



REPORT TO: CORPORATE COMMITTEE 11 JUNE 2024

SUBJECT: PROPERTY ASSET MANAGEMENT APPRAISAL

BY: DEPUTE CHIEF EXECUTIVE (ECONOMY, ENVIRONMENT AND FINANCE)

1. REASON FOR REPORT

- 1.1 This report provides a progress update on outstanding recommendations set out within the Property Asset Management Appraisal (PAMA).
- 1.2 This report is submitted to Committee in terms of Section III B (28) of the Council's Scheme of Administration in relation to asset management.

2. RECOMMENDATION

- 2.1 **It is recommended that the Committee considers and notes the progress of outstanding recommendations set out within the Property Asset Management Appraisal and detailed in Section 4 of the report.**

3. BACKGROUND

- 3.1 On 12 December 2018, the Council approved a report which detailed recommendations aimed at improving how the Council manages and maintains its property assets (para 6 of Minute refers). On 29 October 2019, the Policy and Resources Committee approved a report detailing the Property Asset Management Appraisal (PAMA) Improvement Plan with the status of actions (para 13 of Minute refers). On 30 June 2021 the Council approved a report which outlined progress and indicated that delays to progress had been sustained due to the Covid-19 pandemic and changes of senior lead officers (para 14 of Minute refers).
- 3.2 On 30 August 2022 the Corporate Committee approved a report which noted progress on outstanding actions, along with amalgamating the Depot and Store review and moving future reporting of updates on the Depot and Store review and Leisure review to the Improvement and Modernisation Programme (para 7 of Minute refers).
- 3.3 **APPENDIX I** of the report lists those remaining outstanding recommendations from the original 2018 report and provides an update to each recommendation.

4. PROGRESS UPDATES

Recommendation 2 – Devolved School Management (DSM) Tenant Protocol

- 4.1 A new protocol has been developed with formal roll out commencing over the coming months to ensure full understanding for start of new academic year in August. This protocol will have no impact on the tenant budget. It is considered this recommendation is now complete.

Recommendation 10 – Housing Revenue Account Assets

- 4.2 An identification of sites held on the Housing Revenue Account which are not areas of managed landscape has been undertaken and, at this time, there is no requirement to consider any actions in relation to the sites. Currently, the sites come under either the heading of potential future development or are earmarked for development in the short-term where proposals are being progressed to take forward development. Regular reviews of the sites will be undertaken. However, it is considered that this recommendation is now complete.

Recommendation 12 – Develop a Landlord Charter for Property Assets

- 4.3 With the requirement to maximise the use of our buildings to ensure the Council drives maximum benefit from the assets, there is a requirement to ensure there is a corporate approach to our property management. Via the existing structure of the Asset Management Working Group, Services are requested to engage with the Corporate Buildings Asset Management Team early when there is a need for a change to a property. In addition, with the progression of various property reviews including the Office review and Depot and Stores review, the Council is moving to a position that property assets are corporate assets held and managed by the Corporate Asset Management Team in a corporate landlord type system.
- 4.4 To aid clarity on roles and responsibilities, a guidance note is being prepared for Services to share with their Teams occupying properties to ensure there is a clarity on who is responsible for what at each property. It is the intention that this guidance will be rolled out to services over the coming months with support and advice to ensure there is clarity on what responsibilities sit where.

Recommendation 13 – Reduce ICT systems that store property information

- 4.5 Workshops were undertaken with a consultant to establish what property information is held and where. The recommendation from this work is that data should be stored in SharePoint 365 as a Common Data Environment for all property data which should then be capable of being shared with all those who would need access. It is considered that this completes the action from the PAMA which instructed a review of options that will allow the Council to store its property information in fewer ICT systems. The progression of the recommendation is now part of a wider transformation project that includes Building Information Modelling (BIM). A business case is in the process of review and will be reported via the Transform Economy Board.

Recommendation 14 – Baseline performance indicators should be developed

- 4.6 The recommendation from the PAMA was to develop baseline performance indicators for property assets to help manage and monitor the assets. Historically, a number of different performance indicators were collected and reported which created a significant workload with limited use of the outcomes. Therefore, for setting up new performance indicators, it was critical to establish meaningful indicators and also not create a repeat of previous onerous tasks.
- 4.7 In relation to Housing properties the Council is required to report annually to the Housing regulator and therefore it is intended that this reporting basis will be the performance indicators for the Housing portfolio properties.
- 4.8 In the corporate estate very limited data is currently reported, however, there is an annual return on the condition and suitability of the Council's Education properties and an overall rating in relation to the Council's property condition and suitability. Again, it is not intended to replace this. However, it is recognised that performance indicators would be helpful to monitor our asset performance. On that basis the following initial performance indicators will be reported annually where trend analysis will be undertaken:
- Total annual electricity consumption and cost for corporate assets.
 - Total annual gas consumption and cost for corporate assets.
 - Total annual maintenance spend for educational properties.
 - Total annual capital spend on Learning Estate BB upgrade investment against number of schools meeting B for condition at year end.
 - Total annual maintenance spend for non educational properties.
 - Total gross internal floor area of estate.
 - Total annual carbon emissions for the corporate estate.
 - Total income from leased assets.
 - Total occupation of leased assets.
- 4.9 It is intended that these figures will be reported annually in a property performance report each autumn. The first of these reports based on 2023/24 financial year data will be brought to the next meeting of this committee.
- 4.10 It is recognised that some of the above information is also reported in the annual Energy report and the Industrial Portfolio annual report to the Economic, Development and Infrastructure Services Committee. However, both will continue as they include additional information over and above the basic performance information in relation to strategy.
- 4.11 Consideration has been had in relation to comparing with other Local Authorities and via the Chartered Institute of Public Finance and Accountancy (CIPFA) that there is a benchmarking group, however, Moray Council withdrew from the group a number of years ago as a cost saving exercise and the benefit of rejoining and meeting the annual fee of circa £1,000 has not been able to be justified as yet.
- 4.12 Within the annual report there will be a review of the performance indicators and if required they will be extended or reviewed as necessary.

5. **SUMMARY OF IMPLICATIONS**

(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))

The Corporate Plan sets out the vision and priorities for Moray Council. One priority is to “Build thriving, resilient, empowered communities” and within the plan the focus for the Council is to “Provide modern and sustainable services, housing and infrastructure that meet the needs of our communities. The appropriate management of our property assets will support the delivery of this.

As indicated in previous reports the Depot and Stores review forms part of the Improvement & Modernisation Programme of Work that supports the Council priority of a financially stable Council.

(b) Policy and Legal

None.

(c) Financial implications

This report has no financial implications. If the Council wishes to join the CIPFA Benchmarking group there would be an additional financial burden on the revenue budget.

(d) Risk implications.

There are no specific new risks outlined in this report.

(e) Staffing implications

There are no staffing implications associated with this report other than the development of an annual report on property performance indicators will require Housing and Property staff resource to prepare and present.

(f) Property

There are no specific property implications in relation to this report although it does provide information on how property assets are managed.

(g) Equalities/Socio Economic Impact

There are no equalities/socio economic impacts arising from this report.

(h) Climate Change and Biodiversity Impacts

The importance of minimising the use of carbon and making our properties as efficient as is viable is an underlying requirement for all Asset Management decisions going forward. This report has no direct impacts however by highlighting our performance in relation to energy usage and carbon usage this should help manage these factors better in the future.

(i) Consultations

Consultations on this report have taken place with the Head of Financial Services, Andy Hall (Programme Manager, Learning Estate), Legal Services Manager, Head of Economic Growth and Development

Services, Head of Environmental and Commercial Services and the Democratic Services Manager and any comments have been incorporated into the report.

6. CONCLUSION

6.1 This report provides an update of actions to be taken forward as part of the PAMA Improvement Plan and seeks Committee to note the update on progress.

Author of Report: Neil Strachan, Property Asset Manager
Background Papers:
Ref: SPMAN-1285234812-1529