

SLOUGH BOROUGH COUNCIL

ASSET MANAGEMENT PLAN AND CAPITAL STRATEGY

2011 – 2016

1. Introduction

1.1 Slough Borough Council's Asset Management Plan (AMP) and Capital Strategy (CS) are important documents in supporting the Council's approach to property assets. They are integral to the Council's service delivery, regeneration projects and community landlord initiative.

1.2 Key priorities are as follows:-

- Support service delivery through the provision of appropriate property assets
- Support regeneration projects and initiatives such as Chalvey regeneration, Britwell regeneration, Town Hall project, Heart of Slough, Additional school places community hub projects and provision of improved GP/NHS dental facilities in the town.
- Set out a programme of review and appraisal of the use of Council buildings to improve value for money and secure widest community benefit.
- Set out the resources capacity required to deliver the Council's property strategic requirements
- Remodel current assets where possible to secure widest community use and benefit;
- To ensure best use of Council buildings acting as broker for the use of community buildings and efficient use of space through community landlord
- Adopt an integrated approach to capital investment and revenue funding to maximise value for money
- Deliver the Council's capital receipt programme and link with the funding resource for the Capital Programme.

1.3 The plan sets out a strategic approach to supporting the best use of Council assets in a very difficult economic climate. The focus on the strategy is to secure improved community facilities, stimulate the regeneration of the town and deliver planned projects to budget and timescales. Competing pressures for service delivery with financial constraints will require a new approach to use of assets. A change in the estate is required to balance and support the current revenue reduction the Council

faces together with a need to support the Council's capital programme through use of capital receipts.

- 1.4 The purpose of the AMP/CS is to provide Councillors with a document that can support informed decisions on property assets and capital investment. It also supports Corporate Directors and service heads in applying a systematic approach to the management and review of operational assets from which to deliver services.
- 1.5 The AMP/CS aims to support the provision of assets that are fit for purpose to deliver high quality services. This is through maintaining the existing portfolio of assets to comply with statutory requirements, facilitate the sharing of assets through partnership and through the acquisition, disposal and redeployment and renewal of assets to regenerate the estate for future use.
- 1.6 The plan is intended to provide a high level strategic document that sets out a framework under which the use of the Council's assets and approach to future deployment is made. The period is over five years forming a medium term strategy although the vision extends further than this.
- 1.7 Slough Council's Asset Management Plan and Capital Strategy have been developed with reference to the guidelines produced by the Department for Communities and Local Government (DCLG), Chartered Institute of public finance and accountancy (CIPFA), Royal Institution of Chartered Surveyors (RICS) and Association of Chief Estates Surveyors (ACES). Property assets are essential to the Council's functions and their best use and management are crucial in terms of delivery of efficient and effective services. The AMP/CS form part of the Council's corporate vision and is a key document. Context information and the financial context are attached in Appendix B.
- 1.8 Objectives for the AMP/CS are as follows:-
 - Create a strategic framework for the asset management team and to define property and capital investment priorities
 - To deliver the Council's vision for property assets through an asset strategy action plan that contributes towards the delivery of the vision
 - To support services in effecting change within the estate reflecting current changes in the economic environment
 - To support the Council's financial strategy by integrating capital planning with financial planning
 - To ensure that the Council complies with the existing and changing legislative requirements for assets

- To support long term planning to address maintenance needs taking into account future requirements in service delivery and the need to re-provide assets arising from strategic projects, reviews and initiatives
- To contribute to continuous improvement in service delivery through the identification of alternative means of service delivery and financing capital assets

2. Communication & Engagement Strategy

2.1 The strategy for engaging service departments and community partners is key to the success of the AMP/CS. Key elements include the following:

- Officers work closely with the Commissioner for Performance and Accountability and the Commissioner for Neighbourhoods and Renewal, as lead members, on asset management issues. Progress on the AMP Action Plan is considered by the Overview & Scrutiny Committee and by Cabinet annually.
- Regular local stakeholder meetings including schools, service providers, voluntary organisers, local community organisations
- Use of the planning process and requirement for consultation
- Specific meetings with key stakeholders and partners on major projects
- Regular project team meetings
- Briefings at regular meetings such as CMT, departmental SMT's, SMDF etc
- Through CAG, CMG and Regeneration group

2.2 Discussion with Education and Children's services and Highways are ongoing in order to ensure a single integrated approach incorporating the the asset management plans produced by them. The principles set out in this AMP/CS are reflected in these separate asset management plans.

2.3 The asset management strategy seeks to make best use of existing property. This includes more efficient and effective use of space. This supports the need to demolish the Town Hall Annex building by the end of 2010/11 and convert the original building into a primary school providing much needed additional primary school capacity.

2.4 The Council under its Voluntary and Community Sector funding policy seeks to provide and share accommodation with third parties. This sharing arrangement will also reflect efficient use of space and the need to share Council buildings will be built into agreements with the voluntary sector.

2.5 The monitoring of the use of Council community buildings with the asset management team acting as broker will ensure the most efficient use of space.

3. Major Projects

3.1 The AMP/CS forms the basis of achieving the taking forward of major projects in the Borough. These currently include the following:-

- Heart of Slough – this project involves the completion of a new bus station, major infrastructure works, new civic suite, adult learning facilities, performance space and a library within the centre of Slough and much needed housing provision for the town. The project has been ongoing over a number of years and is currently in delivery stage, The project is by far the largest in the capital programme and it is essential that the project remains on time and within budget. There is a management structure within the authority to ensure that this remains the case.
- Community Hub, Britwell - the project involves the construction of a new parade of shops including a new community hub and the moving of residential units. The project is reliant on completing a funding structure that is sustainable the Council's commitment to moving forward this project during a period of funding uncertainty will drive an innovative phased approach to delivery. A second phase of regeneration of the area around Wentworth Avenue will then follow.
- Community Hub, Chalvey – this project is in two phases. The first phase involves moving an early years facility which is completed. Phase two involves a new community facility which is currently in consultation stage. This is due for completion in 2011. Further regeneration is planned in phase 3.
- Office accommodation project – this project involves moving staff out of the Town Hall Annexe building into existing facilities. This will enable the Town Hall annexe to be demolished. This is due to be completed in 2011 and the vacant land will then be dealt with as a residential development site.
- Health/Medical facilities – this initiative forms part of the regeneration process. A number of Council sites lend themselves well to potential health, GP or dental practice and form an important part of the community hub projects. Areas of priority focus will be Chalvey, Slough Central, Wexham, Langley and Western Slough.

4. Community Hubs

4.1 The Council has started a consultation process on the community hub concept within the Borough. This includes a focus in key areas that best suit the concept plus a review of the current community buildings.

4.2 The community hub concept is not exclusive to Slough Borough Council and is being used in a number of other authorities across the UK. The main ingredients to the concept include the provision of modern, accessible, flexible buildings that are shared with partners. They are situated in the heart of communities giving access to as wide a range of services as possible.

4.3 The Community Hubs are key in supporting changes in service provision with an overriding objective to be customer focussed in delivering excellent services based upon the Council's values. One of the challenges is to enable partnerships in providing shared buildings and the provision of additional funding in terms of capital and revenue.

4.4 The network of Community Hubs should be based on a hub and spoke model with the main administrative and democratic base in a single central location. This will support the network of area bases in the hubs. The network will be needs led ensuring quality of provision across the Borough and located at focal points for the community. They will need to be flexible in order to respond to opportunities and changing needs within services and customers.

4.5 The area's currently being considered for Community Hubs are Britwell, Chalvey and Manor Park. Britwell and Chalvey are both key regeneration projects and are advancing with the community hub concept as part of their brief. This includes looking at the following functions:-

- Frontline services – day services, youth & education, libraries
- Health and medical facilities – particularly in Chalvey, Western Slough, Wexham, Slough Central and Langley
- Flexible space for the community to cover a wide range of activities currently provided within existing community buildings
- Office space for the Council in order to meet customers and for touch down bases supporting flexible working.
- Customer access points to enable face to face meetings. This could include citizens advice bureau, jobs advice or jobcentre.
- Opportunities for Social Enterprise e.g. Cafes, training, support, advice etc

4.6 Locational requirements for a Community Hub are essential for success. These include:-

- Being close to other facilities such as shops, sports buildings, schools, health and recreation facilities.
- They have good pedestrian access including the discouragement of car use.
- Be accessible by public transport.
- Be in a prominent location on or close to a main road or at a point of destination.
- Be centrally located within its area or neighbourhood.

- Offer opportunities for sharing accommodation and facilities with partner organisations
 - Be of sufficient size to accommodate the range of facilities required by the community
 - Offer sufficient car parking for those who will have to travel by car
 - Be acceptable to the majority of the community
- 4.7 Some of the design standard facilities will include a shared reception, café and refreshment areas, DDA compliant customer access, community space, kitchens, meeting rooms, storage, offices, play area's and toilet and car parking.
- 4.8 Management and financial arrangements will need to be put in place to ensure effective site and building management. This will depend on partnerships formed and responsibilities agreed. A viable and robust business plan will need to be put in place and form part of the planning stages in order to ensure viability of the facility in the long run.

5. Community Landlord

- 5.1 As a direct result of recommendations from the Overview and Scrutiny Committee task group in 2007, set up to review the Council's asset management arrangements, the Council has moved to adopt a "Community Landlord" model for the management of its built assets. Details of what this entails are provided in the following paragraphs:
- 5.2 The Council is continuing to move towards the centralisation of its property and asset management functions through the adoption of the Community Landlord model. The strategic aim is to ensure that property is managed as a community resource providing users with the most suitable accommodation in line with service requirements, in the best location and at the right price with common standards established in relation to:
- Asset utilisation,
 - Suitability
 - Sufficiency,
 - Quality of accommodation & services
 - Investment,
 - Sustainability & energy management
 - Project Management
- 5.3 Prior to the instigation of the Community Landlord the Property Services team was already responsible for Strategic Asset Management, delivering capital investment and ensuring assets comply with statutory and regulatory requirements.
- 5.4 Community Landlord is a key driver in relation to the budgetary process and will support the change required in the next four years to Council services in terms of budget savings. It will act as a catalyst for challenge and an opportunity to review and find solutions to asset issues set out in the Asset Management Plan.

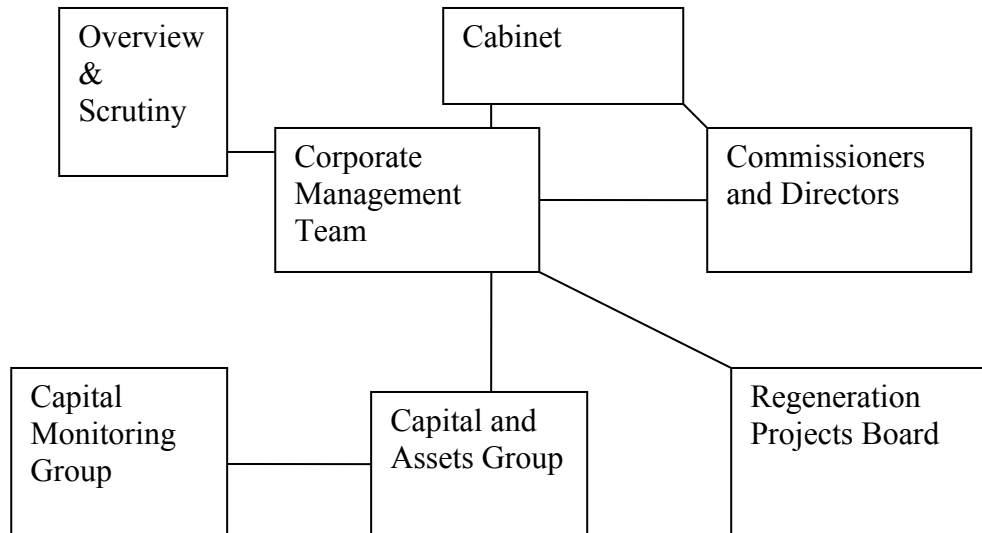
- 5.5 Steps are being taken to establish data centrally on all buildings in order to take forward the management of all assets centrally. This incorporates the statutory information required such as S185 energy data and builds on information collated for performance indicators in recent years.
- 5.6 The Council is working on a carbon reduction plan which has been adopted by Cabinet. Data on energy use in buildings has been collated and is currently being reviewed annually. In addition a combined heat and power plant is being considered for the Heart of Slough project.

6. Asset Management Strategy

- 6.1 Responsibility for managing the Council's property assets sits with the Asset Management Team forming part of Corporate Resources. A single estate function will ensure all assets including the housing stock are well maintained and appropriate capital investment secured. There is regular liaison with Corporate Directors and service heads on property and asset management issues which link with Community Landlord proposals and the process of challenging the use of assets. A "Community Landlord" model has been partly implemented where asset performance is seen as a Corporate rather than local responsibility. This will be taken forward to include all Council property.
- 6.2 The projects and regeneration team will deliver the elements of the asset strategy that require review of current use, investment to change use and timely disposal of surplus assets. This team provides a key role in linking with service departments and major strategic projects as well as capital receipts. There is a close link with the Programmes and Procurement team in ensuring there is a strategic approach to planned and reactive maintenance of assets.
- 6.3 The roles of the key teams/groups that support and implement asset management are summarised below;
- 6.4 **Capital and Assets Group (CAG):** The Capital and Assets Group (CAG) provides a key strategic level officer group aimed at promoting the corporate management of assets and maximising capital resources. CAG meets monthly and consists of senior officers (Directors and Assistant Directors) from service departments and representatives from Finance and Property. CAG reports to Corporate Management Team on all aspects of the Capital Programme. Its terms of reference are attached as Appendix C.
- 6.5 **Capital Monitoring Group (CMG):** this group includes officers responsible for specific projects within the Capital Programme and is designed to take a detailed approach to capital monitoring. This group is a sub-group of CAG and contains staff from Finance and Property Services, together with service representatives CMG meets monthly and reports to CAG. The Group's terms of reference are attached as Appendix C.
- 6.6 **Regeneration Projects Board:-** The remit of the Regeneration Projects Board is to monitor major regeneration projects currently ongoing in the Council. These include 'The Heart of Slough', Britwell and Chalvey community hub projects. The Board meets

monthly and monitors projects on a strategic decision making and financial basis. The Board consists of the Chief Executive, Directors and Assistant Directors where required.

Structure of the groups



7. Strategic Vision for Assets

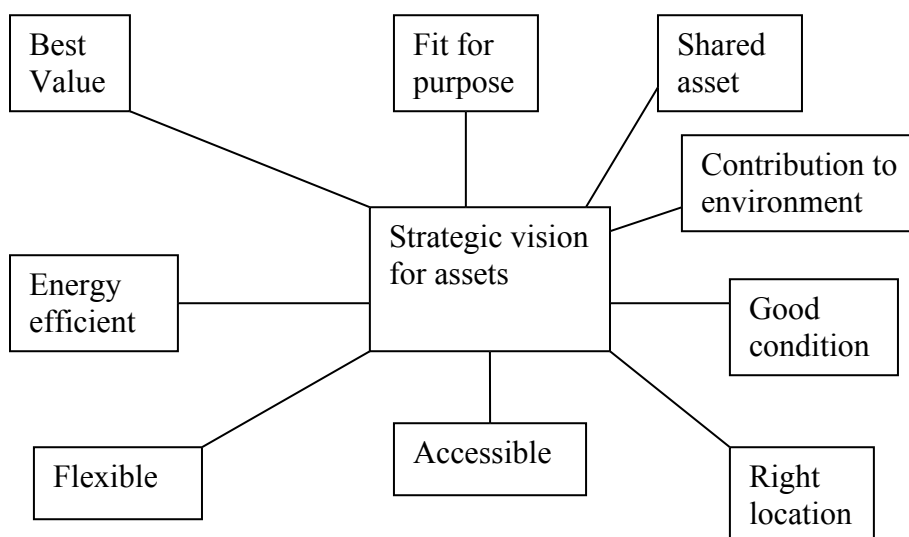
7.1 The key objective of the AMP/CS is to support the Council's commitment to providing property assets which are in good condition, fit for purpose and in the best location to support service provision to its customers and represent value for money.

7.2 The overall objective of the AMP is to ensure that all operational assets show the following attributes:-

- Make a positive contribution to the Council's purpose, vision, strategic aims, corporate objectives and service priorities
- In good enough condition that services can be provided from them in a comfortable environment for both staff and customers
- In the right location to allow customers to access the services and staff who deliver it including sharing with partners in service delivery
- Suitable and sufficient in terms of the purpose for which they are being used. This includes size, type and layout of accommodation and DDA requirements.

- Have an ability to contribute to the immediate environment particularly in areas with strong regeneration needs and to give a positive image of the Council and service being provided
- Are able to demonstrate best value in terms of efficiency in operation, suitability for the service provided, running costs and long term sustainability
- Work with partners and brokering the best and most efficient use of Council buildings

7.3 This can be summarised as follows:



8. **Reviewing the estate**

8.1 The strategic vision for assets creates a framework for determining the shape of the Council's operational portfolio in the future. In order to deliver the Council's strategic vision the portfolio requires a constant and consistent approach to reviewing the estate.

8.2 Recent achievements and initiatives include:

- The development of a strategy for community hubs that provide facilities for delivery and access to front line staff. This is currently being taken forward in Britwell, Chalvey and Manor Park and forms a key part of the asset management strategy.
- The Council's office accommodation strategy seeking to provide flexible space and supporting flexible working policies. This includes the rationalisation of the estate including the demolition of part of the Town Hall and greater utilisation of the remainder of the office accommodation.

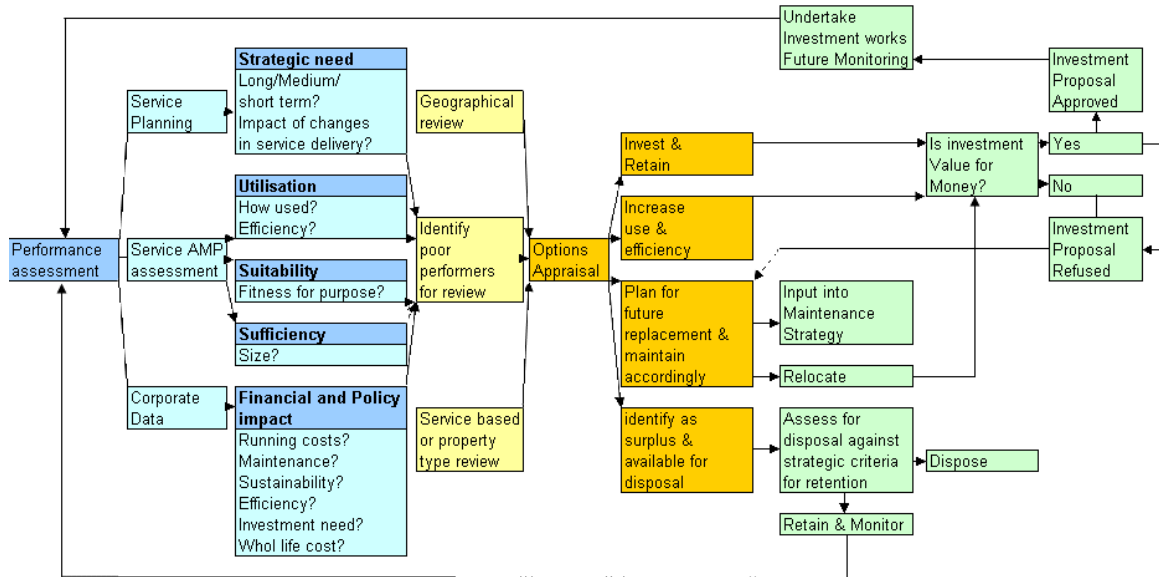
- Heart of Slough – new assets including a new Bus station, new infrastructure and new civic building supporting transport, education, libraries and democratic services.
- Education facilities both primary and secondary.
- Community Landlord – a more centralised approach to managing community assets allowing service departments to focus on service provision and creating efficiencies. Currently including office accommodation.
- A more effective process of declaring assets surplus and ensuring they become part of the capital receipts programme.
- Current and new assets that are exemplars of energy efficiency and sustainability and have a quality and positive impact on the community.
- The opportunity to provide an effective education estate through primary and secondary initiatives and grants. More effective integration of community based services.
- Better utilisation of the Council's office accommodation and the development of the office accommodation strategy.
- Asset challenge through the AMP and working with services through the development of the strategic vision for assets and specific property reviews.
- Developing existing partnerships and further sharing of assets through working with other sectors such as health, medical, police and other civil services.

8.3 The development of the strategic vision is progressing through a number of work streams including:

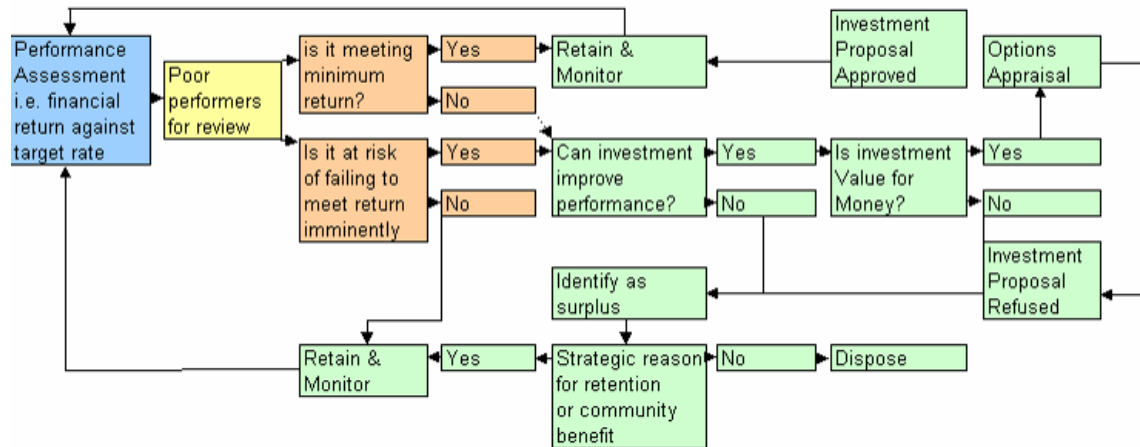
- Consultation with internal service departments and key external partners with a focus on how service delivery is changing and the implications for property requirements
- Allocation of asset management officers to specific services in order to develop relationships and understanding on asset requirements.
- Prioritised service and area reviews based upon desk stop studies of current facilities and opportunities arising from other proposals such as new development
- Current reviews include community hubs in Britwell and Chalvey, a focus on Priors Close currently used by two services, voluntary sector partners such as SCVS, closure of EPH's, review of libraries service (taking into account extended provision to incorporate local learning facilities and community spaces), review of community buildings, a new playing fields strategy.

8.4 The following Property Review Process diagrams illustrate the steps in the process for both operational and non-operational property:

Operational Property – Maintained and managed by the Corporate Estates Team



Non – operational property – Maintained and Managed by the Project & Regeneration Team



9. Capital Strategy

Introduction

- 9.1 The Council's Capital Strategy is to optimise capital resources in order to support the delivery of the Council's Capital Programme. There is a need to link the capital programme more closely with the capital receipts programme in order to minimise borrowing and maximise the use of assets. A more strategic approach has been taken through an asset management strategy review to identify those sites and buildings which are strategically important and which are not. The current economic climate will have a major impact on the use of resources and the need for a prudent approach to funding the capital programme.
- 9.2 Relationships with service departments have been supportive in terms of assessing asset and accommodation requirements. There has been a process introduced which includes the provision of data and asset challenge to prioritise divestment of poorly performing properties that have been identified as being of poor strategic value and condition. This has been extended to a strategy review of assets in order to take the process of declaring property surplus forward where assets are identified as being potentially surplus.
- 9.3 Properties that are declared surplus are subject to an options appraisal process which involves reporting to the Capital and Assets Group, Corporate Management Team and Cabinet in order to recommend either an alternative use for an asset or a capital receipt to support the capital programme. The process of setting the Council's capital programme is set out in Appendix A.
- 9.4 The Council has a number of major projects including the Heart of Slough , Chalvey and Britwell regeneration schemes with a strategic delivery team in place to ensure delivery.
- 9.5 Key capital planning issues include the following :-
- Delivering a balanced capital programme in an environment where resources are reducing. This includes an assessment of the revenue costs of projects
 - Monitoring of the capital programme and a risk management process are in place to ensure delivery
 - Provision of high quality services within assets that meet service suitability requirements
 - Addressing significant shortfalls in provision, for example provision of primary school places
 - Facilitating regeneration initiatives and inward investment of new business to provide employment

- Developing relationships with joint services such as health, other public bodies and voluntary organisations
- Facilitating developments in electronic service delivery and new ways of working

10. Links to the Capital Programme

- 10.1 The asset management plan is a key driver in supporting the formation of the capital programme and capital receipts programme. The need to make best use of assets in terms of service delivery and supporting the funding of the Council's capital programme is fundamental to the plan.
- 10.2 The action plan in Appendix B sets out the current work plan relating to the asset challenge process and the resource plan to ensure the capital receipt programme remains on track. A risk register is also attached relating to the current capital receipt programme.

11. The Council's approach to funding Capital Investment.

- 11.1 **External grants and contributions:** some capital projects are financed by external grants and contributions. Examples over recent years of grant funded projects include Primary basic need funding, funding from the Homes and Communities Agency for Heart of Slough infrastructure works and funding to People 1st for investment in the Council's housing stock.
- 11.2 The Council also works to support **partners** within the voluntary sector in enabling capital projects. Examples include the Chalvey Community hub project and Britwell community project.
- 11.3 Other contributions such as **Section S106** contributions have been identified as key forms of funding for the capital programme. The asset management team is working closely with officers in Green and Built Environment to ensure funding contributions support the necessary works within the capital programme. A process is also in place to ensure that the use of S106 contributions are maximised.
- 11.4 **Borrowing:** the Council now has the ability to make decisions on a level of prudent capital investment. The prudential code promotes this approach and includes 'spend to save' projects where investment is likely to result in reduced liabilities or longer term revenue savings. Prudential borrowing is seen as a key tool for the Council to achieve its programmed "Gershon" savings. An example of this is provided by the My Council and customer services programme.
- 11.5 **Capital receipts:** The Council generates capital through the sale of surplus assets and right to buy sales of Council Houses. The economic environment has not been conducive to the sale of commercial property recently although there have been land sales for development which have helped maintain funding for the Capital Programme. The capital receipt disposal forecast is generated through the property review process identified within the Asset Management Plan.

12. Capital Receipt Strategy

- 12.1 The capital receipts strategy has been set up to ensure that assets that are declared surplus are fed into a disposals programme. The process seeks to obtain best value working within market conditions and realistic timescales. The current capital receipts programme is subject to a risk register to ensure that any issues are mitigated to keep the resource programme on track.
- 12.2 Resources are being set up to ensure that the capital receipts programme has a dedicated team to ensure that receipts come in on time and on target in order that the capital programme is funded effectively.
- 12.3 The asset management process seeks to bring forward potential assets for disposal and in supporting the service department's review of assets. The property review challenge process will continue to support future year's capital receipts.
- 12.4 The Council has a proactive approach of using its land to lever in external capital investment, which removes a direct pressure from the capital programme. This continues to be successful with a number of voluntary sector partners.
- 12.5 The Council has a balanced approach to funding and will adapt its approach based on overall financial circumstances and the needs of particular schemes. The mix between capital receipts, borrowing and external funding is considered to be a reasonable balance, and is sustainable for the period of the capital programme..

13. Performance Monitoring

- 13.1 Property and Regeneration benchmarks are undertaken through Property Performance Indicators with London Boroughs via the London Branch of the Association of Chief Estates Surveyors (ACES) and Sheffield Hallam University.
- 13.2 The capital bidding process clearly identifies the outcomes required for capital expenditure and how these link to corporate and service objectives. At present post-project evaluations are undertaken between the Property staff and the service head and other stakeholders (e.g. head teachers) to ensure objectives are met. This process is formalised and post project evaluation reports are formally agreed by the service and reviewed and considered by CAG On Project Completion Document (PCD's) submitted by the service to the CMG and CAG
- 13.3 Departments measure delivery of their schemes every month by comparing actual expenditure (cash plus accruals) against pre-set targets. All departments regularly monitor the number of schemes overrunning on cost and/or time and report to the Capital Monitoring Group every month and Capital Assets Group monthly.

14. Procurement Strategy

- 14.1 The Council has a long-term partnership with Interserve for the maintenance of its housing stock and corporate buildings. This partnership is reviewed on a regular basis to ensure value for money. The current economic climate is the driver of fundamental

service negotiations with all major partners and suppliers, this process is currently underway.

- 14.2 The Council's Procurement Strategy will continue to evolve with some centralisation of budgets. This is also reflected in Community Landlord where procurement will seek to ensure efficiencies are found together with an improved service.

15. Links to Partners

- 15.1 Slough has a long history and culture of effective partnership working. Examples are some of partnerships with a capital or property input are given below:

Scheme	Partners	Outcome
Heart of Slough	Private Sector developers Homes and Communities Agency Slough Museum Thames Valley University Age Concern	Secure major regeneration of town centre site, provision of new housing, commercial space, and library and bus station.
Slough Community and Voluntary services building	SCVS	Securing of funding and assisting in finding a suitable site for a new facility
Langley Library	A2	Replace existing library and provide new social housing
Sikh Primary School	DfES Sikh School promoters	Provision of land and possible gap funding to facilitate Sikh faith school for Slough.
Extra Care Sheltered Housing scheme	Department of Health Hanover Housing Care UK	Provision of new facility using SBC land for building, supported by Department of Health funding
Islamic Primary School	DfES SISP	Provision of land to facilitate Islamic faith school for Slough
Re-provision of Langleywood School	Trustees of Arbib Foundation DfES	Provision of school site to enable redevelopment of school as Academy.

16. Use of Capital Resources to significantly influence others

- 16.1 The capital programme also reflects areas where the Council has influence on third party expenditure, partnership funding or external funding (e.g. Central Government Funding, Education PFI, Housing Corporation Funding with our Registered Social Landlord Partners and s.106 planning contributions in areas

such as housing and highways). These sources of funding are considered and monitored as part of the overall capital programme.

- 16.2 An example of this is provided by the Council's garage compound strategy where the Council is working with Registered Social Landlords to develop disused garage compounds on housing estates. The Council is selling the land at nil or reduced value as part of its contribution which is encouraging RSLs to put their investment into disused brown-field land.
- 16.3 Another example is the Chalvey Community Hub where Council funding is helping to attract third parties to the project.

17. Cross-cutting activity

- 17.1 The Capital and Assets Group and Capital Monitoring Group are cross-service groups that operate in a way that encourages corporate working. Practical examples of working across services are the Heart of Slough, Chalvey and Britwell and Northborough regeneration proposals, where service and support departments are working towards a common, corporate aim.
- 17.2 A working group to review assets is also being set up. This will comprise members of CAG and will support the capital receipts programme.

18. Summary

- 18.1 The Council will continue to prioritise its capital investment to meet corporate objectives. This includes setting up an affordable capital programme that is realistic in the current economic circumstances. The Council cannot meet its objectives alone, and it is recognised that partnership working with the private, public and voluntary sectors is key in delivering the Council's aims.

19. Background Information – The Current Property Portfolio

DATA MANAGEMENT

Asset register and property data

- 19.1 Data on assets is currently held in a CIPFA system which includes stock condition data and has modules to support statutory compliance (e.g. the legionella and asbestos survey data).
- 19.2 In addition, it holds the Asset Register with details on all Council owned property assets and their values (excluding the Council's housing stock). The data base is currently being updated and forms a key part of Corporate Landlord.

20. Performance Management monitoring and Reporting

- 20.1 The Council's corporate vision is the driving force for corporate asset management. There are four specific objectives as set out below. A current key challenge is to review

and adapt the current suite of indicators to ensure their continued relevance to the Corporate vision. Each of the current indicators has been endorsed by Members as being representative of asset performance and therefore valid for the purposes of property review (Detailed in the Action Plan).

- 20.2 Key performance indicators are currently assessed on statutory compliance in areas such as water hygiene and asbestos. Other KPI's include repair costs on office accommodation, rents collected, capital receipts achieved, and energy efficiency. The current updating of the property database will also help with assessing other area's.
- 20.3 Benchmarking of key areas of performance with London authorities occurs via the Association of Chief Estate Surveyors and Property Managers in Local Government, (ACES), the CIPFA asset management website and Sheffield Hallam University.

21. Option appraisal and whole life costing

- 21.1 The capital funding bid form requires all bids to have considered alternative delivery options for each proposed scheme, including the "do nothing" option. The options appraisal process (mandatory for all projects over £10,000) is designed to test the value for money and effective delivery of the preferred option.
- 21.2 The Council's project management process also requires option appraisal before any project can proceed. The scale and nature of a project will influence the level of detail of an appraisal, but the following principles will always apply:
- Objectives will be clear
 - Alternative options (including do nothing) will be considered;
 - The costs and benefits of the different options will be reviewed
 - Identify, and quantify/value if possible, the pros and cons of the options;
 - The risks and uncertainties will be considered
- 21.3 Best value use of resources will be assessed, not just the lowest cost.
- 21.4 The revenue costs of capital projects will be always be identified and funded.
- 21.5 For major schemes (such as the office accommodation strategy), detailed financial appraisals are undertaken and a range of options modelled and challenged.

22. Evaluation of capital scheme bids

- 22.1 CAG has responsibility for the development of the Capital Programme. The following procedure is in place:
- Review of the existing approved capital programme
 - Review and agree priority criteria in light of various inspection reports and consultation
 - Agree format of capital bidding forms
 - Capital Bid application forms submitted by Services Heads to Finance.

- Finance collate bids and present to the CAG for discussion
- CAG agrees total estimated capital resources available and reviews Bids and prioritises list according to criteria.
- Self-assessment of individual bids is evaluated and challenged with key member involvement. The challenge process has been combined with the revenue budget preparation processes to enable an overall clear and concise vision. Capital Programme is then prepared and draft is provided to Corporate Management Team (CMT)
- CMT ratifies / amends Capital Programme and passes to Scrutiny Committee
- Scrutiny Committee ratifies and passes to Cabinet
- Cabinet considers Capital Programme and recommends adoption by the Council as part of annual budget setting process (February)

22.2 In drawing up the Programme, attention is given to the results of service and property needs assessments arising from Asset Reviews. Option appraisals are undertaken in order to establish the most efficient, economic and effective solutions to meet the particular needs.

22.3 In summary, the criteria for the appraisal of Capital Projects include:

- Statutory and Legislative requirements.
- The Council's Core vision and community plan.
- Recommendations from various inspections
- Financial issues.
- Expected service outcomes
- Risk analysis.
- Life expectancy of any existing asset.

22.4 The effectiveness of this process is reviewed annually and any alterations to it are considered by CMG and CAG.

23. Required Maintenance ("Backlog")

23.1 All of the Council's significant maintenance needs over the next five years have been fully identified through five year condition surveys and works are prioritised and programmed for the forthcoming financial years based upon these. More detailed thirty year condition surveys are now being introduced in order to make a more effective view on assets and support the asset management approach. In this way, the Council is taking active steps to implement an effective programme of maintenance over the period of this plan.

23.2 Required maintenance expenditure relates to both works necessary to prevent the deterioration of an asset which has not yet been carried out as well as planned preventative and programmed maintenance.

23.3 The Council is tackling the required maintenance on a rolling programme through a number of strategies which, collectively, represents the Council's required maintenance plan. These include:-

- Categorising assets in terms of future use
- Prioritising assets in terms of condition and use
- Capital investment through refurbishment of buildings
- Capital investment in new buildings.
- Challenge the use of surplus/poor condition buildings resulting in disposal or re-use.
- Defining standards of maintenance that meet local needs and reflects the properties' future life and use as identified by the property review process

24. Planned and preventative maintenance regime

- 24.1 The Council has a long-term partnership contract with Interserve to deliver all reactive maintenance and most planned maintenance including:
1. General repairs;
 2. Electrical;
 3. Lifts;
 4. Boilers;
 5. Air conditioning
 6. Heating & Hot Water;
 7. Fire Alarms
- 24.2 The contract operates on agreed schedules of rates and covers the full range of reactive, planned, preventative and cyclical repair & maintenance, including annual servicing, inspection, testing and other health & safety requirements.
- 24.3 All identified wants of repair are now programmed and as such this has significantly reduced the percentage of expenditure on reactive repairs.
- 24.4 **Funding:** revenue maintenance budgets are held corporately and managed by the Estates team.. This will enable funding to be targeted at the areas of greatest need. It also provides a sufficient pool of funding to adequately programme major investment needs across the estate.
- 24.5 **Condition Surveys:** School condition survey data was renewed in 2006 and non-schools in 2007. These surveys are due to be updated on a five yearly cycle. Maintenance needs will be updated annually through the delivery of the planned maintenance programme. These surveys are critical and enable identification of:
- Repair & maintenance requirements;
 - Priorities for repair & maintenance, over a 5 year period;
 - Statutory requirements;
 - Preventative and cyclical maintenance, including servicing, testing etc;
 - Estimated costs

25. Reports to Members

- 25.1 Various reports are submitted to Members on asset management planning and associated matters. These reports ensure that Members continue to be informed on land and property matters relating to service and strategic issues. The main reports are described briefly below:
- 25.2 A significant majority of programmed maintenance and renewal forms part of the capital programme reported annually to Members as part of the budget setting review.
- 25.3 Quarterly reports to Cabinet and Scrutiny & Overview Committee on capital programme monitoring show how progress are submitted on key asset based capital projects.
- 25.4 Progress of the AMP action plan is considered by the Scrutiny and Overview Committee.
- 25.5 There are periodic briefings on major property issues with both the Administration and Opposition members.
- 25.6 Members are involved in working groups on many of the major property initiatives (e.g. Heart of Slough, Britwell regeneration, Chalvey regeneration, voluntary sector accommodation, office accommodation strategy).

26. Property reviews

- 26.1 The active AMP Action Plan attached as appendix B sets out details of the actions to be commenced or delivered by the Community Landlord function which will be reviewed at CAG.
- 26.2 The Council has and will continue under the Community Landlord arrangements and asset challenge process to undertake a regular programme of property reviews.
- 26.3 Examples of reviews completed, in hand or to be initiated include:

Voluntary sector accommodation – a new policy for the occupation by the voluntary sector has been approved. To ensure transparency, under this new approach, occupiers will be expected to pay a market rent and apply for grant aid where necessary. Allied to this policy, the Council now operates a comprehensive database of all voluntary sector organisations seeking Council owned accommodation. The data base is regularly reviewed to assess applicants' contribution towards the achievement of the against the Council's corporate vision priorities.

- 26.4 Commercial property – disposals strategy implemented working closely with Finance.
- 26.5 Heart of Slough. This as an area based review focussing on one of the primary areas for regeneration in the Borough. The project's objective is to revitalise the town centre and improve transport links particularly for public transport and pedestrians. The project is now ongoing with a new bus station to be completed by January 2011, new

infrastructure to be completed by October 2011 and new library, learning centre to be completed during 2013.

- 26.6 Britwell Regeneration. A new shopping precinct will be developed with associated housing and community hub as part of the regeneration of the area. Planning consent has recently been achieved. The next stages include securing a development partner for the retail and housing schemes.
- 26.7 Thames Valley Community Centre. An Early Years centre is currently being relocated in order to enable the site for the TVCC to be taken forward during 2011. Community engagement is ongoing for this project with a view to delivering the next phase of the TVCC in 2011

CAPITAL PLANNING PROCESS

The Council has a robust corporate approach to capital planning and budget setting with the process as follows:-

The capital funding bid form has been specifically designed to assist in evaluation projects on a formal and objective basis. For example the bidding form requires the applicant department to specify how a scheme will contribute towards corporate vision priorities and the Community Strategy. In this way, when the CAG review all applications they are empowered with relevant information to objectively prioritise the respective merits of each proposal in the context of other bids.

The evaluation process is applied to small and medium scale capital projects which are individually scored by Service Departments and subsequently reviewed and prioritised by the Capital and Assets Group. Recommendations are submitted to Corporate Management Team and Cabinet for approval. The capital programme is set for the subsequent six year period but reviewed annually.

The budget setting process for capital and revenue bids is aligned and the revenue impact of all capital bids is therefore taken into account at the time bids are considered and approved.

All capital bids are self-assessed against criteria, which assesses their “fit” with corporate priorities alongside considerations of consultation exercises, available resources, revenue impact of investment (both savings/growth and cost of borrowing), health and safety issues, value for money, equality and environmental sustainability.

All bids are considered by the Capital and Assets Group (CAG) and this represents part of a “challenge” process to consider other options. On larger schemes, formal option appraisals are undertaken.

Day to day management of capital schemes sits with client departments with project management and technical support from Property and Regeneration and Procurement where required.

The Capital Monitoring Group (CMG) monitors and reviews the whole capital programme. This group is a sub-group of the Capital and Assets Group and contains staff from Finance and Property and Regeneration, together with service representatives.

CMG meets monthly and reports to the CAG and Corporate Management Team on the progress of the capital programme. The Group ensures services report and manage their schemes, that re-profiling occurs when necessary and that the capital programme, as a whole, is on target. A project Implementation Document (PID) is submitted to CAG for consideration for projects that are in the capital programme prior to starting. This includes budget adjustments and grossing up of budgets where grants have been received enabling a higher level of expenditure on the project,

Members are involved in setting the programme through the bidding process budget setting. The capital programme is reported to Overview and Scrutiny Committee and Cabinet half yearly.

In setting the capital programme the Council ensures that any revenue implications of the programme are fully considered as part of the capital bidding process. Any project that the capital programme intends to adopt is submitted to Members through the process outlined above to ensure that the revenue implications can be met within the medium term financial strategy.

New projects that arise during the year are put forward to CAG during the year and assessed against existing projects with recommendations made to Corporate Management Team should any changes be required to the programme and clear recommendation and implications on resources.

APPENDIX B

CONTEXT INFORMATION AND THE FINANCIAL CONTEXT

Context Information

Slough is a thriving multicultural town whose close proximity to Heathrow Airport and London, and its transport and communication links, account for its importance and success as a commercial centre. Slough has one of the fastest growing populations in the country according to the latest Census data. In 2001, 120,000 people lived in the town, an increase of over 8% on the 1991 census figure of 111,000. The town sits at the western edge of London and covers an area of 32.5 square km.

Slough's population is diverse with one of the highest black and minority ethnic (BME) populations outside London - 37%. One in five of Slough's residents are born outside the UK or Europe, more than any other local district in the South East. 48% of school children in Slough come from BME backgrounds. The majority of Slough's BME communities are originally from India and Pakistan with a smaller but significant black Caribbean population.

Slough Borough Council became a unitary authority in 1998 and inherited significant under-investment in former county Council stock. The Council is a major driver of change particularly in respect of regeneration in the town and works with partners to deliver a shared view of how to improve the quality of life in the town. The Heart of Slough is a prime example of the regeneration currently being undertaken in the Town Centre.

The Asset Management Plan and Capital Strategy support the Council's vision set out in the Strategic Plan 2009/11 and Community Strategy.. They also reflect a number of other plans such as the Education Asset Management Plan, Housing Business Plan, Highways asset plan, Best Value Performance Plan and Cultural Strategy.

Other forums influencing the AMP/CS include Slough Focus (Slough's Local Strategic Partnership) which has brought together the town's decision makers, communities and organisations (Council, police, health, and the voluntary, community and business sectors) to work with each other to meet the needs of local people and to improve the quality of life in Slough. Together they have developed Slough's first Community Strategy. The Community Strategy sets out a long-term vision for Slough, for the 'people', the 'place' and for the 'prosperity' of the town, and the things that need to be done to make this a reality.

The Asset management Plan supports the Council's Strategic Plan through working to ensure a one Council approach and in improving the way the Council works. It has also worked in achieving regeneration goals especially the Heart of Slough project.

Financial Context

Achieving balanced revenue and capital budgets is a priority for the Council. Property assets provide a significant opportunity to source capital and revenue income within the Council. The Council's strategic vision for assets is a key driver in setting principles and priorities for the management of the Council's property asset base.

Capital receipts are a key part of the strategy in supporting the funding of the Capital Programme. The asset management strategy incorporates a capital receipt programme which is closely allied to the funding of the capital programme. The asset management process is being streamlined through service reviews to ensure that assets are declared surplus and incorporated into the capital receipts programme quickly and effectively. A resource strategy and risk register is also in place to ensure that capital receipts are brought in on time and on budget.

The Council has a 6 year capital programme which includes £123m of General fund capital projects, and an annual programme of approximately £10.7m for the Housing revenue account. General fund projects can be analysed as follows:-

Community & Wellbeing	£12.4m
Education & Childrens Services	£38.7m
Green and Built Environment	£25.2m
Resources	£47m
Total	£123.3m

Significant projects over the programme include Heart of Slough (£45m started in 2009/10) and a number of schools buildings projects.

The relationship between capital and revenue budgets is a high priority and the Council in setting the Capital Programme ensures that there is a link to asset management plan principles. In addition all projects are measured in terms of revenue impact. Any additional revenue is identified via Capital Bids and Project Implementation Documents.

The current capital receipts programme includes a number of sites and buildings that will need to be vacated by services in order to bring them forward for declaring surplus. An exercise has been undertaken to categorise assets and this will form a work programme to support taking forward declaring assets surplus to requirements.

The need for capital receipts to fund the current capital programme is key to making revenue savings. This includes not having to borrow towards funding projects and also revenue savings in holding and occupying fewer assets.

A process for declaring property surplus and vacating buildings has been set up and a flow chart is attached as Appendix D. The budgeting side of managing buildings that are declared surplus is always complicated and the process includes the need to transfer a budget to property once the responsibility is passed to them.

APPENDIX C

TERMS OF REFERENCE FOR CMG AND CAG

Capital Monitoring Group

The Capital Monitoring Group's role is to:

1. Monitor the capital and disposals programmes to ensure expenditure/receipts are according to profile.
2. Report capital expenditure to the Capital & Asset Group (CAG) and Corporate Management Team on a monthly basis.
3. Consider whether to dispose of potentially surplus property and make recommendations to CAG.
4. Preparation of forward plan for disposals.
5. To develop and monitor Key Performance Indicators in relation to the capital and disposals programme and Property Services.
6. To monitor and review the post project evaluation of capital projects.
7. Consider the technical aspects of requests for using the Corporate Property Fund for emergency health and safety works.
8. Monitor progress on improved procedures for managing energy and to monitor overall energy consumption and costs

Capital & Asset Group

The Capital and Asset Group's role is to:

1. To set, monitor and review the Council's Capital Programme
2. To review the revenue implications of the capital programme as part of capital decision making
3. To report and monitor the Council's property disposals programme
4. To initiate and monitor property reviews of Council assets
5. To consider and recommend the disposal or alternative uses of properties declared surplus to requirements
6. To review and coordinate S106 contributions on major projects (including Heart of Slough)
7. To review and monitor corporate landlord proposals
8. To communicate any capital and asset issues with the Capital Monitoring Group

Surplus and vacant property Flow Chart

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