

FIN(4) AM 16
Inquiry into Asset Management Survey
Response from Cardiff County Council

The Finance Committee are currently undertaking an inquiry into the process of asset management in the Welsh public sector. This inquiry is considering two main areas:

- **processes involved in the management of the Welsh Government's own estate; and**
- guidance, support and the promotion of good practice by the Welsh Government in relation to asset management across the wider Welsh public sector.

Further detail on the terms of reference for this inquiry can be found on the committee's webpages.¹

The Committee previously called for information,² however due to the limited responses received, now requires further evidence in support of this inquiry. In order to properly understand the issues involved and to gain appropriate evidence for consideration, the Committee needs to develop an understanding of how asset management is approached in local government/health bodies.

To this end, we are seeking further detailed information in relation to the process and practice of asset management within your organisation and would appreciate it if you could provide the information requested below, as fully as possible, and provide examples where you feel it is appropriate.

Strategic links and leadership

1. **How does asset management fit within the organisation's overall strategy?**

The Council has established an Asset Management Board, chaired by a senior Director, to maintain a strategic overview of its property assets and to ensure effective alignment with its corporate plan. The council is currently managing a significant reduction in its annual revenue budget. This may involve reductions in service delivery and, possibly, rationalisation of certain buildings. The Asset Management Board will be coordinating the property aspects of this strategy

2. Does the organisation have an overall asset management strategy and published plans which support the corporate objectives?

Yes; the Council publishes an annual Corporate Asset Management Plan. Integral to this is its property strategy which is regularly updated to reflect prevailing demands and pressures.

¹ National Assembly for Wales, Finance Committee, [Asset Management Inquiry](#)

² National Assembly for Wales, Finance Committee, [Asset Management Inquiry](#)

- a. How does this strategy link into the capital investment strategy and wider financial planning?

Service Areas are required to prepare annual Service Property Plans identifying anticipated future changes to service delivery having a property dimension. These Plans form the basis for ongoing corporate option appraisals to determine a prioritised capital investment programme which is recommended to council for approval.

3. Who has responsibility for leadership on asset management:
 - a. At a Cabinet/Board level?

The Member for Finance, Business and Local Economy

- b. At Executive level?

The Chief Corporate Director and Section 151 Officer

- c. At Service level?

The Corporate Property and Estates Manager

4. How are Council/Board Members engaged with property asset management and how regularly does the Council/Board review asset performance?

The Cabinet Member receives the annual Corporate Asset Management Plan and presents to Cabinet. The Cabinet Member is also kept regularly briefed on key aspects of property management as necessary. The Plan is reviewed annually

5. Is there a dedicated property division or similar? If so please detail its structure and relationship with other service divisions.

Yes; the Strategic Estates Division. This forms part of the Resources Directorate. This comprises:

Corporate Property and Estates Manager

Valuation Team comprising 6 valuers and a graduate valuer

Development Team of 1 valuer and a graduate valuer

Property Information and Gazetteer Team comprising 5 technicians

Survey Team of 4 technicians

Energy Management Team of 5 technicians

The Corporate Property and Estates Manager chairs the Asset Management Working Group, a senior officer forum which supports the Asset Management Board. Other members of the Strategic Estates Team work very closely with key Service Area contacts whenever necessary.

6. Across the organisations (e.g. at Council/Board, Executive and Service level) can you demonstrate that property is utilised as a corporate resource and enabler of service provision?

Yes; the Council has resolved that all property should be held as a corporate asset of the Authority.

A recent initiative to rationalise the council's office accommodation portfolio has been managed by a corporate multi disciplinary Team achieving revenue and spatial occupancy savings

Systems and Processes

7. Can you demonstrate that property maintenance is supported by adequate information systems? Are these information systems used to:

Yes; a triennial programme of property condition surveys is undertaken and this **underpins the development of the council's annual Asset Renewal Programme.**

- Benchmark performance against that of other bodies; and/or

Yes; the council subscribes to the Local Govt Data Unit's Property Database which facilitates peer review and year on year trend analysis.

- Link with other relevant systems (e.g. geographical information systems)

Yes; **the council's Property Database is GIS linked and is networked with a number of other council databases** which collect property related data. An initiative has recently been launched to rationalise and streamline this.

8. How often does the organisation conduct an options appraisal to ensure that the property maintenance backlog is being managed effectively?

This forms an integral part of the council's annual asset management planning process

- a. Is there a programme of regular property reviews? If so, what do these consider and how often are they conducted?

Not as such. Reviews of individual buildings or Service Areas are conducted as and when necessary

- b. Is information on running costs and environmental impact available to the review team?

Yes; as and when reviews are undertaken all this information is made available to the review team.

9. Can you demonstrate that decisions on new capital projects and other planned works are based on a clear business case, including options appraisal and whole-life costing?

Yes; the council uses prescribed pro forma requiring Service Areas bidding for capital funding which requires a focus on these considerations.

10. How does the property division interact with service divisions, what are the arrangements for involvement/support?

The working relationship is inherently a dynamic one involving positive inter action as and when required. Recently all reports to Cabinet require the Corporate Property and Estates Manager to comment on any property related aspects of the report.

Resources and value for money

11. What are the levels of resource available, at corporate level, to review property assets and running costs? Is this adequate?

Generally: Yes. The Strategic Estates Division comprises officers from a number of property related disciplines (General practice surveyors, building surveyors, energy conservation technicians etc)

12. What information on the property costs of the buildings occupied by services is available to senior management, and how is this utilised by them in considering service delivery?

The Corporate Property and Estates Manager has ready access to all relevant costings information, and makes this available to Asset Management Board colleagues when necessary.

13. Does property maintenance have adequate resources to meet its policy objectives and is sufficient priority given to routine maintenance within the budget process?

The level of funding available is not considered sufficient as the rate of property deterioration is greater than the funding available

- a. Is funding maintenance linked to the condition of assets?

Generally: Yes, but recently a comprehensive programme of Fitness for Purpose assessments of buildings has been instigated, which will provide a broader picture of future requirements, not only in terms of maintenance, but also capital investment and building utilisation.

14. Given the current climate of reducing budgets, is there any perception at corporate, or service, level that resources should be diverted directly to front-line services rather than to property management?

No; there is a general understanding across the council of the need to ensure buildings are safe and fit for purpose

15. Can you provide examples of how the organisation works with partners to achieve economies of scale in asset management?

The Corporate Property and Estates Manager chairs the Cardiff Assets Board, a forum comprising ten public sector organisations in the city charged with exploring opportunities for more effective collaborative working, collocation of services, and developing joint approaches to land assembly and property development.

16. Can you please detail the framework in place to continuously review and improve the performance of property management?

The Asset Management Board and Working Group provide the framework and forum for reviewing property performance and improvement.

- a. Are there annual performance plans, agreed by Council/Board Members, setting clear targets for improvement?

Not specifically, although the annual Asset Management Plan will increasingly focus on this.

- b. Does the organisation include this information in public performance reporting?

Yes; the annual Asset Management Plan is a public document, considered by Cabinet.

Guidance and good practice

17. What if any, guidance is adhered to in conducting asset management in the organisation?

Strategic Estates have produced Good Practice Guidance leaflets and posters which is widely disseminated throughout the council.

18. Do you share good practice and lessons learned on asset management with other organisations/professional bodies, and if so, via what mechanisms?

Yes; this is a key priority. Officers regularly liaise with colleagues elsewhere, and belong and regularly attend meetings of: The Cardiff Assets Board, the National Assets Working Group, ACES Welsh Branch and National Association; CIPFA asset management training seminars, and RICS Welsh Branch meetings.

19. Would a central source of expertise and good practice be beneficial to the Welsh public sector, and if so where should this sit?

Yes; most certainly. The National Assets Management Board is the natural host for this

- a. Would training in property/asset management be beneficial?

Yes; although property managers regularly attend relevant training events. There would be benefits however at focusing future training events on key Service Area/ Client managers, and Members with property related responsibilities as this is a somewhat neglected area.

20. Would the drive to improve asset management benefit from a repeat of the Wales **Audit Office's 2010 report** on buildings management?

On balance, probably not at this stage. Whilst the last audit proved very helpful, the key focus for the immediate future should be on structured training for key Service Area managers and Members, clearly setting out the benefits of adopting a structured approach to asset management.