

Strategic Asset Management Plan

2023 to 2028

Version: 0.1

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www.eastherts.gov.uk



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1.0 Executive summary

The council owns a diverse range of assets that contribute to achieving our objectives as set out in the corporate plan. Our guiding principles are:

- a) asset objectives are aligned to Council policy and corporate plan objectives
- b) actions are taken in the best interests of the taxpayer
- c) efficiency and value for money are achieved, making the most of synergies between the council and other public sector organisations, taking account of the whole life of assets
- d) governance and management frameworks are proportionate and appropriate to the work and assessed levels of prevailing risk, and accountabilities and responsibilities for assets are clearly defined across the council
- e) we act as custodian of our heritage assets and the natural environment and we will act to adapt, maintain and protect both for the future
- f) construction, adaptation, operational management and disposal of property is undertaken sustainably
- g) continuous improvement is promoted through capturing, sharing and using experience and lessons learned
- h) professional standards, codes of ethics and codes of practice will be upheld at all times.

We proactively manage our assets to ensure they are fit for purpose and meet the changing needs of customers, councillors, staff and legislation. We also periodically review our entire asset base to make sure that we only keep assets that assist with delivering our corporate priorities. Assets that are surplus to requirements will be disposed of to reduce ongoing maintenance costs and to realise capital receipts that can be used to invest in assets that help us deliver our priorities.

As at 31st March 2022, the council had 120 'Operational Assets' plus 189 hectares of operational land (mainly parks and amenity land). These are the land and buildings that the council uses for service delivery purposes. In addition, the council has a range of 'Non-Operational Assets' including community assets, surplus assets and those held as investments, such as shops, offices and industrial units. The number of 'Non-Operational Assets' at 31st March 2022 was

169. The assets held as investments are forecast to generate an annual income in the region of £0.741 million in 2021/2022.

The content of this Strategic Asset Management Plan (SAMP) has been produced in accordance with the latest Guidelines on Property Asset Management 2nd edition issued by the Royal Institution of Chartered Surveyors (RICS).

2.0 Purpose of strategic asset management planning

There are three strands which together form the Strategic Asset Management Planning framework. These are detailed below and provide a clear statement of the purpose and performance levels expected from the property portfolio. The framework will have a medium term lifespan but will be reviewed, as required, as part of the Finance and Business Planning process.

1. **Property Strategy.** This is a business planning and communication summary which assesses the operational and financial contribution that property makes as a corporate resource. The strategy evaluates whether our property matches the aspirations of our corporate priorities and helps achieve our vision of *“East Herts: A place to grow”*
2. **Corporate Policy.** The policy is designed to make sure that the strategy is reflected in decisions made across the organisation. It sets out the ‘rules of behaviour’ for property related decision-making in order to deliver the strategy.
3. **Strategic Asset Management Plan.** The plan determines how each asset supports service delivery and corporate objectives. The plan sets out a strategy for each asset taking into account the operational, financial and physical contribution made. This will identify which assets are to be retained, used as community assets, redeveloped or earmarked for disposal.

2.1 Property strategy

This strategy considers how the assets held by the council can be considered as corporate resources used in the delivery of services. The assets must serve a purpose in the achievement of the council’s aims and objectives and must be aligned to the council’s priorities and Corporate Plan. The council primarily holds assets that are necessary to deliver corporate priorities and services and aims to do this in an efficient and effective manner. In addition to this the council holds assets for financial rather than service requirements with the focus on maximising financial return on investment.

The aims of the property strategy are to:

1. hold and use property, freehold or leasehold, that is necessary to maintain and support the delivery of corporate priorities and services or which has strategic significance in the regeneration of the district.
2. ensure that all assets are fit for purpose, sustainable and well-maintained.
3. ensure that the investment property portfolio is well managed and delivers an optimised return on investment for the council.
4. work with others in the public, voluntary and private sectors to make the most efficient and effective use of assets.

2.2 Sources of information:



2.3 Strategic asset management plan alignment with corporate policy

East Herts Council has a co-ordinated approach to strategic planning focused on the outcomes of each service which in turn deliver the corporate priorities agreed by Council underpinning the corporate vision. The finance and business planning framework integrates corporate, directorate and service planning over the course of the medium term financial plan. The annual review cycle of finance and business planning provides an opportunity to review the fit of the asset strategy in the overall direction of the council.

Service and crosscutting strategies have been developed for the delivery of East Herts Council services and the asset management strategy should be read in conjunction with the following documents:

- The Corporate Plan
- Medium Term Financial Plan
- Capital Strategy
- Sustainable Community Strategy 2009-2024
- East Herts District Plan 2018
- Health & Wellbeing Strategy 2019-23
- The Homeless & Homeless Prevention Strategy 2019 – 2024
- Disability Equality Strategy
- East Herts Housing Strategy 2022 - 2027
- Parks and Open Spaces Strategy 2020 – 2025
- Climate Change Strategy 2022 - 2026

Strategies and service plans are assessed to take into account any property requirements and ensure that any opportunities are understood, co-ordinated and planned for the benefit of services and to make the best use of assets.

3.0 The Council's goals, objectives and drivers

The Council's vision in the Corporate Plan is "East Herts: A place to grow". The vision is promoted, in partnership with the Local Strategic Partnership, through four priorities.

Our priorities and how we will deliver them:



Sustainability at the heart of everything we do

We will make changes to how the Council manages its own premises, people and services

We will use our regulatory powers to promote action by others

We will influence and encourage others to be more environmentally sustainable

Enabling our communities

We will invest in our places

We will ensure all voices in the community are heard

We will support our vulnerable residents

Encouraging economic growth

We will develop new sources of income

We will support businesses growth

We will create viable places

Digital by design

We will improve the customer experience for those who use Council services

We will work with partners to ensure our communities are digitally enabled

From a Strategic Asset Management Plan perspective each of the Council's assets are aligned with these priorities and outcomes. We want to ensure that our assets are operated in an efficient manner and take opportunities, where possible, to minimise our impact on the environment.

3.1 Key objectives

There are a number of key asset management priorities which influence the decisions taken in relation to the council's assets. These are:

- improving town centre sites and infrastructure through the use of our strategic land holdings, planning powers and in line with the District Plan.
- improving the sustainability of the council's assets and making them resilient to the challenges of climate change in line with the Climate Change Strategy 2022 - 2026
- modernising the council's assets and making the best use of design and information technology to reduce the amount of office space required to the minimum
- enabling public sector partners and the third sector to have access to appropriate assets, including co-location to enable asset disposals
- exploring opportunities to work with the public and private sector to deliver better public services and improve economic growth
- securing additional income streams for the council to continue to be financially sustainable

4.0 Financial context

4.1 Overall financial position of the council

As at 31 March 2022 the council had Property, Plant and Equipment worth £111.5 million classified as follows:

| Asset Type | As at 31 March 2022 £ millions | |
|------------------------------------|-----------------------------------|--------------|
| Land and Buildings | 71.6 | |
| Plant and Equipment | 1.5 | |
| Infrastructure | 1.5 | |
| Community Assets ¹ | 3.5 | |
| Surplus Assets | 2.4 | |
| Assets Under Construction | 30.5 | 111.5 |
| | | |
| Investment Properties ² | | 9.2 |
| | | <u>120.7</u> |

Notes

- 1 This includes nine Heritage Assets valued at £1 each (in accordance with accounting guidance) as they are held by the council as custodian for future generations.
- 2 Investment Properties are held for capital appreciation or income generation. The current Investment Properties generated net income of £0.741 million in 2021/22.

The council had usable reserves and balances of £26.5 million as at 31st March 2022.

4.2 Property, Plant and Equipment as at 31 March 2022

| Cost or Valuation | Property, Plant and Equipment | | | | | | |
|---|--------------------------------|---|------------------------|--------------------------|------------------------|-----------------------------------|---|
| | Other Land & Buildings £000 | Vehicles, Plant, Furniture & Equip. £000 | Infrastructure £000 | Community Assets £000 | Surplus Assets £000 | Assets Under Construction £000 | Total Property, Plant & Equipment £000 |
| 2020/21 | | | | | | | |
| As at 01/04/2020 | 77,673 | 20,381 | 8,540 | 3,056 | 2,571 | 5,740.00 | 117,961 |
| Additions | 2,768 | 197 | 20 | 328 | 3.00 | 25,003 | 28,319 |
| Disposals | (29) | - | - | - | - | - | (29) |
| Reclassifications | 0 | - | - | - | 0 | - | 0 |
| Revaluations | (4,289) | - | - | - | (164) | 0 | (4,453) |
| Total as at 31/03/2021 | 76,123 | 20,578 | 8,560 | 3,384 | 2,410 | 30,743 | 141,798 |
| 2021/22 | | | | | | | |
| As at 01/04/2021 | 76,123 | 20,578 | 8,560 | 3,384 | 2,410 | 30,743 | 141,798 |
| Additions | 655 | 151 | - | 231 | - | 23,864 | 24,901 |
| Disposals | (2,742) | - | - | - | - | - | (2,742) |
| Reclassifications | 23,734 | - | - | - | - | (23,734) | 0 |
| Revaluations | 6,452 | - | - | - | 6 | - | 6,458 |
| Total as at 31/03/2022 | 104,222 | 20,729 | 8,560 | 3,615 | 2,416 | 30,873 | 170,415 |
| Depreciation & Impairment | | | | | | | |
| 2020/21 | | | | | | | |
| As at 01/04/2020 | 30,899 | 18,230 | 6,545 | 91 | 0 | 0 | 55,765 |
| Charge for Year | 853 | 531 | 251 | - | - | - | 1,635 |
| Acc depreciation w/o on revaluation | - | - | - | - | - | - | 0 |
| Disposals | - | - | - | - | - | - | 0 |
| Impairment (reversal) recognised in the service | - | - | - | - | - | - | 0 |
| Revaluations | - | - | - | - | - | - | 0 |
| Total as at 31/03/2021 | 31,752 | 18,761 | 6,796 | 91 | 0 | 0 | 57,400 |
| 2021/22 | | | | | | | |
| As at 01/04/2021 | 31,752 | 18,761 | 6,796 | 91 | 0 | 0 | 57,400 |
| Charge for Year | 823 | 467 | 248 | - | - | - | 1,538 |
| Acc depreciation w/o on revaluation | - | - | - | - | - | - | 0 |
| Disposals | - | - | - | - | - | - | 0 |
| Impairment (reversal) recognised in the service | - | - | - | - | - | - | 0 |
| Revaluations | - | - | - | - | - | - | 0 |
| Total as at 31/03/2022 | 32,575 | 19,228 | 7,044 | 91 | 0 | 0 | 58,938 |
| Net Book Value | | | | | | | |
| Balance Sheet as at 31/03/21 | 44,371 | 1,817 | 1,764 | 3,293 | 2,410 | 30,743 | 84,398 |
| Balance Sheet as at 31/03/22 | 71,647 | 1,501 | 1,516 | 3,524 | 2,416 | 30,873 | 111,477 |

4.3 Financial outlook

The Medium Term Financial Plan anticipates a reduction in the amount of funding received from central government throughout the period to 2026/27. The effects of a further round of austerity, inflation running at a 40 year high, rising interest rates and the substantial levels of borrowing incurred to fund the

major projects programme from 2019 onwards means that capital and revenue resources will be scarce. In this context of limited resources it is vital that assets deliver cost effective office and depot accommodation, maximise income and minimise cost and, if the asset is not in use for service provision and it is a net cost to the council, then it should be considered for disposal.

4.4 Financial context for asset decision making

The assets of the council are valued each year in order to be included in the Statement of Accounts. These valuations are subject to external audit each year, for which the council has received an unqualified opinion. In addition, the council has received a value for money conclusion from the external auditor confirming that proper arrangements are in place to secure economy, efficiency and effectiveness.

The full details of the capital programme can be found in the council's annual budget. The capital programme spend allocated to asset management priorities is shown below:

| Capital Programme | 2023/24 Original Budget £000 | 2024/25 Original Budget £000 | 2025/26 Original Budget £000 | 2026/27 Original Budget £000 | 2027/28 Original Budget £000 |
|--|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| Land and Buildings | 16,166 | 10,830 | 9,327 | 250 | 250 |
| Vehicles and Equipment | 612 | 1,360 | 450 | 450 | 450 |
| Community Assets | 1,630 | 133 | 50 | 50 | 50 |
| Revenue Exp Funded as Capital Under Statute | 323 | 308 | 308 | 308 | 308 |
| TOTAL CAPITAL EXPENDITURE | 18,731 | 12,631 | 10,135 | 1,058 | 1,058 |
| FUNDED BY: | | | | | |
| Borrowing (Internal) | (368) | | | | |
| Borrowing (External) | (12,564) | (4,100) | (9,577) | (500) | (500) |
| Capital Receipts | (3,160) | (5,140) | (250) | (250) | (250) |
| Capital Grants Applied | (2,276) | (83) | | | |
| Capital Expenditure Charged to a Revenue Account | (363) | (3,308) | (308) | (308) | (308) |
| TOTAL CAPITAL PROGRAMME FUNDING | (18,731) | (12,631) | (10,135) | (1,058) | (1,058) |

5.0 Asset goals and ambitions

The goals and ambitions in terms of asset management will vary dependant on the type of asset. These are described in more detail in the following paragraphs.

5.1 Administrative offices

The goal is to offer an equally high standard environment for all council staff and visitors to work in and access services. These assets will be fully compliant with all relevant legislative requirements. Where feasible these assets will contribute to reducing the council's carbon footprint and energy consumption.

Wallfields: The council's main office building is used by all staff, with the vast majority of staff on blended working arrangements which require a minimum of 50% of contracted hours to be worked in the office. As a result of that blended working the amount of office space required by the council is much reduced and the conversion of the old building to meeting spaces provides the opportunity to market office space to potential tenants to reduce the council's running costs. Modernisation of the building layout and furniture has been largely achieved by re-using existing furniture and purchasing second hand furniture, such as lockers reducing financial costs and also environmental impact. The council has improved energy efficiency by using LED light panels and all lights operate with movement sensors so unoccupied spaces are not lit. We have implemented "hot desking" and staff are now required to book a workspace for when they are in the building. There is a need to continue to improve the design and furniture layout, so that modern ways of working practices can be implemented fully for all services, which should further reduce the number of workspaces the council requires in the future.

Charringtons: The Old River Lane project will result in the council giving vacant possession of this building for redevelopment. Customer Services will operate out of another Bishop's Stortford location once Charringtons is closed.

5.2 Depots

Buntingford Service Centre: The service centre is the council's depot for the council's waste, grounds maintenance and parking contractors. There is a small office provision for staff, enabling client officers to effectively manage their contractors. This building is leased from a private landlord with a lease expiring in 2026. A review of this property will need to be undertaken within this SAMP

period to ensure adequate time is available to explore future options for this building as well as provision of new facilities for fuel and battery charging.

5.3 Car Parks

Hertford – The Pandemic has changed demand for car parking with a reduction in demand for long stay parking but an increase in demand for short stay parking. Capital projects at Hertford Theatre and Hartham Leisure centre, once completed are likely to cause changes in demand for parking, particularly in the evenings. In order to address this the feasibility of the Wallfields office car park being made available to the public will be explored. The car park at Wallfields is available, free of charge, to businesses at weekends for the use of their staff but, despite promotion, use of the car park remains extremely low.

Ware – With the disposals of part of the car park in Mead Lane, for the new doctor’s surgery, parking availability in the town has been reduced but there does not appear to be unmet demand.

Bishops Stortford – The completion of the Northgate End multi storey car park provides replacement parking for the Charringtons and Causeway car parks which the council’s Development Management Committee required to be closed as a condition for opening Northgate End. Changes in demand for parking post pandemic presents an opportunity to concentrate parking in Northgate End thus freeing up surface car parking sites for potential redevelopment.

Provision across the district of public electric vehicle (EV) charging points will be increased, subject to the council working with commercial EV charging operators on a no cost to the council basis.

5.4 Parks and open spaces

Parks and open spaces are generally provided by the parish councils in rural areas, but the council has a substantial portfolio of parks, open spaces and playgrounds across the district. This situation gives rise to what is known as “double taxation” because the council taxpayers in some rural areas are paying for parks and open spaces for other areas in their district council tax and then being taxed again by their parish council for parks and open spaces in their own parish. Where double taxation is identified the council must consider either transferring the assets to the relevant Parish Council or levying a Special Expense on the parish council areas or to acknowledge and accept the double taxation.

5.5 Community assets

These assets utilise Council land and buildings to deliver benefits to the community through Voluntary and Community Services (VCS) organisations. These assets are subject to leases which are subsidised by the Council to realise the benefits for the community provided by VCS organisations. The community lettings policy will be reviewed to ensure it remains fit for purpose and to ensure fairness to the taxpayer.

Community Centres: The aim is to facilitate the local community running and managing their community centres, on the basis of a full repairing lease. The council will continue to monitor the performance of these organisations to assist and ensure that these assets are available for the use of all the community. If any new centres are constructed through the planning process, then they will be transferred to the town and parish councils or community interest companies. Where existing centres revert back to the council, as freeholder, the council will work with the local community to establish the best custodian to take the management of these assets on the basis of a full repairing lease. The council directly provides community centres in Ware, Bishop's Stortford and Hertford. The council has sold two community centres to Bishop's Stortford Town Council with an option to purchase the remaining one.

Sports and Social Centres: The aim and objective is to support the community and local clubs and organisations that encourage, physically active, educational and social interaction in the community. These clubs have been given discounted rent payments under the community lettings policy. The community lettings policy will be reviewed to ensure it remains fit for purpose and to ensure fairness to the taxpayer.

5.6 Leisure and culture

The council aims to continue to run leisure, culture and sports centres across the district. Grange Paddocks has a brand new £29 million leisure centre which opened in autumn 2021. Hartham leisure centre is being refurbished and extended. Hertford Theatre is being improved and a new arts centre at Old River Lane is part of the development agreement for the renewal of Old River Lane.

5.7 Investment properties

These assets are held in order to generate a return on investment for the council. The assets make a significant contribution to the ongoing financing of council services, ensuring the financial sustainability of the council as government funding reduces. These assets are subject to a review process to ensure that the return on investment is maximised and opportunities for development are actively explored to secure these returns in the medium to long term. Where opportunities to acquire further investment properties occur, these will be explored, subject to the relevant due diligence processes.

6.0 Key issues, gaps and future pressures

This section highlights the key issues, gaps in asset provision and opportunities for change and improvement that have been highlighted in Service Plans through the Finance and Business Planning process.

The identified issues and gaps include:

- Establish a Corporate Assets Group (CAG) so key officers can discuss operational property uses, requirements and projects. The previous officer working group has not met for many years, leaving a void and missing opportunities to communicate and share information on individual properties. The Corporate Assets Group will also be tasked with reviewing all the council's assets on a rolling basis.
- Establish an Assets Member Reference Group (AMRG), chaired by the Executive Member for Financial Sustainability, to give a wider Member view on the asset review process.
- As a priority all assets need to be placed onto the Estates module on IDOX and a three-way reconciliation to the Balance Sheet and the Property Terrier undertaken. The IDOX system will also, over time, hold condition survey information, grounds maintenance bill of quantities, component replacement schedules, planned and reactive maintenance records and insurance valuations and data. The IDOX system will become the master property record and the single repository of all key information on assets which at present is held in spreadsheets and legacy systems across the council.
- There is a need for Service Teams to take more responsibility for asset related issues, particularly health & safety. The Property Service will become more strategically focused and will be the gateway for all capital and change projects and control what projects are recommended to be included in the capital programme.
- Old River Lane, Bishop's Stortford: This project is ongoing and will be a major focus during the next five years. Land assembly and master planning continues with the development partner.
- Buntingford Service Centre - this operational depot is leased and the lease ends in 2026. A formal review will be required towards the end of this SAMP period to decide if the depot should remain in this location and

whether the partnership with North Herts will require capacity at this location.

- There is a continued need to understand the asset management strategies of partner organisations to identify opportunities to make best use of public sector assets (e.g. Hertfordshire County Council, Hertfordshire Police etc.). EHDC are an active member of the Herts Property Partnership (HPP). Officers are able to share information, resources, best practice and work collaboratively across central and local government bodies.
- We need to review all of our assets to ensure they are held to deliver the council's priorities. Assets are listed in Annex A.

In order to progress the aims of the Strategic Asset Management Plan it will be necessary to establish a rolling review of our assets. The review may include the acquisition and disposal of assets to ensure that the overall asset portfolio is fit for purpose for present needs but also taking into account the future direction of travel of service provision.

7.0 Critical success factors

The Council's key improvement priorities are detailed below and are the primary way in which we demonstrate that our asset portfolio is contributing to the corporate priorities of the Council over the period of the Medium Term Financial Plan (2023/24 – 2027/28).

| Key Improvement Priorities | Service Outcomes | Key Milestones | Timescales | Corporate Priority |
|---|--|---|---|--------------------|
| Establish a Corporate Assets Group (CAG) | Enable services to feed operational property changes, plans, requirements and projects to the CAG CAG to review assets and recommend acquisitions, improvements and disposals | Establish terms of reference for the CAG. Hold CAG meetings in: Jan, Mar, May, Jul, Sep, Nov, to fit with the preparation of the capital programme | Jan 2023 Mar 2023 onwards | All |
| Establish the Assets Member Reference Group (AMRG), | Provide wider Member views of the asset review process to inform decisions by the Executive | Agree terms of reference for the Assets Member Reference Group (AMRG). AMRG meetings to be look at asset review recommendations | Mar 2023 May 2023 onwards | All |
| Corporate Plan Objectives SEED action points | Energy efficiency | Undertake Energy Audits of corporate Buildings and maintain register/record as a baseline for future energy efficiency measures Possible bid for Public Sector Decarbonisation Grant subject to confirmation the council will remain at Wallfields | Procure by May 2023 Decision on future office location dependent | All |
| Influencing and generating the development of our Towns | Using our strategic land holdings, planning powers and vision to influence the development of our town centres | Planning permission and development agreement likely to be forthcoming for Old River Lane Bishop's Stortford | October 2023 | All |
| Reviewing and rationalising our assets | Reviewing all assets with a view to rationalising assets and realising capital receipts to reduce borrowing costs | SAMG will seek to review the asset base of the council on a rolling basis | May 2023 onwards | All |
| Working with Services to deliver the capital projects | Hertford Theatre, Grange Paddocks, and Hartham Leisure Centres and The Old River Lane Project. | Completion of all projects on time, in budget within the SAMP period | Ongoing, until 2025/26 | All |

| Key Improvement Priorities | Service Outcomes | Key Milestones | Timescales | Corporate Priority |
|----------------------------|--|--|--|--------------------|
| Transforming East Herts | Either: reduced office space used by EHC with tenant(s) occupying space under lease; or Manage the process of moving to new office premises and sale of the Wallfields building | Decision on future office location dependent | Decision on future office location dependent | All |
| Climate Change | Ensuring that we adapt our property portfolio to deal with the effects of climate change, particularly prolonged hot weather and the risk of flooding from very intense rainfall. | Adaption strategy for the office building is dependent on future office location. Risk assess property portfolio for effects of climate change Adaption plans for top 10% by risk Capital Programme adaption works budget | 2024/25 2024/25 2025/26 | Sustainability |

8.0 Resource implications of the asset strategy

The future contribution of the asset portfolio to provide capital receipts is essential in order to reduce the forecast revenue costs of borrowing. Where the council holds assets which are not strategically important, disposal may be considered as one option amongst others. Disposal will only take place after an asset has been considered surplus through the use of the methodology included in Annex B. The disposal list will be regularly reviewed by the CAG.

Where council owned assets are utilised for the benefit of the community, this is done in accordance with the community lettings policy. As this policy has not been reviewed in the last five years it is proposed that this is reviewed to ensure that it remains fit for purpose and to ensure fairness to the taxpayer.

Investment properties are held by the council as a class of investment and provide limited operational benefit for the council other than as a source of income. Some miscellaneous properties are held by the Council as residues of ownership and are held to help manage land uses in some areas.

9.0 Performance management for assets

The council has a responsibility to ensure that assets are fit for purpose, provide value for money and are still required by the organisation. In preparing the SAMP the council is able to assess whether it has the right assets and plan how assets are managed throughout the year.

The Strategic Asset Management Plan is approved by Full Council. The CAG, the Leadership Team, the AMRG, the Audit and Governance Committee and the Executive each have the opportunity to shape the plan before Full Council makes a decision.

9.1 Performance measures

The performance of the council is assessed in a variety of ways, including through the performance and budget monitoring reports.

Monitoring of the Capital Programme is carried out by Audit and Governance Committee and the Executive. The performance of the asset portfolio and all actions agreed through the asset review process is carried out by the Executive Member for Financial Sustainability, The Head of Strategic Finance and Property and the CAG.

Any decision to dispose of an asset or a key decision in relation to a property asset is formally approved by the Executive. The AMRG provide a wider Member view on the recommendations for disposal.

The revenue budget for the repair and maintenance of assets is programmed to allow for regular maintenance and survey work to take place for all assets. Capital bids are recommended by the CAG for works involving replacement or enhancement of operational assets.

Maintenance programmes are kept under review to respond to changing priorities and needs. A recent survey has been undertaken on Wallfields to assess maintenance requirements. Further condition surveys are required for all assets, to be recoded on the Uniform/IDOX system and a maintenance plan for each asset established and monitored to mitigate the council's exposure to risk. Stakeholder consultation and user satisfaction surveys are considered as part of the continuous performance review of operational buildings.

Once we have all the council's assets on the Uniform/IDOX system we will develop performance indicators for the assets in line with best practice. These will be along the lines of the following:

PPI 1 Condition & Required Maintenance Indicators

% of gross internal floor area (GIA) in condition categories A to D

Required maintenance in priority levels 1 to 3

Required maintenance expressed as a % in priority levels 1 to 3

Total required maintenance

Required maintenance per m2 of GIA

Annual change in required maintenance

Total annual maintenance spend

Total annual maintenance spend per m2

Ratio of spend on planned and responsive maintenance

PPI 2 Environmental Indicators

Annual energy costs and consumption per m2 GIA

Annual water costs and consumption per m2 GIA

Annual CO2 emissions per m2 GIA

Overall organisational CO2 emissions

PPI 3 Property Suitability Indicators

% of properties graded as 'good' or 'satisfactory'

PPI 4 Sufficiency, Capacity & Utilisation Indicators

Average office floor space per FTE staff member

Annual property costs per workstation

Annual workstation utilisation

PPI 5 Property Costs Indicators

Gross property costs as a % of gross revenue budget

Gross property costs per m2 GIA

Project Time & Cost Predictability Indicators

Project time predictability

Project cost predictability

10.0 Organisational arrangements for assets

10.1 Roles and responsibilities

The role of Corporate Property Officer is undertaken by the Head of Strategic Finance and Property Services, supported by the Corporate Property Services Manager ensuring consideration of the key strategic areas documented within the asset management plan.

The Head of Strategic Finance and Property Service is a member of the Leadership Team and is responsible for advising the Portfolio Holder for Financial Sustainability and the Executive on asset strategy matters.

The Corporate Property Service Manager reports to the Head of Strategic Finance and Property and manages the Property, Assets & Estates and Facilities Management teams.

The Assets and Estates Manager carries out the day-to-day role of property management, acquisition and disposal reporting to the Corporate Property Services Manager. Maintenance and improvement programmes are managed by the Property Manager also reporting to the Corporate Property Services Manager

10.2 Governance and decision making

New capital schemes will be considered at CAG and recommended to Leadership Team. Leadership team will recommend the overall capital programme to the Executive. Member briefings for the Executive Member for Financial Sustainability and the Executive Members for the relevant services prior to a report being submitted to Executive. The Executive consider all proposals for investment in assets and disposals.

The CAG will meet every 2 months, or as required, to discuss strategic asset management and the overall capital programme. The group will be chaired by the Head of Strategic Finance and Property and attended by nominated service representatives. The group will lead on the development of the future requirements of the capital programme, appraise capital business cases and ensure the Strategic Asset Management Plan is in line with corporate and service objectives. The group will also evaluate all assets over a set time period so that assets no longer required are listed for disposal prior to submission to the Executive.

The Strategic Asset Management Plan is recommended by the CAG to the Leadership Team who, after deliberation, will recommend it to the Executive and Council. Progress is subject to scrutiny by Audit and Governance Committee.

The diagram below shows the levels of approval in the Asset Management process.



10.4 Relationships with key stakeholders

The role of the CAG is to provide a forum to facilitate an effective dialogue on asset management issues within the council and our partners. The AMRG ensures that the needs of the local community are adequately considered in formulating asset management plans.

The council undertakes a resident's survey seeking views on the services delivered by the council. The outcomes of the survey inform the development of policy and priorities. The council is keen to engage with the local community and consultation with the community will take place formally on individual issues where appropriate.

The council has a number of key partners who work together on strategic asset management issues (e.g. neighbouring District Councils, Herts County Council, Herts Police, East and North Herts NHS Trust).

10.5 Data management

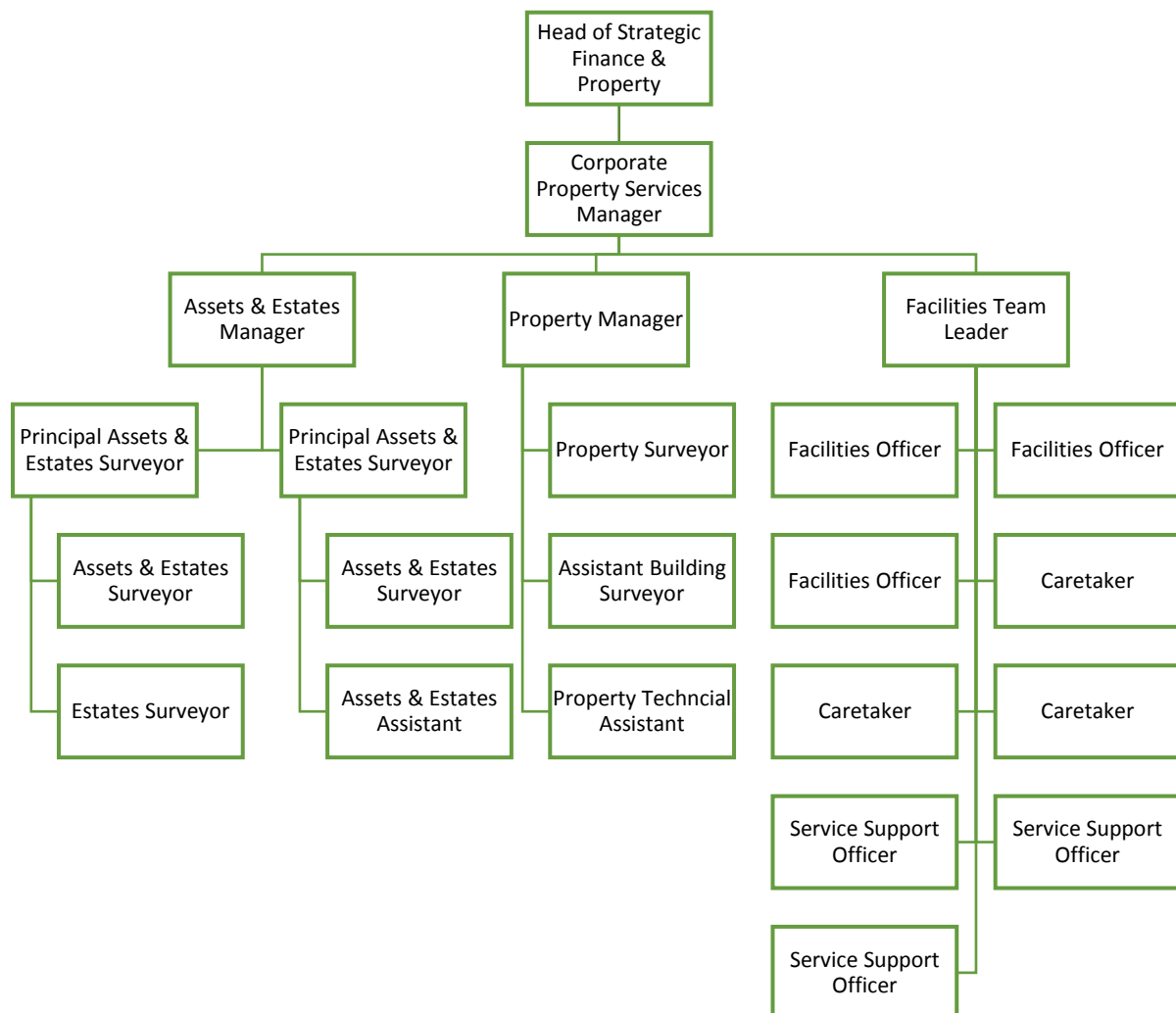
The use of the property terrier and part use of the asset register, maintained on the Uniform/IDOX asset system, as well as freehold and leasehold and grounds maintenance mapping layers on Map Info and a number of spreadsheets means there is "no single version of the truth" for asset information being available. Compiling the information in Annex A involves a lot of manual data collation and checking. In order to provide enhanced reporting functionality and synergy with other systems across the council, the Uniform/IDOX system will be fully implemented so that it is the single source for information relating to all council assets, including planned and reactive maintenance information, valuations, insurance, etc.

Key risk based maintenance works (e.g. Legionella testing) are held within the Compliance 365 system. This allows officers to identify outstanding issues via a traffic light system for key risk maintenance items.

10.6 Capacity management

Asset management is largely undertaken by the Assets and Estates team within Strategic Finance, supported by the Facilities and Property Teams. The in-house resources are supplemented as appropriate by the appointment of specialist external consultants.

The Structure of the team is shown in the diagram below:



11.0 Strategic asset management plan review

The success of the strategic asset management plan is measured by the reaction of customers to service delivery and on the bottom line operating costs. Reviews against pre-agreed performance metrics will take place regularly and recommendations made about changes to enhance service delivery to customers as well as improvements in property asset efficiency.

Investment properties will be reviewed over the period of the strategic asset management plan to safeguard the return on investment for the council.

Opportunities to acquire or dispose of investment properties is limited by rules which prohibit Public Works Loans Board borrowing for income generation.

The strategic asset management plan will be subject to review.

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