

# **ASSET MANAGEMENT PLAN**

**(Revised – October 2015)**

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## 1. INTRODUCTION

- 1.1 Since the Asset Management Plan was revised in 2009 there have been significant changes in the composition of the Council's Operational Departments. The Workforce has reduced from 203 full-time employees in April 2009 to 161.6 in January 2015.
- 1.2 The structure of the Council Operational Departments has also changed to reflect the new structure of the Council's Executive Team, as set out at paragraph 3.3. This, together with further additional re-organisations of all Departments and associated accommodation reviews has significantly reduced the level of Property Asset requirement to meet service delivery objectives.
- 1.3 The corporate rationalisation and restructuring of the Council has had a significant effect on the operation and implementation of its Asset Management Plan.
- 1.4 In order to maximise the Council's resources to fund its Capital Programme, the Council has sought to constantly review the Corporate Property Portfolio, to identify surplus existing assets which will be included in the annual Disposal Programme to produce additional capital receipts. Potential disposal of surplus property assets is an important source of capital financing both in terms of the period covered by the Capital Strategy Document and further into the future, given the stated objective of avoiding the use of long term borrowing. The Asset Management Plan constitutes a key reference document in this process. Given the small number of properties likely to be declared surplus, this objective will be implemented in the future principally by way of land sales. This method of securing capital receipt or revenue income may be enhanced by the judicious acquisitions of additional land and property to facilitate new developments by the Council or other Agencies. This practice is now quite routine nationally with many 'beacon' Authorities such as Eastleigh Borough Council who have increased rental income from £1.7m to £5.5m and Asset Value from £55m to £188m in the last 7 years. The following initiatives provided by the Council's Housing and Regeneration Team have been implemented by the Council since the last plan was adopted:
- The acquisitions of Clare House, Queen Street, Rawtenstall for Young People's Hostel Accommodation.
  - The Compulsory Acquisition of several long-term empty properties in Haslingden, most of which have been re-sold and brought back into use.
  - The management take-over of Mount Pleasant in Whitworth which has resulted in the refurbishment of 22 No. hostel type bed-sit units for special group categories.
  - The management take-over of 370 miscellaneous residential properties for private landlord tenanted occupations which are currently in the course of being refurbished.
- 1.5 During 2012/13 it was recognised that in order to accelerate the regeneration of the Borough, and in particular the Rawtenstall Town Centre redevelopment, it would be advantageous to seek a development partner to join the Council and Together Housing (social housing provider), in a three-way partnership. A tender exercise was commenced through the OJEU process and following a selection process, Barnfield Construction Ltd were appointed as the Council's Regeneration Partner and a joint company, the RTB partnership, was formed in December 2012.

- 1.6 This has had a four-fold effect on the process of Property Review and Asset Disposal:-
- i. A complete review of the Council's Property Assets has been undertaken resulting in a short-list of potential sites for social and private housing.
  - ii. An Architectural Competition has been undertaken resulting in the appointment of an Architect and a draft design layout for the Rossendale Town Centre redevelopment.
  - iii. A temporary reduction in the number of assets being released for open market disposal.
  - iv. The promotion of two major social housing development schemes resulting in the sale of Council owned land the generation of capital receipts and the securing of HCA funding for the developments, together with the identification of two smaller schemes on existing social housing landlord sites.
- 1.7 Council members receive updates on the progress of Asset Disposal through, amongst other things, regular Capital Programme updates prepared by the Finance Reporting procedures.
- 1.8 The Asset Management Plan will continue to be the key document underlying Corporate Asset issues and their impact on the Council's Capital and Housing Programmes.
- 1.9 The Council has produced previous Asset Management Plans in 2007 and 2009. The 2007 AMP received a favourable assessment from the Government Office North West with a "Good" rating. The Council restructure of its property operations in 2006 created a professionally managed property services function and allocated resources to address various asset management issues including:-
- The population of at the Council's Asset Database – initially completed currently being updated.
  - Addressing the identified maintenance backlog – now in the second year of a 5 year capital programme. Following an updated Stock Condition Survey in 2011/12.
  - Benchmarking of Asset Management Performance Data – see 2010 CIPFA analysis (appendix 4)
  - Preparation of Revised Asset Management Plan for submission to GONW – resulting in the "Good" rating.
- 1.10 In accordance with the recommendation of the District Auditors and Audit Commission and in order to monitor progress in the Asset Management arena and changes within this Council it was necessary to carry out an update of the 2007 Plan which was implemented in 2009, and to renew this on a regular basis including the current update of the 2009 Plan.

## 2. Corporate Plan

### Borough Vision

The Council has a vision of what they want to see for the Borough now and in the future. This is that:

*“By 2018 Rossendale will have strong communities with an enhanced environment and heritage. It will be an attractive place to live, where tourists visit and employers invest”.*

A summary of the Corporate Plan can be found at:

[http://www.rossendale.gov.uk/downloads/download/297/the\\_council\\_s\\_corporate\\_plan\\_2013-2016\\_approved\\_by\\_full\\_council\\_20th\\_march\\_2013](http://www.rossendale.gov.uk/downloads/download/297/the_council_s_corporate_plan_2013-2016_approved_by_full_council_20th_march_2013)

The delivery of the vision by Rossendale Borough Council is built around the achievement of three interconnected Council priorities:

- People
- Place
- Prosperity

Rossendale Borough Council is committed to contributing towards this shared vision and see Pride in Rossendale as core to all of this. The Council has determined that it will enable its vision by delivering the following corporate priorities which were updated in March 2014.

### Regenerating Rossendale

This priority focuses on regeneration in its broadest sense, so it means supporting communities that get on well together, attracting sustainable investment, promoting Rossendale, as well as working as an enabler to promote the physical regeneration of Rossendale.

### Responsive Value for Money Services

This priority is about the Council working collaboratively, being a provider, procurer and a commissioner of services that are efficient and that meet the needs of local people.

### Clean and Green Rossendale

This priority focuses on clean streets and town centres and well managed open spaces, whilst recognising that the Council has to work with communities and as a partner to deliver this ambition.

Partnership working and acting as an enabler are, and will continue to be, underpinning principles of the way the Council works as it strives to achieve its priorities.

### **3. Organisational Arrangements for Corporate Asset Management**

#### **3.1 Appointment of Corporate Property Officer**

The Head of Finance acts as Corporate Property Officer. The Head of Finance reports directly to the Chief Executive and has direct responsibility for the Council's Financial Management, Asset Management, Corporate Planning and Governance functions.

The Head of Finance is supported in his role as Corporate Property Officer by the Senior Management Team, which is made up of key stakeholders in asset management and capital programme issues from across the Council. Since January 2014, the post of Director of Customers and Communities has been vacant and the duties of that post shared between The Head of Finance and the Chief Executive.

#### **3.2 Roles and responsibilities of the Corporate Property Officer (CPO)**

The CPO in conjunction with the Property Services Manager is responsible for:

##### **3.2.1. Preparation and maintenance of the Council's Asset Management Plan including**

- a. Identifying all Council owned land and property.
- b. Introducing an assessment programme for the above in relation to the condition, fitness for purpose and sustainability and developing a '*reason for ownership*' argument in relation to the Council's business plans and corporate improvement plan.
- c. Introducing a framework for identifying alternative options for assets for which a '*reason for ownership*' argument cannot be sustained, through an option appraisal process.
- d. Developing a property performance measurement system.
- e. Developing a comprehensive data management system for all Council owned land and property.
- f. Preparing and maintaining the Council's Asset Management Plan.
- g. The development and implementation of a corporate prioritisation methodology, to assist elected members in determining capital programming and expenditure.
- h. The development of quality procedures for the implementation, monitoring and review of capital programmes

##### **3.2.2. Reviewing annually and reporting to elected members on the performance of land and property assets, involving:**

- a. Reviewing corporate property aims, objectives and strategies in consultation with service departments and in line with the business plans, best value and the Council's corporate priorities.
- b. Identifying key areas for change, where the usage of assets falls short of targets identified in the strategic service plan.
- c. Appraising the performance of existing assets against indicators and targets identified in *strategic service plans*.
- d. Reviewing the existing capital programme performance and agreeing a capital investment programme for the subsequent three years.
- e. Commissioning an asset review, where performance falls short of the targets identified in the business plans.



- f. Offering advice to front line service providers on the effective and efficient use of assets, by clearly identifying surplus or under-used assets highlighting the need for adapting existing or acquisition of new assets in order to meet or improve performance in meeting the service delivery objectives.
- g. Challenging proposals which would result in the diminution in value of Council Assets.

In addition, the Corporate Property Officer will report regularly to the Corporate Team and elected members where appropriate on the following performance indicators:

- Quarterly Financial Review including forecasting of Property income and expenditure.
- Progress of capital schemes
- Financial performance of capital schemes, including forecast to year-end.
- Progress of other projects/development to which the Council is committed.

### 3.3 Senior Management Team

The Council Managers Meeting is the forum for all capital and asset management issues and comprises the Council’s key stakeholders.

The Senior Management Team assists the Council to achieve its corporate priorities through effective capital investment and efficient use of its assets.

The following table show the composition of the Senior Management Team and the roles/responsibilities of its members.

OFFICER	ROLE/RESPONSIBILITY
Chief Executive	Strategic decisions
Director for Business	Strategic decisions
Head of Financial Services	Financial advice and production of the Capital Investment Strategy. Capital projects, planned public buildings repair, valuations and disposal Strategic/Asset Management/Investment Portfolio Management
Head of Legal Services	Legal advice, Asset & Portfolio Management
Other Heads of Services and Managers as appropriate	Specific service delivery aspects of asset management



### 3.4 The Terms of Reference of the Capital Programme Steering Group are as follows:

1. Preparing and maintaining the Council's capital expenditure strategy.
2. To act as the key co-ordinating group, which considers the Capital Programme, in association with the Leader and Portfolio Holder for Finance and Resources.
3. To receive bids for capital resources based on business plans or where schemes are deemed of an urgent nature. To prioritise bids and make recommendations for inclusion in the capital programme via the Cabinet to the Council.
4. To objectively assess bids against the capital prioritisation schedule agreed within the Medium Term Financial Strategy (MTFS) and review the impact on the revenue budget and prudential indicators.
5. To make recommendations through Cabinet so that the capital programme is adopted by Council at the Budget and Council Tax setting meeting.
6. To monitor the capital programme on a monthly basis.

The functions of decision making in relation to the results of the ongoing review of the performance and relevance of the Council's assets in relation to the delivery of the Corporate Priorities rests with the Council's Cabinet advised by the Corporate Property Officer, and the Property Services Manager working within the framework set by the Corporate Team. The Council Managers Meeting Group has also assumed the following responsibilities.

- To determine a clear rationale for owning an asset, in line with corporate priorities and service plans.
- To improve the condition of the Council's property assets and eliminate the backlog of maintenance.
- To ensure that the Council owned properties are suitable for their purpose.
- To dispose of surplus assets, as quickly, as possible, but ensuring the new Development Partnership is supported in its Land and Property requirements.
- To reduce the property running costs.
- To assess and reduce the risks associated with holding land and buildings.
- To ensure all public areas in Council owned buildings are accessible to people with disabilities.
- To ensure optimum returns on rented properties.

### 3.5 Asset Utilisation Performance Review

During the period following the publication of the Asset Management Plan, a review of the use, provision, performance and management of assets was commissioned by the Corporate Property Officer, to ensure that the Council was gaining optimum utilisation and value from each asset. Key aims of the review were:

- I. To challenge the appropriateness of current staffing, funding, budget location and provision of assets.
- II. Consult relevant stakeholders on asset management and provision.
- III. To compare the way that the asset management function is provided and compare performance and practices to those of similar organisations (including the private sector) in the region.
- IV. To develop and review the Council's capability to be able to deliver a Capital Programme in preparation for successful funding bids to outside bodies.
- V. To identify external markets and examine alternative ways of delivering Council services that may offer better value.
- VI. To review and further develop the policies laid down in the Capital Strategy and Asset Management Plan.

### **3.6 Rationalisation of underperforming or surplus assets**

The identification of surplus assets is dependant on completion of the sufficiency and suitability surveys and work leading to National Property Performance Indicators and Local Performance Indicators. All assets declared surplus under the terms of the procedures set out in the Council's Constitution will be recorded on a surplus asset register and will be reported in the annual asset management review.

The Property Services Manager, will conduct option appraisals (see Appendix 5 Option appraisal methodology) on each surplus asset, working with the members of the Council Managers Meeting and will present recommendations to elected members where appropriate.

At all stages, option appraisal is structured using the four C's approach (challenge, compare, consult, compete) to best value.

### **3.7 Shared Properties**

Rossendale Borough Council has operated shared use facilities for a number of years, working with both internal and external partners and is keen to extend this to other areas. Current sites where this occurs are:

- Bacup Mechanics Hall: Contains a library operated by Lancashire County Council and part is leased to Bacup Judo Club.
- Haslingden Sport Centre (grounds): shared use with Parkwood Tennis Club.
- Ski Rossendale: The slopes are operated by the Local Community Group with a nursery facility in one of the surplus buildings.
- Haslingden Sports Centre (the Adrenaline Centre) and Marl Pits, operated by Rossendale Leisure Trust. The Trust is now based in the Business Centre, Futures Park, Bacup in accommodation provided by the Council. It was previously based at Kay Street, Rawtenstall.
- A, B & D Centre, Bacup: Community Groups.

- One Stop Shop, Bacup: Where functions are provided on behalf of Greenvale Homes as well as the Council.
- Whitworth based Civic Centre and Swimming Pool – Lease to CLAW.
- Haslingden Swimming Pool: A local Community Interest Company (“HAPPI”) has a temporary licence with a view to reopening in early 2016.
- Stubblelee Hall: currently occupied by the Citizens Advice Bureau under a lease agreement.

The Council has also been proactive in using its assets to support the development of community facilities across the Borough, for example:

- Provision of a site for a community centre in Stacksteads to be funded by SRB resources.
- Transfer of the Council’s municipal greenhouses at Stubblelee Park to a community enterprise.
- Making available a site for the development of a new Community Centre in Edenfield which will also enable the improvement of the local playing fields.
- Identification of a site to accommodate the Rossendale and Pendle Mountain Rescue Team. (The team have subsequently withdrawn from this proposal)
- Provision of new Council Allotment Sites and setting up Community Allotment Groups.
- Provision of accommodation for Accrington & Rossendale College and for Military Mountain Bikers at Stubblelee Depot/Annex.
- Whitworth Cycleway – part of a Borough wide cycle route being provided by Lancashire County Council.

The Council also entered into arrangements with private property owners in a pilot study, to provide public toilet facilities, thereby reducing operational costs and potentially creating surplus assets. This pilot study was to be repeated across the Borough wherever possible.

### **3.8 Property Implications of Plans, Audits and Reviews**

A key element in the development of the Council’s Capital Strategy and Asset Management Plan is the asset implications of all plans, reviews and audits.

The business planning process allows the CPO on an annual basis, to establish details of individual service asset requirements and performance, and in particular:

- The asset implications of the corporate and community plans.
- The asset implications of service area business plans and any external audits or reviews including the Aligned Asset Management Plan with Lancashire County Council and consultation on the Transport Asset Management Plan with Lancashire County Council.
- The performance of assets against recognised indicators and targets.
- Identify any discrepancy between current asset portfolio and requirements identified in service plans.
- Funding availability and opportunities for the coming year.

### **3.9 Stakeholder satisfaction information**

Customer satisfaction surveys in relation to property sales and lettings will be considered as when appropriate. See paragraph 4.2.

### **3.10 Elected member with responsibility for Asset Management**

The elected member is the Portfolio Holder for Finance and Resources, who is a member of the Cabinet and whose role description specifically references Asset Management.

### **3.11 Corporate Property Officer's position with the Council's structure**

The Head of Finance is now the CPO and as such, occupies a senior post within the Council's Senior Management Team. As a member of the Executive Team, he plays a key role in the development and review of the Council's corporate priorities, and business strategies.

### **3.12 Implications for assets contained in the Council's key policies**

During the annual review process, the CPO will meet with heads of service, to confirm the asset requirements of their service plans and utilise the information in setting priorities for the Council's capital investment plan.

### **3.13 Corporate Property Officer's position with the Council's structure**

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### **3.14 Implications for assets contained in the Council's key policies**

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## **4. Consultation Processes**

### **4.1 General consultation**

Details of the wider consultation throughout the Borough are described in the Capital Strategy and are illustrated in appendix 1 of that document.

### **4.2 Consultation with Service providers, Customers and Occupiers**

Consultation on all aspects of asset management shall initially take place through the Senior Management Team, as stated elsewhere in this document.

Individual Business Plans will be prepared for specific Directorate service areas, where the scale of asset utilisation makes it appropriate as part of the business planning and review process, focussing on the aims and objectives stated in the plan and how they link with the Council's corporate priorities. Any departmental Business Plan will provide the following information:

- Identifying consultation with its own customers, partners and occupiers.
- Identifying the asset requirements to enable the efficient provision of each service.
- Identifying the land and property implications of their own strategic and service plans.
- Providing key information to the CPO.

## **5. Data management**

### **5.1 Maintenance of basic property records**

The Council undertook a process of transferring all its property records to a computerised system following the acquisition of an asset management software system (Assetmanager.net from IPF.) This was fully populated with all the asset management data following the appointment of Data Inputters on short term contracts. The new system managed core data (condition report, asbestos register, Legionella survey data, plans, electrical and gas testing certificates) relating to individual assets, including:

- An NLPG reference number (UPRN)
- Map references (easting's & northing's), with eventual link to web based GIS from 2007/08
- DCLG category and asset type
- Client/portfolio responsibility
- Property tenure
- Maintenance liability
- Valuation
- Expenditure Codes
- Links to plans of the specific property

### **5.2 Validation/Audit**

Current asset records are audited at regular intervals and property and land assets re-valued on a five year cycle. Information has been further verified at the condition survey stage and records audited prior to being entered into the asset management system.

As part of a cost-cutting exercise the IPF system was recently transferred to CIVICA, a system which already operated the Council's Financial Services data and reporting systems, and is subject to continuous on-going review.

### **5.3 Use of data to manage asset performance**

In addition to the core data, the system is also used to store the following, to assist the Senior Management Team to manage assets in line with the DCLG guidelines and National Property Performance Indicators.



- Condition gradings of all building elements
- Details of repairs backlog
- Gross internal floor areas
- Premises costs (repairs, energy and water)
- Energy consumption
- Premises Management Costs
- Suitability Gradings
- Valuation information
- CO2 emissions data

## **5.4 Condition Surveys**

The Council arranged for condition surveys to be carried out on all its properties by CIPFA over the period 2011/12 and is using the DCLG's condition and priority grading to categorise each block. The work has been monitored by the Council's in-house Property Services Management team and the project was completed in late 2012. It is proposed to update the conditions surveys in the remaining period of the 5 year improvement programme by logging the Capital Programme and Revenue Programme works carried out on the various assets.

The survey data was sourced from:

- Historical information.
- Detailed knowledge of the Property Services Management team.
- Site visits.

Following completion of the condition surveys and the recording of the data on the corporate database, the budget costings for outstanding maintenance works were used to calculate an overall value of the backlog of repairs. As part of the condition survey, the floor area of all operational assets was re-measured. Existing floor plans were reviewed and floor plans produced for those properties for which no plans were available. This information has enabled the Senior Management Team to conduct a fundamental review of asset utilisation in order to identify surplus properties and ensure the efficient use of assets.

## **5.5 Suitability Assessments**

As part of this assessment Service Providers were requested to conduct a simple suitability survey in consultation with premises management.

This combined with user group survey data and information from Accommodation Reviews will continue to be used by the Senior Management Team to feed into future capital investment plans, programmes and major property reviews. This exercise was completed in April 2009 and the results collated to identify areas of possible shortfall. Since this exercise was carried out a number of initiatives have been completed including a refurbishment of Henrietta Street complex and the transfer of significant numbers of staff from Stubbylee Hall and the One Stop Shop to the Business Centre, Any issues of suitability within the Business Centre are carried out on an adhoc basis and transfers to alternative rooms enlargement of rooms are implemented whenever justified by service requirement/business plans. A copy of the suitability analysis is provided at Appendix 6.

## **5.6 Premises Costs**

Premises costs are calculated from the Council's financial management system and entered onto the corporate database annually. A VFM indicator survey was completed for all Council properties in January 2008 which was benchmarked with all the participants and with selected comparable Authorities and the results submitted to the Overview & Scrutiny Committee.

## **5.7 Condition of buildings and maintenance backlog**

Comprehensive statistics relating to the property portfolio are available following completion of the condition surveys in 2012 and population of the asset management software. The Council has also allocated financial resources over a second five year programme to address the maintenance backlog, the second year of which has now commenced. A summary of the expenditure to date and the improvements carried out is provided at Appendix 8.

## **5.8 National Property Land Gazetteer – Unique Property Reference Number (UPRN)**

The Council achieved status for the National Land and Property Gazetteer. Through implementation of the asset management software system, all property and land pockets will have a UPRN in compliance with BS7666. Work has been completed by the ICT Section to integrate the Corporate Gazetteer with the Asset Management System.

## **5.9 Co-ordination of Property information and links with financial information**

Compatibility with financial and other software systems has been a key requirement of the asset management system which has been selected. To facilitate an holistic approach to asset management and the linking of systems, estates staff and technical staff were reorganised into one team led by the Property Services Manager which now liaises directly with other members of the Finance Department following the transfer of the Property Services Section to the Finance Department in April 2008 (to ensure all Capital Financing requirements are met.) The new CIVICA Asset Management software is now the Organisation's prime fixed asset record for financial reporting purposes.

## **5.10 Training Needs**

As a result of the reorganisation stated previously, a programme of training has been identified in the service plan, to be implemented where appropriate. Additionally, the contract to supply and install the CIVICA asset management system included an on-going training programme for all Property Services staff and key Senior Management Team members. Training needs will be monitored continuously and reported annually as part of the AMP review, and the individual appraisal system. Elected Members have also been provided with training in the use of the Council's new Plan-Web system of property ownership records. Currently training has been provided by CIPFA on the revision to the Asset Valuation Process – "IFRS13" and the requirements of the "Transparency Agenda"



## **6. Performance Management and Monitoring**

### **6.1 Reporting to Elected members and Chief Officers**

The Corporate Property Officer, with key members of the Senior Management Team will prepare an annual asset performance report. The report will be presented to the Elected Members and will contain critical performance information, based on performance indicators developed to measure performance and improvement in the following areas, in compliance with the introduction of the IFRS (International Financial Reporting Standards) code:

1. Delivery of the Council's Corporate Priorities.
2. Asset performance through the national property performance indicators.
3. Local performance indicators (when approved)

Additionally, the Corporate Property Officer will submit a report to the Senior Management Team quarterly, giving a detailed breakdown of asset performance, development of systems and progress against the Asset Management Plan action plan.

Currently, any relevant reports, minutes of Senior Management Team meetings and an up to date action plan are maintained on the Senior Management Team shared file on the Council's IT network and available to all Senior Management Team members.

### **6.2 Performance and progress of the capital programme**

Details of the Council's capital schemes are contained in the contextual information forming part of this submission. Capital projects procedures are in place (Appendix 7) and apply to current schemes over £25k in value. Procedures will be reviewed, to ensure that all DCLG requirements are met and to ensure that outcome performance indicators are agreed with the client at the feasibility stage and measured at the completion stage. Procurement options will also be investigated at this stage and advice provided to the Project Team by the Property Services Manager.

Future capital programmes will be monitored through meetings of the Senior Management Team. Service Heads report back to Portfolio Holders through their regular 1:1 meetings. The capital procedures were reviewed in 2007 following the update of the contract procedure rules and the monitoring regime amended to ensure that KPIs and performance on time and cost predictability can be reported to the Capital EMT quarterly and in the CPO's annual report to elected members.

### **6.3 Outcomes outputs and Objectives of the Council**

These are listed in sections 1-5 of the Council's Corporate Plan 2013-2016, which is accessible through the Council's website.

#### **6.3.1 Local performance measures**

As part of the business plan review process previously mentioned, the Council will develop local performance indicators in line with corporate priorities, to run alongside the national PPI's, that will link asset performance to the Council's corporate priorities.

### 6.3.2 Comparisons with other organisations

The Council recognised that rapid improvement in performance was required in the field of asset management, and is committed to developing an excellent service. To ensure that the necessary improvement happened and that there was continuous improvement in this area, the Council had agreed an action plan that included seeking guidance from a Beacon Status Authority.

Copies of Asset Management Plans were obtained and scrutinised but due to the individual characteristics of the Borough and its Assets it was decided with the advice of GONW to maintain the format of the previous AMPs but to carry out improvements in certain areas.

Keys to the success of improving this service were:

- Joining and playing an active part in the Institute of Public Finance Asset Management Planning Network Group.
- Benchmarking the service, working with Public Service Benchmarking Service both at national and local levels.
- Attendance at CIPFA AMP Local and National Meetings by key personnel.

### 6.3.3 Stakeholder Consultation

The Council recognises that stakeholder consultation process requires further development to incorporate it into decision making processes of asset management. This has been identified in the Asset Management Action Plan (Appendix 1) full consultation will meet the requirements of the Council's Community Involvement and Engagement Strategy.

Public consultation has been carried out, or is shortly to be carried out, in respect of the following Council initiatives:

- Review of Leisure Facilities
- New Swimming Pool proposal
- Allotment Strategy
- Valley Centre Development – Rawtenstall Town Centre.
- PLR Applications
- Community Toilet Scheme
- Community Right to buy
- Community Right to bid
- Community Asset Transfer

### 6.3.4 Continuous Improvement

Customer feedback (both internal and external) and performance indicators provide the foundation for managing continuous improvement in this area, as well as playing a vital part of the option appraisal and prioritisation of potential capital schemes.

### 6.3.5 Responsibility for gathering information.

The Property Services Manager has responsibility for collecting and collating KPI information and gathering and maintaining design and construction indicators in relation to projects in excess of £25k in value.

Through the Senior Management Team, the Corporate Property Officer will also ensure that service heads maintain their own performance and local indicators in the form of performance reports and data to be presented to the Senior Management Team on a monthly frequency utilising the corporate performance management system, Covalent.

### **6.3.6 Indicators for surplus property and space utilisation.**

As part of the review process, performance indicators will be developed to identify and monitor under used and surplus assets. The process will encompass benchmarking with comparable Authorities when considered desirable and the local PPI's will include:

- The net area of the Council's operational buildings as a % of GIA.
- The length of time to dispose of surplus assets (expressed as an average)
- Comparison of floor-space utilisation against national occupation standards for each area.
- The value and total floor-space of surplus properties expressed as a percentage of the total portfolio.

This task was identified in the Asset Management Action Plan (appendix 1) and will be reviewed on an annual basis.

### **6.3.7 Maintenance backlog report**

This information has now been compiled by the Council and Condition surveys of all buildings have been completed and the maintenance backlog programme is included in section 9.4 of the contextual information below. Following a programme of work during the period since the last AMP, the backlog table will be amended to reflect the change in the category of the various properties and included in Action 4 of the Action Plan (Appendix 1).

### **6.3.8 Suitability information**

Formal suitability surveys have been carried out on all Council owned operational buildings and this is identified as part of the asset management action plan. Due to the actions described in para 5.5 the Action Plan will be revised accordingly.

## **7. PROGRAMME AND PLAN DEVELOPMENT AND IMPLEMENTATION**

### **7.1 Asset implications**

All service heads, in consultation with the Senior Management Team and the Corporate Property Officer are required to identify the land and property implications of the Community Plan, Corporate Improvement Plan, and the outcomes of any reviews, audits or benchmarking that may be conducted. It has been identified as a priority on the Asset Management Action Plan (appendix 1: LPI 2) as an on going process.

### **7.2 Priorities for proposed capital schemes**

Prior to recommendation for approval, all proposed schemes shall be prioritised using the DCLG property priority and condition ratings, the criteria listed below and an option appraisal process

detailed in Appendix 5. Main building elements will be targeted (structure, roof, walls, heating etc) rather than internal finishes.

Main priorities:

- Required to meet statutory obligations (service/health & safety).
- Required to meet corporate priorities.
- Required to meet service objectives.
- Required to meet government initiatives.
- Other.

Within these main priorities, priority will be given to schemes that:

- Have capital needs clearly stated in reviews or plans.
- Relate to operational assets.
- Relate to front line service provision.
- Have the largest impact on PPI's against value of investment.
- Generate revenue savings.
- Attract maximum external funding against the proportion of Council investment.

### **7.3 Five year capital programme**

Production of a five year capital programme addressing backlog maintenance had been identified as a priority in the initial Asset Management action plan following the completion of the condition surveys. The first two years of the current five year maintenance plan have been implemented and the third year programme has recently been submitted for approval to the Portfolio Holder.

### **7.4 Output and Outcome targets for capital programmes and plans**

Future major schemes in the Council's Capital Programme over £25k in value will be managed in accordance with its capital projects procedures. The procedures identify KPIs, and output/outcome targets linked to corporate priorities at the beginning of the process and employ NPPI 5A and 5B to monitor time and cost predictability.

### **7.5 Property implications of the Council's objectives**

The full extent of the property implications attached to the corporate priorities has not yet been calculated, but forms part of the asset management action plan. As previously stated, Service Heads must identify land and property implications as part of their service reviews and suitability and sufficiency reviews and any other inspection, in consultation with the Corporate Property Officer. Some of this consultation is done on an 'ad hoc' basis as and when service provision dictates an impact to the corporate estate. Following restructures and cost – cutting initiatives most of these impacts have now been completed and staff relocated.

All Service managers involved in Capital projects will feed back to the Property Services Manager details of any proposals which have an impact on the Council's property assets.

## **7.6 Corporate ownership of assets**

Since the first creation of the Corporate Property Officer, the Council has adopted a corporate approach to managing assets which will ensure that all decisions are in line with stated priorities and performance indicators. This approach is underpinned by:

- i. The operation of the Senior Management Team and the requirement for all issues relating to assets to be approved by this body.
- ii. A further consolidation of the Council's operational back-office functions including establishment of a corporate support team took place in June 2013.
- iii. The requirement for all proposals to acquire or dispose of assets to be subject to an option appraisal and approved by the Senior Management Team, or to be referred directly to Members including Ward Councillors by the CPO. A revised Property Disposal Strategy has recently been recommended by the current Policy & Scrutiny Committee and approved by Cabinet.
- iv. The importance attached to the role of the Corporate Property Officer, illustrated by the seniority of the person in that role (Head of Finance) and their ability to instil a pro-active asset strategy philosophy in other Heads of Service and Managers.

## **7.7 Analysis of gaps between current asset provision and performance and identified future needs**

While all the potential gaps have not yet been identified many are known, for example the need to replace assets, which have reached the end of their useful life. A full Gap analysis will be carried out upon completion of the service plan review and the sufficiency and suitability reviews. This has been identified on the Asset Management Action Plan (appendix 1).

## **7.8 Local Government White Paper October 2006/ Quirke Review**

This report contains important implications for Asset Management Plans such as the community ownership of assets as proposed in the 'Quirk' Review published in spring 2007. The Council is already actively engaged in this agenda and will consider the opportunities the review delivers to improve value for money.

## **7.9 Other Assets**

Individual services will carry out periodic reviews of the utilisation of non-property assets. An exercise was carried out in 2007 and 2014/15 by the Operations Section to dispose of a number of surplus vehicles. Work was carried out to renew current leasing arrangements with the latest tender exercise completed in 2014. A corporately available pool car/van was leased in 2013 and the replacement of this vehicle has recently been implemented.

Individual service units are required to carry out periodic reviews of their utilisation of non-property assets such as vehicles and ICT and to ensure that properly planned programmes for periodic replacement are in place. There is also a requirement that these programmes have due regard to;

- The ongoing financial sustainability of the programme.
- The securing of the best value at least risk to the tax payer.
- The utilisation of the impact of the programme on the taxpayer.



## Performance information report

NPPI	Indicator	Performance	
		Operational buildings	Non-operational buildings
	Number.	34	46
	Value.	£9,579,780	£ 4,698,700
	Gross internal floor space m sq	11.649.81	14,986.55
	Maintenance backlog (5 year total)	£1,233,869.80	£919,547.23
	Maintenance backlog ( year 4/5	£ 329,203.65	£254,813.81
1A	% of total gross internal floor area classed as condition A (Excellent)	0%	0%
1A	% of total gross floor area classed as condition B (Good)	75.76%	65.22%
1A	% of total gross floor area classed as condition C (Fair)	24.24%	28.26 %
1A	% of total gross floor area classed as condition D (Poor)	0 %	6.52 %
1B	% of backlog that is priority 1	0	21.5
1B	% of backlog that is priority 2	0	0
1B	% of backlog that is priority 3	100	78.5
3A	Property management costs per sm GIA.	£33.78	£17.46
4A	Repair costs per sm GIA.	£5.05	£ 3.04
4B	Energy costs per sm GIA.	£ 6.87	£4.49
4C	Water costs per sm GIA.	£ 3.98	£1.26
4D	Carbon dioxide emissions per sm GIA.	77.74kgCO <sub>2</sub> e /kWh	33.62kgCO <sub>2</sub> e /kWh

NPPI	Indicator	Performance
2A	Avg. IRR for industrial investment portfolio.	9.8%
2B	Avg. IRR for retail investment portfolio.	6.3%
2C	Avg. IRR for agricultural investment portfolio.	2.9%

NPPI	Indicator	Performance
5A	% of projects where estimated outturn falls within +/- 5% of the estimated outturn expressed as a % of the total number of projects completed	No capital programme this year
5B	% of projects falling within +/- 5% of the estimated timescale expressed as	No capital programme this year.



	a % of the total number of projects completed in the financial year.	
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## 9. Contextual Information: Statistics and Finance:

### 9.1 Gross & Net Revenue Budget Figures 2005/18

	2015/16 £000's	2016/17 £000's	2017/18 £000's
Gross Budget	35,464	35,464	35,464
Net Revenue Budget	8,901	8,763	8,491
Net Revenue Resources	8,721	8,449	8,317
Planned Use of Reserves	180	314	174

### 9.2 Information on value of fixed Assets as at April 2015

	£000's
Intangible Assets	122
Operational Land & Buildings	21,557
Vehicle, Plant & Equipment	2,932
Community Assets	927
Investment Assets	539
Infrastructure	202
Surplus assets held for disposal	715
Heritage Assets	2,165
Assets Held for Sale within one year	197
Total Assets	29,356

### 9.3 The number, gross internal area (GIA), type and value of assets across the main service areas

[Core Property List 2015 update.xls](#)

### 9.4 Indication of the value of the assessed maintenance backlog:

	£000's
2011/12	386
2012/13	652
2013/14	531
2014/15	88
2015/16	496
Total	2,153

## 9.6 Corporate Borrowing

Councils can fund capital expenditure from both its capital resources and revenue resources as long as these are paid back over the life of the asset. The difference between capital expenditure and capital resources available is known as the Capital Financing Requirement (CFR) and at the 31<sup>st</sup> March 2015 the Council's CFR was £7,013k. In practice the CFR can be funded in two ways, either as the temporary use of revenue reserves, called internal borrowing or through external borrowing from providers such as the Public Works Loans Board (PWLB).

Following a successful Large Scale Voluntary Transfer (LSVT) of its housing stock in March 2006, the Council became externally debt free. Now, the only external loan that this Council has is a £4,600k loan over 25 years with the PWLB, repayable on an EIP (equal instalments of principal) basis which was taken out on March 2010. The principal outstanding at 31<sup>st</sup> March 2015 was £3,680k. The remainder of the CFR has been funded from internal borrowing against the Council's usable revenue reserves which totalled £11,584k at the 31<sup>st</sup> March 2015.

Any additional borrowing will only be taken on the evidence of a robust business case, including arrangements to repay principal, sustainability and affordability as set out in The Prudential Code.

## 9.7 Area, Population and Characteristics of the Authority.

Rossendale is one of the smallest Lancashire districts, with a slowly rising population of around 67,000. It covers 138 sq km between the conurbations of West Yorkshire and Greater Manchester; a band of urban development runs East-West along the deeply incised upper valley of the River Irwell, flanked by harsh Pennine moorland scattered with isolated settlements.

Centuries of sheep farming on the enclosed moorland gave way in the Industrial Revolution to textile mills, which in turn have been converted to footwear manufacture or other uses. A string of former mill towns – Bacup, Rawtenstall, Haslingden - runs east-west along the narrow valley floor, the western end being connected to the motorway network via the M66.

Eighty eight per cent of the borough is green space and a quarter is green belt land. It is an area of high landscape and recreational value and there are several programmes to enhance the cultural aspects of the natural environment, such as the East Lancashire Regional Park, Irwell sculpture trail and the Halo - one of a series of twenty first century landmarks being built as a regeneration and arts project by the East Lancashire Environmental Arts Network.

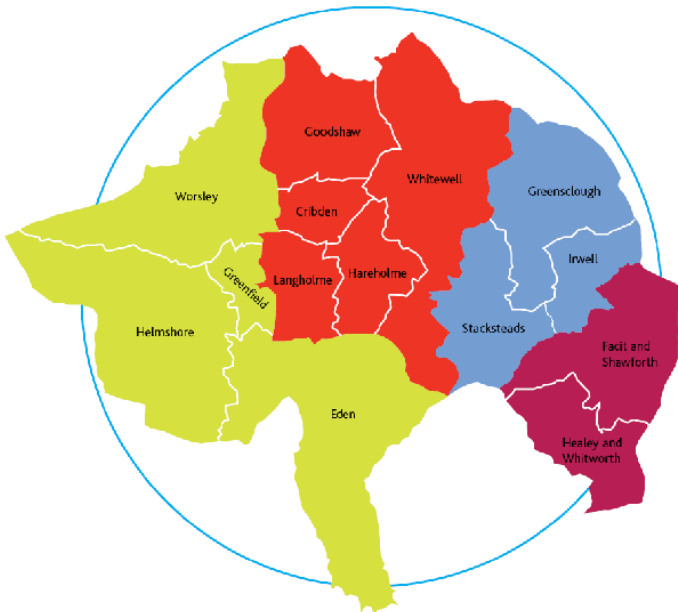
The borough also offers excellent opportunities for active leisure. The Mary Townley loop of the Pennine Bridleway is used by walkers, mountain bikers and horse riders, and there are facilities for water sports and skiing in the borough. A new sports hall to be used by the community has recently opened at a school in central Rawtenstall as well as the recent extension to the Council owned Haslingden Sports Centre.

Rossendale's built environment is characterised by the remains of its industrial heritage – there are over 260 listed buildings and nine conservation areas. Stone-built terraced housing constructed before 1919 forms a third of the housing in the borough; it is visually harmonious, and the Council has cleaned some terraces to their original creamy colour, but almost a quarter of these houses are unfit and many are occupied by low-income or elderly residents.

On the index of multiple deprivation, Rossendale ranks 92nd among English councils. Aspects of deprivation such as crime and employment show few extremes, but there is a high degree of health deprivation in the borough – 20 per cent of super output areas (SOAs) are among the worst 10 per cent in the country.

## Borough Profile

### About Rossendale



Haslingden with Helmshere & Edenfield Neighbourhood Forum	Eden Greenfield Helmshere Worsley
Rawtenstall Neighbourhood Forum	Cribden Goodshaw Hareholme Langholme Whitewell
Bacup Neighbourhood Forum	Greensclough Irwell Stacksteads
Whitworth Neighbourhood Forum	Facit and Shawforth Healey and Whitworth

### The Borough

- 138 Square Kilometres.
- The population of Rossendale is 67,000.
- 94.5% of the population are White, 0.9% are mixed race, 3.9% are Asian/Asian British, 0.3% are Black/Black British, 0.4% are Chinese or other.
- Population density of 486 persons per square kilometre compared to a national population density of 358 persons per square kilometre.
- The two largest religions in Rossendale are Christian (76%) and Muslim (2.9%).
- 14.5% of the population are aged 65 and over compared with 16.1% nationally.
- 5.1% Unemployment level compared with 5.4% nationally.
- In June 2009 there were 1767 people in Rossendale claiming unemployment related benefits.

- The current total number of businesses in Rossendale is 2,455.
- Rossendale has a very high proportion of land (23.0%) designated as green belt.
- There are currently more than 260 listed buildings in Rossendale and 9 conservation areas.
- Larger percentage of population commute out of the Borough to work, this is partly due to the proximity of Rossendale to major employment centres and partly due to the decrease in number of jobs available.
- Median gross weekly earnings are £373.20 - this is 95.4% of the median earnings in Great Britain.
- Teenage pregnancy rate in Rossendale is 43.1 per 1,000 15-17 year olds, which is slightly above the national rate of 41.3.

- The percentage of pupils in Rossendale achieving 5 or more GCSE's at Grade A\*-C (64.9%) is well in excess of the England average of 60.4%.
- Household Recycling and Composting rate of 34.3%.
- Road Casualty Rates for Rossendale (5.5) are above the national rate of 4.3 people injured per 1,000 population of all ages.
- Life expectancy at birth is low at 75.4 years for men and 80.3 years for women.
- There are 27,112 Households in Rossendale with 71.9% classified as owner occupied.
- Of 354 local authorities in England, Rossendale recorded an average index of deprivation score of 24.23, which gave a rank of average score of 92nd position.

Source: [http://www.lancashire.gov.uk/office\\_of\\_the\\_chief\\_executive/lancashireprofile/maps/rossoas.asp](http://www.lancashire.gov.uk/office_of_the_chief_executive/lancashireprofile/maps/rossoas.asp)

Manufacturing, though a shadow of its former strength, still employs a quarter of the borough's workforce. Unemployment within Rossendale is low, and the economic activity rate, at 80 per cent, is well above regional and national averages. However, wage rates within the borough are low. People who work in the borough earn a median weekly wage of £329, well below both regional and national averages. By contrast, people who live in the borough (half of whom commute out of the borough to work, mainly in Greater Manchester) but work outside the borough earn £420, again lower than regional and national averages. This gap between the wages of residents and employees is the largest in Lancashire, and together with health and housing statistics points to a more general diversity among social and economic groups in the borough.

A comprehensive picture can be in the Rossendale Profile which can be downloaded from the Council's web site at:

[http://www.rossendale.gov.uk/site/scripts/documents\\_info.php?documentID=409](http://www.rossendale.gov.uk/site/scripts/documents_info.php?documentID=409)

The Council has 36 Councillors representing 14 wards. With 19 Labour, 15 Conservative, 1 Community First, and 1 Independent. A cabinet-style executive governs the business of the Council, and their Overview and Scrutiny Committees. The Council's net revenue budget is £8.9 million in 2015/16, with the greatest share going to environmental services.

Rossendale Borough Council has approximately 163.2 full time equivalent employees, providing the following services:

- Environmental Health Services
- Waste Removal
- Street Cleansing
- Cemeteries
- Parks & Open spaces
- Local & District Planning
- Regeneration
- Strategic Housing
- Democratic and Electoral Services
- Legal services
- Taxi and Entertainment Licensing
- Corporate functions e.g.: Finance, Property Services, Land Drainage and Asset Management and Human Resources.

#### Investment in the Borough

- The towns of Haslingden and Bacup have recently benefited from SRB funding which has led to substantial investment in the towns.
- The Council has prioritised investment into employment through the Futures Park scheme in Bacup
- Bacup, Stacksteads and Britannia form part of the Elevate Housing Market Renewal Area, which has resulted in significant investment in improvements to the housing stock in the area.

- The transfer of the Council's housing stock in 2006 resulted in investment of £40m over the subsequent 6 years.
- Bacup has recently benefited from a town centre regeneration grant.

### Town Centre Regeneration

Proposals to redevelop the former (the Valley Centre) have progressed, albeit, slowly given the current economic climate. The Council has acquired the Centre recently from the owners, AshCap Ltd, to deliver a tactical redevelopment programme with the Council's development partner (RTB LTD). In the meantime the cleared site has been reconfigured for by the Council at a cost of circa £120k, to form a Town Square which has continued to be utilised for such events as Farmers Markets, Christmas Markets and Fairgrounds/other entertainments. The town centre will be further enhanced by the development of a new bus terminal within the proposed redevelopment of the Valley Centre currently out to public consultation.

Three new superstores have been built in the borough over the last few years:-

A site on St Mary's Way. (Asda)

The old bus depot in Bacup Road (Lidl)

A site at Lee Street, Bacup formerly predominantly derelict industrial property (Morrison)

The Ilex Mill complex in Bacup Road has been converted into high quality apartments.

Aligned with all of this there are further works being proposed to improve car-parking in the Town Centre. Additionally plans are in place to complete the edge-of-Town retail development at New Hall Hey

## 10. Appendices:

### Appendix 1 – Action Plan



App 1 - Action Plan  
v3.doc

### Appendix 2 – Projects & Project Management (including major capital work)



PPM Guidance Notes  
v5.doc

### Appendix 3 – Survey of staff re suitability of accommodation



Survey summary

## Appendix 4 – Benchmarking of Asset Management Performance Data – 2010 CIPFA analysis



CIPFA\_VFM Estates  
Management 0910\_D

## Appendix 5 – Option appraisal methodology



Appendix 5 - Option  
Appraisal.pdf

## Appendix 6 – suitability analysis



office suitability.rtf

## Appendix 7 – Capital projects procedures



Capital Projects  
Procedures.pdf

## Appendix 8 – Maintenance

Total Backlog as at 2012	£2,163,087.47
Expenditure 2013/14	£154,720.00
2014/15	£158,915.00
Outstanding balance	<u>£1,849,452.47</u>

The level of spend is influenced by:

- Assets earmarked for redevelopment or demolition will be excluded from the maintenance programme.
- The main priority to keep all properties sound, weather proof, safe and compliant with statutory requirements
- The proportion of expenditure required for other capital projects eg: infrastructure assets such as roads, footpaths and car parks



- Longer term priorities for the improvement of premises and facilities (eg Marl Pits pavilion)
- Availability of financial resources