

Case Study

The Project
Corporate Leadership and Governance

The Authority
Ashford Borough Council



The Challenge

Like many Councils, in 1999 Ashford Borough Council recognised the need to change its approach to asset management, partly as a result of an Audit Commission report and partly as a result of the guidance published by the then Department of the Environment, Transport and the Regions (DETR). The challenge was to completely change the culture across the organisation so that the Council's property assets would be recognised as a corporately held resource that should be occupied, managed and maintained on the basis of corporately made decisions. In practice, this would mean:

- Increasing Members' and senior managers' knowledge and understanding of the issues;
- Convincing Service Managers that all operational property should be subjected to scrutiny to ensure that it was delivering the Council's objectives efficiently and effectively;
- Developing closer relationships between the Finance and Property departments to reduce conflicting priorities;
- Finding a way to allocate and spend budgets for property maintenance on a corporate basis;
- Ensuring that all capital investment decisions would be based on a clear set of criteria and corporate objectives and subjected to a rigorous process of prioritisation.

The Key Steps

In 1999 the then Property Resources Group was established. This was an officer working group, with property, financial and legal representation. Its brief was to:

- Identify the Council's land and property holdings;
- Establish policies and procedures for their proactive management;
- Raise capital receipts through the disposal of surplus and under-used assets.

Following the recognition of the strong link between property management and capital projects, this group was combined in January 2002 with the then Capital Monitoring Group to form the Asset and Project Management Group (APMG). Its remit, membership and terms of reference were completely revised with a greater emphasis on the need for Member and senior manager representation.

A presentation was given to key Members, both within the Executive Committee and within other committees such as the Policy Advisory Groups and Overview and Scrutiny Committees. This served to raise awareness and understanding and allowed Members to develop an interest in particular aspects of asset management.

The chair of the Asset and Project Management Group, who is the Head of Corporate Property, has been presenting quarterly reports to the Executive committee since April 2002. These contain a detailed report on the capital programme, they identify any overspends or slippage on projects and provide an overview on progress. The reports also address any asset management issues arising within that quarter such as disposals, lease agreements and property performance information.

A two stage process for capital prioritisation has been established resulting in the APMG making recommendations each October regarding investment for the following financial year. These recommendations are then referred to a Policy Advisory Group before being presented to the Executive Committee as part of the draft budget in December.

The Outcome

- The Portfolio Holder for Resources and the Leader of the Council are both actively involved in asset management issues and fully support the work of the APMG.
- Issues of policy, such as the retention or disposal of incoming generating commercial properties, are referred to Member Policy Advisory Groups who provide recommendations to the Executive.
- The setting up of the Repairs and Renewals Reserve and the Centralised Maintenance budget has achieved a reduction in backlog maintenance.
- Over the last 4 – 5 years there has been a gradual cultural change within the organisation as a result of the work of the APMG. Senior Managers now work closely together to achieve shared aims and objectives in the area of asset management.
- The performance of the capital programme, both in terms of keeping within the overall budget and minimising slippage and overruns, has improved significantly since the current process was established.

The Learning Points

- Successful asset management requires high level cross-service commitment and regular engagement with members.
- Centralising the responsibility for repairs and maintenance ensures that spending decisions are based on corporate need rather than available service budgets
- A robust process for capital project prioritisation will deliver significant improvements in the performance of the capital programme.
- The cultural change required to embed corporate asset management across the organisation can take many years to achieve.
- To maximise member awareness of asset management, it is a good idea to inform members of all property decisions taken, even if they fall within the delegated authority of officers.

For further information please contact:

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