

Item no.

Report to: Executive

Date: 16th January 2007

Report of: Executive Member for Resources

Subject : Asset Review

Ward: All

1.0 Purpose of Report

1.1 To seek approval to appoint the Institute of Public Finance (IPF) to undertake condition and access surveys on eighty-four of the Council's properties and use the information to populate the Council's Asset Register database.

1.2 Permission is also being sought to waive Contract Standing Order IV(a) and appoint IPF directly due to the specialist nature of the work.

2.0 Consultation

2.1 The Corporate Procurement Manager, Monitoring Officer, Director of Regeneration and Development and Head of Asset & Property Management have been consulted on this report.

3.0 Background

3.1 The Asset & Property Management section are currently undertaking a full review of all of the Council's operational and non-operational property assets.

3.2 Presently the asset register is held on a specialist database system designed by IPF for which an annual subscription is paid. The system has been designed to be used by both the Asset & Property Management and Finance Sections to complete year-end accounts and revaluations of assets. In order to undertake comprehensive Asset Management it is necessary to collate a wide range of information relating to the operation and running costs of property and assimilate the information in a format to enable analysis and determination of property strategies.

3.3 There are a number of different computer packages available that have been specifically designed for Asset Management purposes, however only the IPF system combines both a financial package which is considered appropriate to the requirements of the Director of Finance and has additional modules that will enable quality Asset Management to be undertaken.

3.4 Currently the Council subscribe on an annual basis to the full financial and Asset management packages, however currently only the financial system is fully populated whilst the Asset management information is limited to the asset register and valuations.

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4.0 Position Statement and Option Appraisal

- 4.1 A fundamental requirement within asset management is to determine the condition, accessibility, energy efficiency and suitability and sufficiency of all buildings. This information combined with service delivery requirements enables detailed analysis to be undertaken in order to develop individual plans for each property in terms of investment, disposal or improvements in efficiencies/occupation levels.
- 4.2 Currently the unit does not have the capacity to undertake the condition and accessibility audits and it is proposed that this work be outsourced to IPF who will provide Building Surveyors to undertake condition surveys of each asset.
- 4.3 Consultation has been undertaken with other Authorities in particularly Durham County Council who have recently tendered condition survey work and IPF were the successful tender. IPF are prepared to undertake the work for Easington on the same rates as applied to Durham. The added advantage of IPF undertaking the work is that they will collate and populate the system ready for immediate use. This avoids the requirement and additional associated cost and time of de-analysing information contained in any third party survey and inputting it into the system.
- 4.4 It is therefore proposed because of the specialist nature of this work and the individual circumstances that apply, the Executive agree to authorise a departure from Contract Standing Order 4.

5.0 Implications

- 5.1 Financial
The cost of completing the surveys and inputting the data is £84,000 and this expenditure has been included within the General Fund Use of Reserves budget for service – improvements approved in November 2005.
- 5.2 Legal
There are no legal implications.
- 5.3 Policy
There are no policy implications.
- 5.4 Risk
A full risk assessment has been completed.
- 5.5 Communication
There are no communication implications at this stage of the process.
- 5.6 Corporate
The actions associated with the report comply with the Councils Corporate objectives to make the most of opportunities for investment, economic growth and employment and reduce inequality in the District.
- 5.7 Equality and Diversity
No direct implications.
- 5.8 E-Government
No direct implications.

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- 5.9 Procurement
No direct implications other than indicated in the report.

6.0 Recommendations

- 6.1 That Standing Order IV(a) be waived due to the specialist nature of the work involved and approval is granted for the Institute of Public Finance to be awarded the work to complete condition surveys and Access Audits for eighty-four of the council's assets and populate the Asset & Property Management database.

Background Papers/Documents refereed to in the preparation of this report

- i. District of Easington Risk Assessment