Overview and Scrutiny Management Committee
7 March 2016

Asset Review Programme Board and Asset Management Plan

Councillor Mark Ashwell and Chris Gillett

Programme background

- The Council owns a wide range of property assets and the key to their effective management is a comprehensive understanding of our asset information together with effective planning and management. The Council's properties have a current asset value of over £700m.

- There are a number of current initiatives underway that will and are already having an impact on property assets such as the continual need to make financial savings and the significant additional build relating to regeneration and Strategic Development Locations (SDLs).

- Our approach to optimising the use of our assets includes:

- Assess the number of properties used for service provision and identify those that could be released to deliver revenue savings and potentially, capital receipts.

- A centralised approach to the management of assets.

- An Assets Review Programme is running from September 2013 to March 2018.

- Depending upon outcomes, from Asset Reviews there will be changes in ownership of assets, changes in services provided from these locations and/or different service providers.

Programme objectives

- Centralisation of Property Management and Budgets

- Implementation of a new Property Management System – Technology Forge (TF)

- Attributes List (Local Government Transparency Code 2014) Published

- Completed Area Wide Reviews

- Asset Consolidation

- Next Phase of Smart Working

Where are we now?

Centralisation of Property Management and Budgets

• Ownership of buildings rests with the centralised landlord

• Services use premises to deliver their services

• Budget responsibility

• Monitoring

• Day to day management and maintenance

Implementation of a new Property Management System – Technology Forge (TF)

• Ensure data is in place and systems talk to each other. Technology Forge has provided software to support Transparency reporting requirements (Attributes List). In addition we have identified a number of databases across the organisation detailing interests in property which we are cross referencing with our own property database ready to incorporate into Technology Forge.

Decision made on 3rd October 2014 by Central Government that the Attributes List (Local Government Transparency Code 2014) mandatory information is published by 2nd February 2015.

• This was achieved and the list is regularly updated.

- # Where are we now? (Continued)

Completed Area Wide Reviews

- Started with Woodley (as per the Programme Plan) but flexible to also meet changing requirements.

Asset Consolidation

- Letting to Towns and Parish Councils – Model for Community Asset Transfers – Task and Finish Group
- We have reviewed our approach to lease agreements. Leases now have to be in place before occupation.
- Property Services will be the professional lead and no other service can agree a lease, even in principle.
- Our leases will use best practice.
- Future leases may differ from previous examples due to this review.
- Lease clauses may vary dependent on nature of lease e.g. if commercial rent being paid or not.

Next Phase of Smart Working

- Future opportunities.

Understanding the emerging requirements from SDLs

- Work in progress with developers/Towns and Parishes.

Outcomes

This Programme will result in the following benefits to the organisation:

- Revenue savings.

- A more efficient utilisation of space.

- A better partnership working arrangement with Towns and Parishes around a joint asset base.

- The release of surplus assets for Partners, use by WHL, leasing on a commercial basis, redevelopment or sale.

- Increasing planned maintenance to 70% to significantly reduce the need for higher cost reactive maintenance.

- An improved knowledge of our assets to enable better planning and management.

- An increase in cross service working aided by the flexible use of space, which will enable multiple service delivery from the same location.

- Increase of our commercial estate rental income and a reduction in voids.

Asset Review Programme: Benefit Realisation

• The ARP clearly outlines the benefits that are to be realised through the programme. This document sets out these benefits and their realisation.

Benefit	Delivered	Comments
Revenue savings target of £377k in 2014/15	YES	Revenue savings delivered through the disposal of assets and reorganisation of elements of the operational estate. In addition, the Council has obtained Capital Receipts from the sale of surplus assets e.g. capital receipt of £500k for the Old School House.
Revenue savings of £58k in 2015/16	PARTIAL	These and substantial further savings will be achieved by the adoption of The Model for Community Asset Transfer.
A more efficient utilisation of space	YES	An increasingly agile workforce with 610FTE confirmed as SMART workers. Increased density in office locations and SMART working lessons learned report demonstrating achievement of 2:1 ratio. A 41% Reduction in storage through using better practices and equipment.
The release of surplus assets for sale, redevelopment, leasing on a commercial basis and/or use by WHL and partners	YES	There have been several assets released for sale, reused internally or transferred to WHL for development. This will continue as we undertake the remaining Area Reviews.
Increasing planned maintenance to 70% to significantly reduce the need for higher cost reactive maintenance	PARTIAL	We have seen a slight shift in the planned works and with the completion of the condition surveys and an increase of capital funds for 2016-17, it is anticipated this will move further. A percentage will follow in 2016-17.
An improved knowledge of our assets to enable better planning and management	YES	Area reviews and collation of data as a result of the Tech Forge project has provided a significant increase in our knowledge of the assets.
A better partnership working arrangement with Towns and Parishes around asset base	PARTIAL	The approach to area reviews has seen improvements to the relationship with Towns and Parishes, this will be further enhanced by the adoption of The Model for Community Asset Transfer.
An increase in cross service working	PARTIAL	The Asset Review Programme Board has demonstrated increased cross-service working.

aided by the flexible use of space, which will enable multiple service delivery from the same location		Areas have been reorganised and multi-use is being implemented where possible. The governance arrangements have established effective processes for the identification, assessment and oversight of our assets and reduced the number of times these are being circumvented.
Increase of our commercial estate rental income and a reduction in void periods	YES	Rental incomes have increased from our estate through the completion of timely rent reviews and lease renewals and prompt re-letting of vacant property.

Asset Management Plan

We will produce a revised WBC Asset Management Plan to ensure we have a clear and agreed approach to maximising the use of our assets. This would also consider how we will work with our partners (including Towns and Parishes).

The Wokingham Borough Council Asset Management Plan will:

- Provide a short (to medium) term vision/framework for quick and efficient asset purchase/disposal.
- Determine optimum use of our operational assets.
- A framework for Disposals and Acquisitions.
- A framework for Community Asset Transfer (working with the Community Services Team and Towns and Parishes).
- WBC Office Accommodation Standards. (Specifically Shute End, to include standards for space, desk ratio building on the work already completed as part of the Smart Working Project).
- A framework for Surplus Land.
- Service Asset Management Plans (informed by Service Plans and the Medium Term Financial Plan.