


Report Title: Asset Management Scrutiny Review - Update	
Report of: Director Corporate Resources	
Wards(s) affected: All	Report for: Non-key decision
1. Purpose 1.1 To update the Overview and Scrutiny Committee on progress in implementing the agreed recommendations of the Review.	
2. Introduction by Executive Member I welcome the recommendations contained in the Scrutiny Review of Asset Management and the opportunity to report on the considerable progress we have made over the past year in implementing these.	
3. Recommendations 3.1 That Members note the progress to date and on-going action.	
Report Authorised by: Tim Dauncey, Director of Corporate Resources	
Signature: 	Date: 15/3/2007
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4. Executive Summary 4.1 The Overview and Scrutiny Committee undertook a Scrutiny Review of Asset Management during 2004/5 with The Executive subsequently agreeing its response to the Review recommendations on 22 March 2005. 4.2 The recommendations focused strongly on embedding a corporate approach to asset usage and management, including centralising the management of property assets through a "corporate landlord" model. 4.3 Progress on implementing the recommendations is reported in the attached schedule (Appendix 1).	

4.4 Most of the agreed recommendations, several of which served to reinforce existing or planned initiatives, have now been implemented. Other recommendations are the subject of ongoing work and have been incorporated in the Council's current Asset Management Plan.

4.5 The realisation of a number of these improvement projects has encouraged the Council to put forward a submission in the Municipal Journal Local Government Achievement Awards 2007 under the category Facilities Asset Management.

4.6 Building on the progress made following the Review, work continues on driving up asset performance and further improving the management and use of assets.

5. **Reasons for any change in policy or for new policy development** (not applicable)

6. **Local Government (Access to Information) Act 1985**

Report of the Overview and Scrutiny Committee - Asset Management Scrutiny Review - January 2005.

Report to The Executive on 22 March 2005 – Response to the Scrutiny Panel's Review of Asset Management and Action Plan subsequently produced.

Haringey Council's Asset Management Plan (July 2006).

7. **Background** (See Executive Summary).

8. **Summary and Conclusions**

Many of the Scrutiny Review's recommendations lent weight to existing or planned initiatives which have now become reality and are key to ongoing improvement in the usage and management of assets. Principal examples are:--

- Establishment of a **corporate Landlord and Tenant model** which, from April 2007 will extend to some 90 buildings, with Corporate Property Services handling repair and maintenance in accordance with Service Level Agreements with services. This will not only improve efficiency and effectiveness but also ensure that compliance with statutory and regulatory requirements is addressed consistently.
- Development of a **single database** for maintaining asset information which will also support easier monitoring, tracking and planning of assets. It will be key to the ongoing development of performance indicators essential for continuous improvement in asset management.
- Development of the roles of the **Assets Strategy Board** and related **Haringey Asset Management Group** in providing a framework for addressing asset management issues corporately, ensuring that the Council's varying social, economic, environmental and financial objectives are addressed in reaching decisions about asset management and usage.

9. **Use of Appendices / Tables / Photographs**

The attached schedule (Appendix 1) contains the original recommendations and reports the updated position.

Note: Recommendations not adopted by The Executive are also included and for ease of reference are shaded.

RECOMMENDATION	Target Implementation date	Responsibilities	Implemented? Yes/No	Improvement/Measurable outcomes
1. Corporate Asset Management Strategy				
<p>Recommendation 1. 1 Establish and promote a 'Corporate Landlord' model and strategy, based on central control of all property holdings in accordance with best practice.</p> <p>Executive Decision: Agreed in principle subject to clarifying central control and whether a Corporate Landlord relationship is appropriate for all property holdings*.</p> <p>*Note: Housing stock and school buildings were not included as they are subject to separate governance and budgetary arrangements. Leisure centres are currently also excluded pending resolution of future management arrangements.</p>	<p>Stage 1 April 06</p> <p>Stage 2 April 06 - April 07</p> <p>1 April 07</p> <p>Ongoing</p>	<p>Property Helpdesk established, providing single point of contact for handling repair and maintenance of all "office" buildings and running on Manhattan database. <i>HoCPS</i></p> <p>Agree "Corporate Landlord/Tenant" SLA's with services occupying those operational buildings not directly managed by Facilities Management. <i>HoCPS</i></p> <p>Following change management programme, extend Property Helpdesk and centralised management of repairs/maintenance by Corporate Property Services to a further 60 operational buildings. <i>HoCPS</i></p> <p>Development of Assets Strategy Board and Haringey Asset Management Group as a forum for all relevant services to coordinate all aspects of property use and management including decisions about use of properties. Chaired by HoCPS with representatives from all relevant services. <i>HoCPS</i></p>	<p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Ongoing</p>	<p>Very positive customer feedback on Helpdesk. Database now provides analysis of repair and maintenance items by type/building, response times and contractor performance which supports continuous improvement in both planning and performance.</p> <p>Clear divisions of responsibility established.</p> <p>Benefits of corporate landlord model extended to wider portfolio. Services will be relieved of responsibilities that are not core to their service delivery.</p> <p>Decisions about use of property are made in the context of the Council's operational, social, economic, environmental and financial needs and objectives.</p>

RECOMMENDATION	Target Implementation date	Responsibilities	Implemented? Yes/No	Improvement/Measurable outcomes
<p>Recommendation 1.2 Ensure centralisation of all property repairs and maintenance budgets, assessing long-term needs, establishing a common approach/standard and prioritisation programme, ensuring better quality standard for all properties of the Council.</p>	<p>1 April 06</p>	<p>As part of 1.1 above, condition surveys undertaken and prioritised programme of repair and maintenance (including backlog) established for all operational buildings. <i>HoCPS</i></p>	<p>Yes</p>	<p>Single prioritised programme of repair and maintenance enables timely and efficient placing of work, subject to resources.</p>
<p>Executive Decision: Agreed in principle</p>	<p>1 April 07</p>	<p>Consolidate budgets for repairs and maintenance into a single budget, managed by Corporate Property Services. <i>DoF, HoCPS</i></p>	<p>Yes</p>	<p>Single budget for repair and maintenance enables better co-ordination, planning and prioritisation of work.</p>
<p>Recommendation 1.3 Clear lines of monitoring arrangements with definite rolling programme of repairs should be in place centrally by property professionals, together with regular reporting of backlog maintenance.</p> <p>Executive Decision: Agreed</p>	<p>2008-10</p>	<p>Agree contractual framework for dealing with both reactive and planned repairs and maintenance. <i>HoCPS</i></p> <p>Additionally Phase 2 of Accommodation Strategy, addressing the Council's requirements up to 2012 will consider suitability (and retention or disposal) of further buildings within the portfolio. <i>HoCPS</i></p>	<p>Yes</p>	<p>Greater efficiency in placing and managing contracts. Combined with a consolidated budget there are increased opportunities for economy of scale in placing work.</p> <p>Long term planning of wider portfolio improving sufficiency and suitability of properties in terms of location, fitness for purpose and condition.</p>
<p>Recommendation 1.3 Clear lines of monitoring arrangements with definite rolling programme of repairs should be in place centrally by property professionals, together with regular reporting of backlog maintenance.</p> <p>Executive Decision: Agreed</p>	<p>1 April 07</p>	<p>See 1.1. and 1.2 above</p> <p>Additionally secure capacity and expertise within Corporate Property Services to monitor, manage and plan repair and maintenance programme and contracts. <i>HoCPS</i></p>	<p>Yes</p>	<p>See 1.1 and 1.2 above</p> <p>Consistency and expertise in managing building repair and maintenance programmes.</p> <p>Manhattan database supports tracking of repairs and future planning of a rolling maintenance programme.</p>

RECOMMENDATION	Target Implementation date	Responsibilities	Implemented? Yes/No	Improvement/Measurable outcomes
<p>Recommendation 1.4 All Council services should ensure compliance with DDA and asbestos standards, Health & Safety Regulations throughout the Council's administrative and other buildings.</p> <p>Executive Decision: Agreed (except for those functions which are the responsibility of Corporate Health & Safety).</p>	Ongoing	Property Compliance Board (under Assets Strategy Board) is co-ordinating compliance with existing and emerging requirements affecting buildings HoCPS	Ongoing	Reduced risk of claims against the Council All main public buildings DDA accessible. Works to other buildings are 88% complete.
<p>Recommendation 1.5 Property Services should ensure regular review of resources is undertaken to address shortfalls in property information and review programme.</p> <p>Executive Decision: Agreed</p>	Ongoing	Review of Corporate Property Services organisational structure to increase capacity for dealing with key projects arising from Asset Management Plan and Business Plan.	Yes and ongoing	New structure improves capacity by supporting greater flexibility and working across disciplines. Temporary resources deployed as necessary to maintain progress on key portfolio reviews (e.g. commercial, community buildings) and projects.
<p>Recommendation 1.6 The findings from the Housing Best Value Review should be reported to Overview and Scrutiny Committee and thereafter progress should be monitored periodically.</p>				
<p>Executive Decision: Not adopted (outside the scope of the Asset Management Review)</p>				
<p>Recommendation 1.7 A review of staffing levels within the Property Team should be carried out to ensure effective management of the additional works associated with DDA and other statutory obligations.</p> <p>Executive Decision: Agreed</p>	April 06	Review staffing levels in conjunction with introduction of Corporate Landlord model HoCPS	Yes	See 1.4

RECOMMENDATION	Target Implementation date	Responsibilities	Implemented? Yes/No	Improvement/Measurable outcomes
<p>Recommendation 1.8 Property Services should create a database (aside from the MANHATTEN system) for reporting, tracking of delegated powers for all acquisitions and disposals – reported on a six-monthly basis.</p> <p>Executive Decision: Agreed (subject to reports being received by Executive Member).</p>	<p>April 06</p>	<p>Arrangements reviewed. Separate database/ tracking system exists for each part of the process (identification, approval and disposal). Regular updates to Executive Member</p> <p style="text-align: right;"><i>HoCPS</i></p> <p>Note : The few acquisitions are handled separately via report to The Executive.</p>	<p>Ongoing</p>	<p>Clear audit trail and transparency. Assets Strategy Board provides “clearing house” for potentially surplus assets.</p>
<p>Recommendation 1.9</p>				
<p>Property Services should report details of acquisition and disposal of properties to Overview and Scrutiny on a quarterly basis.</p>				
<p>Executive Decision: Not agreed. (Sufficient for the Executive or Executive Member to receive such reports).</p>				
<p>Recommendation 1.10</p>				
<p>The Executive should ensure that the final workplan/timetable for achieving the Decent Homes Standard for housing stock is reported to Overview and Scrutiny Committee and monitored periodically.</p>				
<p>Executive Decision: Not adopted. (Beyond the scope of the review of Asset Management).</p>				
<p>Recommendation 1.11</p>				
<p>The findings of all Member level bodies dealing with property of any nature should be reported to Overview and Scrutiny Committee and progress reported periodically.</p>				
<p>Executive Decision: Not adopted. (Executive is appropriate body for receiving such reports).</p>				
<p>Recommendation 1.12</p>				
<p>The Executive should ensure the design of a single review procedure for uniform application of Section 106 Agreement for all affordable home developments including RSLs.</p>				
<p>Executive Decision: Not adopted. (Beyond the scope of the review of Asset Management).</p>				

RECOMMENDATION	Target Implementation date	Responsibilities	Implemented? Yes/No	Improvement/Measurable outcomes
2. Existing Asset Base – Review of Fixed Assets				
<p>Recommendation 2.1 Property Services should develop an integrated, joined-up property management service with a less fragmented organisational and management structure for property throughout the Council to bring more definitive coherence to the utilisation, rationalisation and economic use of the portfolio.</p> <p>Executive Decision: Agreed</p>	<p>April 06- April 07</p>	<p>See 1.1 to 1.3</p>	<p>Yes</p>	<p>See 1.1 to 1.3</p>
<p>Recommendation 2.2 Property Services should ensure greater involvement of stakeholders in relevant property decisions, e.g. concerning the closure/retention of facilities. To look closely at whether Council property can be used for the delivery of wider service aspirations i.e. Neighbourhood Renewal Strategy, before any disposal decision is finalised. Also consider the desirability of retaining particular businesses in local shopping centres/estates even if this requires charging full market rent in some instances.</p> <p>Executive Decision: Agreed in principle</p>	<p>Ongoing June 2007</p>	<p>Assets Strategy Board which comprises relevant service representatives, acts as a “clearing house” for considering potentially surplus property. <i>HoCPS</i> Current Asset Management Plan includes project to explore property requirements and solutions for area based working in conjunction with Neighbourhood Management and development of Accommodation and Flexible Working Strategies. <i>HoCPS</i></p>	<p>Yes Ongoing</p>	<p>Property decisions take account of the Council’s various social, economic, environmental and financial objectives.</p>

RECOMMENDATION	Target Implementation date	Responsibilities	Implemented? Yes/No	Improvement/Measurable outcomes
<p>Recommendation 2.3 Property Services should ensure better informed 'clients' - ie individual service property managers such as headteachers and community groups who may require closer liaison with 'property professionals' particularly with regard to repair and maintenance works.</p> <p>Executive Decision: Agreed in principle</p>	<p>Ongoing</p> <p>Ongoing</p>	<p>Relevant services involvement in Assets Strategy Board and Haringey Asset Management Group helps to raise awareness of asset management issues (internal and external) across the Council. <i>HoCPS</i></p> <p>Engage with third party users in conjunction with portfolio reviews (e.g. commercial and community buildings). <i>HoCPS</i></p>	<p>Yes and ongoing</p> <p>Yes and ongoing</p>	<p>Tenants and services better informed, particularly in relation to statutory and regulatory requirements and the wider asset management agenda.</p>
<p>Recommendation 2.4 Property Services should develop and maintain corporate property information system e.g. a single/integrated property management database and ensure that all relevant staff have training and access to it, so that decisions regarding the use, retention and maintenance of property are based on accurate and up to date information.</p> <p>Executive Decision: Agreed</p>	<p>April 06 and ongoing</p> <p>Sept 07</p>	<p>Develop Manhattan database and refresh the information to be contained within it. <i>HoCPS</i></p> <p>Extend access to Manhattan database to relevant staff in other services (Asset Management Plan objective). <i>HoCPS</i></p>	<p>Yes and ongoing</p> <p>Ongoing</p>	<p>A number of functions now run on Manhattan enabling better management, monitoring and planning of property assets.</p>

RECOMMENDATION	Target Implementation date	Responsibilities	Implemented? Yes/No	Improvement/Measurable outcomes
<p>Recommendation 2.5 Property Services should ensure increased availability of good, property performance management information through the introduction of performance monitoring with proper performance management criteria. This will also enable an increased challenge to the use and utilisation of property in future.</p> <p>Executive Decision: Agreed</p>	<p>June – Sept 07</p> <p>Ongoing</p>	<p>Development of a number of performance measurements including adoption of performance indicators in line with those promoted by organisations such as COPROP and ACES. <i>HoCPS</i></p> <p>Phased development of Manhattan to facilitate collection, analysis and reporting of PI's <i>HoCPS</i></p>	<p>Ongoing</p> <p>Ongoing</p>	<p>Improved performance information available in connection with Corporate Management of property (see 1.1) and income management in the commercial portfolio.</p>
<p>3. Review of Accounts of Fixed Assets</p>				
<p>Recommendation 3.1 The Executive should ensure that the correct system of capital accounting, regarding the treatment of property acquisition, creation or enhancement of fixed assets, valuation of land/building of various categories of assets, accrued capital expenditure are being followed. That these comply with the Local Authorities capital finance and accounting regulations, code of Practice of Local Authority Accounting (the SORP) and preparing for the introduction of the Whole Government Accounts.</p> <p>Executive Decision: Agreed</p>	<p>June 06</p>	<p>Ensure compliance. <i>DoF</i></p>	<p>Yes</p>	<p>2005/6 Accounts met WGA timetable and fully comply.</p>

RECOMMENDATION	Target Implementation date	Responsibilities	Implemented? Yes/No	Improvement/Measurable outcomes
<p>Recommendation 3.2 The Executive should develop a strategy towards sustainability by identifying investment needs within the portfolio.</p> <p>Executive Decision: Agreed</p>	Ongoing	<p>Accommodation Strategy, Housing Strategy and Children and Young People's Strategy address long term needs in relation to the Council's three principal portfolios.</p> <p><i>HoCP, DC&YP, DUE</i></p>	Ongoing	
<p>Recommendation 3.3 The Executive should ensure integrating asset management planning into the Council's financial regime.</p> <p>Executive Decision: Agreed</p>	<p>March 06</p> <p>January 07</p>	<p>The annual capital appraisal process includes consideration of main Asset Management Plan objectives. <i>Dof F</i></p> <p>The consolidation of repair and maintenance budgets under Corporate Management of Property enables a single bid to be made for resources. <i>D of F/HoCPS</i></p>	<p>Yes</p> <p>Yes</p>	<p>Assessment of Capital bids takes into account both the Council's overall objectives and Asset Management Plan priorities.</p> <p>Successful bid for resources to address urgent repair and maintenance/compliance items.</p>
<p>4. Strategy for meeting Community Needs and Service Priorities</p>				
<p>Recommendation 4.1 The Executive should develop and implement a strategy for more effective engagement with backbench Members, ensuring implementation of a series of Member Awareness seminars, possibly including a tour of the estate. Pro-actively seek out opportunities to engage with backbench Members on property issues in their wards.</p> <p>Executive Decision: Agreed</p>	Ongoing	<p>Identify opportunities to engage with Members in addition to existing procedures and consultation processes.</p> <p><i>HoCPS</i></p>	Ongoing	Property Services involvement in Members' Induction process.

RECOMMENDATION	Target Implementation date	Responsibilities	Implemented? Yes/No	Improvement/Measurable outcomes
<p>Recommendation 4.2 Property Services should produce a strategy for the introduction of public consultation on key public caller buildings. Executive Decision: Agreed</p>	Ongoing	Referred to Customer Services. HoCPS, DoCR	Yes	Customer Services undertake regular survey and feedback exercises with customers which include feedback on the buildings/physical environment.
<p>Recommendation 4.3 The Executive Member for Finance should use the scrutiny function as a tool for exploring difficult property issues and highlighting weaknesses. Executive Decision: Agreed</p>	Ongoing	Appropriate issues to be identified.	Ongoing	
<p>Recommendation 4.4 The Executive should consider the introduction into the standard report format for the Council of a "Property Implications" section into all Council reports, ensuring that asset management is embedded in the ongoing work of the Council. Executive Decision: Agreed</p>	Ongoing	Identify ways of ensuring property implications are addressed. HoCPS	Ongoing	Property implications and comments included in reports whenever appropriate. Information on asset usage and needs is required during the BPR process, both raising awareness of assets and enabling Property Services to review Business Plans for long term property implications.

RECOMMENDATION	Target Implementation date	Responsibilities	Implemented? Yes/No	Improvement/Measurable outcomes
<p>Recommendation 4.5 The Executive should ensure that there are sufficient staff resources to undertake strategic asset management. Review resources to ensure ongoing and structured capacity building through skill development not only in the field of property, but in other related specialities. Executive Decision: Agreed</p>	Ongoing	Via Corporate Management of Property and the Assets Strategy Board/ Haringey Asset Management structures, develop a core group of staff across the Council who are familiar with asset management issues at practical and strategic levels. <i>HoCPS</i>	Yes and ongoing	Workshop held with service representatives on asset management issues and future direction.
5. Comparison with Best Practice and Other Authorities				
<p>Recommendation 5.1 The Executive should ensure the development of a Contract Code, which should govern the contracts letting process, and should include a requirement that contractors occupying Council property for the provision of services have a lease of equal length to the contract and third parties should be charged for occupation of shared Council buildings. These provisions should be incorporated in the Council's Procurement Code and in line with best practice Executive Decision: Agreed</p>	Ongoing	Evaluate the costs and benefits of leasing Council property to third party contractors undertaking work on behalf of the Council. <i>DoCR</i>	In part	If specification requires contractor to be accommodated on site, the contractor's anticipated savings (through the reduction of their overheads) are balanced against the costs the contractor might otherwise incur (e.g. travel) and these form part of the contract negotiations.

RECOMMENDATION	Target Implementation date	Responsibilities	Implemented? Yes/No	Improvement/Measurable outcomes
<p>Recommendation 5.2 The Executive should ensure the development and communication of a policy and procedure relating to sharing of space.</p> <p>Executive Decision: Agreed</p>	<p>Sept 07</p>	<p>Review and develop existing space standards in conjunction with separate projects on Flexible Working and Stage 2 of Accommodation Strategy. <i>HoCPS/ACE(OD)</i></p>	<p>Ongoing</p>	
<p>Recommendation 5.3 Ensure the disposal of surplus assets at competitive and best prices available for assets. Where appropriate to commission at least one external asset valuation to ensure best market value is achieved for disposing of assets over £250,000 and above.</p> <p>Executive Decision: Not adopted. (Not appropriate or cost effective to obtain external evaluations)</p>				
<p>Recommendation 5.4 The Executive should continue to raise the profile of assets management, due to the high level of resources involved, ensure clear political leadership & executive decision-making on property at Cabinet level, in line with Corporate Asset Management.</p> <p>Executive Decision: Agreed in part. (Decisions will be taken according to Council's constitution and scheme of delegation).</p>	<p>Ongoing</p>	<p>Regular consideration by The Executive of key asset management items including Asset Management Plan, Corporate Management of Property, Accommodation Strategy, major developments and disposals. <i>HoCPS</i></p>	<p>Ongoing</p>	

6. Prudent and Sustainable Ceiling of Property under all Codes including the CIPFA Prudential Code			
<p>Recommendation 6.1 The Executive should devise a clear balanced and rigid structure for the whole Council to maintain the corporate and service's property portfolio to a ceiling, affordable, prudent and sustainable for all time to come to adequately meet the ever changing needs/demands of the time, ensuring better service delivery, as well as complying with the prudential borrowing limits (in a totality), as and when imposed by the national government or recommended by the professional bodies including CIPFA.</p> <p>Executive Decision: Agreed in part. (Needs to be balanced within the Council's annual and long term budgets).</p>	<p>Ongoing</p>	<p>Addressed and developed through Accommodation Strategy, Children and Young People's Strategy and Housing Strategy. <i>HoCP, DC&YP, DUE</i></p>	<p>Ongoing</p>
<p>Recommendation 6.2 Progress of the implementation of these recommendations should be reported on a quarterly basis to the Overview and Scrutiny Committee.</p> <p>Executive Decision: Agreed in line with constitution.</p>	<p>Ongoing</p>	<p>Report as required according to Overview and Scrutiny timetable of business. <i>Members' Services/HoCPS</i></p>	<p>Ongoing</p>