



*St Edmundsbury*  
BOROUGH COUNCIL

# B64

## Cabinet 23 June 2010

### **Report of the Policy Development Committee: Asset Management Plan and Capital Management Strategy – Performance Management and Implementation Plans (Jul10/02)**

1. The Committee considered the annual report on performance of the Asset Management Plan (AMP) for 2009/2010 and proposals for implementation in 2010/2011. The Asset Management Plan facilitates the Council to achieve its strategic aims by working towards an ideal and sustainable property portfolio to meet service delivery needs, and to help support major items of capital expenditure.
2. Attached to this Report is a copy of Report B30 which was considered by the Committee, but with an amended Appendix 2 where a Key Performance Indicator has been amended.
3. The Committee noted the outcomes and performance of the AMP and Implementation Programmes 2009/2010, and performance against the National Property Performance Indicators. Discussions were held on a number of areas of the report, including the reduction in disposals compared to previous years, and the fall in the number of property sales by Havebury Housing Partnership, both issues being due to the recession; the forthcoming major review of leisure assets; progress with finalising the insurance claim following the fire at the Bury St Edmunds Leisure Centre, the planned maintenance programme including the need to identify funds for future major refurbishments; and the performance of the Council compared to other District Councils on a number of indicators.
4. The Committee **RECOMMENDS that the Implementation Programmes 2010/2011 and the Asset Management Plan Action Plan 2010, as set out in Report B30, be approved.**

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*St Edmundsbury*  
BOROUGH COUNCIL

# B30

## Policy Development Committee 9 June 2010

### Asset Management Plan and Capital Management Strategy – Performance Management and Implementation Plans

#### SUMMARY

This is the annual report on performance of the Asset Management Plan (AMP) for 2009/2010 and proposals for implementation in 2010/2011.

The AMP will facilitate the Council to achieve its strategic aims by working towards an ideal and sustainable property portfolio to meet service delivery needs and help to support major items of capital expenditure.

The Council's approach to asset management is very much outcomes and output based, evidenced through the active implementation programmes and the annual AMP Action Plan, which are the basis of this annual report. The Corporate AMP and Capital Management Strategy (CMS) incorporates important government and professional guidance which has been produced over the last two years, and which recognises the importance of asset management as a major driver for achieving corporate objectives. The new AMP and CMS takes into account the Council's long-term vision and national guidance.

In the context of current government thinking on the importance of property as a strategic tool, both in Place Shaping and in achieving efficiencies for service delivery, the outcomes through AMP reviews and implementation programmes will continue to play an important role for the Council in future years.

#### PURPOSE OF THE REPORT

Reporting to Members on performance and agreeing the AMP Action Plan are integral parts of asset management planning and reflect the corporate and priority goals of the Council.

Members are asked to note the outcomes and performance of the AMP Implementation Programmes 2009/2010, and performance against the National Property Performance Indicators. Members are also asked to recommend approval of the Implementation Programmes 2010/2011 and the Asset Management Plan Action Plan 2010.

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<p><b>1. Summary and Reasons for Recommendations</b></p> <p>1.1 This is the annual report on performance of the Asset Management Plan (AMP) Action Plan for 2009/10 and proposals for implementation in 2010/11.</p> <p>1.2 Practical adoption of the AMP Action Plan will facilitate the Council to achieve its strategic aims but notably, to work towards an ideal and sustainable property portfolio to meet service delivery needs and help to support major items of capital expenditure.</p> <p>1.3 Reporting to Members on performance and agreeing the AMP Action Plan are integral parts of asset management planning and reflect the corporate and property goals of the Council. It is also important for asset management to be widely recognised by members and senior managers for its practical application in achieving the corporate aspirations of the Council's partners and the broader community.</p> <p>1.4 Using the AMP as an integral tool in policy based budgeting is in accordance with sound financial management and prudential spending. This is particularly important in times of government constraints through the Comprehensive Spending Review 2007 and at a time when real cost savings through the efficient use of property is essential. In the context of current government thinking on the importance of property as a strategic tool, both in Place Shaping (public sector bodies working together to achieve common goals) and in achieving efficiencies for service delivery, the outcomes through AMP reviews and implementation programmes will continue to play an important role for the Council in future years.</p> <p>1.5 The Council's approach to asset management is very much outcomes and output based, evidenced through the active implementation programmes and the annual AMP Action Plan, which are the basis of this annual report. Recently, important government and professional guidance have been produced which recognises the importance of asset management as a major driver for achieving corporate objectives. The Corporate AMP and Capital Management Strategy reflects the Council's long-term vision and national guidance.</p> <p>1.6 Because of the strategic importance of the AMP and implementation plans, this full report is also presented to Cabinet.</p>
<p><b>2. Recommendation(s)</b></p> <p>(a) The outcomes and performance of the Asset Management Plan and Implementation Programmes 2009/10 be noted;</p> <p>(b) The Implementation Programmes 2010/11 be approved;</p> <p>(c) The performance against the National Property Performance Indicators be noted; and</p> <p>(d) The Asset Management Plan Action Plan 2010 be approved.</p>
<p><b>3. Corporate Objectives</b></p> <p>3.1 The recommendations meet the following, as contained within the Corporate Plan:-</p>

- (a) Corporate Priority 4: *'to raise standards and corporate efficiency'*;
- (b) Corporate Objective 11: *'to manage the Council's resources efficiently in order to raise performance'*; and
- (c) Cabinet Commitments: *'to improve efficiency'*.

#### 4. Key Issues

##### 4.1 Summary of Disposals Programme 2003/04 to 20013/16 (rounded)

Year	Sale of assets declared surplus	Cumulative total
2003/04 - 2008/09	26,245,000	28,595,000
2009/10	2,350,000	
	Estimated annual sales	Anticipated cumulative total
2010/11	1,126,000	1,226,000
2011/12	3,634,000	4,860,000
2012/13	1,380,000	6,240,000
2013 to 2016	2,040,000	8,280,000

4.1.1 The shaded area represents sales achieved and capital invested since 2003 (£28.6 million). Due to the unanticipated depth of the world recession a number of sales planned for 2009/10, to assist in funding the continuing capital programme, have not been achieved. These have been rescheduled and revalued to reflect current market values. A more cautious approach is continuing to be taken to estimated sales receipts. Consequently, the above estimates are more cautious for 2010/11 than appears in the Five Year medium term financial strategy (£2.11m), and adjustments have been made to subsequent years.

4.1.2 Full details of the properties which have been and are likely to be declared surplus are contained in Exempt Appendix 5. The likely surplus assets which make up the £1.1 million for sale this year are:

- Bury St Edmunds – sale of the freehold of land subject to ground leases;
- Haverhill - one residential site at Millfields Way, a number of ground leases at Homefield Business Park, which were unsuccessful at auction last year;
- General – possible auction or private treaty sales of long-term low or no rental ground leases in Bury St Edmunds and Haverhill, including community transfers;
- Havebury, sale of houses under Right to Buy – the estimate of the amount the Council will receive in clawback from the sale of houses under Right to Buy has been reduced considerably, to reflect the current housing market.

## 4.2 Summary of Implementation Programmes

<b>Implementation Programmes</b>	<b>Target 2009/10</b>	<b>Actual 2009/10</b>	<b>Target 2010/11</b>
New sustained income, estates management	£389,000	£(52,000) £131,000* *see 4.4.2	68,000
Disposals	£2,780,000	£2,351,000	£1,126,000
Planned Maintenance	£1,170,000	£1,048,000	£1,122,000
Acquisitions	£500,000	£0	£1,300,000

## 4.3 Framework of this report

4.3.1 This report has the following elements:

- Performance on Implementation Programmes for 2009/10
- Proposals for Implementation Programmes for 2010/11
- Performance against the reformatted national property Performance Indicators (PIs) for 2005/06 to 2008/09
- Proposals for the AMP Action Plan 2010

## 4.4 Performance on Implementation Programmes 2009/10

4.4.1 The Implementation Programmes are:

- (a) Estates Management Programme
- (b) Disposals Programme
- (c) Planned Maintenance Programme
- (d) Acquisitions Programme
- (e) Capital Programme

4.4.2 ***Estates Management Programme*** – This programme estimates rental income and is updated annually, as part of the budget setting process. The income helps limit Council Tax increases. The non-operational portfolio assists in economic development and service delivery for social needs. Exempt Appendix 3 is a summary of all actual lease transactions completed between 1 April 2009 and 31 March 2010. Key facts:

- The rent estimates of the whole non-operational portfolio indicated a revised income of £2,797,000 for 2009/10, an increase of around £390,000 over the previous year. This anticipated increase was mainly expected from a number of ground lease rent reviews at Moreton Hall and one commercial rent review with an historically low rent, in Haverhill. This was finally agreed after 3 years by a third party expert appointment, and target rent growth of 1% p.a for shops and industrial units generally. The Council has reclaimed all the back rent since the review date.
- The rent estimates did not fully anticipate income loss through the early surrender of premises and ensuing vacancies.
- In terms of the actual transactions shown in Exempt Appendix 3, unlike the position in other years, there was no actual net sustained growth through rent reviews and new leases occurring through the year, which showed an overall loss of £52,000 p.a. This is mainly due to the surrender of high rental industrial premises, although the surrender did include payment of a premium to the

Council, of around 1.5 year's rent. This turned the loss into a net gain for the year, of £131,000.

- Activity in the portfolio has been muted for the year - a reflection of continuing difficult economic conditions. Some leases have not been renewed, and the Council has refurbished the premises. However, there is likely to be a period of vacancy before reletting, particularly the large industrial unit.
- Dealing only with actual new leases and rent reviews, average annual change (assuming 5 year rent reviews) was 2%.
- As a comparison, the national CBRE and IPD Monthly Indexes for the year ended March 2009 recorded for all property, rental value decreases of -6.0%, which is a similar fall as during the previous year. Rents for shops fell -5.5% and industrial showed much poorer performance over the previous year, at -4.1%. Overall, therefore, the Council's industrial and retail portfolio outperformed the national position.

4.4.3 **Disposals Programme** – This programme estimates capital receipts from properties declared surplus through the AMP processes. Exempt Appendix 4 is all sales completed between 1 April 2009 and 31 March 2010. Key facts:

- The target for 2009/10 was £2.78 million.
- Actual disposals were £2.35 million.
- The sale of the Borough Offices and Alwyne House and Cottage and the sale of a number of ground leases were the major contributors to capital receipts for the year.
- The shortfall between target and actual capital receipts was only £430,000, or 15% of the target. This has not affected delivery of the Capital Programme, as funds were available from previously accumulated reserves.
- The claw back payments from Havebury, which was part of the provisions of the housing stock transfer, was only £150,000. This reflects the difficulty for tenants to obtain mortgages, a reduction in the amount of discount available under provisions with registered social landlords, and national economic uncertainty.

4.4.4 **Planned Maintenance Programme** – Works to the operational property continue to be funded from the contribution made to the Building Repairs Reserve. Key facts:

- Target spend on planned maintenance for 2008/09 was £1.17 million.
- Actual spend was £1.05 million.
- The main reason for the underspend on the programme was that staff resources have been diverted to assist in achieving a number of key projects. These include the Apex, underground car park, West Suffolk House, Haverhill community football, Nowton Park new visitor centre, creation of business development units at Hollands Road, Haverhill, refurbishment of Bury St Edmunds athletics track, Abbey Gardens footpath refurbishment and improvements to the Haverhill starter units.
- Notable projects included completion of works at Southgate Community Centre (glazing, drainage, roofing and external works) to facilitate its transfer to the community, Crown Street monument restoration and Bury Leisure Centre external works.
- Other completed projects are replacement bird netting at the Market Cross, cladding refurbishment at Bunting Road industrial units, West Front core work repairs, conversion of Bury Leisure Centre basement rifle range and Haverhill Cemetery boundary wall.
- A number of maintenance related projects have been completed within the year, none of which individually exceeded a value of £50,000.

4.4.5 **Acquisitions Programme** – In order to fulfil the corporate aims and objectives, the Council may also acquire properties. Key facts:

- Target spend on acquisitions 2009/10 was £500,000.
- Actual spend was £nil, as no suitable assets became available for projects.
- The ring fenced fund of £500,000 to enable the purchase of key strategic or investment property was not used in 2009/10 and will be available for a subsequent year.

4.4.6 **Capital Programme** – The achieved Capital Programme for 2009/10 was £16.1 million, of which £4.1 million was funded from grants, contributions and reserves, leaving £12.0 million serviced from capital receipts from previous years and 2009/10 actual receipts.

#### 4.5 **Implementation Programmes 2010/11**

##### 4.5.1 ***Estates Management Programme 2010/11***

- The rent estimates for 2010/11 indicate an overall income from the non-operational portfolio of £2.735 million. This is a projected decrease of £62,000 over the revised 2009/10 estimate of 2.797 million.
- This reduction is mainly the result of taking a more cautious attitude to potential vacancies arising when leases come to an end, and limited increases for new leases and rent reviews.
- It would be unwise to be bullish about the target net growth for the current year, for individual transactions. A modest 0.25% for all transactions is forecast for 2010/11. Current national figures show that rents for new lettings are around -0.2% less than previous rents, and continuing overall negative rental growth can be expected. The Council's 0.25% target is ambitious in the current economic climate.
- Target rates of growth will follow market forces and increases cannot be forced. Although it will be up to individual negotiations, it is more important to keep premises occupied and achieve economic development aims, than face empty rates and maintenance liabilities.

##### 4.5.2 ***Disposals Programme 2010/11 – 2013/16***

- A medium term disposals plan has been formulated to support the Capital Programme. It forms exempt Appendix 5, but an outline of anticipated sales for 2010/11 is contained in paragraph 4.1.2 above.
- Disposals are subject to future AMP assessments and decisions to declare currently occupied property surplus.
- More sites may result longer-term by the allocation of land as part of the current local plan process.
- The annual anticipated receipts from the sale of surplus assets are:

2010/11	£1,126,000
2011/12	£3,634,000
2012/13	£1,380,000
2013/16	£2,040,000

- Total anticipated capital receipts 2010/11 to 2012/16 are £8.3 million.
- There may be a need to defer some planned disposals, until the market improves. However, actions are being taken to ensure sites can be released at the right time, such as obtaining planning permissions and undertaking survey investigations.
- Exempt Appendix 5 indicates a traffic lights system and those sales coded red

and amber are seen as the most risky to achieve and should be treated with caution.

- Previous reports have stressed that anticipated capital receipts from surplus Council assets are overall declining year on year. More innovative ways, through the AMP and associated service reviews, and by putting sites forward for local plan allocations, are being investigated, if capital receipts are to be seen as a source of funding future capital programmes. This continues to be pertinent, particularly in the national climate of anticipated savings requirements.

#### 4.5.3 ***Planned Maintenance Programme 2010/11***

- Target spend on planned maintenance is £1.12 million.
- The action plan forming part of the Planned Maintenance Strategy, to address required maintenance (formerly called backlog maintenance), is generally on programme. The sale of these high maintenance cost assets and relocation of services into new "fit for purpose" operational buildings is playing a significant part in reducing the required maintenance total, which is one of the main drivers of the AMP reviews of the Council's property portfolio (see 4.6.3 Performance).
- There are no major projects to be funded out of the PMP, as there is insufficient funding to cover costs where these exceed general maintenance.
- No major projects using specific capital allocations have been identified, except the continuation of the refurbishment of Haverhill starter units as and when they become vacant and before they are relet.

#### 4.5.4 ***Acquisition Programme 2009/10***

- The Council will continue to try to secure land interests which may facilitate achieving the Council's corporate aims and objectives.
- The £500,000 property fund remains unspent.

#### 4.5.5 ***Capital Programme 2010/11 – 2012/13***

- The Capital Programme for 2010/11 to 2012/13 is £20.3 million and £1.2 million carried forward from 2009/10. (£1.2 million is the gross carried forward figure; there is also £0.5 million income carried forward).
- Grants, contributions and reserves will fund £8.8 million (this includes the £0.5 million brought forward from 2009/10). This much larger proportion includes the government's Growth Area Initiatives grant of £4.74 million.
- Planned disposals (including capital receipts that have been earmarked for specific projects) will fund £6.2 million.
- There is a deficit of £6.5 million to service the Capital Programme.
- The only identified source of funding would be from old capital receipts which amounted to £12.8 million at 1st April 2010. The unused receipts are invested and form part of the revenue budget on investment interest, which would generate £566,000 for 2010/11.

### 4.6 **Performance against National Property Performance Indicators**

4.6.1 The National Property Performance Indicators (NaPPMI) are collected through a national benchmarking club which has about 200 local authority members. Comparisons are made against other districts. The sample size for districts remains small (around 10-20 nationwide) and therefore care is needed in coming to firm conclusions about St Edmundsbury's comparative performance. It is therefore also informative to compare the Council's own performance in the most recent year against its performance in previous years.



4.6.2 The volume of benchmarking data may increase in subsequent years if the government pursues its initiative to establish a mandatory set of property performance indicators. Further NaPPMI PIs are still being developed, for example, to cover the tenanted portfolio.

4.6.3 Appendix 2 shows how the Council has performed for the years 2005/06 to 2008/09. Key facts:

#### **1 Condition and maintenance**

- The overall condition ratings of the Council's operational buildings have again improved. 78% are now operating effectively (Condition A), whereas sample districts for 2008/09 averaged only 28%. This reflects the importance of implementation of the detailed planned maintenance programme (PMP) and the continued commitment to high standards of fitness for purpose for service delivery.
- This good performance is even more marked because the Council has reduced its overall floorspace in operational buildings by the sale and demolition of poorly performing assets.
- The most dramatic improvement in performance is shown in the total cost of required (backlog) maintenance. In 2007/08 there was backlog of over £10m, equivalent to £198 per sq m. Last year backlog reduced to £4.2m, which is a 60% decrease on the previous year (£87 per sq m). The comparative reduction for districts was -6%. Further savings should be made following completion of major capital refurbishment, including making buildings compliant for disability access (eg Leisure Centres).
- Another outcome of operating the PMP is that the Council performs well above the average in terms of a high proportion of planned against responsive maintenance. The average for districts is 69/31 and the Council's ratio is 93/7, which is a much more cost effective way of operating.

#### **2 Energy, water consumption and CO2 emissions**

- The Council endeavours to reduce its consumption of energy, water and volume of carbon dioxide emissions in its operational buildings wherever possible. Because of rising costs of energy, the cost per sq m has increased from the 2007/08 level and consumption has also increased from 76 to 90kwh/sq m. The increase in consumption is largely due to the additional energy costs incurred for servicing the construction of West Suffolk House.
- Notwithstanding this, the Council out performs (often by over 100% better) against sample districts in every indicator (see Appendix 2 for details). Therefore environmentally, St Edmundsbury is comfortably in the top quartile.
- CO2 emissions appear to have stabilised.

#### **4 Building accessibility**

- The Council is well advanced in its programme of accessibility plans and performs better than the sample districts. Implementation of the accessibility plans is well under way, and contributes to the improvement in condition ratings for buildings used by the public.

#### **5 Building sufficiency (capacity and utilisation) of offices**

- This was an indicator started last year, to be able to compare how West Suffolk House compares against the previous accommodation at the Borough Offices and St Edmundsbury House.
- The proportion of offices to the whole operational portfolio has reduced slightly, and is less than the district average.
- West Suffolk House is performing effectively. It has 81% of useable office space (71% last year; 72% for districts). The amount of floorspace per person

has reduced from 11.6 to 10.1 sq m (13.0 sq m for districts).

- The amount of floorspace per work station is higher at West Suffolk House than the average for districts (14.5 against 13.2 sq m), but unfortunately, there is no nationally collected PI for the number of staff per work station, which probably would have shown the more efficient use of work stations at West Suffolk House. More work stations have been added this year, so this PI should show further improvement next year.
- The Council now shares all three of its office buildings (including the TIC and Shopmobility service) with other public sector organisations, which is better than nationally for districts (100% against 38%).

#### 4.7 **The AMP Action Plan 2010**

4.7.1 The AMP Action Plan (Appendix 1) is based on a rolling five year plan, which will reflect changes in service delivery needs. It is a living document which is updated to meet new priorities of the Council and to be in line with the Corporate Plan & Community Strategy. The processes adopted are an integral part of the Council's capital and revenue budget setting and prioritisation of spending, in accordance with prudential borrowing, DR-IVE and the government's spending review CSR 07 and Gershon and Lyons principles. It is likely that more stringent financial controls will be imposed in the near future, to meet national aspirations of reduced borrowing and this will need to be reflected in the AMP review programme.

4.7.2 The most important elements of the AMP Action Plan are to take forward AMP reviews of operational and non-operational properties. Key proposals for 2010/11:

- Operational properties – assessment of alternative uses for the Corn Exchange, which will be surplus and available for letting on completion of the Venue; Haverhill Offices (re-assessment); a major review of leisure assets; development of the Abbey Gardens Management Plan to include the former nursery area; and the systematic implementation proposals for each community centre.
- Non-operational properties –review of shops on housing estates; recreation and sports assets; and assessment and review of remaining tenanted properties.
- Another important area of work identified in the Action Plan is to develop property services relationships with other public sector partners, in particular, investigating shared services with Forest Heath, and developing Total Place opportunities, in line with current government priorities.

#### 5. **Options considered**

5.1 The AMP Action Plan is based on considering options for holding the Council's property portfolio.

5.2 The Council has adopted assessment processes for its operational and non-operational portfolios. The models of assessment and options appraisal are being applied to all Council assets, in accordance with the AMP Action Plan.

5.3 Decisions on all reviewed properties will be incorporated into Asset Management Plan Programmes, such as the Capital Programme, the Planned Maintenance Programme and the Disposals Programme.

#### 6. **Community impact** *(including Section 17 of the Crime and Disorder Act 1998 and diversity issues)*

##### 6.1 General

6.1.1	Implementation of the AMP Action Plan and policy based budgeting sets the financial framework for improved service delivery through the optimum use of assets.
6.1.2	Community impact is part of the assessment process and options appraisal for individual properties. The involvement of community organisations, in accordance with the recommendations of the Quirk Review of community management and ownership of assets, has been adopted as part of the AMP review process.
6.1.3	The AMP Action Plan is based on access for all.
6.2	<u>Diversity and Equality Impact</u> <i>(including the findings of the Equality Impact Assessment)</i>
6.2.1	The AMP processes are inclusive of all.
<b>7.</b>	<b>Sustainability Impact</b> <i>(including environmental or social impact on the local area or beyond the Borough)</i>
7.1	The AMP assessments and option appraisals take into account the most sustainable outcomes.
<b>8.</b>	<b>Consultation</b>
8.1	Consultation is part of the assessment process and options appraisal for individual properties. It may be broadened, in line with government aspirations.
<b>9.</b>	<b>Resource implications</b> <i>(including asset management implications)</i>
9.1	Resource implications will be considered in detail as part of the AMP reviews for individual buildings.
9.2	The financial returns from property, as recorded in exempt Appendices 3, 4 and 5, help achieve the Council's key strategies and vision.
9.3	The planned disposals in the current and future years – with adjustments as estimates are updated - are fed into the Council's Five Year Financial Model in order to estimate income from investments after the effect of financing the capital has been deducted. Therefore for future planning, the revenue effects of the Disposal Programme contained in Exempt Appendix 5 are taken into account in revisions to the medium term financial strategy. Any revisions to the Programme, along with slippage in the capital programme, are included as amendments to the Financial Model.

**10 Risk Assessment** *(including Health & Safety, potential hazards or opportunities affecting corporate, service or project objectives)*

10.1 Risk assessment is built into options appraisal for individual properties.

<b>Risk area</b>	<b>Inherent level of Risk (before controls)</b>	<b>Controls</b>	<b>Residual Risk (after controls)</b>
	High/Medium/Low		High/Medium/Low
Failure to achieve the AMP Disposal Programme as detailed in this report could have an impact on the Five Year Model	Medium	Timely treatment of preparing properties for disposal, including using project management tools; rescheduling of disposals in line with market changes	Low
Difficulty in maintaining a satisfactory income flow from commercial portfolio	Medium	Proper resourcing of estates management service and investment in portfolio to retain attractiveness; early discussions with tenants in difficulties	Low

**11. Legal or policy implications**

11.1. The Implementation Programmes and Action Plan are part of the Corporate Asset Management Plan and Capital Management Strategy. The AMP process will be guided by corporate aspirations.

11.2 Property Services ensures that any implementation under the Estates Management and Disposal Programmes complies with Section 123 of the Local Government Act 1972.

## ASSET MANAGEMENT PLAN

## APPENDIX 1

### ACTION PLAN

	Improvement	Action Required	Resource Implications	Key/Target Date(s)	Outcome Measure	Achieved
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<b>A. CORPORATE PLANNING CONTEXT</b>						
1	Identify ideal and sustainable portfolio to meet service delivery needs through Vision 2025	Implement property review programme (see details below)	Long-term revenue reductions	Annual	Number of portfolio changes	Continuing
<b>B. STATEMENT OF CURRENT PORTFOLIO</b>						
<b>C. KEY AREAS FOR CHANGE</b>						
1	Identify changes in external environment, internal services & poor performance in property	Monitor national, political, economic, sociological, technological & democratic changes; reflect service changes in property requirements	Details for individual property reviews	Annual	Changes applied through property review	Annual
<b>D. PROCESS</b>						
1	Ensure property implications of service reviews are integrated; implementation through AMP Action Plan	Agree property options with service managers & Members	More efficient use of property assets to generate savings	Annual	To ensure property assets are fit for purpose & meet corporate aims	Continuing
<b>E. OVERVIEW OF PROPERTY AIMS, OBJECTIVES AND STRATEGIES</b>						
<b>F. PREFERRED OPTIONS FOR KEY AREAS</b>						
1	Consider corporate priorities & available resources; apply options appraisal for capital & revenue	Undertake asset management in accordance with corporate planning &	More efficient use of property assets to	Annual	Changes in asset base & annual planned	Continuing

## ASSET MANAGEMENT PLAN

### APPENDIX 1

### ACTION PLAN

	Improvement	Action Required	Resource Implications	Key/Target Date(s)	Outcome Measure	Achieved
	programmes & for service delivery changes	capital management strategy/revenue budgeting; include option of community management and ownership (Quirk review)	generate savings or improve community use		expenditure; input into service planning & implementation programmes	
<b>G. IMPLEMENTATION PROGRAMMES</b>						
1	Prepare & implement resource implementation programmes	Prepare Capital Project, Planned Maintenance, Estate Management, Disposal & Acquisition Programmes	More efficient use of property assets to generate savings	Annual	Annual approval of programmes by Policy & Development Cttee & Cabinet	Annual report in June
<b>H. PERFORMANCE AND REVIEW</b>						
1	Current performance & targets	Compare performance against targets & indicators (National Property Performance Management Initiative)	Within budgets	Annual	Annual performance statement to Members	Annual reports and summary
2	Audit & Review	Undertake an annual review in conjunction with national returns	Within budgets	Annual	Annual audit to Cabinet	Annual report
3	Benchmarking	Monitor suite of PIs with other districts	Within budgets	Annual	To demonstrate effectiveness	Annual report in June

## ASSET MANAGEMENT PLAN

## APPENDIX 1

### ACTION PLAN

	Improvement	Action Required	Resource Implications	Key/Target Date(s)	Outcome Measure	Achieved
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<b>I. REVIEW OF OPERATIONAL ASSETS - DETAILS</b>						
1	Options Appraisal Timetable	Undertake agreed assessment & options appraisal for each asset, including consultation with key stake holders	Appraisals part of officer workloads	Rolling programme	Formal decisions made on preferred option for each asset.	
2	Operational properties subject to AMP assessments					
(a)	<b>Completed reviews:</b> Haverhill Offices (2005) Haverhill Depot (2008) Public Service Village (2009) General Fund Other Housing properties (2002) Play areas & pocket parks on HRA land (2001) Public Halls (2002) Leisure centres (2002) Victory Ground (2001) Haverhill Town Hall (2004) Nowton Park (2004) Museums (2005) Market Cross (2006)					<b>2001-2010</b>

## ASSET MANAGEMENT PLAN

## APPENDIX 1

### ACTION PLAN

	Improvement	Action Required	Resource Implications	Key/Target Date(s)	Outcome Measure	Achieved
	6 Angel Hill & Shopmobility (2005) Community Centres (2007) Public Parks (2008) Enterprise units (2007) Athenaeum (re-assessment) (2006)					
(b)	Corn Exchange	Declare surplus and retain for non-operational use	Increased revenue to offset Venue running costs	On opening of the Venue in 2010	Lease to commercial operator completed	
	Cattle Market/arc	Progress with developer partner in accordance with the Devt Agreement	£16 million allocated	2010	Complete public building and underground car park	Car park March 2009
	AMP Review of Leisure assets	Consider rationalisation of assets through applying AMP processes	Review part of officer workloads	2011	Achieve capital & revenue savings	
	Haverhill Offices (re-assessment)	Consider options appraisal, particularly working in	Review part of officer	2011	Achieve capital & revenue savings &	



## ASSET MANAGEMENT PLAN

## APPENDIX 1

### ACTION PLAN

	<b>Improvement</b>	<b>Action Required</b>	<b>Resource Implications</b>	<b>Key/Target Date(s)</b>	<b>Outcome Measure</b>	<b>Achieved</b>
	Abbey Gardens & Eastgate Nursery area	partnership Develop recent AMP in partnership with English Heritage	workloads Review part of officer workloads	2011	shared offices Achieve capital & revenue savings	
	Community Centres	Work in partnership towards community management & ownership	Review part of officer workloads	2011-2013	Achieve capital & revenue savings	
(c)	Other operational assets: cemeteries; car parks; public toilets; transportation assets; changing rooms; other service buildings	Undertake agreed assessment & options appraisal for each asset, including consultation with key stakeholders	Appraisals part of officer workloads	Complete by 2013	Formal decisions made on preferred option for each asset	
3	<b>Performance targets:</b> i. NaPPMI Condition Ratings – to improve overall condition  ii. Repair and maintenance	Undertake annual inspections; revise 5 year maintenance programme  To meet upper quartile performance levels (measured by NaPPMI)	Within Planned Maintenance Budget  Within service budgets	Annual  Annual	Prioritisation and implementation through Budget.  Reduced running costs; to ensure buildings are fit for purpose	Achieved  Achieved

## ASSET MANAGEMENT PLAN

## APPENDIX 1

### ACTION PLAN

	Improvement	Action Required	Resource Implications	Key/Target Date(s)	Outcome Measure	Achieved
	iii. Environmental	To meet upper quartile performance levels (measured by NaPPMI)	Within service budgets	Annual	Continuous improvement of energy efficiency	Achieved
	iv Backlog maintenance	To reduce backlog maintenance to nil	Within financial allocations	Annual	Capital & revenue savings	In progress
	Accessibility & suitability	To improve accessibility & suitability	Revenue savings	2014	Reduced running costs	Part achieved
	CAA Use of Resources	Prepare evidence for audit	Within officer workload	Annual	Achieve corporate target	AMP included in 2010
<b>J. REVIEW OF NON-OPERATIONAL ASSETS - DETAILS</b>						
1	<b>Options Appraisal Timetable</b>  Non-operational properties subject to AMP assessment programmed:	Undertake agreed assessment & options appraisal for each asset, including consultation with key stakeholders	Appraisals parts of officer workloads	Complete by 2013	Formal decisions made on preferred option for each asset	

## ASSET MANAGEMENT PLAN

### APPENDIX 1

### ACTION PLAN

	Improvement	Action Required	Resource Implications	Key/Target Date(s)	Outcome Measure	Achieved
(a)	<b>Completed reviews:</b> Investment portfolio (2006) Individual houses (2006) Miscellaneous ground leases (2006) Nowton Court – sale of freehold (2008) Industrial Units, Haverhill (2008) Ground leases (re-assessment) (2009)					<b>2006-2010</b>
(b)	Shops on housing estates	Assess contribution to financial & service objectives & appraise options	Possible investment	2011	Options agreed	
	Recreation and Sports assets	Assess contribution to financial & service objectives & appraise options	Possible investment, sale or partnership	2010	Options agreed	
	Miscellaneous properties (remaining non-operational portfolio)	Reconsider stock, following successful auction in February 2008	Increased revenue or capital receipts;	2013 to complete	Options agreed	

## ASSET MANAGEMENT PLAN

### APPENDIX 1

### ACTION PLAN

	Improvement	Action Required	Resource Implications	Key/Target Date(s)	Outcome Measure	Achieved
			possible investment			
2	<b>Performance targets:</b> Rate of return	To exceed by 2% rate of return on other Council investments	Within Estates Management Budgets	Annual	Continuous improvement of investment properties for financial return	Achieved
<b>K. PROPERTY SERVICES</b>						
1	Assist other public sector agencies by the spread of the Council's good practice models (Lyons recommendations)	Develop relationships with other local and public authorities, particularly with Forest Heath shared services and investigate Total Place opportunities, in line with current government priorities	Within officer workloads	Ongoing	Evidence of assistance	Ongoing

THE NATIONAL PROPERTY PERFORMANCE MANAGEMENT INDICATORS

Appendix 2

pPI	Description	St Edmunds-bury 05/06	Sample of districts 05/06	St Edmunds-bury 06/07	Sample of districts 06/07	St Edmunds-bury 07/08	Sample of districts 08/09	St Edmunds-bury 08/09
1	<b>Condition and maintenance indicators</b>							
1A	% gross internal floorspace in each condition							
	A Operating effectively	40%	22%	56%	31%	76%	28%	78%
	B Satisfactory	42%	71%	40%	52%	23%	54%	22%
	C Poor	18%	7%	4%	14%	1%	18%	0%
	Total floorspace of operational buildings				45,900 sq m	52,700 sq m	44,100 sq m	48,500 sq m
1Bii	% of total cost in each priority level							Not completed
	1. High risk – urgent	57%	15%	35%	20%	35%		
	2. Medium risk – essential within 2 years	25%	38%	41%	33%	54%		
	3. Low risk – desirable within 3-5 years	18%	47%	24%	47%	11%		
1Biii	Total cost of required maintenance	£9,282,000	£7,081,000	£11,050,000	£7,763,000	£10,436,000	£3,910,000	£4,215,000
	Total cost of required maintenance per sq m	£176/sq m	£78/sq m	£209/sq m	£74/sq m	£198/sq m	£73/sq m	£87/sq m
1C	Total cost of required maintenance (previous year)	£10,919,000	£9,090,000	£9,282,000	£6,914,000	£11,050,000	£4,903,000	£10,436,000
	Change previous over current year (previous year)	0		+16%	-11%	-6%	-6%	-60%
1Di	Actual total spend on all maintenance	£406,000	£857,000	£468,000	£787,000	872,000	£852,000	£777,000
1Dii	Actual total spend on all maintenance per sq m	£7.71/sq m	£20.1/sq m	£8.81/sq m	£10.24/sq m	£16.55/sq m	£21.22/sq m	£14.75/sq m
1Diii	Split between planned/responsive maintenance	79/21		93/7	60/40	93/7	69/31	93/7
2	<b>Energy, water consumption and CO2 emissions</b>							
2A	Energy costs	£3.87/sq m	£9.35/sq m	£3.06/sq m	£9.47/sq m	£4.11/sq m	£13.35/sq m	£6.87/sq m
	Energy consumption (kwh per sq m)	97 kwh/sq m	208 kwh/sq m	75 kwh/sq m	336 kwh/sq m	76 kwh/sq m	£233 kwh/sq m	90 kwh/sq m
2B	Water costs	£0.85/sq m	£3.12/sq m	£0.80/sq m	£1.72/sq m	£0.73/sq m	£1.77/sq m	£0.68/sq m
	Water consumption (cu m per sq m)	0.53 cu m/sq m		0.43 cu m/sq m	1.89 cu m/sq m	0.33 cu m/sq m	0.86 cu m/sq m	0.3 cu m/sq m
2C	CO2 emissions (total consumption)	1,592 tonnes	3,222 tonnes	902 tonnes	1,998 tonnes	1,207 tonnes	2,178 tonnes	1,207 tonnes
	CO2 emissions (tonnes per sq m)	0.03 tonnes CO2/sq m		0.02 tonnes CO2/sq m	0.06 tonnes CO2/sq m	0.02 tonnes CO2/sq m	0.06 tonnes CO2/sq m	0.02 tonnes CO2/sq m

THE NATIONAL PROPERTY PERFORMANCE MANAGEMENT INDICATORS

Appendix 2

PI	Description	St Edmunds-bury 05/06	Sample of districts 05/06	St Edmunds-bury 06/07	Sample of districts 06/07	St Edmunds-bury 07/08	Sample of districts 08/09	St Edmunds-bury 08/09
3	<b>Suitability</b>							
3A	Suitability survey undertaken in last 5 years	100%	72%	19	32	19		Not completed
3B	Number of properties	44	35	89%	84%	89%		
3Ci	Properties graded good or satisfactory	61%	80%					
4	<b>Building accessibility</b>							
4A	Access audit undertaken on operational buildings	100%	85%	100%	85%	100%	77%	100%
4B	Number of properties	50	39	50	49	50	33	50
4C	Accessibility plan in place for operational buildings	100%	72%	100%	72%	100%	69%	100%
4D	Number of properties Properties open to the public suitable for the disabled	50	37	50	47	50	26	50
				67%	68%	67%	80%	67%
5	<b>Building sufficiency (capacity and utilisation) of offices</b>							
5A1a	Office space as proportion of all operational buildings				No comparable districts data for 2006/07	11%	17.1%	16.5%
5A1b	Office space per head of population					0.075 sq m	1.56 sq m	0.077 sq m
5A2	Proportion of actual office space within office buildings					71%	72%	81%
5A3a	Number of shared operational buildings					0	1	3
5A3b	Shared operational buildings					0%	38%	100%
5B1	Average floorspace per staff					11.6 sq m	13.0 sq m	10.08 sq m
5B2	Average floorspace per workstation					No data	13.2 sq m	14.5 sq m
5B3	Annual property cost per workstation					£1,121		No data yet