

Essex County Council  
**Finance Directorate – Asset Management**  
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CPI/AM/PMSG/AW /  
1851/1M.

9<sup>th</sup> September 2009.

Dear Adrian,

### **ECC Assistance in UDC Asset Management Plan**

Following our series of discussions, I formally propose the following Essex County Council technical assistance in the area of property asset management.

#### **Background**

The Leader of Essex County Council offered Uttlesford District Council officer technical assistance in order to facilitate the districts improvement plan and this has so far been provided by Human Resources expertise.

A second area of assistance requested by Uttlesford District Council officers was in the area of asset management and the District Council's preparation of an Asset Management Plan covering the effective use of accommodation and its property assets. A number of preparatory discussions have been undertaken between district and county officers in order to secure a level of support and production of a plan that is robust but also proportionate to the districts reliance on property.

The following therefore

- maps out an approach to charting the influence that property assets has on the District Council's operations,
- to promote a strategy for the management of these assets,
- and a process whereby this can be maintained into the future,
- whilst looking for "quick wins" that start to drive efficiencies within the Districts use of property assets.

#### **Proposal**

The District Council and the County Council will each identify a lead officer to effect the work which will be to derive a Corporate Asset Management Plan for the District Councils use of property assets to be complete and ready for District Council Members consideration during the first quarter of 2010 (i.e. Jan – March 2010).



The work will be undertaken based on forming a pragmatic view of how property issues and interests are material to Uttlesford District Council's objectives and service delivery and the suggestion of measures and management arrangements of those property issues that are reasonable and cost-effective to the authority, rather than an idealistic approach to asset management. The technical expertise will be provided by the County Council's Property Strategy Team with personnel periodically based at the UDC's offices in Saffron Walden and administrative support from UDC. The County Councils input will be provided free of charge to the District Council.

The nature of the work will be to take a parallel approach involving:

- the central collection of property data;
- validation of data and identification of property issues;
- seeking quick win proposals for increasing the efficiency of property use;

all as part of an overall approach to the development of the strategy and process and set of rules for its management. The work will be approached on the basis of involvement of services and use of their existing knowledge, both to rapidly accumulate data, gain service ownership of the approach, and develop a means of shared validation, all supported by specific property expertise as required to facilitate collecting data and to focus on hotspot areas of missing data and analysis. This will be done in conjunction with UDC staff to facilitate shared learning.

### **Property Strategy Principles**

Current best practice advocates that:

- a single corporate overview is taken of all of an authority's property holdings,
- that the performance of these holdings are assessed against key performance indicators,
- and that knowledge of the property stock is matched against a separate assessment of the authority's accommodation needs arising from its service strategies
- all in order to comment on the validity and deliverability of those strategies and to achieve best fit.

The following suggestions are aimed at achieving this in a way that is appropriate to the extent that service delivery is dependent upon property.

Generally, most services are accommodation dependant be that accommodation for users, customers, or clients, office accommodation for staff, or depot accommodation for vehicles and plant. Often such accommodation needs can amount to some 20% of the cost of operation of the service if the true cost of the property is taken into account. Driving efficiencies in these property assets can divert money for direct service provision and/or investment in these premises if this achieves improved service delivery. This work will make such assessments of the UDC stock.

### **Property Data**

Information on UDC's property assets are currently spread across a least three databases with similar separate overview and control and property is reasonably seen as a follow on from service delivery but without any separate challenge or consideration. There is a real need to pull this together in a central monitoring and maintained database. Such a central

database will then enable more efficient reporting of the corporate property assets in the End of Year accounts and enable the common corporate overview and assessment as mentioned above.

This will be achieved by seeking the current services confirmation and input on the performance of their existing estate. A questionnaire will be devised and circulated to the services seeking to clarify the accommodation that is used and the service needs and outcomes that this supports. This will involve

- validation of the existing lists of premises,
- seeking confirmation of their continued operational need, and identification of any additional premises that these services use or have an interest in (UDC or third party, owned, freehold, and leasehold, or simply used),
- seeking any operational issues with the premises for their current or future use,
- and a "utilisation/satisfaction score) for each premises.

Parallel with this activity, assessment will be made of the current databases to see if one is capable of development for an overall corporate system together with analysis of the numerous proprietary systems that can be used for this purpose. This will lead to plans for the development of consolidation in a central database and identification of such additional information as may be required for this. The questionnaires will also identify the service issues that might currently exist around these premises

### **Corporate Asset Strategy**

A report will be prepared for UDC Members consideration and approval of what the authority wishes to seek to achieve from the performance of its property. This may be to achieve high utilisation, generate capital receipts to fund improvement, ensure low void rates, or protection of certain buildings, etc which will enable recommendation of performance criteria to be applied to property to ensure that such objectives can be delivered. The report will include a comment concerning the capacity of the authority's stock to meet these objectives and suggestions of the series of options that can be taken to bridge any Identified. The report will have an Action Plan to achieve the desired approach and options for how this will be monitored and maintained into the future.

This will form the basis of UDC's Corporate Property Asset Strategy and Plan and will indicate where additional analysis of service plans will be necessary to clarify expectation or vulnerability.

Depending on the returns from the data collection exercise with the services, there may also be indications of where a number of "quick win" detailed studies can be undertaken, thus enabling a multilayered approach which sees development of a system, increasing knowledge on the property stock, and specific actions that can be developed on parts of it

Throughout the approach, the developing process will be documented together with those "property rules" that will need to be agreed to enable implementation.

### **Timescale**

The process will be completed during the 09/10 financial year in the layered approach noted above leaving UDC at the end of the process with:

- a Corporate Asset Management Strategy and Plan;
- greater knowledge on its property Holdings and their interactions with operations;
- a process for evaluating objectives for property and its performance;
- a strategy for reviewing performance and attending to any gaps;
- and a process to manage this into the future.

I commend the above approach and am happy to assist the presentation of this to your Senior Officers and Members as required.

Yours sincerely

A handwritten signature in black ink that reads "Allan Walker". The signature is written in a cursive style with a large, sweeping initial 'A'.

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