	0
Refurbishment of CPL	0	599,000	1,411,700	0	0	0
Land Remediation at CPL	0	625,000	447,300	275,000	0	0
Contaminated Land	0	17,000	64,000	0	0	0
Sharley Park Leisure Centre Refurbishment	0	168,000	141,000	0	0	0
<b>General Fund Capital Expenditure</b>	<b>634,000</b>	<b>2,251,000</b>	<b>3,138,000</b>	<b>998,000</b>	<b>593,000</b>	<b>593,000</b>

## Appendix 2 – Fixed Asset Base

Offices	Saltergate, Chesterfield	
Offices	Pioneer House, Wingerworth	
Offices	2013 Mill Lane, Wingerworth	
Offices	Killamarsh Housing Office, Stanley Street Killamarsh	
Offices	North Wingfield Housing Office, Community Centre Whitelease Ave, North Wingfield	
Offices	Clay Cross Housing Office, Social Centre, Market Street Clay Cross	
Sports facilities	Dronfield Leisure Centre, Civic Centre Dronfield	
Sports facilities	Eckington Swimming Pool, Gosber Street Eckington	
Sports facilities	Sharley Park Leisure Centre, Market Street Clay Cross	
Depot	Eckington Depot, Rotherside Road Eckington	
Depot	Holmewood Depot, Masfield Avenue, Holmewood	
Depot	Bulk Storage Depot, Chesterfield Road, Dronfield	
Toilet Block	Bridge Street, Clay Cross	
Business Centre	Coney Green, Clay Cross	
Business Centre	Midway, Bridge Street, Clay Cross	
Industrial Units	A1-A4 Bridge Street Clay Cross	
Industrial Units	B1-B4 Bridge Street Clay Cross	
Industrial Units	C1-C4 Bridge Street Clay Cross	
Industrial Units	Unit 2-10 Midway Centre Bridge Street Clay Cross	
Industrial Units	Units 1 -8 Former Clay Cross Depot, Bridge Street Clay Cross	
Industrial Units	Units 1 -17 Pavilion Workshops, Park Road Holmewood	
Industrial Units	A1-5 Bedgrave Close Killamarsh	
Industrial Units	B1-4 Bedgrave Close, Killamarsh	
Industrial Units	C1-4 Ellisons Road Killamarsh	
Industrial Units	12-29 Rotherham close, Killamarsh	
Industrial Units	13A-E Stonebroom Industrial Estate	

Commercial Units	3,4 6-8A Fir Road Eckington	
Commercial Units	2-14 Southgate Eckington	
Commercial Units	57-61 Market Street Eckington	
Community Bldg	Bestwood Park D & J Club Clay Cross	
Community Bldg	Holmgate D & J Club Rose Court, Holmgate	
Community Bldg	Mickley Tenants Meeting Hall, Tennyson Street Mickley	
Community Bldg	Green Lawns Warren Crescent, Marsh Lane	
Community Bldg	Moray Place Dronfield	
Community Bldg	Arkwright Community Rooms, Arkwright Town	
Community Bldg	Broadleys Clay Cross	
Car Park	Eldon Street Clay Cross	439186/363559
Car Park	Eyre Street Clay Cross	439221/363505
Car Park	Market Street, Clay Cross	439194/363405
Car Park	Holmegate Road Clay Cross	439077/363530
Car Park	Kwiksave Market Street Clay Cross	439367/363498
Car Park	Sharley Park Leisure Centre, Market Street Clay Cross	
Car Park	Bridge Street, Clay Cross	439372/363567
Car Park	Eckington Swimming Pool, Gosber Street Eckington	442999/379269
Car Park	Pinfold Street, Eckington	442998/379449
Car Park	Fox's Yard Market Street Eckington	443076/379391
Car Park	Farwater Lane Dronfield	434994/378321
Car Park	Dronfield Civic Centre	435045/378396
Car Park	Manor Offices Dronfield	434963/378462
Car Park	Soaper Lane Dronfield	435202/378511
Car Park	Calleywhite Lane Dronfield	
Car Park	Greendale shops Dronfield	
Cemntery land	Temple Normanton	
Cemetery land	Hasland	
Industrial Plots	Pilsley Road Danesmoor	
Industrial Plots	Plot 2 Lower Mantle Close Clay Cross	
Industrial Plots	Plot B5 Lower Mantle Close	
Industrial Plots	Plot 3 Bridge Street Clay Cross	
Industrial Plots	Plot 16 Bridge Street Clay Cross	
Industrial Plots	Plot 20 Bridge Street Clay Cross	
Industrial Plots	Plot 29 Bridge Street Clay Cross	

Industrial Plots	Plots 23 A,B,C, Lower Mantle Close Clay Cross	
Industrial Plots	Plots 23 L and M Lower mantle Close Clay Cross	
Industrial Plots	Plot 8 Upper Mantle Close	
Industrial Plots	Plots 4,5,8,8A,9,16 Aldred Close Killamarsh	
Industrial Plots	Plots 1,2,10,11,12,13 Bailey Drive Killamarsh	
Industrial Plots	Plot 15 Ellison Drive Killamarsh	
Industrial Plots	Plots 3A,3B,4,4A,5,10,16(17 & 18) Stonebroom Industrial Estate	
Industrial Plots	2 at Rotherside Road Eckington	
Industrial Plots	Pipworth Lane Eckington	
Commercial Site	Pilsley Road Danesmoor	
Commercial Site	Bridge Street, Clay Cross	
Commercial Site	Market Street, Clay Cross	
Commercial Site	Greendale shops Dronfield	
Commercial Site	25 High Street Dronfield	
Commercial Site	High Street Dronfield	
Commercial Site	Peveril Road (1) Eckington	
Commercial Site	Peveril Road (2) Eckington	
Commercial Site	Market Street (1) Eckington	
Commercial Site	Market Street (2) Eckington	
Commercial Site	Alma Road North Wingfield	
Commercial Site	Reynards Crescent Renishaw	
Commercial Site	Allendale Road Wingerworth	
Commercial Site	Locobrook Depot Pilsley	
Commercial Site	15 Main Road Holmesfield	
Commercial Site	John Street Eckington	
Commercial Site	Barrack Road Apperknowle	
Commercial Site	Gomersal Lane Dronfield	
Community Plot	Stonebroom Village hall	
Community Plot	Evangelical Church Holmegate	
Community Plot	Holmgate Community Ctr	
Community Plot	Moorland View Apperknowle	
Agricultural	Flaxpiece farm Land Clay Cross	
Agricultural	Riggotts Way Cutthorpe	
Agricultural	Littlemoor	
Agricultural	Ankerbold Road Tupton	
Agricultural	Kent House Farm Ridgeway	
Agricultural	Sheffield Road Unstone	
Agricultural	Rod Moor Dronfield	
Right of Access	Ford, Ridgeway	
Right of Access	Kingsley Crescent Stonebroom	

Surplus	High Street Apperknowle	
Surplus	Dingle Bank Calow	
Surplus	Broadleys Clay Cross	
Surplus	Thanet Street Clay Cross	
Surplus	Cross Street Clay Cross	
Surplus	Cemetery Road Clay Cross	
Surplus	Jackson Road Clay Cross	
Surplus	Penncroft Lane Clay Cross	
Surplus	Springvale Road Clay Cross	
Surplus	Cecil Road Dronfield	
Surplus	Thirlmere Drive Dronfield	
Surplus	Hudson Road Eckington	
Surplus	Ducksett Lane Eckington	
Surplus	Setcup Lane Eckington	
Surplus	Cross Street Grassmoor	
Surplus	Burns Drive Grassmoor	
Surplus	Central Street Holmewood	
Surplus	Searston Avenue Holmewood	
Surplus	Hunloke Road Holmewood	
Surplus	South Crescent Killamarsh	
Surplus	Westthorpe Road Killamarsh	
Surplus	Alma Road North Wingfield	
Surplus	Davenport Road Tupton	
Surplus	Potters field Tupton	
Surplus	Ankerbold Road Tupton	
Vacant	Dronfield Area Housing	
Vacant	Eckington Housing Office	
Recreation	Beeley View North Wingfield	
Recreation	Blacksmith lane Calow	
Recreation	Bracken Avenue Heath	
Recreation	Byron Grove Stonebroom	
Recreation	Cherry Tree Grove North Wingfield	
Recreation	Chesterfield Road Temple Normanton	
Recreation	Churchside Hasland	
Recreation	Clay Lane Clay Cross	
Recreation	Dewley Way Clay Cross	
Recreation	Elvaston Road North Wingfield	
Recreation	Furnace Hill Clay Cross	
Recreation	Greenway Wingerworth	
Recreation	Leigh Way North Wingfield	
Recreation	Moonpennyway Dronfield	
Recreation	Norfolk Ave Grassmoor	
Recreation	Northside Tupton	
Recreation	Norwood Crescent Killamarsh	

Recreation	Park Street Wessington	
Recreation	Pitt Street Eckington	
Recreation	Queen Victoria Road Tupton	
Recreation	School Lane Arkwright Town	
Recreation	Setts Way Wingerworth	
Recreation	Tansley Road, North Wingfield	
Recreation	Tennyson Street Mickley	
Recreation	Thirlmere Drive Dronfield	
Recreation	Unstone Playing fields	
Recreation	Wellspring Close Wingerworth	
Recreation	Land around winfgerworth Lido	
Recreation	Main Road Ridgeway	
Recreation	Allpits Lane Calow	
Recreation	Sharley Park, Market Street Clay Cross	
Recreation	Springvale Road Clay Cross	
Recreation	Chesterfield Road Dronfield	
Recreation	Ash Crescent Eckington	
Recreation	Emmett Carr Lane Renishaw	
Recreation	Darcy Road Eckington	
Recreation	Hunloke Road Holmewood	
Recreation	Chandos Crescent Killamarsh	
Recreation	Mansfield Road Temple Normanton	
Recreation	Ford Street Tupton	
Recreation	Green Lane Tupton	
Recreation	Brierley Road Unstone	
Recreation	Temperance Hill Woolley Moor	
Public Open Space	Small areas not individually listed	
Garden Land	Small areas not individually listed	
Pigeon Lofts	Small areas not individually listed	
Grazing	Rotherwood Road Killamarsh (1)	
Grazing	Rotherwood Road Killamarsh (2)	
Grazing	Ducksett Lane Eckington	
Grazing	Norwood place Killamarsh (1)	
Grazing	Norwood Place Killamarsh (2)	
Grazing	Northside Tupton	
Grazing	Spring bank Unstone	
Grazing	Beresford Lane Woolley Moor	
Grazing	Chesterfield Road Dronfield	
Vehicle Accesses	Rights only granted by licence	
Lamp Standards	Details in Engineers	

Street Nameplates	3 X every street in district	
Bus Station	Clay Cross	
Bus Station	Eckington	
Reservoir	Wingerworth Lido	
Reservoir	Ford Pond	
Balancing Pond	Arkwright Town	
Balancing pond	Deerlands Wingerworth	

AGIN 8 (CAB 0318) Asset Management Strategy/Appendix 1/AJD