

Appendix C

Asset Management Improvement Plan Progress Update

February to May 2017

Following the recommendations in the CIPFA Health Check report published in November 2016, an Asset Management Improvement Plan was approved by Cabinet in February 2017.

The Improvement Plan includes the 22 recommendations outlined in the Health Check report together with the ten “hallmarks of good Asset Management” and five areas requiring a “strong programme” outlined in Commissioner Kenny’s letter in November 2016 to the Council’s Chief Executive.

The approval required that an update be provided to Cabinet on a quarterly basis and this paper is the first such update, reporting progress for the period from February to May 2017.

Significant progress has been made during the period and the position as at 31 May 2017 can be seen at Appendix A, the dashboard, reflecting progress made on all 17 composite points in the Plan.

Key highlights are:

Governance Structure and Directorate Engagement (AMIP2017-02 and AMIP 2017-05)

An Asset Management Board (AMB) has been created to enable senior management and Member leadership to oversee asset management activities and set priorities to support the implementation of Corporate Landlord and to embed an integrated approach to property and land assets. AMB is attended by Strategic Director or Assistant Director representatives from all Directorates.

The remit of the AMB is underpinned by the activities of the Asset Management Officer Group (AMOG), a group attended by M3/M2 representatives from all Directorates which in addition to being a sounding board for items being progressed to AMB also acts as an efficient way of engaging effectively with Directorates.

Engagement is also taking place with Directorate representatives on a regular basis, most recently for the completion of the Service Asset Management Plans (SAMPS).

Scheme of Delegation (AMIP2017-07)

Revised Financial Regulations and Contract Standing Orders have been produced and were approved by Full Council in January 2017.

Subsequent to this, a Scheme of Delegation relating to Asset Management was approved by Commissioner Kenny to allow progression of certain matters and to ensure Asset Management workstreams were as efficient as possible.

Asset Management Restructure (AMIP2017-04)

A draft structure designed to deliver the requirements outlined in the Health Check of a responsive service which embraces the needs of the whole organisation was initially presented to staff in April 2017. The consultation period is now over and a revised structure, taking on board many of the comments and suggestions received has been devised. This will be considered by Asset Management Board on 12th June 2017 and by Regeneration and Environment DLT on 13th June 2017.

In addition, the recommendation that a Strategic Asset Management function be created has also been included in the structure with an Interim Strategic Asset Manager in post since 3 April 2017.

The structure is expected to be implemented by the end of September 2017.

Corporate Landlord (AMIP2017-08)

The whole Council estate was incorporated into management under the Corporate Landlord Model with effect from 1 April 2017.

This followed a recommendation in the Health Check that the Council revisit the implementation of Corporate Landlord and that simple service standards, guidance and promotional material facilitate the sharing of the new approach throughout Directorates.

Briefings and presentations have been produced and carried out along with individual meetings held with Directorate representatives.

Asset Management Plan (AMIP2017 – 03)

The Health Check recommended that the Council define its corporate and strategic direction for property through the development of an overall Asset Management Strategy.

This is to be delivered through an all-encompassing Asset Management Plan which is comprised of three key elements – The Policy, the Strategy and the Action Plan.

The Asset Management Policy and Strategy for the period from 2017 to 2025 was approved at Cabinet in May 2017 and is based on the following five key principles:

1. Enabling delivery of the Council's services and priorities.
2. Supporting Economic Growth, Housing Growth and Town Centre Regeneration.

3. Maximising the opportunities that are available through the adoption of “one public estate”.
4. Developing growth income from commercial/non-operational activities.
5. Maximising the range of benefits through the commissioning of property projects and property services.

In addition to this, Service Asset Management Plans (SAMPs) have been produced by each service area. Analysis of the SAMPs together with the principles of the Policy and Strategy will inform the Action Plan which will be in place by September 2017.

Comprehensive Property Review (AMIP2017 – 06)

The Non-Operational and Operational Property Reviews are underway with Project Initiation Documents (PIDs) approved at AMB in May 2017. Condition surveys of all assets are to be undertaken during the Summer, subject to agreement on funding, to inform the process.

The non-operational review will focus on the commercial estate, concentrating on return, location, demand, condition and how each asset fits into the Council’s future direction in terms of asset management. The review is scheduled to be completed by September 2017.

The operational property review will tie in very much with the principles outlined in the Policy and Strategy and also the results from the SAMPs, seeking to address service and corporate need while providing revenue savings and the potential for capital receipts. This review is due to be completed by the end of March 2018.

Property Maintenance and Compliance (AMIP2017-11 and AMIP2017-12)

The contracts in respect of day to day maintenance and support provided to schools and in respect of the commercial estate are in the process of being reviewed to determine the most efficient way forward. As part of this contact has been made with other organisations to ensure best practice is adopted wherever possible.

Alongside this methods of maintaining records to ensure compliance on all managed property are being updated and enhanced. To ensure this is prioritised going forward, a Compliance Officer has been included in the revised structure.

Performance Management (AMIP2017 – 17)

The implementation of a comprehensive performance management and benchmarking process within Asset Management was mentioned in both the Health Check and the letter from Commissioner Kenny.

Measurement against CIPFA indicators will provide a cross-cutting picture of how the Asset Management service is performing, however these are in the main high level

and may not inform the management team of performance in all areas. They will however be used as a benchmarking tool.

Consequently, a Balanced Scorecard specific to Asset Management has been drafted, showing key indicators to drive performance and a culture of enhanced customer care. The indicators are aligned with the five key principles of Asset Management set out in the Policy and Strategy document and above.

Alongside the above, the Asset Management service is also forging closer links with Strategic Housing and RiDO (Rotherham Investment and Development Office), delivering a further key recommendation made in delivering regeneration through joined-up working across the Council.

Closer relationships with key partners are also being forged through membership of the Sheffield City Region Joint Asset Board (JAB), the Rotherham Together Partnership Local Estates Forum (LEF) and the NHS South Yorkshire and Bassetlaw Strategic Transformation Plan (STP). It is expected this will lead to co-location of services, the realisation of opportunities, efficiencies for all involved and delivery of "One Public Estate".