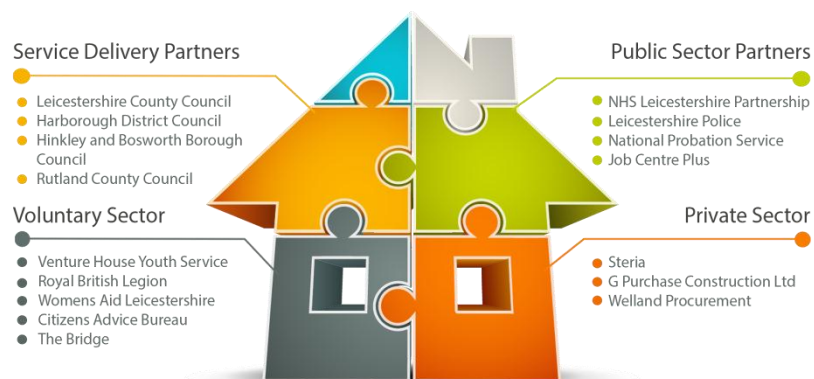


MELTON BOROUGH COUNCIL ASSET MANAGEMENT PLAN & CAPITAL STRATEGY (AMP & CS) 2015/16 -17/18



Melton
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April 2015

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Melton Borough Council documents

Repairs and Maintenance Policy

Acquisitions and disposal policy

Gritting policy

Carbon Emissions report 2013/14 - <H:\PROPERTY\Other\Energy Efficiency & Carbon Reduction\DATA for 2013-14\Melton Borough Council - Assessment of Greenhouse Gas Emissions 2014.pdf>

Other documents

CDM 2015 Regulations guidance –bsgltd.co.uk/cdm-2015/draftregs

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MELTON BOROUGH COUNCIL
ASSET MANAGEMENT PLAN
AND CAPITAL STRATEGY
2015/16 – 2017/18

Foreword

Melton Borough Council
- Asset Management Plan and Capital Strategy 2015/16-17/18

Effective use and management of our property assets is fundamental to the economic, social and environmental wellbeing of the people in the borough of Melton.

Central to our approach is to gain a better understanding of our service needs, the direction of travel of our organisation and building strong relationships with partners resulting in the achievement of wide ranging benefits to our customers and tax payers.

This plan must be set in the wider context of managing our budgets and ensuring a sustainable future for Council expenditure. Tighter financial constraints on local government and the need to adopt an increasingly commercial approach to the way in which we conduct affairs. The Council is debt free however the majority of the capital receipts fund from Nottingham Road disposal have now been spent or allocated. We need to consider opportunities for raising income to offset budget reductions and opportunities for reducing costs and generating capital receipts from disposal of surplus assets. The Council will continue to adopt a commercial culture that will enable it to deliver more efficient and effective public service.

The Asset Management Plan is for the three year period from 1st April 2015 to 31st March 2018, it provides an overview of the ongoing development of Melton Borough Councils property assets and sets the strategic direction for the management of its small portfolio over the coming three years. It also identifies some of the main capital projects we will be delivering during this period, as well as identifying risks and issues that relate to our assets and to consider over the coming three years. It builds upon previous Asset Management Plans.

The Council has entered into a new phase “Extending to Excellence” and it will be implementing a raft of new strategic interventions that will help us to deliver Corporate Priorities for 2015-2020. The main projects are the Local Plan, the urban extension of Melton, the transformation programme, investigating local transport and infrastructure improvements, redevelopment of the cattle market and the development of Melton Sports Village at the former King Edward VII site. In addition we will be a partner in the development of the Foyer project with Axiom Housing trust and aim to continue with the Me and My Learning project at Phoenix House helping to support the vulnerable and create independence. The changing rooms known as the Pavilion at the Country Park will be replaced to ensure there are suitable changing facilities to serve the football pitches.

The Council will remain open to exploring new opportunities. We will be looking at the best use of assets in the context of sustainable community strategies and local spatial plans, Get Melton Building is an internal team that meets quarterly and supports the Town Centre Action Group that brings together stakeholders to collectively promote and improve the town centre. The Council will continue to consider opportunities to acquire strategic property and land that make the case for social, environmental and economic benefits for the Borough now or in the future.

To ensure we deliver best value there will continue to be a need for a corporate approach to how we manage all Council owned assets, both in the General Fund and the Housing Revenue Account and we will build upon the links between the two property portfolios as necessary.

Melton Borough Council

INTRODUCTION

This is the sixth Asset Management Plan and Capital Strategy for the Council since 2001 it is a refresh of the previous version of the plan. The plan defines Melton Borough Council's Asset Management Plan and Capital Strategy for the next three years. The Plan has been endorsed and adopted by Melton Borough Council at the Policy Finance and Administration Committee on 15th April 2015 and progress on the plan will be reviewed and reported on annually.

The aims and intentions of the Asset Management Plan and Capital Strategy (AMP & CS) are to:

- Identify and explain the context and objectives of Asset Management at Melton Borough Council.
- Identify and explain how the plan links with our Corporate Plan and processes that will be followed to deliver Asset Management to Melton Borough Council.
- Identify the specific challenges and opportunities that currently affect Melton Borough Council's land and building assets and the ability of those assets to deliver the priorities, goals and promises set out in our Corporate Plan.
- Identify and recommended strategies to address and resolve those issues.
- Establish a Service Action Plan summarising the required actions arising from those recommendations.

1.0 PROGRESS FROM THE ASSET MANAGEMENT PLAN 2012/13 – 2014/15

Development Plan for the cattle market and new agreement with the Partners

The cattle market for many continues to be the "jewel in the crown" for Melton Mowbray. Bringing thousands of visitors to Melton Mowbray each year the cattle market continues to offer a wide variety of goods, food and livestock on a Tuesday morning.

In January 2015 the Council received confirmation that its bid of £3.5m for "Growth Fund" to secure the future of the Livestock Market in Melton Mowbray was successful. These funds together with an allocated £2million from Council capital receipts will provide funding for Phase 1 of the two phased project. Phase 1 is relocation and replacement of cow sheds which will protect and safeguard the livestock market on the current site for the next 20 years.

Phase 2 will be development of an "opportunity area" for food and drink and rural related activities. The business case for Phase 2 needs to be developed to ensure there is financial prudence and sustainability in the proposals.

The existing facilities, especially those for auctioning of cattle, are in a poor condition and no longer fit for purpose - they do not meet the standards of animal welfare achieved by more modern markets. Replacement pens are required to ensure that Melton Livestock market remains safe, competitive and continues to comply with increasingly stringent DEFRA requirements.

The grant funding also means that the Council can avoid an estimated £1million of patch up repairs expenditure on an asset that has reached the end of its useful life. Instead the project will enable the Council to unlock the potential of the southern 'opportunity area' through better use of space on site

Waterfield Leisure Pool – New contract and capital improvements

The capital improvements costing £2.48 million were completed in 2012/13 on time and within budget, in return the Council estimated it will be receiving annualised savings of £315k per annum; the Council has already saved over £535k since the works were completed. Customer usage figures increased by circa 66% in the first year from an average of 250,000 usages pre works to 360,000 usages post works.

Customer feedback has been positive with enhanced changing room facilities, a new extended gym and a better overall offer.

The operators SLM & the Council have been working together to increase the amount of available car parking spaces at the centre and after planning consent was refused for the initial scheme, an extension of the existing car park will be completed in 2015 to create an additional 20 car spaces including four disabled parking bays.

Land acquisition – Rutland Arms adjacent to Chapel St Car park

The Rutland Arms with its central location and adjacency to the Chapel Street short stay pay and display car park was identified as a strategic acquisition for the Council by the property team and it was acquired for the Housing Revenue Account fund, the building demolished and the site included in the parking order. It is now being used as an extension to the pay and display car park.

Burton Street Car Park – Improvements

This project entailed the regeneration of Burton Street and included the car park surface and lighting improvements, boundary improvements, and a new pedestrian walkway connecting the town centre and the railway station. Prior to commencement the Council undertook public consultation hosting an open day, with a model showing a layout of the proposals. The public wanted a scheme in keeping with the area and were supportive of the proposals and influenced how the boundary between the car park and the Park should look.

The project was delivered within the agreed budget of £473k and an end of project report submitted in March 2014 incorporating lessons learnt from delays due to archaeological findings below the car park surface.

Snow Hill Industrial Units

The condition of the Snow Hill industrial units have improved with further repairs and decoration, management of the units at Snow Hill have been brought in house and are pro-actively managed and they are 100% occupied. Future repairs have been identified and these will be submitted to programme board for consideration.

Phoenix House

The Me & My Learning initiative has been successfully launched from Phoenix House, alterations and fit outs were completed adhering to tight timescales and restricted budgets.

Since June 2014 we have seen over 500 people and supported 52 people into sustainable employment.

The aim of the service is to develop independence socially, digitally and financially. The ultimate outcome is to finally get people into sustainable employment although many of the services we offer are there to help those who may be quite far from employment.

Below are listed the services available;

Mental Health Support
 Drug & Alcohol Support
 Volunteering Support – encouraging people to use volunteering to gain experience in working environments
 Financial Advice & Budgeting – Money Advice, Clockwise
 CAB Advice
 Health Services – Physical Fitness, Weight Loss, Smoking Cessation, Improving Mental Health
 Housing Advice – All tenancy types and homelessness
 Digital Skills – Includes showing people how to set up a MY Account or make an on line benefit claim with the Council
 The Council is also providing a triage and mentoring service to identify barriers for clients and support them.

The car park has been let to Melton Brooksby College on a temporary agreement and short term income has been secured from a number of tenants. The building is also home to Learn Direct, East Midland Ambulance Service, Voluntary Action Melton and Driving Standards with the Hub Youth Project taking occupation shortly which will mean the building is 95% occupied with majority of agreements expiring in 2018.

The longer term strategic options for Phoenix House continue to be evaluated. The proximity to Sainsbury's supermarket and PERA opposite offers opportunities however the planning policies prohibit retail use for this site and therefore other uses will be explored. Other restrictions for Phoenix House include the existing internal layout and the inefficient heating system.

Foyer Project

Members were keen to progress this project as it meets several corporate priorities and corporate objectives. It is to provide a home for 16 -25 year olds who are either homeless or in temporary accommodation. The project has been identified as desirable since 2011 when a Housing Foyer project group was established to progress the project and a site options review considered six potential sites that were shortlisted by project team members.

The capital cost of the Foyer project is estimated to be in the region of £1.8 million of which MBC will make a capital contribution of c. £400k and provide the leasehold of the site. Axiom Housing a RSL (Registered Social Landlord) will provide ongoing management of the facility.

The Foyer will comprise of a 20 – 24 unit facility with training room, offices, communal kitchen and it will be a 3 storey new build facility. Thorpe End Car Park meets the criteria of being close to the town centre with good access to local transport and other local facilities.

The planning application will be submitted in April / May 2015 and the lease and agreement for a lease is being agreed.

2.0 POLICY CONTEXT – How the new plan fits

2.1 Policy Background – Corporate Priorities 2015 – 2020

The Council identified 8 main priorities for the period 2015-2020, these priorities are out

for public consultation before being set and agreed by Members to enable the Council to focus its limited resources on the most important issues for the Borough. The priorities inform and drive the actions to be included in the asset management plan.

2.2 Corporate Priorities 2015-2020

The Corporate Priorities for 2015-2020 are currently out for consultation and have not yet been approved by Members. The current Corporate Priorities 2011-2015 are attached at Appendix 1.

2.3 Corporate Policy Framework

The Council's Policy Framework provides a framework for the implementation of desired targets, standards and outcomes. It provides a focus for responding to particular needs or issues, a platform for joined-up working, encourages innovation and provides a mechanism for accountability.

The Capital Strategy and Asset Management Plan are important components of the Council's Policy Framework and support an overarching framework comprising the Melton Community Strategy, Corporate Performance Plan, Human Resources/Workforce Strategy and Medium Term Financial Strategy. The Council's Corporate Policy Framework is attached at Appendix 2.

2.4 The Council's Service Planning Process

The Service and Financial Planning Framework aims are:

- To help elected members determine priorities and their timing
- To forecast the changes in demand for services
- To show the likely implications of changes in legislation on spending
- To show the future costs of alternative policies
- To match demand with likely resources
- To provide a framework for programming activities by individual services

This is a key process to ensure that the Council works towards the Corporate Plan (and Community Strategy) objectives. The Heads of Service agree Service Plan proposals that include development bids for their services in line with those priorities and for service developments. This may be informed by the reviews being carried out by the change team or the outcome from public consultation.

A Strategic Planning Away Day is held annually in January to which all Councillors and Heads of Services are invited. This enables close scrutiny of the plans for capital and revenue expenditure in accordance with corporate objectives. In addition all major projects have regular reports from lead officers to the relevant policy committee and where appropriate Policy, Finance and Administration Committee on the progress that is being made with both significant capital projects and disposals.

All actions recommended by the Asset Management Plan strive to promote the use of assets in a way that positively assists the Council to deliver these priorities and processes.

3.0 ASSET MANAGEMENT AIMS AND OBJECTIVES

These remain virtually unchanged from the previous asset management plan.

- 3.1 To own assets which are “fit for purpose” and help us and our partners to deliver services to our customers and to dispose of surplus properties.
- 3.2 Effective use of assets to include space planning, sustainability and reducing energy consumption and greenhouse gas emissions.
- 3.3 To actively manage our properties, providing a facilities management service to ensure buildings are comfortable, accessible, clean, safe and secure and operating cost effectively using accurate base data to help inform decisions.
- 3.4 To have a well-planned, co-ordinated and informed approach to maintenance, improvement and repair of our assets.
- 3.5 To identify and pursue opportunities for the Council to shape the local economy, helping to make regeneration happen and aligning asset management with corporate priorities.

4.0 ORGANISATION

Melton Borough Council has adopted processes and procedures for the delivery of Corporate Asset Management Planning and Capital Strategy. The Council seeks to ensure that capital investment and management of resources contribute fully to the Council's long term aims and objectives and are targeted effectively to the highest areas of need. There is a corporate project management toolkit and guidance that explains the process through the project lifecycle from project mandate, business case, through project delivery to project closure.

Internal audit reviewed the Council's management of Capital Projects in 2014/15 and the auditors' opinion was that the overall design and operation of controls for project management provides “**sufficient assurance**”. The auditor came up with a number of recommendations that will be followed up.

Programme Board (PB)

PB provides the Council's primary mechanism for corporate asset planning. PB's prime objective is to provide a forum to ensure that capital expenditure on projects is allocated and prioritised through a structured corporate process that aligns with the Council priorities and that projects are delivered and completed appropriately.

A summary of the main tasks allocated to PB are as follows:

- To implement the Council's prioritisation process for Capital Expenditure.
- To monitor the delivery of the Council's approved Capital Programme.
- To develop and evaluate proposals for service delivery assets.
- To develop and evaluate proposals for changes in use, small acquisitions or disposals.
- To manage the maintenance of assets and compliance with statutory obligations such as DDA and asbestos.

All specific projects, acquisitions or disposals will be taken through the necessary committee process in accordance with the Council project appraisal process and Acquisitions and Disposals Policy and delegations.

In addition there are the following arrangements for certain projects / assets / target groups:

Forum Groups – There are currently 3 forum groups, local Community Forums, senior forum and highways forum. These forums have been established to target special interest subjects.

Task Groups – These are task and finish groups with a finite life. Task Groups are set up to guide, consult and provide steer on policy for finite projects. The task group is established for the life of the project as such their number can vary at any given time.

Working Groups – For larger more complex / strategic / longer term projects e.g. Cattle Market, Budget and Strategic Planning, Joint Staff, Melton Local Plan, Tenant Consultative, Planning Enforcement and Waste Management.

Lead Member Resources

The Asset champion is the lead member for all resources and with regard to assets is responsible for promoting and sustaining good practice in asset management, finance and ICT within the Council. The asset champion is the Leader of the Council and bi-monthly meetings are held between the Head of Central Services, the Central Services Manager and the Corporate Property Officer to monitor and review progress on all of these issues.

Corporate Property Officer (CPO) and Strategic Director (CM)

The CPO is assigned with the responsibility of advising and leading the Council's overall Asset Management process and supporting the Strategic Director (CM) who specifically oversees the asset management process. Professionally trained property officers within the Council's Central Services fulfil other specific roles with regard to Asset Management and Accounting. Property matters meetings are arranged on a bi-monthly basis.

Corporate Property Officer (CPO) and Housing Asset Manager (HAM)

The CPO and HAM meet every 2 months to review major projects and property issues, specifically looking at opportunities for joint working and property initiatives and ensuring that there is a corporate approach to property. Actions are recorded from these meetings.

5.0 CONSULTATION

Consultation with the Community

The Asset Management Plan and Capital Strategy is set specifically in the context of the Community Strategy and Corporate Plan to ensure that all of the extensive consultation carried out by Melton Borough Council with the community of Melton is reflected within it. Any changes to the Council Plans or policies of the Council will be monitored and incorporated at either the yearly AMP review or with a specific update should any fundamental changes occur.

The Council has recently consulted on two property led projects, the cattle market and public conveniences.

Consultation with Stakeholders and Services

Effective consultation with Stakeholders and Services is ensured in a number of ways.

- **Service**

Each Service sets yearly Service Plans that are aligned to the Council priorities. Guidelines on the preparation of Service Plans require the use of assets to be considered within the Plan.

- **Stakeholders**

The CPO and Strategic Director carry out rolling meeting programmes with major stakeholders to consult on new asset issues and specific project delivery. Any relevant issues are included on subsequent lead member agendas. Examples of this are regular meetings with Melton Brooksby College, the Town Estate and PERA.

- **Project specific consultation**

For all major projects, where the capital value of the project is estimated to be over £500k, public consultation will be carried out. The most recent examples of this are the public toilets consultation and consultation on the cattle market.

6.0 PERFORMANCE MONITORING

Asset Management Monitoring

The overall progress and performance of the Asset Management Plan and Capital Strategy is monitored in a number of ways.

- Performance management scorecards and metrics
- Review and monitoring of major capital projects at monthly programme board meetings
- Reporting of capital programme items to relevant policy committee
- Review progress of major action points at Lead Member resources meetings.
- Progress on the Asset Management Plan will be reviewed by Members each year and an update report will be made to the Policy, Finance and Administration Committee yearly.

Asset Management Performance Indicators

There are six asset management performance indicators:

1. Workstation/ FTE-Government PI EMS5(a)
2. m2/FTE
3. Total cost per sq m-Government PI EMP 1(a)
4. Total cost per FTE- Government PI EMP 1(b)
5. Amount of energy consumed at Parkside for the year from September.
6. FM Help desk – Number of FM Helpdesk jobs resolved with a Good or Very Good satisfaction rating (Target 80% plus)*

*Refer to table on page 17

These indicators will be compared with national averages and previous years and reported to Members annually at the AMP & Capital Strategy Update. The performance indicators are attached at Appendix 3.

7.0 CAPITAL STRATEGY

The purpose of the capital strategy is to determine the Council's approach to capital investment and informs the development of the capital programme. In addition it aims to:

- Ensure the capital investment and management of resources contribute fully to the Council's long term aim and objectives
- Ensures the efficient use of our limited resources and assets
- Targets capital resources effectively and to the highest areas of need.

The capital and asset management strategies together promote efficient and effective capital planning and management of capital resources.

Asset Values

The balance sheet values of all our property assets as at 31 March 2015 are as follows:

Asset Type	Balance Sheet Value
General Fund	£18,621,500
Housing Revenue Account (1,871 dwellings at 345 of Vacant possession value)	£68,014,272

Capital Programme

A summary of the Capital Programme was agreed at a meeting of the Full Council in February 2012 for the years to March 2016 and a copy can be found in the Council's budget book. Any Increases or revisions to the capital programme are reported to the relevant committee who then make recommendations to the Policy, Finance and Administration Committee for approval.

The Council have a rolling programme of condition surveys and these specifically identify maintenance works required, the works are prioritised and major capital items are also highlighted and these are fed in to the Capital Programme and the 5 year Repairs and Maintenance Programme which is reviewed annually.

Strategic documents are reviewed, for example the car park strategy, to help inform capital programme and decisions on how expenditure is prioritised. In addition to the current funded approved capital programme there are other capital projects which need to be addressed but which do not currently have any capital allocation.

These include the following which will be kept under review during the period of AMP:

	<u>2015/16</u> £k	<u>2016/17</u> £k	<u>2017/18</u> £k
Wilton Road Bus Park Surfacing Scheme	26		
Chapel Street Car Park Resurface	124		
Wilton Road Car Park	34		
Scalford Road Car Park		112	
Cattle Market Car Park		146	
Cattle Market – Farmers Market Roof Repairs		112	
Lake Terrace Waste Depot Refurbishment			31
Phoenix House refurbishment		20	
Replacement of Pay & Display Machines			60

Capital Reserves

The estimated general resources available at 1 March 2016 for capital funding are as follows:

Corporate Priorities Reserve:

Current estimated balance as at 31st March 2015 is £1.252m. This reserve is also required to support revenue funding, which is particularly important in the current climate as the reduction in government grant support is expected to continue though the localisation of business rates and council tax benefit.

General Fund Capital receipts:

Current estimated balance as at 31st March 2015 is £0.660m. The resources available to support the general fund capital programme were provided with a large injection in 2012/13 with the receipt from the sale of land on Nottingham Road. A large proportion of this receipt has been used to enable the general fund to be debt free, the remaining balance has been utilised or earmarked to support capital expenditure e.g. cattle market redevelopment, leisure vision, transformation programme, housing foyer, Waterfield Leisure Centre redevelopment and car parking repairs and improvements. Capital resources as a result are now under pressure.

Based on the current five year capital programme if the council is to identify sufficient resources to fund the repairs necessary to maintain its assets then there will be a need to identify assets for sale in order to generate capital receipts. Any new schemes/projects identified will increase this pressure for example the acquisition of the King Edward VII sports centre and playing fields. Opportunities for new disposals are being sought but due to the Council's asset base these are limited.

Any proposed capital schemes including those identified above, must meet specific criteria and be approved by the Council's Programme Board and relevant committees.

An element of the Capital Strategy is to consider the strategic and proactive acquisition of property in the current climate in order to achieve the Council's aims of gaining value for money from our assets. Properties with potential for disposal will be brought forward with a recommendation; local market conditions have improved and given the present balance of General Fund Capital Receipts this pot needs to increase to help fund future capital expenditure.

Other Capital Funding

For General Fund services the Council receives no general supported borrowing from the Government. As such the Council is very much reliant on external funding opportunities such as grants and third party contributions but often these require match funding to access them.

The funding of capital projects is not entirely limited to the Council's reserves. Other options include prudential borrowing which the Council can undertake where relevant criteria and need are identified. However, this would impact on the revenue budget and the Council has opted for its General Fund to be debt free, following the large capital receipt. In the future where such borrowing is considered it should be primarily reserved for invest to save schemes. There is also a requirement to set aside a provision for the repayment of debt known as the voluntary Minimum Revenue Provision (MRP) within the General Fund for any unsupported borrowing at a rate in line with the life of the asset.

Other funding streams include external grants, section 106 proceeds and revenue funding particularly for invest to save type projects or for equipment which may have previously been leased. The Council has been successful in obtaining grant funding for the redevelopment of the Cattle Market and it will monitor closely any grant funding opportunities for the Leisure Vision project.

The Council is small and does not currently have any schemes suitable for a Private Fund Initiative approach; however should any relevant opportunities become available this approach will be fully explored.

Evaluation & Monitoring of Schemes

The Corporate Management Team (CMT) comprises the Chief Executive and two Strategic Directors, and this team takes a corporate view to the development of the Council's services. The key internal decision making body of the Council is the Management Team consisting of CMT, and all Heads of Service, thus ensuring that a cross-cutting approach is taken to the consideration of all issues, including the Capital Programme. All development issues are discussed between the service area head and a strategic director as part of the Council's service planning process. Only schemes which deliver the priorities previously established by the Council's corporate plan and government guidance proceed to the next stage.

The T3 group, comprising of Tier 3 managers, meet and as part of their remit review the programme board project list and provide comments on the programme on an as needs basis. The Council's Programme Board considers the capital programme, assessing each of the schemes on the basis shown in project mandates and business cases, which set out the full details of the scheme including the capital and revenue costs across both the initial project and its whole life and an assessment of how the project delivers to the Corporate plan and the Council's priorities.

As part of the Council's regular budget monitoring, monthly expenditure reports are produced and variances and progress are discussed and reported to the Management Team.

Value for Money

The Council is committed to ensuring that value for money is obtained from all projects undertaken and these should be measurable for efficiency, economy and effectiveness. The performance management system identifies and addresses value for money at the service level.

The Council has access to the Welland Procurement unit who provide expertise and access to further specialist procurement expertise. The procurement approach ensures that we support our small, local and rural businesses. In addition this service provides access to construction and EU procurement advice.

The property team had a value for money review in 2014 the findings A Value for Money exercise was undertaken by David Bentley from CIPFA in January 2014 this considered 21 public sector organisations and showed MBC in a good light. Certain positive observations were made during the inspection; the Value for Money exercise did not cover all of the services in the property team as it excluded FM and car parks.

The Council's Change Team is an integral part of the way in which we seek to review services which in turn informs, in some part, our capital investment strategy. A good

example of value for money achieved through this is by our new way of working in our new offices, with our partners, and the space savings this has achieved.

Revenue Consequences of Capital Investment and Risk Management

The Council's Medium Term Financial Strategy (MTFS) and the AMP are closely linked as the revenue impact of maintaining the Council's assets have been built into the 2015/16 budget. It also takes into account all the future revenue effects of the capital programme to ensure that the decisions taken are sustainable into the future.

The Prudential Code requires the Council to set prudential limits for servicing debt from 2004. The use of prudential borrowing to finance appropriate capital projects in future will be considered if affordable, i.e. invest to save schemes.

The Council has in place a comprehensive risk management process which includes the management team reviewing risks on a regular basis through the service planning process. Lead Members for risk are updated through CMT. The Council uses a red, amber, and green risk matrix to assess and report on risks and this methodology is integrated into all of the Council's systems.

The Council is fully aware of the need to be prudent and realistic about its expenditure commitments.

8.0 CHALLENGES AND OPPORTUNITES

This section reviews how we are performing against the previously stated asset management aims and objectives, it assesses where we are at present and where we need to be.

The asset portfolio is diverse in nature, it includes large numbers of low value assets and includes a new civic building; a country park and visitor centre a reclaimed historical 13th Century building subject to grant claw back, a cemetery, a leisure and swimming pools facility and various plots with potential for redevelopment within the General Fund/Housing Revenue Account land holdings

To own assets which are “fit for purpose” and help us to deliver services to our customers and dispose of surplus properties.

Where we are now

Melton is a geographically diverse area with a highly transient population and limited economical resources. A wide variety of public services need to be provided requiring a wide variety of assets and as our services evolve we may need to adapt to enable local access for example to online services.

New Main offices

Parkside, our main civic building, was completed in August 2011. The building is located next to the train station and provides accessible, modern, open plan offices, supported by modern ICT infrastructure and with flexibility for future use. The mixture of work spaces are designed to suit partnership and collaborative working.

The Council has been designing our services and systems from a customer perspective; we aim to help our customers navigate their way through our processes making them as user friendly as we can whilst remembering that each customer will have their own specific needs. The Council has integrated a variety of agencies into Parkside and into its service delivery arrangements; this has resulted in a number of benefits with cross fertilisation of customer facing services, information and ideas as well as customer access to services under one roof.

Parkside has over 16 “partners “operating under one roof and partner representatives meet bi-monthly to discuss FM and property issues and also service delivery matters. This collaborative approach has been recognised by the Cabinet office and featured in an article “DWP co-location in the Midlands”. The Council has also had numerous visitors from other authorities wishing to see how partners operate at Parkside.

Children and Community Centres

The three children and community centres are well used providing multi-agency services in some of our most disadvantaged neighbourhoods during the day and a facility to be used by local community organisations and volunteer groups in the evenings. The dual use can be problematic at times and there is room for improvement with the introduction of protocols and service level agreements for management and maintenance. The business need for property assets need to be carefully balanced against the ongoing running and maintenance costs associated with owning these assets.

Leisure provision in Melton Mowbray is limited and despite improvements carried out at the Waterfield Leisure Centre in 2013/14 the leisure provision within Melton Mowbray has been identified as an area for improvement.

The Council owns and lets out sports pitches at the Country Park and Thorpe Road playing fields. The changing rooms serving the Country park playing fields are of poor quality and replacement changing rooms are required, the toilets at Thorpe Road playing fields are derelict and require demolition.

The Council owns and manages 15 children play areas and three multi use games areas and has a responsibility to contribute to maintenance of the Skate Park at Play Close. The Localism Act 2011 may help to encourage the transfer of some of these facilities to local Parish Councils.

Surplus properties

With a small property holding the majority of the assets owned by the Council are well maintained, well located and accessible for our customers. Potential to dispose of surplus properties in the General Fund is limited however a site at the top end of the cattle market has been identified as potentially surplus and will be reviewed along with a selection of other lower value sites later in 2015.

Where we need to be

Melton Borough Council needs to develop the review of assets in a way that delivers:

- Assets that are all suited to the purpose for which they are used or changes are made.
- Identification of assets with potential for affordable housing – review HRA property portfolio in consultation with Housing Asset Manager (this is part of the HRA asset management plan 2013/14).

- Identification of possible of improvements that could be made to Snow Hill industrial Units – consult and review suitability of assets with existing and potential occupiers as they are very internally invasive.
- An effective means to constantly review and challenge the use of assets by completing suitability surveys with the service managers on a periodic basis.

Risks

Property is relatively liquid and occupational changes can take time and money to organise.

There is a risk that Service managers do not identify their current and future property needs in sufficient time for the business needs.

Insufficient budget to meet needs of service. The condition surveys identify that the repair and maintenance programme fund will need to be boosted by approval to certain capital works to ensure that assets are maintained to the target condition of good/satisfactory.

Effective use of assets to include space planning, sustainability and reducing energy consumption and greenhouse gas emissions.

Where we are now

Melton Borough Council measures its space utilisation and uses the value for money indicators identified by the Government as a priority area for securing efficiency improvements and releasing resources for use in delivering front line services. These are EMP1 (a) and (b) and are shown attached at Appendix 3 together with some secondary indicators. The Council is in the lower quartile for costs per full time equivalent (FTE) member of staff and for the ratio of workstations per full time equivalent.

The investment properties at Snow Hill, Phoenix House and King Street are at the time of writing all fully let, Phoenix House is being used for the Me & My Learning initiative and will be fully let shortly.

The UK is committed to cut carbon emissions by 34% by 2020 and by 80% by 2050 and the Government is issuing advice on the Green Deal and initiatives for properties, fleet vehicles, transport and street lighting.

Melton Borough Council already has a strong strategic focus towards creating sustainable and resilient communities, which is embodied within key documents such as the Sustainable Community Strategy and the refreshed Corporate Priorities, but also within other key documents such as the Local Plan, which focuses heavily on sustainable development within the Borough.

Sustainability was considered from the outset at Parkside, with the location and materials used in its construction, to its day to day operation. Cycling is promoted by providing secure onsite cycle storage and shower and changing facilities. The green travel plan and “Jam buster” parking policy promotes car sharing and adds to the buildings green credentials.

The design of the building allows us to have large areas of glazing on the north facade without suffering solar heat gain. Heating and cooling of the building relies heavily on passive methods of control, minimising the need for mechanical temperature control.

Heat exchangers will re-cycle much of the “waste” heat produced by the building. Hot water is fed from solar panels on the roof of the building.

The Council measures its energy consumption at Parkside (latest Carbon energy report 2013/14) and seeks to reduce energy consumption in a number of ways; it is undertaking a light replacement programme switching to low energy lights following a recommendation by an energy efficiency consultant.

Utilisation and space standards will be measured and monitored to ensure that our offices and other centres are being well used.

Effective use also means working well with our partners to ensure the needs of customers and staff are met. A Multi –agency group meets every two months to review matters at Parkside and help facilitate good partner relations in the building.

Lake Terrace may have greater capacity in 2017 when an existing agreement expires and opportunities will be explored for relocation of services to free up units to rent at Snow Hill.

Where we need to be

Melton Borough Council needs to:

- Ensure that it identifies opportunities to save money by reducing energy consumption and greenhouse emissions on our estate and protect natural resources in our new developments, for example the cattle market.

Risks

The Councils assets are not fully utilised and the Council does not prioritise or take advantage of environmental initiatives.

To actively manage our properties, providing a facilities management service to ensure buildings are comfortable, accessible, clean, safe and secure and operating cost effectively using accurate base data to help inform decisions.

Where we are now

The Council has undertaken a review of its facilities management function and re-organised and re-trained the team with a focus on customer service and communication, the caretakers have received a programme of training and the facilities management helpdesk has been in operation for 12 months. Customers are sent a customer feedback form upon completion of all Facilities Management jobs and a summary of customer feedback from the helpdesk March 2014 to March 2015 is shown below:

Category	Number of responses	Expressed as %
Very Good	82	32
Good	121	46
Satisfactory	26	10
Poor	32	12
Total	261	100

The FM Helpdesk responses form part of the property performance indicators incorporated within the Central Services Service Plan. The current target is for over

80% of completed jobs to be rated either Very Good or Good. As can be seen from the table above this target is not quite being met and this is being targeted for further improvement.

Council staff at Parkside completed a questionnaire on Parkside in March 2015 and the returns are being analysed at present.

Property staff have received training on property inspections from insurers and an inspection regime is now in place, primarily to ensure our sites are well maintained, safe and secure.

Where we need to be

- Improved level of customer satisfaction ratings so that 80% are Very Good or Good
- Follow up all cases where a “poor assessment” has been issued. Follow up to be with customer and member of staff completing the task.

Risks

Council assets are not well operated and maintained.

To have a well-planned, co-ordinated and informed approach to maintenance, improvement and repair of our assets

Where we are now

Melton Borough Council views property maintenance as an important return on investment, well maintained properties can enhance service delivery and reduce future resource requirements by prolonging an assets life, reducing risk and strengthening disposal value. The Council has a maintenance policy to help to ensure that assets are maintained in a structured and cost effective manner.

The maintenance and repairs programme does not cover building alterations or changes that alter or improve capability or functionality of a building; this would normally be capital improvements. Maintenance contracts are no longer costed within the R & M budget.

Regular condition surveys are undertaken to help inform the repairs and maintenance programme and also the need for capital improvements. Properties that are strategically important, particularly multi-occupied properties will have whole life costing appraisals that assess the running costs of the building over a period of 25 years or longer. This enables a sinking fund to be created and where appropriate incorporated into the service charge and capital planning to take place. The process also enables the Council to re-charge partners an appropriate proportion of the repair, maintenance and replacement costs.

The Council seeks to ensure that the majority of its assets are maintained at a good or satisfactory level. It recognises that there are always competing priorities for finance and on occasion it will be necessary to have a tolerable level of deferred maintenance and the repairs and maintenance programme must have a well-considered method for prioritisation of works based on a risk management approach.

Method for establishing a 5 year Repairs & Maintenance Programme

Asset condition surveys are undertaken regularly on all property assets.

The asset condition surveys are graded using the CIFPA method of categorisation as follows:

Category A: Good – *Performing as intended and operating efficiently.*

Category B: Satisfactory – *Performing as intended but exhibiting minor deterioration.*

Category C: Poor – *Exhibiting major defects and/or not operating as intended.*

Category D: Bad – *Life expired and/or serious risk of imminent failure.*

The works identified are prioritised using a simple risk management framework for assessing the necessity for completion of each task.

The priority rating system is as follows:

Priority 1: Health & safety, contracted or statutory requirement

Priority 2: Structural or heritage issues

Priority 3: Essential

Priority 4: Desirable

Individual assets are also assessed to give an overall condition rating for each asset.

The condition rating for the property assets is summarised below:

Condition	Meaning	Average Condition rating 2013/14	Number of properties	Average Condition rating 2014/15	Number of properties
A	Good	14%	7	14%	7
B	Satisfactory	56%	27	56%	27
C	Poor condition	22%	11	24%	12
D	Life expired	8%	4	6%	3
Total		100%	49	100%	49

D = Thorpe Rd toilets (Demolish), Country park pavilion (Replace) Cattle market cattle pens (Demolish)

The above figures are based on the number of General Fund buildings/properties owned and include car parks. Snow Hill Units have been categorised as one asset.

The Council commissioned a re-refresh of the condition surveys in 2015 from Gleeds to ensure data and cost information is up to date. The five year repairs and maintenance programme is attached at Appendix 4 as set out above this is based on prioritising the limited revenue budget available and in order to maintain assets or enhance their condition in accordance with the condition survey reports some capital expenditure will be required in some areas over the next 3 years.

It is important that expenditure on assets is planned and prioritised and the Council has a minimum target of 60% planned maintenance and 40% re-active maintenance in accordance with local authority asset management guidelines and industry standards. Planned maintenance is identified five yearly in advance informed by stock condition surveys components are replaced in accordance with their anticipated life or prolonged where appropriate, the five year planned repairs and maintenance programme is sense checked by property staff and service managers and reviewed annually.

The Council has had a rolling five year repairs and maintenance programme in place for five years. A rolling programme of stock condition surveys is in place to inform the repair and maintenance programme and also identify items that may be subject to a capital programme bid or grant application.

Each year the repair and maintenance programme is reviewed and brought up to date, there is a sense check to ensure the figures are realistic and also ensure that the planned expenditure is appropriate for the service. New data from the condition surveys is entered accordingly.

At Parkside we have agreed with partners for a repair and maintenance sinking fund of £50,000 per annum. This will be ring fenced for allocated future capital expenditure on replacement items, the sinking fund is informed by a 25 year whole life costing/ replacement forecast based on core components of the building and estimated life expectancy. The initial whole life costing model is currently under review by an external building surveyor.

The following matters are currently known to be issues:

- The cattle market has issues relating to asbestos and also the deteriorating condition of the cattle shed buildings. The cattle market project is addressing these issues.
- Kings Street is an historically important building for the town. Occupied by a retail tenant on the ground floor and the parking attendants on the first floor. However, due to its age and construction it is a high maintenance building and will always be a potential draw on the R & M budget. Terms within the original grant funding prevent the effective disposal of this asset.
- Snow Hill industrial units may require invasive works to the internal gutters.
- Pay & Display Car Parks have suffered from frost damage and require pot holing repairs in April / May to reduce the risk of trip hazards occurring.
- Melton Country Park Car parks require attention to ensure fit for purpose.

Where we need to be

The Council needs to further develop the existing Repair and Maintenance Action Plan to include the following key features:

- A comprehensive repair schedule for all assets compiled from the rolling survey programme to be maintained by the Property Team.
- Identify a more cost effective and economical method for the procurement of major and minor works to car parks, investigate joint procurement opportunities with neighbouring local authorities.

- Work with small local contractors to help ensure that they are familiar and compliant with new construction, design and management regulations introduced in April 2015 , this includes checking that they have the right skills, knowledge , training, experience and attitude to complete the jobs safely.

Risk

There is a high risk that without these additional actions the current condition of assets will deteriorate and impair service delivery.

To identify and pursue opportunities for the Council to shape the local economy, helping to make regeneration happen and aligning asset management with Corporate Priorities.

Where we are now

The property team has had a focus on performance and delivery of services to the customers in the last two years and whilst it is important to recognise that there has been improvement there is still a challenge for further improvement in our corporate aim to Extend to Excellence and embrace Corporate Values as a team. Customer feedback is important and it remains a key Performance Indicator in our Service Plan.

The direction of travel of our organisation picks up on effective communication, introducing innovation and flexibility to the way we work and linking our work with Corporate Priorities.

The property team has built strong relationships with a range of local partners, contractors and external consultants resulting in the achievement of wide ranging benefits to our customers, the local economy and tax payers.

Securing £3.5 million of grant funding for the Cattle market has enabled the injection of capital into the local economy and also helped to secure the market in its present edge of town location for the next 20 years.

The Council Service strategy for customers is to enable self -serve for the majority and provides front end help and support for the most vulnerable in the community, moving towards this delivery model will require adaptations to reception at Parkside and other customer facing centres. We provide the facilities management and property support network to all of these centres and have made several adaptations at Phoenix House for the Me and My Learning project.

Participation in “Get Melton Building” enables the team to contribute to corporate initiatives; the group identifies grant funding and other initiatives and opportunities to help improve the town centre. Building effective links with businesses and the community is vital for the success of the group.

Where we need to be

Melton Borough Council needs to develop the use of assets in a way that delivers:

- A lean, well maintained portfolio which allows the authority to live within its means (capital and revenue) by managing property running costs effectively and efficiently and releasing capital and then recycling it into corporate priorities.

- A well-considered long-term strategy for property to ensure economic sustainability within the Borough.
- Need to consult with Parish Councils on Special Expense items that have been identified as needing repair and maintenance in the coming years, attention must be given to opportunities for grant funding in these areas, to help ensure the Council remains prudent with budgets.
- The Council's wider objectives of sustainable communities that enables the Council to use its assets effectively to work with Parish Councils, the voluntary sector and community organisations.
- Awareness of new initiatives both local and national, for example, the Right to Build initiative that encourages community self builds for dwellings, and the local Food and Farming Local Development Order Pathfinders
- Helps to make Melton Mowbray a distinctive destination that builds upon the existing assets of the town and surrounding villages including how best to retain the prominence and significance of the Cattle Market into the future.

Risks

Without an Asset management plan and a systematic review of business needs and the Councils assets there will not be strategic development of the Councils assets.

9.0 PROPERTY STRATEGY AND DELIVERY

The Property Strategy for this period of the Asset Management Plan will be to focus on the delivery of the improvements outlined in the asset management plan and build upon the improvements made to date, and to deliver the Property Action plan attached at Appendix 5.

There are a number of specific identified projects that need to be progressed and completed to help progress Corporate Priorities of the Council included within the Property Action plan. Training will be given to team members and team building initiatives will be considered to help develop the team.

When the draft new Corporate priorities are agreed by Members (to be considered later in the year) these will be dropped into the relevant parts of the Asset Management Plan and Strategy to ensure the document is kept up to date.