

ASSET MANAGEMENT STRATEGY

Submitted by: Head of Regeneration and Assets

Portfolio: Regeneration and Planning

Ward(s) affected: All wards within the Borough

Purpose of the Report

To seek Cabinet approval, in principle, for the Asset Management Strategy dated 2012–2014.

Recommendations

- (a) That Members approve, in principle, the Asset Management Strategy 2012- 2014.**
- (b) That officers report back to the next Cabinet meeting for a final decision following receipt of comments from the Transformation and Resources Overview and Scrutiny Committee.**

Reasons

The Strategy is a key document, which along with the Council's Capital Strategy and Medium Term Financial Strategy, forms the basis of the Council's Use of Resources.

1. Background

- 1.1 The Council's Capital Strategy and Asset Management Strategy are key documents evidencing the Council's approach to its Use of Resources. This Strategy provides a clear framework for understanding the value and condition of property owned by the Council so that, in turn, investment decisions can be taken to optimise the use of the said land/property to meet the needs of the Borough's residents, businesses and visitors. This Strategy along with the Council's Capital Strategy seeks to demonstrate alignment with, and delivery of, the Council's ambitions as set out in the Corporate Plan.
- 1.2 The Economic Development and Enterprise Overview and Scrutiny Committee reviewed the strategy at its meeting on 5 January 2012 and made no comments. The Transformation and Resources Overview and Scrutiny Committee will consider this strategy at its meeting on 18 January 2012.

2. Issues

- 2.1 This Asset Management Strategy seeks to provide a robust and formal approach to the management and use of the Council's land and property assets. The Strategy explains the types of property we own and the rationale for so doing. It also summarises the potential ways in which investment can be funded highlighting the manner in which the Council invests in both its operational and commercial portfolios to meet the Corporate Plan's objectives. The Strategy also explains the structures/systems relating to management and decision-making.
- 2.2 Furthermore, it refers to the Council's need to proactively generate its own capital through the identification and disposal of surplus assets. Finally, to the need for strategic acquisitions within the ring road to arrest the decline in the town centre retail offer.

3. **Options Considered**

3.1 **Option 1 – Do nothing**

If the Council did not prepare an Asset Management Strategy and Plan it would not be possible to either manage assets dynamically or demonstrate the rationale for investment; thereby exposing the Council to criticism that it had a weak approach to the management and use of its physical resources.

3.2 **Option 2 – Prepare Asset Management Strategy / Plan**

The preparation of a Strategy enables the Council to establish some key principles about managing assets both strategically and dynamically in the context of Corporate Plan priorities. Having an Asset Management Plan provides a clear programme to optimise property investment in the context of the Strategy.

4. **Proposal**

4.1 Option 2 is proposed.

4.2 (a) That Members approve, in principle, the Asset Management Strategy 2012- 2014.

4.3 (b) That officers report back to the next Cabinet meeting for a final decision following receipt of comments from the Transformation and Resources .Overview and Scrutiny Committee.

5. **Reasons for Preferred Solution**

5.1 This strategy embodies current Government thinking in respect of asset management and enables the Council to demonstrate the prudent use of its physical resources. It is considered appropriate to consult the respective Overview and Scrutiny Committees prior to any final decision being made.

6. **Outcomes Linked to Sustainable Community Strategy and Corporate Priorities**

6.1 The Asset Management Strategy enables achievement of priority outcomes in all four of the Council's corporate priorities.

7. **Legal and Statutory Implications**

7.1 The Council has a duty, both fiduciary and operationally to utilise its Assets for the benefit of the Community.

8. **Equality Impact Assessment**

8.1 Planned investment in the Council's operational portfolio will achieve compliance with the Disability Discrimination Act 2005.

9. **Financial and Resource Implications**

9.1 These are set out in the document in terms of planned investment in the operational portfolio.

10. **Major Risks**

- 10.1 The main risk is that failure to prepare an Asset Management Strategy and Plan will adversely affect the Council's ability to demonstrate optimum use of its physical resources (assets).

11. **Key Decision Information**

- 11.1 The report is referred to in the Forward Plan.

12. **List of Appendices**

Appendix - Asset Management Strategy/Plan – available upon request, the Members' Room and on the Council's website.

13. **Background Papers**

Various reports and guidance documents from Government and the Audit Commission relating to Asset Management.