
Report to: Cabinet
Council

Date of Meeting: 5 December 2013
23 January 2014

Subject: Strategic Asset Management Plan

Report of: Director of Built Environment

Wards Affected: All

Is this a Key Decision? Yes

Is it included in the Forward Plan? Yes

Exempt/Confidential No

Purpose/Summary

To agree the adoption of a revised Strategic Asset Management Plan

Recommendation

Cabinet to agree for recommendation to Council:

- i. That the Council adopt the new Strategic Asset Management Plan annexed in Appendix A.
- i. To note that a further report will be presented in relation to the adoption of a formal Asset Disposal Policy.

How does the decision contribute to the Council's Corporate Objectives?

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

Reasons for the Recommendation:

While there is no statutory requirement to adopt a Strategic Asset Management Plan, it is good practice to do so. This Plan will guide decision making on the sale or retention of assets and it is envisaged that a report seeking approval to the Councils Asset Disposal Policy will be presented to a future Cabinet meeting.

What will it cost and how will it be financed?

(A) Revenue Costs

There are no additional costs arising out of the recommendations of this report

(B) Capital Costs

There are no additional costs arising out of the recommendations of this report

Implications: N/A

The following implications of this proposal have been considered and where there are specific implications, these are set out below:

Legal – None	
Human Resources - None	
Equality	
1. No Equality Implication	<input checked="" type="checkbox"/>
2. Equality Implications identified and mitigated	<input type="checkbox"/>
3. Equality Implication identified and risk remains	<input type="checkbox"/>

Impact on Service Delivery:

The purpose of the asset management plan is to seek to enhance service delivery through the effective and efficient use of the Council’s assets

What consultations have taken place on the proposals and when?

The Head of Corporate Finance (FD2610/) has been consulted and has no comments on the report as there are no direct financial implications

The Head of Corporate Legal Services (LD1915) has been consulted and has no comments on the report

Are there any other options available for consideration?

It is best practice to operate and manage property assets using a formal asset management plan. The Council could choose to select property for disposal using other criteria.

Implementation Date for the Decision

Following the expiry of the “call-in “period for the minutes of the Cabinet meeting

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Background Papers:

None

1.0 Introduction/Background

- 1.1** Cabinet at its meeting of 28th February 2013 considered the report of the Strategic Director – Place which provided details of a Capital Allocation framework and Capital Strategy. The report also stated that following a review a further report would be presented in relation to the Strategic Asset Management Plan.
- 1.2** It is established best practice that the Council has an asset management plan that sets out a framework by which its valuable property assets can be managed. The previous asset management plan, whilst still serviceable, required to be updated and this process of updating and redrafting has recently concluded and requires approval.
- 1.3** The Council has adopted a new Capital Strategy and the intention is that the new asset management plan will complement and support this strategy. As such it will act as an “umbrella document” under which a suite of relevant strategy and policy documents will sit.
- 1.4** The other key documents, still in draft format, will include;
 - The Asset Disposal Policy
 - The Community Asset Transfer Policy

Further reports will be presented seeking approval / adoption as soon as the policy documents are ready for consideration.

2.0 The Strategic Asset Management Plan

- 2.1** A revised draft asset management plan has been developed to facilitate a cohesive approach to the Council’s asset management and to reflect the various changes in policy, legislation and governance since the current asset management plan was adopted.
- 2.2** The new asset management plan was considered by the Strategic Capital Investment Group (SCIG) for comment and review at its scheduled meeting on 16th September. The Group has agreed that the plan should be reported to Cabinet and Council. The matter was also considered by Overview and Scrutiny (Performance and Corporate Services) at it’s meeting of September 10 2013.
- 2.3** The plan will inform the work of the Asset Management Group which will provide advice and put forward recommendations to SCIG (A Member reference group comprising of all 6 Cabinet members with Portfolio), Cabinet Member, Cabinet and Council as appropriate.
- 2.4** The key elements of the plan are as follows:
 - A definition of the role property assets play in the conduct of the Council’s business.
 - A consideration of national policy and governance matters that influence decision-making in respect of the property portfolio
 - How the level of backlog maintenance will be addressed
 - Property reviews utilising gap analysis techniques

- A review of potential funding options to support investment and project delivery
- The proposed formal governance arrangements.

3.0 The Asset Disposal Policy

- 3.1** The related ancillary strategy and policy documents are in an advanced stage of drafting. The key principles were approved by SCIG at its meeting of 25 October 2013 and will be reported to Cabinet / Council recommending adoption as soon as possible.
- 3.2** It is intended that the Asset Disposal Policy will contain the detailed exposition in terms of how assets will be selected for disposal and which method of disposal will be selected. Members (Cabinet or individual Cabinet Members) will decide which operational and non-operational assets are released for disposal and ultimately continue to make the decision to sell on the reported terms.
- 3.3** When a decision has been made to dispose, the Council will adopt the most appropriate method to dispose of a particular asset or portfolio of similar assets. The intention will be to secure best value for the Council by way of financial return or other valuable outputs compatible with the Council's established priorities and operational objectives. This may include utilising sites as a Council contribution to a partnership approach such as an asset backed vehicle.
- 3.4** Where appropriate the Council will secure a planning brief or outline planning consent prior to marketing and then seek to ensure that the chosen disposal method enables a sufficient degree of control to be retained in the case of disposals of buildings in need of refurbishment or sites to be redeveloped.