

Report of the Chief Executive to the Chairman and Members of
The Policy & Resources Panel.

Date: 27th January 2010

Presenting Officer: Joe McCarthy, Chief Executive.

Authors: Norman Wright/Paul Kirkham

For Decision

Cleveland Police Authority
Asset Management Strategy 2010 – 2013

1. Purpose of this Report

- 1.1 To seek the approval of Members for the Asset Management Strategy, which is intended to formally establish a strategy in support of the delivery of CPA's broader objectives.

2 Recommendations

That Members

- 2.1 Agree the Asset Management Strategy set out at Appendix A and that this acts as guidance to the Force in its preparation of associated plans and strategies relating to asset management.
- 2.2 Agree to review this strategy in December 2010, and thereafter at intervals that support the CPA Business Planning processes.

3 Reasons

- 3.1 The draft Business Plan, which has been approved for consultation at your November 2009 panel meeting, includes a number of tasks and associated outcomes related to continuing improvements in value for money and services. One aspect of this is the need for an Asset Management Plan as this has been an area for improvement identified in the Use of Resources (UoR) assessment, and which is outstanding. The Business Plan has as one of its outcomes the approval of an Asset Management Plan and Estates Strategy by April 2010.
- 3.2 In order to further facilitate the production of those plans and strategies, the Authority is being asked to agree the overarching Asset Management Strategy contained in Appendix A to inform and guide the Force in its work. The Strategy sets out: the CPA aims for Asset Management; the relationship with other plans and strategies; and the types of information one would expect to underpin effective asset management.
- 3.3 Finally, the Strategy identifies critical success and performance measures to assess the effectiveness of the Strategy. It is therefore recommended that the Strategy be reviewed in December 2010 to test the direction of travel, and then at intervals which support the CPA Business Planning processes.

4. Implications

4.1 Financial

The Asset Management Strategy has a focus on improving the efficiency and effectiveness of asset management, with the delivery of cashable efficiency savings going forward.

4.2 Diversity and Equal Opportunities

There are no direct diversity and equal opportunities implications within the Asset Management Strategy.

4.3 Risk Assessment

The focus on a review of the Police Authority assets within the overall business planning process will enable financial and service risks to be more clearly identified and recommendations made to reduce those risks.

4.4 Human Rights

There are no human rights implications within the Asset Management Strategy.

4.5 Sustainability

Business sustainability in part depends upon the effective and efficient management of assets, with an Assets Strategy aligned to the Business Plan, the Policing Plan, the Long Term Financial and Capital Plans and those strategies and plans outlined under item in 6.6 of the Strategy attached.

5 Conclusion

- 5.1 The Asset Management Strategy provides Members with assurance of the further development of an integrated business planning process that focuses on the delivery of improved services and value for money.

Joe McCarthy, Chief Executive
joe.mccarthy@cleveland.pnn.police.uk



cleveland police authority

Asset Management Strategy 2010-2013

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1. Introduction

1.1 The strategic business themes of the Police Authority, reproduced below, are defined in its Business Plan and are further defined by key objectives. These objectives include the requirement for an up-to-date Asset Management Strategy. The themes are all linked and therefore matters such as asset management underpin several of them. Principally, however, effective asset management contributes to achieving value for money and the provision of quality services.

Police Authority Strategic Business Themes

1. GOVERNANCE AND RESOURCES, SKILLS AND ABILITIES

Strengthening the capacity and capability of the Authority to meet future challenges.

2. SCRUTINY AND OVERSIGHT

Delivering efficient, effective and excellent policing services.

3. INVOLVING PEOPLE THROUGH ENGAGEMENT

Improving public involvement in policing and community safety issues.

4. INFLUENCING AND COLLABORATING

Working together with partners to build safer and stronger communities in Cleveland.

5. ACHIEVING VALUE FOR MONEY

Continuous improvement in service and relative performance at the same or reduced costs.

1.2 This asset management strategy is intended to support the optimal utilisation of our assets to provide value for money, support service delivery and, where practicable, minimise our environmental impact.

1.3 It describes the strategic management of the Cleveland Police Authority asset base and explains how and why the Authority plans to manage its assets.

2. Our Aims

2.1 Cleveland Police Authority recognises that our assets – land and buildings, fleet and ICT equipment - are key resources to help us achieve our vision of providing a safe environment for the people and businesses of Cleveland, free from crime and the fear of crime.

2.2 Whilst customer service is the priority for policing, it is equally important that we deliver value for money, and therefore it is vital that the strategic management of assets enables the Authority to deliver significant real savings in both the revenue and capital budgets going forward. A central feature in the Estates Strategy is the potential for the replacement of the Force HQ with a modern building while realising capital receipts and ongoing revenue savings.

2.3 The strategic direction is to increase the availability and quality of ICT in the provision of policing services in order to improve customer satisfaction, streamline processes and reduce the demand for other assets and personnel.

2.4 To achieve these aims we need to enable the Authority to manage its assets by:

- Ensuring that we understand how to align our assets effectively and efficiently to the delivery of service priorities;
- Ensuring we understand fully the current asset base and its associated running costs;
- Regularly update our assessment on what assets are required currently and in the future to meet service needs and develop, as necessary, robust business cases for investment and disposal. This will include, as appropriate, an assessment of asset sharing with partners;
- Regularly benchmarking with other public sector bodies regarding both asset management strategies and key performance indicators to ensure that we are delivering value for money; and,
- Focus on making cashable efficiency gains in line with the Long Term Financial Plan.

2.5 In summary, we aim to maximise the effective and efficient use of assets for the benefit of the communities of Cleveland. This must be related to our environmental and sustainability policies, which focus on reducing overall resource use and carbon emissions.

3. Our Assets

3.1 Asset details can be found on several separate databases; we must continue to ensure that the whole life value of assets are recorded and managed :-

Property database

The Facilities unit of Finance and Commissioning maintain the property database comprising land, buildings and leased property.

Currently Cleveland Police Authority has: a central HQ building; 2 owned district HQ properties; 2 district HQ and a custody suite, 2 police stations and a shared facility with Durham, all constructed under PFI. There are a further 11 owned properties, 25 leased properties and 50 properties shared with partners. The latter are mainly used by neighbourhood police teams.

Fleet database

Fleet Management is part of Finance and Commissioning and its role includes the procurement and maintenance of vehicles and keeping accurate fleet records. Currently we have 330 operational vehicles.

ICT database

This is maintained by the Head of ICT and is comprised of desktop items, telecommunications equipment, and servers.

3.2 Asset Valuation as at 31st March 2009 is as follows

	Land and Buildings	Non Operational	Vehicles	Plant and Equipment	Intangibles	Total
	£000	£000	£000	£000	£000	£000
Gross book value at 1 April 2008	12,405	-	5,809	15,120	1,232	34,566
Accumulated depreciation	(1,119)	-	(2,667)	(10,873)	(1,005)	(15,664)
Net Book Value at 1 April 2008	11,286	-	3,142	4,247	227	18,902
Adjustments to opening balances	-	-	-	-	-	-
	11,286	-	3,142	4,247	227	18,902
Additions	4,719	-	1,370	3,872	349	10,310
Disposals	-	-	(1,438)	-	-	(1,438)
Revaluations	(2,188)	-	-	-	-	(2,188)
Non Operational Assets	-	-	-	-	-	-
Book value at 31 March 2009	13,818	-	3,074	8,118	576	25,586
Depreciation for 2008/09	(313)	-	(978)	(1,460)	(176)	(2,926)
Depreciation on Disposals 2008/09	-	-	1,184	-	-	1,184
Revaluations	1,351	-	-	-	-	1,351
Net Book Value at 31 March 2009	14,856	-	3,281	6,659	400	25,196

3.3 The stock will be reviewed annually for condition and continued fitness for purpose and a report will be brought to the Police Authority alongside the Long Term Capital Plan report.

3.4 Freehold properties were re-valued during 2008/09 in accordance with the CIPFA Capital Accounting Guidance notes VGM8A and 8B and the Royal Institution of Chartered Surveyors Appraisal and Valuation Manual "The Red Book". The next 5-yearly re-valuation will take place in 2013/14.

4. Asset Disposal Plan – individual assets valued over £10k.

Stages	Action	Explanatory Notes
CONSIDERATION		
1. Recommend assets surplus to existing requirements	<i>Force Executive.</i>	Arises from ongoing reviews of the Policing Plan, Business Plan, Long Term Financial Plan and annual reports on the fitness for purpose and running costs of the asset base.
2. Consider alternative police uses	<i>Force Resource Management Groups.</i>	Assessment of the value of alternative service and partnership uses against the realisation value and ongoing savings.
DISPOSAL		
3. Agree disposal of assets.	<i>Policy and Resources Panel.</i>	Arises from consideration of the reports emanating from steps 1. & 2. above, ensuring that the aims of the strategic objectives in the Policing Plan and the Police Authority Business Plan are met.
4. Agree terms for disposal.	<i>Policy and Resources Panel.</i>	Arises from consideration of reports emanating from the Force Executive and/or the Chief Executive. Where negotiation is likely to produce a more advantageous result, specific agreement must be obtained from the Chair and Chief Executive.
5. Market assets.	<i>ACO(Finance & Commissioning) in consultation with Chief Executive.</i>	Follow Financial and Contract Standing Orders. Seek the most effective means having regard for charges, expertise and references. This may involve the commissioning of independent consultant or a contractor from the OGC list.
6. Authorise disposals estimated at under £10k	<i>ACO(Finance & Commissioning)</i>	Follow Financial and Contract Standing Orders.

5. Forward Investment Plan

5.1 This is integrated in the Long Term Capital Plan that is presented to the Police Authority each year.

6. Asset Management Practice

Overview

6.1 Cleveland Police Authority will ensure the maintenance of an Asset Management Plan which is aligned to its Business Plan and the Policing Plan, and underpinned by other plans and strategies set out at paragraph 6.6 below. The resource planning processes will focus on providing value for money by maximising the quality and minimising the size of our asset base, commensurate with delivering our service vision and goals. On an annual or ongoing basis the following processes will apply:-

- Consider potential capital projects over a 5 year planning cycle, whilst detailing plans, together with cost/benefit analysis, for investment over the next 3 years;
- Review the continued fitness for purpose of all assets, both individual and by category, against current operational and other business needs;
- Review plans for asset disposals and acquisitions;
- Carry out surveys of our assets to assess overall condition;
- Ensure continued compliance with the laws relating to fire, health and safety and disability discrimination;
- Ensure that all new assets and any refurbishment of assets undertaken by Cleveland Police Authority will be subject to a rigorous sustainability appraisal to ensure that they conform to current regulations, minimise energy use, minimise carbon emissions and maximise value for money.

6.2 The outcome of these processes will be the selection of projects to include within the capital programme, together with appraisals of service benefits and value for money; the formulation of efficiency savings for inclusion in the budget and Long Term Financial Plan, including recommendations for asset disposals; and reports on legal compliance for consideration by the Police Authority.

6.3 The ICT strategy is driven by the Authority after assessing the needs of operational policing and the requirement to make continuing efficiency savings in every area of our business. Performance will be reviewed monthly against a set of key performance indicators that focus on the delivery of a first-class service whilst at the same time contributing to the achievement of planned efficiency savings.

Benchmarking

6.4 The Force will participate in the national benchmarking arrangements for the police service and local authorities, as appropriate. The results of this exercise will be reported annually to the Police Authority.

Key Performance Indicators

6.5 The Force will maintain a database of key performance indicators as necessary for participation in the benchmarking arrangements and the performance management of any contractors who manage assets and/or services on our behalf. These key performance indicators will be reported regularly to the Police Authority, with comparisons of cost and effectiveness over time and against other organisations. Associated action plans are required to address any areas for improvement.

Underpinning Plans/Strategies

6.6 It will be necessary to maintain the integration of financial and business planning through the currency of a series of plans/strategies and which underpin this Asset Management Strategy.

- Asset Management Plan
- Estates Strategy
- Vehicle Strategy
- ICT Strategy
- Procurement and Commissioning Strategy
- Environmental Strategy
- Workforce Development Plan

7. Critical Success Factors

7.1 We will develop and maintain a full understanding of our assets, their location, and their value to the organisation in order to manage them more effectively. This will enable the identification, deployment and utilisation of these assets by CPA to achieve its key objectives, as outlined in the Business Plan.

7.2 We will identify and manage/mitigate risks relating to assets.

7.3 The Asset Management Plan will consistently deliver improvements in the effectiveness of services and cashable efficiency savings.

8. Performance Measures

8.1 We will measure success or otherwise by reference to the following non-exhaustive check, balance and scrutiny regimes:

External

- HMIC Inspections – Asset and capacity related elements.
- Achievement of highest Key Lines of Enquiry (KLOE) score within Use of Resources Internal.
- Asset type individual performance measures.
- Corporate Health Indicators for asset types and overall organisational Indicators.
- Asset Management - Use of Resources assessment.
- Value for Money overall assessment within Use of Resources Management.
- Assets mapped to demand.
- CIPFA benchmarking indicators.

Internal

- The Force will develop an effective suite of key performance indicators within the Asset management Plan with reference to the information supplied for national and regional benchmarking exercises, for example, carried out by the following organisations:-
 - CIPFA
 - IPF
 - PPSM
 - NEPO
 - ACPO
 - NPIA