

<b>Committee/Meeting:</b> Cabinet	<b>Date:</b> 03 October 2012	<b>Classification:</b> Unrestricted	<b>Report No:</b> (CAB 038/123)
<b>Report of:</b>  <b>Corporate Director:</b> Aman Dalvi  <b>Originating officer(s)</b> Adam Walther		<b>Title:</b> Asset Management and Value for Money - Scrutiny Working Group Report  <b>Wards Affected:</b> All wards	

<b>Lead Member</b>	Councillor Alibor Choudhury - Lead member for Resources
<b>Community Plan Theme</b>	A Great Place to Live, One Tower Hamlets
<b>Strategic Priority</b>	Work efficiently and effectively as one council

1. **SUMMARY**

- 1.1 This report submits the report and action plan in response to the review recommendations of the Scrutiny Working Group on Asset Management and Value for Money.

2. **DECISIONS REQUIRED**

The Mayor in Cabinet is recommended to:-

- 2.1 Consider this report of the scrutiny working group and agree the action plan in response to the review recommendations.

3. **REASONS FOR THE DECISIONS**

- 3.1 Significant reductions in both revenue and capital budgets has meant that the council has had to seek savings from every part of the organisation. An area which does not always receive the scrutiny and exposure as many service areas is in the management of the councils assets which number approximately 875. The scrutiny review group therefore sought to address this gap in our corporate understanding of asset management and efficiency.
- 3.2 The review group was established to look into how effectively the council is managing its stock, and in doing so, whether it is delivering value for money for its residents. The review addressed both capital and revenue spend – in both how the council manages its buildings, and how it manages energy use.

#### **4. ALTERNATIVE OPTIONS**

- 4.1 To take no action. This is not recommended as the proposed recommendations are strategic, measurable and attainable, and clearly address the council's need to better manage its assets. A timetable for delivering the recommendations has also been agreed by officers at the most senior levels of the organisation. The action plan is outlined in appendix 3.
- 4.2 To agree some, but not all recommendations. As outlined above all of the recommendations are achievable at little additional cost to the organisation. The review group deliberately chose to limit the recommendation to five, to ensure that action plans could be met, and agreed proposals held to account by councillors. Although the scrutiny review group is confident all the recommendations will be addressed, there may be reasons for not accepting all of them.

#### **5. BACKGROUND**

- 5.1 The working group was established in January 2012 to investigate how the council could improve the delivery of value for money when managing assets, both in capital and revenue terms.
- 5.2 The aim of the review was to bring to light a clearer understanding of how our assets are managed, and the energy costs of maintaining them. One year on from the publication of the Asset Strategy the review was particularly timely. The objectives of the review were to:
- Develop an understanding of how the council manages the costs of its assets in terms of both capital and revenue expenditure
  - Add value in recommending improvements with a focus on value for money and an understanding of legislative changes
  - Investigate how effectively the council manages energy efficiency and recommend improvements

#### **6. BODY OF REPORT**

The report investigates areas of significant spend and impact on council services. A core focus was on ensuring financial efficiency in managing council assets, and makes the following five recommendations to improve this area of council work:

## **Asset Management**

- R1. That the Asset Management Team provide a report on the viability of centralising asset management, i.e. moving towards a corporate landlord model.
- R2. That the Asset Management Team develop a framework and provide a resource to enable current and potential tenants to make more energy efficient use of community assets.

## **Energy Efficiency**

- R3. That the Sustainable Development Team investigate incentives for all users of council assets to become energy efficient. This would include staff, schools and the third sector.
- R4. That the Sustainable Development Team provides a regular report on our performance against our carbon management commitments as outlined in the Carbon Management Plan 2009.
- R5. That Corporate Finance provide greater clarity on energy costs and that this is reflected transparently in budget reports where appropriate.

## **7. COMMENTS OF THE CHIEF FINANCIAL OFFICER**

- 7.1 Overview and Scrutiny Committee are asked to agree the recommendations of the Scrutiny Working Group on asset management and value for money. The recommendations relate both to overall asset management issues and more specifically to improving energy efficiency across the asset portfolio.
- 7.2 With regard to the former, work is in train to assess the viability of centralising the management of assets under one directorate (a 'corporate landlord' model). The costs associated with this will be assessed in accordance with an appropriate business case. Similarly the directorate is developing a community assets register and reviewing for processes for the external body utilisation of Council owned community assets. Again that work stream will be contained within existing directorate resources.
- 7.3 With regard to the energy efficiency recommendations, investigating incentives for enhancing best value, reporting on performance and better reporting of energy costs, the associated costs are primarily staff related and would have to be funded from compensatory opportunity savings within Development and Renewal.

**8. CONCURRENT REPORT OF THE ASSISTANT CHIEF EXECUTIVE (LEGAL SERVICES)**

- 8.1 The Council is required by section 9F of the Local Government Act 2000 to have an Overview and Scrutiny Committee and to have executive arrangements that ensure the committee has specified powers. Consistent with this obligation, Article 6 of the Council's Constitution provides that the Overview and Scrutiny Committee may consider any matter affecting the area or its inhabitants and may make reports and recommendations to the Full Council or the Executive in connection with the discharge of any functions. It is consistent with the Constitution and the statutory framework for the Executive to provide a response.
- 8.2 The scrutiny report is primarily concerned with increasing efficiency in the management of the council's commercial property portfolio. This objective is consistent with the council's obligation as a best value authority within the meaning of the Local Government Act 1999. Section 3 of the Local Government Act 1999 requires the council to "make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness".
- 8.3 To the extent that the council required any additional source of power to pursue particular recommendations, such as in relation to energy efficiency, this may be found on the Council's general power of competence in section 1 of the Localism Act 2011. The general power enables the council to do anything that individuals generally may do, subject to such restrictions and limitations as are imposed by other statutes.
- 8.4 Before agreeing the proposed action plan, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who don't.

**9. ONE TOWER HAMLETS CONSIDERATIONS**

- 9.1 A consistent approach to assets supports effective service provision. The report specifically recommends that a clear framework and resource are provided to better enable those using our buildings to make more efficient use of council assets.
- 9.2 An effective approach to asset management contributes to One Tower Hamlets in relation to reducing inequality and meets our public sector Equality Duty. Delivering the recommendations will lead to greater transparency in how the council is managing its assets and allows community groups and residents to better understand where and how

money is spent on our assets. Greater transparency allows more residents to become engaged with the area of asset management.

## **10. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT**

- 10.1 A core part of this report centres around energy efficiency and provides recommendations which further sustainable action for a greener environment. The report recommends that incentives are investigated to ensure that assets become more energy efficient and make a lower impact on our environment.

## **11. RISK MANAGEMENT IMPLICATIONS**

- 11.1. Risks relating to the recommendations will be monitored through the council's corporate risk register and directorate risk registers. Risks are assessed for likelihood and impact, and will have responsible owners and programmes of mitigating actions.

## **12. CRIME AND DISORDER REDUCTION IMPLICATIONS**

- 12.1 There are no direct implications of crime and disorder as a result of the recommendations of this review.

## **13. EFFICIENCY STATEMENT**

- 13.1 The basis of the scrutiny review is to ensure greater value for money and efficiency when managing council assets and makes recommendations to this effect.

## **14. APPENDICES**

**Appendix 1:** Asset Management and Value for Money - Scrutiny Working Group Report

**Appendix 2:** Energy Costs – evaluation and breakdown of sectors

**Appendix 3:** Tower Hamlets Energy Consumption 2009/10

**Appendix 4:** Scrutiny review action plan

**List of “Background Papers” used in the preparation of this report**

Brief description of “background papers”

Name and telephone number of holder and address where open to inspection.

**None**

N/A

**Appendix 1**

**Asset Management and Value for Money -  
Scrutiny Working Group Report**



**London Borough of Tower Hamlets**  
May 2012





## Chair's forward

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### **Councillor Sirajul Islam Chair of Working Group, Scrutiny Lead, Resources**

Following the Spending Review 2010, the council is faced with a reduction central government grant income of approximately £84m over four years. This includes reductions in revenue income of over 30% and capital funding reductions of over 45%. This involves a significant programme of cost reductions which is being sought from all areas of the council with difficult decisions having to be implemented.

An area which does not always receive the scrutiny and exposure as many service areas is in the management of the councils assets which number approximately 965. This is a significant service area, and one which offers numerous opportunities to make savings. Any reduction in net spend through improved asset management allows the council to invest in service provision, highlighting the importance of this area.

The review group was established to look into how effectively the council is managing its stock, and in doing so, whether it is delivering value for money for its residents. Although a short period of three months placed some restriction on our scope, we were able to review both capital and revenue spend – in both how the council manages its buildings, and how it manages energy use.

I am pleased to present a report which addresses significant areas of council spend clearly and concisely. I have found many examples of effective asset management, and officers which are working hard to deliver value for money through our portfolio, often in difficult circumstances. However, the review group has identified some areas of weakness, and room for improvement in delivering value for money.

Asset management is a large and complex area of council work, and one which a small scale review would not be able to cover. Nevertheless, this report provides some significant recommendations which we believe will improve the way in which the council manages its assets, and will save the council money in the longer term.

## Summary

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The scrutiny review group sought to establish the progress made in implementing the council's Asset Strategy which was adopted in February 2011 and to assess the extent to which it is achieving its aims of delivering improved value for money. Drawing on council documents, work from other councils, best practice and interviews, the review group analysed how the asset management team manage capital expenditure, and how the strategy, regeneration and sustainability team manage the energy costs of running the councils buildings, a significant part of revenue expenditure.

The primary aim of the review was to ensure that the council was taking value for money seriously, and where it was felt this was not the case, to offer recommendations for improvement. In the short timescales available to the group the conclusion drawn was that the council is working well in its drive to become more efficient with fewer resources.

### Key Findings

1. That the council takes value for money seriously and has adopted a number of strategies and measures to implement this in practice in relation to Asset Management.
2. That the bringing together of numerous asset management functions has achieved greater efficiency. Examples of measures taken to improve efficiency are outlined in this report.
3. That the management of council assets has not been fully centralised – school buildings are managed by colleagues in Children, Schools and Families. However there has been significant progress in building a corporate asset management function and expanding this is being explored as a possible avenue for future savings.
4. The cost of energy are significant but fluctuations in energy prices has a greater influence on spend than energy use. Therefore allocating energy costs to a specific budget holder is not viable since costs are dependent to a large extent on global fluctuations in energy prices. Nevertheless, energy use should be monitored so that we are spending the smallest amount possible on energy at any point in time. Energy use and costs should therefore be outlined more clearly in council budget reports where possible.
5. That through our membership of the government energy supply contract the council has been able to access the achieve best value on energy costs. However, where energy costs are met by the council clearer incentives are required by all users of council properties to ensure that they are acting as energy efficiently as possible.
6. That the move out of Anchorage House will achieve significant energy savings, but that further detailed and final savings are yet to be confirmed.
7. That the council has made progress towards achieving its goal of reducing carbon emissions by 25% by 2012 as outlined in Carbon Management Plan

2009. So far the council made 4.7% reductions in carbon emissions 2008-2010. However, a full report is required to assess current progress.

The research and findings have led to a number of recommendations.

## **Report Recommendations**

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### **Asset Management**

- R1. That the Asset Management Team provide a report on the viability of centralising asset management, i.e. moving towards a corporate landlord model.
- R2. That the Asset Management Team develop a framework and provide a resource to enable current and potential tenants to make more energy efficient use of community assets.

### **Energy Efficiency**

- R3. That the Sustainable Development Team investigate incentives for all users of council assets to become energy efficient. This would include staff, schools and the third sector.
- R4. That the Sustainable Development Team provides a regular report on our performance against our carbon management commitments as outlined in the Carbon Management Plan 2009.
- R5. That Corporate Finance provide greater clarity on energy costs and that this is reflected transparently in budget reports where appropriate.

## 1. Background and methodology

- 1.1 The management of the council's 875 (non-housing) assets is a key part of council strategy. All council services require robust asset management to function effectively. In addition the Council owns 80 buildings which are used by third sector and community groups and ensuring these are managed effectively is key to enabling these groups to operate effectively.
- 1.2 The Corporate Asset Strategy agreed by Cabinet in February 2011, provided the backbone to the scrutiny review. The Strategy set out the following four key objectives agreed in 2011:
- To support and enhance service delivery, ensure user satisfaction and meet broader council objectives
  - To ensure that the council meets all its statutory obligations and that buildings are fit for purpose, in terms of location and condition
  - To ensure value for money in management, maintenance and use of land and buildings
  - That the procurement of works for buildings ensures sustainable design and that the buildings are maintained and managed in a way that maximises their energy efficiency
- 1.3 The review group therefore sought assurances that all four objectives were being met. However, limited timescales meant that the review group focused its analysis on the latter two areas: value for money in asset management; and ensuring asset energy efficiency. This report therefore focuses on these two areas.

## 2. Value for money in asset management

- 2.1 Background and challenges
- 2.2 The Asset Management Team is responsible for making sure that the council is making the best use of its assets, developing a long term strategy, and holding its properties at the lowest possible cost.
- 2.3 Internally it is seeking to become more efficient with Facilities Management and Building Schools for the Future having merged into the team in 2010, creating a shared resource. Major projects being run from the Team include the decant of Anchorage House and the creation of a number of offices which will enable co-location of staff from different services.
- 2.4 Externally the Asset Management Team has four core approaches to ensuring value for money. These four objectives are outlined and expanded upon in the Asset Strategy 2011:
- To own and occupy fewer buildings.
  - To reduce the running costs of our buildings.

- To increase the occupancy levels of our buildings and maximise opportunities for co-location of services (including partners).
- To challenge the business case for retaining properties and sell surplus properties in a timely and efficient manner.

2.5 The Asset Management Team have identified the following key priorities for the service:

- § Improve its ability to collate and manage asset data and develop an accurate property database
- § Support the delivery of more council homes, through the utilisation of council owned sites
- § Retain an asset disposals programme which supports the council's financial planning and investment and ensures transparency of disposals
- § Improve the management of the council's community assets
- § Develop a joined up approach to managing the council's assets – promoting the corporate landlord model. Under a centralised model, the Asset Management team would be responsible for strategic asset management, delivering capital investment and ensuring surveys for statutory compliance and undertaken and monitored. The team would also take responsibility for the day to day management of buildings, their repair and maintenance. The benefits of this model include the centralisation of staff, reduction in duplication and savings opportunities (e.g. through corporate procurement of services previously procured department by department). This model would require more investigation. A more extensive report into the viability of this model is outlined as Recommendation One.

2.6 The Asset Management Team will take a lead on ensuring that public sector providers seek further opportunities for co-location, particularly as the council takes on responsibility for public health.

#### Steps to provide greater value for money

2.7 The council is committed to completing rent reviews and lease renewals on time to generate increased revenue for the council. In 2011/12 the council achieved a 10% increase in the total income raised from renting property.

2.8 The Asset Management team are actively marketing properties to let, either before they become vacant or on becoming vacant.

2.9 The team has also developed and implemented plans to generate advertising income from sites in the borough, including the letting of the A13 highway. New plans are currently being developed to build on this.

- 2.10 Where the opportunity arises and where it is appropriate to do so the Asset Management Team lease out empty office space and openly market other commercial property to generate new income. To maximise market penetration and income, they often use external agents to do this.

### Delivery of savings

#### 2.11 *Income*

- § In 2010 the Asset Management Team have secured approximately £300,000 per annum in new income from letting commercial property
- § The Team are therefore on target to generate a further £300,000 per annum from new lettings this year

#### 2.12 *Savings*

- § Through the disposal of assets savings in excess of £240,000 and total capital receipts in excess of £6m will be achieved this year
- § By relocating services and acquiring 585-593 Commercial Rd savings of approximately £200,000 per annum are achieved against the proposed rental of keeping a service at the Leven Road site. The site purchased has regeneration potential and a market value of £5m (2011 valuation)
- § Resulting from the review of council assets we are aiming for savings of £250,000 per year (some of this figure has already been achieved) and resulting from the development/redevelopment of a number of council property, it is projected that savings of approx £320,000 per year will be achieved in 2012-13

#### 2.13 *Summary*

- § Total new income generated approximately £300, 000
- § Total Capital receipts in excess of £6m will be achieved in 2012-13

- 2.14 The above information does not take into account all of the current work in progress in respect of both new income (revenue and capital) and additional savings. The financial details resulting from work in progress will be known in the coming months.

- 2.15 The current estimated expenditure on community assets is £250,000. The expenditure is targeted towards statutory health and safety surveys and works and external property maintenance and repairs.

- 2.16 In light of the Localism Act and the Community Right to Bid within the Act, a review of asset allocations is being carried out by officers in Asset Management team. This will inform the development of a list of Community Assets, as required by the Act. This is addressed as an area for greater work in Recommendation Two.

### 3. Ensuring the energy efficiency of assets

#### Background and challenges

- 3.1 Tower Hamlets spends millions of pounds on energy each year, in a volatile market that is set for price increases in both energy commodity costs and charges for pipes and wires. This presents an inflationary pressure on council expenditure but also highlights the value of improving energy efficiency.
- 3.2 Wholesale energy prices are influenced by a range of factors including supply security, weather trends, exchange rates, European prices, geopolitical issues and market sentiments. This complicated mix can result in price volatility of 5-10% over the course of a few days and 100% in a year.
- 3.3 Utilities are not a typical expenditure category in that they do not display the same attributes as other categories where we are trying to make savings. Prices are market driven and simply setting a savings target of 10% through supplier negotiation or using lower price variants is not possible.

#### Steps to provide greater value for money

- 3.4 The Strategy, Regeneration & Sustainability service in the Development and Renewal Directorate work hard to ensure that the council pays the lowest possible cost for the energy consumed in heating, lighting and running our buildings. The council has entered into a government procurement process on a flexible contract allowing it to secure energy as cheaply as possible. Were the council to procure energy alone, costs would probably be around 20% higher. A breakdown of costs is given in Appendix 1.
- 3.5 The review group looked into the cost of energy in community and council managed assets, which are outlined in Appendix 2. It was felt that there were not sufficient incentives for users to invest resources into energy efficiency, especially where the council contributes to energy costs. Recommendation Three of this report has therefore requested that incentive schemes are investigated.
- 3.6 In recent reviews by both the Cabinet Office and the London Energy Project, the Buying Solutions contract of which the council is part was found to be in the upper performance quartile and have “outperformed market benchmarks” (set using a methodology endorsed by Cabinet Office and HM Treasury). The Energy Team continues, therefore, to deliver good results in the Public Buying Organisation sector as well as, albeit anecdotally, against private sector companies.
- 3.7 In terms of energy efficiency the council has made progress in reducing its carbon emissions. So far the council has made 4.7% reductions in carbon emissions 2008-2010. As part of the Carbon Management Plan 2009 the council aims to have reduced emissions by 20% by the end of 2012. Further reductions are expected in the following years through property rationalisation by moving out of Anchorage House, supported by the Smarter Working programme which will enable staff to work out of the office. Recommendation

Four requests a further report on our performance against our carbon emissions targets.

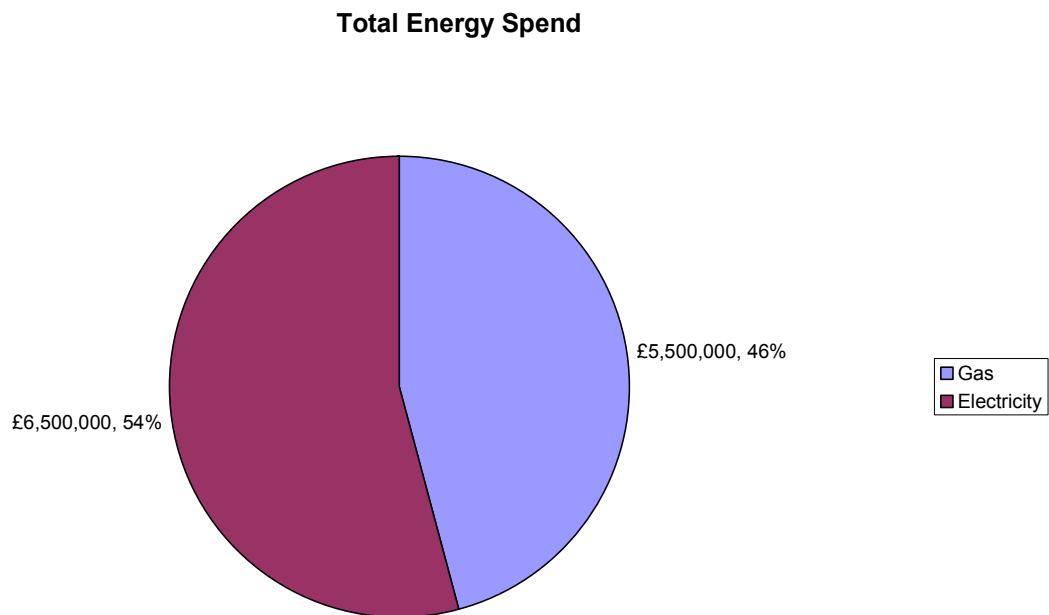
- 3.8 The review group found that although the council was making savings through effective procurement and Smarter Working, it was difficult to assess how this is translated into spend. Greater clarity on presenting our energy expenditure clearly is outlined as Recommendation Five.
- 3.9 The council has also secured £135,000 from the Olympic Delivery Authority / Greater London Authority to provide energy efficiency works to three schools in the borough. These works will be completed in the summer of 2012.



## Appendix 2: Energy Costs – evaluation and breakdown of sectors

*Please note that the following are an average over 2009 – 2011 to give you an overall picture of the energy distribution. A further breakdown of the Tower Hamlets estate will be available in the next energy report (due in May 2012).*

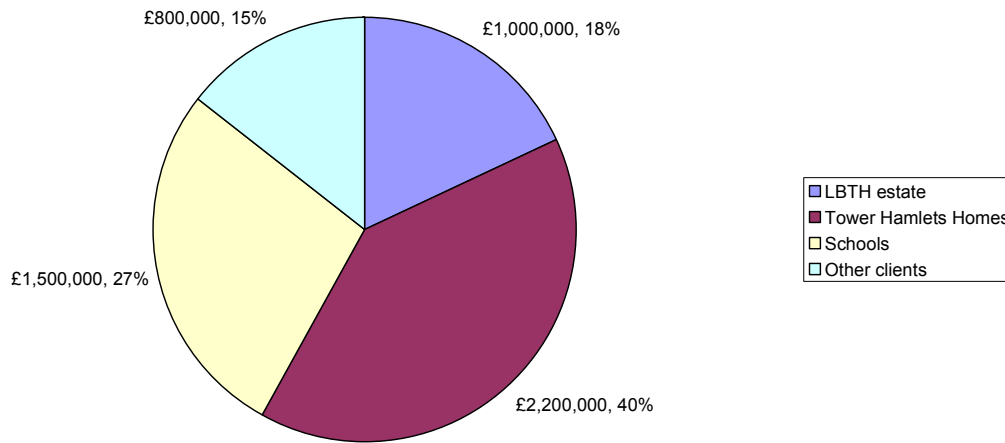
### Energy split – Heat (gas) and Power (electricity)



### Energy split between clients – Gas

Please note the costs for Tower Hamlets Homes (THH) includes all communal areas and THH offices. Tenants and leaseholders are recharged out of this total for communal use.

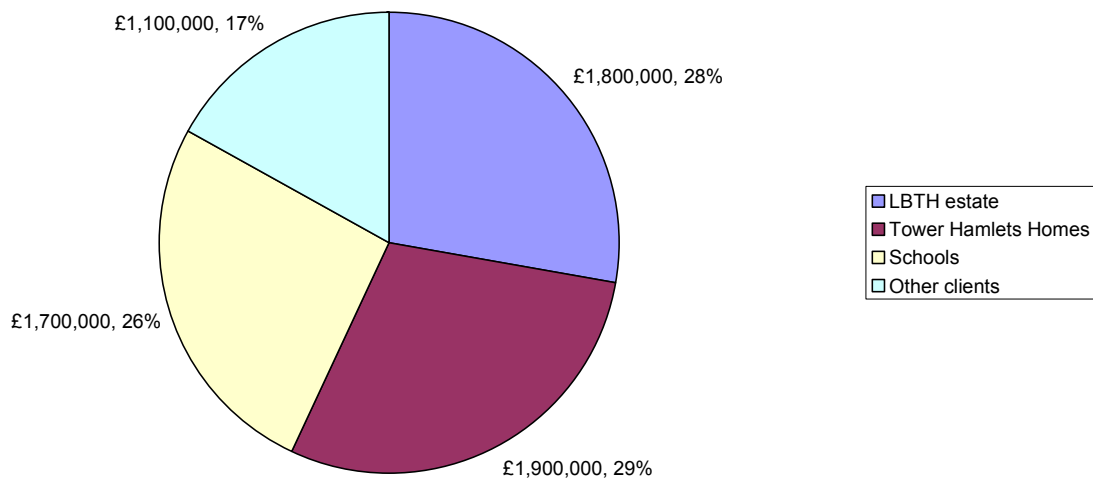
**Gas breakdown**



### Energy split between clients – Electricity

Please note the costs for Tower Hamlets Homes (THH) includes all communal areas and THH offices. Tenants and leaseholders are recharged out of this total for communal use.

**Electricity breakdown**



### Appendix 3: Tower Hamlets Energy Consumption 2009/10

#### Top Electricity Consumers

Site	Area m <sup>2</sup>	kWh used 2010/11	kWh/m <sup>2</sup>	Average annual costs £
GLL- Whitechapel Sports Centre	4302	3572229	830.4	330,000*
Resources- Toby Lane Depot	590	337180	571.5	31,000
CLC- Library- Watney Market Library	171	50453	295.0	4,850
Resources- Mulberry Place, 5 Clove Crescent, E14 2BG	17075	4510466	264.2	407,000
CLC- Library- Whitechapel Idea Store	3462	898299	259.5	82,000
D&R- Somali Day Centre Mayfield House, Cambridge Heath Road London E2 9LJ	114	28097.2	246.5	2,700
D&R- Wapping Riverside LHO 19 Prusom St, E1 9RR	424	94309	222.4	8,900
Resources- Coroner's court (Front of) 127 Poplar High Street	303	62683	206.9	5,800
CLC- Library- Bancroft Archive Library	1627	325694	200.2	31,000
GLL- Mile End Leisure Centre	5200	958251	184.3	88,000*
Resources- Anchorage House	19640	3491356	177.8	329,000*
Resources- Blackwall Goods Yard Depot	1399	238910	170.8	23,500
D&R- Stifford Community Centre, 2-6 Cressy Place	210	31437	149.7	2,950
D&R- Granby Hall Day Centre 37 St Matthews Row, London, E2 6DT	630	93231	148.0	8,500*
GLL- Mile End Stadium	1162	147618	127.0	15,000
Resources- Albert Jacob House, 62 Roman Rd, London, E2 0PG	4518	542382	120.0	50,000
AHW- 82 Russia lane	1017	117564.9	115.6	11,000
GLL- St George's	3368	385204	114.4	36,000*
Resources- Jack Dash House, 2 Lawn House Close, London, E14 9YQ	4843	476472	98.4	44,000
GLL- John Orwell Sports Centre	1896	185127	97.6	18,000*

## Top Gas Consumers

Site	Area m <sup>2</sup>	kWh used 2010/11	kWh/m <sup>2</sup>	Average annual costs £
GLL- St George's	3368	2289183	679.7	54,000*
9 &10 Heron Quay (Skillsmatch)- leasehold	166	89242	537.6	2,200*
GLL- Mile End Leisure Centre	5200	2225315	427.9	53,000*
GLL- Mile End Stadium	1162	365975	315.0	8,600*
Resources- Watts Grove Depot	662	197859	298.9	4,700
D&R- Toby Club, Vawdrey Close E1 4UA	806	215940	267.9	5,200
GLL- Tiller Leisure Centre	3269	861400	263.5	21,000*
Resources- Toby Lane Depot	590	139006	235.6	3,300
D&R- Wapping Youth Club, Tench Street, E1W 2QD	855	182307	213.2	4,300
CLC- Library- Chrisp Street Idea Store	1244	261240	210.0	6,200
Resources- Coroners court (Front of) 127 Poplar High Street	303	60025	198.1	1,500
CLC- Library- Bethnal Green Library	1293	210932	163.1	4,950
AHW- 82 Russia lane	1017	162769	160.0	disposal
Resources- Bromley Public Hall, Bow Road	703	100309	142.7	2,500
GLL- Whitechapel Sports Centre	4302	609172	141.6	14,000*
Resources- Albert Jacob House, 62 Roman Rd, London, E2 0PG	4518	507842	112.4	12,000
Resources- Anchorage House	19640	1747113.8	89.0	71,000*
GLL- John Orwell Sports Centre	1896	158125	83.4	3,900*
Resources- Mulberry Place, 5 Clove Crescent, E14 2BG	17075	1186553	69.5	28,000
D&R- Canal Club, Waterloo Gardens, London, E2 9HP	421	24447	58.1	600
D&R- Collingwood Tenants Hall, Collingwood Street, E1 5RF	343	19777	57.7	500
Resources- Jack Dash House, 2 Lawn House Close, London, E14 9YQ	4843	256160	52.9	6,000

\* assumed costs

**Appendix 4: Scrutiny review action plan**

<b>Scrutiny Review Action Plan – Asset Management</b>			
Recommendation	Response / Comments / Action	Responsibility	Date
1. That the Asset Management Team provides a report on the viability of centralising asset management, i.e. moving towards a corporate landlord model.	The Asset Management Team will provide a report with recommendations and a timetable for moving towards a corporate Landlord model.	<b>Head of Asset Management</b>	<b>November 2012</b>
2. That the Asset Management Team develops a framework and provides a resource to enable current and potential tenants to make more efficient use of community assets.	The Asset Management Team will provide an action plan and timetable outlining how external providers can make more efficient use of assets. A framework will be provided for external groups, where requirements for financial and energy efficiency are clearly outlined.	<b>Head of Asset Management</b>	<b>November 2012</b>
3. That the Sustainable Development Team investigates incentives for all users of council assets to become energy efficient. This would include staff, schools and the third sector.	The Sustainable Development Team will produce a staff engagement strategy to empower building users to engage in the carbon reduction strategy for all building within the scope of the carbon management plan. The strategy will report on incentives and a timetable and costs for implementation.	<b>Sustainable Development Team</b>	<b>November 2012</b>

<p>4. That the Sustainable Development Team provides a regular report on our performance against our carbon management commitments as outlined in the Carbon Management Plan 2009.</p>	<p>As part of the annual monitoring report to Department of Energy and Climate Change (DECC) the Sustainable Development Team will produce an annual progress report of performance, the report will outline current position and forecasts against carbon management commitments.</p>	<p><b>Sustainable Development Team</b></p>	<p><b>September 2012</b></p>
<p>5. That Corporate Finance provides greater clarity on energy costs and that this is reflected transparently in budget reports where appropriate.</p>	<p>As part of the current financial improvement project, a new finance system (“Agresso”) is scheduled to be introduced from April 2013. This system will simplify the budget monitoring process and its greater functionality and enhanced reporting capability will offer the opportunity to provide a much greater level of information and scrutiny. The current system used by the authority to monitor energy usage (“Team Sigma”) will be used to enhance the information available.</p> <p>In the meantime, budget monitoring reports submitted from the second quarter of the 2012-13 financial year will incorporate an assessment of budgetary assumptions compared to the actual position in relation to energy costs. The Scrutiny Panel should however be aware that spending data on energy is far more influenced by price fluctuations than by usage. As part of the budget preparation process for 2013-14, energy costs will be reviewed in detail.</p>	<p><b>Corporate Finance</b></p>	<p><b>December 2012</b></p>