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Improvement Assessment 2015-16: Review of the Council's Strategic Approach to Asset Management

Rhondda Cynon Taf County Borough Council

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Status of report

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The team who delivered the work comprised Tim Buckle (Performance Audit Lead) and Alison Lewis (Performance Auditor).

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Summary report

The Council has begun to engage its communities in taking a proactive approach to the future management of its assets, but there is scope to strengthen performance reporting arrangements to better support oversight and decision making in relation to asset management

1. Rhondda Cynon Taf County Borough Council (the Council) recognises in its Corporate Asset Management Plan (CAMP) 2013-2018 that, aside from staff costs, the cost of owning and operating premises is its largest single expense.
2. This report summarises the findings of our review of the Council's strategic approach to asset management. The review, undertaken as part of our improvement assessment work during 2015-16, included an examination of the plans, structures and processes that support the management of the Council's assets as well as links with other key corporate arrangements such as the Council's financial management and improvement planning processes. The review included consideration of the Council's arrangements for engaging with internal and external stakeholders as well as arrangements for managing the performance of assets.
3. To review the Council's approach to strategic asset management we asked the question '**Do the authority's asset management arrangements support robust and effective decision making and improvement?**' We concluded that the Council has begun to engage its communities in taking a proactive approach to the future management of its assets, but there is scope to strengthen performance reporting arrangements to better support oversight and decision making in relation to asset management.
4. Our summary findings are set out below.

Asset management has a high profile and is being driven at a strategic level within the Council

5. Asset management has a high profile in the Council, being actively driven by both the political leadership and senior management of the Council. The Council has agreed a CAMP 2013-2018 which supports the Council's Medium Term Service Plan (MTSP). The CAMP is updated annually and reported to Corporate Management Team and Cabinet. However, the quality of Service Asset Management Plans that support the CAMP are variable.

6. The Council has a clear office accommodation strategy, based on reducing the amount of office accommodation required. The Council's strategy is focusing on a smaller number of identified strategic sites, with a preference for owning rather than leasing assets. The Council recognises that it will be important to ensure that associated HR and IT policies and plans are aligned to support this evolving strategy, for example in relation to any future developments in agile working arrangements. The Council has worked with partners to successfully co-locate some Council staff with staff from other agencies.

The recent senior management restructure has strengthened corporate working in relation to asset management

7. Corporate working in relation to assets has recently been strengthened by the senior management restructure, with clear accountability for asset management assigned under the Director of Corporate and Frontline Services.
8. The Council has a Corporate Asset Management Working Group (CAMWG) that is chaired by officers from the estates section and which has representatives from across different service areas. This group coordinates activity in relation to assets across the Council. It has clear terms of reference and meets at least three times a year. The CAMWG provides a mechanism to share learning across the organisation, for example 'Risk Monitor' (a system for capturing asset management data), which was initially used by Community and Children's Services and has now been adopted corporately. The CAMWG is evolving in its role and has several positive aspects but could be further strengthened if there were more consistency in the officers attending the meetings and if all departments were represented on the group by senior officers.
9. Service managers commented on the positive and effective working relationships between the central estates team and service departments. The 21st century schools' programme is delivered effectively through a partnership between the estates service and the education service.
10. Certain elements of the Council's repairs and maintenance budgets are held centrally with some aspects being held by services, but managed by the central building services team which helps to ensure that spend is in line with corporate priorities. The Council has developed clear guides to support site managers and schools which clarify the respective property responsibilities of the corporate centre and the internal building occupier.
11. The Council is aware of a number of workforce risks in relation to asset management including the loss of expertise, reducing staff numbers in the estates section and difficulties recruiting to some vacancies. It is looking at options to mitigate the risks going forward.

The Council's proactive approach includes engaging communities in the transfer of assets and delivery of services

12. The Council has learnt from difficulties it encountered in relation to asset closures proposed under Phase 1 of its cost reduction plans in 2014. It has adopted a new, more proactive approach called 'RCT Together'. The Council is actively engaging with the community as part of this process to see where services and/or assets might be delivered and/or managed by the community in the future. The Council is seeking to respond positively to expressions of interest from community groups/third sector organisations and is involving relevant stakeholders via the Voluntary Sector Liaison Committee. The Council is also offering tailored support to those submitting expressions of interest with a view to supporting schemes wherever possible. The Council has set up a Community Fund to provide some financial assistance to projects in the short term.
13. The management of this initiative is evolving but the Council will need to ensure that that its organisational culture and internal systems/procedures are aligned and responsive to the new approach. The Council will also need to ensure that it has a strategy for responding to instances where services/assets might prove to be unsuccessful following transfer of responsibility to the community. The Council recognises that it has further to go in developing the 'RCT Together' initiative and in improving its engagement with communities.

Performance reporting arrangements do not provide elected members and corporate senior management with a comprehensive picture of the management of the Council's assets

14. The estates section collects a variety of performance information including data on: capital receipts, disposals, conditions surveys and occupancy. The estates section also collects energy management data which is used to evaluate invest-to-save options in the carbon reduction programme. The Council is actively managing its carbon reduction programme with an investment of £912,000 for 2015-16 generating estimated annual savings of £154,000.
15. Performance information in relation to energy management is reported to the Cabinet and the Finance and Performance Scrutiny Committee as part of the corporate performance report. However, elected members and senior corporate managers are not provided with a comprehensive suite of performance data on the management of assets to either monitor progress in relation to asset management or help inform decision making.

Proposal for Improvement

P1 The Council should develop mechanisms for reporting a comprehensive picture of the management of its assets to senior managers and elected members to enable ongoing oversight and to inform decision making.

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