



## WEST DORSET DISTRICT COUNCIL PROPERTY ASSET MANAGEMENT PLAN



2016 - 2020

Property Asset Management Plan  
2016-2020

## **FOREWORD**

The effective use of assets is a key factor in delivering to the community of West Dorset District Council the objectives and priorities they have set for the Council. This plan sets the agenda for us to achieve that by ensuring that financial resources tied up in land and buildings is minimised, and that capital and revenue expenditure on the portfolio is directed efficiently and effectively to provide value for money.

The Council is fully committed to the principle of the most efficient use of assets and this document establishes the objectives, processes and actions that all Council Members and Officers will follow to achieve that aim.

The successful Dorset Councils Partnership has been created serving West Dorset District Council, Weymouth and Portland Borough Council, and North Dorset District Council. It covers more than half of Dorset and serves approximately 235,000 people.

This has already saved more than £3 million, with the single workforce now serving all three Councils. Each Council has its own councillors, who continue to make local decisions about their services. The three Councils set their own budgets and council tax and continue to be responsible for their separate identities and reputations.

'Dorset Council's Partnership' exists to help sustain and improve the quality of life for all people living in, working in and visiting West Dorset, Weymouth and Portland and North Dorset. The aim is to make a difference for the good of all local people and visitors, especially those in greatest need. Our property has a significant role to play in enabling us to achieve this aim, and in delivering the Corporate Objectives of each Council.

John Russell

West Dorset District Council Environmental Protection and Assets Portfolio Holder

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## **1.0 INTRODUCTION**

### **1.1 What is an Asset?**

An asset is defined as:

'An item of property owned by a person or company, regarded as having value and available to meet debts, commitments or legacies' (Oxford Dictionary)

Councils hold a variety of assets which include:

- Property – land and buildings
- Plant & Equipment – machinery
- IT - laptops, desktop PC's, tablets, phones, servers etc.
- Fleet - vehicles

For the purpose of this Property Asset Management Plan the focus is on land and building assets.

### **1.2 How did the Council acquire assets?**

Many of the assets held have been inherited, gifted, purchased, rented or obtained through a Compulsory Purchase Order leading to an asset portfolio which is large, diverse in nature and includes a large number of very low value assets.

### **1.3 Why does the Council hold property assets?**

The Council hold property assets for various reasons including:

- Service delivery
- Income generation
- Meet the needs of the local community
- Deliver the Council's aims and objectives
- Investment
- Supporting regeneration

### **1.4 What is Asset Management?**

The Royal Institution of Chartered Surveyors (RICS) defines Asset Management as – 'The activity that ensures that the land and buildings asset base of an organisation is optimally structured in the best corporate interest of the organisation concerned. It seeks to align the asset base with the organisation's corporate goals and objectives. It requires business skills as well as property skills and an overall knowledge of property matters and property input is imperative. Asset management does not seek to respond solely to the requirements of any particular operating part of the organisation, but rather, it seeks to take all requirements into account and to deliver the optimal solution in terms of the organisation's overall operational and financial goals and objectives. It is a corporate activity and may be led or coordinated by a property, construction or facilities professional, although this is not always the case'.

## **1.5 What is a Property Asset Management Plan?**

The Royal Institution of Chartered Surveyors (RICS) define an Asset Management Plan as – ‘A plan covering the organisation’s asset strategy together with other related matters, for example, the organisational structure and governance, roles and responsibilities, data and performance management arrangements and performance measurement information’.

Asset management is described by The Institute of Asset Management as ‘the management of physical assets – their selection, maintenance, inspection and renewal – playing a key role in determining the operational performance and profitability of industries that operate assets as part of their core business’. The Institute goes on to say that ‘asset management is the art and science of making the right decisions and optimising these processes. A common objective is to minimise the whole life cost of assets but there may be other critical factors such as risk or business continuity to be considered objectively in this decision making’.

A Property Asset Management Plan ensures that land and property assets are efficiently managed and maintained in a consistent, strategic manner that meets the current and future needs of the Council supporting corporate priorities and service delivery and recognises legal obligations (associated with property ownership and occupation).

This plan will operate over a four year cycle but will be updated annually to provide a rolling plan. The plan will ensure assets are reviewed, held for appropriate reasons, acquired or disposed of and managed in accordance with the Council’s needs. The plan is restricted to property assets owned by the Council. The plan sets the context and a programme of action for the Council’s property portfolio over the short to medium term and explains the following in relation to relevant asset management issues:

- where we are now
- where we need to be
- the issues, risks and benefits
- the actions required to get there

In order to develop the asset management plan a thorough understanding of the Council’s assets must be obtained. This understanding must be supported by reliable information, clear and effective processes which are delivered by competent people.

## **1.6 How do we know when we have achieved what we need to achieve?**

All local authorities are going through a significant period of change, due to funding cuts. The Council needs to look to the future, and ensure that its asset base is fit for purpose, is able to accommodate the evolving needs of the community and the changing nature of service delivery.

To this end the Council will set up a delivery programme and its progress and outcomes will be monitored by local property key performance indicators. The delivery programme runs over the course of this asset management plan and is a consolidation of actions from each of the specific sections.

Common outcomes may include:

- Determine policies for asset groups and types of property
- Clear on what we have got
- Increase in income generation

- Reduced costs through rationalisation, disposals and letting void property
- Planned maintenance strategy to reduce overall costs
- Generated capital receipts from the sale of surplus assets identified through asset reviews
- Use of capital receipts to fund capital programme
- Reviewed each of the asset classes and have a clear forward plan for each of these
- Develop a Community Asset Transfer Policy
- Ensuring that property is used and managed in compliance with legal obligations

The asset management processes are summarised on the following page - 'Strategic Property – Plan on a Page'.

## STRATEGIC PROPERTY – PLAN ON A PAGE

Our Strategic Property aim is:

**TO ENSURE THAT THE COUNCIL LAND AND PROPERTY ASSETS ARE EFFICIENTLY MANAGED AND MAINTAINED IN A CONSISTENT, STRATEGIC MANNER THAT SUPPORTS CORPORATE PRIORITIES AND SERVICE DELIVERY**

Our Strategic Property priorities are:

**Understanding our assets and how they perform**

**Challenging whether we keep all of our assets**

**Disposing of the assets we no longer need**

**Acquiring new assets if we need them**

**Maintaining and investing in the assets that we keep**

**Making our assets more efficient to run**

**Making the most of our assets**

We deliver these priorities by:

**Retaining an Asset Register showing which assets we own**

**Undertaking a rolling programme of Asset Reviews**

**Implementing our Acquisition and Disposal Protocol (to be adopted)**

**Implementing our Maintenance Strategy and Health and Safety legislation regulation**

**Centralisation of Property Asset Management**

**Measuring and monitoring how our assets perform (cost, condition etc.)**

**Investing in a Planned Maintenance Programme**

**Implementing our Capital Strategy**

**Debt Management**

**Performance Indicators**

**Ensuring best consideration in all our property transactions**

## **2.0 STRATEGIC PRIORITIES**

### **2.1 What are Strategic Priorities?**

Strategic priorities are based on Councils aspirations from time to time and will change according to need. The following is a list of some of the known strategic priorities of local authorities:

- Become a more efficient Council
- Using reduced resources to deliver the Councils corporate objectives
- Generate long term revenue, reduce outgoings and use assets efficiently
- Integrated and joined up approach of service delivery to meet local needs
- Enhance quality of life in the Councils area
- To build the area's economy and promote tourism
- To protect and enhance the environment

The adoption of an asset management plan has long been recognised as an effective way in which to manage a diverse property portfolio with all the attendant demands, aspirations and responsibilities. Such an approach enables the most efficient and effective deployment of resources, whilst fulfilling legal obligations, stakeholder needs and safeguarding for the future.

### **2.2 How do Strategic Priorities relate to our assets?**

Not all strategic priorities would relate to property assets but some will. To identify what our assets can deliver by way of Strategic Priorities we need to know what the assets are, and how they can support the delivery.

Strategic priorities may relate to asset groups, for example operational and non-operational properties. They could also relate to types of properties within the asset groups, for example car parks and hotels. Finally they could relate to efficiencies and effectiveness of either asset groups or types of property.

### **3.0 UNDERSTANDING THE PORTFOLIO & PORTFOLIO REVIEW**

The key to effective asset management stems from comprehensive and accurate asset data. Maintaining asset data is essential to an effective system of asset management in order to ensure the performance of the portfolio can be evaluated. Ensuring asset data is accurate is time consuming but does prove to be invaluable. The following are important to ensure effective data management:

- Retaining an asset register showing which assets we own
- Ensure data is actively managed to remain accurate and up to date
- Measuring and monitoring how our assets perform (cost, condition, income etc.)
- Ability to be able to extract and use data for better Asset Management Plan purposes
- Clear legal ownership plotted via a Geographical Information System (GIS) to protect the long term holding of the assets
- Record of obligations associated with property including lease details, rents, repairing obligations and other liabilities
- Record of Health and Safety aspects related to properties including suitable inspections, recording and testing

Historically, assets have been grouped in accordance with the guidelines for capital accountancy processes set by the Chartered Institute of Public Finance and Accountancy (CIPFA).

#### **ASSET GROUPS**

A property portfolio consists of a variety of assets which can be broadly categorised into the following asset groups:

- 1) Operational Properties  
Within this asset group the following property types are included; offices, stores and specialised assets occupied by the Council to deliver services or shared services.
- 2) Non Operational Properties  
Within this asset group the following property types are included; assets held to deliver Council community objectives and which may generate small incomes but are held primarily for community use. Infrastructure and heritage assets are also included within this asset group.
- 3) Income Generating Assets  
Within this asset group the following property types are included; assets held to fulfil Council community or other objectives as well as generating income. These include hotel and guest houses, various catering, car parks and leisure facilities.
- 4) Surplus Assets  
Within this asset group the following property types are included; assets which are not being used to deliver services and are surplus to requirements. Assets will have moved to this asset group from one of the above asset groups following an asset review.
- 5) Assets for Disposal  
Within this asset group the following property types are included; assets which the Council expect to dispose of within 12 months of being classified for disposal. These assets would have previously been declared as surplus assets.

A summary of the portfolio for this Council can be found in Appendix 1.

### **3.1 Portfolio Review**

The Council will need to adjust its portfolio to fulfil its strategic priority issues and will achieve this through the following guiding principles:

- Reviewing what our assets are and how they perform
- Challenging whether we need to keep all of our assets, and those we do are of an appropriate quality
- Disposing of assets we no longer need and acquiring new assets where necessary
- Acquiring new assets if we need them that inspire and excite
- Maintaining and investing in the assets that we keep. Therefore enhancing the locality as a place to live, work and play
- Making the assets more efficient to run
- Making the most of our assets

Further details of these issues can be found later in the plan.

### **3.2 Challenging whether we need to keep all of our assets**

Reviewing the Council's asset portfolio is crucial in addressing the property needs of services and also the corporate objectives of the wider organisation. There are often conflicts between what a service provider might want and what the corporate view and funding might allow.

To achieve this, Councils need a rolling programme of asset reviews to challenge and review the use of assets and to do this a series of criteria, checks and balances are required. These would be done at a high level initially and might include the following tests as an example:-

Test 1 - does each asset or group of assets deliver some benefit relative to the strategic priorities? Is it clear and stated what these are?

Test 2 – can it be sustained to do so effectively and efficiently and will it continue to do so for the required period? Could the need be more efficiently met in another way?

Test 3 - could it be used or managed in a different way or for a different use?

Test 4 - what is the most effective and cost efficient long term solution?

Test 5 - is the asset in the right location for the use?

Test 6 - what and where is the asset in the life cycle of the property? Do we need to consider other changes over time which affect this?

Conclusion - is the asset the correct facility for delivering what is needed for the long term future?

If an asset is suitable for the use to which it is intended and being used, then this is dealt with in Section 5 – Strategy for Maintaining and Investing

### **3.3 Asset acquisitions and disposals**

Where an asset is deemed unsuitable for its current or projected use, a review will need to be implemented to identify an alternative use or disposal. The asset may no longer be needed but funds obtained or released from a disposal can then be utilised for alternative more appropriate assets to be acquired or brought into benefit from.

Where assets are needed to deliver strategic priorities and there are insufficient or unsuitable existing assets, then action is taken to address issues. This could involve acquiring an asset, leasing in an asset, borrowing an asset, sharing an asset or developing an asset. The determination of the best approach will be on a case by case basis.

### **3.4 Maintaining and investing in the assets that we keep**

In order to continually maintain and invest in the assets that we keep we must adhere to the following principles:

- Investment in a Planned Maintenance Programme
- Implement a Maintenance Strategy
- Maintain accurate records of elements in need of repair
- Establish clear responsibilities for rectifying items of disrepair
- Establish clear responsibilities for addressing major replacement items
- Ensure appropriate technical resources are available to manage repair works
- Ensure major repair projects are procured to provide best value for money and in a manner that complies with Government regulations
- Ensure statutory obligations such as DDA, Asbestos and Water Hygiene are complied with

### **3.5 Making the assets more efficient to run**

An efficient asset portfolio is dependent upon the following:

- Monitoring of running costs to target potential savings and implement cost alternative solutions
- The provision of effective facilities management to assets, including energy efficiency and carbon reduction programmes

### **3.6 Making the most of our assets**

Ensuring the Council is making the most of its assets is vital in supporting corporate priorities. To achieve this, the Council must:

- Protect and maximise revenue income
- Centralise the management of all property assets
- Consider the optimum utilisation of all assets whether operational or non-operational
- Ensure debt management is dealt with effectively
- Minimise the number of void assets
- Ensure ‘best consideration’ in all our property transactions
- Monitor through performance indicators the performance of the asset portfolio

## **4.0 ASSET ASSESSMENT**

### **4.1 Asset Records**

#### ***Technology Forge* (Data Management of Assets)**

Approximately 10 years ago the Council invested in an estate management software system called Technology Forge (TF) to assist all property related staff in the identification of the Council's property assets. This software is now dated, is difficult to interrogate, and differs from other DCP asset systems.

Included within the TF system is the following property data:

- Property Management System – our definitive record of land and property assets owned or leased in by the Council as well as acquisition and disposal information. The system holds historic and future leases, assignments, licences, easements and access rights
- Valuations – asset valuations are reviewed each year on a five year rolling programme and then fed into the TF system
- Condition Survey Data & Identified Works – condition data is reviewed on a regular basis and then forms a programme of works
- Hazards Data – this currently includes asbestos data but has potential for wider application and could include other health and safety related data

#### ***Map Info* (Geographical Information System for Assets-GIS)**

The Council records its ownership on maps in the form of a Geographical Information System (GIS). This system records ownership, estates management data, the property terrier and is used to support the publication of the Transparency Code data. This is a Code issued by the Department for Communities and Local Government which specifies what open data local authorities must publish.

#### Current position

There are not only numerous other databases existing across the authority, but the majority of these do not link together. For example the Technology Forge and the Map Info do not directly link to each other, and the financial system and legal systems do not link to these either.

All this data needs to be linked to achieve and obtain an accessible, efficient, and effective understanding of the assets and their financial performance.

The data currently held on the Technology Forge is not fully accurate, and it is perceived that there are errors and omissions. These will potentially affect the diary management of the assets, as well as collection of rents, service charges, and reporting of asset valuations. The ability to identify costs and income at an individual asset level is almost impossible, and future budgeting and forecasting is similarly difficult.

Management reports are not easily available and this means looking at the wider efficiencies of the asset groups, or types is not really possible.

Recognising the foregoing problems agreement has been recently given by Senior Leadership Team to allow an upgrade to the current Technology Forge (TF) software. This change will deliver the following:-

- The functionality of TF has been improved in the new web based version. This will provide a complete property database, linked to the ordering and budget system (finance) system, allowing for remote working access, and giving the use of handheld devices
- We will then, with the new system in place need to fully and carefully reconcile and update the data to ensure this is accurate.
- Additional resources in the form of technical support staff, for assets and finance are both needed to get this system operational.
- The appropriate classification of the assets into their respective groups and types, as well as for the Town Centre or other development opportunities would be undertaken as part of the data and mapping “cleansing” process.

#### **4.2 Asset Groupings and Traffic Lights**

While asset groups and asset types within this are helpful assessment criteria in some cases additional groups need to be formed and reviewed independently to assist with the delivery of specific projects.

For example the reviews in certain locations such as Lyme Regis, West Bay, Dorchester and others ought to be considering assets from a wide range of asset groups and types, but that will be located in the specific areas. These assets will therefore be considered collectively as part of the geographic assets, and also as part of their own property type as well. For example an asset in Lyme Regis such as a car park would be considered as part of the collective WDDC car parks, but would be reviewed for the relevance and contribution to the wider opportunities of Lyme Regis.

One other area of relevance that will be undertaken as part of the Asset Assessments is a coding exercise to determine how ready assets might be for action or disposal. A simple traffic light arrangement will be displayed once asset groups and type reviews have been undertaken.

Thus a review of public conveniences as a group might then be split into three traffic light categories, where closed facilities could be indicated green. These would be those ready for disposal assuming that a decision was taken that the asset was to be declared surplus to requirements.

Other toilets might be amber, indicating issues associated with disposal, that other development or improvement options were being considered, that more information was needed or a decision was needed.

Red lights would contrary to the warning that red usually has be indicating that the asset current use was to be retained and the current asset is to be left as it was the time being. Red indicates no action or stop taking action.

The asset group review of say public conveniences will therefore generate a program of action items. However with a large number of assets this traffic light system will assist in prioritising assets where early action may be taken.

#### **4.3 Asset Reviews**

It is recognised that Asset Reviews are an important part of the asset management process. The asset reviews identify assets or groups of assets that should be retained or are surplus to requirements and can be sold or developed to generate future revenue for the Council.

The review process engages relevant stakeholders and partners through consultation processes. It will also allow for the “traffic light” asset coding to indicate the readiness of that particular asset for immediate disposal action.

While in normal course of asset management a rolling program of reviews would be undertaken the current financial imperatives warrant a much faster review.

Further the complexity of the various inter-linking reviews, such as the grouping of assets in a geographical location such is happening in Lyme Regis and elsewhere, and other asset groups makes this a task demanding the use of specialist skills, and studies.

### **Resources**

At present the Property Services Team of the Dorset Councils Partnership does not have adequate resources or skills to deal with all of the foregoing.

In anticipation of the need for specialist reports a number have already been commissioned. Others specialist studies are planned and will be undertaken, such as transport and parking impact. All of these also sit within the recently approved Local Plan.

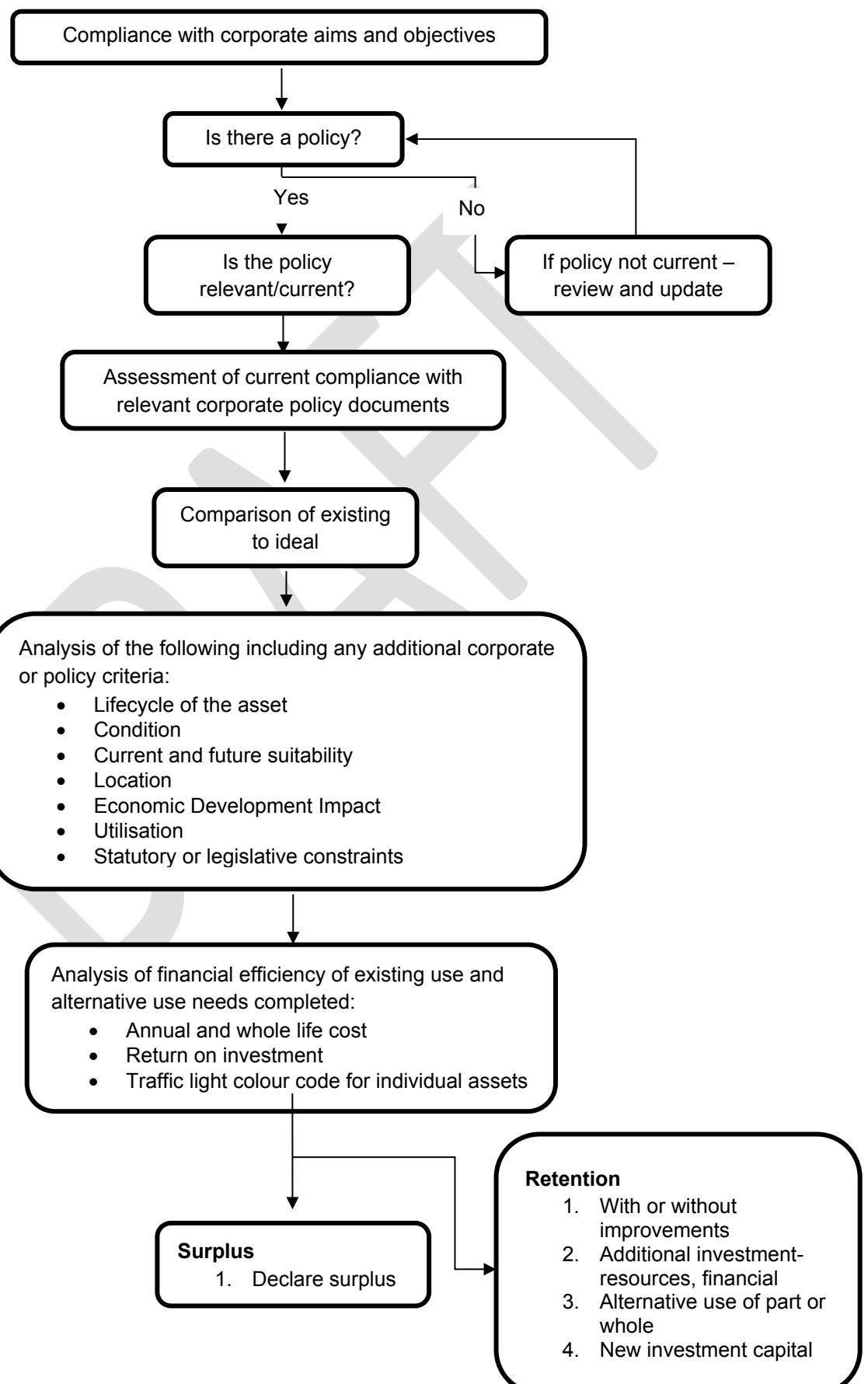
To complete the resource requirements agreement will consider alternatives to direct resourcing. For Weymouth & Portland Borough Council agreement has been reached to enter into a partnership with Public Sector Plc Partners (PSP) who have the skills and resources which are currently unavailable to the Council. This option will be raised to be considered by West Dorset District Council and a committee report on this will be submitted to the Executive Committee shortly.

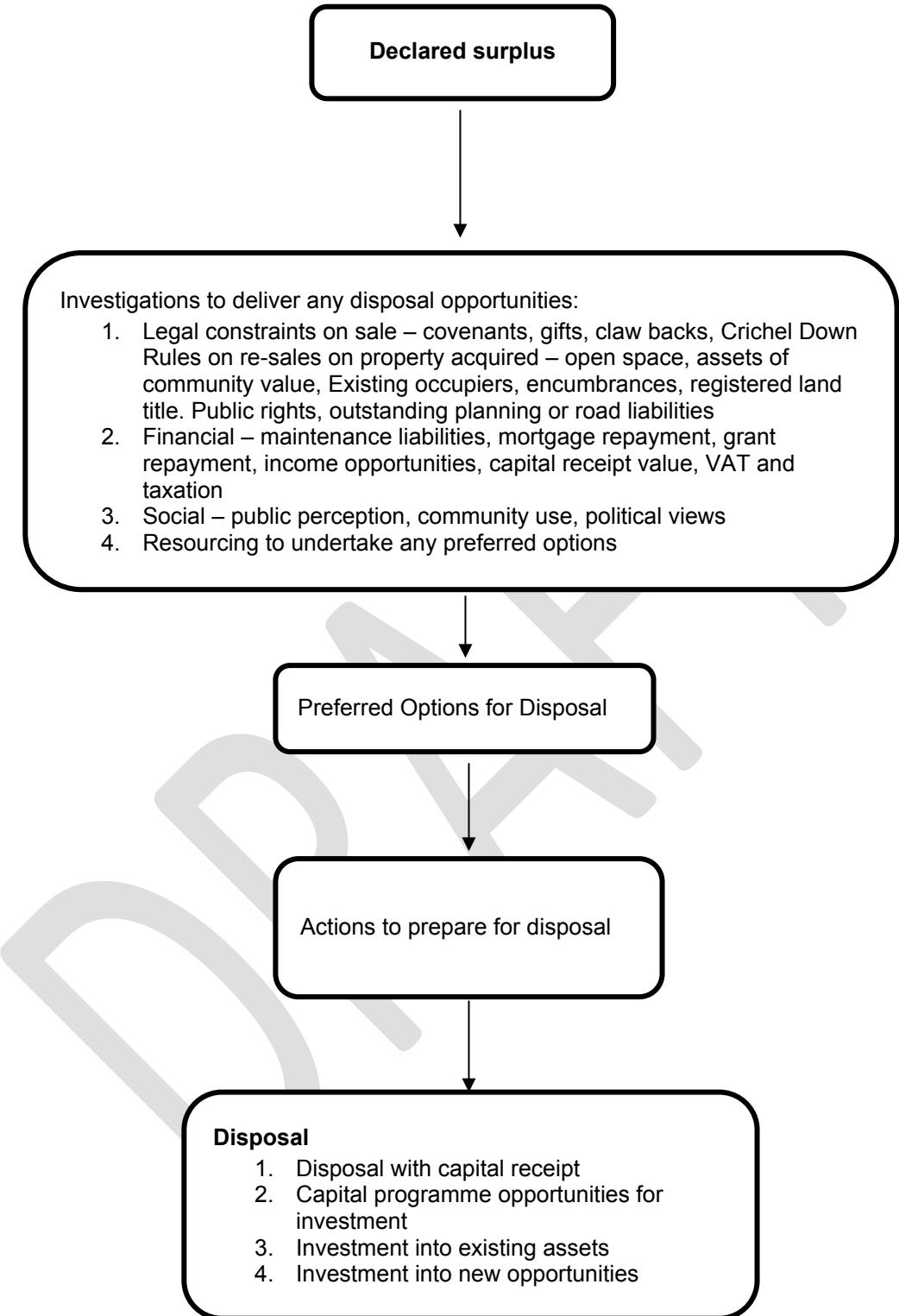
Finally alternative delivery methods and procurement are being considered to provide the potential for the in-house Property Services Team to be properly resourced. However this work is in the early stages and will take 12 months potentially to complete. We are therefore currently still heavily reliant on external resources to deliver asset reviews.

### **Asset Review flowchart**

Asset reviews follow the process summarised on the next pages:

**Asset Review Flowchart for Asset Groups,  
Types of Property & Individual Assets**





#### **4.4 Asset Review Program**

The current financial position of the Council requires the organisation to be self-funding and self-sustaining by 2020. The program therefore has the difficult challenge to balance appropriate and focussed service delivery required by members with the financial ability to do so.

The choices that need to be made will be difficult. In some cases assets will need to be sold or passed over to third parties. Expenditure will need to be reduced and this may entail persuading others to take on additional responsibilities.

Reduced expenditure could also include reductions in asset holding which then do not need to be maintained, or reduced standards of delivery. The options will all be reviewed as part of the asset review process.

Increased income is essential and the maximisation of income earning potential of under-utilised or vacant assets must be an early opportunity and priority. Capital receipts are needed to provide and deliver investment opportunities, and to allow funds to be available for other corporate priorities.

Some 30-40% reduction in costs must be achieved by a mixture of savings and increased income. The program has to show the three year total savings and the likely areas and figures will need to be put to Council for decision before the end of 2016.

Accordingly at this time options needs to include savings total figures up to a 50% level to give additional options and income/cost saving possibilities. This will then allow service and asset choices to be made by members in achieving the required financial targets to allow us to be self-sustaining.

The asset review program must therefore focus at initially a high level to consider which assets produce the optimum areas for delivering the foregoing.

Early priorities appear to be the following groups as these give between them the likely 50% cost/expenditure savings and income generation opportunities that the council needs to achieve:-

- 1) Capital receipts program- looking initially at vacant and under-utilised land and buildings
- 2) Dorchester and other sites and opportunities
- 3) Car parks
- 4) Public conveniences
- 5) Rationalisation of asset holdings where there is a high management cost, relative to community benefit and net revenue receipt
- 6) Infrastructure Assets

The consideration of the foregoing will need to follow and run in parallel with the improvement of Asset data and financial management, since this will also bring savings and opportunities.

#### **4.5 Asset Disposals and Acquisitions**

On completion of the Asset Review processes some assets will be green traffic light coded, and declared surplus to requirements. These will then be reported to the relevant committees for ratification and then disposal, allowing members to have the final decision.

The capital receipts arising from the disposals will support a capital strategy derived from the Corporate Plan. This will allow delivery of a range of agreed capital priorities as well as allowing for asset acquisitions. These latter assets once bought will in turn generate income for the authority.

For investment acquisitions these will be totally separate from the service delivery capital program works, and will relate only to the investment return.

As such these assets may well be out of the District Council area and will balance return on investment against risk, plus management costs.

It is likely an external organisation will assist in those acquisition options, and may well include our potential partner PSP, or others, in assessing the relevant cost benefits of each acquisition option

## **5.0 MAINTAINING & INVESTING IN RETAINED ASSETS**

Assets that are to be retained will be included within the arrangements for maintaining and investing in them for the areas indicated below.

### **5.1 Statutory and other Compliance Regimes – Asbestos, Water Hygiene, Other**

The majority of Council's have many assets of an age, use and type of construction that result in the presence of asbestos within their construction.

#### ***Actions to date***

- An initial Asbestos survey has been undertaken and high hazardous asbestos containing materials removed
- Some re-inspections have taken place, and are being arranged again now
- Asbestos reports are stored on the TF system, however the documentation is not fully compliant with regulations and part of the proposed upgrade to the system will then allow compliance and increased accessibility for contractors
- The Council needs to implement a formal Asbestos Policy outlining roles, responsibilities and action plans, which is in preparation

The following is a summary of some of the inspections that are completed and monitored on a regular basis. It is intended to review and renew service contracts to ensure they stay up to date, as well continuing the ongoing service contracts.

<b>Contract Description</b>
Air Conditioning Servicing & Maintenance
Alarm Monitoring & Intruder Alarm Service
Asbestos Surveys, Inspections and Register
Biomass Boilers
BMS Systems
Boiler Services and Controls
CCTV Service
Emergency Lights
Energy
Fire Alarm Testing
Fire Extinguishers plus fire strategy and fire alarm tests
Fire Risk Assessments
Fixed Wiring Tests - Buildings
Gas safety Boiler servicing
Grey Water Pump Station (Dual Servery kiosks)
Grounds Maintenance
Laser Installation

Legionella
Lift Servicing
PAT Testing
Traffic Signals
Public Toilet Cleaning
Ramp Compressor
Roller Shutter Doors
Roofs, Gutters and Lightning Conductors
Security Access Cards
Sewage Pump Maintenance
Term Maintenance Contract - Electric
Term Maintenance Contract - General Building
Term Maintenance Contract - Plumbing
Tree Inspections
Wallgate Units
Window Cleaning

The above actions will deliver:

- Improved data and understanding of assets
- Compliance with statutory requirements and duties of care
- Safe working environments for contractors carrying out works
- A direct benefit to the Community and Corporate Plan

## **5.2 Backlog of Maintenance**

Historically annual premises inspections were undertaken where resources permitted and defects which they were a high priority identified, and addressed using a 12 months rolling delivery program.

This is effectively reactive maintenance that does not allow pro-active budgeting and prioritisation of works in an efficient fashion.

We will in future periodically inspect properties (subject to resources) to assess condition and categorise all repairs into one of the following condition and priority categories:

Condition Categories:
A: Good – Performing as intended and operating efficiently
B: Satisfactory – Performing as intended but showing minor deterioration
C: Poor – Showing major defects and/or not operating as intended
D: Bad – Life expired and/or serious risk of imminent failure
Priority Categories:
1: Urgent works that will prevent immediate closure of premises and/or address an immediate high risk to the health and safety of the occupants and/or remedy a serious breach of legislation
2: Essential work required within two years that will prevent serious deterioration of the fabric or services and/or address a medium risk to the health and safety of the occupants and/or a minor breach of the legislation
3: Desirable work required within 3 to 5 years that will prevent deterioration of the fabric or services and/or address a low risk to the health and safety of the occupants and/or a minor breach of the legislation
4: Long-term work required beyond a period of 5 years that will prevent deterioration of the fabric or services

Use the above data we will produce an Annual Maintenance Plan. This will support asset reviews and option studies. Adherence by tenants with regard to their responsibilities will also reduce the Council's costs.

### **5.3 Management and Maintenance Responsibilities for Council premises**

There needs to be a clear hierarchy of responsibility for the management and maintenance of Council property. While property assets fall under the remit of the relevant Assets and Infrastructure manager , in practice many remote sites and buildings on a day to day basis are managed by Service teams occupying them.

In some instances other services are unilaterally commissioning repairs and maintenance. Service consolidation would improve efficiency and reduce overheads

The Council is currently developing a responsibilities matrix to clarify the management responsibilities associated with occupancy. With limited current staff resources this is a work in progress but the intention is that this will be completed as part of the data validation exercise.

Part of the Health and Safety regime is also to ensure that all the necessary checks are being followed and site managers, are appropriately trained and aware of , and actively managing these issues.

With this hierarchy in place and the responsibilities matrix better, safer and more cost effective control and management of assets can be exercised.

### **5.4 Energy Management**

Energy management has been dealt with historically on an ad hoc basis and with limited uniformity.

This omission has not been able to be progressed due to lack of resources and funding.

However utilising recently available subsidised external consultancy is now allowing consideration of the following areas:-

- (i) Energy consumption saving schemes
- (ii) Energy generation opportunities
- (iii) Energy saving potential

This work is only now commencing but will form part of the asset assessment and future cost and maintenance liability consideration on asset reviews.

It will also allow expenditure savings and the potential for another income stream generation.

## **6.0 ASSET PERFORMANCE MEASUREMENT**

### **6.1 Performance Monitoring**

Performance Indicators are key to monitoring the effectiveness of the overall asset management program. It is possible to monitor individual or group assets but this is less relevant given the scale and scope of the asset review requirements.

The Council currently uses an internal performance system called QPR (Quality, Processes, Results) to monitor progress. This system holds data relating to performance indicators, actions, policies and strategies, revenue budget variance and risks. QPR reports current position and highlights if targets are being met.

Moving forward it is not clear if this system will be used in the future or not, but the basic requirement is that whatever system is used, it can record appropriate progress against targets.

#### ***Where we need to be***

Integrate the performance data onto the TF system so data is calculated and stored in a central source, that is user friendly and quick to produce. This is not the case at present.

Identify the specific Asset Review program and then detail the timescale for delivering this

We need to identify and monitor, in conjunction with finance team the following outcomes:-

- (i) Capital generation against target budgets
- (ii) Savings in expenditure for agreed asset groups or individual assets
- (iii) Income increases compared to projected
- (iv) Void properties reduction
- (v) Debt recovery percentages outstanding after agreed periods
- (vi) Achievement of council target savings/income against annual overall 30-40% target

Reports will be made on a quarterly or six monthly basis to the relevant monitoring officer and member groups.

## **Appendix 1 – A summary of the Council's portfolio**

West Dorset District Council has a wide range of assets accrued over the years numbering 333 property entries in the asset register. These have a reported capital value of £87,290,000 (31<sup>st</sup> March 2015) and yield a revenue stream of £1,889,703 per annum gross from 192 leased/licensed assets. The assets are of various types and fall into the following asset groups: operational properties, non-operational properties and income generating assets. The Council will identify assets from time to time that are surplus to requirements and after this these may then be classified as assets held for sale.

Currently, the property portfolio consists of the following:

- Operational Properties (94 assets)

These include offices and stores occupied by the Council to deliver services or shared services such as South Walks House, Sherborne and Bridport satellite offices and specialised assets such as harbour properties in Lyme Regis and Bridport, G3 Marabout Industrial Estate (archive store) and Tourist Information Centres.

- Non Operational Properties (47 assets)

These are assets held to deliver Council community objectives and which may generate small incomes but are held primarily for community use. Infrastructure and heritage assets are also included within this asset group. These include Shire Hall in Dorchester, Bridport Museum, Community Offices in Beaminster and Dorchester, Coastal defence schemes at Lyme Regis, Charmouth, Seatown and Ringstead.

- Income Generating Assets (192 assets)

These assets may also fulfil Council community or other objectives as well as generating income. These include car parks, industrial estates in Dorchester, Sherborne and Bridport, various business units in Lyme Regis and Poundbury, various catering and leisure facilities in West Bay and Lyme Regis and the West Bay Campsite.

## West Dorset District Council Asset Groups (categorised by the majority)

Types of Property	No.	Asset Groups
Beach & Esplanade	6	Non Operational
Car Park & Toilets Management	4	Operational
Car Parks	39	Income Generating
Catering & Retail	39	Income Generating
Clocks & Monuments	1	Non Operational
Coastal Defence Schemes	11	Non Operational
Commercial	26	Income Generating
Corporate	7	Operational
Crematorium & Cemeteries	6	Non Operational
Garages & Stores	17	Income Generating
Halls	1	Non Operational
Harbours	30	Operational
Industrial & Waste Disposal	53	Income Generating
Infrastructure	2	Non Operational
Lakes, Nature Reserves & River	2	Non Operational
Land Let/Licensed	4	Income Generating
Land Vacant	15	Non Operational
Leisure & Tourism	5	Operational
Markets	11	Income Generating
Museums	2	Non Operational
Play Areas & Open Space	21	Operational
Public Conveniences	27	Operational
Residential	3	Income Generating
Sports Facilities	1	Non Operational
<b>TOTAL</b>	<b>333</b>	