

LONDON BOROUGH OF HARROW

Meeting:	Cabinet
Date:	15 July 2003
Subject:	Submission of revised Corporate Asset Management Plan to Government Office for London, and Capital Strategy
Key decision:	No
Responsible Chief Officer:	Acting Director of Environmental Services
Relevant Portfolio Holder:	Portfolio Holder for Partnership and Property
Status:	Part 1
Ward:	All
Enclosures:	None

1. Summary

- 1.1 This report advises on the outcome of submission last year of the Council's Capital Strategy and Corporate Asset Management Plan (AMP), and seeks Cabinet agreement to several changes proposed to the AMP this year in order to achieve a 'Good' rating.

2. Recommendations (for decision by Cabinet)

2.1

That the Council's Corporate Asset Management Plan (AMP) for 2003 be submitted in substantially the same form as last year.

REASON:

Last year's AMP was considered 'Satisfactory' by Government Office for London (GOL), and narrowly missed being assessed as 'Good', the highest rating awarded.

2.2

That the proposed changes to the Council's Corporate Asset Management Plan (AMP) 2002 as set out in this report be made in order to satisfy the requirements of GOL further, and that the revised AMP be resubmitted to them by the due deadline of 31 July.

REASON:

Satisfying GOL requirements would allow us to achieve an assessment of 'Good', obviating the need for resubmission in future years and contributing to the Council's Comprehensive Performance Assessment (CPA). Late submissions will not be assessed.

2.3

That the Interim Director of Environmental Services be authorised to agree any further significant changes with the Portfolio Holder for Property, and any corresponding changes in the Capital Strategy.

REASON:

Council officers are seeking a meeting with GOL officers to discuss the changes in detail, and to be given an assessment of whether these will satisfy all requirements. Further changes following that meeting may be required to ensure an assessment of 'Good'.

2.4

That the Capital Strategy be reported to Cabinet in September.

REASON:

To enable full consideration of the Capital Strategy in light of the Asset Management Plan submission.

3. Consultation with Ward Councillors

3.1 Not applicable.

4. Policy Context (including Relevant Previous Decisions)

4.1 Cabinet – 17/07/01 – Minute 5.19 – Capital Strategy and Corporate Asset Management Plan – Approved first year's submission.

5. **Relevance to Corporate Priorities**

- 5.1 This report addresses the Council’s stated priority of developing a prosperous and sustainable economy in Harrow, and is seen to impact on the Corporate Performance Management Indicators as follows - Corporate Priority 19: Proper management & stewardship of all Council resources.

6. **Background Information and options considered**

6.1 **Introduction**

6.1.1 In the first year, the Council’s Capital Strategy and Asset Management Plan were both rated ‘Satisfactory’. On resubmission last year, the Capital Strategy was rated ‘Good’ and no longer needs to be submitted to Government, but the AMP remained in the ‘Satisfactory’ class, failing by one point to be rated ‘Good’. Feedback on the last submission was received in the early part of this year and a revised Strategy and Plan have to be submitted to Government Office for London (GOL) by 31 July 2003.

6.1.2 This report identifies the changes being built into revisions of the Asset Management Plan for submission by 31 July 2003.

6.2 **Feedback on 2002 Submissions**

6.2.1 The Capital Strategy was rated ‘Good’, with no detailed comment as no improvements were called for. The AMP passed all primary criteria, and 18 of the 26 secondary criteria. However, a score of 19 was required on the secondary criteria to be rated ‘Good’.

6.2.2 The perceived weaknesses were as follows:

6.2.3 **Criterion 5:** Despite mentioning in the Capital Strategy the manifold links between asset management and Best Value and Community Plan, we gave no specific illustrations in the AMP.

6.2.4 **Criterion 8:** Only one example was given of how consultation with stakeholders led to improved property use or services, none of how it led to a local property PI, and though internal stakeholder consultation was claimed, we did not explain how we prioritise demands.

6.2.5 **Criterion 16:** We did not explain how benchmarking with other councils is carried out, nor what the outcomes of the benchmarking have been.

6.2.6 **Criterion 20:** We did not specify the report sent to members on maintenance backlog.

6.2.7 **Criterion 23:** We did not demonstrate a service-wide understanding of the

corporate ownership and management of assets.

- 6.2.8 **Criterion 24:** We did not explain clearly what the individual future needs of each service area are, nor given evidence of a systematic process for collecting and analysing all our emerging property and accommodation needs, and identifying gaps.
- 6.2.9 **Criterion 25:** We did not give enough detail on how we identify and appraise options for closing the gaps.
- 6.2.10 **Criterion 26:** We did not clearly state that we have a Council-approved 3-5 year strategic action plan drawn from the above.

6.3 Proposed Changes to this year's AMP

6.3.1 Following expert advice at a recent Government-sponsored workshop for Councils resubmitting their AMP this year, it is not proposed to seek to fulfil the final three criteria (24-26) this year. The advice was that very few Councils have achieved this yet (some 10-15% nationally), that there was no point in attempting to fulfil one of these criteria without meeting the others, and that only Councils that had all these in place already should consider claiming them.

6.3.2 However, it is proposed that the first five criteria be addressed, as follows:

Criterion 5: We illustrate the links between asset management and our Best Value performance plans and reviews.

Criterion 8: We give more examples of how consultation has affected improved property use / local property PIs / prioritised demands.

Criterion 16: We explain our benchmarking activities and their outcomes.

Criterion 20: We give details of the report sent to Members on maintenance backlog.

Criterion 23: We show how there is a service-wide understanding of the corporate ownership and management of assets, and give examples of how this works in practice.

6.3.3 As part of the revision and resubmission exercise, all time-sensitive information, including much numerical data and textual description of our asset portfolio, will of course be updated. This will include summary information on the performance of Council assets under the headings of the five national Performance Indicators established last year. These we reported on from the first year before they became a requirement. From this year, reporting under the property PIs is a requirement for all councils, whether or not their Capital Strategy or AMP have been rated 'Good', though at present the information has no impact on the Government assessment. The findings for the Council's asset performance under the PIs this year are to be discussed with relevant Portfolio Holder Members as soon as available, and prior to inclusion with the AMP for submission.

6.4 Capital Strategy

6.4.1 The Council is not required to submit a Capital Strategy to GOL as it received a 'Good' rating in 2002. However it is proposed to prepare a Capital Strategy to complement the Asset Management Plan. It is proposed that a similar document be prepared as for 2002 updated for the any changes in the Council's strategies and Plans referred to in the document, amended for any changes arising from the consideration of the Medium Term Budget Strategy reported elsewhere on the Agenda and finally any changes required in light of the Asset Management Plan.

6.4.2 It is proposed that this document be consulted on at the same time as the Asset Management Plan and reported to Cabinet in September. The document would however not be submitted to GOL.

6.5 Member Involvement

6.5.1 It is proposed that the Portfolio Holder for Property should review and agree the final AMP submission and the revised Capital Strategy

7. Consultation

7.1 Though not necessary for the formulation of this report, extensive consultation with officers across all relevant service areas in the Council has been and continues to be carried out as part of the process of revising the AMP for resubmission.

8. Finance Observations

8.1 These are included in the report.

9. Legal Observations

9.1 None.

10. Conclusion

10.1 No additional comments.

11. Background Papers

11.1 Capital Strategy and Corporate Asset Management Plan 2002.
Government Office for London comments on submissions.

Anyone wishing to inspect the background papers should telephone 020 8424 1928

12. Author

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