



**NORTHAMPTON
BOROUGH COUNCIL**

**Name of Committee
CABINET**

Directorate: Governance and Resources

Corporate Director: Ian Thompson

Date: 29 January 2007

Report Title	Adoption of Asset Management Plan - 2006/7
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Key Decision	YES
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1. Recommendations

That Cabinet agrees to adopt the Asset Management Plan – 2006/7 shown at Appendix 1.

2. Summary

2.1 The Asset Management Plan (AMP) is one of the key reference points for the Council's "Use of Resources" assessment.

2.2 The existing AMP was formulated in 2003 and is outdated. The adoption of the AMP proposed would ensure the plan is updated to reflect current known corporate priorities. It will guide the management of the Borough's property assets in accordance with those objectives.

2.3 Until service plans are prepared the AMP proposed can only reflect known strategic priorities. Thus, this AMP is necessarily an interim document that will need to be updated in light of those plans – once established.

3. Report Background

The Asset Management Plan was previously a mandatory CPA requirement. It is now an important document setting out the direction of travel of the Council in the utilisation and management of its property assets.

4. Options and Evaluation of Options

It is essential to the proper stewardship of the Council's property assets that a new AMP is adopted, better reflecting current know priorities.

5. Resource Implications (including Financial Implications)

The adoption and application of the plan will help to inform and focus key capital and revenue resource decisions, regarding the Borough's property assets, around the identified key corporate priorities of the Council. Specifically, it will assist in ensuring a coherent, efficient and sustainable approach to use of occupational property by the Council. The AMP also records the approach of the Borough to the maintenance and management of its property. It sets out the direction of policy of the Council in relation to its investment portfolio and to the disposal of surplus assets. The AMP recognises the financial constraints of the Council, whilst identifying the substantial resources needed to bring the Council's property up to an optimum standard.

6. Risk and Opportunity Issues

The failure to adopt an updated AMP exposes the Council to the criticism of lacking clear policy direction in the management of its property assets and of a failure to demonstrate a coherent strategy for the efficient “Use of Resources”.

7. Consultees (Internal and External)

Internal	Ian Thompson – Acting Finance Director Clive Thomas – Corporate Director – People, Planning & Regeneration Stuart Wright – Sustainable Development Officer Silvina Katz – Team Leader Policy - Legal and Democratic Services Corporate Asset Board
External	

8. Compliance Issues

A: How Proposals Deliver Priority Outcomes

Recovery Plan
N/A
Corporate Plan
Priorities for 2006/2007:
3. Invest in the regeneration of the town, providing economic regeneration and growth.
5. Manage the Council’s finances effectively.

B: Other Implications

Other Strategies

Corporate Capital Strategy

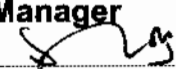
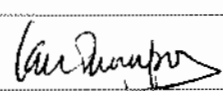
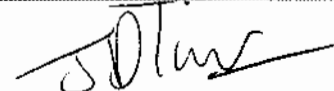
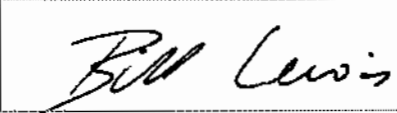
Finance Comments

Legal Comments

9. Background Papers

Title	Description	Source
Northampton Borough Asset Register		Finance Division

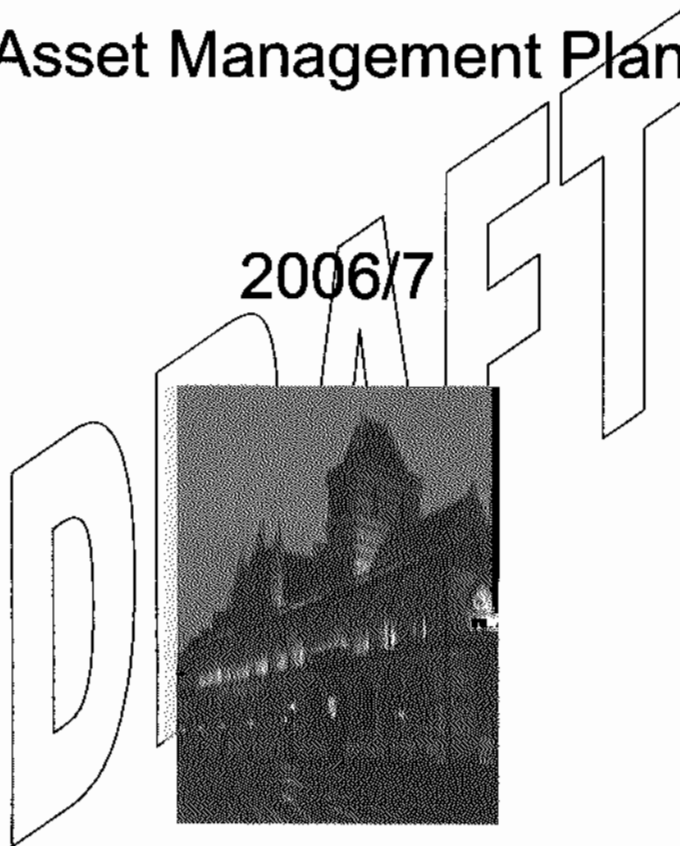
Simon Dougall, Asset Manager, ext 8177

Name	Signature	Date	Ext.
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Corporate Manager	N/A	-	-
Director		23/1/07	8477
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Section 151 Officer or Deputy (Key decision only)		23/01/07	7167

Northampton Borough Council

Asset Management Plan

2006/7



NORTHAMPTON BOROUGH COUNCIL
CORPORATE ASSET MANAGEMENT PLAN 2006/7

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Introduction and Overview

1.1 Overview

This document sets out Northampton Borough Council's Corporate Asset Management Plan for 2006/7. Its purpose is to provide a strategic plan covering land and property assets in which the organisation is seeking to optimise their utilisation in terms of service benefits and financial returns. It has been developed further from the 2003 Asset Management Plan as no plans were produced for 2004/5, to provide a sustainable short term strategy.

The Asset Management Plan is for one year only due to the absence of service delivery plans. However, once the plans have been written, the Asset Management Plan 2006/07 will be reviewed. The Asset Management Plan will then be updated to reflect the objectives and aims of those plans, and will align with Corporate Capital Strategy and funding issues.

Equality and Diversity Considerations: NBC is required to comply with the Race Relations (Amendment) Act 2000 and the Equality Standard for Local Government in line with its Equality and Diversity Policy and Corporate Equality Plan and to that effect it is required to carry out an Equality Impact Assessment to identify and eliminate any action which could be discriminatory to a disadvantaged equality group from our community in respect of all policy or function undertaken or adopted. Equality Impact Assessments will be carried out as actions are formulated and proposed.

1.2 The Council

Northampton Borough covers an area of 8080 hectares with a population of 194800 (census 2001) making it the largest district council. On a national level Northampton occupies a strategic central location within the country offering ready access to road, rail and air transport links. It provides the main urban centre at the heart of a rural county. The council currently employs 1246 (full time equivalent) people as at 30th September 2006 making it one of the largest employers in the area.

Northampton itself is a traditional market town with a history of shoe manufacturing. The town was enlarged significantly during the 1970s by the then Northampton Development Corporation with many new residents coming from the London area. The borough is now part of the Milton Keynes and South Midlands area identified for economic and population growth as part of the ODPM's sustainable Communities Plan. The newly formed West Northamptonshire Development Corporation has been created to deliver economic, social and housing growth in West Northamptonshire with Northampton being central to the success of that growth agenda.

The Borough is now largely built-up with the exception of Dallington Heath (north-east) and the southern edge of the town towards the M1 motorway. As Northampton occupies a central location with easy access to the M1 and A14, the town has attracted a large number of distribution/logistics companies together with small manufacturing businesses accommodated in a number of business parks around Northampton. In particular the Brackmills business development to the south-east of the town which also accommodates the Barclaycard HO and other multi national companies.

1.3 Corporate Planning Framework

Following the poor Corporate Performance Assessment in 2004, a new corporate planning framework and Corporate Plan have been developed. Our priorities for 2006/07 are to:

1. Listen to local people and provide the services they need
2. Improve Northampton's housing by focusing on and improving our weakest services
 - Revenues and benefits
 - Void properties

- Decent homes standard
 - Homelessness
3. Invest in the regeneration of the Town, providing economic development and growth.
 4. Make Northampton a cleaner, safer and greener place to live
 5. Manage the council's finances effectively
 6. Improve our performance to be fit for all our purposes

In addition we now have a three year Strategic Improvement Plan that represents our strategy for the improvement of the Council. The plan focuses on six priority improvements enabling the six Corporate Priorities to be delivered:

- Improving our weakest services
- Improving our interaction with the public
- Improving partnership to deliver better outcomes
- Ensure clear, decisive political leadership
- Strengthening our financial management
- Build management capacity to drive cultural change

The above in varying degrees of significance have a direct impact on the use of property assets.

A new service plan framework has recently been approved and is due to be rolled out shortly in order that new service plans can be written which will inform asset management planning. This Asset Management Plan will then be updated. In the interim, a short term Improvement Delivery Plan covers the remainder of 2006.

	Detail/Actions	Priority	By Whom	When
1	To provide a sustainable long term Asset Management Plan for the next 5 years	High	Co-ordinated by the Corporate Asset Board	After service plans completed
2	Develop service delivery/business plans for Asset Management Division	High	Head of Asset Management	Commencing April 2007
3	Alignment of Corporate property objectives to the new corporate Plan and Strategic Improvement Board	High	Head of Asset Management	April 2007

1.4 Organisational Framework and Property Framework

1.4.1 Fundamental to the successful implementation of the Council's Asset Management Plan is the need to have the appropriate mechanisms in place that facilitates the asset management process. Northampton Borough Council's overall aim in terms of asset management is to ensure that it optimises the use of land and property in terms of service benefit, financial return and value for money.

1.4.2 Following the recent root and branch review Northampton Borough Council has appointed an Asset Manager with responsibility for asset management and has established an effective management framework within which asset management issues can be progressed. This framework is essentially made up of the following elements, further described in the sections below:

- Cabinet
- Overview and Scrutiny

- Delegated powers of the portfolio holder for property, currently Cllr Hadland
- Corporate Asset Board
- Asset Management Division
- Project Board

1.4.3 The **Cabinet** is the executive decision making body within the Council and is therefore responsible for the majority of key decisions made by the Council. This includes any delegated decisions taken by the Corporate Asset Board. Compared with other Councils however, Northampton Borough Council has since 2004 focused significant decisions via the Cabinet – this was a deliberate decision to allow complete focus on the recovery activities.

1.4.4 The **Corporate Asset Board** meets six times a year. The membership of the Board needs to be flexible and is presently made up of the following :

1. Community Participation, Financial Strategy and Performance Portfolio Holder
2. Director of Governance and Resources
3. Director of Finance
4. Street Scene and Property Maintenance Corporate Manager
5. Performance, IT and Improvement Corporate Manager
6. Regeneration, Growth and Community Development Corporate Manager
7. Head of Asset Management

The terms of reference of the Board as at 14th December 2006 are summarised below.

- Oversees the Asset Management Plan and Corporate Capital Strategy to identify priority areas for action and ensure Best Value.
- Supports future needs of the Council and full integration with the Council's goals and objectives.
- Anticipates the impact of major corporate drivers on the Council's property portfolio.
- Monitors the overall performance of the Capital Programme and ensures monitoring reports are acted upon.
- Promotes the "shared use" of assets with stakeholders and partners.
- Ensures links with the Council's "Growth Agenda" are maintained including Major Projects, Regeneration and Sustainability.
- Complies with CPA requirements (especially "Use of Resources").
- Ensures compliance with statutory regulations relating to property assets
- Establishes and monitors office accommodation space standards.
- Promotes and monitors environmental and sustainability issues relating to property assets.
- Considers the overall financing and provision of assets, makes recommendations and monitors their implementation.
- Promotes best practice.

1.4.5 The recently restructured **Asset Management Division** incorporates the key asset management functions within the council. The division is made up of the Estates and Asset Management (including Markets), Asset Development, and Maintenance and Facilities team. Asset Management Division aims to deliver a one-stop asset management service across the Council. The creation of this division is considered vital to the asset management planning process.

The Asset Management strategy function and the Facilities and Markets functions were merged into the existing structure in early 2006 under "Root and Branch" review, under an Interim Asset Manager, to create a single corporate contact point for all property matters. A new Asset Manager was appointed in December 2006 to lead the merged team.

Implementing new and better ways of managing assets is vital if we are to meet the local and national challenges of improving service delivery, delivering efficiency savings and attaining greater cost effectiveness. As well as helping the authority to meet service targets, good asset management will make a significant contribution to the way our Use of Resources is

assessed in our CPA.

The responsibilities of the Asset Management Division are summarised below:

- Writing and implementing the Council's Asset Management Plan.
- Providing expertise on asset management and property issues and providing advice to the Council and associated external organisations.
- Overseeing the programme of condition surveys of properties
- Supporting the delivery of capital schemes through good project management
- The efficient management of the property investment portfolio
- Liaising with the finance division to ensure that capital resources allocated to property are utilised effectively.
- Maintaining core property records – land ownership, lease records, asset register, condition and maintenance backlog data.

Maintenance services and smaller project works are delivered through a partnering arrangement with contractors Mears Group Ltd, which commenced in October 2003. Mears' core team are based in NBC's offices and work closely and co-operatively with NBC maintenance management staff.

	Detail/Action	Priority	By Whom	When
1	Corporate Asset Board - Membership of Board to be reviewed to include additional Regeneration representation	High	Corporate Asset Board	Future CAB meeting
2	Review Terms of Reference	High	Corporate Asset Board	Future CAB meeting
3	Asset Management processes are continuing to inform the Council's strategic decision making process	High	Corporate Asset Board, service delivery and business planning process	Ongoing

2. **Corporate Asset Policy**

2.1 **Corporate Asset Objectives**

The Asset Management Plan provides a clear picture of the current position of the Council in relation to the management of the property portfolio

The key asset objectives are to:

- Optimise the contribution of property to deliver Key Corporate Objectives, through property being well maintained, suitable, and sufficient.
- Maximise the contribution of property to the regeneration of Northampton
- Ensure our property meets the statutory requirements
- Helps to maximise the benefits of information and communication technology
- Generate capital receipts and rental income to support the Council's financial strategy
- Deliver Gershon efficiency gains and best value.

For the let (investment/non-operational) portfolio, the emphasis is somewhat different in that the delivery of financial returns is of higher importance, but the objectives themselves are the same.

2.2 Headline Performance Measures

The Comprehensive Performance Review and reporting framework, established in April 2004 as part of its priority improvement initiative on performance management (a CPA priority), ensures a systematic review of Performance Indicator target performance and key action plan progress across the Authority, at a strategic and service delivery level.

The Authority's Core Data report contains the performance measures the Council currently uses to provide information on its performance and with which it compares its performance against other organisations. Each indicator has a performance target that is challenging, but achievable. This sets the context in which the authority's performance is measured and creates a clear link to improving performance over time.

2.3 Performance Monitoring and Measurement

The Council recognises the need to establish a performance management framework for its property portfolio, to ensure that it is being utilised effectively. The performance is submitted to the Corporate Asset Board on an annual basis as a means of updating members and senior management.

The Council intends to improve the performance of its portfolio through:

1. The new voluntary national performance indicators approved by the DCLG. These have superseded the mandatory ones developed by the ODMP and are being introduced from 2006/07 on a phased basis, following COPROP consultation:
 - PMI A, B, C and D Condition & Required Maintenance
 - PMI A, B & C Environmental Property Issues
 - PMI A & B Suitability Surveys
 - PMI A, B, C, & D Building Accessibility Surveys
2. Local performance indicators
3. Best Value performance Indicator (BV156)
4. Suitability and Sufficiency Surveys

We intend to benchmark with similar Councils via the IPF Asset Management Network and Councils within our "family of Councils".

Detailed results of the National Property Performance Indicators 2005/06 see Appendix.4 1. and 4.2.

	Detail/Actions	Priority	By Whom	When
1	Formal structure to support the reporting and monitoring of agreed property portfolio PIs when confirmed	High	Asset Management	Commencing April 2007
2	Target the investigating of poorly performing assets, as identified by the performance measurement process. <ul style="list-style-type: none"> • Consider for property review • Joint use/partnership working • Disposal 	High	Asset Development Team Leader/ Estates and Asset Management Team Leader	Ongoing
3	Optimise the use of relevant Benchmarking opportunities to provide useful comparator information (e.g. via IPF Asset Mgt Network).	High	Asset Management	Ongoing

4	Ongoing monitoring and review of the asset management process	High	Estates and Asset Management Team Leader	Ongoing
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2.4 Stakeholder Views

The Council is committed to working in partnership with stakeholders. Its policy direction is prepared in close collaboration with key partners and the community, primarily through:
 The Local Strategic Partnership
 Crime and Disorder Reduction Partnership
 Area Partnerships.

The Council has in place established Citizens' Panel processes, area community planning processes and service delivery consultation processes with service users. These are strategically linked through the Council's new Performance Management Framework to ensure key messages from stakeholders drive policy direction.

The Asset Management Division is service driven and therefore consultation with stakeholders, including the public, takes place at the individual project level. Consultation at this level has influenced the form of projects undertaken.

The Council will be following with interest the progress of the proposed activities outlined in the Oct 06 Local Government White Paper "Strong and Prosperous Communities" which emphasises the role of community groups in managing and perhaps in future owning assets currently provided by local authorities.

2.5 The Resource Context

The Council in managing its assets, ensures that the capital programme is effective in terms of its contribution to the achievements of corporate and service objectives. To do this, our Capital strategy provides clear strategic guidance on capital objectives, priorities and spending plans.

It is Council policy that the use of capital receipts is considered corporately against the Corporate Plan and Improvement priorities rather than ring-fenced to the service from which the asset was released.

A capital option appraisal and prioritisation system has been developed (CCS1, 2 and 3) to ensure the capital programme meets corporate and service priorities. The process is corporate, objective and transparent with elected member involvement at Scrutiny and Cabinet.

2.5.1 Capital Programme and resources

The total capital investment commitments for the Council in 2006/07 are:

General fund	Housing Revenue Account	Total
£9.8m	£8.8m	£18.6m

Some capital projects are financed through external grants and contributions, which are specific to projects and cannot be used for other purposes. Some examples of these would include grants from Central Government, other agencies such as the Sports Foundation and contributions from private sector companies and developers.

The use of PPP (Public Private Partnership) has not been on the agenda for Northampton Borough Council as, like most second tier Councils, its projects are normally well below the financial threshold which would make them attractive to the private sector and worth the significant set-up cost.

In 2004 The Government introduced the Prudential Code, which gives Councils the freedom to borrow additional resources to finance capital expenditure. This form of borrowing is unsupported and the Council must ensure that decisions to raise additional resources from this source are prudent and affordable.

The Council's financing is based on current and anticipated levels of asset disposals and government grant support with the exception of Council house sales, which are expected to continue to reduce until levelling out in 2008/09. It has been assumed that Council Housing Right to Buy capital receipts pooling will continue at the current rate of 75% of all right to buy receipts.

The Council has agreed an asset disposal programme for 2006/07 and has identified further property for disposal in 2007/08. Disposal planning for 2008/09 onwards is being actioned. Subject to other corporate priorities capital receipts will be used in part to invest in retained properties.

As additional resources are identified new schemes will be considered according to the following criteria:

1. Schemes relating to the maintenance of essential assets.
2. Schemes that will allow the achievement of business transformation and/or value for money improvements – so called "invest to save" schemes.
3. Schemes that allow the achievement of capital receipts – where the projected receipt is at least sufficient to cover the original scheme or where an equivalent revenue benefit might be realised.
4. Schemes that are both funded externally and contribute to our corporate priorities.
5. Schemes that help us to achieve our corporate priorities.

2.5.2 The Balance Sheet

The Council has Fixed Assets of £667m of which £547m relates to council dwellings, £68m to operational land and buildings and £37m to investment properties and surplus assets (the investment portfolio generates gross rental income of approximately £1.51m). This should be set in the context of outstanding debt at the relatively low level of £26m. Debt charges, net of interest received, are £212,000 pa or 0.7% of net expenditure. See Appendix 2 and 3.

In overall terms, therefore, the balance sheet of the Council remains strong giving the potential to increase capital investment in services, subject to revenue affordability. Revenue constraints mean that the greatest scope for capital investment will be where there is an opportunity to reduce other revenue costs.

	Detail/Actions	Priority	By Whom	When
1	Asset Management to work with the Finance Division to provide the link between the Corporate Property Objectives and the Corporate Plan.	High	Finance Division	April 2007
2	Methodology adopted for the Corporate Option appraisal and prioritisation of schemes for approval onto the Council's Capital programme	High	Finance Division	April 2007
3	Establishment of a fully costed and supported Capital Programme using the option appraisal methodology <ul style="list-style-type: none"> • Incorporating property review 	High	Finance Division	Feb 2007

	requirements <ul style="list-style-type: none"> • Incorporating backlog maintenance requirements 			
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3. Changes to the External Environment and their Implications for Property

The way in which Northampton Borough Council manages its land and property is central to the Council's ability to support Best Value and deliver service improvement. A recent example of this has been the Council's Implementing Electronic Government (IEG) agenda. As part of this agenda the Council provided the public with access to land and property data via its website using a Geographical Information System (GIS). In moving from electronic government towards transformational government the Land and Property Gazetteer (LLPG) is central to the Council's new transformational programme. The LLPG underpins initiatives such as the current Customer Relationship Management (CRM) project and Housing system replacement project. With these and other initiatives, the quality and management of the Council's asset base is critical to the Council's operational effectiveness, its financial well-being, and the environmental and economic quality of the borough. The quality and management of the Council's asset base is also directly related to how effectively the Council can join up services both internal and also externally to partners and other service providers.

3.1 The Market for Property Services

Asset Management (Governance and Resources Directorate) is responsible for the development of policy and strategy for corporate asset management and for reviewing the use of property holdings to ensure best use of property assets, together with a disposals programme for forecasting and delivering capital receipts.

Property services are provided through a mixed economy approach, which includes partnering, design and build and external providers. For example, the Council uses contractor partners Mears Group PLC to provide non-housing maintenance services and some professional services where in house capacity needs topping-up.

Asset Management should act as corporate co-ordinator for property activities best managed centrally, but more especially should lead in development and management of the Council's increased interaction with the market place in the procurement of property delivery solutions. The current Mears partnership will come to an end in 2007/8, and it is likely that additional housing related work will be included in any future partnership, to improve economies of scale and share the partnership learning.

Key areas for future development are:

- To support better property procurement, better forward planning of property investment should be developed.
- Greater commitment should be given to advance property programme preparation.
- Crucially, the authority should improve interaction with the market place through developing new and better procurement techniques e.g. increased partnership working, design and build, letting programmes of work – across all parts of the Council including Housing.
- Capital programme monitoring should focus not just on financial and input monitoring but also on the achievement of outputs and outcomes.

3.2 Compliance with Legislative Requirements

The Council is focused on ensuring that it meets all its statutory requirements relating to buildings. Almost 25% of the current maintenance budget is used to deliver the testing programmes required by law, including

- Electricity at Work Act testing of fixed wiring and portable appliances
- Asbestos surveys and management of risk

- Legionella risk assessment and testing
- Gas appliance testing and servicing
- Lift testing
- Other specialist matters such as fall arrest equipment.

Additional budgetary pressures are created by the need to rectify faults highlighted by the testing/risk assessment process, but it is a Council priority to deliver health and safety related work on its buildings, even if other less necessary work has to be delayed in consequence. This has been the case in 2006/7 and is likely to be the case in 2007/8 as well.

3.3 Environment Accessibility

The Council resolved to make all public areas of buildings and public spaces accessible to visitors with mobility impairment and navigable by visitors with visual impairments. The buildings and public spaces were not always designed for the needs of people with disabilities and therefore create physical barriers preventing some disabled people from accessing services and access to arts and leisure facilities.

Access audits have been carried out on our operational buildings. The audits identified some non-compliance under the Disability Discrimination Act (DDA). As a result, a programme of physical remedial work has been implemented and is ongoing. The Best Value Performance Indicator "Access to and use of buildings" (BV 156) which measures performance is reported in the Best Value Performance Plan and the Council has now achieved performance of 90.14% for 2005/06 which is in the top quartile.

3.4 Energy and Sustainability

Climate change is now the world's greatest environmental challenge. By emitting a range of greenhouse gases into the atmosphere, we are effectively thickening a blanket of gases around the planet, blocking heat from escaping into space and causing temperatures to rise.

In the East Midlands, the Environment Agency has estimated that climatic change will bring about wetter weather in the winter and drier weather in the summer, increasing the risk of extreme events such as storms, floods and droughts. Northampton itself experienced a major flood nine years ago and remains at risk despite a programme of flood alleviation works. By 2080 the EA expects that average annual temperatures may increase by up to 5°C (little under the change that took us out of the last ice age), summer rainfall may decrease by as much as 60% and winter rainfall may increase by up to 30%.

The best way to eliminate our impact on climate change is to reduce the carbon dioxide emissions that result from our energy use. This is now a priority for all parts of society, but especially local authorities. However, it is key that this issue is viewed both as a threat and an opportunity. By reducing our energy and resultant carbon emissions, we can reduce our (sharply rising) energy costs while simultaneously mitigating our impact on our climate.

The Nottingham Declaration was originally signed by the Council in 2003 and re-affirmed in October 2006. This voluntary declaration committed the Council to develop a plan to combat the causes of global climate change, namely our greenhouse gas emissions – the most significant being carbon dioxide resulting from burning fossil fuels for our energy.

In the same year (2003) we produced an energy strategy detailing a number of targets and priorities to help us cut energy use both across the council's property portfolio and in the community. In-house and with the assistance of external consultants energy is being monitored and initiatives have been enacted to cut our energy usage and its associated greenhouse gas emissions.

3.4.1 Our carbon reduction initiatives are detailed below:

	Detail/Action	Priority	By Whom	When
1	The Council is currently revising its existing sustainable development strategy		Sustainability Officer	April 2007
2	The Council will initiate a Carbon Management Programme with the Beacon Councils for Sustainable Energy and the Carbon Trust. This programme will investigate the opportunities for greater energy efficiency across the NBC estate while reducing resultant carbon emissions. As part of this programme, a carbon baseline for all of NBC's activities will be established, new targets for energy reductions set and appropriate actions identified		Sustainability Officer	January 2007
3	The Council to continue to purchase green electricity from its suppliers. By doing this we ensure a proportional investment is made towards the production of energy from sources such as wind, wave and solar power.		Procurement	Ongoing
4	NBC operates a Combined Heat and Power plant that feeds high efficiency power to one of its swimming pools. Efficiency gains from the simultaneous creation of electricity and heat results in an overall reduction in energy demand while helping to reduce costs and carbon emissions.		Procurement	Ongoing
5	Eco champions award - this award scheme asks NBC staff to identify which officers have best exemplified sustainability ethics in their behaviour (e.g. by switching off lights, cycling to work, buying fair-trade goods) and their nominations result in an award presented by the mayor.		Customer and Development Coordinator, Environmental Health	Ongoing
6	Since 2004 we have had a sustainable purchasing guide in place which guides our purchasing staff to recognise the work of certain internationally recognised bodies and for the Council to require such certification when specifying those specific products (e.g. the energy efficiency recommended logo and FSC mark)		Procurement	Ongoing
7	To mirror actions taken within our estate, NBC has initiated a countywide 'Climate Friendly Communities' project. The aim of this project is to bring together regional partners to encourage and support local communities to reduce their environmental		Energy and Sustainability, Shane Conway (PSH)	April 2007

	impact, with a particular focus on carbon dioxide emissions. The objectives are to: <ul style="list-style-type: none"> • Raise community awareness of climate change • Encourage community action to reduce their greenhouse gas emissions 			
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3.5 Registration of Land

The Council as a major public sector landowner acknowledges the importance of delivering the registration of its many unregistered land holdings, as government wishes us to do by 2012. Registration has many advantages to the Council: it cuts the cost and complexity of future conveyancing, helps protect land against unauthorized occupation by "squatters", and improves accessibility and accuracy of ownership records for both Council and residents. The Council is therefore hoping to start the initial verification work on its electronic land ownership records in 2007/8, which will underpin the voluntary registration process.

	Detail/Action	Priority	By Whom	When
1	Achieve total Land Registration	High	Asset Management/Legal Services	Start 2007/08

4. **Service Delivery and Accommodation needs**

4.1 Service Delivery

The authority has a strategic need to transform itself to meet the Council's improvement agenda and the key goal is to improve organisational effectiveness and performance management. This agenda was developed to an outline established by Council Members through wide ranging process of presentation, discussion, and debate with the Department for Communities and Local Government (DCLG), other statutory and voluntary organisations and local businesses. The Customer Care Strategy is seen as a key driver to achieving the Council's aims.

The Customer Relationship Management (CRM) is an enabling technology that supports the delivery of business processes. Although the Council has the capacity to drive cost reduction programmes across the authority, and these programmes may use CRM to achieve corporate objectives, it will of itself not deliver cost reductions. It is the business redesign that will deliver these. In this respect the CRM and its effects on the efficiency and effectiveness of asset management are currently undefined. However CRM has the potential to transform our relationships with commercial tenants by being able to look holistically at the Council's interfaces with them.

	Detail/Actions	Priority	By Whom	When
1	Further development of CRM technology to support delivery of business processes	High	ICT	Ongoing

4.2 Service Priorities

The following priorities have been identified in 2006 by the major property-using services, ahead of the formal production of new service plans and subsequent service asset management planning.

The Council owns three Leisure Centres that are managed in-house. The setting of priorities for the leisure centre properties are hampered by:

- The uncertainty surrounding the future of service provision e.g. out-sourcing as opposed to being retained in-house.
- Continuing budget constraints
- The condition of some buildings used to deliver services need to be improved to a more acceptable standard to compete with external providers.
- Facilities provided do not necessarily meet current or future current customer needs or are of a lower standard than those provided by external providers.

4.2.2 Community Centres

The Council own 24 community centres of which 17 are self managed by management committees, and 7 are directly council managed. Future Community Centre service priorities may be determined by the outcome of the Local Government White Paper "Strong and Prosperous Communities", which emphasises the role of community groups in managing and perhaps owning the assets. Present service priorities are being directed at:

- Improving the buildings and facilities to a good standard and ensuring compliance with statutory requirements.
- Making sure community centres are located in areas where there is the need, taking into account the Growth Agenda and all the changes that will bring.

4.2.3 Parks and Open Spaces

Parks and open spaces cover a large area within the borough. Within those areas a number of pavilions and changing rooms exist. The maintenance of those assets is limited especially with the current budget constraints in place. For customers to continue using the facilities provided, resources need to be targeted at the high priority cases.

The Parks team are working on a "hierarchy of parks" which will describe the park types and set the maintenance standards (for landscape and buildings) – from major historic parks, to local dog walking spaces.

4.2.4 Car Parks

The Council manages 23 public car parks across the town with the majority being in the town centre. There are approximately 5,400 parking spaces, which are open 7 days per week.

The primary service priority is the provision of quality, safe and secure parking for visitors to the town.

In 2004, £3.1m was spent on the refurbishment of the largest multi-storey car park, the Mayorhold Shoppers' Car Park, when it changed from pay and display to pay on foot. Plans are in hand to extend this system to the St John's and St Michael's car parks in 2007. Most car parks are covered on a 24/365 basis by CCTV monitored at the Borough Council's CCTV centre and 56% of all spaces are to the National Parkmark Standard. Shortly two additional car parks will be added in the Sixfields area just southwest of the town centre, which will provide 1,800 spaces for match day parking for the rugby and football clubs. This has been achieved through working in partnership on a regeneration basis with English Partnerships, Northamptonshire County Council, the Police, Northampton Town FC, Northampton Saints RFC and Northampton Wildlife Trust.

4.3 Accommodation Needs: Offices

The challenge is to reduce permanently the total cost of accommodating staff in offices. To achieve this, the authority must adopt alternative ways of working that eliminate the need to provide a desk for every employee in a building owned by the Council. A flexible approach to the occupation of offices will realise a reduction in floor area staff use.

The technology to permit office-based staff to work alternative ways of working must be more widely used in the Authority, to relieve the need for all members of staff to have their own desk.

A space audit in Cliftonville House, one of the Council's major office bases, has highlighted that although some staff experience cramped conditions, in some areas spare capacity exists. This is due in part to the recently completed root and branch review, which has led to a re-prioritisation of service provision, and changes to employment levels. Other factors include under utilisation of workstations, because employees who spend most of their time out of the office are still allocated a dedicated desk space. A further space audit, on the Guildhall (the other major office base) is presently being undertaken.

The new space layout presently being carried out at Cliftonville House reflects broadly the Audit Commission's recommendations on space standards. The new office space standard allowances being used have been agreed internally. Space allocation has been defined as the space totally dedicated to the individual including desk, personal filing, and meeting area. Office space is being allocated on the function rather than the status.

To make the necessary changes to deliver authority-wide efficiencies and savings and fully benefit from the transformation agenda, the authority must re-engineer its back office functions. What is required is suitable and sufficient accommodation for the people and technology. It must be efficient in use, low maintenance and energy efficient. The Council must also consider alternative ways of working such as:

- Hot desking
- Home working
- Flexibly Working

	Detail/Actions	Priority	By Whom	When
1	Office Accommodation strategy to be completed in accordance with agreed standards	High	Maintenance and Facilities Team Leader	April 2007

4.4 New Working Practices within the Council

Named to reflect the emphasis on process reengineering and organisational change, the Customer Relationship Management (CRM) system will assist in reforming our business processes and procedures within all services to gain optimum benefit.

The One Stop Shop and the Customer Call Centre are transforming the customer interfaces of the Council. The Council recognises that accessing its services and information can be a complex process however the Council is committed to improving this access. Highly trained Information Officers are there to help and guide citizens with requests for information and access to services. This is an extensive project, which will impact on all areas of the Council, and in turn support planned improvements in the management of information in the future.

- The One Stop Shop is located at the Guildhall. It provides a face-to-face, one-port-of-call facility to access a range of Council Services. The One Stop Shop (OSS) is the building block on which the Council and its partners are beginning to deliver all of their services from one central point.

- The Customer Contact Centre is situated at Cliftonville House and went live in June 2006 incorporating Housing Repairs, Housing Customer Services and Cleansing, with further expansion planned during 2007. Calls taken at the Contact Centre are routed through the ACD (Automatic Call Distribution) software, which allows customers to queue and leave messages without losing their place in the queue. The ACD technology has meant that there has been a dramatic improvement in the quality of customer service provided by the Council, with an approximate 40% improvement in calls answered by services using the software since its introduction in March 2006.

A new fully integrated system for Housing will shortly be implemented which will provide efficient and effective management of the housing portfolio.

4.5 Other Relevant agencies and their possible Joint Accommodation Requirements

The shared delivery of services from the Council owned Kings Heath Complex has been ongoing for the past year. The property is shared with the PCT and consists of a doctor's surgery, community centre, and District Housing Office.

Due to the success of the Kings Heath Complex a new multi purpose building is being built in Far Cotton funded in part by EMDA and the Northamptonshire County Council, to provide a library, changing rooms and other facilities.

The Council are in the early stages of a feasibility study to assess the possibility of a joint approach to office accommodation with Northamptonshire County Council.

	Detail/Actions	Priority	By Whom	When
1	Fully explore joint/shared use opportunities With our LSP partners.	Medium	Asset Management	Ongoing

5. **Future requirements**

5.1 Asset management must reflect the Council's **corporate vision** and promote sustainable development. Fundamental in determining strategy is the Corporate Plan, Strategic Improvement Plan and the development of partnership working. Whilst due regard must be given to the key priorities of regeneration and the maintenance of community and investment assets. External agencies only contribute in a small way to meeting the Council's needs, but increasing emphasis on the "enabler" role and the trend towards partnership working will bring a change.

The introduction of new **service plans** will provide a basis for officer and member consideration of the high level issues of suitability and sufficiency. Key themes will emerge in terms of delivery of core functions, attainment of standards/fitness for purpose, and orientation of the property portfolio to meet user expectations. Medium term financial planning will provide a more informed judgement on revenue and capital budget frameworks. To meet the needs of the customer and community there must be a strategic realignment of investment. However the Council is not in a position to fund improvement through traditional means and the mixed economy approach will have to be considered.

A pro-active and robust approach to identifying **surplus property** and the sale thereof is a key element in an effective capital strategy. The Council has a good record of disposal and through previous property reviews many sites have been, or are in the process of being sold. The Property Review process has been refocused in 2006/07 to emphasise outputs rather than process. The new draft Criteria for Exceptional Disposals at less than Market Value underpins the review activity, by ensuring that property is not disposed of at a discount unless corporate priorities cannot be effectively delivered in any other way.

The Growth Agenda and the work of the West Northamptonshire Development Corporation is going to have a profound effect on service provision in the future and the council will be required to work along side the WNDC to achieve the corporate priorities and aims.

	Detail/Actions	Priority	By Whom	When
1	Thematic property reviews are planned over the life of this plan: after the surplus property review, other priority areas for review (depending on the corporate priority allocated) may include depot accommodation, investment property, community centres, and office accommodation	High	Estates and Asset Management Team Leader	Ongoing
2	Approval of the Criteria for Exceptional Disposals at less than Market Value Policy	High	Head of Asset Management	Mar 07

6. Data Management

6.1 The maintenance and further development of a property database has been a key task for the Asset Management Division. The property database holds information relating to the entire property portfolio, whether the Council has a freehold or leasehold interest, with the exception of HRA dwellings and garages. The data is updated on an ongoing basis with the core data being tested bi-annually. The database also contains a link to the Geographical Information System (Cartology). The Corporate Property System has been rolled out to other areas of the Council, Health and Safety, Risk Management, Access Management, Legal Services, Finance and the Council's Direct Labour Organisation. It is intended to increase the roll out once the system is web enabled, following an upgrade of the operating system (subject to funding).

In addition to the property database the Council also manages:

- An Asset Register, which feeds directly into the core financial system.
- A Property Terrier held on the Corporate GIS system.
- An Internet mapping service has recently been introduced to enable the community to identify Council services and responsibilities.

Information from these sources has been used to inform this year's Asset Management Plan in terms of Property Performance Indicators, and property condition information.

The Council also has a direct link to the Land Registry database and work is shortly hoped to start on a programme of work to enable the Council to achieve total land registration (subject to budget approval).

	Detail/Actions	Priority	By Whom	When
1	Continue validation of "core" property data	High	Head of Asset Management and Estates and Asset Management Team Leader	Ongoing
2	Continue with agreed programme of data capture	High	Head of Asset Management and Team Leaders	Ongoing

3	Business rules (data maintenance procedures) to be updated for Corporate Property System	High	Estates and Asset Management Team Leader/Corporate Asset Officer	Ongoing
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7. Condition, Maintenance Backlogs and Budgets

7.1 The Council has a maintenance backlog of approximately £8.5 million of capital type works and £5.7m of revenue type works – total £14.2million – according to condition surveys first carried out in 2003 and now starting to be being fully updated. £1.545m capital was allocated in 2006/7. The current revenue maintenance budget of just over £1m pa is sufficient only to deliver a responsive repair programme of approximately £550k pa, plus £450k planned maintenance limited to statutory testing and servicing including remediation of high priority issues discovered. For example, there is no programme to redecorate any buildings, nor any programme to replace outdated equipment prior to its failure.

The Council acknowledges that this is not a desirable state of affairs, but present budgets do not permit better. The maintenance budget was increased by £150k in 2006/7 to its present level in recognition of the problems, The Council is aware that this sum was not enough.

The production of effective service plans in the near future should allow Asset Management to engage with the services on service based asset management planning, allowing decisions to be taken about problem properties and removing excess capacity in some services, which is overstretching maintenance and capital budgets.

	Detail/Actions	Priority	By Whom	When
1	To review the existing surveys and to develop the programmes of work for the next 12 months.	High	Maintenance and Facilities Team Leader	Ongoing
2	To update the condition surveys to provide an anticipated spend profile over the next 5 years.	High	Maintenance and Facilities Team Leader	Ongoing

8. Review and Challenge

8.1 Review of Asset Strategy, Property Objectives and Delivery Mechanisms

Following the CPA rating of "Poor" in 2004, the Council has undertaken a root and branch review of both services and resources. This has resulted in a major reprioritisation of services. A number of changes have been implemented which have had an impact on the Asset Management function. Partnership working is now high on the agenda, in particular, working with the Regeneration and Growth Division who have direct links to the West Northamptonshire Development Board and partnership working with English Partnerships

The Council's implementation of a corporate approach to asset management across the authority is ongoing. Considerable change has already taken place in that we are able to define the true position regarding the extent of our property portfolio and its condition. We are undertaking an assessment of the utilisation of our portfolio and how it matches our requirements both now and in the future through the property review process and service delivery questionnaires.

	Detail/Actions	Priority	By Whom	When
1	Continuing to raise the awareness of strategic asset management throughout the authority with both members and officers	High	Head of Asset Management	Ongoing
2	Developing a "Criteria for Exceptional Disposals at less than Market Value Policy" for our capital receipts, prior to potential update in line with new White Paper "Strong and Prosperous Communities".	High	Head of Asset Management	Mar 07
3	Alongside the planned strategic review of the investment portfolio, address the investment portfolio maintenance requirements and the funding available and to provide a longer-term sustainable solution.	High	Head of Asset Management and Estates and Asset Management Team Leader	Ongoing
4	Develop and implement a consultation plan for regular consultation and feedback processes with all stakeholders regarding operational property portfolio.	High	Head of Asset Management	April 07
5	Continue to ensure compliance with all health and safety issues and compliance with statutory regulations	High	Head of Asset Management and Maintenance and Facilities Team Leader	Ongoing
6	Continue to measure property performance and take action on outcomes	High	Head of Asset Management and Estates and Asset Management Team Leader	Ongoing

9. Option Appraisal

	Detail/Actions	Priority	By Whom	When
1	Explore more fundamental utilisation of our corporate office accommodation through introduction of new ways of working both internally, and with external partners and stakeholders.	High	Head of Asset Management	Once Service Plans become available
2	Through a continuing programme of property reviews, identify under performing non-operational properties. Those properties identified should then be considered for disposal.	High	Estates and Asset Management Team Leader	Ongoing

3	Examine the options available to the authority for future procurement of design services and building works on a Council wide basis (incl Housing).	High	Head of Asset Management and Task and Finish Group	Report to Corporate Asset Board in March 2007
4	Consider how the Council can use its freehold interest in the Grosvenor Centre and Greyfriars House in Northampton town centre to progress regeneration of this outdated part of the town centre.	High	Head of Asset Management and Corporate Manager Regeneration	Ongoing
5	Consider how the Council can use its ownership of one-quarter of the Dallington Heath farmland (allocated for development in the Local Plan) to not only create capital receipts but also influence the form of the development and its relation to older adjacent housing estates.	High	Head of Asset Management	Ongoing

APPENDICES

APPENDIX 1 - Projects recently undertaken:

1.1 New Build

Camp Hill Community Centre.

Far Cotton Community/Multipurpose Centre (County Library, Sports Changing Rooms, Community Hall, and other facilities).

15 St Giles St, The Volunteer Bureau – reconstruction of narrow derelict building in sensitive location next to Guildhall, to provide base for volunteers, and high quality improvement to street/scene.

1.2. Refurbishment

Open Market – reduce underused stall area of market and create “plaza” for events and activities – French Market and Italian Market held, French Christmas Market in Dec 06.

One Stop Shop at The Guildhall – refurbished public access office.

Fernie Fields Community Centre – refurbished joint use community/Scout centre.

Kings Heath Complex (Community Centre/District Housing Office/Doctors Surgery).

Northampton Theatres Trust – repair of Royal and Derngate Theatre roof and contribution to ambitious rebuild funded chiefly by Heritage Lottery and Arts Council.

APPENDIX 2 - Summary of Fixed Assets 2005/06

Description	Number
HRA Dwellings	12417
Council Houses not used as dwellings	26
Shared Ownership Properties	99
Council Garages	3049
Other Garages	194
Guildhall	1
Local Area Offices	4
Central Administration Offices	5
Depots	1
Sub-Depots	18
Multi Storey Car Parks	5
Surface Car Parks	16
Sports and Leisure Centres	4 (includes Bradlaugh Fields Interpretation Centre)
Museums Art Galleries	2
Parks and Open spaces	887.45ha
Theatres	1
Community Centres	24
Markets – Open	1
Markets – Indoor	1
Cemeteries	6
Bus Station	1
Commercial Property	276
Public Conveniences	24
Allotments	62,88ha
Golf course	1
Gypsy site	1

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APPENDIX 3

3

Movement on Long Term fixed Assets 2005/06

Operational Assets	Non Operational Assets						Totals			
	Council Dwellings £'000	Other Land & Buildings £'000	Vehicles Plant & Equipment £'000	Infrastructure £'000	Community £'000	Investment Commercial £'000		WIP £'000	Surplus Assets £'000	Intangible Fixed Asset £'000
Net Book Value of Assets 31 March 2006	532,902	82,220	4,927	351	3,138	37,099	2,456	973	3,615	667,681

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APPENDIX 4

4

**NORTHAMPTON BOROUGH COUNCIL
DETAILED RESULTS OF THE NATIONAL PERFORMANCE INDICATORS 2005/06**

4.1

KPI nos 4 A, B, C&D Repairs and Energy Efficiency			
Objective:			
<ul style="list-style-type: none"> To encourage efficient use of assets over time and year-on-year improvements in energy efficiency for Operational Buildings 			
Indicator:			
4A – Repair and maintenance costs per m ²			
4B – Energy costs m ² (gas electricity, oil and solid fuel)			
4C - Water costs per m ²			
4D – CO ² emissions in tonnes of carbon dioxide per m ²			
All floor space has been calculated using internal (GIA) in accordance with RICS Code of Measuring Practice.			
Indicator No	Details	Cost per m²) 2005/06 £'0	Cost per m²) 2004/05 £'0
4A	Repair and Maintenance	5.77	23.70 (incl £2.9m Mayorhold CP)
4B	Energy	4.79	3.78
4C	Water	0.54	0.40
Indicator No	CO² Emissions/Property Type	Total CO² Emissions/ Tonnes 2005/6 per m²	Total CO² Emissions/ tonnes 2004/5 per m²
4D	Occupied Office Accommodation (Guildhall/Cliftonville House)	0.0794	0.0959
	Car Parks (Multi Storey)	0.0164	0.0103
	Leisure Centres	0.1970	0.1822
	Museums	0.0574	0.0500
Total		0.0383	0.0332

NORTHAMPTON BOROUGH COUNCIL
KPI 5A & 5B – COST & TIME PREDICTABILITY – PROJECTS

5A – Cost Predictability

% of projects where outturn falls within +/- 5% of the estimated outturn, Expressed as a % of the total number of projects completed in the financial year.

(Comparison of estimated outturn project costs at “commit to invest” with actual outturn cost at end of defects liability period)

5B – Time Predictability

% projects falling within +/-5% of the estimated timescale, expressed as a % of total number of projects completed in that financial year.

(Comparison of estimated timescale against actual timescale)

<u>Cost Predictability</u>				
	No of projects	Within Price	2005/06 %	2004/05 %
General Fund	13	5	38	45
Housing	8	5	63	38
Total	21	10	48	41
<u>Time Predictability</u>				
General Fund	13	2	15	9
Housing	9	7	78	63
Total	22	9	41	41

Comment-

The trend with regard to the General Fund for 2005/6 was very disappointing and needs attention to improve these results. During examination of these accounts it was noticed that there were a number of variation orders issued by the Service Client which did impact on the final result of the project both in cost and time. There needs to be more consideration by the Client in the design and development of the project in order to prevent changes during the actual construction stage. The only changes that should be allowed are those required to meet essential changes arising from work on site, such as extra foundations due to poor soil condition and adverse weather conditions. Unless this policy is adopted and adhered too the situation is not likely to improve.