

REPORT TO: Cabinet

DATE: 28th October 2010

SUBJECT: Asset Management Report 2010

WARDS AFFECTED: All

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**EXEMPT/
CONFIDENTIAL:** No

PURPOSE/SUMMARY:

To provide Cabinet with a summary update on asset management issues and initiatives in Sefton.

REASON WHY DECISION REQUIRED:

The Corporate Property Officer is required to report on Asset Management issues to Cabinet on an annual basis.

RECOMMENDATION(S):

Cabinet are requested to:

1. Approve the attached Asset Management Report
2. Receive a further report on the review of asset management arrangements in Sefton
3. Note that a new Corporate Asset Management Plan will be produced in the current municipal year and will be reported to Cabinet in due course.

KEY DECISION: No

FORWARD PLAN: No

IMPLEMENTATION DATE: After the call-in period

ALTERNATIVE OPTIONS: under the Comprehensive Area Assessment the Council was expected to maintain an up to date Asset Management Plan and report on outcomes to the auditors as part of the inspection regime. Although the CAA regime has been decommissioned there is still an imperative to manage the Council's property assets strategically and transparently.

IMPLICATIONS:

Budget/Policy Framework: None for this report

Financial: As detailed in the report

Legal: None

Risk Assessment: Specific risk assessments are carried out on individual elements and programmes within the Asset Management Plan

Asset Management: The reporting of outcomes linked to the Asset Management Plan is in accordance with good asset management practice.

CONSULTATION UNDERTAKEN/VIEWS

THE ATTACHED REPORT HAS BEEN APPROVED BY THE STRATEGIC ASSET MANAGEMENT GROUP AND HAS BEEN CONSIDERED BY OVERVIEW & SCRUTINY COMMITTEE (PERFORMANCE & CORPORATE SERVICES)

CORPORATE OBJECTIVE MONITORING:

<u>Corporate Objective</u>		<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community		✓	
2	Creating Safe Communities		✓	
3	Jobs and Prosperity	✓		
4	Improving Health and Well-Being		✓	
5	Environmental Sustainability	✓		
6	Creating Inclusive Communities	✓		
7	Improving the Quality of Council Services and Strengthening local Democracy	✓		
8	Children and Young People		✓	

LIST OF BACKGROUND PAPERS RELIED UPON IN THE PREPARATION OF THIS REPORT

None

1.0 Background

- 1.1 The attached Asset management Report has been produced by the Council's Corporate Property Officer and provides a summary position regarding asset management in Sefton. The report outlines the management arrangements, provides a statement of property assets (value and condition) and a summary of activity and outcomes delivered in the preceding year.
- 1.2 The Asset Management Plan is a key strategic document for the Council which provides the framework for linking asset management at strategic and operational levels with the Council's Corporate Objective, (Aims and Priorities) and other strategies.
- 1.3 The Asset Management Plan was a key component in the Use of Resources assessment in the CAA; however a good plan remains an essential tool in ensuring that the Council's property assets (Operational & Investment) are aligned with and enable delivery of essential Services.

2.0 Key Issues in the 2010 Report

2.1 Repair & Maintenance

The level of outstanding repair and maintenance liability remains substantial and represents a significant and increasing challenge given the pressure on the Council's finances and the likely withdrawal of external funding for capital schemes that might have addressed some of the backlog.

The cancellation of the BSF Programme is clearly a major blow and the proposed investment would have had a significant positive impact on the condition of the nominated schools, however there remains the prospect of further capital funding for schools after Government has concluded its current review.

2.2 Asset Disposal

The economic downturn continues to have an adverse impact on land values and has restricted the market for larger sites that need significant up-front investment to facilitate redevelopment. The Z Blocks site has been marketed again, but attracted no formal bids however discussions continue with a number of house builders who expressed an informal interest.

The market is still generating interest in small redevelopment sites and refurbishment opportunities and the Crossen's Nursery site (5 housing units) has gone under offer after a competitive bid process and Vine House, Seaforth is under offer and the conveyance is at an advanced stage.

2.3 Asset Management Review

The review of the Council's asset management arrangements is progressing and a briefing and update report was submitted to Overview & Scrutiny Committee (Performance & Corporate Services) on 5th October. The subsequent report on the findings of the review and recommendations will be reported to that Committee and Cabinet in due course.

2.4 Sustainability

The new asset management arrangements are being developed to take account of sustainability issues both environmental and financial and specific proposals will be developed for inclusion in the new Corporate Asset Management Plan.

2.5 Corporate Asset Management Plan

On conclusion of the asset management review a new Asset Management Plan will be produced with the intention of creating a forward looking plan linked to the Council's aims and priorities and other key corporate plans, in particular the Medium Term Financial Plan.

A new Accommodation Strategy will be a key component of the new plan and substantial work has already been undertaken to map the existing accommodation provision to inform decision making to deliver a revised, cost-effective estate.