



**High Peak Borough Council**

*Working for our community*

# **Asset Management Plan**



**2006**

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# 1 Executive summary

The council's Asset Management Plan (AMP) is the key document that shows how the council plans to manage its various and wide ranging assets. These include operational property, community assets, infrastructure assets and non-operational property. Property assets have three features that mean they need proper management:

- they are expensive – in terms of both their capital value and annual costs of upkeep (the council spends through its revenue budget around £1 million on asset management);
- they need to be carefully managed over their lives to ensure best value – for example use, maintenance and generation of income; and
- it takes time to determine carefully new property needs and to procure and provide them.

Asset management is an essential business process for the council, to ensure that we manage and maintain our assets. The objective of the plan is to ensure that assets are used effectively to deliver the council's priorities as set out in the corporate plan.

This is the council's second asset management plan and considerable achievements have been made since the publication of our first plan in 2002. These include the implementation of re-roofing to Buxton Town Hall, refurbishment to Glossop Municipal Buildings, the establishment of three 'one stop shops' and significant work to meet the requirements of the Disability Discrimination Act.

The plan sets out a detailed action plan for improving corporate asset planning, use and management. It is integrated within the Council's Corporate Plan. It also provides the link between the strategic management of assets, and the service needs addressed in the capital strategy.

Through the Strategic Director for Planning and Regeneration and the Assets and Facilities business team, the plan provides a forum for providing advice to the council's Executive and corporate management team, particularly on the future improvement of service delivery, and on maximising the returns from the council's investment portfolio.

The plan details the arrangements for managing assets in the council and the system for monitoring and managing their performance. A process for deciding on whether to keep or dispose of assets is included within the plan. The plan will be reviewed on a regular basis and the action plan is aimed to provide the council with the information it needs to decide on the future use of its assets.

## 2 Setting the Scene

High Peak Borough Council is situated in the Peak District in the north-west of Derbyshire at the western tip of the East Midlands region. The local authority adjoins Derbyshire Dales, Staffordshire in the West Midlands, Cheshire and Greater Manchester in the North West, together with West and South Yorkshire. High Peak Borough Council has a population of 90,100, which is expected to rise to 96,000 by 2010. 1.3 per cent of the population is recorded as black or minority ethnic.

The Peak District National Park covers approximately two-thirds of the land area of the local authority however, 93 per cent of the population live outside the park, mainly in the towns of Glossopdale (32,500), New Mills (9,500), Chapel-en-le-Frith (8,800), Whaley Bridge (6,200), Buxton (21,500) and in a number of smaller villages. Tourism is a major and increasing contributor to the local economy with some 22 million visits made to the Peak District each year, with Buxton, Castleton and the Upper Derwent Valley reservoirs, being amongst the major attractions. High Peak does not lie on the national motorway or main line rail networks, although it is quite well served by local rail services to Manchester and Sheffield. Manchester airport is also within relatively easy reach.

The local economy is characterised by small and medium-sized enterprises and micro-businesses with a number of medium to large manufacturing firms which have been overall, shedding jobs. There is an increasing reliance on tourism and the seasonal challenges this brings. Some 46 per cent of the working population commutes to work outside the council area and Derbyshire, mainly into Greater Manchester, with commuting flows into the High Peak being much lower. A recent report<sup>1</sup> concluded that future employment growth is constrained by the lack of suitable land and buildings. It recommends that, because there will be a shift in demand for office space, selective intervention by the public sector will be needed through new build or refurbishment to ensure an adequate supply.

Unemployment levels are relatively low at 2.2 per cent, but the council has one ward (Gamesley) in the top 10 per cent of deprived wards and one other (Stone Bench) in the top 20 per cent. Single regeneration budget programmes are in place to help address deprivation in these areas. Overall earnings of people relying on local employment are well below regional and national averages, while conversely earnings of those commuting to nearby cities are likely to be at or above regional and national averages. Education qualifications in the local authority area are slightly higher at 21.9 per cent of residents with a degree or diploma, than the UK average of 19.9 per cent. The area has low crime rates, in both absolute terms and in comparison with similar areas, though fear of crime is an issue for residents.

High Peak is a good place to live according to the majority of people asked in a recent survey<sup>2</sup>. Of 545 people responding 78 per cent were satisfied with

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<sup>1</sup> Quality of Employment Land study, East Midlands Regional Local Government Association et al, July 2002

<sup>2</sup> High Peak Borough Council quality of life survey April 2005

their neighbourhood. However people were not equally satisfied with all aspects of life in High Peak as the following table demonstrates.

Highest satisfaction	Net satisfied*	Lowest satisfaction	Net satisfied
Locally accessible green spaces	67%	Volume of traffic on the roads	-47%
Opportunities for volunteering	45%	Amount of affordable housing	-26%
Level of health and social services	39%	Condition of local buildings, roads and pavements	-24%
Standard of local schools	38%	Number of car parking spaces	-10%
Availability of shops, banks and post offices	35%	Community involvement in decision-making	-7%

\*Net satisfied is the percentage of people satisfied minus the percentage of people not satisfied

When asked which would make the greatest difference to quality of life local people chose the following top five issues.

- a) Volume of traffic on the roads
- b) Condition of local buildings, roads and pavements
- c) Crime and community safety
- d) Leisure facilities for children and young adults
- e) Availability of shops, banks and post offices

It is clear from this survey that issues relating to the management of assets are important to local people.

### ***The council***

The council has 43 elected councillors representing 28 wards as follows: 18 Labour, 12 Conservative, 8 Liberal Democrat, and 5 Independents of which three form a group. A coalition of Conservative, Independent group and Liberal Democrat councillors hold the balance of power. The council is led by a Liberal Democrat leader and Conservative deputy leader.

The executive is made up of 6 portfolio holders (including leader) and is complemented by 4 select committees, providing a scrutiny role, which are aligned with each other and the four aims in the council's corporate plan.

For the 2005/6 financial year the council has a general fund net spend of £10.7 million and a housing revenue account spend of £10 million. Capital spend this year is set at £18.1 million, of which £9.2 million is proposed to be spent on housing stock.

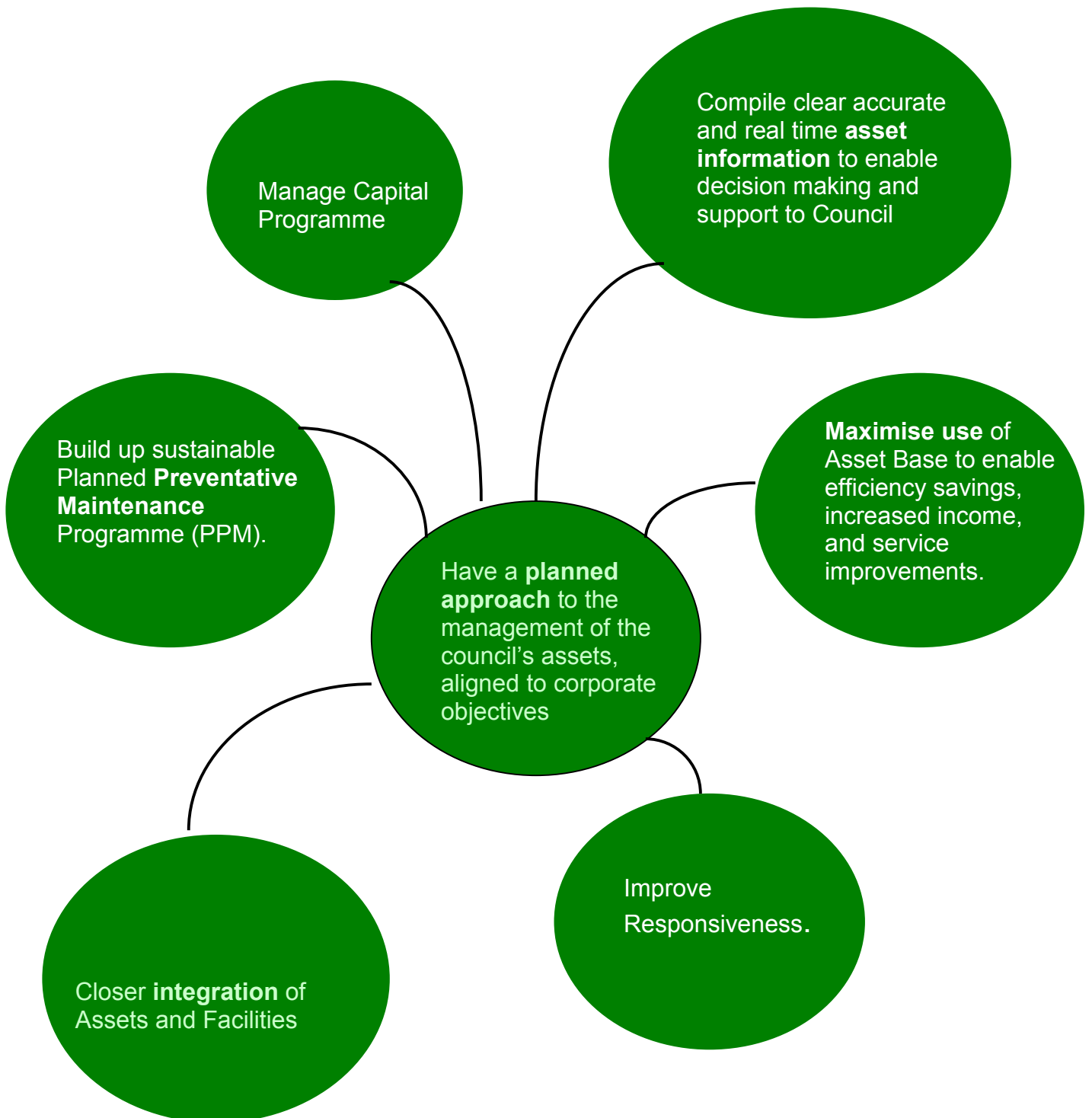
An arms-length management company, High Peak Community Housing, was established in January 2004 to manage the council's housing stock of 4,500 homes.

The council operates from three main office buildings at Buxton, Chinley and Glossop with 410 permanent employees. The senior management team

comprises the chief executive, three strategic directors, and three heads of service supported by 24 business managers and heads of service.

### 3 The objectives of the asset management plan

*The objectives of the council's Asset Management Plan are laid out below:*



The reasons for adopting these objectives are set out below:

	Objective	Why is this needed?
	Develop a planned approach to management of assets aligned to corporate objectives	Clear five year strategy to ensure that our assets support corporate objectives.
	Provide and maintain accessible, integrated and clear real time asset information	So that the council can take decisions regarding use, retentions and maintenance of assets based on accurate, up to date information, and to enable continuous improvement of performance, and best value.
	Maximise asset base.	To make efficiency savings, increase income and provide a better service to local people
	Improve responsiveness to requests for repairs and maintenance.	To increase customer satisfaction and service performance
	Build a sustainable planned maintenance programme	To achieve optimal returns on the council's investments, meet health and safety and legal obligations and improve service to the customer
	Integrate assets and facilities management	To improve the capacity to maintain and improve our assets, manage risk more effectively, and achieve best value in the use of assets.
	Manage and integrate the capital programme	To enable decisions about assets to be taken in a way that examines their whole life costs, and ensures that new investments are delivered to time and budget.

In order to meet these primary objectives, an overall set of solutions have been put together which forms the master action plan. This is shown below and a detailed action plan has also been produced.

<b>High Peak Asset Management Plan - 5 year master action plan</b>		
<b>AMP objectives</b>		<b>Solutions</b>
Have planned approach to management of Assets aligned to corporate objectives	1.1	Draw up 'Excellent' Asset Management Plan
	1.2	Learn from best practice
	1.3	Meet Corporate Objectives
	1.4	Suitable to Needs
Have accessible, integrated and clear real time asset information.	2.1	Compile condition surveys to estate, Life Cycle, DDA, Asbestos, health and safety risks to public and staff

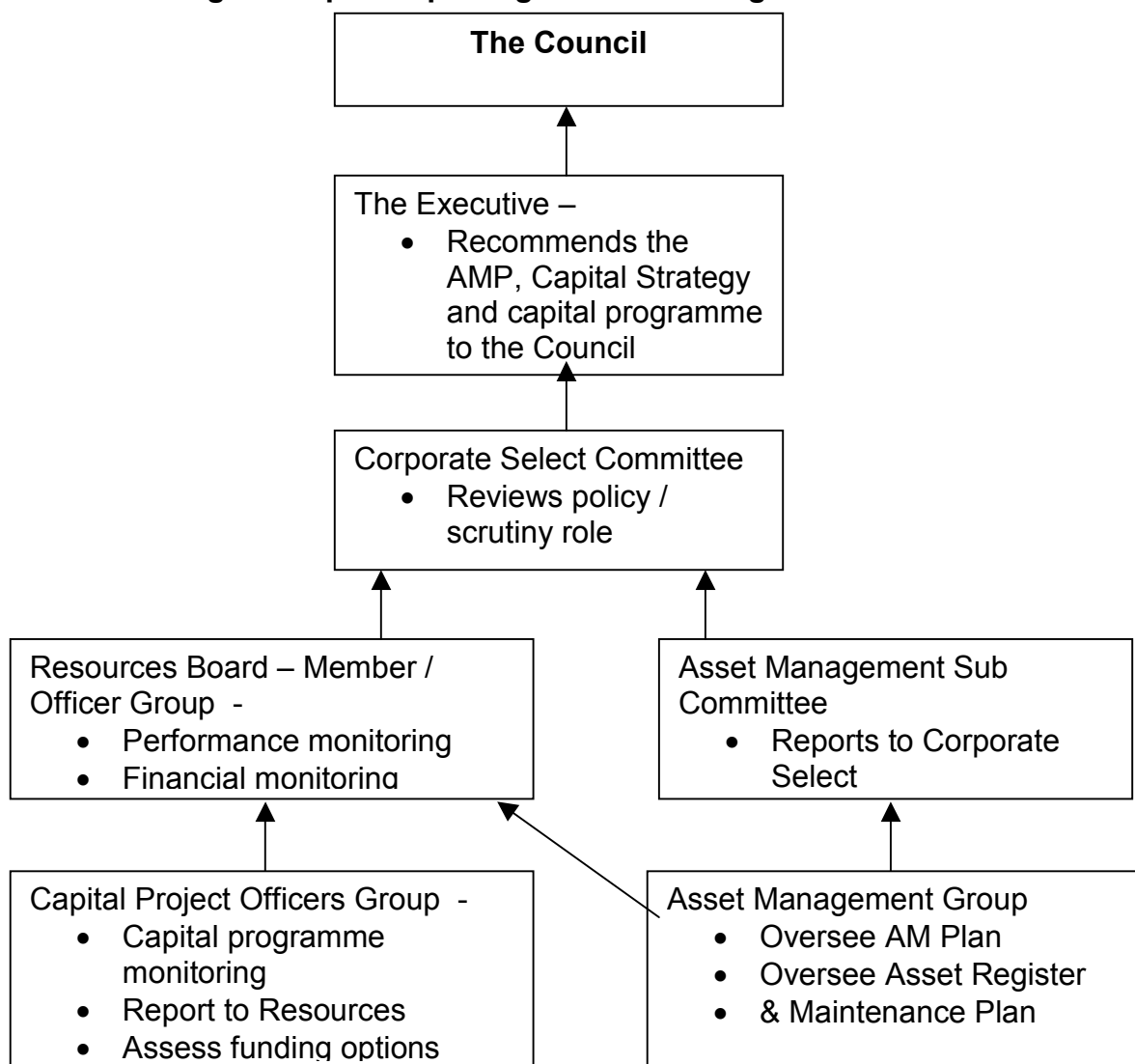
	2.2	Set up system for capturing and reporting data that is integrated across the council
	2.3	Establish benchmarks for comparison and performance measurement, utility costs, asset performance, contractor performance, to enable informed decisions
Maximise Asset Base	3.1	Conduct condition surveys to enable assessment of best future value of accommodation, services and public facilities
	3.2	Involve and sample opinion of staff and public of requirements and desires to get best fit of assets to requirements - fit for purpose for customers, one stop shops, aid tourism and office development opportunities
	3.3	Explore innovative solutions such as home and field working and define targets e.g. 50% of staff home working by 2008
	3.4	Benchmark Assets – utility performance, life cycle costs to enable informed decisions to be made.
Improve Responsiveness	4.1	Assess criteria by asset and agree with stakeholders
	4.2	Review Structure
	4.3	Set up adequate systems to facilitate
Build sustainable planned preventative maintenance programme	5.1	Condition Surveys to establish maintenance requirements
	5.2	Conduct Maintenance assessments as part of Condition Survey to establish maintenance programme
	5.3	Establish future purchasing requirements to maximise block purchase
	5.4	Review structure to ensure consistent and non duplicated approach
	5.5	Review asset base to reduce exposure to expensive assets - benchmark performance
Integrate Assets and Facilities	6.1	One system for capturing and measuring data
	6.2	Review structure to allow clear lines of responsibility and integration of Assets and Facilities
	6.3	Review operations to allow integration of budgets and personnel – e.g. Caretaking, Cleaning, Security, Toilets.
Manage and integrate Capital Programme	7.1	Integrate AMP into capital programme
	7.2	Ensure structure allows input from finance team
	7.3	Integrate results into the medium-term financial strategy

## 4 Organisational arrangements for corporate asset management

The council operates a system of Executive and Select Committees. The Executive comprises the Council Leader plus 5 members. Corporate Asset Management is expressly included within the portfolio of the Leader of the Council.

The senior management team comprises a chief executive, two strategic directors and three heads of service. The Strategic Director for Planning and Regeneration is responsible for asset management and is the council's designated corporate property officer. His corporate management responsibilities include the capital programme and he is line manager for the Assets and Facilities business team, Regeneration service, and the Economic Development business team. Through the asset management group he is responsible for guiding the contribution of the estates and valuation services to the asset management plan.

### Asset management plan reporting and monitoring



The Corporate Select Committee carries out the Scrutiny role for the asset management plan. The Select Committee has recently established an Asset Management Sub-committee, which has led to members being more effectively engaged with strategic decision-making on property issues. The council has also recently established a resources board sponsored by the Strategic Director for Planning and Regeneration and chaired by the lead Executive member.

An Asset Management Group has also been set up which is chaired by the Corporate Property Officer (Chair) and comprises the Assets and Facilities business manager, the Estates business manager, and the Financial Services business manager.

## ***How the asset management plan is linked to the corporate priorities***

The council has four main aims:

### **1) Supporting People:**

To promote social inclusion and enable communities and individuals to participate in improving the quality of life in the High Peak. The Council plays an important role in promoting a healthy environment inclusive of everyone. We do this through services such as housing, Carelink for the elderly, and sports and leisure facilities.

Key asset management challenges:

- Modernisation of outdated indoor Leisure Centres
- Modernisation of Pavilion Gardens
- DDA Access
- Decent Homes Standard
- Allocation of land for affordable housing

### **2) Creating Jobs and Prosperity:**

To create a thriving local economy which is responsive to the needs of local communities. The Council has a critical role in regenerating town centres, allocating employment land, promoting tourism and working with local businesses to ensure High Peak has a sustainable local economy that offers employment opportunities.

Key asset management challenges:

- Ensure Pavilion Gardens enhances tourist experience and attracts more visitors
- Vacate some of our current office buildings and let to other organizations to increase jobs locally
- Ensure the historic buildings in our ownership enhance the attractiveness of town centres

### **3) Protecting the Environment:**

To enhance the quality of the local and global environment. We protect the environment and contribute to keeping it safe, clean and green by promoting waste minimisation and recycling, maintaining a high quality street environment, working with the Community Safety Partnership, ensuring that new development is sensitive and sustainable and managing the environmental impact of our activities.

Key asset management challenges:

- Reduce energy use - target 2% reduction 2006/7
- Improve condition of street furniture and parks
- Improve security of assets
- Reduce staff travel through home working

#### 4) Improving the Council:

To be considered a high-performing Council by our Local Community, Partners and Peers. The achievement of this aim is central to our ability to meet rising customer expectations and deliver community priorities through the efficient and effective use of our capacity (people, property, equipment and finance) and the continuous improvement of our services, including the provision of electronic access to our services.

Key asset management challenges:

- Maintain three one stop shops
- Accessibility especially for people with disabilities
- Rationalise depots
- Rationalising office accommodation

In taking forward the asset management plan we will link into the following council strategies to inform our approach to asset management. So, for example, the workforce strategy and its aims for homeworking will guide the plans for the use of the council's offices.



## **5 Performance management**

### ***Data management***

A major part of the council's asset management strategy is to establish an excellent level of data management. A key objective will be to have an integrated system across the council which is accessible to officers and members of the council. The system will contain a detailed asset register, recording all council assets with an asset value above £5000.

The system will also incorporate information for critical key performance indicators. This information can then be used for benchmarking and performance management. In addition this system will be used to keep condition survey information, planned maintenance information and day to day repair details giving a full picture of the councils asset base in real time.

In order to manage the asset management data effectively it will be our aim to:

- Ensure that all data collected is relevant and has a clear purpose
- Make sure that data is collected by people who are competent to do so
- Make data collection in such a way that it is accurate, reliable and prioritised
- Keep data as up to date and as close to real time as possible
- Ensure adequate systems are in place to make the process efficient and integrated
- Ensure that data can be reported in a meaningful way to relevant stakeholders and groups
- Ensure that data is used to help improve performance

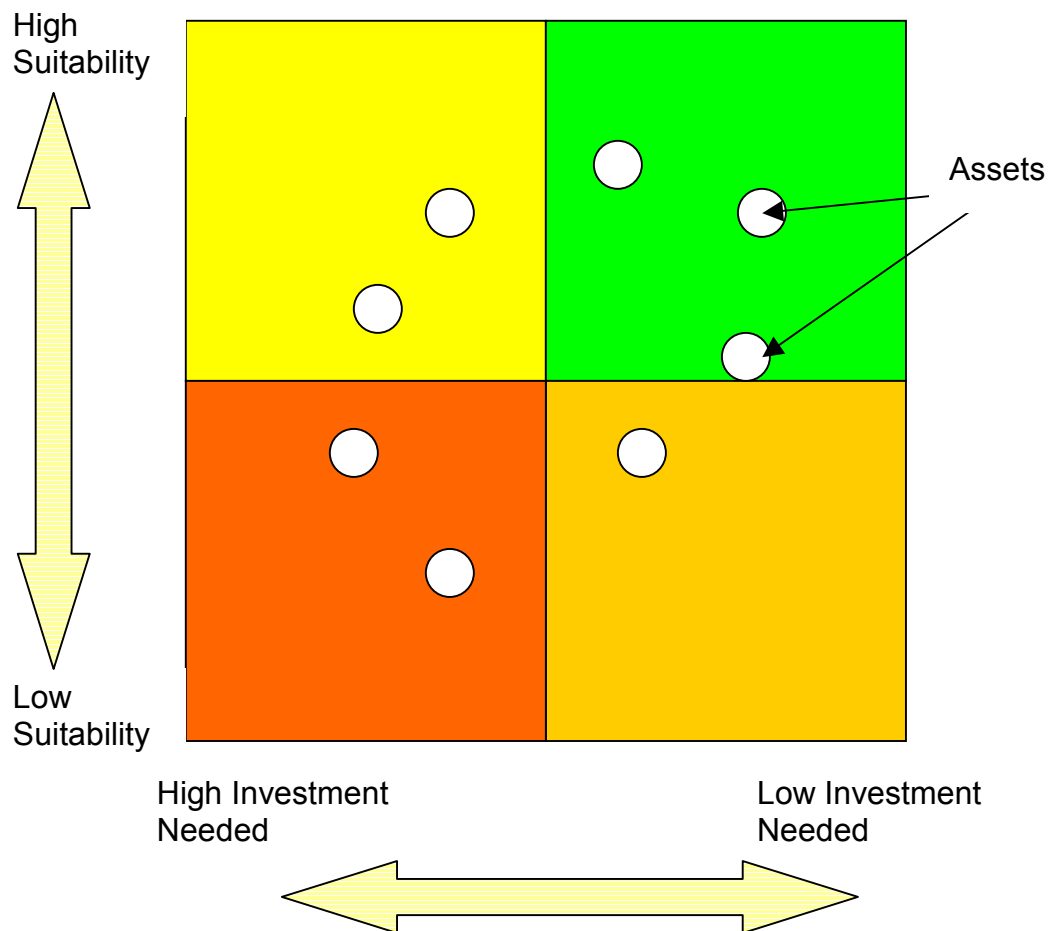
### **Measuring performance**

Our performance management system will measure:

- The contribution of assets to the authorities key aims and objectives – ranking
- The contribution of assets to support of effectiveness of frontline service delivery, including user satisfaction, suitability and sufficiency information

- Effectiveness of Maintenance Performance, including whole life costs
- Energy use and environments performance over life of asset
- Income and investment performance

These measures will then be mapped so that an asset can be positioned onto a performance grid as shown below:



***Information to be captured***

The following information will be captured:

- Property and Asset Condition
- Back Log Maintenance
- Core Asset Data – location, age, ownership, occupancy, valuation and unique reference number

- Suitability and Fitness for Purpose
- Sufficiency
- Energy/ water usage and performance
- Accessibility Status
- Legislative and Safety Information – Asbestos, Legionella, Fire
- Whole Life Costing Projection
- Rating Information in meeting corporate aims and service requirements
- Financial Performance – cost/ investment
- Other building Requirements – e.g. Listed Status

### **Reporting and Benchmarking**

Information will be reported as part of the monthly Performance Management reports as well as Quarterly to the Asset Management Sub Committee. The performance measures will be benchmarked and compared against the figures produced by Association for Public Service Excellence.

As part of year 1 of the asset management plan the specific benchmarks and key performance indicators targeted are shown below:

- First fix rate
- Response Times Met
- Percentage emergency jobs as percentage of Day to Day Work
- Percentage Emergency jobs by Asset
- Cost / Sq Metre – Maintenance costs
- Cost / Sq Metre – Utilities
- Cost by Asset
- Reliability by Asset
- Planned Maintenance Programme Status
- Back Log Maintenance by Asset
- Customer Satisfaction Levels

## 6 Consultation

The need and ability to consult with stakeholders on asset and service related issues is a fundamental part of our managing our assets. Consultation helps us to better plan and align our service needs to service provision. It enables prioritisation of services, to get best use of resources. It gives relevance to performance monitoring, encourages working partnerships and gives an early warning system to alert of issues. Consultation demonstrates the commitment of the council to be open, accountable, and to put services first.

For this reason consultation is a key component of our asset management planning.

The consultation process of our asset management planning will start with identifying relevant stakeholders and groups that may be affected by our plans. We will identify internal and external stakeholders and set up consultation groups to accommodate. Our consultation process will encompass:

- Councillors
- Employees
- Specialist Groups (e.g. Disability Access Groups)
- Business Managers
- Customers
- Feed back forums

Initially we will consult our key stakeholders on this plan namely; partners and access groups. In managing our property we will ensure that customers are involved so that we can identify needs and respond to ideas or concerns.

We will set clear objectives to establish what needs to be found out, why we are doing it, and what will be done with the information. The method of consultation to use will be considered to find the most appropriate approach – particularly important with hard to reach groups.

Our approach will allow a cost benefit analysis, to prioritise the use of resources to ensure funds are not wasted on unnecessary exercises. The aim will be for our consultation process to cover the full spectrum, from working groups through to phone out campaigns run from our call centre, to ensure the best form of engagement is matched to the best use of resources.

## **7 Partnership**

We have many links with other external organisations e.g. Derbyshire County Council on their asset management issues such as schools, social services, libraries. We are taking part in a Derbyshire-wide project to share information on assets across the public sector to ensure their effective use.

We also have links with the community/voluntary sector, and will be working with community groups to increase access for local people. Our aim will be to pursue partnerships where we can demonstrate that the council's priorities can be achieved in a more efficient, effective and economic way.



## Appendix 1 Retention and disposal criteria

### Acquisition Criteria

	Reasons for Acquisition	Reasons not to Acquire
1	Operational need, eg accommodation needed for specific Council service(s) provision and the proposed acquisition would represent Best Value for the Council	No operational need identified
2	Below average maintenance costs/energy costs and CO <sup>2</sup> emissions	Above average maintenance/energy costs and CO <sup>2</sup> emissions
3	Acquisition is identified as the best method of improving service delivery (eg provision of new business start up units).	As 1 above.
4	Property would earn a good revenue return through lease-out. Such return to be assessed on market conditions at any given time.	Below average investment return expected.
5	Property would complement existing holdings or allow for development site assembly.	No 'portfolio development' advantage in acquisition.
6	Need to provide land for future development.	Poor development land.

### Disposal Criteria

	Reasons for Retention	Reasons for Disposal
1	Property still required for service provision and is best provided in the property under review.	Property no longer provides best accommodation for specific service provision and cannot be economically and effectively used for alternative purposes.
2	Retention of property in operational use represents the Best Value for the Council that may be achieved for that property.	Best Value may be achieved by disposal of the property or entering into shared ownership with other service providers.
3	The holding earns an average/better than average revenue return through lease-out. Such return assessed on market conditions at any given time.	Below average investment return.
4	Benefits in retention outweigh benefits of disposal (eg, value of land likely to rise in the near future or covenants/agreements with partner agencies impose restrictions on sale)	Positive benefits flow from disposal (eg Sale of an access ransom strip to facilitate development; or disposal of land in return for amenity works or other community benefits)
5	Revenue pressures indicate need to retain income stream in preference to capital receipt.	Capital receipt, to fund other capital development projects, more beneficial than continued income stream from existing holding under consideration.
6	Low operational revenue costs.	High operational revenue costs.

7	Identifiable social, economic or environmental benefits of acquisition (eg social housing, preservation of heritage or environment promotion of employment.)	No identifiable social/economic or environmental benefit in Council ownership.	7	Low maintenance costs/energy costs and CO <sup>2</sup> emissions.	High maintenance/energy costs and CO <sup>2</sup> emissions.
			8	Needed to provide land for future development.	Land is badly located for Council development needs.
			9	Identifiable social, economic or environmental benefits of retention (eg social housing, preservation or heritage or environment, promotion of employment).	No identifiable social/economic or environmental benefit in Council ownership.
			10	Restrictive covenant still applies to the asset it affects.	Reasons for the original restrictive covenant has become obsolete.
			11	Sum to be paid to external financial organisation and disposal of asset forms a substantial part of the capital receipt to be achieved.	Repayment to external funding organisation is incidental to capital receipt to be realised.

**1.1.1.1 NOTE**

These are broad criteria and each individual proposal must be subject to full consideration and consultation with all parties involved (including ward councillors and neighbours) and take into account all relevant factors.