

## Summary Sheet

### Council Report

Improving Places Select Committee – 20<sup>th</sup> December 2018

### Title

Asset Management Progress Update

### Is this a Key Decision and has it been included on the Forward Plan?

No

### Strategic Director Approving Submission of the Report

Paul Woodcock, Acting Strategic Director, Regeneration and Environment

### Report Author

Paul Smith Head of Asset Management, Asset Management

### Ward(s) Affected

All

### Executive Summary

The purpose of this report is to update Improving Places Select Committee (IPSC) on the progress and activities of Asset Management.

### Recommendations

- That IPSC notes the progress against the Asset Management Plan.
- That IPSC notes and supports the new property review process.
- That IPSC note the ongoing work on the records storage and reporting of statutory compliance.

### List of Appendices Included

Appendix (1) – Corporate Asset Management Plan.

Appendix (2) – Corporate Asset Management Plan Progress Schedule.

Appendix (3) – Council Asset Review Process.

### Background Papers

None

### Consideration by any other Council Committee, Scrutiny or Advisory Panel

Overview and Scrutiny Management Board 5/5/2017 and 22/11/2017.

Improving Places Select Commission: 20/09/2018 and 14/03/2018.

**Council Approval Required**

No

**Exempt from the Press and Public**

No

## **Title: Asset Management Progress Update**

### **1. Recommendations**

- 1.1 That IPSC notes the progress against the Asset Management Plan.
- 1.2 That IPSC notes and supports the new property review process.
- 1.3 That IPSC note the ongoing work on the records storage and reporting of statutory compliance.

### **2. Background**

- 2.1 Asset Management were subject to an external Health Check in November 2016.
- 2.2 On 29<sup>th</sup> November 2016 Commissioner Kenny wrote to the Council to define what the Council would need to evidence before Commissioners could recommend the return of Asset Management Powers to the Council. The recommendations of the health check and the requirements of the Commissioners were incorporated into an Asset Management Improvement Plan.
- 2.3 The Asset Management Improvement Plan was implemented in 2017/18 and Asset Management Powers were returned to the Council in November 2017.
- 2.4 The Council's Corporate Asset Management Plan 2017 - 2023, which incorporates the Council's Asset Management Policy and Strategy, is now the guiding document for Asset Management activities and priorities. This is included as Appendix 1 of this report.
- 2.5 The majority of property decisions are delegated in the Constitution, to the Assistant Director Planning Regeneration and Transport.
- 2.6 The criteria for property decisions that are reserved for Cabinet are:-
  - Any decision to dispose of or acquire a Land or Property asset with an estimated value greater than £100,000.
  - Any decisions referred to Cabinet at the request of the Cabinet Member for Jobs and the Local Economy.
- 2.7 An Asset Management Board is chaired by the Cabinet Member for Jobs and the Local Economy and attended by the Cabinet Member for Housing. The remaining board membership is mostly made up of

Strategic Directors and Assistant Directors from across the Council. The Board reviews progress and provides direction, guidance and support on both strategic and individual property issues to the Asset Management Service and to the Assistant Director Planning Regeneration and Transport.

### **3. Key Issues**

- 3.1 Progress against the Corporate Asset Management Plan is monitored by the Asset Management Board. The latest monitoring position is included as Appendix 2 of this report. Currently all actions are “Green” or completed.
- 3.2 The process for dealing with surplus property and decisions and the procedure for the review of surplus operational assets has been revisited and the process both simplified and made more open.
- The new process is presented in the format of a flow diagram in Appendix 3 of this report.
  - The new process includes, as previously, the consultation with Ward Members after an asset has been deemed to be surplus to the Council’s requirements.
  - An additional earlier consultation with Ward Members is now also included, before recommendations to the Asset Management Board, where there is a proposal to retain, demolish or declare an asset surplus to the Council’s requirements.
- 3.3 At the request of the service the Internal Audit service have carried out an Audit on the Statutory Compliance in the operational estate. This found that the Asset Management Service was ensuring compliance, but that the methods of compliance record storage and reporting upwards of that compliance required improvement. A set of actions have been agreed to improve compliance record storage and to instigate regular reports on compliance to the Regeneration and Environment - Directorate Management Team and the Asset Management Board.

### **4 Options considered and recommended proposal**

- 4.1 That the Corporate Asset Management Plan 2017-2023 implementation continues, with a review and update of the Corporate Asset Plan in 2019.

- 4.2 That the new Surplus Asset review process is supported and consultation with Ward Members is formalised.
- 4.3 That Asset Management progress the recommended improvements in compliance record storage and reporting of statutory compliance.

## **5 Consultation**

- 5.1 The Cabinet Member for Jobs and the Local Economy has been consulted on this report.

## **6 Timetable and Accountability for Implementing the Reported Activities**

- 6.1 As per Corporate Asset Management Plan.
- 6.2 New Surplus Asset review procedure is in place.
- 6.3 Compliance as per Internal Audit recommendations.

## **7 Finance and Procurement Implications**

- 7.1 It should be noted that the Asset Management Service have contributed to the Council's revenue budget savings target with savings of £2.736m over the period 2017-2021. For context this is against an Asset Management net revenue budget of £8.1m for 2018/19.
- 7.2 The identification and disposal of Council Assets is required to contribute towards the Council's capital receipts target of £2m for the 2018/19 financial year.
- 7.3 The 2017/2018 budget setting report included CCR2 a saving of £1M from properties released by Directorates following reviews of service. With the dependency on the outcome of service reviews, some of which are ongoing, it is not possible to definitively state that this target will be met, but current projections indicate this should be achieved in 2021/22 budget year.

## **8 Legal Implications**

- 8.1 There are no additional direct legal implication arising from the contents of this report.

## **9 Human Resource Implications**

9.1 There are no HR implications arising from this report.

## **10 Implications for Children and Young People and Vulnerable Adults**

10.1 No such implications arising out of this report.

## **11 Equalities and Human Rights Implications**

11.1 No such implications arising out of this report.

## **12 Implications for Partners and Other Directorates**

12.1 No such implications arising out of this report.

## **13 Risks and Mitigation**

13.1 Should the Council continue to retain these assets without any clear plans for their retention for a suitable alternative use then this will continue to be a significant financial burden on current resources. The potential capital value will also be reduced due to the continuing acts of vandalism and risk of arson.

## **14 Accountable Officer(s)**

Paul Woodcock – Acting Strategic Director, Regeneration and Environment  
Bronwen Knight – Acting Assistant Director Planning, Regeneration and Transport.

Paul Smith – Head of Asset Management

Lindsay Johnson – Strategic Property Manager

Approvals obtained from:-

Title	Named Officer	Date
Finance	Jon Baggaley	28/11/2019
Legal	Stuart Fletcher	28/11/2019
Procurement	Lorna Byne	26/11/2019
Human Resources	John Crutchley	28/11/2019