

# Asset Management Strategy 2015-2018



## Foreword



I am pleased to present the Asset Management Strategy.

It is recognised that the management of assets is key to achieving my goals and objectives. The effective and efficient management of our assets will be essential to support our future operating model.

I will review all the procurement processes for the purchase of new and replacement equipment to ensure that the life span of the equipment is taken into consideration to make best use of the money allocated. I need to ensure that we are investing in the best equipment to enable officers and staff to provide a first class service to the public of Cheshire. I am acutely aware that we have limited funds and will ensure we spend on assets that provide the best service and have the best return on investment.

Through collaboration with partners we will share facilities and assets. This will enable us to be where the public needs us and when they need us. By working with our partners we will look to reduce costs but ultimately reduce crime, bring offenders to justice and put the victim at the heart of everything we do.

John Dwyer, Police and Crime Commissioner

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## Purpose of the Asset Management Strategy;

The purpose of this Strategy is based on the definition of strategic asset management as set out in the 2008 Royal Institution of Chartered Surveyors (RICS) Public Sector Asset Management Guidelines which state:

‘Strategic asset management is the activity that seeks to align the asset base with the organisation’s corporate goals and objectives. It ensures that the ..... asset base of an organisation is optimally structured in the best corporate interest of the organisation concerned.’

The Commissioner and the Chief Constable recognise that land and buildings, fleet and equipment are key resources to help achieve our goals and objectives.

## Background;

At the 31 March 2014 the Commissioner owned the following assets:

<b>2013/14</b>	Property	Vehicles	Equipment	Intangibles	Total
<u>Cost or Valuation</u>	£000	£000	£000	£000	£000
At 1 April 2013	76,712	11,374	23,907	13,156	125,149
Additions	179	1,389	1,380	609	3,557
Revaluations	(1,229)	0	0	-	(1,229)
Disposals	(585)	(760)	(5)	(21)	(1,371)
Reclassifications	(219)	76	0	0	(143)
At 31 March 2014	74,858	12,079	25,282	13,744	125,963

### Depreciation/Amortisation

At 1 April 2013	(2,421)	(8,942)	(19,330)	(6,806)	(37,499)
Charge in year	(2,352)	(731)	(1,757)	(1,550)	(6,390)
Disposals	8	647	5	21	681
Revaluations	2,368	0	0	0	2,368
Reclassifications	0	(36)	0	0	(36)
At 31 March 2014	(2,397)	(9,062)	(21,082)	(8,335)	(40,876)
Net Book Value at 1 April 2013	74,291	2,432	4,577	6,350	87,680
Net Book Value at 31 March 2014	72,461	3,017	4,200	5,409	85,087

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Further details of the property, vehicles and IT equipment are held by the respective departments and referred to within their own strategies. In addition to the above assets, other lower value equipment is held by the Constabulary and is recorded within departmental asset registers.

Significant budgetary savings are going to be required over the foreseeable future in response to the Government's continuing austerity drive. The Constabulary is undertaking an annual root and branch review of the way that policing is delivered across Cheshire. The outcomes from this ongoing review will influence the way that business services are delivered in supporting this revised model of policing.

The effective and efficient management of our assets will be essential to support our future operating model.

What we want the asset management strategy to achieve;

**We will be successful in delivering our asset management strategy when.....**

- *Our assets are effectively aligned to enable us to efficiently deliver against the policing priorities in Cheshire.*
- *We have an efficient method of maintaining and replacing assets and monitoring associated costs in order to effectively ensure security and best value.*
- *We have a robust planning process that allows us to identify our future asset requirements against sound business cases in order to maintain our effectiveness, as crime and the needs of our communities evolve.*
- *We can demonstrate reduced costs through collaborating with partners to share expensive but essential assets in order to maintain capability.*



## How we will achieve the strategy;

***Our assets are effectively aligned to enable us to efficiently deliver against the policing priorities in Cheshire.***

The principle of asset maximisation is to derive the most benefit (both financially and in the usage) from the investment made in the purchase (and implementation) of an asset. In order to maximise asset use, Local Policing Units and Headquarters departments will need to establish mechanisms in agreement with the Finance Department to monitor:

- the location of, use of existing assets and their replacements
- any requests for and purchases of new assets

Asset maximisation will involve:

- Monitoring and understanding vehicle use to ensure that vehicles are not idle
- Monitoring the use of operational equipment and ensuring that it is available to those officer and staff that require it
- Ensuring that Information Technology is available in those places and to those officers and staff that need it - using a 'role-based' approach wherever possible to ensure consistency and fairness
- Ensuring that buildings are utilised efficiently, in the right places and properly equipped and comply with all the necessary legislation (e.g. Health & Safety)
- Monitoring furniture / office equipment availability



The three main categories of assets held are property, vehicles and IT equipment (including software). Each category is accompanied by a specific strategy that looks at the assets held, their maintenance and their subsequent replacement or disposal at the end of their functional life. Each strategy links into the policing priorities in Cheshire.

***We have an efficient method of maintaining and replacing assets and monitoring associated costs in order to effectively ensure security and best value.***

Asset security underpins asset management and needs to consider not only ensuring that the assets are not misappropriated but also that they are not misused, damaged or put officers, staff and the public at risk.

Asset security will therefore consider the potential for assets to be lost; stolen; used for non-police purposes or inappropriately used. Consideration of these issues must take due regard to risk management principles, the organisation's appetite for risk and the cost of insuring such assets. Assets of high value are likely to require greater attention than those of lower value but other issues will be equally relevant and consideration will be given to:

- Value (including second hand value)
- Portability
- Attractiveness
- Uniqueness
- Potential for harm (e.g. firearms)
- Potential for reputational damage (e.g. uniforms)

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A range of options will be available to secure assets and will include physical security such as locks; personal issue and accountability; security marking and electronic security for IT equipment such as encryption. Simple training sessions will be provided when issuing IT equipment to staff, in order to ensure that equipment is used effectively and securely.

Management of asset life is important both to business continuity and good financial management. The purpose is to ensure that assets are fully functional during their lifespan and that when assets reach the end of their life appropriate arrangements are in place to replace them if necessary and/or dispose of them.

Consideration of asset life must begin with the procurement of any new asset. During procurement specific consideration should be given to:

- The working life of the asset and whether/when it will need to be replaced
- Any support or maintenance required should the asset cease to function correctly or become damaged
- Any requirements associated with the disposal of the asset – in particular legislative requirements and the environment. There are costs associated with the environmentally safe disposal of many assets.

Costs associated with all of the above will be identified and incorporated within the medium term financial strategy.

***We have a robust planning process that allows us to identify our future asset requirements against sound business cases in order to maintain our effectiveness as crime and the needs of our communities evolve.***

As part of the Medium Term Financial Strategy, provisional capital programmes will be linked to the relevant departmental strategy (e.g. Estates). This brings together not only the capital investment requirements, but the need for capital funding and on-going revenue commitments or savings.

Each year a prioritisation process will be undertaken for new capital investment proposals accompanied where appropriate with a business case. Priority will be given to those schemes that are required to replace operationally critical assets such as vehicles and those schemes which are 'invest to save' or those which relate to legislative compliance. All schemes must demonstrate how they deliver against the Police objectives. Each bid will be scrutinised by both Chief Finance Officers before submission to the Commissioner for approval, as part of the budget process.

Future 'core IT investments' will be planned more strategically going forward, through the creation



of IT Strategic Roadmaps. These roadmaps will underpin the IT Strategy, and cover a number of different technology streams (for example Network Infrastructure, Desktop Computers, or Office Systems). They will help the Force identify its significant IT investment points looking forward over the next 5 years. These investments may be triggered by 'events' (such as assets reaching end of life, systems reaching capacity, or contracts coming to an end); or they may be triggered by 'emerging opportunities' to deliver a particular IT service in a

different way (e.g. via 'Cloud' services); or finally they may be needed to support a particular business change that is being planned. The roadmaps will drive both the decommissioning of existing

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assets and the acquisition of new IT assets, ensuring that these activities are undertaken in a robustly planned way.

***We can demonstrate reduced costs through collaborating with partners to share expensive but essential assets in order to maintain capability***

A key criterion for the scrutiny process is to challenge the need for capital investment and be satisfied that all options have been considered. Where collaboration is available it should be pursued.

Within the key asset' strategies such as Estates, currently held assets are regularly reviewed to check that they are still required, are fit for purpose and are the most cost effective means of delivering the service/purpose required. Opportunities to share assets are an important consideration within these reviews.

This asset management strategy relates to our other organisational strategies including:

- Commissioning Strategy
- Finance Strategy
- Estate Strategy
- Environmental Strategy
- Fleet Strategy
- Procurement Strategy
- Information Technical Strategy

## Key Milestones/Measures

Key milestones and measures are:

- All assets held are identified, secured, used appropriately and maintained within the remit of providing value for money
- Land and Buildings are valued on a rolling five year cycle and reviewed annually
- Legislative compliance – including condition surveys (buildings), sufficient programme licences are in place (IT) and Replacement programme for vehicles (Fleet).
- All unused assets be reviewed and either retained for future use or sale when the market demonstrates best value or declared surplus and sold or disposed of effectively.
- New capital investment in assets is targeted, meets the Police objectives and is sourced in the most cost effective means which may include sharing and collaboration.
- Information Technology Roadmaps are issued and linked in to the IT Strategy, with a process in place for annual refresh
- Continuous striving for improvement.