

9. Audit Review - Asset Management Update Report

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Purpose of the Report

The South West Audit Partnership (SWAP) reported their findings of the review of Asset Management in September 2009. This report offered a partial assurance. At its meeting on 10th December 2009, this committee requested an update on the latest position on the agreed action plan for Asset Management.

Recommendation

That members note the report and the latest position on the agreed action plan for Asset Management (attached at pages 22-27).

Background

The Asset Management Plan is maintained in respect of the Council's land and property portfolio. The plan details the approach to asset management and sets out policies, aims and initiatives of the Council in relation to its assets together with an action plan to be monitored by the Strategic Asset Management Group and reported annually to the District Executive. The Asset Management Team work together with various other teams, to develop a property strategy aimed at optimising the utilisation of the Council's property assets and ensuring departments and tenants are located in the right area.

Progress Update on Action Plan

The findings of the Asset Management Audit in September 2009 identified some risks that could impact on the objectives of Asset Management.

Records of Assets owned are inadequately maintained

There is a clear separation of roles and duties following a meeting held in October 2009 to agree the split between Asset Management (which falls under Finance) and Property.

Five policies have been written and approved by the Equalities Panel, these are:

- The Allotment Policy,
- The Casual and Meeting Room Letting Policy,
- The Requests for Vehicular and Pedestrian Access Crossing over Council Owned Land or from its Car Parks Policy,
- Request for Purchasing or Leasing Council Owned Land
- The Garage Letting Policy.

The Vetting Policy for New Tenants is completed but did not require approval by the Equalities Panel. The production of formal procedural notes is now underway. The Commercial Lettings Policy and Land Transfer Policy have been written but are awaiting approval.

A record is kept and maintained identifying where documents are kept or who has possession of them.

All Commercial Rents and Leases are not identified and rents collected

Formal agreements are in place for most leases of Commercial Properties. However, for historical leases this will be and has been harder to get formal agreements retrospectively of occupancy. With regard to the Furnicare Lease – both parties are complying with the Draft Conditions, which is essentially an unsigned copy of the Formal agreement. A rent review schedule has been drawn up.

Energy Performance will be verified when a new tenant occupies a commercial building.

Regular inspections are being carried out by Property Services and we have been informed that 44 of the 78 inspections have been carried out so far with the aim of completing all of them by the end of March 2010.

Adequate control over access to properties has been put in place – with a separate and more secure key box being kept for Commercial Property keys.

A vetting process for new tenants that comprises a scoring mechanism is in place. Those potential tenants who do not achieve a minimum score application for tenancy are declined.

A recovery system for non-payment of rents is now in place. For rents that are not readily recoverable, details are forwarded to the Legal team.

Income not received and fully maximised for our allotments

Allotment rent reviews take place to ensure that there is consistency and fair charging. However, many of the historical licence agreements in place do not permit rent reviews. This will be reviewed on a case-by-case basis once there is a change in circumstances or a new occupier.

Serious injury or death occurs on a Council owned and managed allotment

An Allotment Site Hazards Checklist has been designed. Completion of this form now forms part of the site inspection. Appropriate follow up action is taken to ensure that all risks are addressed.

Financial Implications

There are no financial implications in accepting this report and the associated recommendations.

Background Papers: None.