

Corporate Asset Sub-Committee – Outstanding Actions

Item	Date	Item and Action	Officer responsible	To be completed/ progressed to next stage	Progress Update
1.	25 May 2016, Agenda Item 1	<u>Appointment to remaining vacancies</u> Vacancies to be advertised to the whole Court and appointed by Finance Committee on 19 July 2016.	Town Clerk	July 2016	Members will be appointed on 19 July 2016.
2.	25 May 2016, Agenda Item 4	<u>Role of the Sub-Committee</u> The Sub-Committee to be provided with further information to clarify the role of the Corporate Asset Sub-Committee in comparison to other Committees.	Town Clerk and City Surveyor	July 2016	The role of the Sub-Committee is clarified within the report submitted to the meeting of the Finance Committee on 19 July 2016 regarding the review of its Sub-Committees. An extract from that report is appended to this document for Members' information. The full report is available online.
3.	11 March 2016, Agenda Item 4	<u>Heritage at Risk Register – Annual Report</u> Future annual reports to provide further information regarding the changes in the status of Heritage at Risk assets during the course of the last year.	City Surveyor	March 2017	Next annual report is due in March 2017.

Extract from report to Finance Committee – 19 July 2016

Review of Sub-Committees

22. Currently, CASC has a role that sits between a number of other Committees and Sub-Committees, and the exact role of CASC has not always been sufficiently clear.
23. The primary role of CASC should be the effective and sustainable management of all operational property assets to help to deliver strategic priorities and service needs. It does not have a direct role in allocating that property to particular Departments (that role sits with Resource Allocation Sub-Committee), approving major improvement Projects (this role sits with Projects Sub-Committee) or the operations of the properties allocated to the Departments (this role lies with each of the Service Committees).
24. However, it does have a role in overseeing all of these functions from a strategic viewpoint to ensure that the City of London Corporation is making the most efficient use of its operational properties and that they are being appropriately maintained in accordance with the Corporate Asset Management Strategy. Making efficient use of property is a duty placed on local authorities in the Housing and Planning Act 2016.
25. Asset Management has previously been identified as an area in which improvements could be made and, as part of the Service Based Review, a significant review was conducted (as part of the Strategic Asset Management Review, which also included the review of Facilities Management and the review of Operational Property). A major role of CASC will be to monitor the implementation of the conclusions of this review. To fulfil this role, it will need to be able to monitor all aspects of Operational Property Asset Management.
26. While the existing CASC Terms of References provide some direction regarding these duties, they do not clearly define the purpose of CASC. Therefore, the Terms of Reference of CASC have been redrafted (set out at Appendix C) to provide a more strategic overview of the purpose of CASC. However, there are some areas in which the existing Terms of Reference are silent.
27. The Terms of Reference do not presently indicate that CASC has a role in advising Service Committees on asset management matters. An explicit reference has now been included within the revised Terms of Reference.
28. The Terms of Reference also do not make explicit the Corporation's duties under legislation or the implementation of Standing Orders, the delivery of which CASC should monitor. Explicit reference has now been included to these functions.
29. One major aspect of facilities management which is not currently considered by CASC is energy usage. This is currently considered by the Efficiency and Performance Sub-Committee. It is recommended that responsibility for this sits better with CASC, as energy is a property occupancy cost. CASC's revised Terms of Reference now include this responsibility.
30. As stated above, the role of monitoring the delivery of major capital projects for the Corporation is largely fulfilled by the Projects Sub-Committee (for all projects of over £50k in capital or supplementary revenue, or over £250k in routine or ring-fenced revenue). Cyclical repairs and maintenance projects under this threshold are

monitored by CASC through the Additional Works Programme (which will be renamed as the Cyclical Works Programme from 2017/18).

31. Although it is not intended to change this arrangement, there does appear to be a role for CASC in taking a strategic view of major capital projects relating to operational properties prior to their commencing. This fits well within CASC's role of monitoring the implementation of a strategic approach to Asset Management.
32. It is not suggested that any change is made to the Gateway Approval Process. Members may wish to request that the Projects Sub-Committee and Policy and Resources Committee agree that consultation with CASC on operational property projects is added to the overall Project Procedure, which supports the Gateway Approval Process.
33. The risk of such an amendment is that it could cause a delay to projects. Therefore, it is likely that the most appropriate format for CASC to fulfil such a duty would be through annual reports from all areas of the Corporation to CASC, providing details of the forthcoming operational property projects. This would also allow CASC to ensure that operational property projects are in accordance with the Corporate Asset Management Strategy and Asset Management Plans. The Chairman and the Deputy Chairman of Projects Sub-Committee have been consulted and have indicated that they would be supportive of CASC taking a strategic role in the prioritisation of projects as long as this did not create delays to projects.
34. Should an amendment to the Project Procedure be agreed, the CASC Terms of Reference will be brought back to the Committee for amendment.
35. Another area related to the work of CASC which Members may wish to consider is the process for the disposal of properties designated as surplus to operational requirements. Currently, these properties are passed on to the Property Investment Board for disposal. However, these properties are not usually of the kind which that Board would include within their Investment Property portfolio and are therefore outside of the usual remit in which that Board operates.
36. In addition, in many cases these properties are not sold but are leased out to commercial tenants, which can mean that the City Surveyor has to manage the property and occupier. Therefore, the Committee may wish to suggest that the Property Investment Board and the Investment Committee consider whether it would be more appropriate for CASC to be the Committee responsible for disposing of properties determined to be surplus to operational requirements. Again, should an amendment be agreed, the CASC Terms of Reference will be brought back to the Committee for amendment.