

STRATEGIC ASSET MANAGEMENT PLAN

Head of Service:	Mark Shephard, Head of Property and Regeneration
Wards affected:	(All Wards);
Urgent Decision?(yes/no)	No
If yes, reason urgent decision required:	
Appendices (attached):	Appendix 1 – Asset Management Plan 2020-30

Summary

This report presents the Strategic Asset Management Plan and provides a strategic framework for managing the Council's land and property assets over the 10 year period to 2030.

Recommendation (s)

The Committee is asked to:

- (1) **Approve the Asset Management Plan 2020-30**

1 Reason for Recommendation

- 1.1 The Asset Management Plan sets out the Council's approach to the strategic management of its land and property assets totalling circa £120 million, over the next ten years.

2 Background

- 2.1 At its meeting on 13 November 2012, Committee approved the Council's Asset Management Plan 2012-16 (AMP) with subsequent minor amendments approved on 24 March 2015.
- 2.2 The existing AMP provided a framework for managing the Council's property assets in the most efficient and cost effective way.

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- 2.3 The new proposed Strategic Asset Management Plan 2020-30 (SAMP) provides a greater emphasis on the strategic overview necessary to ensure the successful delivery of the Council's corporate priorities and objectives.
- 2.4 The SAMP will form part of the Council's policy framework to provide a robust process for governance and decision making. The use and management of property is intrinsically linked to the Council's corporate vision, priorities and values.
- 2.5 With a combined operational and investment property portfolio approaching £120m, it was imperative the Council undertook a comprehensive review of its asset management strategy.
- 2.6 Since the last AMP, the Council has not only been active in property acquisitions, but its future intentions include property development and utilising its property assets to facilitate town centre regeneration.

3 Proposal

- 3.1 The new SAMP is attached at Appendix 1 and in Section 3 sets out how it will adopt the following 4 key strategies to effectively manage the Council's property assets:
 - 3.1.1 **Place Ambition** – to support the Future40 long-term vision and emerging Borough Local Plan.
 - 3.1.2 **To plan and manage property as a corporate resource** - to enable improved cost control, consistent decision making and wider efficiencies to be realised across the whole portfolio.
 - 3.1.3 **Improve environmental sustainability** - the Council's property assets can help to reduce carbon emissions and improve environmental sustainability, for example, by ensuring that energy supplies to operational properties are from renewable sources.
 - 3.1.4 **Sustainable financial returns** - the Medium Term Financial Strategy expects the Strategic Asset Management Plan to contribute an additional £500k per annum net rental income over the four-year period.
- 3.2 In Section 4 of the SAMP, the review and rationalisation criteria is specified for reviewing the Council's property assets. It also proposes in Section 5, the focus of performance management to be taken with property assets over the time of the SAMP.
- 3.3 An overview of the property assets is provided in Section 6 and this is supported by the SAMP Annex 1.

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- 3.4 Over the lifespan of the proposed Strategic Asset Management Plan, the Council will rely on a greater proportion of its total income coming directly from the assets it holds.
- 3.5 As well as generating financial returns, the Council's assets also require ongoing capital and revenue expenditure. For some of the Council's assets the projected level of maintenance spend over the next ten years is very high and potentially unaffordable in the current financial climate and when compared with associated rental revenues being generated.
- 3.6 As part of this plan, options will be considered for these assets which may include alongside capital investment, re-provision, disposal, or redevelopment.
- 3.7 It is recommended Committee approve the proposed Strategic Asset Management Plan to enable the Council to adopt the strategic approach necessary to readily align the management of its property assets with its corporate objectives.

4 Risk Assessment

Legal or other duties

4.1 Impact Assessment

- 4.1.1 Where property assets are authorised for redevelopment or substantial reconfiguration, an equality impact assessment will be undertaken at the relevant time. Otherwise, there are no specific equality considerations associated with this report.

4.2 Crime & Disorder

- 4.2.1 There are no specific crime and disorder considerations associated with this report.

4.3 Safeguarding

- 4.3.1 There are no specific safeguarding implications associated with this report.

4.4 Dependencies

- 4.4.1 There are no specific dependencies associated with this report.

4.5 Other

- 4.5.1 An effective Strategic Asset Management Plan will ensure value for money, maximise asset performance and minimise the Council's exposure to avoidable loss of income.

5 Financial Implications

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- 5.1 The four year financial plan includes a continuing commitment to the review of property retained by the Council for service delivery or investment purposes.
- 5.2 **Section 151 Officer's comments:** It is important that the Council maximises returns from its property portfolio where possible, to provide financial resources needed to support the delivery of services to residents.

6 Legal Implications

- 6.1 None arising from the contents of this report.
- 6.2 **Monitoring Officer's comments:** None arising from the contents of this report.

7 Policies, Plans & Partnerships

7.1 Council's Key Priorities:

7.2 The following Key Priorities are engaged:

7.2.1 Progression of the SAMP will move the Council closer to delivery of some of the key objectives set out in its 'Vision for Epsom & Ewell' and 4 year Corporate Plan; in particular:

- *Opportunity and Prosperity* – providing built assets that enable business owners to establish and grow their businesses; utilising the councils built assets to ensure that the Borough attracts additional inward investment and is seen by residents and investors alike as a place synonymous with ambition; secure affordable homes for families and local workers.
- *Safe and Well* – prioritise use of the councils assets in a way that contributes to creation of a safer environment; providing opportunities for family friendly activities and use of council owned built assets that encourage a community spirit; protect local employment opportunities and create affordable housing opportunities for families and local workers.
- *Cultural and Creative* – utilising council owned assets to enhance the clear and compelling identity of the Borough; provide opportunities in the Borough for residents and visitors to experience the many creative enterprises that the Borough has to offer; utilising council owned assets to provide opportunities 'Where people work together for the benefit of the community'.
- *Effective Council* – proactively promoting the Councils property assets to assist the delivery of key corporate objectives.

7.3 The SAMP will also support the Council's agreed Statement on Economy and Place:

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- Maximising returns from property assets
- Contributing to the Council's Housing Delivery Action Plan by bringing forward the development of new housing and more affordable homes for local people
- Delivery of 'High quality, sustainable and energy efficient buildings which include new green spaces'.

7.4 **Service Plans:** The matter is included within the current Service Delivery Plan.

7.5 **Climate & Environmental Impact of recommendations:** will be assessed on a property by property basis as decisions are sought regarding future acquisition, development or disposal.

7.6 **Sustainability Policy & Community Safety Implications:** When re-developing Council owned assets, improvements or enhancements to community safety will be considered as part of any statutory planning process. Community safety implications will also be considered in assessing assets for purchase, redevelopment or disposal.

7.7 **Partnerships:** The acquisition, development and disposal of council owned assets are all activities of a commercially sensitive nature. As such, partnership working is restricted. The council is more likely to fulfil the role of 'client', Landlord, vendor or purchaser in undertaking its various asset management functions.

8 Background papers

8.1 The documents referred to in compiling this report are as follows:

Previous reports:

- Asset Management Plan 2012-16

Other papers:

- Strategic Statement on Economy and Place

This strategic statement sets out the Council's strategic priorities for economy and place in the context of the Council's new long-term vision for the borough, new Corporate Plan and forthcoming detailed strategies that will emerge over the Autumn through the Council's Local Plan process.