

## **ASSET MANAGEMENT STRATEGY 2013-2016**

**Submitted by:** Head of Assets

**Portfolio:** Planning, Regeneration and Town Centres development

**Ward(s) affected:** All wards within the Borough

### **Purpose of the Report**

To seek Cabinet approval for the Asset Management Strategy dated 2013–2016 taking account of the views from both the Transformation and Resources Overview and Scrutiny Committee and the Economic Development and Enterprise Overview and Scrutiny Committee.

### **Recommendations**

- (a) That Members approve the Asset Management Strategy 2013-2016.**
- (b) That the local planning authority be advised of the Strategy.**

### **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.

#### **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 identifies the importance of maintaining and repairing the Council's property portfolio and it contains a summary of the cost of works required as a result of a stock condition survey.

2.3 Finally, it refers to the Council's need to proactively generate its own capital through the identification and disposal of surplus assets. It also identifies potential (mainly residential) sites that the Council may wish to consider dispose of, which are contained within the current Strategic Housing Land Availability Assessment (SHLAA) and sites to be explored in the future that are not currently contained within the SHLAA. It is intended that the planning

merits of such sites are reviewed alongside land in other ownership as part of the emerging Site Allocations and Policies Local Plan. Any final decision to dispose of any such sites will be informed by the latter process but also be the subject of site-specific consultation and decision-making arrangements by the council in its capacity as land owner.

- 2.4 The Transformation and Resources Overview and Scrutiny Committee reviewed the document on 10 December 2012 and the Economic Development and Enterprise Overview and Scrutiny Committee reviewed it on 19 December 2012; the resolutions of the respective committees are set out below:

(a) **Feedback from the Transformation and Resources Committee**

Members requested assurance that planning was in place for maintenance of Council assets to help prevent future unexpected costs.

Officers confirmed that this was covered in pages 65 to 66 of the draft strategy and that the starting point would be to ascertain the scale of any problem, then devise a strategy to deal with it and prevent it re-occurring in the future. The aim was to be more proactive and less reactive. At the moment there was a separate Repairs and Renewal Fund to deal with this. Members requested that Officers investigate the possibility of a sinking fund for this matter.

(b) **Feedback from the Economic Development and Enterprise Committee**

The Committee requested a full breakdown of the 1.1 million generated from the commercial portfolio (including markets). Officers agreed that this would be provided.

The Committee requested clarification that where areas of land were identified there would be full public consultation. This was confirmed by Officers.

- 2.5 There were no substantive issues of concern raised by either of the scrutiny committees but their lines of enquiry and comments have resulted in minor revisions and points of clarification in the strategy document.
- 2.6 Following further consultation with the Portfolio Holder for Planning, Regeneration and Town Centres additional revisions have been made to the Strategy to clarify the approach to consultation (highlighting the separate processes that would be followed by the council as land owner as distinct from the council as local planning authority). Additionally two small land parcels have been deleted from Appendix B in response to information received about their status as integral open space within the wider housing estate. Also more detailed information has been inserted in section 3.2 regarding planned investments in property to correlate with the information contained in the report elsewhere on this agenda regarding "Revenue and Capital budgets 2013/14".

3. **Options Considered**

3.1 **Option 1 – Do nothing**

If the Council did not prepare an Asset Management Strategy 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**

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 That Members approve the Asset Management Strategy 2013-2016 following receipt of comments from the Transformation and Resources Overview and Scrutiny Committee and the Economic Development and Enterprise 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.

#### 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.