

**Carmarthenshire County Council
Asset Management Plan**

September 2004

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Carmarthenshire County Council is fully committed to improving public services and the quality of life in our communities. The Authority recognises that the use and management of its property portfolio has a vital role in delivering more efficient and effective services.

The Corporate Asset Management Plan highlights the various property implications of meeting the challenges facing the Authority's services.

The publication of this plan is the first step in the Council's aim to ensure that its entire property portfolio is being used in the most efficient way to meet the Authority's objectives and priorities.

This plan identifies the various priorities across the services and sets out the types of strategic options that will need to be considered in order to meet the property issues facing Carmarthenshire.

The plan will be revised and updated as further work is undertaken by the various services in conjunction with Corporate Property concerning the preparation of Service Asset Management Plans.

The Audit Commission on behalf of the Welsh Assembly has recently reviewed the corporate AMP and several areas of good practice have been identified. The Commission has recognised the advances made by the Authority and the Council is dedicated in making even further progress towards the better use of its property resource.

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1 INTRODUCTION

1.1 The purpose of this section is to set the context for the Asset Management Plan, with specific reference to the key characteristics of Carmarthenshire, the corporate planning framework in operation within the Council, our corporate goals and objectives, and our organisational structure.

THE COUNCIL

1.2 Carmarthenshire County Council was established following local government reorganisation in 1996, and incorporates the former Borough Councils of Dinefwr and Llanelli, and the former Carmarthen District Council and Dyfed County Council.

1.3 Situated in South West Wales, Carmarthenshire covers a largely rural area of some 607,734 acres with a population of approximately 172,800. Carmarthen, Llanelli, Llandeilo and Ammanford are the main administrative centres of the Council and the largest town in the county is Llanelli, with a population of around 14,000.

CORPORATE GOALS AND OBJECTIVES

1.4 The Council's purpose and mission, as set out in our Corporate Strategy (2003-2008) is *'to make Carmarthenshire a better place in which to live, work and enjoy leisure time'*. Our stated corporate objectives are summarised below, highlighting the key outcomes sought and issues arising which have specific relevance for our asset base.

Corporate Objective	Key Outcomes Sought	Relevance for Assets & the AMP
<p>Providing learning and leisure for everyone – by improving access to learning and leisure for all</p>	<ul style="list-style-type: none"> Improving access to services (schools, sport, leisure, heritage and arts facilities) Improve facilities at schools Improve standard of education for everyone 	<ul style="list-style-type: none"> Review of secondary and primary education provision in the County (improvement plans) Construction of a new community school in Cwmamman Provision of part-time nursery education to all three-year-olds Auditing existing leisure facilities, formulating and implementing an improvement plan Improving all libraries to reach national standards

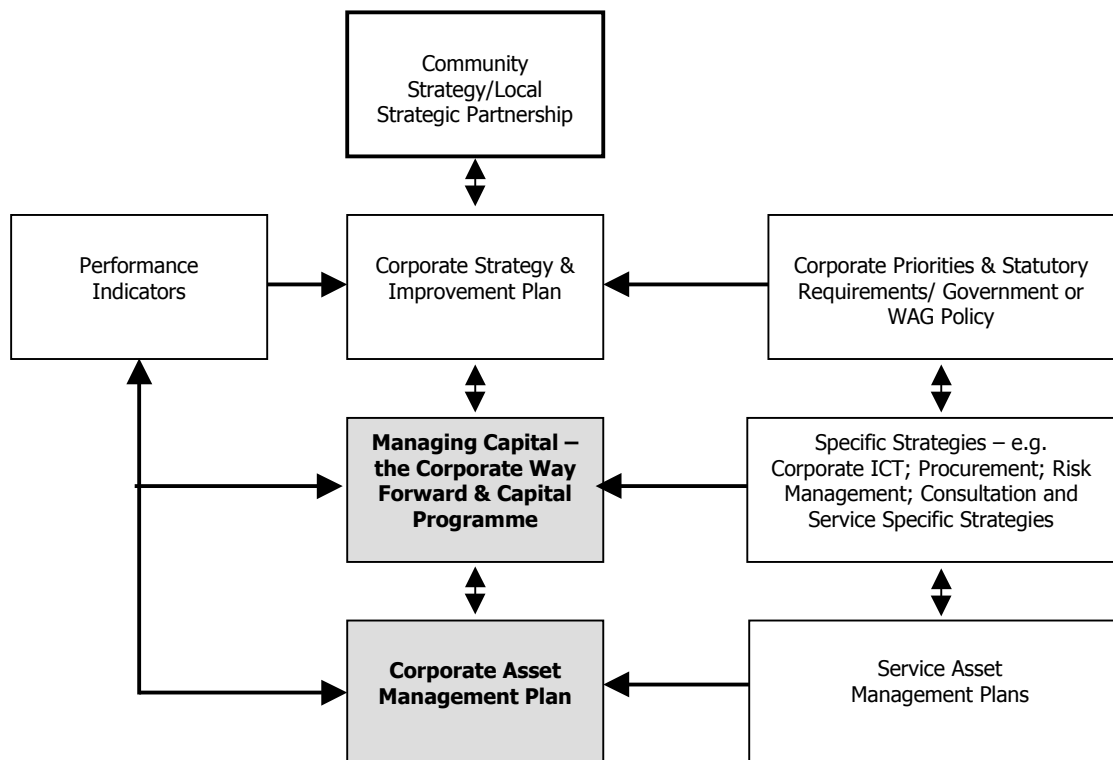
Corporate Objective	Key Outcomes Sought	Relevance for Assets & the AMP
<p>Creating quality jobs in Carmarthenshire – by supporting existing and new businesses to help create good jobs for everyone</p>	<ul style="list-style-type: none"> • Increase business productivity and competitiveness • Job creation and skills enhancement • Innovative partnerships and use of IT to improve physical infrastructure of County 	<ul style="list-style-type: none"> • Delivering £450 million investment plan for Carmarthenshire including £150m for business development and property projects • Identifying an additional 400 hectares of land for business development • Development of broadband services for businesses
<p>Protecting the environment – to protect and enhance the environment for the enjoyment of the community</p>	<ul style="list-style-type: none"> • Manage waste and encourage recycling • Improve public places • Encourage the better use of land • Manage traffic flows • Conserve and enhance the environment 	<ul style="list-style-type: none"> • Improving facilities and security at public car parks • Working with other agencies to improve derelict land • Rationalisation of public conveniences and provision of disabled access to all facilities
<p>Creating better communities – by making communities better and safer places to live</p>	<ul style="list-style-type: none"> • Identification and implementation of community improvement schemes • Safer communities through a reduction in crime • Improved partnership working with other organisations 	<ul style="list-style-type: none"> • Working in partnership to ensure that the entire county benefits from regeneration funding
<p>Making better use of resources – by improving the use and management of resources to deliver more efficient and effective services</p>	<ul style="list-style-type: none"> • Delivery of quality services • Improved management of Council resources including finances, property and transport • Improved use of ICT 	<ul style="list-style-type: none"> • Reviewing the Council’s method for prioritising expenditure • Considering use of PFI to raise funds for key projects • Acquisition of St. David’s Hospital Site • Developing and publishing the AMP • Selling surplus sites and property to raise £20 million match funding for Objective 1 projects • Implementing new management and geographical information systems to support service delivery • Improving the management of the Authority’s buildings

Corporate Objective	Key Outcomes Sought	Relevance for Assets & the AMP
Being a better Council – by being open and accountable, by encouraging participation and by listening to people	<ul style="list-style-type: none"> • Improve customer care • Delivery of quality services and continuous service improvement • Provision of equal opportunities 	<ul style="list-style-type: none"> • Ensuring that people with disabilities can gain access to all Council services • Introducing a Customer Contact Centre

CORPORATE PLANNING FRAMEWORK

1.5 The diagram below highlights the strategic planning process in place at Carmarthenshire specifically highlighting the roles of the asset management plan and the capital programme within the corporate planning process. The table following then highlights specific asset related objectives deriving from the stated corporate plans/strategies.

1.6 The Council has demonstrated its commitment to the community planning process, and our Community Strategy has recently been officially launched. Aligned with this, we are seeking wherever possible to streamline the planning process across the authority, to provide greater clarity for all of our stakeholders.



CORPORATE STRATEGY	OBJECTIVES RELATING TO ASSETS
<p>Carmarthenshire Partnership Strategy (Community Strategy)</p>	<ul style="list-style-type: none"> Agreed vision focuses on how the Council and its key community partners can work together to create communities that work. Key objectives include the desire to create a vibrant local economy; to make Carmarthenshire a safer place to work, live and visit; to improve health and access to better health and social care; to protect and enhance the environment and to provide the best lifelong learning and leisure facilities for all. The Community Strategy defines the framework for service delivery in the future, both by the Council itself and in partnership with other delivery agencies. This, in turn, impacts upon accommodation requirements and assists in the definition of appropriate accommodation solutions moving forward.
<p>Corporate Strategy 2003/08</p>	<ul style="list-style-type: none"> As set out in previous table.
<p>Managing Capital - The Corporate Way Forward</p>	<ul style="list-style-type: none"> Framework for rigorous capital planning and control within the authority and context within which the Council will implement its capital programme. 3 year Capital Programme underpins the Corporate Strategy and sits alongside the Corporate Asset Management Plan.
<p>Improvement Plan 2003/04</p>	<ul style="list-style-type: none"> Formal commitment to development and implementation of the Asset Management Plan and associated performance management framework for asset and property management business processes. Recognition of importance of achieving best value in property and property services to assist the Council to deliver its objectives.
<p>Corporate Procurement Strategy</p>	<ul style="list-style-type: none"> Sets out framework for corporate procurement focusing on requirement for open, transparent and non-discriminatory processes that secure optimum value for all goods and services procured whilst analysing the impact of that procurement activity on the local economy, environment and community. Adopts Egan principles, as identified within Rethinking Construction.
<p>Risk Management Strategy 2004/07</p>	<ul style="list-style-type: none"> Aim to widen the focus of risk management and fully embed risk management procedures throughout the organisation. Recognition of issues surrounding delivery of services via non-council owned, partner property. Subsequent implications of partnering arrangements on risk management e.g. joint accommodation, co-location

CORPORATE STRATEGY	OBJECTIVES RELATING TO ASSETS
	solutions.
ICT Strategy 2004-2007	<ul style="list-style-type: none"> • Strategic agenda for Council's utilisation of ICT resources in efficient and effective manner to contribute to quality service delivery - aim to strengthen partnerships to capitalise on the economies of scale and to invest in appropriate technology to improve equality of electronic access to council services. • Investment in emerging technologies will have implications for asset management planning in the short, medium and long term. • Delivery of broadband technologies to all schools and the Lifelong Learning Initiative for development of community resources will require innovative, joined up thinking across the authority and will have significant asset implications.

ORGANISATIONAL FRAMEWORK

Officer Structure

1.7 The paid service of the Council is organised into six directorates. These, and the key divisions into which they are split, are highlighted below:

- Chief Executive
 - Corporate Policy
 - Customer Relations (Communications)
 - Customer Relations (Customer Services)
 - Legal and Democratic Services
 - Organisational Development
 - Statutory Services
 - Special Projects (Corporate)
 - Special Projects (Technical Services)

- Lifelong Learning and Leisure
 - School Support
 - Education Standards and Lifelong Learning
 - Policy and Performance
 - Leisure and Recreation
 - Facilities Management
 - Support Services

- Technical Services

- Building Services
- Consultancy
- Policy and Performance
- Street Scene
- Transport
- Trunk Road Advisor

- Resources
 - Audit, Risk & Procurement
 - Corporate Property
 - Financial Services
 - ICT

- Regeneration
 - Economic Development
 - European Policy and External Grants
 - Planning Services
 - Policy Coordination and Research

- Social Care and Housing
 - Adult Services
 - Children and Families Services
 - Housing Services
 - Support Services
 - Support Services
 - Policy and Performance
 - Public Protection

Political Structure

- 1.8 The Council has 74 County Councillors, and full Council meets on a monthly basis. It is responsible for the appointment of the Leader and Deputy Leaders of the Council, who in turn chair and act as vice-chairs for the Executive Board. This Executive Board comprises a total of 10 Members.
- 1.9 Seven scrutiny committees scrutinise and monitor the work of the Executive Board and the delivery of Council services.

SUMMARY

- 1.10 The Council is committed to the delivery of services which meet the requirements of our residents and other stakeholders, and to addressing the challenges that this gives rise to in a predominantly rural area. We have developed an organisational infrastructure which reflects our thematic priorities, and a corporate planning and monitoring framework which will facilitate the prioritisation of specific actions and the associated resource deployment in the short, medium and long term. This infrastructure, while still in its infancy and developing all the time, is now firmly established as the framework for all of our activities.

2 CORPORATE ASSET POLICY

- 2.1 The aim of this section is to set out the Council's objectives which relate specifically to its asset portfolio, and which provide the framework for assessing asset management performance.

CORPORATE ASSET OBJECTIVES

- 2.2 At its meeting of 15 January 2004, the Council's Strategic Asset Team defined and agreed a number of over-arching objectives pertaining to the asset base. These complement the commitments identified within the Corporate Plan under the objective of 'Making Better Use of Resources', and provide a framework for the more specific objectives set out within the Corporate Property Division's business plan.
- 2.3 The agreed corporate objectives are as follows:
- to ensure that the authority's asset portfolio supports the delivery of its services and objectives, with specific reference to suitability, sufficiency and condition
 - to ensure that all assets demonstrably deliver value for money
 - to ensure that all assets are managed in the most economic, efficient and effective manner.

HEADLINE PERFORMANCE MEASURES

- 2.4 The Council's Improvement Plan (Improving the Way We Live and Work) highlights our commitment to the development and implementation of a comprehensive, robust and rigorous approach to performance management across the authority, and to the delivery of step change improvements to customer satisfaction. Our recent Best Value Review of Asset Management has also made a clear recommendation for the further development of the performance management framework for assets, alongside the development of our property data systems to support it.
- 2.5 The performance framework for property is still in its infancy, though the table below highlights the emerging framework which is being advanced under the overall direction of the Corporate Property Officer and the Strategic Assets Team. This focuses on the 'outcome' related indicators that we are collating, though we also have a range of 'process' indicators, many of which are reflected in Section 9 of this plan.

CRITICAL SUCCESS FACTORS AND KEY PERFORMANCE INDICATORS (OUTCOMES)

Strategic Objective	Critical Success Factors	Key Performance Indicators
To ensure that the authority's asset portfolio supports the delivery of its services and objectives	Customer Satisfaction	% of customers served who are engaged in customer satisfaction surveys
		Achievement of target customer satisfaction ratings
	Suitability	% of properties considered unsuitable for required use
		% of properties considered to require improvement for required use
	Sufficiency	Property (m ²) identified as surplus
	Condition	% of properties in Category D for operational property (serious risk of imminent failure)
		% of properties in Priority 1 for operational property (require immediate works)
Accessibility	DDA Compliance	
To ensure that all assets demonstrably delivery value for money	Optimal Utilisation	Average GIA space allocation per person (operational)
	Value for Money (Running Costs)	Revenue running costs/m ²
	Maximise Return on Investment (Non-Operational Estate)	Internal rate of return
		Void rates
		Management costs as a % of rental income
Arrears as a percentage of total rent roll		
To ensure that all assets are managed in the most economic, efficient and effective manner	Effective Management of Maintenance Liability	% of total annual expenditure on maintenance allocated to planned (as opposed to reactive) maintenance
	Value for Money in Management (operational estate)	Annual management costs/m ² (GIA) – Operational Portfolio
	Value for Money in Management (non-operational estate)	Annual management costs/m ² (GIA) – Non-operational portfolio
	Environmental Sustainability	CO ₂ Emissions (tonnes/m ²)

STAKEHOLDER VIEWS

- 2.6 A wide variety of stakeholders have an interest in the performance of our asset portfolio against our defined objectives. These include members and officers of the Council, the wide range of partners with whom we work in the delivery of our services, users of specific services delivered by the authority and those occupying our property, and the wider residents of Carmarthenshire.
- 2.7 Consultation with stakeholders is fundamental to everything that we do, and a considerable amount of work has been undertaken within the authority over the past three years to establish a strong foundation for effective engagement. Our Corporate Consultation Strategy is intended to:
- ensure that a corporate approach is taken to consultation, including the provision of support, advice and access to corporate consultation tools
 - develop the authority's capacity to consult to a consistently high standard
 - ensure that consultation is inclusive, allowing all sections of the community equal opportunities to take part
 - ensure that consultation is a two-way process by listening to the views of the stakeholders and providing them with feedback
 - ensure that consultation involves elected members and strengthens the democratic process.
- 2.8 Stakeholder views are incorporated into both corporate and service level business planning processes, and wherever relevant include consideration of asset related issues. A selection of recent consultation activities of direct relevance to the asset management planning process are illustrated below:
- all service directorates within the Council have been actively involved in the preparation of this asset management plan, principally through their involvement in the Strategic Assets Team and the Asset Management Group
 - a survey has been undertaken of all staff with administrative accommodation, to assess the level of satisfaction with working conditions
 - consultation has been undertaken with a variety of relevant parties in connection with service-led reviews of our portfolio (e.g. the School Organisation Plan 2003-2008, and the review of elderly persons homes)
 - a full consultation exercise has recently been completed for the proposed capital programme for 2004/05 to 2006/07. This has included the Citizen's

Panel, town and community councils, scrutiny committees, area committees, industrial and commercial rate payers, and the Schools Forum

- a variety of surveys have been undertaken in relation to the non-operational estate and include the Carmarthenshire Markets Customer Satisfaction Survey and the Commercial Tenants Questionnaire.

2.9 We are committed to stakeholder consultation, and as part of the refinement of our asset management planning procedures moving forward, we will ensure that the views of all relevant stakeholders are canvassed on property and asset matters as a matter of course.

GOVERNMENT POLICY AND STATUTORY RESPONSIBILITIES

2.10 As with every local authority, Government policy and statutory responsibilities form an important context for the delivery of services. A range of UK and European legislation as well as national standards and regulations impact upon the delivery of our core services, and many of these are referenced in Section 4 of this document. The cross-cutting issues, which have specific relevance to our asset portfolio, are set out below:

- the **Disability Discrimination Act of 1995** which makes it unlawful for service providers, landlords and other persons to discriminate against disabled people in certain circumstances. The Act requires service providers to make 'reasonable adjustments' to the way they provide their services, and to the physical features of their premises to overcome access barriers. The Corporate Property Department has been co-ordinating a programme of audits of our premises, a challenging exercise given the extensive nature of our portfolio, and allowances have been included within the capital programme to address specific requirements arising
- the **Control of Asbestos at Work Act 2000** demands a rigorous programme of assessment of all our premises, and the implementation of any necessary remediation work. We have a team of officers in place to assess and monitor the level of risk and the extent of action required, and management plans specific to individual premises are being prepared. A policy has been implemented for the management of asbestos and changes have been made to the Council's financial regulations which prevent any works being undertaken on the non-housing portfolio without prior consultation with the Technical Services Asbestos Section. We have also embarked on a training programme which has to date been delivered to some 500 personnel including maintenance inspectors, designers, budget holders and head teachers
- the **Health and Safety at Work Act 1974** and associated fire safety regulations, which require us to ensure the health and safety of all users of

our assets. The Council's corporate risk management strategy provides the framework and momentum for a more proactive and strategic approach to the identification and remediation of risk, and close liaison is maintained with the Health and Safety Executive

- the **Environmental Protection Act 1990**, under which the Council has a duty to inspect its area for contaminated land. A working group has been set up which is responsible for producing an inspection strategy in accordance with statutory guidance, and the Council has committed to a five year rolling programme of identification, investigation, enforcement and remediation of contaminated sites
- **Sustainable Development** – Local Government is a key strategic partner in supporting the Assembly in the realisation of its vision of a sustainable Wales. It is the policy of the Council to pursue sustainable development through all of its plans and actions. A Corporate Energy Efficiency Programme has been established for some years and to date has delivered some 2,279 tonnes of carbon dioxide savings plus over half a million pounds in cost terms. The Council has also ensured that recent new build schemes have incorporated sustainability good practice and the corporate procurement strategy has a specific commitment to placing greater emphasis on whole life costing issues in all construction related procurement.

- 2.11 There are obvious implications for our assets and their management, which are raised by these issues. Our approach is driven by the need to address them in a focused and systematic way within the context of available resources.

THE RESOURCE CONTEXT

- 2.12 The Capital Investment Programme for the authority for the period 2004/07 and the Revenue Budget for 2004/05 was approved by full Council on 24 February 2004.

Capital Investment Programme

- 2.13 The capital investment programme has been prepared for the forthcoming financial year and for the period to 2006/07 using, for the first time within the authority, a priority-based budgeting approach. Previously, the capital programme has been based on a year on year budget adjustment, but individual projects are now more closely considered against corporate plan priorities and the business case.
- 2.14 The gross programme totals £198.203 million over the three-year period, and the financial revenue implications of this investment are estimated at £0.548 million.

Estimated Capital Expenditure (£000)				
	2004/05	2005/06	2006/07	Total
Lifelong Learning & Leisure	13,948	15,248	21,736	50,932
Technical Services	10,529	10,520	5,058	26,107
Resources	860	900	1,000	2,760
Regeneration	21,262	22,628	17,714	61,604
Social Care & Housing	7,500	8,500	7,500	23,500
Corporate	3,840	3,600	3,000	10,440
Total Non-HRA	57,939	61,396	56,008	175,343
HRA	7,620	7,620	7,620	22,860
Overall Total	65,559	69,016	63,628	198,203

- 2.15 The programme is anticipated to be funded by borrowing of £43.472 million, internal resources of £28.564 million (e.g. from capital receipts), £14.475 million from the Local Regeneration Fund, and external funding amounting to some £111.692 million.
- 2.16 Some 56% of the programme is expected to be funded from external sources, and it is recognised that if this is not forthcoming, then there will be a requirement to adjust the overall programme accordingly.
- 2.17 The level of borrowing anticipated is some £11.6 million more than that supported by the government through the revenue settlement, an approach which is now permissible following the introduction of the Prudential Code. The Council's actual external debt at 31 March 2003 was £226.5 million.
- 2.18 The capital programme forms just a portion of an estimated £330 million of investment (excluding the regeneration masterplan) required to deliver both national and local strategies over the next five to ten year period. This includes the investment of some £85 million in the schools estate.

Revenue Budget

- 2.19 The proposed expenditure plans of the authority for 2004/05 require the authority to set a net budget of £233.68 million. This necessitates a call on Council Tax of £42.877 million (a 2.9% increase on the current year).

SUMMARY

- 2.20 We have clearly stated our objectives for the management and operation of our asset base, and we are confident that these provide a rigorous framework for ensuring the effective, efficient and safe deployment of one of our core strategic resources. The performance management framework has only recently been established, and there are clearly identified requirements for enhancements to our asset data collation to support its implementation. We are making good progress in this regard (particularly in relation to the engagement of stakeholders in our asset management planning process) and are committed to further development and improvement in the future.
- 2.21 Our capital planning process has been refined to more closely align our expenditure to our defined priorities – which we recognise to be particularly important in the context of growing budgetary pressures.

3 CHANGES IN EXTERNAL ENVIRONMENT, AND THEIR IMPLICATIONS FOR PROPERTY

- 3.1 The aim of this section is to identify the key external factors that are anticipated to have an impact on the scale or nature of accommodation requirements for service delivery in the future, or on how property management services are procured.

E-GOVERNMENT

- 3.2 The Council is committed to the concept of e-government, and recognises the role this agenda has to play alongside our existing focus on improving customer service. Over the past three years in particular, we have made considerable advances through the implementation of Customer Service Centres at our local offices, a kiosk programme, providing access to members online, and undertaking the initial preparations for a call/contact centre in the Civic Offices at Llandeilo. The latter has arisen as a specific outcome of stakeholder consultation which has consistently identified a preference to use the telephone to contact the authority and access Council services.
- 3.3 In accordance with NAFW requirements, we have prepared our Implementing Electronic Government Statement, and we have set aside funding within the corporate budgets to continue our investment in this area. Such is the premium attached to rural bandwidth costs, however, that there remains significant shortfall in delivering broadband to primary schools and villages as is required by the NAFW Lifelong Learning Project.
- 3.4 We are committed to making further improvements in partnership working, integrating systems between departments and agencies to simplify contact experiences for customers, and facilitating closer co-operation in service delivery. We have recognised the need to create a local land and property gazetteer to facilitate data sharing across the authority and with partner agencies. We are further developing the skills of our e-citizens alongside those of our e-officers and e-members.
- 3.5 We recognise that the e-government agenda is not one of technology alone, but one of operational and organisational change to deliver improved services to customers, when they want them and where they want them. As our service delivery mechanisms change and develop, so will the accommodation requirements that arise. Similarly, the IT infrastructure itself will necessitate specific accommodation responses, and expanding networks currently are leading to a requirement for an overhaul of existing control rooms, and greater space to accommodate plant and equipment in a secure manner.

- 3.6 As such, we recognise the requirement for our ICT strategy and E-government initiatives to inform our asset management planning process, and vice versa. This is provided for by the close co-operation of our IT Steering Group and our Strategic Assets Team, under the overall umbrella of the Making Best Use of Resources Steering Group.

MARKET FOR ACCOMMODATION AND SUPPORT SERVICES PROVISION

- 3.7 The Council's Improvement Plan states our intention wherever possible to use the Private Finance Initiative to raise funds for key projects. The Authority has approved the investigation by officers of a possible PFI arrangement for Modernising Education Provision (Primary Schools) and a project is underway including an options appraisal and feasibility study. This study will examine not only PFI but also other funding options, including the effect of the new Prudential Code and other possible joint funding arrangements with the private sector.

MARKET FOR PROPERTY SERVICES

- 3.8 The Authority completed a Best Value Review of Consultancy Services in 2002/3. Key drivers for the review included a poor Internal Auditors report and the introduction of the 'Rethinking Construction Agenda'. Work ordering has traditionally been a reactive process with client concern over the timeliness and quality of subsequent service delivery.
- 3.9 The Best Value Review has led to a fundamental rethink of the structure and reporting mechanisms for the delivery of property services and a new service delivery model has now been introduced which simplifies delivery methods.
- 3.10 Design Services are now delivered via the in-house Consultancy Services provider in partnership with Mott-Macdonald (Engineering), Lawrey (Architecture), Gleeds (Property Services), McGann (Mechanical and Electrical) and F&A (Quantity Surveying and Cost Control) through the Design Services Partnership.
- 3.11 The Partnership gateway mechanism has been piloted with the Lifelong Learning and Leisure Department (Education) for the last 12 months. Issues surrounding strategic planning, communications, monitoring capital expenditure, performance management, and resourcing have been addressed by the Authority in partnership with the private sector. It is anticipated that best practice from the relationship between the Partnership Gateway and the Education Department can be rolled out to other service departments in due course.

- 3.12 It is intended that the next major initiatives will be the establishment of frameworks for 'Strategic Works Contractors' and 'Property Repairs and Maintenance'. Early discussions have taken place with client departments and the intention is to establish these over the next two years.
- 3.13 The Best Value Review of Asset Management has further recommended that a formal procurement policy is developed for the management of the non-operational estate, using external providers for valuations, sales, capital expenditure requirements, and specialist reports in combination with in-house resources. The specific aim of this is to ensure that an efficient and effective service is provided that compares favourably with other service providers.

SUMMARY

- 3.14 The environment within which the Council operates is constantly evolving, and a key element of our corporate planning process is the anticipation of and effective response to such change.
- 3.15 The e-government agenda is a major driver for change in our frontline and support services delivery at the current time, with potential for considerable impact on our future accommodation requirements.
- 3.16 Budgetary pressures and our commitment to make the best use of our resources also necessitate consideration of alternative mechanisms for both funding and delivering our services. This is a challenging agenda and we will not achieve wholesale change in our approach overnight. However, our commitment to adopting new approaches where necessary and appropriate, is not questioned.

4 SERVICE DELIVERY AND ACCOMMODATION NEEDS

- 4.1 The aim of this section is to set out the identified accommodation needs of the authority to deliver its services in an efficient and effective manner and meeting the requirements of our customers, which have been defined through comprehensive stakeholder consultation.

OVERVIEW

- 4.2 Carmarthenshire is committed to making better use of our resources. A key element of this will be a much more strategic approach to the identification of service priorities, and to associated resource deployment.
- 4.3 To date, formal service asset management planning procedures have not been developed. Individual services have, however, been actively engaged in the production of this plan, and departmental planning has significantly improved over recent years in relation to core elements of the operational estate. Examples include the Planning School Places initiative, the care homes development plan, and the leisure development plan. Best Value performance reviews have also assisted in the identification of asset issues.
- 4.4 We are committed to the establishment of formal service asset management planning in the future, and this forms a key strand of our action plan moving forward.

COUNCIL SERVICES

- 4.5 Whilst we are unable at the current time to provide a comprehensive assessment of service requirements in the short, medium and long term, the information that we have collated to date, based upon a detailed consultation programme with service directorates, is summarised below. This highlights the principal anticipated influences on accommodation requirements in the future.

Directorate Property Category (number of assets)	Core Drivers for Change	Accommodation Implications
Lifelong Learning and Leisure		
Libraries	<p>Requirement to meet NAFW Public Library Standards by 2005</p> <p>Aim to improve access and increase participation across the community</p> <p>Demographic Change</p>	<p>Renovation, relocation or closure of some community libraries</p> <p>Development of integrated resource centres – where possible with community schools</p>
Community Education Centres	<p>Integration of Library Service and Community Education</p> <p>Drive to enhance partnership working and widen participation through the Carmarthenshire Learning Network</p>	<p>Integrated community learning provision, especially in association with schools</p>
Archives	<p>National standards to protect and conserve important archive collections</p> <p>Growing user base</p> <p>Freedom of Information Act</p> <p>E-Government Agenda</p>	<p>Accommodation required with adequate storage and access, and with appropriate environmental controls</p> <p>Impact on accommodation requirements arising from accessing information on line</p>
Museums	<p>National Standards for museum provision</p> <p>Growth in tourism and in user expectations</p> <p>Growing collections</p> <p>Capital investment falling behind expenditure in other attractions</p> <p>Growing role of museums in community education</p>	<p>Need for investment to improve standards of display and associated visitor facilities</p> <p>Requirement for additional storage facilities</p> <p>Development of new community heritage facilities within schools and libraries</p>
Leisure Facilities (Leisure Centres and Swimming Pools)	<p>Corporate objective to improve leisure infrastructure, and accessibility – and links to health and well-being and crime prevention strategies</p> <p>Aspiration to deliver improvements in service delivery through innovative partnership arrangements</p>	<p>Development of and investment in leisure facilities within strategic clusters – e.g. enhanced provision within the Carmarthen area</p>

Directorate Property Category (number of assets)	Core Drivers for Change	Accommodation Implications
Theatres and Galleries	<p>Corporate objective to improve the arts and cultural infrastructure within the County, and its accessibility for all</p> <p>Need to provide additional dedicated performance space</p> <p>Aspiration to deliver improvements in service delivery through innovative partnership arrangements</p>	<p>Development of and investment in arts and cultural facilities within strategic clusters – e.g. new regional theatre in Llanelli</p>
Outdoor Education Centres and Recreational Facilities	<p>Corporate objective to improve leisure infrastructure, and its accessibility for all – and links to health and well-being and crime prevention strategies</p> <p>Aspiration to deliver improvements in service delivery through innovative partnership arrangements</p> <p>Importance of retaining recreational urban space and access to the open countryside (CROW Act)</p>	<p>Development of and investment in outdoor recreation facilities within strategic clusters – e.g. redevelopment of outdoor education centre, completion of Millennium Country Park, and major investment in Pembrey Country Park</p>
<p>Schools</p> <ul style="list-style-type: none"> - primary - secondary - nursery - special 	<p>NAFW target for all schools to be fit for purpose (in good physical shape and properly maintained) by 2010</p> <p>Changing demography of Carmarthenshire resulting in falling primary school roles, and changing patterns of demand</p> <p>Education Act 1996 – provision of school places</p> <p>Corporate objectives to support the development of coherent early years education and childcare programmes.</p> <p>School Standards and Framework Act 1998 – efficient and effective use of scarce resources</p> <p>Drivers encapsulated in Modernising Education Provision Strategy and policy for development of schools as community assets</p>	<p>Requirement to improve the overall stock of buildings, ensuring that ongoing repairs and maintenance costs are minimised</p> <p>Need to reduce surplus places in primary sector, whilst addressing accommodation pressures where they exist</p> <p>School rationalisation programme to free capital and release revenue</p> <p>Property review and options appraisal to identify refurbishment, expansion, amalgamation, new build community schools and school closure programmes</p> <p>Provision of accommodation in the right location, of the right size and offering the right number of school places with the appropriate facilities to foster improved educational standards</p>

Directorate Property Category (number of assets)	Core Drivers for Change	Accommodation Implications
Residential Education Centre	<p>Growing user base</p> <p>Corporate Young People's Strategy</p> <p>National standards as set out in Extending Entitlement: Supporting Young People in Wales, and the Wales Plan 2001</p>	Maintenance and extension of existing services within good quality accommodation
Work Based Learning and General Purpose Training Centres	<p>NAFW targets to increase the number of adults who benefit from Work Based Learning</p> <p>Corporate commitment to enhanced lifelong learning opportunities</p>	Requirement to offer facilities consistent with the aspirations of clients and compliant with the requirements of a range of external inspection agencies.
Resources		
Administrative Buildings	<p>Disability Discrimination Act 1995</p> <p>ICT provision and broadband technologies</p> <p>Changing ways of working</p> <p>Office accommodation strategy</p>	<p>Requirement to enhance utilisation of existing office accommodation</p> <p>Investment in accessibility enhancements</p> <p>Improvements to condition, and reduced running costs</p>
Produce Markets	<p>Redevelopment of former market area</p> <p>Disability Discrimination Act 1995</p>	<p>Possible relocation of Carmarthen market</p> <p>Adaptations to Llanelli Market</p>
Livestock Markets	<p>CAP Reform</p> <p>Foot and Mouth Management Review</p>	<p>Lower utilisation – with revenue implications</p> <p>Extra land requirements for segregation/reconfiguration of existing premises</p>
Commercial Property	<p>Objective 1 match funding requirement</p> <p>Performance of commercial property estate</p>	Potential disposal of poorly performing assets
County Farms	<p>Tenancy Reform Industry Group to consider proposed legislative and fiscal reform and the impact of the CAP mid-term review</p> <p>Consolidating suitable levels of milk quota on dairy holdings</p> <p>Continued flexible, realistic and co-operative attitude between landlord and tenant, and continued support and development of the family farming unit in line with current agricultural policy</p>	<p>Improve the overall stock of buildings to bring them up to required standards.</p> <p>Ensure on-going repairs and maintenance costs are minimised</p> <p>Restructuring of holdings will result in a supply of surplus property assets over the next five years which can be used for capital receipt purposes</p>

Directorate Property Category (number of assets)	Core Drivers for Change	Accommodation Implications
Social Care and Housing		
Children's Homes	National minimum standards and accompanying regulations – subject to annual inspection by Care Standards Inspectorate	Requirement to improve property to safeguard the health and safety of service users and staff. Need to ensure that repairs and maintenance costs are minimised.
Day Centres for the Elderly, Mentally Ill and Physically Disabled	Anticipated introduction of Care Standards Act for day services in 2005 Changing demography of County – ageing population, and people living longer Impending Best Value Review of Day Centres Reshaping Programme to improve service delivery Health and Well-Being Strategy Joint partnership arrangements with health providers	Potential requirement to re-shape provision of day centres following Best Value Review, and to consider requirements for more specialist provision Potential need for greater capacity in the future for elderly patients Planned replacement of mental health day centre Potential requirement to provide additional centres for physically disabled, to reduce transportation requirements from across the county
Family Resource Centre	National Standards for Children's Homes and accompanying regulations – subject to annual inspection by Care Standards Inspectorate	Requirement to improve property to safeguard the health and safety of service users and staff. Need to ensure that repairs and maintenance costs are minimised.
Care Homes for the Elderly	Care Standards Act 2003 Joint Review findings and recommendations Departmental Reshaping Programme linked to service modernisation CCC's Health and Well-Being Strategy Comprehensive consultation with service users as part of the Wales Programme for Improvement	10 year development plan for care homes, involving some closures, extensions and new build (though overall bed number remaining approximately the same)

Directorate Property Category (number of assets)	Core Drivers for Change	Accommodation Implications
Homes for People with Disabilities and Respite Homes	National minimum standards and accompanying regulations – subject to annual inspection by the Care Standards Inspectorate	Reshaping programme including the provision of a new purpose built establishment within the next 12 months. Second phase is for provision of further establishments for this client group in other parts of the county (provision for one of which is included within the capital programme)
Social Centre Activity	National Care Standards Act 2003 Changing needs of service users to comply with the modernisation of day services for this client group	Not currently meeting demand in some parts of the County, and hence requirement for strategically placed small satellite units. Potential new provision for the elderly and for people with autism
Office Accommodation	Interagency working (e.g. with health authority and NHS trusts) Rationalisation of teams Changes in service delivery, and expansion in service as service users grow	Requirement to meet health and safety standards in all accommodation Requirement to address overcrowding, and to provide additional accommodation in some areas.
Technical Services		
Depots	Depot rationalisation has taken place over the past 2-3 years, with four of the former municipal highways depots combined to provide two Street Scene operational depots in West and East. Three depots shared with building maintenance	Need for additional office accommodation, staff vehicle and plant parking areas, materials and waste storage areas etc.
Public Conveniences	Best Value Review of Municipal Services Ageing stock Public perception	Service rationalisation programme underway (41% reduction in stock)

4.6 The Regeneration Directorate is not specifically listed in the table above, as it occupies very little frontline property. However, the Regeneration Masterplan contains the authority's vision for the utilisation of Objective 1 funds to regenerate the County with key partners in the public, private and voluntary sectors, and a number of asset issues arise from this. The desire to maximise leverage of funding from Objective 1 has resulted in a commitment within the authority to raise capital from the non-operational estate to support the provision of match funding – and some £20 million of receipts have already been identified.

NEW WORKING PRACTICES WITHIN THE COUNCIL

- 4.7 The Council's Organisational Development Department has set up a steering group involving representatives from across the authority charged with responsibility for
- overseeing and monitoring the delivery of effective organisational development
 - ensuring that strategic and operational links are forged between the Organisational Development Unit and the individual directorates, so that information is disseminated consistently
 - consistently reviewing the development of the organisational development plan to ensure that it responds to the current and future needs of the organisation
 - ensuring effective input into the work of the relevant thematic strategy groups.
- 4.8 There is recognition of the need for a vision for workplace planning, and investigations are being undertaken into the opportunities for hot desking, home working and other 'non-traditional' ways of working. Core data is currently being collated to inform future decisions in this area, which will feed into wider considerations regarding the scale and nature of the authority's future office accommodation requirements.

JOINT ACCOMMODATION REQUIREMENTS

- 4.9 The Council is actively working with a number of key partners and stakeholders in the definition and delivery of its service priorities for the future. The preparation of the Community Plan involves particularly close working with the following organisations to provide strategic co-ordination for all of key partnerships within Carmarthenshire:
- Education and Learning Wales
 - Trinity College, Carmarthen
 - Coleg Sir Gar
 - Carmarthenshire LHG
 - Welsh Development Agency
 - Environment Agency
 - CGGSG-CAVS
 - Dyfed – Powys Police
 - NHS Trusts
- 4.10 The requirement to provide services jointly with other agencies means that in several areas the Authority is sharing accommodation with its partners. Examples of innovative service delivery and innovative delivery models with implications for accommodation and asset management planning include the following:

- the co-location of Social Care services and the NHS Trusts in the provision of intermediate care
- the close co-operation between the Council and the Police Service to address community safety issues
- the commitment to the development and enhancement of community infrastructure, including the co-location of library and community education facilities on school sites, and the inclusion where appropriate of health-related activities on the same sites
- the sharing of office accommodation with the Princes Trust and Menter Cwm Gwendraeth.

SUMMARY

- 4.11 While much more work is required in this area (specifically to ask the 'stretch questions' which will tease out the anticipated shape and nature of service provision in the short, medium and long term), it is nevertheless clear that there are a variety of influences on our accommodation requirements both currently and in the future. These include internal and external drivers, customer requirements and legislative change, and basic changes in patterns of supply and demand.
- 4.12 We are pursuing the service asset management planning process currently, and our next iteration of our asset management plan will include a much more rigorous and holistic analysis of anticipated change.

5 LIKELY FUTURE REQUIREMENTS

5.1 The aim of this section is to synthesise the findings from previous sections, to present an overall summary of our accommodation requirements, and our general approach to provision.

5.2 Fundamentally, we are committed to:

- the **efficient and effective deployment of all of our strategic assets** (finance, human resources, ICT, property and knowledge), and the organisational infrastructure has been put in place to facilitate this. The location of corporate property services within the Resources Directorate is fundamental to the management and operation of our portfolio as a corporate resource
- the **delivery of services which meet the requirements of our customers**, within the framework of our corporate plan priorities. This may necessitate the creation of new assets, for example to support our aim to create strategic leisure clusters. Where appropriate we will also seek to rationalise our portfolio where individual assets become surplus to requirements. The rationalisation of our primary schools portfolio is a specific example which has arisen following a detailed review of future requirements following demographic change
- the **continuous review and development of all of our frontline and support services** provision, within the context of our defined Improvement Plan. This may necessitate specific accommodation responses, such as the ten year development plan for care homes, following a detailed performance review
- the **proactive assessment and management of corporate risk**, and the implementation of required actions to address issues arising across the portfolio. These may relate to health and safety issues, fire safety, legionella, asbestos etc., and a programme of investment has been identified following on-going review and inspection
- the **provision of services which are accessible to all**, wherever feasible providing services locally to those who need them, ensuring that we do not discriminate against any individual or sector of the population, and ensuring that we provide services when, where and how our customers require them. Changes are required to the portfolio to ensure that the authority does not breach the Disability Discrimination Act of 1995, we are actively seeking to 'join up' our service provision and to consider partnership working opportunities (e.g. the provision of a new community school at Cwmamman), and the development of a customer contact centre at Llandeilo is a specific response to the e-government agenda
- the **provision of services within accommodation which meet defined national standards**, such as the Care Standards Act of 2003 (which will impact on both day care and residential social care facilities) and the NAFW fitness standards for schools provision and the associated agenda for modernising education provision
- the **provision of services in partnership with other organisations and agencies**, within the context of our Community Plan objectives

- the **provision of accommodation which is fit for purpose**, and for which repair and maintenance liabilities are minimised without detriment to long term accommodation condition
- the **rationalisation of poor performing properties**, to release capital receipts for reinvestment.

6 THE EXISTING PORTFOLIO AND CURRENT PERFORMANCE

- 6.1 The aim of this section is to identify the baseline position for the portfolio held by Carmarthenshire County Council focusing specifically on its performance against key requirements, and to highlight the current organisational infrastructure within the authority for delivering the corporate asset management planning function.

STATEMENT OF PORTFOLIO

Data Availability and Quality

- 6.2 Within the context of the recent Best Value Review of Asset Management, and the preparation of this Asset Management Plan, we have undertaken a review of property management data and associated systems currently in place within the authority. Specific reference has been made in this review to the guidelines issued by CLAW and the NAFW in relation to core, secondary and intermediate data.
- 6.3 A key issue that has arisen from these reviews, is the current absence of a robust corporate property management system, with much information held instead in stand alone systems across the authority which are not linked to the corporate asset register/terrier property system. We recognise that a robust and accurate system is fundamental to efficient and effective asset management, and at its meeting of 15th January 2004, the Strategic Assets Team committed to the establishment of a project team charged with the rationalisation and management of existing data systems, and the development of mechanisms for sharing management and performance information in the future.
- 6.4 The project team, which consists of the Heads of Corporate Property, Finance, and Organisational Development and Building Maintenance, together with the Maintenance Manager, and the Strategic Information Officer, has the specific remit to:
- harmonise existing core data
 - identify the scope of data to be held in the future, and which system is best suited for its collation
 - identify information custodians with clearly identified roles and responsibilities
 - agree and put in place protocols and interfaces to ensure that data is kept up to date.

- 6.5 A range of preliminary activities has been undertaken to advance this exercise, and to enable us to present an outline picture of our portfolio within this asset management plan. However, we recognise that much work is necessary to reconcile and validate our data moving forward.

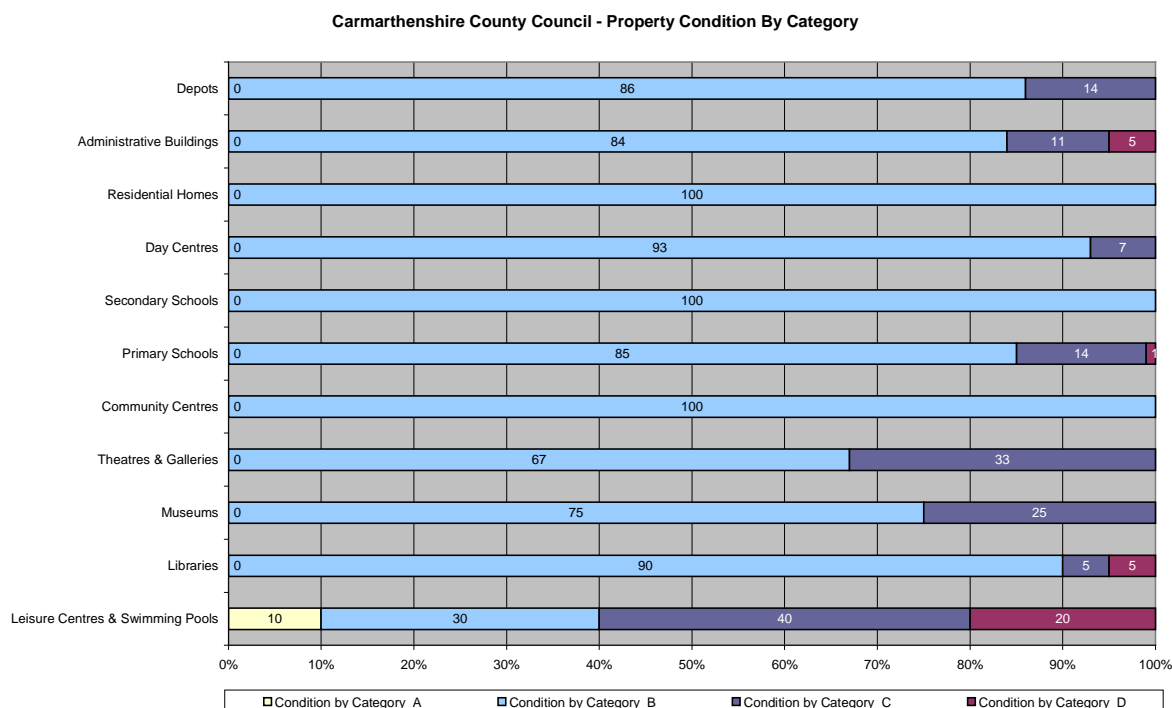
General Description of the Portfolio

- 6.6 The Council owns a varied portfolio of land and property comprising both operational and non-operational assets. The operational portfolio includes schools (primary, secondary, nursery, special schools), libraries, museums, galleries, community centres, leisure centres and swimming pools, parks and open spaces, residential homes, day and social activity centres, depots, car parks, public conveniences, tourist information centres and more than 35 administrative buildings. In addition, the authority manages some 10,500 domestic dwellings.
- 6.7 The non-operational (investment) portfolio comprises some 502 commercial properties, industrial units, rural estates and provisions markets, together with land holding awaiting development. The estate generates an income of approximately £2 million per annum.
- 6.8 A programme of reconciliation is currently underway between the records held by individual service departments and the council's asset register, and there is a five year rolling programme of valuations with 20% of the portfolio valued each year. The non-housing portfolio has an estimated value of £346 million.

Property Condition by Category

- 6.9 The diagram below provides a summary of our preliminary assessment of the condition of core elements of our operational portfolio, where:
- category A refers to properties which are performing as intended and which are considered to be operating efficiently
 - category B refers to properties which are in satisfactory condition, performing as intended but with minor defects
 - category C refers to properties in poor condition, which are not operating as intended and exhibiting major defects
 - category D refers to properties which are in bad condition, and in serious risk of imminent failure.

6.10 The assessment has been based upon a desktop review of the condition of individual properties by Building Maintenance, drawing upon discussions within individual building inspectors and based upon formal condition survey data where available. It has specific limitations in relation to properties that are not visited frequently, new properties that are not yet known to the inspectors, and in relation to larger properties where an 'average' score has been allocated.



6.11 The desktop assessment suggests that a significant proportion of the portfolio is in satisfactory condition, though leisure, cultural and library assets demonstrate more serious condition problems. Some 60% of leisure centres and swimming pools are estimated to have major defects requiring urgent attention.

6.12 We are committed to the validation of this information through a formal programme of condition surveys moving forward, and embracing the entire portfolio.

6.13 The desktop analysis highlights some conflicting views with the information obtained via the service consultation programme and the validation exercise mentioned above will assist in the investigation of this matter.

Running Costs

- 6.14 A preliminary estimate has been prepared of the total running costs of our operational portfolio, and the costs by type of property within individual directorates. This has required the collation of a number of costs under a variety of cost codes, and the collation and analysis of information on a corporate basis that has only previously been collected at an individual directorate level.
- 6.15 Based upon the information that we have been able to collate, the total running costs per m² across the operational portfolio for which we have GIA data are estimated to be £10.15. This includes repairs and maintenance, energy, rates, rents, water, fixtures and fittings, cleaning and insurance costs, but excludes costs associated with alterations to buildings.
- 6.16 This figure, however, masks considerable variation across the directorates and within their individual portfolios. For example, average running costs (where available) are:
- £7.35 for lifelong learning and leisure
 - £61.28 for resources
 - £21.01 for social care
 - £85.64 for technical services.
- 6.17 As part of our review of data, we are committed to the validation of this information in the future, and the more detailed analysis on a property by property basis to inform future portfolio reviews and associated decision-making.

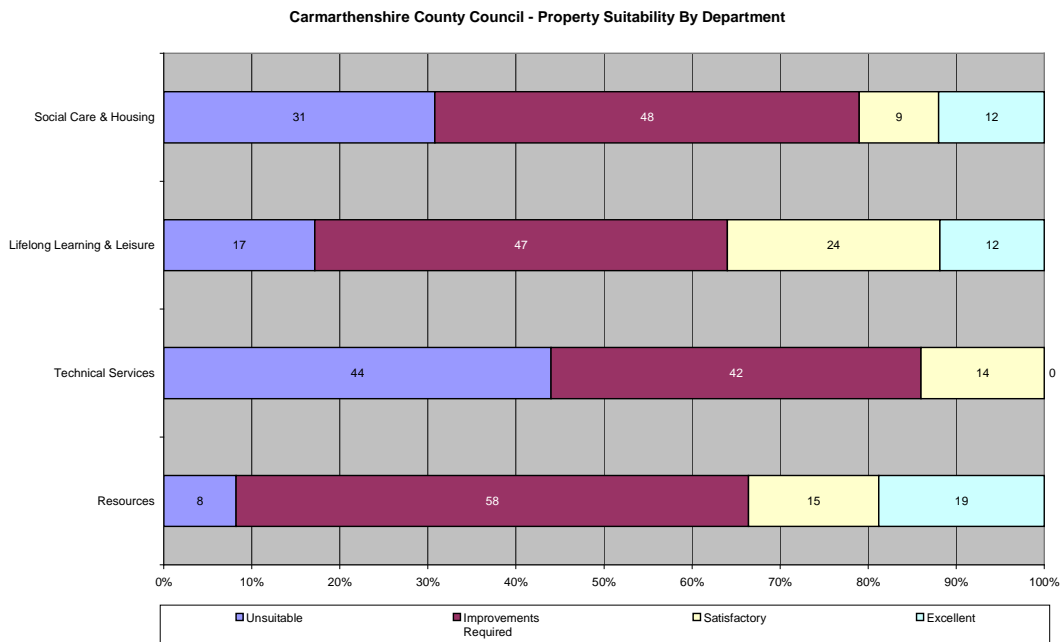
Backlog Maintenance Costs

- 6.18 Limited information is currently available regarding the scale of backlog maintenance across the portfolio, though our maintenance spend of approximately £3 million per annum (just over 1% of asset value) is recognised as one of the lowest in Wales. Our expenditure in the past has further been dominated by reactive (80-90% of spend), rather than planned maintenance.
- 6.19 Condition surveys were undertaken two years ago of schools, leisure centres and elderly persons homes, which indicated that a total investment of some £22 million may be required to address basic condition problems identified. Provisional estimates suggest a potential backlog of maintenance on our housing stock of some £100 million, and the scale of the problem in relation to the rest of our portfolio is as yet unknown.

6.20 Within the last year, the authority has centralised all maintenance budgets to facilitate closer management and prioritisation of this expenditure on a corporate basis. The programme of condition surveys referenced above will further facilitate the identification of the scale of the issue faced and potential options for its resolution.

Suitability of Properties

6.21 An assessment of the suitability of the operational portfolio has been undertaken, based upon a preliminary estimate by individual directorates relating to the core elements of the portfolio that they occupy or from which they deliver their services. Specifically, they were requested to assess the proportion which was deemed unsuitable for the use required, requiring improvement, satisfactory or excellent. The results of this exercise are summarised in the diagram below.



6.22 This suggests that some 25% of the portfolio is considered by those who occupy it, to be unsuitable for the required use, and a further 49% to require improvements. The concerns regarding suitability relate to a whole host of factors including location, image (e.g. appearance, age etc.), layout and design, security (for users and contents), suitability for technology and ICT, and associated land (e.g. car parking, playing fields etc.).

6.23 As with running costs, these over-arching figures hide considerable variations. For example:

- in social care and housing:
 - while 50% of children's homes are considered excellent, the remaining 50% require improvements
 - 88% of all day care provision is either unsuitable or requiring improvement
 - all care homes for the elderly are considered to require improvement
 - 50% of homes for people with disabilities and respite homes are considered unsuitable

- in lifelong learning and leisure:
 - 35% of library provision is considered unsuitable
 - all archive provision is considered unsuitable, and all museums in need of improvement
 - approximately 20% of leisure and cultural facilities are considered unsuitable, with a further 63% in need of improvement
 - 56% of primary, and 46% of secondary schools are either unsuitable or in need of improvement

- in technical services:
 - 43% of depots, and 45% of public conveniences are considered unsuitable

- in resources:
 - 10% of administrative buildings are considered unsuitable, and 50% in need of improvement.

Sufficiency of Properties

- 6.24 As part of the process of preparing this plan, directorates were also required to produce a preliminary assessment of the sufficiency of the operational portfolio in the short, medium and long term, by identifying whether they anticipated an increase, decrease or no change in their requirement.
- 6.25 No figures have yet been attached to the scale of change anticipated, and the data is not yet fully comprehensive. However, the exercise has increased our understanding of the potential pattern of desired change, and confirms the issues identified by the directorates and reported in Section 4 of this plan.

THE ASSET MANAGEMENT FUNCTION

The Corporate Property Officer

- 6.26 The Corporate Property Officer has responsibility at an officer level for the production monitoring and review of the asset management plan, and for ensuring that the Council's asset objectives are met. This following specific responsibilities are included within the job description:

- develop a property vision and strategic objectives for the Council in partnership with all stakeholders, which balance the Corporate Objectives of the Authority with service priorities
- implement and monitor the overall corporate property policy, resource and standards across the authority in order to ensure the effective, efficient and economic use of the property resource, and to ensure that the Authority's interests are protected.
- provide a strategic 'challenge' of how things are currently done, identify and explore options for doing things differently to develop a strategic policy function within the confines of the existing legislation
- develop and strategically manage the provision of a comprehensive and on-going review of the authority's property holdings, including liaison mechanisms within service directorates, planning advisors and other parties to ensure effective use of the property estate, identifying and developing disposal opportunities and improved effective use
- lead the development, implementation and monitoring of the Asset Management Plan, including the development, distribution, maintenance and analysis of property information together with the measurement, monitoring and reporting of the property assets' performance, in support of strategic management
- promote, facilitate and co-ordinate an authority-wide approach to assist in attracting major developers and delivering the Authority's economic development aspirations
- review and develop comprehensive land and property acquisition, management and disposal policies which optimise the utilisation of the Council's assets
- review and oversee the strategic management of the County's Administrative Buildings portfolio to ensure that administrative buildings are occupied and managed efficiently and effectively
- advise on Capital and Revenue Schemes to ensure value for money and that whole life costings are part of the decision making process.

6.27 The Council has recently appointed Mr Jonathan Fearn as the Head of Corporate Property/Corporate Property Officer. The post is located within the Corporate Property Division of the Resources Directorate.

The Strategic Asset Team

6.28 The Corporate Property Officer is supported by a Strategic Asset Team, the stated objectives of which are:

- to develop and maintain on a rolling basis a longer-term 'vision' of the capital investment requirements of the authority, together with the likely funding
- to co-ordinate the development of the Asset Management Plan

- to explore and identify potential alternative funding sources (e.g. PFI)
- to develop and control the Managing Capital Document
- to promote best practice in capital management, undertaking any development that could improve this process.

6.29 The SAT was established following the move to a prioritised budget system based upon the themes set out within the Council's Corporate Plan, and reflected our recognition of the requirement to adopt a more strategic approach to the deployment of our resources. The role and importance of the team has been communicated throughout the authority by means of an information cascade from the corporate centre through the service directorates to individual teams.

6.30 Membership of the SAT includes:

- Phil Lumley, Head of Consultancy, Technical Services (Chair)
- Jonathan Fearn, Head of Corporate Property, Resources (Vice Chair)
- Rob Blewitt, Head of Policy and Finance, Lifelong Learning and Leisure
- Colin James, Head of Leisure and Recreation, Lifelong Learning and Leisure
- Maggie Bell, Head of Policy and Finance, Social Care and Housing
- Philip Davies, Head of Public Protection, Social Care and Housing
- Sarah Veck, Head of Economic Development, Regeneration
- Mike Rogers, Head of Policy and Performance, Technical Services
- Trevor Sage, Head of Transport, Technical Services
- Phil Williams, Head of Street Scene, Technical Services
- Neville Davies, Head of European and External Funding, Regeneration
- Mansel Phillips, Head of IT, Resources
- Liz Aitken, Chief Technical Officer, Resources.

6.31 Meetings of the SAT are also attended by representatives of the corporate asset management group, a team of officers who provide technical input into the production of the asset management plan, and the delivery of property and asset management services across the authority.

6.32 The team meets on a monthly basis, and members are committed to attending themselves and to avoid (aside from in exceptional circumstances) sending deputies. It is one of a 'suite' of strategic groups under the overall co-ordination of the Director of Resources as chair of the 'Making Better Use of Resources' steering group. The others cover information technology, organisational development, risk management, and procurement.

7 REVIEW AND CHALLENGE

- 7.1 The aim of this section is to identify the gaps between the baseline portfolio, and the anticipated areas of change, to set the framework for required actions in the future. In this context, it also provides a review of the corporate asset objectives, the asset management decision-making process, and the organisational infrastructure that is currently in place for delivery.

PORTFOLIO

- 7.2 We recognise that we are still at the very early stages of implementing a truly corporate approach to asset management across the authority. While considerable change has already taken place to introduce a more strategic approach to resource deployment, we remain restricted by the relatively poor data we have regarding our asset base. We acknowledge, for example, that we are not yet able to define the true position regarding the extent and nature of our portfolio and its condition. We have not yet undertaken a comprehensive and rigorous assessment of the utilisation of our portfolio and how it matches our requirements both now and in the future. And, we are not yet able to provide a clear assessment of whether our assets deliver value for money, and how much they cost to manage.
- 7.3 We are, however, committed to addressing all of these issues, and the Best Value Review of Asset Management which is referred to below, has set a clear programme for improvement in the future which will enable us to institute change. While this will take some time to fully embed with the authority, we are committed to preparing a further iteration of this Asset Management Plan by April 2005 which will advance our planning process further.
- 7.4 The work that we have done to date, however, has assisted us to obtain a preliminary view of the kinds of issues that we expect to identify, and that will require resolution moving forward. These are summarised as follows:
- we have significant capital tied up in our asset base, with our non-housing portfolio alone valued at £346 million. This gives rise to annual running costs amounting to some £14.28 million
 - our current capital programme identifies expenditure plans amounting to £198.203 million over the three year period to 2006/07, to be funded by a mixture of internal sources (including capital receipts), borrowing and some £111 million of external funding. This programme forms just a portion of an estimated £330 million of investment (excluding the regeneration masterplan) required to deliver both national and local strategies over the next five to ten year period
 - we are committed to continuous improvement across the authority, and as part of this, to ensuring that the appropriate scale and nature of accommodation is provided which meets the requirements of our service directorates, which is in satisfactory

condition, and which addresses all pertinent statutory and regulatory requirements. However:

- the absence of a resourced planned maintenance programme in the past, with lower than average spend on repairs and maintenance, has impacted upon the **condition of our portfolio**, and we have a sizeable maintenance backlog potentially exceeding £100 million over the portfolio as a whole
- there is currently a significant disparity between the **suitability and sufficiency** of our portfolio against identified requirements, and the agility of our portfolio is limited in the context of constant change.

7.5 Overall, our identified capital investment requirements over the forthcoming five to ten years are significant, and based on current assumptions are only sustainable with considerable injection of external funds. Alongside this, high levels of additional investment are likely to be required to bring the existing portfolio up to the required future standards in relation to condition, suitability and sufficiency.

7.6 Together, these issues raise a fundamental question regarding the future affordability of our corporate plan commitments, and seem likely to necessitate a fundamental review of our asset base.

ASSET MANAGEMENT INFRASTRUCTURE

7.7 A Best Value Review of the Asset Management Function has been undertaken over the period 2001 to 2003, which has both contributed to a period of change in asset management practices to date, and set clear recommendations for further development and enhancement.

7.8 The specific recommendations arising from the review include:

- to develop and implement a clear corporate strategy for property assets and corporate property management in line with AMP requirements and with clear links to the authority's capital and business planning
- to reorganise and realign resources to create a strategic Corporate Property Division
- to raise the profile and awareness of strategic asset management throughout the authority with members and officers
- to respond to outcomes of stock condition surveys, through the implementation of a planned maintenance programme that aims to adhere to best practice guidance
- continue to coordinate the authority's response to ensuring compliance with the requirements of the Disability Discrimination Act with regard to physical access to buildings

- develop a performance management framework for corporate property in line with the above including a review of IT property data systems
- develop and implement a consultation plan for regular consultation and feedback processes with all stakeholders
- develop formal procurement policy for the non-operational estate management, using external providers for valuations, sales, capital expenditure requirements and specialist reports in combination with in-house resources.

7.9 The newly appointed Corporate Property Officer will have a leading role in delivering this change, with the support of the Asset Management Group, the Strategic Assets Team, and the Director of Resources.

8 OPTIONS APPRAISAL

8.1 The aim of this section is to identify specific options for addressing the issues identified following the challenge and review presented in the previous section. However, in view of the early stage of development of the asset management planning process within the authority, we are not yet in a position to identify specific options, or to undertake a formal and detailed appraisal to guide our future approach to the deployment of our assets. While rigorous options appraisal methodologies have been adopted to consider individual capital projects for inclusion within the capital programme, we recognise that the asset management plan needs to consider much 'higher level' strategic options. These will be developed and advanced over forthcoming months, specifically for inclusion in the next iteration of our AMP, scheduled for completion in Autumn 2004.

8.2 The table below sets out our expectation of the kinds of options that we will need to consider.

Expected Strategic Options for Appraisal		
Option	Description	Commentary
Status Quo	Continuation of existing patterns of capital and revenue expenditure, with portfolio change only taking place where specific opportunities arise and bespoke funding sources identified	The issues identified in Section 7 suggest that this option is not sustainable in the long term due to the fundamental disparity between capital and revenue investment requirements, and the levels of funding available.
Portfolio Change (Scale)	<p>Reduction in the scale of the portfolio, to generate capital receipts and to reduce the on-going revenue liability.</p> <p>A programme of disposals is already underway, focused principally on under-performing non-operational properties.</p> <p>A number of review exercises have also identified opportunities for rationalisation of elements of the operational estate (e.g. depots, primary school provision etc.), and as the service asset management planning process gains momentum, we anticipate further opportunities to arise.</p>	This option has the potential to reduce the authority's asset take. However, we would anticipate that a more radical solution may be necessary to address the scale of the disparity we face between our investment requirements and funding availability, and to provide a longer term, sustainable solution.
Portfolio Change (Nature of Use)	<p>Reduction in the scale of the portfolio through a fundamental review of the way in which we utilise property for both service and corporate needs.</p> <p>This might include more efficient utilisation of our corporate accommodation through the introduction of new ways of working; enhanced co-location of services, both internally and with a range of external partners and stakeholders; more intensive use of existing assets; changing service delivery mechanisms facilitated by e-government initiatives.</p>	<p>This option appears to have the greatest potential to provide a sustainable long term solution for the authority, whilst ensuring that frontline and support service delivery is not compromised.</p> <p>The challenge of implementing such a fundamentally different approach to the utilisation of assets, however, is not under-estimated.</p>

Expected Strategic Options for Appraisal		
Option	Description	Commentary
Strategic Property Solution	<p>Radical change in the approach to the procurement of accommodation, or to the ownership of risk.</p> <p>This might include the transference of ownership and/or management of the authority's asset base to a third party, with accommodation 'bought back' by means of an annual accommodation charge.</p>	<p>Such an approach has the advantage of transferring risk to a third party provider, and the option can certainly not be discounted at this stage.</p> <p>However, the real scope and opportunity for such a solution, and the rationale for, and appetite within the authority for such a radical solution will need to be explored further over forthcoming months.</p>

8.3 The options that are identified for review over forthcoming months, will be assessed against the defined corporate asset objectives, and the associated critical success factors. Our appraisal will also recognise that the options are not necessarily mutually exclusive, and a combination of approaches may be adopted to reflect the diverse nature and characteristics of our portfolio and of the services we deliver.

9 ASSET PROGRAMME

9.1 For the reasons identified in the previous sections of this plan, it is not yet possible for us to present a comprehensive and costed programme for the future deployment of the authority's assets. Furthermore, our capital and revenue expenditure plans are now set for the period 2004/05, and an anticipated programme set for the period to 2006/07.

9.2 We recognise, however, that urgent action is required to further develop our asset management business process, and the recommendations of our Best Value Review provide an overall framework for such activity in the immediate term. Our newly appointed Corporate Property Officer is anticipated to take a lead role in the implementation of these actions supported by more established corporate planning infrastructure.

9.3 The key elements of our action plan include:

- implementation of a revised organisational structure to support the delivery of a strategic corporate property function (*Corporate Property Officer, by March 2005*)
- undertake liaison with staff and members to raise the profile of the strategic assets team and asset management working group, and to develop greater understanding across the authority of the role and significance of corporate asset management planning (*Corporate Property Officer and representatives of the SAT, by December 2004*)
- review and agree corporate asset objectives, and associated performance management framework, and establishment of procedures for collation, monitoring and analysis of performance data (*Corporate Property Officer and Head of Building Maintenance, by December 2004*)
- enhance baseline understanding of current portfolio through data cleaning and validation, and through additional information gathering including condition surveys (*Corporate Property Officer, Head of Building Maintenance, and ICT Strategy Group and Property Data Project Team, ongoing*)
- develop and implement a consultation plan to engage both internal and external stakeholders, and to ensure that their views are considered in shaping strategic planning and decision-making mechanisms. Specific consultation will need to be undertaken with individual service directorates within the context of a formal service asset management planning framework, to facilitate understanding of the authority's future direction, and to enable the status quo position to be rigorously challenged (*Corporate Property Officer and representatives of SAT, by March 2005*)
- drawing on the above, identify the key asset implications arising and develop strategic options for addressing them (*Corporate Property Officer and representatives of SAT, preliminary assessment by June 2005*)

- assess defined strategic options against agreed corporate asset objectives (*Corporate Property Officer and representatives of SAT, preliminary assessment by June 2005*)
- formulate asset strategy and associated programme of activity to achieve it (*Corporate Property Officer and representatives of SAT, preliminary assessment by December 2005*)
- prepare reviews and amendments of Asset Management Plan (*Corporate Property Officer and representatives of SAT, ongoing*)
- identify detailed proposals arising from the Asset Management Plan, to include within 2006/07 and future budget planning (*Corporate Property Officer and representatives of SAT, Director of Resources, ongoing*)