

**Chief Officer Confirmation of Report Submission
Cabinet Member Confirmation of Consultation**

Report for: Mayor	<input checked="" type="checkbox"/>
Mayor and Cabinet	<input type="checkbox"/>
Mayor and Cabinet (Contracts)	<input type="checkbox"/>
Executive Director	<input type="checkbox"/>
Information <input type="checkbox"/>	Part 1 <input checked="" type="checkbox"/>
Part 2 <input type="checkbox"/>	Key Decision <input type="checkbox"/>

Date of Meeting	
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Title of Report	Strategic Asset Management Plan
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Originator of Report	Peter Clark	Ext.49428
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At the time of submission for the Agenda, I confirm that the report has:

Category	Yes	No
Financial Comments from Exec Director for Resources		
Legal Comments from the Head of Law		
Crime & Disorder Implications		
Environmental Implications		
Equality Implications/Impact Assessment (as appropriate)		
Confirmed Adherence to Budget & Policy Framework		
Risk Assessment Comments (as appropriate)		
Reason for Urgency (as appropriate)		

Signed: _____ Executive Member

Date: _____

Signed: _____ Director/Head of Service

Date _____

Control Record by Committee Support

Action	Date
Listed on Schedule of Business/Forward Plan (if appropriate)	
Draft Report Cleared at Agenda Planning Meeting (not delegated decisions)	
Submitted Report from CO Received by Committee Support	
Scheduled Date for Call-in (if appropriate)	
To be Referred to Full Council	

MAYOR & CABINET			
Report Title	Strategic Asset Management Plan		
Key Decision	Yes		Item No. 9
Ward	All		
Contributors	Executive Director for Regeneration (Director of Programme Management & Property), Executive Director for Resources		
Class	Part1	Date: 13 February 2008	

1 Purpose of the report

- 1.1 This report seeks approval to the 2008-11 Asset Management Plan. It provides a summary of current Government guidance and sets out arrangements for its implementation. It is to be considered alongside the Capital Programme.
- 1.2 The development of the Asset Management Plan, follows on from the successful completion of the Best Value Review in 2006/07. Mayor & Cabinet considered the final report of this review on 6 September 2006 and an Asset Management Plan on 10 January 2007.

Policy background

- 1.3 The Asset Management Plan is a strategic policy document. Linkages to other corporate policies and strategies are covered in the body of the plan.

2 Recommendation

- 2.1 It is recommended that Mayor agrees the Strategic Asset Management Plan attached at Appendix 1.

3 Background

- 3.1 On 10 January 2007 Mayor & Cabinet agreed the Asset Management Plan. Asset management is a key discipline recognised in the Audit Commission in their assessment of the Council's Use of Resources.
- 3.2 Asset management was subject to a best value review in 2005-06. The review, which was completed in July 2006, took a comprehensive look at the Council's asset management arrangements. The review included specific recommendations for the following:

- a strategic approach in the management of the Council's assets
- a clear and coherent structure to support the effective delivery of the service
- establishment of data systems and IT to facilitate information gathering and learning
- greater discipline and structure in the use of contractors
- improved dialogue between the service and its customers
- development of appropriate skills and resources
- embedment of a strong performance management culture

3.3 Additional resources were committed to the service during 2007 and significant progress has been made in developing corporate arrangements for strategic asset management and improving the delivery of programmes and projects.

4 Updated Strategic Asset Management Plan

4.1 The updated plan sets out a revised approach based on:

- a three year strategy linked to the Council's Capital Programme and subject to annual updates in February
- annual performance evaluation reports in July

4.2 Other key changes from the last plan include improved linkages with the Council's overall strategy, including the recently agreed Regeneration Strategy and further work with the Primary Care Trust on collaboration with asset strategies and planning along with sharing asset information. The plan also refers to the work on the development of a local community asset transfer programme.

4.3 Over the last year a new organisational structure has been put into place, property data systems have been co-ordinated and strengthened and statutory maintenance arrangements are now considered sound. Corporate asset management has been strengthened with a Board meeting regularly to address issues of concern. Programme Management and delivery arrangements have also been addressed with a focus on ensuring programmes and projects are regularly reviewed, problems identified and resolved and, where appropriate, lessons learned. In early 2007 resources were committed to a successful programme of training for managers in programme and project management disciplines. Following this, officers have developed a Forum for those involved in order to encourage the sharing of knowledge and experience. Officers have also been working with colleagues across London to share experience and examine the potential for collaboration.

4.4 The Comprehensive Spending Review for 2007 was announced on 9 October 2007. This included a fixed asset disposal target of £30bn to be achieved across government by 2010-11. The Review included an expectation that the Department for Communities and Local

Government (CLG) would work with Treasury to secure the release of public sector land for housing and that further work would take place to strengthen asset management in local authorities.

- 4.5 Government continue to consider Asset Management as a key management discipline for effective public service delivery. In November 2007 CLG published the findings of a six year study undertaken by York Consulting into corporate asset planning. The key findings of this work suggests that there are three critical success factors involved in developing a corporate approach to capital and asset planning:
- corporate culture and working
 - buy-in at senior officer and elected member level
 - leadership
- 4.6 The Council has a well established culture of corporate working (as evidenced by the recent Corporate Performance Assessment), there is strong buy-in to this area of work from senior officers and elected members and leadership rests with the Executive Director for Regeneration.
- 4.7 The York Consulting work also identified 12 good practice processes that they consider represent good practice. These are set out in Appendix 2 with an evaluation of how the Council responds to each.
- 4.8 On 6 December 2007 CLG wrote to all Local Authority Chief Executives with an outline of a Local Government Asset Management Strategy focussed on how asset management can secure better value for money and make more effective use of the asset base to deliver high performing public services. A response was submitted to CLG on the outline strategy in January 2008.
- 4.9 It is clear that asset management will continue to be a focus for the Audit Commission's evaluation of local authority performance. The Comprehensive Area Assessment and future "Use of Resources" assessments are likely to be more onerous and the aim will be to ensure that the Council continues to "perform well" against the new criteria. The key challenges will be to continually challenge the effective use of assets and apply limited investment to optimise it's impact on services.
- 4.10 The focus of action over the next 12 months is proposed to be:
- work with the Primary Care Trust on mapping future infrastructure needs
 - the agreement of an options appraisal, business case development and whole life costing toolkit
 - a review of options to streamline the current project management arrangements

- the development of a programme management framework to complement current project management arrangements

4.11 Officers will report back to Members on an annual basis (or more frequently if required) on performance and delivery of the programmes outlined in the plan.

5 Financial Implications

5.1 The 2007-08 budget provided additional resourcing for the strengthening of the Programme Management & Property functions that has enabled many of the improvements set out above. For 2008-09 pressures exist particularly related to the clienting of the Building Schools for the Future programme that are to be considered as part of the 2008-11 budget process.

5.2 Full details of the capital programme and strategy are reported elsewhere on this agenda.

6 Legal Implications

6.1 Section 3(1) of the Local Government Act (1999) (LGA 1999) places a duty upon the Local Authority to make arrangements to secure continuous improvement in all of its services, having regard to a combination of their economy, efficiency and effectiveness.

6.2 Section 5(1) requires the Local Authority to conduct Best Value reviews of its functions having regard to relevant guidance issued by the Secretary of State. The proposed Strategic Asset Management Plan which is the result of Best Value review undertaken would appear to comply with this duty and provide the efficiencies which this legislation and guidance seeks.

7. Crime and Disorder Implications

7.1 There are no crime and disorder implications arising from this report specific implications are addressed in each section.

8 Environmental Implications

8.1 There are no environmental implications arising from this report however, sustainability is a core consideration in the Council's response to asset management and will encompass all aspects of sustainability.

9 Human Resource Implications

9.1 There are no HR implications of this report.

Equalities Implications

- 10.1 Equalities issues have been considered as an integral part of the process of reviewing the Strategic Asset Management Plan. The key equalities consideration is access to public services through providing accessible buildings. The plan supports the delivery of corporate priorities and these are cross checked within the document.
- 10.2 Both the Introduction and Objective 5 refer to accessible buildings while Objective 9 refers to access to services. This is reflected in the AMP programme (section 4) which cuts across all service areas. A programme of Equalities Impact Assessments will be undertaken across the Property and Programme Management Division in 2008/09. Additional EIAs will be undertaken on specific projects where this is appropriate, as, for example, was done in 2007 in relation to the proposed re-location of Traveller's Site where an EIA was undertaken as an integral part of the report to Mayor and Cabinet.
- 10.3 There are clear links between the Strategic Asset Management Plan and the Council's Regeneration Strategy, People, Prosperity and Place. The plan states that *'We are using our ownership of property to generate investment and facilitate regeneration and development.'* A full Equalities Impact Assessment was undertaken of the Regeneration Strategy, and an action plan was agreed by Mayor and Cabinet on 5th December 2007. The action plan focuses on improving engagement of Lewisham's diverse communities in major regeneration projects, and work is underway to deliver the actions identified.
- 10.4 Diversity within the Borough's population is recognised in paragraph 2.1 of the plan.
- 10.5 Paragraph 3.3 of the plan highlights a commitment to stakeholder and community involvement.

BACKGROUND PAPERS

Short title of document	Date	Contact
Asset Management Best Value Review Phase 2 – Report by Donaldsons LLP	May 2006	Steve Gough
Asset Management Plan – Public Accounts Select Committee	5 December 2006	Steve Gough
Asset Management Plan – Mayor & Cabinet	10 January 2007	Kevin Flaherty
CLG – Evaluation of asset management planning	23 November 2007	CLG

For more information about this report, please contact Steve Gough Director of Programme Management & Property on 020 8314 8885

Appendix 1 PASTE AMP DOCUMENT

Appendix 2

Process	LB Lewisham response
Local authorities develop new corporate management arrangements in order to respond to the corporate capital and asset planning initiative.	<ul style="list-style-type: none"> • There are clear links to corporate plans • The approach is led by the Director of Programme Management & Property • The Asset Management Board is cross-directorate, well attended and has a role of challenge
Local authorities restructure their governance arrangements so that they are better able to focus on strategic property issues and hence improve decision-making capability.	<ul style="list-style-type: none"> • Mayor & Cabinet arrangements are well established • The Deputy Mayor is the member with responsibility for asset management • The Public Accounts Select Committee has responsibility for scrutiny
Local authorities develop an effective organisation of their property management services as the basis for implementing a more corporate and strategic approach to capital and asset planning.	<ul style="list-style-type: none"> • With the exception of schools and housing all other property has been managed corporately since 2005 • This approach has improved the available property data
Local authorities introduce a corporate approach to project management, including a systematic approach to undertaking post-implementation reviews, with appropriate processes and staffing and other resources for it's implementation in order to support larger and more complex capital programmes.	<ul style="list-style-type: none"> • Strong project management arrangements are in place • A programme management framework is in development in 2008 • New resources were committed to the area in 2007-08 • Post –implementation and Lessons Learnt reviews are undertaken
Local authorities gather, store, maintain and update information on the size, condition, suitability, and sufficiency and other relevant details, of their property holdings.	<ul style="list-style-type: none"> • During 2007 organisational arrangements have been put in place to integrate property data • Information on asset conditions and costs will be available on a web-based system in 2008 • This data is used to aid decision-making

<p>Local authorities have considered, identified and calculated a suite of property performance indicators that is appropriate for the local context, and draw on the experience of asset planning from other organisations in order to improve their own performance.</p>	<ul style="list-style-type: none"> • Lewisham shares information and experience with other authorities through the Association of Chief Estate Surveyors and Property Managers in Local Government (ACES) and the IPF asset management network. • We are a member of the London ACES Benchmarking club • Local performance indicators were reviewed at the commencement of 2007/08, mainly with respect to service delivery. There will be a further review in April 2008 when a full year of comprehensive data will be available. • It is anticipated that local and programme specific performance indicators will be used to review progress and for decision making process.
<p>Local authorities develop processes through which to consult with partners/stakeholders, service users, the general public and staff regarding the capital programme and property-related issues.</p>	<ul style="list-style-type: none"> • There are strong links with local partners, especially the PCT, on all asset-related work • There is strong corporate oversight of consultation on all key projects
<p>Local authorities develop a medium/long term Property Strategy and integrate its implementation with their wider medium term planning at corporate and service levels.</p>	<ul style="list-style-type: none"> • The accommodation strategy has a medium/long term strategy in place. • Secondary education has a medium/long term strategy in place. • It is proposed to develop other medium/long term strategies for other services as part of the property review process.
<p>Local authorities develop a clear strategic approach to the utilisation of office space by staff (including flexible working) and co-location with partners and stakeholders.</p>	<ul style="list-style-type: none"> • The Worksmart programme delivers this for office space. • Services and staff are co-located where appropriate and we have worked closely with the PCT on Downham and Kaleidoscope.
<p>Local authorities undertake accommodation reviews and area/service and other property reviews in order to improve service delivery and the performance of their property assets.</p>	<ul style="list-style-type: none"> • The Asset Management Board oversees a programme of reviews. • The 2008-09 review will cover youth services and depots.
<p>Local authorities develop formal approaches to the appraisal of the options available for the meeting the objectives of proposed</p>	<ul style="list-style-type: none"> • Options appraisal and business case development techniques (including whole life costing) are used on programmes and

capital projects, integrated with a formal approach to the prioritisation of capital projects.	projects.
Local authorities develop a formal corporate approach to the prioritisation of capital projects in line with corporate objectives and priorities, integrated with a formal approach to option appraisal.	<ul style="list-style-type: none">• There is a corporate approach to capital programme development.