

**Chief Officer Confirmation of Report Submission
Cabinet Member Confirmation of Consultation**

Report for: Mayor

Mayor and Cabinet

Mayor and Cabinet (Contracts)

Executive Director

Information **Part 1** **Part 2** **Key Decision**

X


Date of Meeting	17 February 2011
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Title of Report	Strategic Asset Management Plan 2011-14
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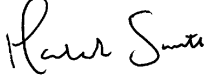
Originator of Report	Executive Director for Regeneration	Ext.
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At the time of submission for the Agenda, I confirm that the report has:

Category	Yes	No
Financial Comments from Exec Director for Resources	X	
Legal Comments from the Head of Law	X	
Crime & Disorder Implications	X	
Environmental Implications	X	
Equality Implications/Impact Assessment (as appropriate)	X	
Confirmed Adherence to Budget & Policy Framework	X	
Risk Assessment Comments (as appropriate)	X	
Reason for Urgency (as appropriate)		

Signed: _____  _____ Executive Member

Date: _____ 07/02/11 _____

Signed: _____  _____ Director/Head of Service

Date _____ 03/02/11 _____

Control Record by Committee Support

Action	Date
Listed on Schedule of Business/Forward Plan (if appropriate)	
Draft Report Cleared at Agenda Planning Meeting (not delegated decisions)	
Submitted Report from CO Received by Committee Support	
Scheduled Date for Call-in (if appropriate)	
To be Referred to Full Council	

MAYOR & CABINET		
Report Title	Strategic Asset Management Plan 2011-14	
Key Decision	Yes	Item No. 6
Ward	All	
Contributors	ED Regeneration (Director of Programme Management & Property), ED Resources, Head of Law	
Class	Part 1	Date: 17 February 2011

1 Purpose of the report

- 1.1 This report seeks approval to the 2011-14 Asset Management Plan. It provides a summary of current Government guidance on asset management and a critique of progress on the Council's approach to asset strategy since the last report in 2010.
- 1.2 This report builds on the progress previously reported and considers the changing landscape in national government, the expectations of asset management and the key issues the Council faces over the next 3 years.
- 1.3 It describes the current challenges, sets out progress on the current Action Plan and proposes a revised Plan for 2011-12.

2 Recommendation

- 2.1 That the Mayor agrees the Strategic Asset Management Plan attached at Appendix 1 the Action Plan update in Appendix 2 and the proposed 2011-12 Action Plan in Appendix 3.

3 Policy context

- 3.1 This is set out in paragraph 2.2 of the attached Plan.

4 Background

- 4.1 On 10 February 2010 Mayor & Cabinet agreed the Strategic Asset Management Plan for 2010-13. Asset management is a key discipline and up until 2010 was recognised by the Audit Commission in their assessment of the Council's Use of Resources.
- 4.2 Asset management was subject to a best value review in 2005-06. The review, which was completed in July 2006, took a

comprehensive look at the Council's asset management arrangements. The review included specific recommendations for the following:

- a strategic approach in the management of the Council's assets
- a clear and coherent structure to support the effective delivery of the service
- establishment of data systems and IT to facilitate information gathering and learning
- greater discipline and structure in the use of contractors
- improved dialogue between the service and its customers
- development of appropriate skills and resources
- embedment of a strong performance management culture

4.3 Additional resources were committed to the service during 2007 and significant progress has been made in developing corporate arrangements for strategic asset management and improving the delivery of programmes and projects.

4.4 In June 2009 the Audit Commission published an updated report "Room for Improvement" on asset management. It found that few councils are managing strategically their £250 billion of national assets. The report reveals that:

- councils have spent £1.2 billion more on buying or refurbishing their offices than they have generated in from sales
- only one in 14 (7 per cent) of councils is an exemplary manager of its assets
- in 2007/08, while 65 improved, the performance of 46 councils on asset management deteriorated (based on their UOR scores)
- a third do not yet share assets with other public services

4.5 The report called on central government to give a clear steer on the priority for local government: should councils seek to dispose of assets to maximize receipts, or enhance estates to deliver better public services. Given the scale of the current challenge to reduce public sector spending, the requirement to reduce revenue costs is likely to become key.

4.6 In December 2009 the Pre-budget report and a report "Putting the Frontline First: Smarter Government" both implied a key role for asset management in delivering operational efficiency targets. The asset strand of the Operational Efficiency Programmed sets out proposals for a strategic review of public sector estate management including an assessment of the feasibility of creating new property companies to manage assets and deliver improved

efficiency. In addition, the Department for Communities and Local Government are progressing proposals for a depreciation-based funding scheme that will be considered as part of the 2010 Budget.

4.7 In December 2009, at the request of the Director of Programme Management and Property, Local Partnerships undertook a one week review of the Council's approach to asset management. The review's key findings were as follows:

- Strategy and Vision – required improvement to create clearer links between overall asset strategy and service asset plans
- Asset Challenge - insufficiently strong and required development
- Delivery and Management Arrangements - were strong and well developed

4.8 The 2010-11 Action Plan sought to address these matters and an update is included in Appendix 2.

4.9 Up until May 2010 the Council was also engaged in the national Total Place pilot in respect of assets and energy. Total Place no longer seems to be a key Government priority. However, joint working with all local public sector agencies remains a high priority for the Council and over the last 12 months we have made significant progress in leading this work. The Council now takes a clear lead on Infrastructure Planning reporting regularly to the Sustainable Development Partnership of the Local Strategic Partnership. A widened Lewisham Asset Management Board consisting of all local public sector partners meets every 6 months to share information on infrastructure needs and identify opportunities for collaboration.

4.10 The current direction of national policy seeks continuing efficiency gains, more joined up working across the public sector and a renewed emphasis on community empowerment.

5 Updated Strategic Asset Management Plan

5.1 The revised plan builds on existing arrangements:

- a three year strategy inked to the Council's Capital Programme and subject to annual updates
- annual performance evaluation reports
- the development and delivery of a Rationalisation Programme

- 5.2 The Council has a well established culture of corporate working. As noted in the Local Partnerships work in 2009, there is strong buy-in to asset management from senior officers and elected members. The portfolio lead for asset management is the Deputy Mayor and officer leadership rests with the Director of Programme Management & Property within the Directorate for Regeneration.
- 5.3 An updated Strategic Asset Management Plan 2011-14 is attached at Appendix 1. This updates the previous plan and sets new priorities for the coming year. It notes the impact of the proposed budget savings, the effect on the Council's ability to dispose of surplus assets in support of current priorities and the likely harsher financial context for the next 3 years. It also alludes to the provisions of the Localism Bill and how these might impact on asset management.
- 5.4 The 2010-11 Asset Management Action Plan, agreed by Mayor & Cabinet on 10 February 2010 is set out in Appendix 2 with an update of progress made since it was reported to Public Accounts in December 2010.
- 5.5 Appendix 3 sets out a proposed Action Plan for 2011-12 and incorporates the work required over the next 12 months to address the long term needs of the borough and significantly reduce the costs of the estate.

6 Financial Implications

- 6.1 The Council's 2009-10 balance sheet values Fixed Property Assets at just over £2bn. This is split Council Dwellings £962m, Other Land and Buildings £891m, VPF&E and Other £221m. During 2009-10 the Council's revenue spend on property-related costs was just under £20m and total capital spending was £64m.
- 6.2 The Capital Programme (2011-16) is reported elsewhere on this agenda and sets out the programme priorities for the next 5 years. The Budget savings proposals 2011-14 include £1m saving from estate rationalisation.

7 Legal Implications

- 7.1 Section 3(1) of the Local Government Act (1999) (LGA 1999) places a duty upon the Local Authority to make arrangements to secure continuous improvement in all of its services, having regard to a combination of their economy, efficiency and effectiveness.
- 7.2 The Localism Bill includes new provisions that could impact on asset management in the future, in particular, the Community

Empowerment provisions relating to the Right to Challenge and Assets of Community Value.

- 7.3 The Right to Challenge will enable voluntary and community bodies, charities, parish councils or public sector employees delivering the service, to express an interest in running a local authority service. Where it accepts an expression of interest, the local authority must carry out a procurement exercise for the running of that service. This exercise will inevitably need to include arrangements in respect of any assets from which the service is delivered or which are otherwise required in connection with the service.
- 7.4 The Land of Community Value provisions will provide an opportunity for local community groups to bid to buy buildings or land which are listed by the local authority as assets of community value. The provisions in the Bill are vague and the precise way in which they will work and the implications for asset disposals, e.g. the assets which will be excluded from these provisions and the length of any moratorium period during which the community right to buy will run and the local authority will not be permitted to dispose of the asset, will not be known until the draft Regulations under the Localism Bill (which it appears are intended to contain most of the detail) have been published.

8 Crime and Disorder Implications

- 8.1 There are no crime and disorder implications arising from this report, specific implications relating to the Council's estate are considered property be property.

9 Environmental Implications

- 9.1 There are no environmental implications arising from this report however, sustainability is a core consideration in the Council's response to asset management and encompasses all aspects of sustainability.

10 Human Resource Implications

- 10.1 There are no HR implications of this report.

11 Equalities Implications

- 11.1 Equalities issues have been considered as an integral part of the process of reviewing the Strategic Asset Management Plan. The Key equalities consideration is access to public services through providing accessible buildings. The plan supports the delivery of corporate priorities and these are cross checked within the document.

- 11.2 Both the introduction and Objective 5 refer to accessible buildings while Objective 9 refers to access to services. This is reflected in the Asset Management Plan programme which cuts across all service areas. Equality Impact Assessments (EIA) are undertaken on specific projects where this is appropriate and reported to Mayor & Cabinet.
- 11.3 There are clear links between the Strategic Asset Management Plan and the Council's Regeneration Strategy, People, Prosperity and Place. The plan states that *'We are using our ownership of property to generate investment and facilitate regeneration and development.'* A full EIA was undertaken of the Regeneration Strategy, and an action plan was agreed by Mayor and Cabinet on 5th December 2007. The action plan focuses on improving engagement of Lewisham's diverse communities in major regeneration projects, and work is underway to deliver the actions identified.
- 11.4 Diversity within the Borough's population is recognised in paragraph 2.1 of the plan.
- 11.5 Paragraph 3.3 of the plan highlights a commitment to stakeholder and community involvement.

12. Conclusion

- 12.1 The last annual report in February 2010 noted the good progress the Council had made in developing capacity to strategically manage it's estate. It noted that the next 3 years would be very different from the last 3 and that financial pressures on the Council would grow and available investment would be considerably harder to identify.
- 12.2 The key challenge remains grasping the nettle of a radical estate rationalisation programme. This will need to question whether current service strategies remain realistic in the light of the level of savings required to be delivered. The outcome of this programme will be a significantly smaller estate supporting the Council's needs, a reduction in the running costs of the core estate and a modest affordable investment programme.
- 12.3 The significant challenge for 2011 will be to gain agreement to a deliverable Rationalisation Programme and identify and mobilise capacity to deliver it, given that the resources in Programme Management & Property are also subject to significant budget reductions.

BACKGROUND PAPERS

Short title of document	Date	Contact
Strategic Asset Management Plan – Mayor & Cabinet	10 February 2010	Kevin Flaherty

For more information about this report, please contact Steve Gough
Director of Programme Management & Property on 020 8314 8885

Strategic Asset Management Plan 2011-14



Foreword – Strategic Asset Management Plan

The Council owns assets valued at over £2bn. Our property holdings are a key resource and, a critical part of delivering services to the community. Using property effectively will help to achieve our objective to make Lewisham the best place in London to live, work and learn.

The Council's assets play a key role in supporting place shaping and our wider regeneration aims. We will plan for effective use of our property and ensure that each building makes a contribution towards the achievement of our objectives. In that way, we will maximise impact on the services that matter to the people of Lewisham.

Good quality information is key to effective property management; knowing what we own, what it costs, whether we need to keep it and if we do, how we will use and look after it. This Strategic Asset Management Plan provides the basis over the next 3 years for that development process and describes the philosophy that underlies it.

The plan has been prepared in accordance with guidance issued by the Royal Institution of Chartered Surveyors, the professional organisation for the management of land and property.

This revised 3 year strategic plan responds to the challenges posed by the financial position faced by the Council and recognises the reality of the harsh financial environment across the time horizon of the Plan.

Alan Smith
CABINET MEMBER FOR REGENERATION

1 Introduction

Excellent asset management has a key role to play in delivering high quality public services. Our aim is to provide fit for purpose, accessible and sustainable buildings, that represent good value for money. This three year plan directs the work on the Council's assets and provides for a performance appraisal process for the annual review and updating of the plan.

It provides clear forward looking strategic goals for its property assets that shows how land and buildings will be used and developed to help deliver corporate priorities and service delivery needs, now and in the future. The plan shows how property assets will be maintained, modernised and rationalised to ensure that they are fit for purpose. It also recognises the impact of the economic downturn on the Council's plans for its assets and the policy changes of the Government set out in the Localism Bill.

Over the last three years we have seen significant new investment into Lewisham's public service infrastructure including the renewal of the secondary school estate, investment in new leisure facilities, the regeneration of Lewisham and Deptford Town Centres and essential improvements to Council's accommodation. The next three years are likely to be very different with increasing financial pressure on the public sector with significantly lower levels of investment available.

The main challenge for asset management will be to rationalise the number of buildings in use, to continue to deliver investment to the core estate and deliver revenue savings. At the same time the Council will need to respond to the opportunities and challenges posed by the Localism Bill relating to community assets.

2 Context

2.1 The Borough

Lewisham covers 3,470 ha, from the River Thames in the north, to Bromley in the south and between Southwark to the west and Greenwich to the east. It is the third largest inner London borough in terms of both its population and its area, with a highly diverse current population of approximately 250,000. By 2016 the borough's population is expected to increase to approximately 282,000.

43% of the population are from black and minority ethnic communities. This figure rises to 50% among school children. Diversity is also changing rapidly as new groups are added to the established community including immigrants from central and eastern Europe.

Deprivation is a key issue affecting the priorities in service provision; using average scores from the 2004 English Indices of Deprivation, Lewisham ranks 28th most deprived local authority area. The borough has areas of severe deprivation that rank amongst the 10% most deprived in England.

Lewisham’s local economy has a relatively small corporate and private sector. The scale of the local economy ranks 24th out of 33 London boroughs. Most employment is in the public sector – with the Council as the largest employer in the borough, with 8,500 staff in total; of which 4,000 are employed in 95 schools. Other public sector partners (Lewisham hospital, Goldsmiths, Lewisham College, the NHS Primary Care Trust and the Metropolitan Police) employ a further 6,500. With the exception of a few large retail businesses and some medium sized office supply businesses, the private sector economy comprises mainly small and medium enterprises in the traditional supply and retail sectors.

2.2 Corporate Goals and Asset Management Objectives

The Council’s vision is to work together to ‘make Lewisham the best place in London to live, work and learn’. The key corporate strategic document is the authority’s Performance Plan, which sets out the objectives, targets and performance of the authority and includes a section relating to asset management as a cross-cutting issue.

Lewisham’s core values are to:

- Put service to the public first
- Respect all people and all communities
- Invest in employees
- Be open, honest and fair in all we do.

The Council has identified ten enduring corporate priorities focused on the needs of local people. They are set out below with an assessment of the management of the Council assets will deliver these priorities over the next three years

CORPORATE PRIORITY	STRATEGIC ASSET OBJECTIVES AND MANAGEMENT OF COUNCIL ASSETS
Community leadership and empowerment	Manage Council property to promote social inclusion and greater access to public services Complete housing stock transfer and localised housing management programme. Improved investment, usage and management of buildings for community activities in light of the Quirk review. Increase community participation in the property

	decision-making processes
Young people's achievement and involvement	Investment in educational buildings through Building Schools for the Future and PFI programmes
Clean, green and liveable	Investment in highways infrastructure and parks. Secure high quality public spaces in new developments Reducing energy consumption along with a reduction in CO ₂ emissions from the Council's assets.
Safety, security and a visible presence	Make Lewisham a safer and more pleasant place through the design and management of property Investment in street lighting through a joint Street Lighting PFI with LB Croydon
Strengthening the local economy	Use property assets to support the physical regeneration of the Borough with a particular focus on Deptford, Lewisham and Catford town centres.
Decent homes for all	Capital investment housing programme
Protection of children	Exploit new opportunities to share property with other public agencies and continue the effective management of existing shared facilities. Invest in provision for young people.
Caring for adults and older people	Exploit new opportunities to share property with other public agencies and continue the effective management of existing shared facilities. Attract new investment through the effective transfer of community facilities
Active, healthy citizens	Complete current investment programme in leisure centres.
Inspiring effectiveness, efficiency and equity	Deliver best value by demonstrating continuous improvement in the utilisation of property assets and by demonstrating continuous improvement in the delivery of programme management and property management services Manage property and investment decisions so as to balance corporate priorities with community priorities for service improvement Making effective and efficient use of staff accommodation through the development and delivery of the WorkSmart project

2.3 Regeneration Strategy

The Council developed a Regeneration Strategy for Lewisham 2007 – 2020 , 'People, Prosperity, Place' which was approved by Mayor and Cabinet in December 2007, following public consultation.

The strategy sets out the vision for the future physical, social and economic regeneration of Lewisham, with twelve key objectives grouped under the three themes of people, prosperity and place.

There are strong links between the vision, themes, objectives and actions set out in the draft strategy and this Asset Management Plan. These include:-

- Regenerating our three key town centres and encouraging their use as sustainable living areas
- Recognising the importance of multi-function buildings such as Kaleidoscope, which appears as a good practice case study in the strategy
- Recognising the importance of mixed use schemes which allow regeneration proposals to come forward, including live/work schemes such as Havelock Walk which also appears as a good practice case study in the strategy
- A focus on the importance of investment in leisure facilities both for the enjoyment of local people and the contribution they can make towards improving health outcomes
- A focus on the importance of investment in education buildings through Building Schools for the Future, PFI funding and the Children's Centres programme

We are using our ownership of property to generate investment and facilitate regeneration and development, particularly in our three key town centres, Catford, Deptford and Lewisham. Examples of how the management of the Council's property portfolio plays a key part in delivery of the regeneration strategy include the Lewisham Town Centre proposals for Loampit Vale, and the Deptford Town Centre changes now underway with the re-development of Tidemill School.

There is also a clear match between the gap analysis and key issues for further work set out in this AMP and key areas in the strategy such as the renewal of Catford town centre.

2.4 Organisational arrangements for managing assets

The Council is organised into five directorates - Children and Young People; Community Services; Customer Services; Resources and Regeneration with corporate responsibility for Asset Management placed in the Programme Management and Property department in the Regeneration Directorate. This fits with the core purpose of the Regeneration Directorate to renew the

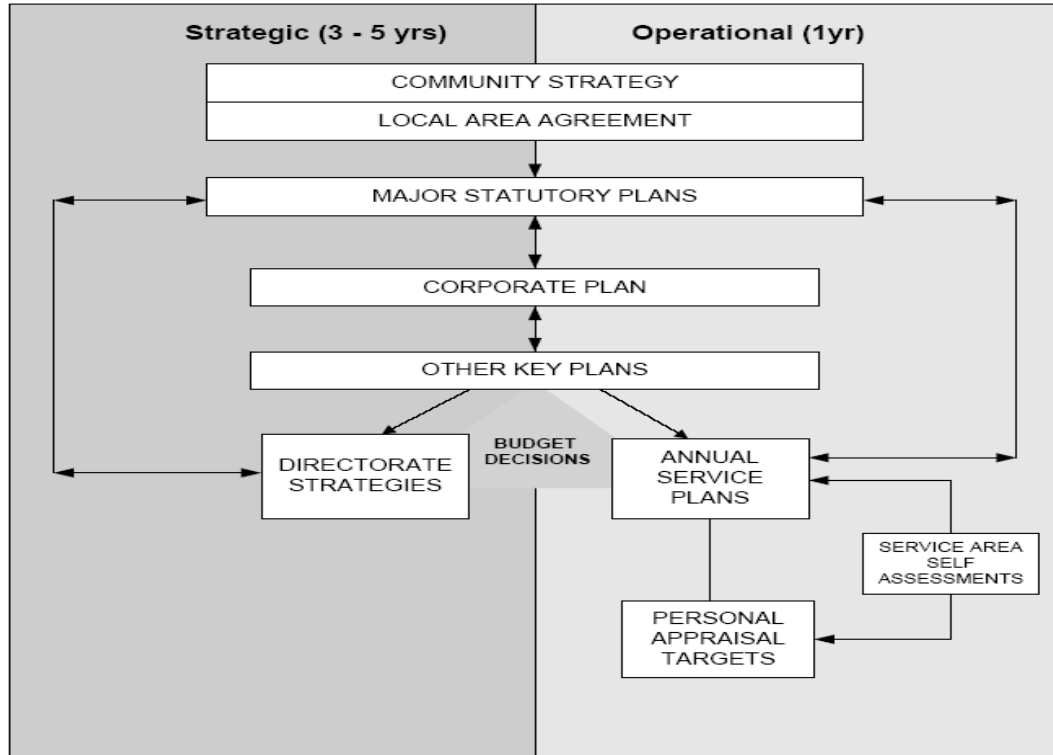
physical fabric of the borough, to do so sustainably and to enhance the overall economic well-being of Lewisham. Enhanced capacity and robust, flexible management arrangements have been put in place to ensure that:-

- the Council can effectively play its part as one of the most significant developers of place, through the development of schools, homes, leisure centres and the overall corporate estate
- that the enhanced programme management expertise needed to successfully deliver this challenging public service infrastructure investment is in place, working alongside other key services which will help drive and support the programme

Given the financial position of the Council, the current management structure of the Council is subject to review by the Chief Executive and at the time of writing this Plan the outcome of this is unknown.

At a political level the Cabinet Member for Regeneration has responsibility for asset management. All major investment decisions are considered by the relevant select committees before the Mayor makes a decision. It is not anticipated that these arrangements will change over the next three years.

The diagram below illustrates the overall corporate service planning framework within which this AMP sits.



Programme Management & Property commenced operation in October 2006 following a corporate reorganisation of property and capital delivery functions

of the Council. It focuses on the integration of asset management and capital delivery functions to provide a renewed impetus for the regeneration of the borough leveraging external investment into public assets. This approach has been re-aligned to complement the Sustainable Community Strategy, the new Local Area Agreement and the Comprehensive Area Assessment.

The **Director of Programme Management and Property** has overall responsibility for asset management and for establishing an effective framework for progressing asset management. Asset management involves the following groups:

- **Executive Management Team (EMT)** is the key officer advisory body for the Council and has a key role in formulating proposals for Mayor and Cabinet for the development of the capital programme
- The **Asset Management Board (AMB)** acts as a corporate steering group to ensure the authority reviews its land and property holdings to ensure they support the corporate aims and objectives and provide the most efficient and effective means of service provision. It also integrates with Public Sector partners to deliver public sector infrastructure to meet future needs. Membership of the AMB is made up of senior representatives from all of the Directorates and is chaired by the Director of Programme Planning and Property. The AMB is responsible for:
 - Review and challenge of current asset holdings
 - Consideration of property deemed surplus to requirements
 - The review of capital programme proposals
 - Co-ordination of borough-wide public sector infrastructure investment
- The Head of Property Services and Head of Asset Strategy and Development hold regular **Strategic Accommodation Review Meetings**. From these meetings asset planning and policy at service level is coordinated in order to:
 - Commission property reviews and workshops.
 - Manage and oversee the collection of information on the property portfolio at a service level (including suitability and sufficiency assessments),
 - Identify surplus property / space for alternative use
 - Identify cross-service, joint working or accommodation sharing opportunities
 - Act as the key conduit of information for property and asset related matters for planning and budgeting processes.
- The **Programme Management and Property department** oversees property and asset management functions for the Council and is responsible for:
 - Writing and implementing the Strategic Asset Management Plan

- Providing expertise and advice to services on a range of asset and property related issues
 - Providing a valuation and estate management service.
 - Supporting delivery of capital projects with inputs at strategic and technical levels
 - Providing central co-ordination and control for capital projects, for the achievement of efficient project management and best value for money
 - Managing the Council's corporate facilities management contracts for its portfolio of non-schools; non-housing operational buildings
 - Appointing and managing contractors and consultants for technical and operational inputs relating to property and assets for all Directorates.
- In 2007 a comprehensive **data management** system was put in place joining property information from a number of sources. This system is centred on a single database of all Council owned buildings and land. This system is being further developed to enable easier access to the data. Live performance data for the core estate can now be accessed from a single web based system. These systems require continued development.

2.5 Working with Partners

The Council is working with the PCT and other health agencies working in the Borough sharing information and collaborating on asset strategy. During 2009 the Council agreed an Infrastructure Development Plan with public sector partners that will be reviewed twice a year by an Asset Management Board that includes all public agencies. Over the last year the Council has completed a mapping exercise of all health facilities in the borough and is sharing with surrounding boroughs asset information.

2.6 The Council Estate

The current operational portfolio (as at 31st March 2010) is summarised in the following table.

	2008/09	2009-10
Council Dwellings	25,667	25,028
Housing non residential	253	224
Garages	3,486	3,486
Nursery Schools	3	3
Day centre – Early Years	8	13
Primary Schools	48	48
Secondary Schools	6	6
Sixth Form Centre	1	1

Special Schools & Pupil Referral Unit	6	7
Adult Education Centres	4	4
Youth Centres	6	6
Hostel for the Mentally ill persons with Disabilities	1	1
Social Services Centres	13	9
Administrative Buildings	9	14
Leisure Centres/ Pools	4	4
Parks/Recreation Grounds	85	85
Libraries	10	10
Theatre	1	1
Cemeteries	4	4
Crematorium	1	1
Mortuary	1	1
Depots	4	3
Car/Lorry Parks	18	18
Roads (in Kms)	390	390
Allotments	43	40
Travellers Site	1	0
Civic Amenity Site	1	1

Of the above, two secondary schools and a special school are subject to Schools PFI Schemes and 1,338 Council properties are subject to the Brockley PFI. Although included above, the value of these properties is not included in the Council's balance sheet.

This number of Council dwellings as at 31/3/10 excludes non-operational properties but includes those properties re-purchased as part of estate action.

3 Corporate Asset Policy

3.1 Asset Objectives

The Programme Management and Property objectives are:

- To ensure efficient and effective programme management of Lewisham's public sector assets.
- To use property assets to support the physical regeneration of the Borough.
- To support the ongoing regeneration of our Town Centres.
- To introduce and sustain regular reporting of building condition, cost in use and utilization data.
- To assist the Council in pursuing compliance with the statutory regulations surrounding building maintenance and accessibility.
- Deliver best value by demonstrating continuous improvement in the utilisation of property assets.
- Deliver best value by transferring assets to community based organizations and service partners when appropriate.

- Make Lewisham a safer and more pleasant place through the design and management of property.
- Manage Council property to promote social inclusion and greater access to public services.
- Increase community participation in the property decision-making processes.
- Exploit opportunities to share property with other public agencies.

3.2 Performance Management

Performance in achieving these objectives is measured in a number of ways and will be reported in annual asset plans along side other corporate performance management processes such as service plans.

The Council annually publishes data as part of the National Property Performance Management Initiative (NAPPMI) and contributes to the London ACES benchmarking club.

3.3 Stakeholder and Community Involvement

Lewisham has a good record for effective consultation. The AMP and service planning processes will include information that is gathered by the Council through it's existing consultation and engagement processes. At a strategic level we work effectively with public sector partners to ensure that services to local people are as efficient and effective as possible. On individual programmes and schemes we engage with the widest possible groups and stakeholders.

3.4 Shared Services

The Council delivers a number of services jointly with the PCT and other health organisations. The Council works with the relevant health organisations, including the Acute Hospital, in the Borough with respect to asset planning, sharing information and providing mutual support. We will continue to work with both Lewisham College (the local further education college provider) and Goldsmiths University on asset rationalisation and major investment proposals. We also work with the Metropolitan Police Authority and London Fire Brigade on asset planning.

In order to secure investment into social housing stock the Council has continued to work with Lewisham Homes, Phoenix Housing Trust and our RSL partners. We also work with RSL partners in planning their accommodation requirements, especially where these relate to transfer.

Over the last year we have formalised our work with public sector agencies operating in Lewisham who are now formally represented on a Lewisham Asset Management Board.

4 Service Delivery and Development Programme

4.1 Overview

Service planning, asset reviews along with corporate and asset objectives all point to the need to both rationalise and invest in the estate in order to provide an estate that is fit for purpose. This will be achieved in the following series of programmes divided by service areas and asset categories. These overlap and have complex interdependencies.

The Executive Management Team has given priority to a number of corporate programmes. The following re covered by this asset strategy. In addition there are a number of other areas of work related to the asset strategy that are set out in the following paragraphs.

Over the last few years the Council's Capital Programme has been supported by a significant level of asset sales. Site values have been continuously re-appraised in the light of market conditions. As a result disposals have continued to attract market interest in spite of the downturn in the housing market. This prudent approach has helped to ameliorate the impact of reduced land values but it is clear that a number of sites will need to be disposed of in future years in order to maintain even a reduced capital programme. A prolonged downturn and/or a significant medium term correction to land values could require the Council to "land bank" sites for longer than would be desirable or accept a lower price.

The next three years will require a focus on generation of revenue savings.

4.2 Schools

The Council has a strategic approach to meeting it's investment requirements. Population projections indicate growth in the school aged population over the next 10 years. In both the primary and secondary estate this could lead to a shortage of places.

The Council has sought investment in secondary provision through 3 routes:

- the development of two academy schools
- a three school PFI project and
- Building Schools for the Future (BSF).

The Academy schools and PFI projects are now completed. Three BSF schools (Sedgehill, Catford and Northbrook) have been delivered, Deptford Green is in construction and contractual agreement has been concluded for Prendergast Vale College, Bonus Pastor, a new ASD school and Prendergast Hillyfields. During the course of 2010 the Council secured the bulk of the BSF programme, although there may be some reduction in the resources available. Together, these programmes will transform secondary education and provide over £250m of investment in new buildings and ICT.

In the primary sector the short term growth in pupil numbers across the borough could lead to a requirement for between 18.5 and 28 additional forms of entry by 2017. During 2010 the Council bid for additional funding from the Basic Need Safety Valve round of capital grant but received no allocation.

During 2010 short term measures have been taken to provide additional capacity in a number of schools via “bulge” classes. Work has now commenced on the expansion and rebuild of both Gordonbrock and Brockley schools. However, these measures fall short of the likely needs and no alternative resources have been identified to meet the requirement for additional places. The DFE schools capital announcement for 2011/12 identified £12.7 m for basic need purposes which enables consideration of some permanent expansion of places.

Further proposals are being developed at Deptford Park primary school and the BSF programme will support delivery of a resource base at Addey & Stanhope school. This would complete the programme of works envisaged when the SEN Strategy was approved by the Mayor. In light of the growth in primary age pupils the strategy of providing resource bases is being reviewed as the demographics indicate a number of units that could not be funded given the current financial climate.

4.3 Customer Services

In 2007 Mayor and Cabinet agreed the Customer Service Strategy that proposed the transformation of the way services are delivered to citizens. The Executive Director for Customer Services, with the support of the Customer Services Board approved an options analysis, business case and delivery programme for delivering the Customer Services Strategy over the next 3 years.

The Programme has been successfully aligned with the WorkSmart Programme, the Adult Social Care and Health Transformation Programme and the ICT investment plan to maximise impact and release savings. During 2011 improvements will be made to the customer service “Front Office” arrangements in Laurence House.

4.4 Office accommodation

Over the last 3 years the Council re-appraised its requirements for office accommodation (the WorkSmart Programme) in the light of the changes to workstyles and has taken the opportunity of increasing capacity of existing buildings and disposing of redundant ones.

The programme was completed in 2010 delivering a reduction in 7 buildings, revenue savings of £1.1m, capital receipts of £2.2m and a reduction in costs per desk of 17%. The Council has undertaken a lessons-learned and closure report seeking to learn from our experience of adapting our people management and accommodation strategies to new ICT-enabled workstyles. Given the likely reduction in staff numbers, further rationalisation is planned over the coming two years.

In the longer term the Council's accommodation requirements could be met from the redevelopment of Catford Town Centre. Work on this continued in 2010 but delivery will be beyond the time horizon of this plan.

4.5 Housing

The Council's Arms Length management organisation (Lewisham Homes) manages the borough's core social housing managed on an interim basis. This interim arrangement is in place while other proposed investment options are being decided by residents; for example, ballots for stock transfer.

During 2010 a further stock transfer has taken place that has reduced the residual Council stock. Lewisham Homes achieved a two star rating from the Audit Commission, that should enable them to access Decent Homes funding. However, the Government has announced significant reductions in the level of capital funding available nationally and the implications of this for Lewisham Homes is not yet clear.

The proposed arrangements for new build social housing indicate a profound change. The implications for the delivery of new social housing implied by the reductions to housing funding from the Homes & Communities Agency and the proposal to enable RSLs committed to new development to increase their income by increasing rents towards 80% of market levels will take some time to fully understand. Given the Council's regeneration aims for Deptford and New Cross, that are largely private sector led, achieving the levels of social housing gain previously thought possible may prove difficult to deliver in practice.

4.6 Town Centre Regeneration

Development of three town centre locations in Deptford, Lewisham and Catford are being planned and delivered in a way that takes into account the Council's asset strategy. All are linked to delivering increased volumes of housing as part of the broader London and Thames Gateway policies. All also

involve the disposal of Council assets in a structured way that facilitates comprehensive development.

In Deptford, the work on the new Tidemill School and Lounge has continued and will complete in the Summer of 2011. The redevelopment of Tidemill School releases land for potential development of over 300 new homes and making progress on this will be a key piece of work in 2011. On Deptford Station, in 2010 Network Rail signed off all approvals required a contractor has been procured and work is scheduled to commence in the first quarter of 2011.

In Lewisham Town Centre work commenced on Council-owned land in Loampit Vale that will see the development of a new leisure centre and over 750 new homes. The Council continues to work in partnership with the Greater London Authority to release land for the Lewisham Gateway development. It is holding land that could be released when the owner of the shopping centre is ready to expand the centre, joining it to the Gateway development. In 2010 further site preparation work took place including temporary landscaping.

In Catford, the Council's long term objective is to use its land holdings to facilitate comprehensive redevelopment that will create a lively town centre focussed on high quality public spaces. During 2010 the Council acquired, via a wholly owned company, the leasehold interest in the main Catford shopping centre to facilitate its redevelopment. The aim remains to redevelop the centre to provide an improved retail offer, new homes for a large diverse residential community and a continuing home for Council services for the Borough.

4.7 Children and Youth Services

Through Sure Start additional funds have been invested in improved Children's Centres. Phases 1 and 2 have been completed in 2008 and Phase 3 will be completed by March 2011

In December 2010 the Department for Education confirmed approval to funding for the "My Place" initiative to develop a new youth facility in Wells Park.

4.8 Community and Leisure

Following national work by the Chief Executive on the community management of assets, a framework has been developed that provides a process to consider transfer of assets. A review has also identified current assets that are either seen as being in community use or have the potential of being a community resource. This framework has been agreed by the Asset Management Board and follows consultation with the Stronger Communities Board.

The provisions of the Localism Bill include the proposed Community Rights to Challenge and Buy are likely to have an impact on asset management. The Council has a well established approach to community asset transfer that may require adaptation in the light of these changes, dependent on the drafting of guidance from the Secretary of State.

During 2010 the Council agreed to transfer Besson Street Community Gardens to New Cross Gate Trust and the transfer will take place in 2011. In 2010 work on the redevelopment of the proposed New Cross New Deal for Communities Centre stalled following the withdrawal of the developer. Work has commenced on identifying how a revised scheme could be delivered.

In 2010 the Council programme to replace, expand and refurbish its leisure centres continued with a start on site for Loampit Vale and the letting of a construction contract for Forest Hill. The work to the new Tidemill-based library to replace Wavelengths will complete in Summer 2011.

4.9 Parks and Open Spaces

During 2010 work commenced in New Cross and Deptford (including the Pepys estate) to develop new walking and cycling routes and improve the public realm. Work continues on improvements to Ladywell Fields.

4.10 Service co-location

The Downham Health & Leisure Centre opened in March 2007 and combines a health centre, swimming pool, leisure centre, library and access point. These services are provided by private sector partners, PCT and directly by the Council. Other joint facilities with Health that have opened are the Kaleidoscope Centre and the Central Clinic. The next planned multifunction building is the new proposed new library customer access point and multi purpose community facilities building adjacent to Tidemill School. This will complete in 2011.

Building on this experience the Council will endeavour to group relevant facilities where this improves service delivery and produces cost savings. Service co-location is likely to become increasingly important as the pressure to deliver revenue savings increases.

4.11 Highways

Significant investment of an estimated £100m is required in the longer term into highways and footways. Over the last four years Investment into highway resurfacing has been funded from prudential borrowing and is reviewed annually. The extreme weather conditions experienced in the winters of 2009-10 and 2010-11 have worsened the condition of the borough's roads and there remain concerns about the on-going affordability of a programme in future years. The Council is also collaborating with other South East London

boroughs in developing a highways asset management plan that could address conditions collectively.

Investment into street lighting is being pursued in a joint PFI project with the London Borough of Croydon. This is now at an advanced stage of preparation with a likely commencement in 2011.

5 Conclusion

- 5.1 This Strategic Asset Management Plan sets out a clear direction for the improvements to the Council's asset base and provides a process for annual appraisal of performance and re-consideration of future years priorities.
- 5.2 The key priorities for 2011-12 are set out in the attached Action Plan and this and the Indicators of asset use will be the main document for appraising performance.