

**BABERGH DISTRICT COUNCIL and MID SUFFOLK DISTRICT COUNCIL**

<b>TO:</b> COUNCIL	<b>REPORT NUMBER:</b> <b>BC/20/21</b>
<b>FROM:</b> Cabinet Member for Assets & Investments	<b>DATE OF MEETING:</b> 19 January 2021 21 January 2021
<b>OFFICER:</b> Emily Atack	<b>KEY DECISION REF NO.</b> N/A

**STRATEGIC ASSET MANAGEMENT PLAN 2020-2025**

**1. PURPOSE OF REPORT**

- 1.1 To consider the draft joint Strategic Asset Management Plan 2020-2025.
- 1.2 To approve and adopt the joint Strategic Asset Management Plan.

**2. OPTIONS CONSIDERED**

- 2.1 The Council could manage its property assets in a non-strategic, reactive, and un-co-ordinated way. Doing so would leave the council vulnerable and with limited opportunity to achieve efficiencies. This is not therefore a viable option.

<p><b>3. RECOMMENDATION</b></p> <p>3.1 It is recommended that Council approves and adopts the SAMP for 2020-2025 (Appendix 1) including the Transactions and Community Transfer Policies set out in the SAMP as Appendices A and B.</p>
<p><b>REASON FOR DECISION</b></p> <p>To ensure the effective use and management of the Councils property assets to support the delivery of the Council's Corporate Plan and Vision.</p>

**4. KEY INFORMATION**

- 4.1 Although it is not compulsory for an organisation to have a property asset management plan in place, it is widely considered to be good practice as it seeks to demonstrate that an organisation is supporting the delivery of its strategic goals or objectives through the use of its property assets.
- 4.2 A draft Strategic Asset Management Plan (SAMP) has been developed which seeks to document the strategy the Council has for using and managing its land and buildings to support its strategic outcomes and priorities. It sets out the future vision of where the Council wants to be in terms of its land and property assets and maps out the journey required to achieve that vision. The draft AMF is appended to this report.
- 4.3 The draft SAMP comprises of the following sections:

- Estate at a Glance: A high level summary of the Council's assets register summarising the number of assets, their value, and the asset groups. This section includes graphs analysing the Fixed Asset Register by percentage of value and use of the asset base.
- Strategic and Policy Context: The use of property is set within the context of the Joint Corporate Plan and other corporate service plans and strategies. This section summarises how the SAMP fits with these and other values.
- Our approach: Details our Asset Management Principles and our aims and objectives which are summarised in 4.4 below. It sets out our proposed corporate approach to property as well as our approach to due diligence, stakeholder engagement, asset review, transactions, community asset transfers, vacant property, making the best use of our resources, and statutory compliance.
- Oversight and Decision Making: This section details the structures in place for decision making and oversight, roles and responsibilities and data management.
- Asset Performance: This section summarises the corporate approach to performance management, our recommended key performance indicators, and the mechanisms for monitoring, review, and challenge.
- Action Plan: This section highlights the key activities to be undertaken to deliver the SAMP. It includes our approach to property review and a high-level action plan.

#### 4.4 The draft SAMP sets out the proposed Asset Management objectives as follows:

- Generate maximum income from property management and investment balanced appropriately with social value that can be derived from assets;
- Diligent investment in new assets with good returns and existing assets for sustainability of income;
- Diligent disposal of under-performing and surplus assets where use of these assets is otherwise unviable for the council;
- Continual review of the asset base to determine best use and value;
- Seek opportunities to diversify the portfolio and increase the value of assets through change of use.
- Maintain and renewal, as appropriate, all publicly accessible assets.
- Ensure property assets make the optimum contribution to the Council's priorities and objectives.
- Pursue best value in property management activities.
- Strategically manage for a balanced portfolio of use.

- Development of a longer term housing pipeline
- Effective and efficient management of key programme and project delivery

4.5 The draft SAMP sets out the proposed Asset Management activities that the councils will undertake and projects it will deliver over the next 5 years. This is divided into:

- Asset Strategy & Policies;
- Assets Intelligence;
- Assets Support to Delivery Programme Projects;
- Governance;
- Organisation for Asset Management;
- Processes;
- Office Accommodation;

4.6 It is proposed that the SAMP Action Plan is regularly updated to align with the Council's Service plan objectives for each financial year.

## **5. LINKS TO CORPORATE PLAN**

5.1 The Joint Corporate Plan (2019-27) is designed to address the challenges and seize the opportunities facing the districts and their organisations for the foreseeable future. The Councils' vision is to have 'great communities with bright & healthy futures that everyone is proud to call home.'

5.2 For each theme there are priorities which Asset Management has a significant part to play in supporting, ensuring that the Councils make the best of their assets underpinning the ability to achieve the priorities set out in the corporate plan. Specific links are detailed in the SAMP to show how these are met through managing corporate assets effectively and efficiently and investing to generate income.

## **6. FINANCIAL IMPLICATIONS**

6.1 Whilst there are no specific financial requirements set out in this strategy, more specific implications will be referred in the Joint Capital, Investment and Treasury Management Strategies and the Medium Term Financial Plan.

## **7. LEGAL IMPLICATIONS**

7.1 The SAMP will provide a framework with which the Councils can ensure it meets its statutory duties as a land and property owner, and landlord.

## 8. RISK MANAGEMENT

- 8.1 This report is most closely linked with the Significant Business Risk No.12 our data sources will not be resilient and efficient; No. 13 we are unable to react in a timely and effective way to financial demands; No. 14 councils are perceived to be untrustworthy and have poor reputation; and No. 16 failure to achieve vision and strategic priorities and ambition (as per corporate plan).

If we do not manage our asset portfolio effectively it may result in: lost opportunity; loss of capital value; increased revenue costs and loss of public confidence.

The Key risks are set out below:

Risk Description	Likelihood	Impact	Mitigation Measures
4AO1 Lack of a Strategic Asset Management Plan to identify the steps needed to ensure that the Councils' property assets perform to maximum effectiveness.	Highly Probable (4)	Disaster (4)	Development and implementation of the SAMP
4AO7 Lack of Transactions and Delegations Policy resulting in unqualified or inexperienced staff carrying out property transactions. Risk of poor deals resulting in loss of income or capital receipts and potential compensation or ownership claims with resultant financial implications.	Highly Unlikely (1)	Disaster (4)	Draft and implement Property Transactions Policy and Community Asset Transfer policy to ensure appropriate expertise applied to all property transactions.

## 9. CONSULTATIONS

- 9.1 Consultation has taken place across the Council with Officers, to ensure ownership and responsibility of this task is understood and shared.

## 10. EQUALITY ANALYSIS

In preparing this report, due consideration has been given to the Councils' statutory Equality Duty to eliminate unlawful discrimination, advance equality of opportunity and foster good relations, as set out in Section 149(1) of the Equality Act 2010.

Predictive EQIAs will be undertaken on relevant projects that materialise from the SAMP and various emerging strategies, programmes and projects.

## 11. ENVIRONMENTAL IMPLICATIONS

11.1 Environmental and Climate Change implications are considered in this work. All key decisions will include environmental impact including the Councils ambitions to reach net carbon zero target by 2030.

## 12. APPENDICES

Title	Location
(a) Strategic Asset Management Plan 2020-2025	Attached

## 13. BACKGROUND DOCUMENTS

13.1 There are none.

14. **REPORT AUTHOR:** *Sara Cameron, Corporate Manager Strategic Property*