

PROPERTY MAINTENANCE SCRUTINY PANEL

MEETING, 24TH AUGUST, 2009

Present – Councillors Hayes, Hornby (as substitute for Councillor Mistry), Iqbal, Shaw and J. Walsh.

Also in attendance

Mr. P. Brown	-	Head of Estates and Asset Management
Mr. A. Stephenson	-	Asset Manager
Mr. I.D. Mulholland	-	Principal Scrutiny Officer

1. APPOINTMENT OF CHAIRMAN

Resolved – That Councillor Shaw be appointed as Chairman of this Panel for the remainder of the Municipal Year.

Councillor Shaw here took the Chair.

Apologies for absence were submitted by Councillors Mistry and Spencer.

2. MINUTES

The minutes of the meeting of the Scrutiny Panel held on 6th April, 2009 were submitted.

Resolved – That the minutes be approved as a correct record.

3. SCOPING DOCUMENT

The Director of the Chief Executive's Department submitted the previously agreed Scoping Document as an aide memoire.

Resolved – That the document be noted.

4. PROPERTY MAINTENANCE TARGETS

The Director of Corporate Resources submitted a report which provided information in respect of the Council's Property Performance targets along with the manner in which those were being recorded and reported.

By way of background information, the report explained that Corporate Property Services had reported on the performance of the Council's land and property assets since 2001, primarily through the vehicle of the Corporate Asset Management Plan. Property Performance had historically been measured, managed and reported via a range of national and local property performance indicators.

The Corporate Asset Management Plan (AMP) 2009-2012 was the current policy document that set out the Council's property performance targets for:-

- a) twenty-nine Asset Key Performance Indicators –covered the respective performance targets for the financial years 2009/10 to 2011/12; and
- b) Corporate Property Services' had eight Business Critical Key Performance Indicators. These were reported on a quarterly basis via the Corporate Resources Departmental Performance Dashboard.

The Corporate AMP showed how the Council's approach to managing its land and property assets fitted within the Council's Business Planning Framework to ensure that they contributed to the achievement of corporate priorities as identified in the, Sustainable Community Strategy Bolton: Our Vision, 2007-2017.

One of the ongoing challenges that the Council faced was that its land and property holdings had to proactively meet the changing needs of its service departments and service users/customers. The asset management processes outlined in the AMP would ensure the strategic alignment of the various plans in order to achieve this as far as it was practicable to do so.

The report went on to mention that the Council's Corporate Asset Objectives were the primary way in which Corporate Property Services was able to demonstrate that the Council's land and property portfolio was contributing to the main aims and priority themes within the Sustainable Community Strategy 2007-2017.

In terms of performance measures, Members were advised that the strong performance management culture within the Council was underpinned by a number of formal mechanisms. Corporate and Departmental Performance Dashboards formed a key part of this. They brought together a wide range of performance information (including property performance information) from a variety of sources to judge success and enabled managers and Elected Members to identify areas of good performance but also to focus on any areas of concern.

The report went on to explain in some detail performance measurement information around the Business Critical Key Performance Indicators, the Council's Asset Key Performance Indicators and Carbon Management.

With regard to the key performance targets, the report specifically highlighted information in respect of Asset disposals, Capital receipts, Business Critical KPIS, KPI CPS6, Energy and Utility, Former Best Value Performance Indicator BVPI 156 – the percentage of authority buildings open to the public in which all public areas had adequate disabled access and office space reduction.

Members were advised that the Council had had in place an Option Appraisal Process for its land and property assets since 2006 – this was known as the Property Improvement Planning Process (PIPP). It allowed Corporate Property Services to score the performance of each asset within a performance spectrum.

By the end of 2007/08, Corporate Property Services had applied the PIPP process to the whole of the Council's property portfolio. A property review of the Council's Non-Operational

property portfolio was undertaken in 2007/08. One of the early outcomes from this review highlighted a need to undertake a more in depth appraisal of the performance of the Farms portfolio. A specialist property consultant was to be appointed by CPS to undertake the further appraisal – the findings of the review, along with a programme of any proposed asset disposals, would be reported to the Executive Member in due course.

Members were advised that Corporate Property Services continued to benchmark its services and associated performance indicators as a vehicle to drive change and improve the performance of the Council's land and property services function. Benchmarking was undertaken on a nationwide basis as part of the CIPFA Property Asset Management Network initiative and on a regional basis annually via the:-

- Association of Chief Estates Surveyors (ACES) Benchmarking Group, which was hosted by Blackburn with Darwen Council. The National Property Performance Management Indicators were benchmarked as part of this initiative; and
- Association of Greater Manchester Estates Surveyors (AGMES).

The report went on to refer to the actual reporting of the performance information and also highlighted that the management of the Council's land and property assets was assessed by the Audit Commission on an annual basis as part of the Comprehensive Area Assessment Use of Resources under Key Line of Enquiry (KLOE) 3.2. Performance information for the 2008/09 financial year was currently being assessed by the Audit Commission. The focus of KLOE 3.2 assessed whether the Council managed its assets effectively to help deliver its strategic priorities and service needs.

In conclusion, the report explained that the Council owned a diverse range of land and property assets that made an important and positive contribution to achieving corporate

objectives. The quality, condition, suitability and sustainability of the Council's operational assets had a direct bearing on the overall quality and deliverability of front line Council services. Through the vehicles of the a) Corporate Asset Management Plan 2009-2012 and b) the Carbon Management Plan 2008-2013 and the performance targets therein, Corporate Property Services continued to work proactively to ensure that these assets were managed in an effective and efficient way and that they delivered ongoing value for money to the Council. It was envisaged that further performance measures would need to be developed as part of the roll-out of the Corporate Property Management Model across service departments.

Members, in their deliberations, referred to:-

- the target for office space reduction and that the 20% figure would be achieved at the end of the financial year and be in line with other best practice authorities. Also the need to look at the building disposals figure in conjunction with this;
- ways of increasing occupancy in buildings such as the Wellsprings and Paderborn House and a serious examination of other options such as working from home;
- issues around carbon management targets and achievability;
- a look at how the Council was operating now and impact of job reductions due to value for money;
- how to measure the effects of the works going on now regarding the Town Hall. It was indicated this would involve a comparative look at the cost of running the building;
- the issue of case studies, including evidence of before and after, for example on energy issues;

- issues around the tackling of smaller or larger maintenance backlogs;
- the community value of certain buildings;
- shared assets across partners/discussions with Partners;
- issues around when to consult Ward Members;
- issues around non-operational buildings, for example vacant industrial units. It was reported that a Value for Money review was going on regarding industrial units. The outcome for this was due October/November time;
- use of former cemetery chapels;
- issues around real market rents for departments; and
- use of financial position to Council's benefit for disposals and rentals.

Resolved – (i) That the contents of the report be noted.

(ii) That a report be submitted to the next meeting on the issue of building scoring for operational and non-operational buildings and indicative values on non-operational buildings, together with details of the associated departments.