



## ASSET MANAGEMENT PLAN

2009-2012

FINAL DRAFT



**"Listening Learning Delivering"**

February 2009



**South Kesteven District Council**  
STAMFORD • GRANTHAM • BOURNE • THE DEEPINGS

## ASSET MANAGEMENT PLAN – 2007-2011 CONTENTS

SECTION		Page
1	Introduction	3
2	Strategic Objectives	8
3	Structure, Roles and Responsibilities	11
4	Corporate Asset Policy	14
5	Performance and Data Management	21
6	Asset Management	24
7	Option Appraisal, Implementation and Review	31
8	Capacity Building and Conclusion	36
<b>APPENDICES</b>		<b>Page</b>
Appendix 1A	Project Details Form	37
Appendix 1B	Project Assessment	39
Appendix 2	Assets Register - Major Capital Assets	40
Appendix 3A	Method of Disposal of Surplus/Under-Used Council Owned Property/Land	61
Appendix 3B	Method of Acquisition of Land and Property	65
Appendix 4	Backlog Maintenance Across Service Areas	67
Appendix 5	Roles of Corporate Property Section	68
Appendix 6	Capital Programme – 2007-2011	69
Appendix 7	Key Lines of Enquiry (KLOE) – Relevant to Assets	70
Appendix 8	Whole Life Cost Pro Forma	74
Appendix 9	Post Project Evaluation Pro Forma	92
Appendix 10	Initial Equality Impact Assessment Pro Forma	98

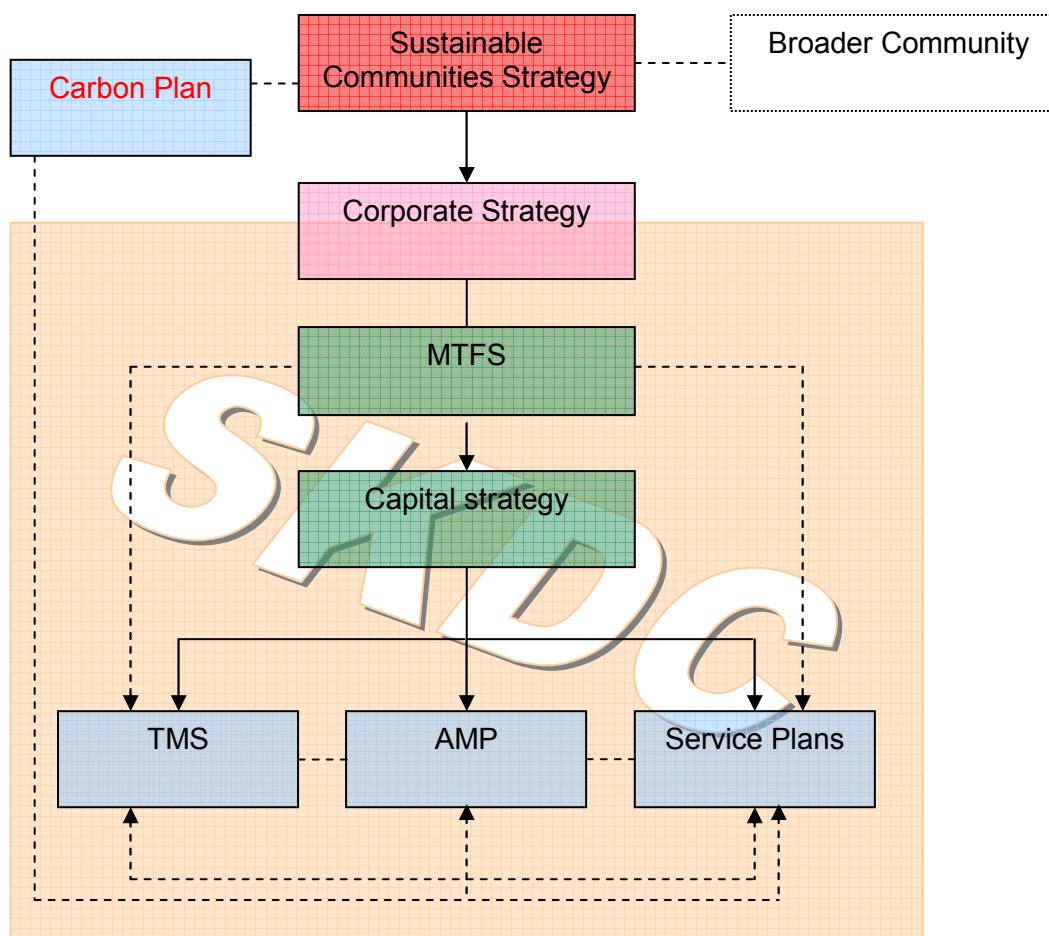
## 1.0 INTRODUCTION

### 1.1 Purpose of the Asset Management Plan

1.1.1 The main purpose of the Asset Management Plan is to ensure the efficient and effective utilisation of the Council's property and land portfolio. The Asset Management Plan principally considers the Non-Housing Portfolio i.e. General Fund Properties.

1.1.2 The Asset Management Plan is an element of a compilation of strategies that are intended to drive forward asset management to support South Kesteven District Council's vision, which is detailed below. **The plan is developed in parallel with the Council's Capital strategy, which identifies and provides the framework within which investment priorities can be determined over the plan period.**

The relationship of the Asset Management Plan to other key corporate documents and processes is depicted in the following diagram:



Key to Abbreviations

MTFS	Medium Term Financial Strategy
TMS	Treasury Management Strategy
AMP	Asset Management Plan

## 1.2 A Background to South Kesteven Area and Population

1.2.1 South Kesteven is located in South-West Lincolnshire within the East Midlands, having borders with four other counties. It is a district of great diversity covering an area of 94,535 hectares with four traditional market towns of Bourne, Grantham, Market Deeping and Stamford and over 100 villages and hamlets.

1.2.2 Grantham, the largest town and administrative **41,879**, Stamford around **20,645**, Bourne approximately **14,352** and the Deepings around **13,965**.

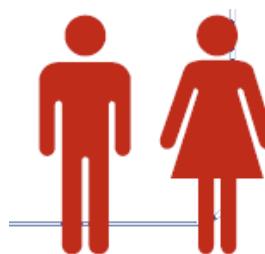
1.2.3 Approximately **90,841** people (which is equivalent to **67%** of the total population of South Kesteven district) live in the four market towns and the remaining **45,667** or **33%** live in the rural areas.



1.2.4 The office for National Statistics (ONS) have estimated a projected population figure for the district in 2007 of **131,100** people; However, South Kesteven District Council have estimated this figure as nearer **136,500** based on known housing completions.

South Kesteven is the second largest of the seven local authorities that make up the county of Lincolnshire. The district ranks 7th in population size (2007) of the 40 authorities in the East Midlands after the areas of East Lindsey, Charnwood, Northampton, Derby, Nottingham and Leicester. The Office of National Statistics estimates that a further increase of **3.04%** is predicted for South Kesteven to 2010. The present population splits for 2007 are as follows:

Male	<b>64,100</b>
Female	<b>67,200</b>
0-19	<b>31,700</b>
20-64	<b>76,500</b>
65 and over	<b>23,100</b>



Note: Rounding of figures means that the population split by age does not total the projected population total.

1.2.5 In **April 2006**, the ONS carried out a survey on the dwelling stock by tenure and it was identified that there are 76.5% of houses in the district which are owner-occupied, 11.8% are rented from the District Council and 9.8% are rented in the private sector with 1.9% with a Registered Social Landlords.

### 1.3 Employment and Unemployment

1.3.1 Over the last 2 years the district's population has increased by **1.92%**. The average growth rate per annum was approximately **2,500** people.

1.3.2 The unemployment rate for the District for **July 2008** is **1.7%**.

1.3.3 The average gross weekly earnings for full time, male and female, by residence in South Kesteven for **2007** was **£441.10** compared to the East Midlands, which was **£353.60**. The average gross median weekly earnings for full time, male and female, by workplace in South Kesteven for **2007** was **£379.20** compared to the East Midlands, which was £420.20. (Nationally **£456.70**).

\*Statistics from the following sources:  
Taylor Associates.  
ASHE 2007.  
ONS (Office for National Statistics).

## 1.4 South Kesteven District Council's Asset's Portfolio

1.4.1 The Council has a mixed portfolio of non-housing fixed assets summarised by type, number and value as follows:

Type of Asset	Gross Internal Floor Area (m <sup>2</sup> )	No.	Value £
Art Centres	6,773	2	4,541,681
Bus Stations	6,859	3	428,237
Car Parks	58,479	18	4,641,831
Depots	2,108	1	501,090
Market and Fair Rights	N/A	2	447,750
Market Stores	386	3	138,035
Council Offices	7,129	3	4,070,209
Playing Fields (Including Pavilions)	N/A	7	1,242,595
Public Conveniences	568	12	698,867
Public Halls	1,394	1	1,172,509
Stadium and Leisure Centres	16,213	5	23,635,064
Cycle and Changing Facilities	79	1	89,624
Industrial Premises (6 Sites and 30 Units Total)	9,934	6	5,432,664
Community Facilities	6,327	9	1,763,263
<b>TOTAL</b>	<b>116,249</b>	<b>73</b>	<b>48,803,419</b>

In the Council's Statement of Accounts 2007/2008, the Balance Sheet as at 31<sup>st</sup> March 2007 showed £57,650 for fixed assets for other land and buildings. This amount comprises the total value of the non-housing stock (£48,803,419) plus the Council's HRA (Housing Revenue Account) assets comprising garages, General Old Person Development (GOPD) areas and warden flats and HRA shops (5,209,774).

## 1.5 Financial Context

1.5.1 **The Council provides services typically associated with a grouping of small traditional market towns and villages and a large rural area. The Council's total estimated capital value for non-housing property for the next three years is approximately £10,734,000 as detailed in South Kesteven District Council's Capital Strategy 2007-2011.**

1.5.2 The authority holds both operational and non-operational property as stated in Appendix 2 of this document. The objectives for these properties are contained within this plan, which are derived from principle 7 of the Medium Term Financial Strategy, which states that the Council will manage the Council's assets, reserves, balances and receipts to optimise financial returns for future investment in the Council's priorities for the benefit of the community.

1.5.3 A summary of the Council's capital investment plans for the next 3 years (2008/2009; 2009/2010; 2010/2011), together with the likely sources of finance is detailed below:

	2008/2009 £000	2009/2010 £000	2010/2011 £000	2011/2012 £000
<b>Non-Housing Property</b>				
Sustainable Communities	2,836	2,781	1,650	2,630
Healthy Environment	410	142	928	698
Finance and Customer Services	-	320	-	-
Resources and Organisational Development	748	530	450	595
Partnership and Organisational Improvement	272	50	50	50
Tenancy Services	280	-	-	-
Indicative Projects		300	175	-
<b>TOTAL</b>	<b>4,546</b>	<b>4,123</b>	<b>3,253</b>	<b>3,973</b>
<b>Sources of Finance</b>				
Specific Reserve - Capital		2,051	-	-
Usable Capital Receipts	3,425	1,036	2,499	3,219
Capital Grants and Contributions	1,013	810	254	254
Direct Revenue Financing	153	226	500	500
<b>TOTAL</b>	<b>4,591</b>	<b>4,123</b>	<b>3,253</b>	<b>3,973</b>

## 2.0 STRATEGIC OBJECTIVES

### 2.1 Vision, Mission and Corporate Priorities

#### 2.1.1 The Council's Corporate Strategy defines the Council's vision and priorities.

The vision for the authority is “*To provide brilliant services to our customers*”. The vision is delivered through the council's values, corporate priorities, service delivery plans and actions.

The Council's values incorporate the working practices focusing on the organisation in the future. The values are:

- **Learning** - We want to be a council that takes your views into account and demonstrates a real passion for customer service.
- **Listening** – We want to be a council that is open and honest, and learns from things that go well, and do not go so well.
- **Delivering** – We want to be a council that innovates and makes a difference.

A good example of how the authority has involved people of the district is the liaison with members of the public, businesses, staff and so forth, when compiling the council's priorities. Views have been expressed through a survey and services have consequently embraced four levels of prioritisation:

Category A	Step Change	<ol style="list-style-type: none"><li>1) Recycling</li><li>2) Customer service</li><li>3) Communications</li><li>4) Bourne and Grantham town—centres</li><li>5) Use of resources</li><li>6) Grantham growth point</li></ol>
Category B	Incremental Improvement	<ol style="list-style-type: none"><li>1) Local neighbourhoods</li><li>2) Housing management</li><li>3) Public assets</li><li>4) Climate change</li></ol>
Category M	Maintain Service Standard	The following services achieving operational minimums: Car Parks; Public Conveniences; Business Rates; Licensing; All Internal Services; Leisure; Parks; Emergency Planning; Development Control; Public Transport (Statutory); Building Control; Markets; Planning Policy; Enforcement Services; Arts Centres and Care Services
Category Z	Managed Disinvestment	<ol style="list-style-type: none"><li>1) Strategic tourism</li><li>2) Pest Control</li><li>3) Discretionary grants</li><li>4) Discretionary assistance to public transport</li><li>5) Planning Consultancy Services onto a commercial basis</li></ol>

**Since these priorities were adopted in 2007, a recent review of priorities has taken place, which evaluated and recommends the repackaging of the priorities into 4 broader “priority themes”.**

**This re-evaluation of priorities has arisen to ensure that the authority is able to identify more easily the benefits and outcomes for the customer/resident in priority areas.**

**The drivers which brought about this change are as follows:**

- The emerging Sustainable Community Strategy which incorporates Local Area Agreement themes including improving health;
- Improving skills and conditions for the economy;
- Making better communities through growth to improving housing provision;
- Providing value for money;
- Tackling the causes and effects of climate change;
- The outcome of a Gateway Review on priorities by members of Cabinet and PDG chairs;
- Up to date community feedback (e.g. recent residents survey results);
- Feedback from recent inspections;
- A review of the Council's Medium Term Financial Strategy.

Taking the residents' survey into account and the outcome of the Gateway Review it was recommended that the priorities were refocused and re-packaged into a more generic thematic approach to ensure that everyone within the authority could contribute, thus improving the customer experience in relation to four "priority themes" have been identified:

CUSTOMER FIRST	OUTCOME	CURRENT PRIORITIES INCORPORATED
Putting the customer at the heart of all the Council does.	Excellent customer service and customer / community access to services.	Customer Service
QUALITY LIVING	OUTCOME	CURRENT PRIORITIES INCORPORATED
Protection and improvement of our environment.	A clean and safe environment in South Kesteven's towns and villages.	Recycling; Local Neighbourhoods; Climate Change
Improvement of health and well being.	Improved health and well being.	
Working with the Council's partners to create communities where people are safe and feel safe.	Vibrant cohesive communities	
GOOD FOR BUSINESS	OUTCOME	CURRENT PRIORITIES INCORPORATED
Develop strong, vibrant and inclusive communities with a strong economy.	Revitalised local economy and communities.	Grantham Growth and Town Centre Regeneration
QUALITY ORGANISATION	OUTCOME	CURRENT PRIORITIES INCORPORATED
Council delivering brilliant services – further improve performance and satisfaction levels.	An organisation that is customer-focused, which values its staff and which delivers brilliant services.	Communication; Use of Resources; Public Assets
Transforming the business and gaining value for money.	To increase efficiency through the use of technology and working with others. To keep staff and members developed and motivated. To listen, consult and communicate well.	

## Local Strategic Partnerships (LSP)

2.1.2 The Council supports partnership working under the direction of the Local Strategic Partnership (LSP). This unites the public, private, commercial and voluntary sectors to manage the requirements of the region and is supported by four town centre partnerships. The priorities of the LSP are:

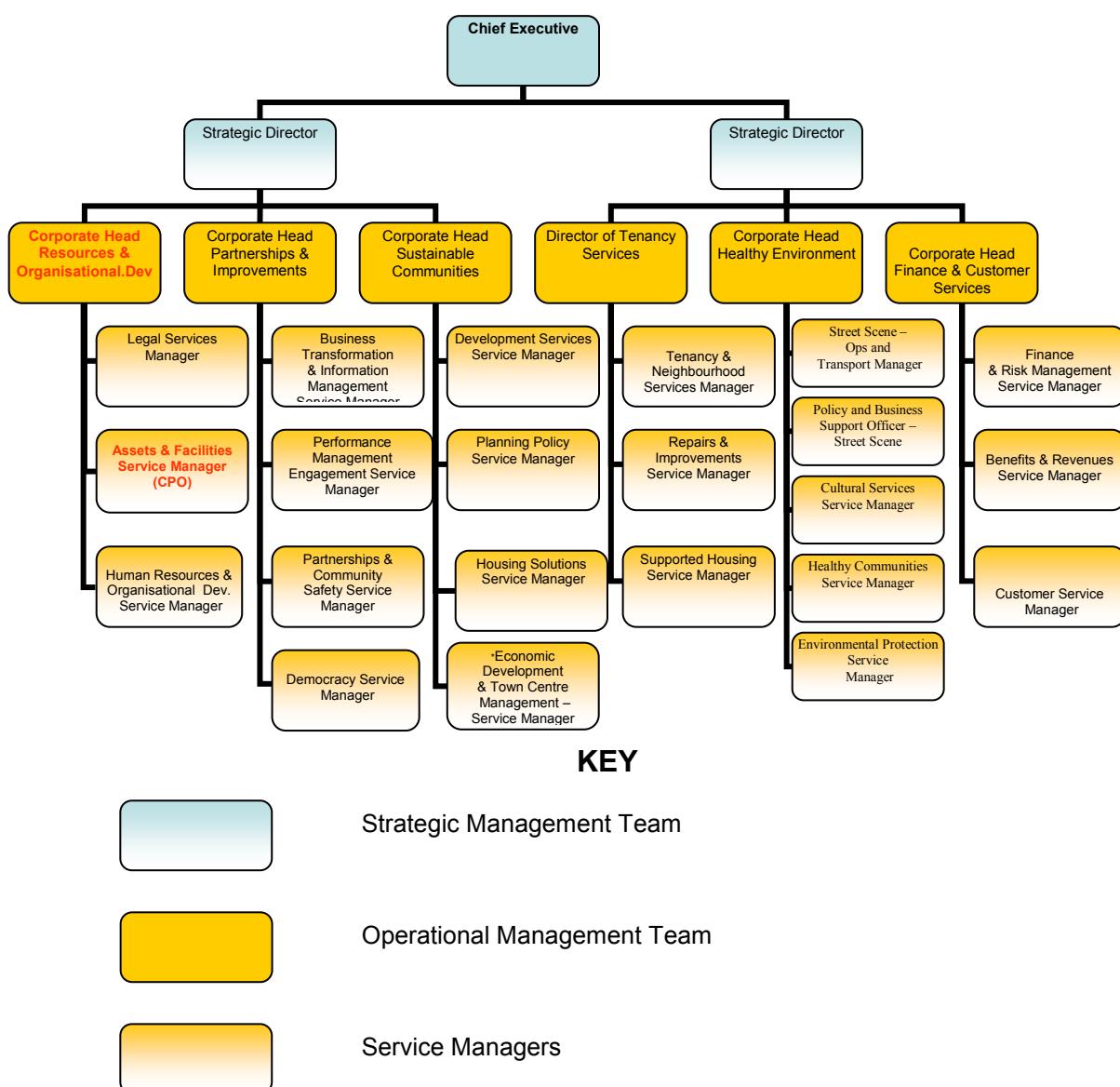
- Community safety
- Affordable housing
- Town centres and economic development
- Improved transport and access

The council has also been engaged in developing the Local Area Agreement for Lincolnshire aimed at influencing the relationship of Lincolnshire public bodies with Government Office East Midlands (GOEM). Furthermore, the council is **continuing to work** towards the Lincolnshire shared services agenda aimed at identifying opportunities of collaborative working to gain both improved service delivery and generate efficiencies. **The authority is also working with the East Midlands Property Alliance (EMPA) with the view to shared procurement for construction works.**

### 3.0 STRUCTURE, ROLES & RESPONSIBILITIES

#### 3.1 Asset Administration

3.1.1 A designated officer has been appointed by the Corporate Head of **Resources and Organisational Development** to undertake the lead role for Asset Management. In this context the Service Manager – Asset and Facilities has been assigned as the Corporate Property Officer (CPO) in order to develop the Asset Management process. This post reports through the Capital Asset Management Group (CAMG) to the Management Board (comprising the Operational and Strategic Management Teams) and thence to Cabinet. The role of the post is to implement and co-ordinate a corporate approach to Asset Management within the Council and to develop the Asset Management Plan. The diagram below depicts the structure of the Council, **highlighting the Corporate Head of Resources and Organisational Development** and the CPO.



3.1.2 The Asset and Facilities Management service has evolved from the recent restructuring of the way the Council delivers services through its property asset portfolio. Asset Management is recognised as a strong theme that runs through and cuts across all Council Service Delivery. The Asset Management service drives continuous improvement to the Council's property portfolio to provide shape and form to service delivery in the District as a whole. The Service Manager (CPO) presents Performance Indicator information to the CAMG on a monthly basis.

### **3.2 Principles of the Capital Asset Management Group**

3.2.1 A corporate Capital Asset Management Group (CAMG) of officers and members was created in 2001 in order to co-ordinate the development of Asset Management throughout the authority. The group, which includes the Portfolio Holder for Resources and Assets, Corporate Head of **Resources and Organisational Development**, **Corporate Head of Finance and Customer Services**, Corporate Head of Sustainable Communities, associated Service Managers and relevant property professionals meet monthly to review the Capital Programme, Asset Management Plan and implication of Service Plans. The group assesses the property stock and makes recommendations to the Management Board and Cabinet.

3.2.2 The CAMG pro-actively and methodically review both land and property. Land audits, which incorporate surveys of all property, are undertaken periodically. The rationale behind these surveys is to meticulously scrutinise the basis for retaining land and property and once evaluated recommendations are made to the Management Board and Cabinet. These reviews assist in the identification of under used or unsuitable assets and also ensure that no unwarranted acquisitions are made.

3.2.3 The CAMG make a clear distinction between strategic thinking and operational issues, **whereby** CAMG focus on strategic asset management, operational issues are carried out by the **Corporate Asset Management Working Group (CAMWG)**. **CAMWG involves representatives from all services with a specific responsibility for property related service issues, together with representation from Finance and Risk Management and Legal Services and are responsible for delivery of planned capital works and repairs and maintenance**. Asset and Facilities Management as the Corporate Property Section is resourced to carry out its functions and responsibilities and the organisational chart illustrated in Appendix 5 identifies what roles within this section are specifically strategic and operational. This diagram also highlights which matters **officers** deal with, whether it is asset management, operational or technical.

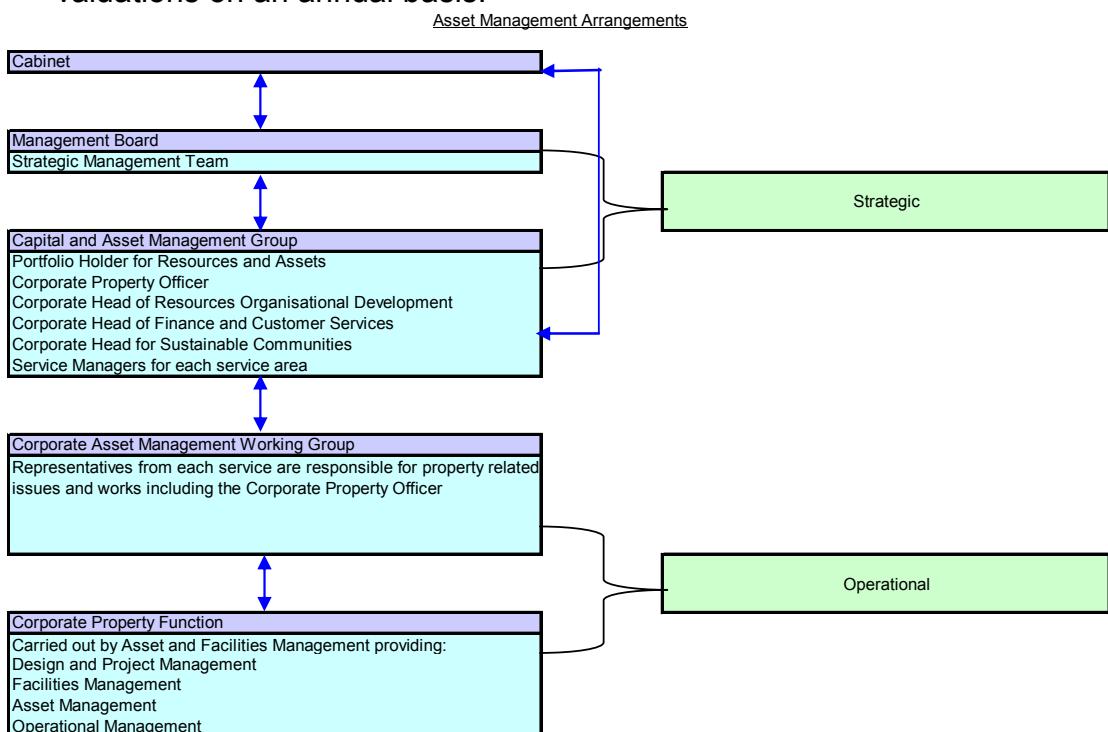
3.2.4 A cabinet member has been allocated portfolio responsibility for the council's asset management and this is the portfolio holder for resources and assets. This portfolio holder has an active involvement in asset management matters including attendance at the monthly CAMG meetings and input into the Asset Management Plan. Other councillors are engaged on property issues through key and non-key decisions, cabinet meetings and full council attendance ensuring that members continue to have an active role in asset management leading and enabling them to challenge strategic direction.

### 3.2.5 The terms of reference for CAMG are as follows:

- To ensure that the authority has suitable and sufficient property assets to allow fulfilment of core roles and responsibilities within local communities;
- To foster a corporate approach to Asset Management;
- To develop property strategies for the authority;
- To review the capital programme
- To scrutinise and prioritise all request for additional assets submitted by Service Managers;

### 3.2.6 CAMWG conduct the following operational matters:

- Update and implement the Asset Management Plan;
- **Carry out project prioritisation and evaluation including project assessment scoring (as detailed in Appendix 1).**
- Produce and update the annual capital programme;
- Interact regularly with stakeholder groups with an interest in property matters and to identify local property requirements consistent with corporate objectives;
- Develop long term Asset Management Plans in conjunction with Service Managers and stakeholders to meet future needs;
- Identify surplus assets and utilise or dispose of effectively;
- Monitor progress of record keeping; database information, test certification and maintenance of Health and Safety Regulations;
- Introduce or modify procedures as required to meet changing circumstances, legislation and priorities;
- Provide appropriate professional support on all property dealings such as legal, quantity surveying, planning and so forth;
- Monitor the upkeep of rolling condition surveys and property valuations on an annual basis.



## 4.0 CORPORATE ASSET POLICY

### 4.1 Corporate Asset Objectives

4.1.1 To ensure that property assets maintain the delivery of corporate objectives, the **CAMWG** have identified a schedule of Asset Objectives directly linked to the corporate priorities of the authority.

4.1.2 These Asset Objectives interrelate across the Council and are detailed below:

Corporate Asset Objectives		
1.	Ensure Value for Money	Guarantee effective use of resources by maximising space utilisation, minimising occupancy and management costs and endeavouring to ensure minimal backlog maintenance.
2.	Improve Assets	Upgrade condition of properties and analysing suitability, utilisation and flexibility of use through the utilisation of condition surveys.
3.	Improve Customer Contact	Improve access to council services through improved reception facilities, and co-location.
4.	Enhance Sustainability	Reduce energy consumption and environmental impact arising from Council properties <b>in line with Carbon Plan</b> .
5.	Capitalise on Returns	Maximise returns from non-operational and surplus assets; maximise investment return; facilitate development and enhance inward investment via assets disposal.
6.	Compliance with Legislation	Ensure compliance with all statutory and regulatory codes including health and safety, DDA, gas, electrical, asbestos, legionella etc.

### 4.2 Stakeholder Views

4.2.1 Service unit's operational property requirements are identified in Service Plans developed through extensive consultation with service users and stakeholders including external agencies. Such planning and consultation forms a fundamental element of creating appropriate assets that meet the requirements of the users. In addition, engaging users and stakeholders has enabled the Council to commit to the change processes needed to improve service delivery.

4.2.2 Asset Management decisions are determined through liaison with many groups including:

- Members and Cabinet
- Local Area Forums
- Lincolnshire County Council
- Town and Parish Councils
- Local Civic Groups
- Town Centre Groups
- Local Strategic Partnerships
- Local Voluntary and Charity Groups
- Lincolnshire Constabulary
- Lincolnshire Fire Brigade
- Local Businesses
- Tenants
- Partners
- Statutory Agencies
- Utilities Operators

4.2.3 Every three years surveys are carried out to enable progress to be accurately measured. In line with Central Government requirements a fair representative of the population of South Kesteven are analysed. In addition, the Council consult with local residents annually as part of the budget setting process. Moreover, residents are engaged in groups of specific individuals such as consultations that take place with tenant compacts and local area assemblies. The Council is also developing an approach to ensure there are mechanisms in place to include those from hard to reach groups in our decision making processes, for example those with disabilities or from an ethnic minority group.

4.2.4 During 2003/2004 mass public consultation was achieved reviewing the priorities of the Council, which were then approved in 2004/2005. These priorities are reviewed annually to both take into account achievements in delivering targets and to consider new matters to make certain that the priorities are still appropriate.

4.2.5 Residents, stakeholders and the like were given the opportunity of shaping the future of Stamford, Bourne and The Deepings. These towns together with Grantham were the subject of a report commissioned by the authority.

4.2.6 Information presented to the CAMG by stakeholders is examined and included with tenant's requests and staff contributions towards improvements in Asset Management within the authority. CAMG use the information secured from the consultation process to develop the Asset Management Plan and ensure that priorities are dispensed through to the Capital Programme and provision is planned for future service delivery needs.

#### **4.3 Government Policy and Statutory Responsibilities**

4.3.1 South Kesteven District Council delivers a variety of government policy initiatives and statutory requirements, which have implications for the operational and non-operational portfolios in terms of refurbishment, alteration and other compliance works. Detailed below are some of these schemes:

4.3.1.1 The Strong and Prosperous Communities Local Government White Paper, supported by the Quirk Review was published in May 2007. The result of which, will be the concentration on the potential transfer of ownership or management of local authority assets to Community Organisations. The aims and conclusions of the Quirk Review can be established by using the hyperlink given below:

<http://www.communities.gov.uk/documents/communities/pdf/321083>

4.3.1.2 The Efficiency Review fronted by Sir Peter Gershon resulted in the Government seeking efficiency reviews of 2.5% (of which 1.25% should be cashable) per year to be re-directed into other service priorities and front-line delivery. Since this review, it is reported in the 2007 Pre-Budget Report and Comprehensive Spending Review (October 2007) that the Government is committed to driving better value for money. Central and local government should, therefore, achieve at least 3% cashable savings per annum, of which the annual target for Asset Management is £300m efficiency over the next three years across local government as a whole.

Real savings therefore have to be identified and since assets are one of the Council's largest resources, effective property management will assist with achieving this result. In order to achieve this, the authority is continuously reviewing its property data and stock condition information. Such examples of efficiency savings are the utilisation and development of partnering agreements incorporating Egan principles. **Other examples include the review of energy efficiencies in particular carbon emissions resulting in estimated savings of £23,500 for 2009/2010, which will result in significant cashable savings.**

4.3.1.3 The Lyons Review incorporated a study of the management of public sector assets including disposals and resulted in proposals being made to improve asset management planning in the public sector generating efficiency gains. The authority has procedures for determining surplus assets, which are reviewed later in this plan.

4.3.1.4 **There has been numerous government legislation and documentation regarding its response to talking the pressing issue of climate change. The UK Climate Change Programme 2006 sets the framework for action in the UK on climate change affirming that local authorities must not only play their part in delivering reductions in carbon emissions but also provide community leadership and encourage others to do the same.**

**The Climate Change and Sustainable Energy Act 2006 place further emphasis on local authorities to carry out certain energy measures including improving efficiency in the use of sources of energy and reducing emissions of greenhouse gases.**

As an indication of the Government's commitment to change environmentally sustainable behaviour, two new targets have been set. Firstly to make the Government office estate carbon neutral by 2012 and secondly to reduce Government's total emissions by 30% from buildings by 2020. In addition, the results of the Stern review published in autumn 2006 produced an economic argument for early intervention to prevent the worst aspects of climate change. This was closely followed by government consultation documents on "Building a Greener Future" which set a target of all new homes to be zero carbon by 2016. In March 2007, the Government published a Climate Change Bill, which seeks to create a pathway to a 60% reduction in carbon dioxide emissions by 2050, with real progress by 2020.

In response to these government measures, the Council has created the Carbon Management Plan (2008-2013), which represents the way the council is going to tackle the environmental impact that climate change is going to have on its own properties and buildings. In order to be consistent with the actions stated within the Carbon Management Plan, the Asset Management Plan addresses the impact of climate change. This is achieved through the project assessment scoring (see Appendix 1B), whereby project briefs achieve a higher score if they can demonstrate that goods and services have been procured in a sustainable way i.e. renewable energy, maximum insulation, water recovery etc.

4.3.1.5 The Disability Discrimination Act enforces a requirement that all Council Buildings open to the public are suitable for and accessible to disabled people (BVPI 156).

The latest information reveals that all Council owned properties are open for disabled access. The authority's 100% DDA compliance was fulfilled with works carried out last year to Bourne Town Hall. This information is reported to members.



4.3.1.6 The Control of Asbestos Regulations 2006 came into force on the 13<sup>th</sup> November 2006 and the implications of these regulations is that local authorities have a 'duty to manage asbestos' in non-domestic premises. A comprehensive Asbestos Survey was conducted in 2005 on all the public buildings within the Council's responsibility, including those built after 1996. Comprehensive Asbestos Management Plans have been completed, a copy being deposited on site and a copy being retained in the Council Offices. Plans presented on site to a responsible member of staff (usually manager) have been signed for and firm instructions have been issued to

all tenants and users to draw Contactor's attention to these files before any construction work is commenced on site.



4.3.1.7 Risk management is an integral part of the Council's affairs and as such a Team Leader for Risk Management has been appointed who has been responsible for the preparation and maintenance of the Risk Management Policy and the Risk Management Strategy for the authority. Training has also been provided to all members of staff and a risk register is kept

4.3.1.8 The Council has a responsibility with regard to the major defence procedures against the Legionella bacterium in relation to the Council's assets.

In addition the authority has management arrangements to check against other bacterium.

Appropriate check mechanisms are in place to fulfil the Council's duties in this area.



4.3.1.9 A number of measures are deployed to protect the health and safety of building users, occupiers and construction operatives. The primary focus is to ensure that buildings are regularly inspected so that matters that could affect health and safety are identified and addressed.

4.3.1.10 A programme of inspections and risk assessments is underway following changes to the fire regulations, which is already in progress.

#### **4.4 Corporate Responsibilities**

4.4.1 Performance Assessments, performance management, preparation of service plans and the budget process all influence the development of the Council's asset base. In addition, the authority with its partners has produced a Sustainable Community Strategy and consequently developed Town Centre Partnerships, which influence the Asset Management Plan.

4.4.1.1 Comprehensive Performance Assessment (CPA) undertaken in 2003, rated the Council as 'Fair' by examining the following criteria:

- Potential achievements;
- Delivery of priorities;
- Current achievements to date;
- Future plans

The government proposals for the future are to introduce Comprehensive Area Assessments

- 4.4.1.2 South Kesteven District Council has a duty to measure its performance on national indicator's referred to as best value performance indicators. In addition, the Council has developed its own set of targets entitled 'local indicators', which assist the authority in monitoring progress against priorities. Effective performance management enables the authority to determine successful asset management through performance management results and assists in future asset planning.
- 4.4.1.3 Service Planning forms the basis for effective performance management and is a vital part of the '*golden thread*', whereby there is an intrinsic link between community involvement, corporate objectives and individual needs. Prepared on an annual basis, Service Plans are prepared for every section and are an essential means of structuring co-ordinated decisions regarding the levels and types of service provision, choice of resources and clear financial planning. Asset requirements for each service will be sought and incorporated into each plan through use of a common pro forma and then, this information can be incorporated into the Asset Management Plan.

**The highest level of plan of the Council is the Corporate Strategy, which is consistent with the Sustainable Communities Strategy. The Corporate Strategy drives the targets and objectives and subsequently, the Service Plan is completed annually in line with the priorities identified in the corporate strategy. These take their lead from the Council's performance plan and budgets. The targets shown in the service plans are then cascaded to individual staff so that they are all aware how their work contributes to the objectives of the Council. These links in the business planning process have been termed "the golden thread".**

- 4.4.1.4 Good financial management and monitoring of budgets remains key to the Council. In July 2006, the Cabinet approved the development of a more strategic forward looking approach to budgeting with a robust three year planning process, establishing the direction of resources towards priority services. The Medium Term Financial Strategy (MTFS) incorporates a number of principles for effective financial planning and Principle 7 of the MTFS refers to managing the Council's assets and the Asset Management Plan.

Other corporate financial planning is documented in the Capital Strategy, the Treasury Management Strategy, the Fees and Charges Strategy, the Annual Efficiency Statement and the Financial Regulations and such strategies describe how the utilisation of such financial resources contributes to the achievement of the Council's aims and objectives. These key documents support a framework for future expenditure, which ensures that issues concerning assets are fully reflected in the authority's planning process. Moreover, asset management planning identifies areas of future expenditure that will feed into capital and revenue programming as well as informing bidding for additional resources.

4.4.1.5 The Local Government Act 2000 places a duty on local authorities to develop Community Strategies in order to promote and improve the economic, social and environmental well-being of their area. South Kesteven District Council's Sustainable Community strategy has identified four strategic aims identified by wide consultation, namely:

- Community Safety;
- Affordable Housing and Infrastructure;
- Town Centres and Economic Development;
- Improved Transport and Access

The Local Strategic Partnership (LSP) has been created incorporating members of the public, private, commercial and voluntary sectors initially to develop the Community Strategy. The development of the Community Strategy has a direct impact on the Asset Management Plan in that needs identified have to be incorporated into the asset management process.

4.4.1.6 The authority has a Generic Equality Scheme, which places an onus on services to assess certain functions, one of which was the Asset Management Plan. An Initial Equality Impact Assessment Pro Forma has been completed for Asset Management, which is attached in Appendix 10 of this documentation.

## 5.0 PERFORMANCE AND DATA MANAGEMENT

### 5.1 Performance Measures

5.1.1 Performance monitoring is a key aspect, both in comparison to other local authorities and private sector agencies and scrutiny on an annual basis.

5.1.2 The authority collates both National and Local Property Performance Indicators (PPI). The table below highlights both National and Local PPI's

	Performance Indicator	Year Target 08/09	Current Performance (February 09)
National	Average SAP rating of SKDC owned dwellings	67	65
Local	% capital profile programme delivered on time and to budget	95%	Reported at year end
Local	Rate of return on non-operational assets	95%	Reported at year end
Local	% of non-operational assets occupied	95%	93.75%
Local	% of assets reviewed for utilisation purposes	39%	23%

5.1.3 All National Performance Indicators (PI's) are scrutinised monthly through the Management Board and the National PI's are reviewed against benchmarking authorities. In addition the Council **utilises** a Performance Management System **called 'Covalent'**, **which** enables the Council to collect performance measures and then compare data instantaneously with other authorities. This **has** the effect of giving a more realistic measure and enabling the authority to produce meaningful reports for Cabinet, Management Board and Service Managers.

5.1.4 Results from the PPI process and subsequent benchmarking are employed as a reference source for the following years Service Delivery Plans.

5.1.5 The Corporate Property Officer is responsible for reporting through the CAMG to the Management Board any inadequate property performance against targets and will make recommendations for improvements. Management Board monitors the delivery of the Capital Programme.

5.1.6 Consultations have taken place with the recent benchmarking group identified by the Audit Commission as applicable to South Kesteven and also attendance at CIPFA (The Chartered Institute of Public Finance and Accountancy) Asset Management Information Days.

5.1.7 The authority is a member of the IPF Property Asset Management Planning Network, which provides the ability to benchmark on a national basis. As a member, the Council **are** subscribed to the NBVBS NAPPMI Benchmarking scheme. The National Best Value Benchmarking Scheme (NBVBS) has been set up by the property professional societies in conjunction with CIPFA (The Chartered Institute of Public Finance and Accountancy) to provide a benchmarking service especially for Local Authorities.

The National Property Performance Management Initiative Performance Indicators (NAPPMI) are now accepted as 'industry standard' indicators for Asset Management in England and are further recommended by The Department of Communities and Local Government. The IPF Property Asset Management Planning Network has agreed with the NBVBVS an arrangement that will provide members with a much more comprehensive benchmarking service in relation to Asset Management. Registering on the scheme enable the authority to:

- Enter and compare all NAPPMI indicators.
- Produce comparisons with like authorities or on a regional basis.
- Include any future NAPPMI indicators.

## 5.2 [Data Management](#)

5.2.1 **Comprehensive, accurate information is essential to the effective management of the Council's portfolio, as it supports the process of change required to deliver an asset that is fit for purpose, utilised efficiently and provides value for money. The foundation for this information is a precise record of all the Council's assets denoting their use.**

5.2.2 Details of the Council's assets (buildings and open spaces) are recorded on a software package provided by Logotech Systems Ltd. The system contains both Financial and Property elemental information attached to Unique Property Reference Numbers (UPRN) as follows for:



### Financial Database

-  Budgets
-  Expenditure
-  Disposals
-  Core Financial Database
-  Rental Income



### Property Database

-  Key (UPRN) Details
-  Attributes
-  Valuations
-  Legal
-  Condition
-  Tenancy Details

The authority operates the 'Logotech' System in conjunction with 'Map Info', a mapping system and data information package.

5.2.3 The main non-housing property portfolio for which the Council maintains an interest and maintenance responsibility is detailed under Appendix 2.

5.1.4 Detailed Condition Surveys are undertaken on an annual rolling basis for 20% of the main properties of non-housing assets and a realistic assessment of backlog maintenance is illustrated in the Appendix 4 of this document. Furthermore, inspections are carried out on a significant number of the minor portfolio. These surveys are then utilised in order that properties can be graded by CIPFA ranking A to D for condition. Suitability and sustainability are assessed continually and accurate requirements are fed into the budget process from information derived from the Condition Surveys and backlog maintenance.

5.1.5 The Capital Asset Management Group continually reviews the Council's assets in order to meet future service delivery requirements, Corporate Objectives and compliance with local plans and strategies. Through these reviews, the Council identified surplus assets for potential disposal between **2009-2012** as follows:

- Wake House, Bourne
- West Road, Billingborough
- Grantham Advice Centre, 26/27 St Catherine's Road, Grantham
- Cattle Market, Stamford
- South Road, Bourne

The sale of Council assets which are surplus to requirements enable the authority to provide an opportunity to achieve a capital receipt.

The disposal will enable the Council to minimise the financial and management risks in holding an investment property, while achieving a capital receipt for reinvestment in public services through the Council's Capital Programme

5.1.6 Information from condition surveys is used to progress the capital and revenue budget process. Property condition comparisons will be benchmarked against other local authorities through the Lincolnshire Shared Services Property Group.

5.1.7 Principal backlog maintenance identified predominantly falls within three categories:

- Category 1 **Urgent**
- Category 2 **Essential**
- Category 3 **Desirable**

Backlog maintenance is illustrated in Appendix 4 of the Plan, which proves that this is minimal.

## 6 ASSET MANAGEMENT

### 6.1 Asset Categories

6.1.1 The Council follows CIPFA guidelines for categorising property assets. Operational assets comprise administrative buildings, leisure centres and land associated with operational property. Non-operational assets are essentially held for investment purposes including commercial and industrial properties.

### 6.2 Asset Reviews

6.2.1 A review of current assets is completed annually. The review considers:

- 1) What is the asset?;
- 2) Its current state;
- 3) Needs for investment over life cycles of
  - Up to 1 year,
  - 1 - 3 years,
  - 3 - 5 years,
  - 5 years and over.
- 4) The relevance of the purpose of the asset in terms of service provisions. The method of disposal of surplus assets is detailed in Appendix 3.

6.2.2 South Kesteven District Council has always taken a proactive approach to asset management and as such several reviews have been conducted as detailed below:

#### 6.2.2.1 Stock Condition Review

**This is a comprehensive review of all assets and is currently in progress. Once complete, the service will be able to achieve the following:-**

- Obtain detailed reports (incorporating up to date drawings) of each asset;
- Identify where work is required;
- Complete a planned programme for the next three years.

#### 6.2.2.2 Services Review

A Management Board review of service delivery throughout the Council resulted in a restructure of the authority. As a result, the Council has optimised its use of office accommodation including delivery of a Customer Service Centre.



#### 6.2.2.3 Access to Council Services Review

The Council has been investing over a number of years for the introduction of *Electronic Government* via its modernisation programme, which has been funded from the Council's own resources, Government funding and partnership working with other local authorities.

The authority is maintaining its responsibility to the modernisation programme and improved access to Council services through the new Customer Service Centre based in Grantham. In addition

Further phases for investment to update access facilities are currently being considered.

#### 6.2.2.4 Cemetery Review

A review of Grantham cemetery **was recently carried out and as a result it was determined that** an extension to the cemetery was required, as there was limited grave space left. Following this review works are now **complete whereby** a mini-civil engineering scheme **has been provided in order to** incorporate more grave spaces by opening up two fields of consecrated land.

#### 6.2.2.5 Former Reviews

Reviews have also recently been carried out for the following:

- All Public Conveniences situated within the towns.
- Car Parks leading to the recommendation for the sale of East Street car park and the construction of a new multi-storey car park at Welham Street, located on the existing car park.
- Drainage and watercourses where works to Grantham Canal have been identified and flood and storm damage monitoring in the villages of Aisby and Pickworth have been ascertained.



6.2.3 Systems are in place for challenging departments' needs for assets through both review of service plans and regular monitoring at the Capital Asset Management Group and members are involved at both executive and scrutiny level.

### **6.3 Spending Outputs/Outcomes**

- 6.3.1 The Council operates a medium term Asset Capital Programme, which is set on an annual basis in March and revised during the year.
- 6.3.2 The capital programme is supported by revenue income, sale of surplus assets and funding from organisations such as the Lottery, Sport England, DEFRA and DCLG initiatives etc. A degree of expertise is embedded within the Council that is accomplished in progressing self-financing projects on time and within budget. Future projects will, where possible, benefit from new procurement policies set in place to meet e-government requirements.
- 6.3.3 Following adoption by full Council, the capital programme is regularly monitored by CAMG and outcomes are reported to Management Board.
- 6.3.4 CAMG are responsible for reviewing the Asset Management Plan action plan and performance measures to ensure they meet the requirements of future plans.
- 6.3.5 A detailed breakdown of the Capital Programme for the following three years is enclosed in Appendix 6.

### **6.4 Performance Assessment**

- 6.4.1 The focus on Asset Management principally falls within the Use of Resources Key Lines of Enquiry Financial Management - 'how the council manages its assets base'. The main emphasis of this audit is that evidence can be provided that:
  - "The Council has a capital strategy and fixed asset management plan;
  - The Council reports to members on asset management".
- 6.4.2 **Local Authorities are now assessed under the new regime of Comprehensive Area Assessment (CAA), which replaces the previous Comprehensive Performance Assessment (CPA). This has moved Council's towards an output based assessment rather than a tick box approach.**
- 6.4.3 **As part of the CAA, which commenced in 2009, there will continue to be annual Use of Resources assessments for individual authorities within LAA's. Whilst the -4 scoring system will be maintained, three new broader themes will replace the five current theme, which are as follows:**
  - **Sound and strategic financial management:** How effectively does the organisation manage its finances to deliver value for money?
  - **Strategic commissioning and good governance:** How well does the organisation govern itself, manage its business and commission services to deliver better outcomes for local people? Does the organisation produce relevant and reliable data and information to support decision making and performance management?

- **Effective management of natural resources, assets and people:** How well does the organisation manage its natural resources, physical assets and people, to meet current and future needs and deliver value for money?

See **appendix 7** for more information.

**6.4.4 The Use of Resources Key Lines of Enquiry - Managing other Resources challenges where the Council has a strategic approach to asset management and in addition manages its asset base to ensure that it is fit for purpose and provides value for money.**

**6.4.5** The scores for meeting KLOE criteria for Use of Resources are assessed at four levels, ranging from level one signifying inadequate performance through to level 4 denoting that the authority performs strongly in that respect.

**6.4.4** The criteria for judgement for each level with respect to the KLOE, has a number of standards that must be achieved in order to meet each level of performance. A position statement for each of the judgement criteria for the asset base is detailed in Appendix 7, which details all relevant KLOE's. With regards to value for money, only relevant criteria have been considered.

**6.4.5** The Key Lines of Enquiry **incorporates achieving value for money and can be demonstrated** in more detail in Appendix 7; however generally it can be demonstrated that the authority currently achieves good value for money. Value for money is achieved by:

- Improving the Council's use of assets;
- More efficient planning and delivery of schemes;
- Maximising capital investment through revenue and other sources of funding;
- Working in partnership with other organisations to achieve wider benefits such as Lincs Shared Services for both 'Property' and 'Procurement';
- Examining performance indicators to reflect both operational considerations and also the wider objectives of the Council and the Community Strategy and benchmarking with other authorities;
- Liaison with stakeholders and consultation with members with regard to value for money and asset management;
- A well established approach to procurement;
- Increased use of whole life costing.

**6.4.6** The Council has recently approved a Value for Money Strategy, which includes a continuous review of its property data. Measures the authority has adopted to achieve this, include stock condition appraisals and whole life costing.

## 6.5 Non-Operational Property

6.5.1 South Kesteven District Council's non-operational portfolio predominantly comprise buildings that are held for investment purposes and are let commercially, which are in the main industrial units. Also classified as non-operational are a number of miscellaneous properties that are leased for private use by both voluntary sector groups and other organisations.

6.5.2 The Council's non-operational assets include those properties held by the authority, but not directly occupied or used in the delivery of services, including:

- Industrial units;
- Leased office space;
- Civic buildings and
- Miscellaneous properties such as the SENSE education centre

6.5.3 Of the Council's non-operational properties, 6 sites are held for industrial and investment purposes. Holding assets for these purposes has an opportunity cost and one such measure of this opportunity cost is the rate of return the assets generated through their use. This rate of return is measured as a local performance indicator and the current rate is 7.33%.

6.5.4 The Asset Management Plan provides the strategy for the management of the non-operational portfolio. This demonstrates that the non-operational properties are held for clearly defined purposes; are well managed and are kept under review. The principles supporting this strategy are as follows:



The Council will own property that helps to deliver the corporate priorities;



The Council will investigate new medium and long-term development opportunities;



The Council will own property that provides a regular sustainable income stream, in line with the Medium Term Financial Strategy.



The Council will endeavour to improve the performance of the income stream of the non-operational portfolio, through effective asset management.

The following policy values are to be applied to ensure that industrial and commercial property will only be held where:-

- It provides an acceptable financial return;
- There is potential for Council involvement to deliver economic development objectives;
- It contributes effectively to the delivery of the Council's priorities and key objectives;
- It improves future sustainability of income;
- It addresses legal or contractual liabilities and obligations.

6.5.5 Performance data is collated to ensure that each non-operational asset continues to be a good investment. Rates of return are assessed, in addition to ensuring that the asset is fulfilling council objectives. Asset and Facilities Management also benchmark this performance data against other authorities and the private sector in order to ensure a robust test of why such assets are being retained.

6.5.6 Performance data for the Council's non-operational properties are collected, measured, benchmarked and reported to Councillors and other relevant stakeholders.

## 6.6 Rationalisation and Disposals Programme

6.6.1 **The process of property reviews enable rationalisation, increases utilisation and savings in revenue and future maintenance costs, which continue during the life of this plan.**

6.6.2 **The procedure for disposal of surplus assets is detailed in Appendix 3 of this documentation which shows the Council's Disposal and Acquisition Strategy, which has recently been submitted to Cabinet for approval.** Performance measures, relationship with priorities and service requirements are all considered by CAMG, Management Board, Cabinet and Council.

6.6.3 Surplus assets are ascertained through change of use, under occupancy, major repair and improvement work etc. CAMG have a responsibility to make the appropriate recommendations to Management Board and Cabinet. The disposal of property is achieved at 'best consideration' in accordance with financial regulations and legislation. Both property acquisitions and disposals are measured in terms of commercial value and community benefits.

6.6.4 The Council identified five surplus assets for potential disposal between **2009-2012**. The table below illustrates their current status:-

	<b>Surplus Asset</b>	<b>Status as in February 2009</b>
	South Road Development Land, Bourne	<b>Sold subject to contract.</b>
	26/27 St Catherine's Road, Grantham	<b>In process of sale by agents.</b>
	Wake House, Bourne	Negotiation near completion.
	Cattle Market, Stamford	Mode of sale to be discussed.
	West Road Car Park, Billingborough	Mode of sale to be discussed.

## 6.7 The Quirk Review

- 6.7.1 The Strong and Prosperous Communities Local Government White Paper, supported by the Quirk Review are previously referred to in Section 4 of this documentation.
- 6.7.2 The Council has managed its community assets based on similar 'Quirk' principles over a number of years. Areas of public open spaces have been transferred from district control to local parish councils and community buildings, provided though the Council, have been managed locally by agreement. The authority is currently in the process of selling Wake House in Bourne to enable the continuation of community use and development, which is being sold at a restricted rather than market value. In addition, the Council is currently working with Bourne and Stamford Town Council and Lincolnshire County Council aimed at reducing asset usage for the benefit of the community.
- 6.7.3 South Kesteven District Council is continuing to work in partnership with all agencies in its area to maximise the benefit of community assets within the district.

## 7 OPTION APPRAISAL, IMPLEMENTATION AND REVIEW

### 7.1 Option Appraisal

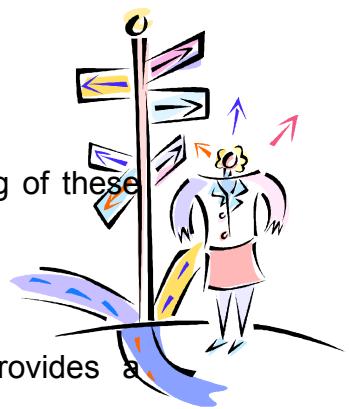
7.1.1 Option Appraisal is an integral part of the asset management planning process and is a fundamental decision making tool for all capital schemes. South Kesteven District Council has an established procedure for option appraisal.

7.1.2 Option Appraisal is a three-phase process, whereby each phase is detailed within this section and includes:

- Capital Prioritisation
- Scheme Option Appraisal
- Post Project Evaluation

7.1.3 The authority recognises that Option Appraisals should be carried out for all capital schemes and accordingly has reviewed the principles of good Option Appraisal as recommended in official guidelines. The authority complies with the following principles:

1. Clearly identify the objectives;
2. Consider all options to achieve the objectives;
3. Assess the costs and benefits of other options;
4. Identify the costs and benefits of each option including valuing of these options where feasible;
5. Consider all risks and uncertainties
6. Consider best value and use of resources



7.1.4 Following its implementation in 2004, the Prudential Code provides a framework for local authority capital finance to ensure that:

- Capital expenditure plans are affordable
- All external borrowing and other long term liabilities are within prudent and sustainable levels, and
- Treasury management decisions are taken in accordance with professional good practice.

The Prudential Code provides an integration of the Capital and Revenue budget planning process and authorities must ensure that they are accountable for decisions taken in this respect by providing a clear and transparent framework supported by:

- local strategic planning
- local asset management planning, and
- proper option appraisal

Option Appraisal processes in line with the Prudential Framework is detailed in both the Council's Capital Strategy and the Medium term Financial Strategy and consideration is given to reducing operation costs, regeneration

factors, sustainability, service benefits, alternative premises and partnerships.

Project assessment and associated scoring of projects as detailed below, takes into account the Prudential Code and the application of prudential indicators to assess affordability of capital.

7.1.5 Option Appraisal is a formal mechanism and is reported to members through the Capital Asset Management Group.

## 7.2 Capital Prioritisation

7.2.1 Capital prioritisation is a process of selecting the most appropriate scheme and to ensure that the Council's planned capital projects make maximum use of capital resources available in order to achieve best value.

7.2.2 Service Managers identify schemes taking into consideration service plan key requirements and potential capital and revenue budget needs, and then submit a completed project appraisal application. This project appraisal forms a business plan detailing project details, relation to corporate priorities, evidence of needs, partnership support, identification of outputs and outcomes, financial implications and risk assessments.

Every Capital Scheme proposed by Service Managers is assessed via a project evaluation process of points being awarded for key criteria laid down in the Council's Strategic objectives and Corporate Priorities and assesses factors detailed in the project appraisal form. Both the Project Proposal entitled 'Project Detail Form' and the Project Assessment forms are illustrated in Appendix 1.

7.2.3 The process of project evaluation is carried out by a sub-group agreed by the CAMG. If the project proposer is named on the group, then they cannot be on the evaluation panel for that project; therefore, there are a number of named assessors. Project evaluation meetings involve three assessors and decisions are informed and reflect any gap analysis for future or present service delivery against current asset provision. The project appraisal considers various aspects including:

- Need
- Fit with priorities
- Outputs and outcomes
- Potential sources of external funding
- Investment risks
- Affordability of capital investment and ongoing revenue consequences – Whole life costing
- Deliverability

This process also specifically identifies value for money and any potential surplus assets created by the development.

7.2.4 Following completion of the project evaluation, the provisional scoring is reviewed at CAMG in order that challenge can be provided as required. Recommendations to Cabinet are also agreed via the Asset and Resources Portfolio Holder. Successful schemes are prioritised and submitted to Cabinet who will then recommend the Capital programme to Council for approval. The Capital programme is monitored monthly to ensure that the profiled investment is being delivered or the programme amended to reflect changes in profile.

### 7.3 Scheme Option Appraisal

7.3.1 Scheme Option Appraisal is a process for deciding on different options for an individual scheme and principally examines Whole Life Costing and Procurement.

#### 7.3.2 Whole Life Costing

7.3.2.1 Whole Life Costing is the systematic assessment of all relevant expenses, income and performance associated with the acquisition, procurement, ownership and potential disposal of an asset over its life. The Chartered Institute of Public Finance and Accountancy (CIPFA) emphasise that appraisal, prioritisation and procurement decisions should reflect initial capital costs, ongoing revenue costs and non-cost items including sustainability, building performance and so forth.

7.3.2.2 The authority embraces a whole life costing approach to Capital Prioritisation, Scheme Option Appraisal and Procurement in its decision-making procedures, particularly in light of the Prudential Code, which has empowered the Council with the ability to determine between capital and revenue funding options for service delivery.

7.3.2.3 The Council has developed a Whole Life Costing pro-forma, which will be used to identify costs over the entire lifetime of a potential project in order to ensure that the full costs can be assessed as accurately as possible during the prioritisation process. This pro-forma is based on a recently published IPF document and is illustrated in Appendix 8.

7.3.2.4 The Whole Life Costing pro-forma will also enable the authority to identify issues having the potential to impact on qualitative matters as opposed to cost, which is a vital aspect of best value where consideration of qualitative matters should arise in addition to analysis of monetary cost.

7.3.2.5 Whole Life issues covered within the Council's Whole Life Costing pro-forma include:

- Reduction of energy use;
- Repair and maintenance considerations;
- Flexibility in the use of the finished product and cross-cutting services;
- Sustainable Transportation;
- Security and reduction of crime;
- Minimisation of environmental impact;
- Health and Safety;

- Accessibility issues;
- Financing issues i.e. rent, rates, income etc;
- Stakeholder consultation;
- Final disposal considerations;
- Other whole life considerations.

### 7.3.3 Procurement

7.3.3.1 Key procurement drivers for the authority comprise European and UK law and regulations; the National Procurement Strategy; The Improvement and Development Agency (IDEA) who carried out a 'Procurement Fitness Check' in 2005 and guidance on procurement from the East Midlands Centre of Excellence.

7.3.3.2 The Council have revised the Contract Procedure Rules to reflect current best practice, which were approved by full Council. **Contract Procedure Rules are being reviewed by Procurement Lincolnshire, which will have to be adopted by all Local Authorities within the group upon approval by each Council.**

7.3.3.3 The authority has published an updated Procurement Strategy 2007-2009, which was approved by Cabinet in April 2007. This strategy addresses all elements of procurement activity, from identifying need, considering options, procuring the appropriate goods, services or works, effective supplier and contract management, through to the disposal of assets. Moreover, the strategy also addresses the many solutions available to the authority, from establishing corporate contracts, using collaborative arrangements, through to developing long-term strategic partnerships.

7.3.3.4 Both the Council's Contract Procedure Rules and the Corporate Procurement Strategy are supported by a Code of Practice, which provides more detailed guidance and support for all officers who procure good, services and works. In addition a current programme of training is underway to summarise the content of these documents and correct procurement practice.

7.3.3.5 The Council has committed to the Lincolnshire Shared Services Partnership for Procurement – **namely 'Procurement Lincolnshire'**, whereby funding of £320,000 has been allocated by the East Midlands Centre of Excellence and each authority will also be contributing towards the partnership. This exciting, innovative concept **has already achieved savings in many areas in procurement.**

7.3.3.6 A robust approach to asset procurement has also been developed, which reflects the overall corporate approach. It seeks to ensure probity and achieve best value through a combination of qualitative benefits and whole life costs in order to meet corporate, stakeholder and service requirements.

7.3.3.7 Procurement of capital cost asset items is undertaken through development and implementation of the Capital Programme as detailed in Capital Prioritisation. This process engages all relevant stakeholders and is monitored by the Capital Asset Management group, Cabinet and Council.

7.3.3.8 Procurement of revenue cost asset items are controlled at Service Level through the Service Plans and revenue budgets.

7.3.3.9 The Council's approach to individual procurement projects is tailored to the scale of the project under consideration.

#### **7.4 Post Project Evaluation**

7.4.1 Post Project Evaluation is conducted for all Capital Projects in order to improve:

- Project Appraisal
- Design
- Project Management
- Project Implementation
- Decision Making and Accountability

This evaluation is carried out in order to learn lessons, avoid mistake repetition and demonstrate value for money.

7.4.2 A Business Case Pro-forma for Post Project Evaluation is included in Appendix 9 of this documentation, which assesses the following:

1. Characteristics of the Project;
2. Revisiting the Strategic Context;
3. The Investment Decision;
4. The Procurement Process;
5. Project Management and Implementation;
6. Review of Contract Delivery;
7. Organisational Impact and Change Management;
8. Outcome and Impact;
9. Lessons for Future Projects.

This form has been devised using IPF Property Asset Management Planning Network recommendation and guidelines.

7.4.3 The authority has embraced a corporate approach to project management including adoption of a Project Management Methodology. At the initiation stage, the project manager will ensure the project structure is defined together with project methodology and resource plans. MS Project management software is used corporately to assist the management of significant projects, incorporating budget management reports to monitor and manage the use of resources.

A project manager is appointed for every project and a project team is subsequently created subject to the size and nature of the project. Project teams will incorporate representation from Legal, Finance, Asset Management and any other professional practice as deemed necessary. Milestone reviews are undertaken at key stages of significant projects to

verify progression of delivery and outcomes and any major variances are reported to Management Board and Cabinet as necessary.

7.4.4 Post-evaluation reviews are undertaken for all capital projects. Outturns and outcomes are recorded within the evaluation process and that suitability is still maintained within the corporate objectives.

## 8 CAPACITY BUILDING AND CONCLUSION

### 8.1 Capacity Building

8.1.1 The Council's capacity to undertake effective strategic asset management is governed by:

- The organisation of property staff, non-property staff, managers and elected members including the availability of staff to carry out the work;
- The development of necessary strategic asset management skills;
- Ensuring that asset management is an integral part of service and business planning;
- Taking into consideration the most recent best practice guidance, approaches and methods both internally and externally.

8.1.2 The authority appreciates the importance of all the above factors, including the medium term service, financial and other benefits realisable through effective strategic asset management. The Council ensures that staff numbers are sufficient to undertake strategic asset management in all key areas.

8.1.3 With regards to skill development, guidelines suggest that focus should be made on Strategic Asset Management. Training is therefore being reviewed with regard to this aspect to ensure that the appropriate skills are being sufficiently developed.

8.1.4 CAMG will review current and future capacity needs throughout the duration of this plan.

### 8.2 Conclusion

8.2.1 This Asset Management Plan – **2009-2012** explains how the Council's strategic approach to asset management has been developed in order to ensure that the Council's assets effectively contribute to achieving both corporate objectives and improve service delivery. The authority is committed to further progressing all areas covered by the Asset Management Plan from planning through to capacity building in order to achieve best value and proceed towards its vision of South Kesteven District Council “*To provide brilliant services to our customers*”.