



SUPPLEMENTARY 2

THE EXECUTIVE

Tuesday, 21 April 2009

Agenda Item 10a Property Asset Management (PAM) Plan (Pages 1 - 5)

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21 APRIL 2009

REPORT OF THE CORPORATE DIRECTOR OF RESOURCES

The Chair will be asked to determine whether this report can be considered at the meeting under the provisions of Section 100B(4)(b) of the Local Government Act 1972 as a matter of urgency to enable the Council to optimise the use of its property portfolio.

Title: Property Asset Management (PAM) Plan	For Decision
<p>Summary:</p> <p>The Resources Department has completed the Final Draft of the London Borough of Barking and Dagenham Property Asset Management (PAM) Plan, which is a strategic and delivery document covering the period from 2009-2016.</p> <p>The Plan is a transformational document which shows how to improve the property service within Council, including promoting increasing working relationships with our key partners, rationalising our significant property portfolio and streamlining our property functions and processes.</p> <p>The PAM Plan has been developed over the past 4 months in consultation with all Council services and has gained support to the recommendations therein.</p> <p>The Plan is structured in four parts to address two distinct themes :</p> <ul style="list-style-type: none"> • Property Asset Portfolio. The buildings and land we own and lease, and • Property Asset Management Framework. Our functions, processes and systems. <p>Key strategies in the PAM Plan are summarised below:</p> <p>1. Property Asset Portfolio.</p> <ul style="list-style-type: none"> • Office Accommodation Rationalisation resulting in the reduction in the number of administrative buildings from 23 to 10 in 5 years (2014) to bring staff together and promote team working. • Implementation of a clear policy on Better Space Planning, including flexible working and ICT that supports flexible working, • Reduction in operational property ownership and/or responsibility from 327 to 271 over 5-7 years, hence reducing future council property operating costs and generating capital and/or revenue receipts. • Promoting improved working relationships with our key partners, including property sharing. • Implementation of leases and agreements with our partners to ensure clear responsibility for the management and maintenance of buildings and associated costs, • Promoting extended usage of facilities, including Children Centres, Community Halls and Schools. <p>2. Property Asset Management Framework.</p> <ul style="list-style-type: none"> • Deliver the key priorities of the Corporate Plan, • Support to the 'One Barking & Dagenham Programme' • Introduce central maintenance responsibility and funding (the proposed new Asset Management structure and the Central Maintenance Fund (CMF), • Improve and streamline the Capital Programme Monitoring Office (CPMO) process, 	

including gateways,

- Improve and make more reliable and cost-effective, capital project delivery via new systems and training,
- Enhance corporate property support to our Client service departments,
- Develop an integrated approach via our proposed new structure for property management, asset strategy & facilities management (hard and soft),
- Improve integrated procurement for all property delivery, with legal endorsement and support.
- Introduce an effective performance framework, ensuring linkage between Service(SLA's), Staff (Appraisals) and Suppliers (Contracts)

A separate Executive report may be issued to inform the Executive of progress in Oct 09.

Wards Affected: All

Recommendation(s)

The Executive is recommended to approve :

- (i) The strategies within the PAM Plan in principle, as highlighted above, which includes specifically:
- (ii) The amalgamation of all current council maintenance monies into one centralised fund i.e. the proposed Central Maintenance Fund (CMF) under the management of the Asset Management and Capital Delivery Division, Resources Department, and
- (iii) The submission of a funding bid as part of the 2010/11 budget process to address the significant property maintenance backlog.

Reason(s)

To assist the Council to achieve its Community Priorities of 'Raising General Pride in the Borough' and 'Regenerating the Local Economy'.

Implications:

Financial:

There are no direct financial implications arising from this report. The amalgamation of all current council maintenance monies into one centralised fund will involve the transfer of existing budgets from all relevant service areas. The proposal for additional funding to address the significant property maintenance backlog of £45m and other future proposals will be subject for consideration as part of the annual budget processes.

Legal:

The Legal Partner for Procurement, Property & Planning has been involved in the development of the PAM Plan and confirms that there are no legal reasons preventing the Executive from approving the recommendations of this report.

The Legal Partner for Procurement, Property & Planning should however be consulted in relation to the respective proposed procurements and contractual arrangements set out in the Plan.

Risk Management: Supports Council's Risk Management Strategy

Social Inclusion and Diversity: Supports all Social Inclusion and Diversity Policies		
Crime and Disorder: Not Applicable		
Options Appraisal: Not Applicable		
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1. Introduction and Background

- 1.1 The Draft London Borough of Barking and Dagenham Property Asset Management (PAM) Plan is a strategic and delivery document covering the period from 2009-2016.
- 1.2 The Plan is updated annually by the Divisional Director, Strategic Asset Management and Capital Delivery, and is informed by the Service Planning process. It describes the Council's strategies and intentions with regard to the planning of asset management, including asset strategy, facilities maintenance, capital delivery and property management, including asset disposal and investment

2. Current Position

- 2.1 The Council is committed to continuous improvement of its property asset management planning to optimise the use of its property portfolio, and to ensure its assets are suitable and best value for money (VfM).
- 2.2 The Council recognises that property is the most important asset with the exception of its staff.
- 2.3 The Council views the asset base as integral to its delivery of service to meet the needs of the community, and as such the estate (asset base) will be continually reviewed to ensure fitness for purpose. This PAM Plan establishes the intentions of the Council in this regard and will be refreshed annually to reflect changing needs of our customers.
- 2.4 There is a need to:
 - Improve the effectiveness and efficiency of how we manage our property assets and achieve "excellence" status.
 - Reform our asset base to ensure we have the optimum portfolio to support Council services.

3. Future Position – Achieving Excellence

3.1 The PAM Plan is a transformational document and highlights the areas for development in terms of the two themes:

3.2 Property Asset Management Framework
To improve the function processes and systems, the following ten (the 10P's) components have been developed, summarised as:

- Principles (Policy on Better Space Planning)
- Process (Data Management, Capital / Maintenance Policy, Help Desk etc)
- People (Responsibility / Governance)
- Pounds (Funding / Budgets)
- Procurement (Client Agent / In House, Frameworks, / TMC's)
- Programme (Capital and Maintenance)
- Project Management (System / Process/Training)
- Performance (Framework and Benchmarking)
- Partnering (Alliances)
- Property Asset Lexicon (the PAL)

These ten components will be delivered by various programmes and projects as described in Section 9 of the Plan.

3.3 Property Asset Portfolio

The Plan introduces the Property Asset Strategy (PAS) that sets out the reasons and strategies for optimising Council's property assets (both Administrative/Office and Operational) to ensure value for money and fitness for purpose.

3.4 Administration (Office Accommodation)

The Office Accommodation Strategy is being delivered as an integral part of the One B&D Programme and based on the principles of:

- Bringing the right people together in the right places and providing staff with the facilities they require to provide excellent customer services,
- Implementing the policy of 'Better Space Planning', including a working environment that enables staff to work more flexibly, has defined clear space standards, open plan offices, reducing the need for storage (in conjunction with ICT), communal kitchens / break out areas, additional meeting space, in full consultation with Councils' service departments.
- In addition, a target of 10% (265) of workstations by 2010, 20% (530) by 2012 and 30% (796) by 2014 will be capable of delivering flexible working arrangements (not permanently assigned to an individual), with 6 - 7.5 sq m per workstations being the average space standard for open plan offices.

3.5 This strategy will result in the need for fewer buildings, thus rationalising the asset base over the next 3-5 years as follows:

- Phase 1 (by 2010) – Kingsbridge (Gascoigne Estate regeneration scheme), Riverside (short-term lease to NELFT prior to disposal) & 512a Heathway (building required as extension to Trinity Special School),

- Phase 2 (by 2012) – Fortis House (surrender lease in November 2011), Ripple Road Offices (to be leased all or part to Voluntary Sector) and 202a Halbutt Street.
- Phase 3 (by 2014) – Dependent on review of accommodation requirements in 2011 and council structure at that time.

3.6 Operational Reform

The Operational Reform Strategy is based on the development of a number of existing service strategies with asset related implications, the revised disposal programme and a number of lease arrangements which will formalise the occupation and use of Council owned assets by other agencies and groups.

The reform of the operational portfolio will be delivered as an integral part of the Local Development Framework (LDF), Building Schools for the Future (BSF) Programme and regeneration initiatives with our partner agencies. It will recognise the need to work more closely across agencies to deliver

This strategy will result in the need for fewer buildings, thus reforming the asset base over the next 5-7 years with an indicative reduction of approx 50 buildings over 5-7 years.

4. Consultees

The following were consulted in the preparation of this report:

- Cllr Bramley, Lead Member Resources
- Yinka Owa, Legal Partner,
- Alex Anderson, Group Manager, Finance,
- Joe Chesterton, Divisional Director of Finance,
- John Hooton, Group Manager, Finance

Background Papers Used in the Preparation of the Report:

None

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