

SCRUTINY BOARD (SUSTAINABLE ECONOMY AND CULTURE)

ASSET MANAGEMENT INQUIRY

DRAFT TERMS OF REFERENCE

1.0 Introduction

- 1.1 The council's medium term financial strategy and the Best Council Plan both highlight the need for the council to reduce its property portfolio and the associated running costs significantly, in order to help achieve the financial savings required over the next few years.
- 1.2 During the annual consultation on the budget proposals for 2014/15, the Leader of the Council discussed asset management with the Resources and Council Services Scrutiny Board. Both parties concurred that the issue remains a challenge and it was agreed to ask the Sustainable Economy and Culture Scrutiny Board to look at it in greater detail.
- 1.3 The Sustainable Economy and Culture Scrutiny Board agreed in principle to take on the request, as an inquiry to be undertaken in the 2014/15 municipal year. It was also agreed that the Chair of the Resources and Council Services Scrutiny Board would be invited to participate in the inquiry due to the importance of this issue to the council's overall financial strategy.
- 1.4 In providing comments to the Executive Board on the budget proposals it was suggested by the Resources and Council Services Scrutiny Board that consideration ought to be given to all assets being owned by the corporate centre, with departments being the client. It was felt that such an approach may address both local ward members and officers holding on to 'sacred cows' for fear of difficult decisions and negative feedback.
- 1.5 The baseline for the inquiry will be the report to Executive Board on 17 July 2013 – Using our assets effectively to support the delivery of the Council's Business Plan and Financial Strategy [link to report](#).
- 1.6 This report identified annual revenue expenditure on assets of £41m (excluding schools and social housing) and categorised the council's strategic asset management role in the following terms:
 - Ensuring appropriate assets are provided to deliver the council's strategic priorities and that they are reviewed in line with service requirements and service change;
 - Using our assets to support regeneration and economic growth, often in partnership with other public bodies or the private sector; and
 - Using our assets as investments to create an income for the authority (either capital or revenue).

2.0 Scope of the inquiry

2.1 The purpose of the Inquiry is to make an assessment of and, where appropriate, make recommendations on the following areas:

- The progress being made against the Best Council Plan objective of making the best use of our assets;
- The development of a revised Asset Management Plan;
- The progress towards achievement of the £5m revenue savings target from asset running costs; and
- The outcomes of the government's One Public Estate pilot programme.

3.0 Desired Outcomes and Measures of Success

3.1 The decision to undertake this Inquiry has been based on the importance of this issue to the council's overall financial strategy.

3.2 It is important to consider how the Scrutiny Board will deem if its inquiry has been successful in making a difference to local people. Some measures of success may be obvious at the initial stages of an inquiry and can be included in these terms of reference. Other measures of success may become apparent as the inquiry progresses and discussions take place.

3.3 Some potential initial measures of success are:

- Increased pace of progress with the asset rationalisation programme
- A reduction in the amount of office accommodation occupied by the council
- A reduction in the running cost of the council's asset base
- Evidence of partner and stakeholder participation in the asset rationalisation programme

4.0 Comments of the relevant Director and Executive Member

4.1 In line with Scrutiny Board Procedure Rule 12.1 where a Scrutiny Board undertakes an Inquiry the Scrutiny Board shall consult with any relevant Director and Executive Member on the terms of reference. Any comments will be reflected in the final terms of reference.

5.0 Timetable for the inquiry

5.1 The Inquiry will take place over two formal Scrutiny Board sessions.

6.0 Submission of evidence

6.1 Session one – 22 July 2014

- To receive evidence from the Executive Member and City Development officers about the asset management rationalisation programme, including details of the timetable, target savings, consultation, progress to date and future activity.

6.2 Session two – 9 September 2014

- To receive evidence from local Members and other departments about their contribution to the asset management rationalisation programme, including details of any good practice, opportunities or barriers that are emerging
- To receive evidence from third sector representatives about how they are being engaged in the rationalisation programme
- To receive evidence about the One Public Estate pilot programme, and the role of public sector partners in making better use of our assets

At the end of the second session the Board will consider how to proceed. This may involve commissioning further evidence; concluding the inquiry and producing a report with the Board's recommendations; or resolving to monitor the progress of the asset management rationalisation programme on a regular basis.

7.0 Witnesses

7.1 The following witnesses have been identified as possible contributors to the Inquiry:

- Executive Member for Transport and Economy
- City Development officers
- Area Committee Chairs/Ward Members
- Other council departments (as building users)
- Third Sector representatives
- Public sector partners/One Public Estate pilot

8.0 Equality and Diversity / Cohesion and Integration

8.1 The Equality Improvement Priorities 2011 to 2015 have been developed to ensure our legal duties are met under the Equality Act 2010. The priorities will help the council to achieve its ambition to be the best City in the UK and ensure that as a city work takes place to reduce disadvantage, discrimination and inequalities of opportunity.

8.2 Equality and diversity will be a consideration throughout the Scrutiny Inquiry and due regard will be given to equality through the use of evidence, written and verbal, outcomes from consultation and engagement activities.

- 8.3 The Scrutiny Board may engage and involve interested groups and individuals (both internal and external to the council) to inform recommendations.
- 8.4 Where an impact has been identified this will be reflected in the final inquiry report, post inquiry. Where a Scrutiny Board recommendation is agreed the individual, organisation or group responsible for implementation or delivery should give due regard to equality and diversity, conducting impact assessments where it is deemed appropriate.

9.0 Post inquiry report monitoring arrangements

- 9.1 Following the completion of the Scrutiny inquiry and the publication of any final inquiry report and recommendations, the implementation of the agreed recommendations will be monitored.
- 9.2 The monitoring will be undertaken by the Board. This will be done at regular intervals appropriate to the content of the recommendation.