

## Appendix 2

### Asset Management Action Plan for 2016/17

No.	Action	Responsibility	Date	Outcome
1	Accommodation Moves: a) Terminate the Authority's Lease for Media Chambers b) Obtain signed agreement for cash sum and termination of the lease in respect of dilapidations c) Agree lease for Metropolitan Chambers d) Project manage accommodation changes and move into Metropolitan Place	PH	4th May 2016 14 <sup>th</sup> March 2016 25 <sup>th</sup> March 2016 18 <sup>th</sup> April 2016	Lease terminated Agreement signed off for dilapidations and break in the lease Lease agreed for Metropolitan Place, accommodation changes implemented and staff moved in.
2	Dunkirk farm. Market and sell Dunkirk Farm and associated buildings	MK	July 2016	Dunkirk farm sold Generation of a capital receipt
3	Nash Road - determine the best use of the surplus land	DT/JRB	March 2017	Value of the surplus land optimised Consider how well the Recycling and Waste Management Contract (the Contract) is working, and whether future assets may be needed, which could be located on this site. That analysis to inform a possible 'sell/hold' decision. Decision made as to the best use of the site.
4.	Hardy Farm a) Agree lease for Hardy Farm pumping station, and associated route of	MK/Legal	June 2016	Lease signed. Route and pumping station situation regularised. Will then allow finalisation of transfer of sites to Manchester City Council (MCC).

No.	Action	Responsibility	Date	Outcome
	connecting drain. b) Refurbish/upgrade the existing pumping station and erect a fence	MK	Dec 2016	Pump refurbished and fence erected
5.	Sinderland Road, Altrincham - sell surplus land	MK/Estates/Legal	July 2016	Surplus land sold - generation of a capital receipt.
6.	Reliance Street - sell off valley area to MCC and regularise titles	MK/Estates/Legal	December 2016	Valley area sold to MCC Titles regularised and tidied up
7.	Salford Road a) Improve the security on the solar farm site (Closed circuit TV - CCTV) and fencing etc. b) Remaining drainage improvements to the existing system to capture foul flows from the solar site/HWRC and IVC c) Transfer of responsibility for private sewer connection to United Utilities	MK MK MK	Sept 2016 March 2017 Sept 2016	CCTV/Fencing installed Drainage improvements completed Compliance with statutory requirements (and reduce future liabilities)
8	Bredbury - Stockport a) Infrastructure and drainage improvements (reed bed) for the leachate collection systems b) Leachate management - implement a leachate	MK MK	March 2017 March 2018	Improvements completed Sampling schedule determined and implemented.

No.	Action	Responsibility	Date	Outcome
	sampling schedule			
9	Cringle Road and Barlow Hall - as part of ten year phased reversion to MCC the existing controlling infrastructure needs upgrading.	MK	Ongoing	Fourth year of a ten year agreement to ensure a smooth transfer.
10	Annual review the Authority's Asset Register and updating.	MK/PH	December 2016	<ul style="list-style-type: none"> <li>• Up to date Asset Register.</li> <li>• Responsibilities clearly defined.</li> <li>• Information updated regularly.</li> </ul>



**Greater Manchester Waste Disposal Authority  
Asset Management Strategy 2016/19**

2016/19

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## Foreword

Greater Manchester Waste Disposal Authority (the Authority) is committed to the consistent provision of top quality, cost effective services.

The Authority fully recognises the importance of its property assets and the role they play in improving the delivery of services, and wishes to extend its pursuit of excellence to the way in which it manages its property resources. Given the Government's current emphasis on 'one public estate' this Strategy also emphasises the importance of moving forward with our constituent Districts.

This Asset Management Strategy (AMS) has been designed as a living, evolving document providing clear focus and priorities for the effective and efficient use of the Authority's property assets. It is our intention that these are used to support the achievement of business objectives.

Councillor Cath Piddington  
Chair  
Greater Manchester Waste Disposal Authority

# Executive Summary

## Asset Management as a Business Strategy

The Authority recognises that its property asset base is a fundamental resource by which it can meet its business objectives and obligations as a Waste Disposal Authority. It is therefore committed to continually improving the way in which it manages all of its property resources.

This AMS should be read in the context of the Authority's wider business strategies as well as on-going initiatives across the Authority to improve service delivery across the full range of services. The plan provides an over-arching framework within which the Authority will plan, co-ordinate, manage and monitor its estate management activities in a manner designed to ensure optimum support for the attainment of the Authority's wider business goals and secure value for money.

## Asset Management in the Context of Business Objectives

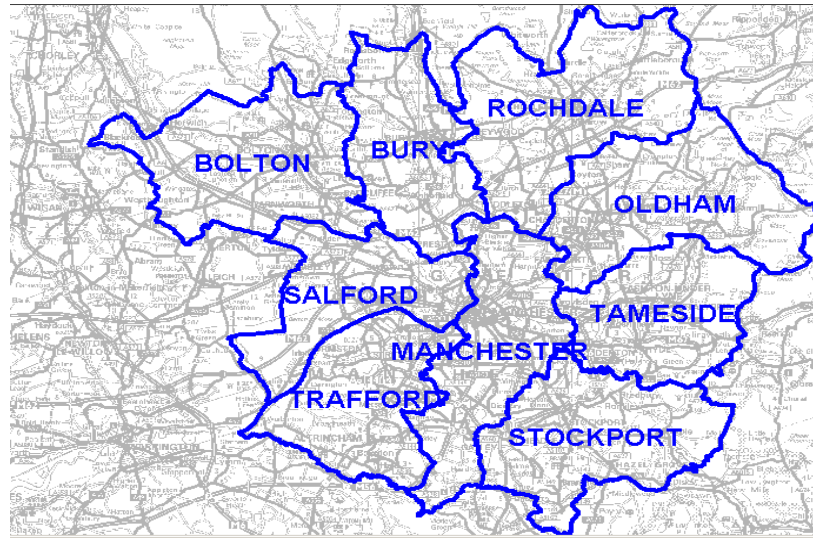
Effective management of land and building assets is a key business objective of the Authority. Effective asset management will:

- a) produce financial benefits and efficiencies over the long term; and
- b) ensure that the property assets of the Authority are being managed in a manner appropriate to its needs.

In the implementation of its AMS, the Authority aims to continue to improve its estate management practice, changes which not only represent good practice in asset management planning but which are fundamental to the delivery of its objectives.

## 1.0 Introduction and Context

- 1.1 The Authority is responsible for managing and disposing of the waste collected by the metropolitan Districts of Bolton, Bury, Manchester, Oldham, Rochdale, Salford, Stockport, Tameside and Trafford.



- 1.2 The Authority's wider goals and activities have been encapsulated within the Business Plan and the Waste Management Strategy (WMS).
- 1.3 The business objectives of the Authority are:-
1. optimise the Contract and Assets to drive efficiency savings;
  2. deliver sound Corporate Governance and budget savings;
  3. invest in our people and develop new ways of working; and
  4. work with residents and partners to change behaviour and reduce waste.
- 1.4 As part of its business objectives the Authority recognises the importance of making the best use of its assets and this is one of its key objectives.
- 1.5 The purpose of this document is to articulate how the Authority intends to discharge its objective of, and responsibility for, managing its portfolio of property assets, and to outline the approach and actions for achieving best value from its property holdings.
- 1.6 There is an increasing focus on asset management across all public bodies driven by the Government White paper 'Strong and prosperous communities', the Comprehensive Spending Review, the Annual Governance and Value for Money assessments, the budget reductions faced by local government as part of the austerity measures, and recent focus on reationalisation through 'one public estate' initiative.
- 1.7 Asset Management is defined as that activity that seeks to align the asset base with the organisations corporate goals and objectives (RICS 2008).

## 2.0 The Challenge - Where are we now?

2.1 The 25 year Recycling and Waste Management Contract (the Contract) was signed in April 2009. This represents an investment of £631m in creating world class recycling, composting and waste management facilities, will help deliver our target of 90% landfill diversion and 60% recycling by 2020, and 2025 respectively.

2.2 As part of the Contract some of the Authority's assets have transferred to Viridor Laing (Greater Manchester) Limited (VLGM) on a 25 year lease. For the Authority it is important that these assets and the new facilities work as intended and their use is fully maximised and plans are in place to achieve that. It is also important that when the assets revert to the Authority at the end of the 25 year Contract that they are in full working order and in a reasonable condition as specified in the Contract. The remaining surplus assets, mainly closed landfill sites are therefore the main focus of the original strategy.

2.3 In 2012 the Authority agreed:

- a) to sell 18 former landfill sites to Landcare (Manchester) Limited. That significantly reduced risk, and made financial savings; and
- b) agreed a phased return to Manchester City Council (MCC) of two former landfill sites (Cringle Road and Barlow Hall) over a ten year period.

The effect of these activities means we now have a tight property portfolio.

2.4 In summary therefore since 2009 and the establishment of the Asset Management Plan (AMP) and its associated governance framework, we have made excellent progress in all areas has resulted in significant improvements in maximising the value of its assets.



### 3.0 Our Property Strategy: Where do we want to be?

- 3.1 The Authority is not in the business of owning property for the sake of ownership. It intends to be clear about its reasons for owning every asset and to be clear about what each asset contributes to the business objectives of the organisation. In respect of each of its assets, therefore, one of the outcomes of its AMS will be a statement as to the purpose and objectives of ownership.
- 3.2 Consequently, the Authority's aim is to provide its stakeholders with confidence that its approach to asset management is achieving three key outcomes:
- 1) **Realisation of the assets' value** - the Authority recognises that value can be obtained through its property resource through capital or revenue income, or through operational or third party use. Asset Management Planning will enable the Authority to identify the most valuable use in terms of financial or other acknowledged benefits.
  - 2) **Effective risk management and the reduction of liabilities** - the Authority recognises that the nature of many of its assets presents potential risk to, in particular, the environment and local communities. It is our goal to ensure that all assets are managed in such a way as to eliminate those risks and to reduce the liabilities of property ownership.
  - 3) **Financial savings and greater management efficiencies** - the Authority recognises that it has a responsibility to its stakeholders to use and manage its resources efficiently and economically. It is our goal to adopt a commercial approach to the management of our assets, adopting best practice principles and actions, minimising inputs and maximising outcomes.
- 3.3 One of the main drivers for achieving best value for its assets is the requirement to make year on year budget savings. It is becoming increasingly important therefore that the Authority makes the best use of these assets.

## 4.0 Our Property Plan - How do we get there?

- 4.1 The Authority already has an asset management performance framework in place driven by the AMS. This has now been revised following a strategic review of the organisation's continued approach to asset management. The following is a headline summary of the areas identified for targeted improvement.

### *Governance*

The Authority has a communications strategy for dealing with its assets. It is important that it communicates effectively with its stakeholders (Members, Officers, District authorities, local communities and suppliers) to achieve ownership of its property strategy, leading to an agreed purpose and way forward for each asset in its portfolio.

### *Property Information Management*

To inform effective decision-making the Authority's asset register needs to be kept up to date and all property information collated on to SharePoint.

### *Asset Management*

Much of the risk of managing closed landfill sites with their inherent liabilities (i.e. gas and leachate) have been significantly reduced with the sale of 18 of its closed landfill sites although the Authority will continue to monitor the implementation of the Landcare (Greater Manchester) Limited, Landcare Management Plan and the application of the Contract 'overage' agreement. Work also still needs to be done on ensuring that the risk from the remaining sites is managed, mitigated and costs reduced.

The Authority will also be placing a greater emphasis on 'client managing' the Contract infrastructure, particularly on the engineering maintenance and life cycle costs of the sites and the equipment. The recent restructuring within the Engineering Team will provide the necessary resources and expertise to achieve this.

### *Portfolio Review*

Processes enabling information to be collected and assessed need to be proactive and comprehensive, in order to facilitate sound recommendations to improve the estate's performance.

## 5.0 Governance

- 5.1 Senior Officers and Members of the Authority are committed to tackling the management issues of its retained assets. There is also a general consensus to the goals that the Authority should be looking to achieve.
- 5.2 The success of asset management has been very closely linked to strong leadership; buy in amongst senior officials and a strong corporate culture (CLG 2008). This is reflected within the Authority where asset management sits with the Resources Committee.
- 5.3 Asset Management activities is the responsibility of the Head of Engineering and Asset Management. The post holder also assumes the role of Corporate Property Officer.
- 5.4 There is continued recognition of the need for the Authority to engage with its wider stakeholders and to work with them to meet the expectations of all interested parties, including the Greater Manchester Districts and local communities is the 'one public sector estate' initiative. The way in which the multiple interests, objectives and priorities are involved and engaged in the process, and the degree to which broader interests are taken into account, represent a significant challenge for the Authority and is critical to the success of effective implementation.
- 5.5 The Authority will ensure that it conveys a strong message to its stakeholders about the importance of effective strategic asset management. The consensus of the Authority to the AMS objectives should continue to be given profile within its wider Business Plan Objectives. The Chair of the Resources Committee is critical in securing a consensus and ownership amongst those stakeholders. Annex 1 sets out our Communications Plan.
- 5.6 The outcome of the asset management process will be specific asset-related recommendations for action, which will meet one or more of the Authority's Business objectives: realising assets' values, managing risk/reducing liabilities, and financial/management efficiencies. The most difficult stage of the asset management programme to manage and implement will be the transition from general, laudable objectives to asset-specific proposals to which stakeholders can effectively relate. Investment will be made into advanced planning as to how stakeholders will be engaged in the formulation, and have ownership of site strategies that conform to the Authority's objectives.
- 5.7 The implementation of the AMS will be integral to the Business Plan and together with the KPIs monitored quarterly at the Resources Committee.

## 6.0 Property Information Management

- 6.1 Comprehensive, accurate, up to date, reliable data is essential to allow informed business decisions to be made. Such data can also be used to measure success and for service improvement. All asset data is fully up to date and kept on Sharepoint. Annex 2 details the Information Strategy.
- 6.2 A single asset register is in place which brings all the information together and responsibility for updating is defined. This provides a comprehensive picture of each asset of the Authority.
- 6.3 It is also important that this includes all assets leased to VLGW with links to all the accompanying information.
- 6.4 The Authority will use the data to measure the effectiveness of its asset management strategies.
- 6.5 Effective asset management will deliver continual improvements in the performance of the estate. It is important that performance indicators are further refined and:
  - a) targeted at meeting the organisation's stated objectives;
  - b) capable of measurement using available data; and
  - c) capable of demonstrating continual improvement.
- 6.6 'SMART' targets should be set on an annual basis in the Annual Action Plan. These will form part of the quarterly performance monitoring reports considered by the Resources Committee.

## 7.0 Asset Management

- 7.1 This relates to the Authority's day to day management of its property assets and how management decisions link to the corporate objectives of the organisation.
- 7.2 As an organisation the Authority needs to ensure that all decisions on property will result in benefit to the Authority by either:
  - a) realising asset value;
  - b) limiting risk and liability; or
  - c) delivering service efficiencies.
- 7.3 Officers and consultants delivering property services need to have the confidence that their decision-making, their recommendations and their representation of the organisation to external parties is in accordance with the policies and objectives of the Authority.
- 7.4 The strategy for the management of property assets incorporates:

**A Corporate Approach** - a strategy and objectives for the management of the estate which provide the focus for asset management activity at every level of the organisation.

**A Pro-active Approach** - an approach to property management that seeks to implement the organisational strategy and objectives, is not simply reacting to circumstances, and that is achieving continual progress towards reaching the Authority's expressed outcomes.

**Effective Project Management and Co-ordination** - clear and effective leadership and guidance provided to employees and external suppliers, such that all are aware of and working towards the same objectives.

**Responsibility and Accountability** - a culture within the Authority and its suppliers that identifies those responsible for delivering services in accordance with established objectives, and holds them accountable for performance standards.

**A Performance Management Regime** - a service that is looking to deliver and to evidence continual improvement in its delivery.

**Suppliers with a Client Focus** - suppliers who are aware of, and actively seeking understanding of the Authority's objectives and service needs.

## 8.0. Portfolio Review

- 8.1 The Authority seeks to be clear about its reasons for owning every property in its possession and to be clear on what each asset is contributing to the core objectives of the organisation. The classification of assets, which will include all those associated with the Contract, is an essential starting point for determining future recommendations and actions e.g. marketing and disposal, third party leases and licences, public access considerations. The classifications that the Authority will use for this purpose are:
- i. Operational - assets that are required for organisational accommodation or for the direct delivery of services.
  - ii. Surplus - assets that are surplus and can be disposed of.
  - iii. Operational (Closed) - assets that are no longer required for operational service delivery but cannot be disposed of because they are not yet safe or stable.
- 8.2 The strategy and objectives to be adopted by the Authority for each classification will be as follows:
- Operational Assets*
- a) To utilise space efficiently.
  - b) To improve the condition of the portfolio and reduce the maintenance backlog.
  - c) To reduce running costs and energy usage.
- Non-operational (Surplus) Assets*
- a) To maximise the potential value of each asset.
  - b) To dispose of some assets, if practical, at open market value to secure capital income for reinvestment into core services.
- Operational (Closed) Assets*
- a) To increase the rental return for reinvestment into core services.
  - b) To transfer responsibility for management, maintenance, liabilities and risks.
- All Assets*
- a) To manage the risk and liabilities of property ownership.
  - b) To comply with statutory requirements of land and property ownership and the statutory responsibilities required of the Authority as a Waste Disposal Authority.
- 8.3 The Authority's relatively small numbers of assets, and their relatively large size, means that it is feasible and cost-effective to produce an action plan or strategy directed at individual assets, and designed to improve the contribution of each asset to the business objectives.
- 8.4 The strategy will be the product of
- a) the Authority's strategic objectives;
  - b) the asset classification;
  - c) stakeholder consultation; and
  - d) the property review process.

- 8.5 The public are granted limited informal access subject to the Authority's permission over three of the four Authority's retained closed landfill sites (in some cases to a limited extent). The risks that might arise from this access include: dangers to Health & Safety arising from e.g. poor ground conditions, insecure boreholes and water features; the creation of prescriptive rights of way limiting development options and increasing maintenance liabilities; inability to prevent uses that cannot be tolerated, such as motor cycle access, bottle diggers, squatters, encroachments and unauthorised grazing.
- 8.6 The Authority will undertake detailed site-specific risk assessments to manage and mitigate the risks of public access. The public will be excluded if their permissive access is likely to prejudice the Authority's wider interests.

## 9.0 The GMWDA Asset Management Model

