

Oldham Metropolitan Borough Council

**Capital Strategy
and
Asset Management
Plan**

July 2003

Mission Statement

The Council will seek to serve the interests of the borough by utilising its capital resources and property assets efficiently and effectively to obtain service benefits and financial return

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Core Data Sheet

1 The Local Context

- 1.1 Oldham is one of the ten metropolitan boroughs within the Greater Manchester County, lying 10 miles to the north-east of Manchester City Centre and covering an area of 55 square miles with a population of 220,000.
- 1.2 The Borough brings together a number of formerly independent districts; Oldham, Chadderton, Failsworth, Royton, Crompton, Lees, and Saddleworth, each with its own distinct history and identity.
- 1.3 Oldham is served by the M62 trans-pennine motorway that passes close to its northern boundary, and also by the M60 Outer Manchester Ring Road that crosses the south-western districts of the borough.
- 1.4 The landscape of the borough varies between the lower altitude densely populated and developed areas to the west, and the more rural Pennine environment to the east, which includes areas within the Peak National Park. The contrasts are reflected within property demand and values, and by the increasing importance of tourism in the eastern districts.
- 1.5 Historically the borough has been dependent upon manufacturing industry, particularly textiles, the decline of which has left a challenging legacy within the economy, social make-up and urban landscape. Issues include:-
- Rates of poverty above the national and regional average. The borough is recognised as the 38th most deprived area in England, with extreme pockets of poverty.
 - Aged and unfit housing stock, including a high ratio of Victorian terraced housing in the private sector.
 - Poor separation of different land uses.
 - Ethnic minority communities comprise 13% of the population. Dealing with the issues of community cohesion is a major priority for the Council (refer to Appendix iii).
 - High, although declining, levels of unemployment, particularly amongst the ethnic minority communities.
 - Rate of long-term illness 16% above the national average.
 - Crime rates 14% above the national average.
 - A high proportion of industrial floor space unsuitable for the needs of present day industry.
 - Shortage of, and competing demands for, development land.
- 1.6 Analysis of the corporate priorities, combined with a review of the particular national and local pressures and circumstances at the present time, has highlighted the key strategic issues affecting the use of the Council's property portfolio. These issues, some of which are summarised in Appendix iii, not only provide the framework by which the Council must examine the relevance of its property holdings but also act as the drivers to change the profile of those holdings and of the Council's property management practice.
- 1.7 The Council is facing up to its challenges, whilst also trying to cope with a period of unparalleled financial constraint, with resources scarce for both revenue expenditure and capital schemes (including IT). As a result the Council recognises that, despite good intentions, the way it meets the challenges and the effectiveness of its strategies for change, including the successful implementation of many of the aspirations highlighted within the AMP, may be severely limited.

- 1.8 Conversely, however, there exists the prospect of receiving very significant levels of external resources for regeneration purposes from, for example, the Housing Market Renewal Fund and the North West Development Agency.

2. Property Assets

- 2.1 The Council owns just over 1700 separate property assets, valued within its Asset Register in excess of £813 million. The assets are managed on behalf of the authority by its service departments. Summaries of the operational assets managed by each service department and shown by total numbers, value and CIPFA property category are included within Appendix i.
- 2.2 A breakdown summary of the Council's operational property portfolio by property type is included as Appendix ii. Based on data currently available to the authority the estimated maintenance backlog within the property portfolio amounts to £32 million (net of housing and schools, which together add up to a further £130m).

3 Capital Programme

- 3.1 Unlike previous years the draft capital programme for the next three years and the anticipated level of capital resources to support such a programme has not yet been determined at this stage.
- 3.2 Primarily, this arises as a result of the impending change, with effect from 1 April 2004, to prudential borrowing, as opposed to the current system of controlled borrowing through the credit approval procedures.
- 3.3 The level of prudential borrowing will be determined by the affordability issue and, therefore this will be addressed as part of the revenue budget production later in the calendar year, leading up to implementation on 1 April 2004. As this (2004/5) will be the first year of the new borrowing procedure it is not yet clear just how it will work, and detailed guidance from Central Government/Chartered Institute of Public Finance Accountants is awaited. In future years it may be possible to consider the capital programme at an earlier stage as the question of affordability (or the ranges of affordability) will be incorporated within the Council's medium term financial strategy.
- 3.4 In terms of the other capital resources available to the Council, these are continually under review, particularly the ability of the Council to continue to generate capital receipts. Significant new resources available, such as the Housing Market Renewal Fund, New Opportunities Fund, and other government-sponsored initiatives will be introduced into the capital programme (together with proposed programmes of work) when a clearer picture of the level of resources to be made available emerges.
- 3.5 Whilst a draft capital programme of work has not yet been determined, service departments have submitted, as part of their asset management plans, bids for resources to enable identified capital works to be considered for implementation. These have been prioritised as part of the priority scoring system and will be implemented in line with available resources.
- 3.6 However, this corporate approach in terms of identifying priorities, which is consistent with the Single Capital Pot process, does not appear to sit well with the aspirations of certain government departments who, under the system of credit approvals, expect "their" element

of the Basic Credit Approvals, ie the Service Annual Capital Guideline allocation, to be utilised within “their” service, irrespective of the corporate priorities identified as part of the Council’s Single Capital Pot process.

- 3.7 The Council would like to see some clear guidance on the introduction of the prudential borrowing procedure, with regard to any earmarking of the borrowings made that the Council will be expected to make prior to undertaking the identification of schemes based on local priorities.

Appendix ia OMBC Asset Valuation Summary

Managing Department	Number of Assets	Total Value of Assets (£)	Average Value of Assets (£)
Education and Cultural Services	154	172,970,429	1,123,185
Social Services	40	16,107,401	402,685
Corporate Services	584	24,522,833	41,991
Policy Performance and Regeneration	54	27,195,116	503,613
Environment and Transportation	133	14,516,332	109,145
Housing	278	532,935,022	1,930,924
Operational Services	491	25,551,985	52,041
Totals	1732	813,799,168	469,861

Appendix ib OMBC Property Categories

Managing Dept	Non-Operational			Operational		Mixed Categories
	General	Surplus	Council Dwellings	Comm. Assets	Other Land/Buildings	
Education and Cultural Services		4			148	2
Social Services					39	1
Corporate Services	457	39			78	10
Policy Perf. & Regen	21	21			11	1
Env & Transport.	19	8		1	102	3
Housing	37	13	156*		70	
Operational Services	6	20		34	426	5
Totals	540	105	156	35	874	22
Value (£)	38.2m	13.0m	529.5m	1.3m	222.1m	9.7m

*Housing Stock recorded by Housing Estates rather than by individual properties

*The data does not reflect recent and pending changes in departmental structure, but does continue to reflect recognised and accountable service areas.

Appendix ii

Property Types

Operational Property Type	Number of Operational Assets
Office	27
Car Park	91
Development Scheme	18
Site Proposed for Operational Development	3
Market	2
Market Hall	1
Garage(s)	4
Garage Plot(s)	26
Grazing Land	15
Transport/Service Infrastructure	4
Depots	6
Infant & Nursery School	4
Junior School	7
Junior & Infant School	17
Primary School (J/I/N)	24
Secondary School	13
Special School	6
Voluntary Aided School Playing Field	30
Educational/Resource Centre (non school)	15
Special Needs Centre	1
Youth Centre	9
Caretaker's House (off site)	1
Childrens Home	9
Childrens Resource Centre	1
Day Nursery/Family Centre	8
Elderly Peoples Home	5
Day Care Centre for the Elderly	7
Day Care Centre for adults with Physical handicap or Learning Difficulties	5
Advertising Land	3
Commercial Occupation	12
Entertainment Premises	1
Garden Land	16
Industrial Buildings	6
Industrial Estate	12
Industrial Land	38
Multi-Use	41
Playing field with Changing Facilities	2

Operational Property Type	Number of Operational Assets
Home for adults with Physical handicap or Learning Difficulties	3
Cemetery	6
Cemetery & Crematorium	1
Disused Burial Ground	1
Public Convenience	10
War Memorial	5
Park	4
Park with Buildings	17
Play Area	40
Playing Field	27
Linear Park/River Valley	9
Landscaped Land	287
Naturalised Land	70
Allotment	22
Visitors Centre/Wardens Service Accommodation	2
Changing Rooms/Pavilion	2
Sports Centre	1
Sports Centre with Swimming Pool	4
Swimming Pool	3
Other Sports Facilities	5
Cultural Building/Museum	2
Library	10
Community Centre	24
Area Housing Office	11
Utilities Infrastructure	5
House	26
Housing Estate	133
Tenants Hall	6
Supplementary Highway Land	75
Residential Hostel	1
Retail	38
Reversionary Interest- Industrial	22
Reversionary Interest - Residential	226
Reversionary Interest – Mixed Use	84
Reversionary Interest - Retail	22
Reversionary Interest - Other	12
Voluntary Sector	1
Surplus/Vacant Property	77

Appendix iii

Strategic Context

The Strategic Context for the management of the Council's property portfolio is here placed within the framework of the Council's six corporate objectives for the next three years:-

1. Community Cohesion

- Meeting the challenges of the Oldham Independent Review, which examined the issues surrounding the social unrest of the summer of 2001.
- Targeted investment in the built environment and local infrastructure.
- The "Oldham Vision" project – a major visioning and master-planning project jointly commissioned by the Local Strategic Partnership and the North West Development Agency (NWDA).
- Proposed creation of the Urban Regeneration Company, in respect of which discussions are continuing.
- Borough-wide approach to regeneration, incorporating both thematic and area targeting.
- Consideration of the significant expansion of the housing improvement and clearance programme.
- Recommendations to improve youth/ community/leisure facilities.
- Developing role of the Local Strategic Partnership, with the Community Strategy published in December 2002.
- Increasing demand for more widespread and locationally sensitive property.
- Demands to improve public access to Council services, eg one stop shops
- Partnerships with voluntary sector, and locally based initiatives such as Sure Start and New Deal.

2. A Prosperous Borough

- Continued regeneration and job creation is in question due to a shortage of industrial land, particularly sites in excess of 2 hectares.
- Commitment with the North West Development Agency to provide and refurbish brown-field sites and buildings in a sustainable fashion. Oldham Economic Development Zone being implemented with support from ERDF and NWDA.
- Sustainability and vitality of town, district and local centres challenged by changes in retail patterns.
- Major town and district centre developments underway
- Restoration of the Rochdale and Huddersfield Narrow Canals completed. Regeneration potential of the canal corridors is yet to be fully realised.
- The building of the Metrolink system.
- Excellent transport and communication links provided by the M62 and M60.

3. Well Educated and Highly Skilled People

- Use of PFI and the DfES "Targeted Capital Fund" as means of funding school facilities.
- Inclusive Education initiatives
- Council reorganisation of its special school provision.

4. An Improved Environment

- Commitment to the availability of accessible green space within both urban and rural settings.

- Investment in energy conservation projects on an “invest to save” basis.
- Savings in its carbon dioxide emissions, at least in line with government targets.
- Developing energy strategy/renewable energy study.
- Statutory obligations for identifying and resolving asbestos and Legionella problems in buildings.
- The Council’s intent is to make sure that there is barrier-free access to all its services by October 2004 at the latest.

5. A Healthy and Well Cared For Community

- Creation of the Oldham Arms Length Management Organisation with effect from 1 April 2002.
- Potential stock transfers to other registered social landlords.
- Requirement to achieve Decent Homes Standard
- Continue to tackle dereliction across the borough on both a thematic and area basis..
- Investment through, for example SRB projects, New Deal for the Communities, and Neighbourhood Renewal Fund.
- Housing Market Renewal Fund (HMRF)
- Significant vandalism problems with some kinds of asset

6. A Well Managed Council

- Implementation of the Council’s Improvement Plan to be performing as “Good” in three years, “Excellent” in five.
- Positive response to demands for alternative working patterns., e-government and environmental protection considerations.
- Trend towards the adoption of more flexible working arrangements for Council staff, eg home-working, hot-desking, and longer opening hours.
- Pressures to achieve capital receipts from sales of land and property
- Scarce resources for property investment or service development
- Investment is required to respond to changes in statutory minimum standards of accommodation, eg care homes.
- Library standards

National Property Performance Indicators

Figures in bold type indicate most recent actual data available on the Council's performance

National Performance Indicators		Actual 2000/1	Target 2001/2	Actual 2001/2	Target 2002/3	Actual 2002/3	Target 2003/4	Target 2004/5	Target 2005/6	Objectives/Notes
National PPI 1A Percentage of gross internal floor space in Condition Categories A-D										<u>Objectives</u> <ul style="list-style-type: none"> To measure the condition of the asset for its current use To show the severity and extent to which maintenance problems affect the portfolio To assist in development of detailed information on backlog To show year-on-year changes in maintenance backlog
a) Operational (other land and buildings)	Category A	-	-	1.7%	1.8%	1.85%	-	-	-	<u>Notes</u> <ul style="list-style-type: none"> Maintenance backlog figure based on best data currently available Excludes housing (£72m to achieve decent homes standard) and schools (£58m) 1B(ii): Priority 4 excluded from 2003 definition
	Category B	-	-	43.88%	44.3%	36.9%	-	-	-	
	Category C	-	-	42.91%	42.5%	47.6%	-	-	-	
	Category D	-	-	11.53%	11.4%	11.9%	-	-	-	
b) Non-operational (General)	Category A	-	-	-	-	2.66%	-	-	-	
	Category B	-	-	64.04%	65%	65.07%	-	-	-	
	Category C	-	-	19.99%	19.9%	32.27%	-	-	-	
	Category D	-	-	15.97%	15.1%	0%	-	-	-	
c) Non-operational (Surplus)	Category A	-	-	-	-	0%	-	-	-	
	Category B	-	-	-	-	51.8%	-	-	-	
	Category C	-	-	-	-	45.12%	-	-	-	
	Category D	-	-	-	-	3.09%	-	-	-	
d) TOTAL	Category A	-	-	1.7%	1.8%	1.88%	1.9%	2%	2.1%	
	Category B	-	-	43.88%	44.3%	42.93%	44.7%	44.8%	44.9%	
	Category C	-	-	42.91%	42.5%	45.98%	44.3%	44.2%	44.1%	
	Category D	-	-	11.53%	11.4%	9.22%	9.1%	9%	8.9%	

National Performance Indicators	Actual 2000/1	Target 2001/2	Actual 2001/2	Target 2002/3	Actual 2002/3	Target 2003/4	Target 2004/5	Target 2005/6	Objectives/Notes
National PPI 1B									
Backlog of maintenance by cost:-									
i) as total value	-	-	£40.2m	£40m	£32m	£30m	£28m	£26m	
ii) as a percentage in priority levels 1-3	1	-	0.69%	0.65%	0.05%	-	-	-	
	2	-	41.69%	41%	63.4%	-	-	-	
	3	-	54.93%	55%	36.91%	-	-	-	
	4	-	2.69%	3.35%	N/A	-	-	-	
National PPI 2									
Overall average internal Rate of Return (IRR) for each of the following portfolios:									
(a) Industrial investment properties	-	-	8.041%	8%	9.022%	9%	9.5%	10%	<u>Objective</u> <ul style="list-style-type: none"> To demonstrate the justification, in financial terms, for retaining a non-operational investment portfolio. It will ensure accountability for investment decisions illustrating the financial advantages and disadvantages of holding/disposing of assets in the portfolio <u>Notes</u> <ul style="list-style-type: none"> Council has no Agricultural investment properties
<i>AMP Network Benchmarking Data</i>			12.35%						
<i>Average</i>			14.99%						
<i>Top Quartile</i>									
<i>ACES (NW) Benchmarking Data</i>			14.92%						
<i>Average</i>			18.11%						
<i>Top Quartile</i>									
(b) Retail investment properties	-	-	7.915%	8%	7.341%	8%	8.5%	9%	
<i>AMP Network Benchmarking Data</i>			12.09%						
<i>Average</i>			14.92%						
<i>Top Quartile</i>									
<i>ACES (NW) Benchmarking Data</i>			12.02%						
<i>Average</i>			15.82%						
<i>Top Quartile</i>									
(c) Agricultural investment properties	-	-	-	-	-				

National Performance Indicators	Actual 2000/1	Target 2001/2	Actual 2001/2	Target 2002/3	Actual 2002/3	Target 2003/4	Target 2004/5	Target 2005/6	Objectives/Notes
<u>National PPI 4D</u> CO2 emissions in tonnes of carbon dioxide per sq m. for operational property	0.10	0.095	0.11	0.09		0.085	0.08		<u>Notes</u> <ul style="list-style-type: none"> 10% of energy procured is from renewable sources Council energy policy seeks a 5% reduction in energy use Total CO2 emissions are expressed as an output in LS PPI 5 in the AMP. See the same indicator for comments on targets.
<i>AMP Network Benchmarking Data</i> <i>Average</i> <i>Top Quartile</i>	-	-	0.079 0.055	-	-	-	-	-	
<u>National PPI 5A</u> Percentage of projects costs where outturn falls within +5% of the estimated outturn expressed as a percentage of the total projects completed in that financial year.	-	-	0%	50%	63.3%	70%	75%	85%	<u>Objectives</u> <ul style="list-style-type: none"> To measure and monitor the delivery of new capital projects against set time and budget targets To impact on the prioritising process for projects and the associated local performance measures and monitoring systems put in place
<i>AMP Network Benchmarking Data</i> <i>Average</i> <i>Top Quartile</i>	-	-	50% 85.7%	-	-	-	-	-	
<u>National PPI 5B</u> Percentage of projects falling within +5% of the estimated timescale, expressed as a percentage of the total projects completed in that financial year.	-	-	0%	50%	70%	73%	77%	80%	<u>Notes</u> <ul style="list-style-type: none"> Includes schemes costing in excess of £50,000 Definition of the PPI amended for 2002/3. Benchmarking data refers to data collected under the previous definition.
<i>AMP Network Benchmarking Data</i> <i>Average</i> <i>Top Quartile</i>	-	-	45% 76.25%	-	-	-	-	-	

Capital Strategy

INTRODUCTION

Background

The Government is committed to ensuring that the best possible use is made of all public sector assets and expects all Councils to operate an effective planning system to achieve this. A Capital Strategy and the application of Best Value principles are central elements in such a system. This Capital Strategy sets out how Oldham intends to effectively deploy and manage its capital resources. It creates the link between the Capital Strategy and the Community and Corporate Plans, and all other Council and partnership plans and strategies. It provides service managers with a very clear picture of the authority's capital investment priorities. It allows human resource planning to be aligned with Council priorities e.g. the need for project management expertise can be identified.

There are six key principles which underpin our approach to capital investment. We:

- consult widely - the views of the community, our partners and other stakeholders are sought and inform our spending, investment and disposal decisions;
- use a transparent mechanism for identifying and prioritising resource and maintenance requirements across all services, linked to an investment appraisal model;
- work with public, private, and voluntary sector partners to ensure best use of resources;
- take a corporate overview of all capital assets – rather than a departmental only view – ensuring that the broader, longer term needs, of the Authority are considered;
- optimise the use of all resources through the asset management plan, monitored through property performance indicators; and
- invest to produce revenue returns, e.g. through energy efficiency savings.

1 THE COUNCIL'S CAPITAL OBJECTIVES, PRIORITIES AND SPENDING PLANS

1.1 The Council's objectives are expressed in its Corporate Plan last updated in March 2003. Those objectives are informed by the priorities for the Borough contained in the Local Strategic Partnership's Community Strategy published in December 2002.

1.2 The Corporate Plan sets out objectives which run across service areas

- community cohesion
- a prosperous borough
- well educated and highly skilled people
- an improved environment
- healthy and well cared for people
- a well managed Council

Under each of these objectives are "areas of focus" and prioritised "key actions" with timescales and responsibilities attached.

Any proposed capital expenditure is expected to contribute to one or more of the objectives.

Details are provided in Departmental and Unit Service Plans and in key strategies such as our Housing Strategy; Educational Development Plan; Social Services Strategy; Local Transport Plan and emerging Cultural Strategy. Property issues are addressed in the Departmental and Corporate Asset Management Plans. Cross-cutting strategies are particularly important and are supported by specific capital budgets – thus the Community Safety Budget supports the Crime Reduction Strategy and our IT Development programme and our Accessing Services programme support our E-Government Strategy.

1.3 The Council's approach to PPP/PFI and other forms of alternative funding

The Council takes a pragmatic approach. Having identified its priority investment needs it then utilises the most effective available means of addressing them. The means must be affordable and represent value for money. The Council has obtained PRG approval to two PFI projects – a Lifelong Learning Centre and a HRA Sheltered Housing project. A further education bid has received outline approval and a business case is now in preparation.

- 1.4 Oldham has developed a **Corporate Procurement Strategy** which incorporates SOCPO's document "Effective Procurement for Best Value". It also reflects Circular 10/99 which places important new obligations on local councils to have in place arrangements which ensure that in commissioning services, a body of social objectives, including equalities issues amongst potential suppliers or contractors, are secured. We have also issued practical guidance for all staff engaged in the procurement process. Three key aspects of this are: a library of objective price / quality evaluation routines; a process to ensure that the objectives of the Egan Report are secured corporately; and guidance to ensure that sustainable development principles inform procurement decisions. A total of 15 topic groups cover different areas of procurement. These ensure that the guidance is effective, that it is followed, and that it is delivering the required results. As an example of cross cutting thinking in the area of regeneration, we are examining how our schools and housing investment programmes can support local training and employment initiatives, with the added advantage of building a local a sense of ownership of the work and a reduction in vandalism. We have visited other authorities to learn from their experience.

2 THE FRAMEWORK TO ENSURE THAT THIS STRATEGY IS A CORPORATE DOCUMENT

- 2.1 The following processes are in place to ensure that the Capital Strategy is a corporate document:
- It is driven by the Corporate Plan and like the Corporate plan is developed through inter-departmental working
 - Both the Corporate Plan and the Capital Strategy are developed under the leadership of the Assistant Chief Executive (Corporate Policy) ensure a corporate approach
 - Both documents are considered and endorsed by the Chief Officers' Management Team
 - Both the Corporate Plan and the Capital Strategy are approved by the Cabinet and the full Council
 - Overview and Scrutiny Committees are given advance notice of the planning timetable for these documents by means of the Council's Forward Plan and have the opportunity to examine them

3 HOW THE COUNCIL PRIORITISES CAPITAL PROJECTS KEY PRIORITIES FOR CAPITAL INVESTMENT

3.1 We establish priorities by considering

- Government Capital Guidelines - a significant element of the Council's Capital programme is prescribed by Central Government guidelines, therefore local priorities are tailored to meet these guidelines; We believe strongly that there will from 2004/2005 onwards be a clear need for our capital expenditure to be principally determined by our local priorities. The Community Strategy will set out these priorities and our targets and we will wish to enter into a "compact" with Government to deliver them as recommended by the Oldham Independent Review ("Ritchie Report").
- The need to meet existing obligations – these include the maintenance of existing assets and infrastructure to ensure that they are able to serve their purpose in years to come; and that they meet specified standards. The Council also has obligations to its partners.
- Strength of contribution to the Community Strategy via the Corporate Plan;
- Local targeting – in delivering objectives we will use further socio, demographic and economic data to determine need which then identifies thematic and geographical priorities for investment;
- Community involvement - consultation with local communities takes place in relation to both the Community and Corporate Plan and is used to help identify priorities. This process is guided by our Corporate Consultation Policy, and in 2002 has been enhanced by the use of the Borough's new Citizen's Panel;
- Predicted outputs/outcomes – project sponsors are required to specify these and projects are prioritised on the basis of their expected impact in terms of meeting strategic objectives;
- Sustainable development – all projects are expected to demonstrate that the global and inter-generational issues have been considered. Larger projects will be subject to sustainability appraisal using GONW's "Action for Sustainability" as a template; and
- Option appraisal – has it been demonstrated that the proposed project offers the most cost effective ways of achieving the desired ends?

Areas where, by investing, the Council attracts additional external resources including government grant

The Council has developed a scoring matrix based on the above criteria to allow an overall rating of project priority to be created. This has been refined in the light of experience.

4 KEY ASPECTS OF CAPITAL EXPENDITURE

4.1 Within the Authority

In the light of the principles for prioritising investment set out above, our current priorities are:

- Improving customer access to services

- Meeting the investment requirements of the LTP, HIP and Education Plans
- Maintenance of the Council's existing asset base
- Promoting economic renewal
- Crime reduction and community safety programmes
- ICT investment
- Environmental improvements

4.2 Areas where the Authority is able to influence others

The Council is developing plans in collaboration with others as follows:

- With First Choice Homes Oldham, the ALMO responsible for managing and supervising maintenance of HRA dwellings
- Aligning its own plans for customer service access improvements (eg one stop shops) with those of the Primary Care Trust (i.e. the PCT's successful LIFT bid) and GM Police
- Promoting sustainable transport by working with the Passenger Transport Executive on an extension to the Oldham Central Bus Station and Quality Bus Corridors
- Housing Renewal – in partnership with Rochdale as pathfinder HMRP authorities.

Through this approach quite limited Council resources are achieving significant leverage.

5 REVENUE IMPLICATIONS OF CAPITAL INVESTMENT

- 5.1 When project sponsors seek decisions on proposed capital expenditure the full revenue implications are explored at that time and made explicit by the Executive Director of Corporate Services and Treasurer. No proposal can be approved without this information being considered. Once a project is approved, the revenue requirement is incorporated into the three year strategic budget and then rolled forward as required as necessary. This process ensures that capital investment can only be made when the revenue consequences can be financed.

6 INCORPORATING THE RESULTS OF REVIEWS AND IMPROVEMENT PLANS

Our investment priorities are heavily influenced by the outcomes of a range of reviews. A cross cutting priority from a number of our Best Value Reviews is the need to invest in ICT. Our emphasis on improving customer access to services arises directly from the Best Value Review "Accessing Services".

Most importantly, our response (June 2002) to the Oldham Independent Review ("Ritchie Report") is a key document informing many of our priorities. but particularly those in the areas of regeneration, education and housing.

7 HOW PARTNERS' VIEWS INFORM THE CAPITAL STRATEGY

- 7.1 The Community Strategy has a central role in our partnership planning processes. It is supplemented by Thematic strategies prepared by sub groups of the LSP and to these will soon be added Area Strategies. These are all being developed through a very intense process of partnership working across the Local Strategic Partnership. They set out the priorities for the future development of the Borough many of which will require sustained capital investment over a number of years. Oldham is therefore particularly well placed in

having a cross partnership view of its priorities. This Capital Strategy is aligned with those priorities.

8 KEY PARTNERS AND THE NATURE OF PARTNERSHIP WORKING

8.1 Partnership working takes a number of forms. At a strategic Borough wide level the **Oldham Local Strategic Partnership (LSP)** develops the major partnership strategies such as the Community Plan and complementary strategies, which in turn inform this strategy. The LSP Steering Group is made up of representatives of:

- Local partnerships, such as the Oldham Against Crime Partnership
- Private sector
- Voluntary, community and faith groups
- Regional partners such as GO and the NWDA.

The Steering Group nominates an Executive which represents this range of interests.

Under the umbrella of the LSP **sub partnerships secure joint action to address service areas and cross-cutting issues.** Examples include:

- Local Learning Partnership
- Voice – Voluntary Sector Forum
- Oldham Against Crime Partnership
- Town Centre Partnership
- Oldham Housing Investment Partnership
- Health and Social Care Modernisation Group
- Environment Forum

Further partnerships with a very strong element of community involvement secure the **delivery of regeneration** schemes. Examples include the partnerships which manage SRB 3; SRB4; and SRB 6; New Deal for Communities; On Track; and Children's Fund.

Partnerships with other Councils

Oldham works within the Association of Greater Manchester Authorities

We are working with Rochdale Council on the development of our Housing Market Renewal scheme. This will allow economies and exchanges of learning to be achieved. The Council has also worked with Rochdale to jointly procure consultants and contractors for the HRA PFI scheme.

Partnerships with other public sector agencies

The Council is working closely with the Primary Care Trust on the LIFT scheme. New primary care facilities will provide a base from which a range of public services will be available. This will provide a cost effective way of providing convenient access to packages of services for local residents. In the field of housing the Council works with Registered Social Landlords and the Health Authority to secure accommodation for special needs groups.

We are working with the Greater Manchester Passenger Transport Executive and the private

sector to bring the Metrolink system to Oldham and to extend the award winning Central Bus Station which was procured by the same method.

Partnerships with the private sector

Our main permanent joint venture partnership arrangement is Oldham Property Partnership Ltd (OPP Ltd). Through OPP we have constructed a number of commercial developments and the Oldham Business Centre. The regeneration of Failsworth District Centre developments in Hollinwood and Westwood are examples of further committed schemes.

We have entered into a partnership with DC Leisure which will result in capital investment in the improvement of the Borough's sports, leisure and cultural facilities. A pioneering agreement with Rank Xerox is allowing investment in a new document processing system for the Council. A combined heat and power scheme is being developed in conjunction with the operators of existing heating schemes.

Partnership with the Voluntary Sector

The Council supports the sector through an annual programme of grants which enable voluntary and community groups to play their role in contributing to the delivery of partnership objectives for the Borough. It also assists these groups with resource procurement from sources such as the EU and UK regeneration programmes and the Lottery. The Council also provides support in the form of project management when requested. An example is the OBA Millennium Centre, a multi-million pound community facility created through this partnership approach.

9 PERFORMANCE MEASUREMENT AND MONITORING

Project sponsors are required to define the anticipated outputs from their proposals and relate these to the Council's corporate objectives. In the case of major investments, in areas such as economic regeneration, the projected effectiveness of the investment is benchmarked against other similar projects in similar Boroughs. The appraisal of SRB, ERDF and NWDA project submissions ensures this comparison and external evaluation. Since other stakeholders participate in the decision making on this type of project through membership of regeneration partnership panels (e.g. the Oldham Central EDZ Panel), they are well advised of this information prior to allocating capital resources and when monitoring project outcomes.

The overall Capital Programme is rigorously corporately monitored from a financial point of view. Monitoring of the effectiveness of capital investment takes place at a sub-programme level (e.g. the Economic Development Programme is monitored on a monthly basis by the Economic Development Group, an inter-departmental group chaired by the Executive Member for Regeneration and Communities with the Executive Member for Finance and Performance attending. This group reports in turn to the wider Executive). We believe this approach is appropriate because it is the stakeholders in these particular programmes who have the best understanding of the purpose of projects and the changing environment in which they are implemented. However, we recognise there is also a need for performance evaluation at a corporate level.

At the moment corporate "post-project" evaluation, reflection, and learning is relatively informal. We acknowledge that this is a weakness. We intend during 2004 to introduce a

formal system, focusing on outputs and outcomes as well as financial out turns, informed by inter-departmental and inter-authority benchmarking, so that continuous improvement can be accelerated across the authority.

Asset Management Plan

Modernisation, Improvement and Change

Section 1 Introduction

1.1 So Far, So Good.....

- 1.1.1 2003 is the third year in which Councils are required by the Office of the Deputy Prime Minister (ODPM) to produce an Asset Management Plan (AMP). The aim of the AMP process is to address the widespread weaknesses in Local Authority property management practice identified through the April 2000 Audit Commission report “Hot Property: Getting the Most From Local Authority Assets”. Oldham has been fully engaged in the asset management planning process and sees it as a means to unlock the full potential of property.
- 1.1.2 Oldham MBC’s AMP for 2002 was rated as “good” by the ODPM. This assessment indicates that much has been achieved over recent years. Achievements include:-
- The increasing realisation throughout the Authority of the importance of property to the Council’s objectives, and the consequent open debate within departments as to how property holdings can be used to improve service delivery.
 - The wide recognition and acceptance of the structures and processes of Asset Management.
 - The growth of a more corporate way of thinking has begun to replace the so-called “silo” mentality of departmentalism.
 - The introduction of considerable improvements to the Council’s property data infrastructure, including the capacity to achieve e-government objectives.
- 1.1.3 As a result of the success of last year’s AMP, the requirement to submit a full AMP to the ODPM in 2003 has been lifted. The required submission will simply be the Core Data Sheet, attached with this document. However, it has been agreed that the Council will continue to produce its AMP annually for internal use in order to analyse its approach to and infrastructure for property management and to ensure that the Council meets its obligations for continual improvement.

1.2But Need to Do More

- 1.2.1 The decision to continue to produce an AMP is partly in response to the clear message that has been communicated from informed sources during the last six months or so, that a “good” assessment in the 2002 AMP process does not mean that the Council has achieved all that it needs to do in securing change within its property management practice. On the contrary, it simply indicates arrival on the first rung of the ladder.
- 1.2.2 The AMP is not designed to be a “tick-box” exercise, but a document that both reflects and drives a changing culture within the organisation. The role of the AMP should be as a strategic document to inform the Authority’s business planning process, and which recognises the importance of property to the delivery of the Council’s services.
- 1.2.3 The Council identified and approved the outcomes it wishes to see from the asset management planning process within the 2002 AMP. Those outcomes are shown within

Appendix A. This document seeks to acknowledge that Oldham's achievements have so far successfully helped to clear the way to start seriously addressing these outcomes, but that further action needs to be identified and implemented that will deliver demonstrable and sustainable improvements against them.

- 1.2.4 It is the contention of this document that if the Council is to build on its achievements to date, there are a number of issues and concepts that need to be tabled for debate and action in 2003/4. These include:-
- A Corporate Property Strategy and firm policy base for the use of property.
 - The "Corporate Landlord" – establishing firm corporate and strategic parameters for development to and occupation of Council property by Council departments and external partners.
 - Securing the Council's AMP infrastructure firmly within the consciousness of members and senior officers.
 - Firm and decisive strategies and action to reduce the maintenance backlog.
 - A corporate approach to the use of accommodation, in particular with regard to suitability and sufficiency.
 - The property management roles within regeneration activities and the Housing Arms Length Management Organisation.
 - Constant review of the internal AMP processes by the Capital Strategy and Asset Management Groups.
 - Further development of property performance planning to secure real improvements in services and returns from the portfolio.

Section 2 Organisational Arrangements for Corporate Asset Management

2.1 Structure and Corporate Objectives

- 2.1.1 The Council recognises that effective asset management needs to be built upon procedures, processes and functions which direct activity towards the attainment of corporate objectives and priorities.
- 2.1.2 The Council's approach to Asset Management Planning is as detailed by the flow chart in Appendix B. The rationale behind this approach is to establish:-
- A clear link between stakeholder consultation, corporate and departmental service planning and prioritisation, and the identification of property needs, investment requirements, surplus assets, and ultimately, improved service delivery.
 - A corporate approach to property management through the involvement and accountability of each of the Council's service departments.
 - Service specific Asset Management Planning within each of the Council's service departments.
- 2.1.3 The Capital Strategy Group maintains the Council's processes under constant review to safeguard their continual effectiveness.
- 2.1.4 The reporting structure, as detailed in Appendix C, has been further developed and improved within the last 12 months to ensure enhanced communication and accountability, and also to raise the profile and involvement of Council Members within the process.
- 2.1.5 Terms of reference for the groups described within this section are included within Appendix D.
- 2.1.6 The Corporate AMP is referred to the Strategic Management Team (SMT) and to the Council's Cabinet for approval, and also sent to the Finance and Resources Overview and Scrutiny Committee as a matter of course.

2.2 Corporate Property Officer (CPO) and Capital Strategy Group (CSG)

- 2.2.1 The Assistant Chief Executive Finance IT & Resources, who is the Section 151 Officer and the Senior Officer responsible for Finance, Property and IT functions, currently fulfils the role of Corporate Property Officer (CPO). This officer's range of responsibilities, and access to the most senior officer management team (SMT), make him ideally placed to co-ordinate the corporate input of the Asset Management Planning process.
- 2.2.2 The Corporate Property Officer is supported by, and acts in concert with the Capital Strategy Group (CSG), comprising senior property, finance and policy officers, as well as leading members. It is the responsibility of the CPO and CSG to drive forward the AMP initiative, to ensure its delivery, and to obtain necessary improvements. The CSG provides the broad strategic and policy base for asset management planning, while day to day

corporate property issues are dealt with by the Asset Management Group. Both groups, the terms of reference of which are in Appendix D, aim to meet up to six times a year.

- 2.2.3 The CPO reports formally to the Strategic Management Team and to the Council's Cabinet, and the Cabinet Member Finance/Human Resources.

2.3 Asset Management Group (AMG)

- 2.3.1 The Asset Management Group, comprising senior officers from each department, including additional property, finance and IT officers, meets every two months to progress the development of the Council's AMP initiatives.

2.4 Departmental Responsibilities

- 2.4.1 Departmental Property Review Groups (DPRG) have been established with a brief to not only produce an annual Departmental Asset Management Plan (DAMP) but also to routinely and constantly review their departments' property portfolios in the context of service objectives and strategic need. It is the role of the DPRG to carry out appropriate gap analysis as a matter of routine, in order to identify surplus or under-used property, consider property-sharing and rationalization initiatives, and to challenge use and occupation at a service level (Appendix D).
- 2.4.2 The DPRG's are intended to inform and be informed by the departments' Senior Management Teams through a senior officer appointed as Departmental Property Officer (DPO). The DPO represents the department on the Asset Management Group, and thus provides the link between the CPO and the objectives of each service department.
- 2.4.3 Each department's rationale for holding property assets and for investment in capital projects is presented, prioritised and justified within its Departmental Asset Management Plan. The annual AMP cycle then provides the platform for the Corporate Property Officer and the Capital Strategy Group to assess and challenge the basis of those plans. Elements of the departmental plans are then carried forward into the corporate arena for planning, option appraisal and prioritisation. The Departmental Asset Management Plans are considered and approved by the appropriate Cabinet Member.
- 2.4.4 However, the purpose and value of DAMPs within the 2004 programme is shortly to be considered by the Capital Strategy Group, with a view to improving their practical application and to integrating them within the corporate approach to suitability and sufficiency assessments (see section 5.5 below).

2.5 Integration With Corporate Initiatives

- 2.5.1 The Council has an established corporate planning and performance culture which serves to integrate individual service plans, departmental plans, Best Value Performance Plan and the corporate and community plans. Property targets and performance indicators are thus drawn from service plans and become corporate targets and objectives against which the Council will be measured.
- 2.5.2 The key to the Council's asset management structure set out in Appendix B is the clear and established link between the corporate business and performance planning processes and the preparation of the asset management strategy.

2.5.3 The Assistant Chief Executive Corporate Policy is a member of the Capital Strategy Group and has responsibility for the production of the Capital Strategy. His role as the senior officer responsible for policy provides an essential link in the comprehensive chain between Asset Management Planning and corporate and community strategies. Thereby the community and organisational objectives of the Local Strategic Partnership (LSP) and the Corporate Plan, departmental and local business planning, and corporate performance plans are used to establish the framework and direction of asset management planning. The targets of the AMP in turn contribute to the Council's performance programme.

2.6 Property Sharing

2.6.1 The Authority has no specific policy relating to cross-service, shared use, or co-location of property, but does implement these principles in a number of ways. Examples include:-

- Partnership working with other organisations, for example Social Services Department work with both the local NHS Trust and local Housing Associations, and both occupy the partners' properties and allow sharing of Council assets.
- Joint service delivery initiatives between Council departments and other internal or external parties, for example a) a holistic approach to social care and housing provision between the Housing ALMO and Social Services Department, b) the development and management of the Limehurst Neighbourhood Centre which involves a partnership between a private developer, health authority, housing association, Sure Start, the voluntary sector and the Council, and c) other Sure start schemes.
- Partnership and property share between Oldham MBC with Rochdale MBC Trading Standards functions.
- Property lettings and sharing with the voluntary sector.

2.6.2 The importance of partnership working has been addressed by "Modernising Oldham". It is therefore expected that, as partnerships with the private sector become more prevalent across a greater number of services, the opportunities and imperative to develop further property sharing schemes will increase accordingly. Managers have been made aware through the Best Value guidance that options for property sharing schemes should be explored as a means of improving the effective use of property and reduce running costs.

2.6.3 However, the implications of asset sharing schemes for property does need to be appropriately regulated and managed to ensure that the Council is making the most effective use of its property. The production of guidance to service managers on property management protocol needs to be considered.

2.6.4 As partnerships with other public sector organisations multiply it may also be of benefit to explore a means of having an effective dialogue between the Council and the likely partners at a property management level, in order that specific requirements for shared services and property can be pursued and that effective protocols to manage occupations can be agreed.

Improvement Planning

- Capital Strategy Group review of the AMP process, including DAMPs, and production of the 2004 AMP programme
- Production of corporate guidance to manage property sharing schemes and initiatives

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Section 3 **Consultation**

3.1 Consultation Processes

- 3.1.1 The organisation's approach and commitment to consultation has been described fully within the Capital Strategy.
- 3.1.2 The Council's processes for Corporate Asset Management Planning, as shown in Appendix B, ensure that the Council's corporate objectives and priorities, as expressed by the Local Strategic Partnership, the Corporate Plan, the Capital Strategy and the Corporate Property Strategy, are informed by the consultation exercises and are also the foundation of the Asset Management Plan. The AMP itself requires service departments to create the link between stakeholder consultation, service objectives and property implications through the Departmental Asset Management Plans.
- 3.1.3 Of fundamental importance in the consultation process is the link between asset management planning and the Council's own leadership structure, and in particular member involvement and the role of the Council's SMT.
- 3.1.4 Therefore, at both the corporate and departmental levels, the AMP is informed by consultation with stakeholders to determine service direction, methods of delivery, and sufficiency and suitability issues. The methods and intensity of the consultation processes and the responses to them vary between departments depending upon their particular circumstances.
- 3.1.5 Thus, the Corporate Asset Management Plan and its investment strategy are derived from the planning and consultation processes of both the Departmental Asset Management Plans and the corporate priorities.

3.2 Stakeholder Feedback

- 3.2.1 The Council is evolving processes to ensure regular and relevant feedback from services, users and occupiers:-
- a) Two-yearly surveys are carried out to assess stakeholder satisfaction and feedback in respect of the Council's Land and Property Division. The survey carried out in 2001 revealed a 92% satisfaction rating.
 - b) Occupier satisfaction and feedback in respect of the Council's operational property. The recent survey carried out in May 2002 resulted in a 62% satisfaction rating. This survey acted as a pilot for the collection of suitability and sufficiency data. The next survey is likely to be carried out as a regular and structured part of a formal strategy for suitability and sufficiency, which is currently being drafted.
 - c) In addition, stakeholder satisfaction is measured in respect of each capital building project. Surveys carried out in 2002/3 revealed a satisfaction rate of 80%.

3.3 Continuous Improvement

- 3.3.1 These stakeholder satisfaction surveys have now been built into the Local Performance Indicators contained within Appendix E. The Local PPIs, along with the National PPIs included within the Core Data Sheet, form a tool for the improvement of property and property service performance.

Section 4 Data Management

4.1 Introduction

- 4.1.1 The Council believes that the key to successful asset management planning is good quality data. To this end it has, during the last 12 months, invested heavily in data infrastructure and in the collection of data, and the systems now in place will provide the vast majority of the information required. However, it is recognised that further development and refinement of these systems is required, and section 4.6 below sets out these needs.
- 4.1.2 The Council's property data management strategy has four main themes; a) the development of the property information systems for the storage of core, intermediate and transient data, b) condition survey data, c) the co-ordination of corporate property data held across the Council, and d) e-government.

4.2 Property Information Systems

- 4.2.1 The Council's core and intermediate, as well as much transient, property data is held on the information systems maintained by the Land and Property Division of the Chief Executive's Department. Data collected, stored and maintained includes:-
- Title details of the Council's land and property ownership.
 - Occupation details, including tenants, rents, rent reviews, lease renewals.
 - Property description, including condition, operational category, property type and use.
 - Site/floor areas.
 - The Council's managing department.
 - Asset Valuation.
 - Outstanding or programmed tasks and caseload allocation.
- 4.2.2 The approach taken by the Council is asset-based, that is all the properties owned by the Council are identified and recorded by defined assets, rather than by the traditional ownership-based terrier system. All the Council's 1732 assets have been separately identified and recorded in textual form on the Land and Property Management System, which also incorporates the function of the Council's property Asset Register. Each asset is assigned a unique property reference number (UPRN) which co-ordinates data within the Division's databases.
- 4.2.3 Each asset is also defined geographically on a digital mapping system, which has direct and dynamic links with the Land and Property Management System, allowing users to access both mapping and textual information on each asset.
- 4.2.4 The textual database is currently at the latter stages of its development, improvement works which have enhanced the Council's capacity for data storage and retrieval. Minor amendments are ongoing, mostly designed to improve the database's capabilities and functionality in view of the requirements of Asset Management Planning and performance indicators. These additional development works have been programmed for completion in conjunction with the Council's IT Division.

- 4.2.5 Procedures are in place to ensure that the information systems are amended accurately and promptly when changes are required through property transactions and the collection of up to date data. Reports are taken from the data as a matter of routine. The systems are also kept under review and development to ensure their continued relevance to service need.

4.3 Condition Surveys

- 4.3.1 The Council has categorised its appropriate assets within condition categories A-D.
- 4.3.2 The Council uses the IPF Condition Survey module to record comprehensive condition survey data, and facilitate the condition survey programme. Whilst the Council's current circumstances have meant that this has taken longer than expected, condition surveys of operational properties are underway. The Council has adopted the same methodology for condition surveys as for its highly praised Oldham Schools AMP, and the data system is an upgraded, extended, and customised version of the same software. Whilst data is still being collected, therefore, the infrastructure and procedures are now in place and being implemented, with every expectation that the condition survey data will, in due course, be of the same quality as that for the Council's schools.
- 4.3.3 It remains essential that resources are continued to be made available in order that the condition surveys may be completed and subsequently regularly updated.
- 4.3.4 The condition survey software provider is shortly to introduce an upgraded version of the system, which will improve functionality. In addition, the Council has also identified the funds to link the condition survey database with CAD plans and drawings
- 4.3.5 Maintenance backlog information has been collated from condition surveys and from other sources throughout the Council, and has been summarised to meet the requirements of the DTLR property performance indicators in Appendix E.
- 4.3.6 The transfer of the management of the Council's housing stock to the Housing Arms Length Management Organisation has preceded a review by the ALMO of the Oldham Housing Management System (OHMS), the comprehensive housing management database. OHMS contains the Repairs Ordering Monitoring and Payments System (ROMPS) module, which is used by all other Council departments. The abandonment of OHMS, proposed for 2003/4 will require Council departments to review their use of ROMPS. Subject to financial constraints, the Council may wish to consider the provision of an integrated system which could include the condition survey database, Land and Property Management System and the LLPG. The options need to be considered.
- 4.3.7 The Council is responding effectively to the increasing statutory requirements for recording details regarding asbestos and Legionella, and the management of these hazards. A cross departmental Asbestos and Water Quality Group has prepared action plans, carried out many surveys and is setting up a new database to record the presence, and assist with the management, of asbestos within schools and public buildings. The Council has considerable numbers of asbestos surveys at both levels 2 and 3 as appropriate, but more surveys are still to be carried out. Surveys to assess the risks of legionellosis within water systems in these buildings are also on-going and a suitable database has been installed to assist in the management of these risks. Both these databases will be linked to the asset register and building condition database via the LLPG.

4.4 Corporate Property Data Management

- 4.4.1 Currently, property related data is held in numerous independent systems across the Council. As part of the AMP process these systems have been identified. The major data weakness is the absence of a common Unique Property Reference Number (UPRN), which would enable data held in different sources to be pulled together to produce comprehensive data pictures and inform property Performance Indicators (PPIs).
- 4.4.2 This weakness is being addressed through the development and use of the Local Land and Property Gazetteer, recognised as important for corporate property management and e-government. The successful development of the LLPG means that regular updates are now being provided to the National Land and Property Gazetteer. The Council is awaiting confirmation that its LLPG has been recognised as falling within the top category of preparedness.
- 4.4.3 The LLPG provides the Council with a) a definitive Unique Property Reference Number (UPRN) system, which will be used to co-ordinate the data available for Asset Management Planning, and b) the means by which property management data can be integrated with other sources, including financial information.
- 4.4.4 The Council is investigating the possibility of building on the capabilities of the LLPG by the use of a complementary web-publisher. The objective is to provide internal access to the Council's GIS data.
- 4.4.5 The result of this work, which needs to be co-ordinated within the context of the Council's corporate e-government initiatives, will be that the Council will be able to make available a composite data picture of all the Council's assets from databases held across the authority. Appropriate elements of that data picture can then be made available to service departments on the basis of service need.

4.5 E-Government

- 4.5.1 The Councils Implementing Electronic Government Statement (2) was approved by the ODPM in Nov 02. This has now been developed into a series of 13 individual projects designed to deliver e-govt. in Oldham.
- 4.5.2 Significant developments that have been achieved during 2002/3 include
- Electronic A-Z of council services
 - Electronic frequently asked question database
 - Re designed website
 - Central One Stop Shop
 - Network of 14 Information centres
 - 2x Area based One Stop Shops.
- 4.5.3 LLPG is a key building block of e-govt. and to a large extent is underpinning many of the above and future e-govt. developments
- 4.5.4 The move to a customer-focused approach has significant property implications and the Asset Management Plan will be invaluable in this.

4.6 Future Developments

- 4.6.1 Improvements have been identified for the Land and Property Management System (LPMS). The system has been developed in partnership between the Council's Land and Property Services and IT Divisions. As an in-house system it has been designed and developed to suit the Council's own requirements, and the flexibility exists to amend the system to cope with evolving need. Whilst complete in terms of its capability for core, intermediate and a great deal of the transient data, the functionality of the system is capable of improvement, particularly the means by which to co-ordinate data and to provide performance information. A development plan for these works has been agreed with the Council's IT Division, and the work is ongoing.
- 4.6.2 A key development for the LPMS will be its link with the LLPG. Creating the links between the LLPG and other databases is also being pursued.
- 4.6.3 The key role played by the departments in managing the day to day issues related to their operational properties is recognised by the corporate data management strategy. It is intended that the mapping system, with the graphical details of the departments' respective property portfolios, will be made available to property managers within each department, possibly through the web-publisher referred to in paragraph 4.4.4 above. This will improve the departments' understanding of the portfolio they are responsible for, which will, in turn, improve departmental, and by association corporate, asset management planning.
- 4.6.4 It has become clear during the last 12 months that the time recording system currently used by Land and Property Services is unable to adequately support the developmental progress of the service's working methods. It will therefore be necessary to identify and procure an alternative system.
- 4.6.5 Training needs for all the systems referred to above have been identified and scheduled into procurement costs and/or development programmes. In many instances training can be done in-house following specialist training by selected staff.

Improvement Planning

- Introduce upgraded software and CAD functionality to improve IPF Condition Survey system
- Complete condition surveys of operational and non-operational properties
- Establish closer links between the LLPG and corporate IT and e-government strategies, including progress on links between LLPG and other Council databases
- Prepare option appraisal and action plan to improve electronic delivery of property management services
- Roll-out mapping system showing departmental asset portfolios
- Continue review of and improvements to the Land and Property Management System
- Review options for a replacement to the Repairs Ordering Monitoring and Payments System (ROMPS)
- Complete installation of an asbestos database

- Complete asbestos surveys
- Complete initial risk assessment surveys for legionellosis
- Identify and procure an alternative time recording system for Land and Property Services.

Section 5

Performance Management and Monitoring

5.1 Property Performance Management

- 5.1.1 The Council has developed further its Property Performance Management. Key areas in the performance of both the Council's provision of property services, and the Council's property resources are measured. It includes the performance outcomes in relation to the National PPIs, which are attached to the Core Data Sheet, as well as locally developed indicators (including the stakeholder surveys referred to in paragraph 3.2 above), which is attached as Appendix E. The indicators are designed to demonstrate property performance in relation to corporate objectives and other critical areas of the Council's property management functions, with a view to achieving a continual improvement in performance.
- 5.1.2 Continual improvement is also recognised as a corporate goal by feeding appropriate indicators into the Council's Best Value Performance Plan, for which quarterly updates on performance are required.
- 5.1.3 Reporting to Members and Chief Officers on performance has been incorporated within the annual asset management planning cycle. Recommendations concerning performance are to be considered by the Cabinet along with the Corporate AMP in July each year. Further details of the findings are provided in Section 7 below.
- 5.1.4 The Council, in common with others, experiences difficulties in collating and manipulating data to inform the PPIs. Obstacles to progress include issues such as the changing definitions of the national PPIs, and the time required for database development and installation. It is seeking to overcome these problems by using interim measures to store and retrieve data, and by forging closer relations with potential benchmarking partners.
- 5.1.5 Approximately 71% of the data required to inform its pPIs is now available from an electronic source.

5.2 Benchmarking

- 5.2.1 When comparing its service to others, the Council's priority is to ensure that its Property Performance Plan has meaning for its own objectives and internal performance targets. It aims to measure achievement of its objectives, rather than to select objectives that might fit convenient indicators. It therefore aims to benchmark with those organisations that provide reasonable comparisons with the Council's own established targets, in full or in part. Specific benchmarking links/data include:-
- ACES North-West Benchmarking Group. This group enables the Council to measure aspects of its performance against other local authorities in the region.
 - National Best Value Benchmarking Scheme (North West Group member).
 - Private sector consultants. Use of consultants is increasing and providing valuable benchmarking data.
- 5.2.2 The accuracy of the data currently being obtained, and the problems of ensuring consistent definitions with potential benchmarking partners have meant that reliable benchmarking

data is currently difficult both to find and to provide to others. The data currently available, and which can be applied in a meaningful way, is shown in Appendix E. Oldham is determined that the next 12 months will see significant progress in this area as it and other authorities continue to develop their performance regimes.

5.2.3 The processes for obtaining stakeholder consultation and user satisfaction data have been described within Section 3 above. The satisfaction ratings revealed by these surveys have been incorporated within the Council's Property Performance data (Appendix E).

5.3 Surplus Property

5.3.1 The Council has in place processes to identify surplus and under-utilised assets:-

- **Property Review**

The Council, through its Land and Property Division, carries out a scheduled inspection of each of its 1732 property assets at least once in every five-year period. The inspection is concerned with reassessing the value of the asset for the Asset Register, but equally importantly aims to identify issues with the asset that require resolution. Issues could include matters such as the under-use of the asset and its potential for disposal or redeployment, unauthorised or inappropriate use, problems with the asset's ownership title, landlord and tenant matters, and so forth. These issues are recorded and then dealt with, thus ensuring a programme aimed at the continual improvements in asset data, title records, management and use.

- **Departmental Property Review Groups and Departmental Asset Management Plan**

The Council has established property review groups within each of its service departments. The purpose of these groups is to keep the Departmental Asset Management Plans under constant review and to respond to emerging need.

The Departmental Asset Management Plan is designed to be a comprehensive assessment of the department's property need, as identified through its service requirements, compared with the existing property portfolio. The process has the effect of considering the position both of over and under supply of property. The need for departments to demonstrate a systematic and positive approach to identifying surplus assets is recognised within the project prioritisation criteria discussed in Section 6.

5.3.2 Surplus assets are recorded on the Land and Property Management System, and the feasibility for disposal is investigated. Following further investigations into the planning and operational status of the asset it may formally be declared surplus to requirements and disposed of.

5.3.3 As a result the Council is able to identify its surplus assets, but a major weakness is that the system is insufficiently comprehensive for evolving need. It is therefore the Council's intention to devise a procedure which brings together a) the formal approval process for declaring assets surplus to requirements, b) the formal property review programme, c) the Land and Property Management System, and d) the Property Performance Data. This work is part of the previously identified development requirements of LPMS as discussed in paragraphs 4.2.4 and 4.6.1 above.

5.4 Performance of the Capital Programme

- 5.4.1 The Council monitors the capital programme through quarterly reports on progress.
- 5.4.2 Outputs and outcomes are specified by departments when submitting bids for scheme approval, and are monitored by them. It is acknowledged, however, that corporate monitoring of performance and achievement of outcomes needs to be developed. Proposals to address this issue are under consideration.

5.5 Sufficiency and Suitability

- 5.5.1 The Council is undertaking a space utilisation survey of its office accommodation. The strategic purpose of this project is to provide the Council with reliable data on the use of space within its office accommodation, data which will inform the drive to make the use of Council offices more efficient. Currently, data has been collected on the Council's core office buildings and work is underway to assess premises occupied by single departments. However, as the local PPIs in Appendix E demonstrate, further work is also required to verify the data and apply it consistently to inform the PPIs.
- 5.5.2 The space utilisation survey is one aspect of the Council's efforts to collect data on the suitability and sufficiency of its office portfolio. There are a number of other means by which the sufficiency and suitability of its properties are assessed and the results used to inform strategic decision-making:-
- Departmental Asset Management Plans, which establish a dynamic link between departmental service objectives, existing property provision, gap analysis, and property investment need.
 - The occupier survey carried out in 2002, which acted as a pilot for the current development of a corporate approach to sufficiency and suitability, has produced much data on the various issues concerning the Council's operational property.
 - As condition has been identified as a major problem for suitability, the Council's growing capability to access and use comprehensive condition survey data is providing valuable information for its suitability assessments.
- 5.5.3 A strategic need, however, is to bring these initiatives and others together within a coherent and practical approach to the issues of suitability and sufficiency. It is expected that the Space Utilisation Survey will be completed by Autumn 2003, a date that will coincide nicely with the commencement of the 2004 AMP programme. The Capital Strategy Group will shortly confirm the 2004 programme and is considering changing the requirements for the submission of DAMPs in their current form. There may be advantages in integrating the collection of data on suitability and sufficiency in order to keep the space utilisation data up to date, accurate and relevant on an annual basis.

5.6 The Corporate Landlord

- 5.6.1 Amongst the many challenges of improving the performance in the management of the Council's property is the implementation of improvement measures consistently across the Council's departmental divide. Therefore, policies and guidelines need to originate from a corporate source, which has the authority to expect compliance from the Council's property managing departments. It is acknowledged that an effective solution to this challenge requires a fundamental review of the way in which the Council manages its property, as well as a deep cultural change in property management practice.

5.6.2 One of the solutions that has been advanced in response to this challenge is the development of the concept of the “Corporate Landlord”. No detailed work has yet been produced as to what this concept means, but by definition it requires recognition of and compliance with corporate standards of property use and occupation, in order that, ultimately, the performance of the Council’s property can be improved across the board. It is proposed that a “Corporate Landlord” model to oversee the management of the Council’s property should be prepared for debate.

5.7 Corporate Property Strategy

5.7.1 The Council also lacks a global understanding and consensus on what its objectives for property ownership should be, and on the priorities and direction of its property services. Indeed these issues have in the past been driven by the service department agenda, a perspective which makes the implementation of change and modernisation in property management practice a practical impossibility.

5.7.2 In order to move forward therefore it is considered necessary to fill the vacuum which now exists at policy level. Defining the objectives for property within a corporate property strategy will provide a corporate framework for both development and day to day implementation of property management practice, and help to draw together disparate initiatives and activities.

Improvement Planning

- Introduce a performance indicator system to measure amount of surplus assets.
- Develop and implement a corporate approach to the issues of suitability and sufficiency.
- Prepare proposals for debate on the Corporate Landlord concept.
- Prepare a Corporate Property Strategy.

Section 6 Performance Information

6.1 A Developing Performance Plan

- 6.1.1 Section 5 introduced the action being taken and initiatives being considered to improve the Council's property management performance in order to achieve continual improvement. This section seeks to identify the main specific issues arising from the outcomes of the performance indicators.
- 6.1.2 The Council has worked hard to ensure that the indicators, shown in the Core Data Sheet and in Appendix E, have been informed by the best available data from a myriad of sources from across the Council departments. It acknowledges that the reliability, accuracy and usefulness of the data can be improved further particularly by the continued and selective development of its IT systems and by improving its benchmarking capabilities: areas of work that will be a clear priority for the coming year. It is encouraging that over 70% of the data feeding the property performance indicators can now be accessed using electronic means.
- 6.1.3 The Property Performance Indicators and the benchmarking processes remain under development. Further refinement is necessary to ensure accurate and consistent application of definitions, and to establish comprehensive baseline data. Further time is also needed to establish historical data with which to compare performance and draw meaningful measures of improvement, and this is probably the most pressing development need. The Council also needs to learn to control its systems for data retrieval in order to cope with the fluctuating nature of the property portfolio, as departments' uses change or as properties are sold/acquired.
- 6.1.4 The difficulties in obtaining consistent data for the National pPis, due to the annual changes in the definitions and requirements must also be emphasised. Whilst the National pPis must be produced as a compulsory requirement of central government, their value as an indicator of performance and continual improvement, and as a benchmarking tool is questionable.
- 6.1.5 Action points can be identified from the available performance data. The following sections summarise the primary themes emerging.

6.2 Poor Maintenance Standards

- 6.2.1 55% of the Council's property is showing major defects, not operating as required, or is in danger of imminent failure. There is an estimated maintenance backlog of £32million for assets, not including schools and housing. If schools and housing are added the backlog is in the region of £160m. The seriousness of this situation, and its impact upon service delivery and medium and long term planning should not be overlooked. The Council needs to bring its departments together to identify and commit itself to a clear strategy designed to reduce the backlog and improve property condition. Means could include:-

- a) Capital Programme. The processes described within this AMP for prioritising projects are dependent upon available funds from the Single Capital Pot and Capital Receipts. In the Council's current position significant improvements through the capital programme are unlikely to be achieved.
- b) Partnerships and Property Sharing. The Council is creating partnerships with the private sector in order to attract private investment into the Council's property portfolio. Current examples include the management of the Council's leisure centres, the Housing ALMO and housing stock transfers. Property sharing has been discussed in paragraph 2.6 above.
- c) Capital Disposals. Properties identified as being greater liabilities are those most likely to be identified as surplus to requirements when the processes described in this AMP are applied successfully.
- d) PFI Bids. Bids are currently being organised for Sheltered and Grouped Housing, and for secondary school provision.
- e) Management of Maintenance Budgets. The Council is recommended to ensure improved management of revenue budgets set aside for property maintenance, in order that a minimum investment into the maintenance of property can be protected.
- f) Suitability and Sufficiency
Fully informed decisions on investing revenue or capital resources into improving property condition cannot be made effectively without adequate data on the property's suitability and sufficiency in supporting service delivery. The strategy for the collection of this data is therefore an important factor in the drive to reduce the maintenance backlog.

6.3 Performance on Capital Projects

- 6.3.1 National PPI 5 has measured a larger sample of schemes than in 2002 due to the amendment to the definition, and is therefore a more representative figure. The Council recognises that there remains both the room and the imperative for improvement, and to tackle this issue the development of project management skills and processes is being addressed through corporate priorities.

6.4 Right to Buy Valuations

- 6.4.1 Right to Buy valuations are currently carried out by an external contractor, and applications are being received at a rate twice that of the prevailing levels of recent years. Efforts are being made to improve the poor performance against statutory time constraints, and the high cost base. Longstanding vacancies within the Land and Property Division have been filled in July 2003, which will improve the administration and monitoring of Right to Buy valuations and assist with better communication with the contractor. Discussions have also been held with the contractor, who has, as a result, employed additional surveying staff to deal with the work. The work will be closely monitored for improvement within the next few months.

6.5 Negotiations for Land and Property

6.5.1 The Land and Property Division of the Chief Executive's Department continues to face the problem of the recruitment of qualified surveyors, circumstances which have led to weaknesses within the Division's ability to successfully close property negotiations. A solution needs to be found to this problem within the next few months, and innovative alternative means of service delivery are currently being investigated.

Improvement Planning

- Review the arrangements for Right to Buy valuations.
- Investigate alternative and innovative means of service delivery for Land and Property Services.
- Implement a proactive strategy to reduce the maintenance backlog.

Section 7 Conclusion

7.1 On the Runway.....

- 7.1.1 It has often been said that property is Oldham Council's second largest asset after its personnel. Asset Management Planning has raised the profile of the role of this resource in supporting services, but the Authority needs to ask whether it is yet allowing it to be used to full effect.
- 7.1.2 In a presentation to the RICS Local Government Conference – “Integrated Property Solutions for Local Authorities” in December 2002, Keith Jones of DTZ Piedad Consulting, who acts as a government adviser on Asset Management Planning, likened the progress of most Councils on asset management planning to a plane which has taxied to the end of the runway, but has yet to apply full throttle for lift off. He suggested that most local authorities have yet to consider how their property assets fit into their change agenda. Most new initiatives and modernisation activities have a property dimension which needs to be addressed. Therefore property assets need to be seen and treated as an integral part of the modernisation agenda, and until Councils do so they will not be in the best position to make the most of their property assets.

7.2Or Taking Off?

- 7.2.1 Locally, the analogy must generate the questions of whether Oldham Council has applied full throttle and is maximising the returns available from its property portfolio, and if not what needs to be done to achieve a significant breakthrough in property's contribution to the life and service of the authority.
- 7.2.2 It is an inherent contention of this document that, despite demonstrable achievement, Oldham still has much to do to fully realise the potential of its property holdings, and to ensure that property is recognised as part of the Council's core activity. Property managers need to be better placed to deliver the outcomes identified in Appendix A and to realise significant benefits to the Authority, including:-
- Optimised contribution to service delivery and core objectives.
 - Maximisation of revenue and capital receipts.
 - Reduction in the costs of property occupation and accommodation moves.
 - Sustainability of property values.
 - Measurable and costed contributions to service partnerships and regeneration.
 - Strategically prioritised investment.
- 7.2.3 It is clear from a number of the solutions and concepts presented within this document, such as property strategy, Corporate Landlord, suitability and sufficiency, that the successful implementation of a change agenda requires a strong corporate lead. The aim should be a partnership between the property service functions and service departments to produce and manage a corporately oriented property management policy that strikes the right balance between efficient management of the Council's assets and effective support to service delivery at departmental level. The Council's second most valuable resource will never be

used to full effect unless the prevailing culture of the organisation accepts the right balance, and accepts also that property should be considered with the same care and importance given to financial and human resources.

Appendices

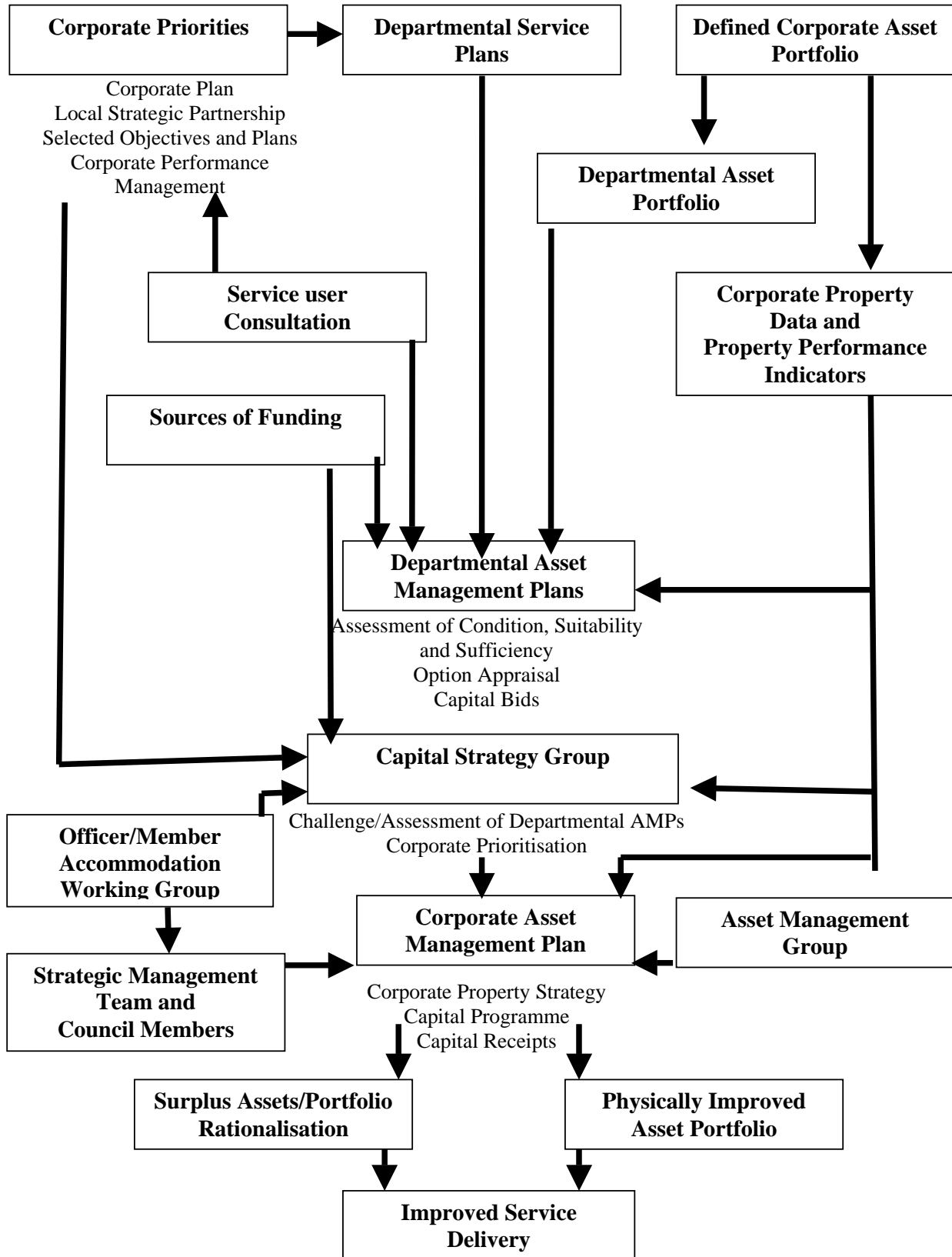
Appendix A

Asset Management and Organisational Objectives

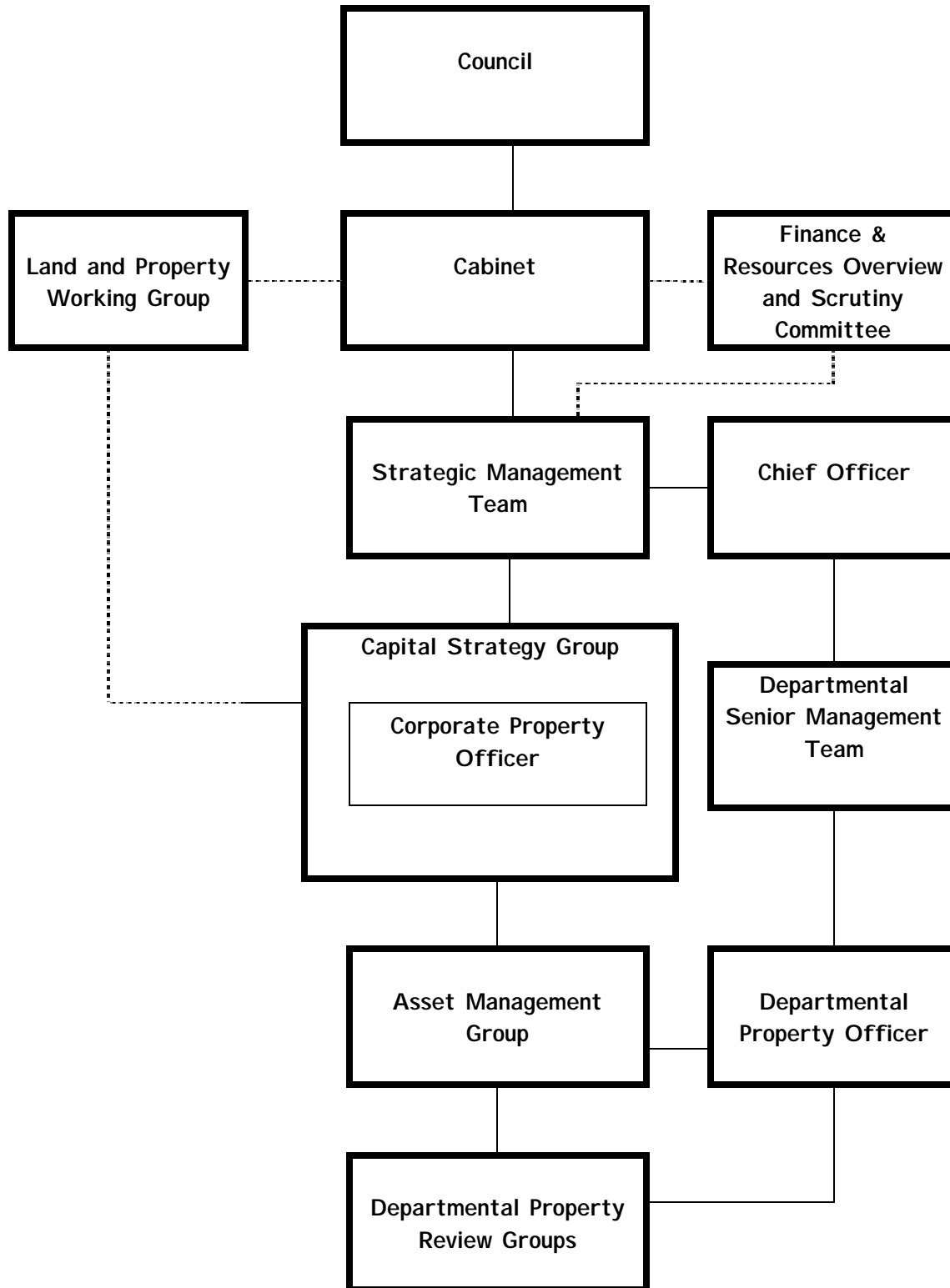
ODPM Aims of Asset Management Planning	Desired Property Outcomes
Ensure efficient, effective and sustainable use of land and buildings	Robust and continual challenge to the reasons for holding assets
Minimise the opportunity cost of holding land and buildings and protect the value of Council assets	Effective property maintenance regime
	Established initiatives to reduce building running costs
Ensure that expenditure on land and buildings maximises value for money	Investment and expenditure in land and property targeted upon clear priorities
	Service departments held accountable for the costs and performance of the assets they manage
	Property management resources and activity targeted towards maximisation of financial and service benefits
	Use of clear option appraisal and prioritisation processes
Ensure that the use of assets contributes to the process of service improvement	Robust performance management regimes which deliver continuous improvement
	Service departments able demonstrate how the use of properties meets service and corporate objectives
	Service departments are held accountable for the efficient use of the assets they manage
Provide innovative accommodation solutions to service needs	Effectively managed partnerships and property-sharing initiatives
Ensure an explicit, co-ordinated approach to asset management across the authority, reflecting service needs	Set down an explicit vision for the management and use of property resources
	Continual review of the appropriateness of the Council's organisational arrangement for asset management
	Improved co-ordination and integration of the Council's property management resources and activities
	Corporate standards exist for the management of operational property
	Assets are regarded across all service departments as a corporate, rather than service, resource
	Comprehensive corporate systems exist where appropriate to ensure co-ordination and integration of data and processes
	Property services have robust and effective stakeholder consultation procedures
	Consideration of partnership options to enhance service delivery
To ensure the financial return from investment and surplus properties is maximised in an appropriate manner to meet financial requirements	Identification of surplus and under-utilised property for disposal or re-use
	Ongoing programme of capital disposals
	Explicit investment strategy integrating financial and property objectives

Appendix B

OMBC's Model For Corporate Asset Management Planning



Appendix C Asset Management Planning Reporting Structure



Appendix D

Asset Management Planning: Terms Of Reference

1. Capital Strategy Group

Meetings

To meet at least every 2-3 months

Membership

Group to comprise:-

	Designation	Department
Officers:	Assistant Chief Executive (Finance, IT & Resources) (Corporate Property Officer)	Chief Executive's
	Assistant Chief Executive Corporate Policy	Chief Executive's
	Head of Property Services	Chief Executive's
	Assistant Director Architecture and Building Control	Environmental Services
	Technical Services Manager	Chief Executive's
	Principal Surveyor Corporate Property	Chief Executive's
Members:	Cabinet Member Finance/Human Resources	
	Shadow Cabinet Member for Finance/Human Resources	

Strategic Aim

To recommend to Cabinet, after appropriate input from SMT and Overview and Scrutiny Committee, the policy framework for the management of the Council's property.

Objectives

- a) To support the CPO in providing the strategic direction and lead in the implementation of Asset Management Planning and other property management requirements introduced by Central Government and its agencies.
- b) To prepare, agree and submit the Capital Strategy and Corporate Asset Management Plan
- c) To prepare the Capital Programme through a process of option appraisal and project prioritisation ensuring that it is aligned with corporate priorities.
- d) To monitor the progress of the Capital Programme and evaluate performance with the purposes of continually improving outcomes from the programme.

Appendix D

- e) To oversee, and to set consistent standards for, the more effective and efficient use of the Council's operational premises and office accommodation.
- f) To determine the terms of reference of other groups supporting corporate asset management, namely Land and Property Working Group, Asset Management Group.

2. Officer/Member Land and Property Working Group

Meetings

To meet every 1/2 months, or more frequently as the number and complexity of the issues under discussion requires.

Membership

Group to comprise:-

	Designation	Department
Officers:	Assistant Chief Executive (Finance, IT & Resources) (Corporate Property Officer)	Chief Executive's
	Head of Property Services	Chief Executive's
	Principal Surveyor Corporate Property	Chief Executive's
	Corporate Facilities Manager	Chief Executive's

Members: Cabinet Member Finance/Human Resources

Objective

To act as an informal Member/Officer forum to raise, respond and discuss complex issues relating to the management of the Council's property portfolio, and to make recommendations to the Corporate Property Officer.

3. Asset Management Group

Meetings

To meet every two months, or more frequently as the number and complexity of the issues under discussion requires.

Membership

Group to comprise:-

- Head of Property Services – Chair
- Departmental Property Officers – Education & Cultural Services, Environmental Services, First Choice Homes, Chief Executive's, Regeneration, Social Services
- Technical Services Manager, Central Accountancy and Technical
- Accounting Manager, Central Accountancy and Technical
- Head of Applications and Client Support, ICT and Printing Services
- Principal Surveyor Corporate Property, Land and Property Services

Objectives

- a) To act as the communication channel between property managing departments and the Corporate Property Officer
- b) To support the Corporate Property Officer and Capital Strategy Group.
- c) To facilitate stakeholder consultation on all aspects of asset management.
- d) To co-ordinate all property management activities throughout the Council.
- e) To discuss and recommend the introduction of standards, processes and procedures in the interests of effective property management.
- f) To act as a clearing house for ideas and comments on the Council's approach to asset management and best use of Council buildings.
- g) To oversee annually the production of the Departmental Asset Management Plans and to facilitate the production of the Corporate AMP.

4. Departmental Property Officers (DPO)

DPOs' terms of reference are:-

- a) To co-ordinate and manage all property-related issues within each property managing department.
- b) To act as the focal point of contact between the Corporate Property Officer and property managing departments.
- c) To represent their departments on the Asset Management Group.
- d) To co-ordinate and manage all requests for departmental property requirements.
- e) To oversee the retention of appropriate property data and the production of property performance indicators.

5. Departmental Property Review Groups

Meetings

To be held quarterly, or more frequently depending upon circumstances

Members

Group to comprise (as necessary) the following or their nominees:-

- Departmental Property Officer (Chair)
- Head of Property Services
- Heads of Service
- Head of Finance
- Head of Applications and Client Support, ICT and Printing Services

Objectives

- a) To ensure the continual review of the department's property portfolio alongside service delivery objectives.
- b) To ensure communication, co-operation and mutual support between departmental and corporate property functions.
- c) To identify surplus property
- d) To co-ordinate the department's property needs.
- e) To compile, and oversee the implementation of, the department's departmental asset management plan and bids to the capital programme.

Appendix E

Local Performance Indicators

Figures in bold type indicate the most recent data available on the Council's performance.

Local Primary Performance Indicators	Actual 2000/1	Target 2001/2	Actual 2001/2	Target 2002/3	Actual 2002/3	Target 2003/4	Target 2004/5	Target 2005/6	Objectives/Notes
LP PPI 1A In respect of operational/administrative base accommodation for Council staff: metres square (GIA) per occupier	-	-	-	-	10.69	10.50	10.25	10.00	<u>Objective</u> <ul style="list-style-type: none"> To assess efficiency of occupation rates and value for money <u>Notes on LP PPI 1A</u> <ul style="list-style-type: none"> Floor areas include NIA (not GIA at this stage) of open plan and cellular offices and departmental meeting rooms. The following core office buildings have been included:- <ul style="list-style-type: none"> Civic Centre Metropolitan House Chadderton Town Hall (excluding old canteen building) Business Management School (West Wing) Henshaw House Manchester Chambers Failsworth Town Hall Further work required to refine the data before this indicator is sufficiently reliable for comparison purposes
<i>ACES (NW) Benchmarking Data –</i>									
<i>Average</i>	11.82	-	-	-	-	-	-	-	
<i>Best</i>	9.66	-	-	-	-	-	-	-	
<i>Worst</i>	14.11	-	-	-	-	-	-	-	
LP PPI 1B In respect of operational/administrative base accommodation for Council staff: running costs per occupier	-	-	-	-	£1396	£1380	£1370	£1365	
<i>ACES (NW) Benchmarking Data –</i>									
<i>Average</i>	£795.25	-	-	-	-	-	-	-	
<i>Best</i>	£555	-	-	-	-	-	-	-	
<i>Worst</i>	£1123	-	-	-	-	-	-	-	

Appendix E

Local Primary Performance Indicators	Actual 2000/1	Target 2001/2	Actual 2001/2	Target 2002/3	Actual 2002/3	Target 2003/4	Target 2004/5	Target 2005/6	Objectives/Notes
LP PPI 1C In respect of operational/administrative base accommodation for Council staff: occupancy costs per square metre	-	-	-	-	£218.47				<ul style="list-style-type: none"> Refer to notes on the previous page under LP PPI !A&B
<i>ACES (NW) Benchmarking Data –</i>									
<i>Average</i>	£44.81	-	-	-	-	-	-	-	
<i>Best</i>	£9.32	-	-	-	-	-	-	-	
<i>Worst</i>	£66.12	-	-	-	-	-	-	-	
LP PPI 2A Percentage increase in rental income for non-operational investment properties	-	(5%)	16.6%	0%	7.14%	7%	7.2%	7.5%	<u>Objective</u> <ul style="list-style-type: none"> To provide data on the effectiveness of the management of the non-operational estate
LP PPI 2B Annual return on capital investment from the non-operational investment properties expressed as a percentage	-	5%	5.71%	6%	6.98%	7%	7.1%	7.2%	<u>Objective</u> <ul style="list-style-type: none"> To assess the value for investment purposes of the non-operational estate
LP PPI 2C Percentage increase in rental yields from non-operational investment properties	-	-	7.12%	7%	22.4%	7.1%	7.2%	7.5%	

Appendix E

Local Primary Performance Indicators	Actual 2000/1	Target 2001/2	Actual 2001/2	Target 2002/3	Actual 2002/3	Target 2003/4	Target 2004/5	Target 2005/6	Objectives/Notes
<u>LP PPI 3A</u> In respect of non-operational investment properties: Number of voids as a percentage of total occupation.	-	9.8%	7.15%	10%	6.48%	7%	6.5%	6%	<u>Objective</u> <ul style="list-style-type: none"> To assess the efficiency of the re-letting process in order to reduce void periods and maximise rental income <u>Notes</u> <ul style="list-style-type: none"> Current staffing levels in the Management Section suggest that improvements during the current year are unlikely
<u>LP PPI 3B</u> In respect of non-operational investment properties: Total rental income lost due to voids expressed as a percentage of the total income	-	-	3.7%	4%	7.9%	6%	5%	4.5%	
<u>LP PPI 3C</u> In respect of non-operational investment properties: Percentage of property lettings completed within 3 months	-	-	76%	75%	60%	70%	65%	60%	
<u>LP PPI 4A</u> Number of disposals completed	-	-	134	80	74	80	90	100	<u>Objective</u> <ul style="list-style-type: none"> To measure the effectiveness of the Council's processes for disposing of surplus assets <u>Notes</u> <ul style="list-style-type: none"> Excludes Right to Buys and disposals carried out by Economic Development Division.

Appendix E

Local Primary Performance Indicators	Actual 2000/1	Target 2001/2	Actual 2001/2	Target 2002/3	Actual 2002/3	Target 2003/4	Target 2004/5	Target 2005/6	Objectives/Notes
LP PPI 5A Land and Property Services Customer surveys, seeking continuous improvement in performance (two yearly)	-	-	92%	N/a	N/a	90%	N/a	90%	<u>Objective</u> <ul style="list-style-type: none"> To measure customer satisfaction with services provided by Land and Property Services Division <u>Notes</u> <ul style="list-style-type: none"> Survey carried out in November 2001. Reassessment scheduled for November 2003
LP PPI 5B Stakeholder satisfaction in respect of each capital building project.	-	84%	84%	85%	80%	82%	83%	85%	<u>Objective</u> <ul style="list-style-type: none"> To measure level of satisfaction amongst clients of capital building projects
LP PPI 5C Occupier satisfaction in respect of the Council's operational property	-	N/a	62%	N/a	N/a	N/a	65%	N/a	<u>Objective</u> <ul style="list-style-type: none"> To measure level of satisfaction amongst occupiers of operational Council property <u>Notes</u> <ul style="list-style-type: none"> Survey carried out in November 2001. Reassessment scheduled for November 2004, but process under review (refer to AMP section 5.5)
LP PPI 6 Percentage of the asset register up to date as of 31 March	100%	100%	100%	100%	100%	100%	100%	100%	<u>Objective</u> <ul style="list-style-type: none"> To monitor compliance with statutory requirements

Appendix E

Local Primary Performance Indicators	Actual 2000/1	Target 2001/2	Actual 2001/2	Target 2002/3	Actual 2002/3	Target 2003/4	Target 2004/5	Target 2005/6	Objectives/Notes
LP PPI 7A Number of Right to Buy valuations completed within the statutory time limits	-	-	57.7%	60%	33.1%	70%	85%	90%	<u>Objective</u> <ul style="list-style-type: none"> To monitor compliance with statutory requirements.
<i>ACES (NW) Benchmarking Data</i>									<u>Notes</u> <ul style="list-style-type: none"> Right to Buy valuations carried out by external consultant
<i>Average</i>	-	-	85.45%	-	-	-	-	-	
<i>Best</i>	-	-	100%	-	-	-	-	-	
LP PPI 7B Average staff costs per right to buy valuation	£84	£100	£110	£100	£100	£100	£100	£100	<u>Objective</u> <ul style="list-style-type: none"> To assess value for money in providing the Right to Buy valuation service
<i>ACES (NW) Benchmarking Data</i>									<u>Notes</u> <ul style="list-style-type: none"> Right to Buy valuations carried out by external consultant
<i>Average</i>	£73.89	-	£58.69	-	-	-	-	-	
<i>Best</i>	£20	-	£28	-	-	-	-	-	
LS PPI 2A Number of transactions at negotiation stage as a percentage of all transactions commenced during the year	-	-	48.6%	55%	124%	60%	55%	50%	<u>Objective</u> <ul style="list-style-type: none"> To assess efficiency at closing successful negotiations for transactions in land and property
LS PPI 2B Number of transactions where Legal Services have been instructed, as a percentage of all transactions commenced during the year	-	-	28.8%	30%	63%	70%	80%	90%	<u>Notes</u> <ul style="list-style-type: none"> Current staffing levels make short-term reduction in this indicator unlikely

Other Property Performance Indicators	Actual 2000/1	Target 2001/2	Actual 2001/2	Target 2002/3	Actual 2002/3	Target 2003/4	Target 2003/4	Target 2004/5	Objectives/Notes
<u>LS PPI 3</u> Average duration of negotiations for all kinds of property transaction (months)	-	-	5.75	6.25	6.6	6	5.5	5	
<u>LS PPI 4</u> The percentage of data required for the Council's PPIs that can be retrieved electronically	-	-	-	80%	71%	80%	80%	80%	<u>Objective</u> <ul style="list-style-type: none"> To assess the effectiveness of the Council's data storage and retrieval to inform property performance indicators
<u>LS PPI 5</u> Total CO2 emissions (tonnes)	16,309	16,000	-	15,700	15,430	15,400	15,200	15,000	<u>Objective</u> <ul style="list-style-type: none"> To measure the Council's performance in reducing CO2 emissions <u>Notes</u> <ul style="list-style-type: none"> Figure provided is net of Housing, schools and street lighting. The Council has achieved an overall reduction of 39% since 1990 The aim is to meet the targets included within the Council's Energy Policy, which is currently at draft status

Appendix F
Action Plan
August 2003 - July 2004

Task	Responsibility	Target Date	Comments
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Organisational Arrangements for Corporate Asset Management

Capital Strategy Group review of the AMP process and production of the 2004 AMP programme	Capital Strategy Group	October 2003	Review to include consideration of DAMPs and the approach to suitability and sufficiency
Production of corporate guidance to manage property sharing schemes and initiatives	Capital Strategy Group	December 2003	Draft prepared for consultation, November 2002

Data Management

Introduce upgraded software and CAD functionality to improve IPF Condition Survey system	Assistant Director Architecture and Building Control;	July 2004	Upgraded software due August 2003. CAD functionality not yet completed.
Prepare option appraisal and action plan to improve electronic delivery of property management services	Head of Property	December 2003	Web site in preparation, but further work required to build on this.
Roll-out mapping system showing departmental asset portfolios	Head of Property	October 2003	One option is to use a web browser to show Council-wide geographic data on the intranet. The corporate strategy for this needs to be agreed by the E-Government Strategy Group
Continue review of and improvements to the Land and Property Management System	Head of Property	July 2004	This is a long outstanding development project, but it is anticipated that the final significant elements of the development will be completed within the next 12 months
Review options for a replacement to the Repairs Ordering Monitoring and Payments System (ROMPS)	Assistant Director Architecture and Building Control	March 2004	
Complete installation of an asbestos database	Assistant Director Architecture and Building Control	December 2003	System installed but full functionality not yet achieved
Complete asbestos surveys	Assistant Director Architecture and Building Control	March 2004	

Appendix F

Task	Responsibility	Target Date	Comments
Establish closer links between the LLPG and corporate IT and e-government strategies, including progress on links between LLPG and other Council databases	E-Government Strategy Group	July 2004	Should also include consideration of the use of the web publisher referred to above
Complete initial risk assessment surveys for legionellosis	Assistant Director Architecture and Building Control	December 2003	
Complete the installation of a legionellosis database.	Assistant Director Architecture and Building Control	December 2003	
Identify and procure an alternative time recording system for Land and Property Services.	Head of Property	September 2003	A system has been identified and is under active consideration
Complete condition surveys of operational and non-operational properties	Assistant Director Architecture and Building Control	July 2004	

Performance Management and Monitoring

Introduce a performance indicator system to measure amount of surplus assets.	Head of Property	December 2003	
Develop and implement a corporate approach to the issues of suitability and sufficiency	Capital Strategy Group	October 2003	Consider integration with revised requirements for DAMPs
Prepare proposals for debate on the Corporate Landlord concept.	Head of Property	October 2003	
Prepare a Corporate Property Strategy.	Head of Property	October 2003	Draft prepared for consultation, March 2003

Performance Information

Review the arrangements for Right to Buy valuations.	Head of Property	December 2003	
Investigate alternative and innovative means of service delivery for Land and Property Services.	Head of Property	March 2004	
Implement a proactive strategy to reduce the maintenance backlog.	Capital Strategy Group	March 2004	