

Performance and Finance Select Committee

July 2018

Adoption of the County Council's Asset Management Policy and Asset Management Strategy

Report by Executive Director of Economy, Infrastructure and Environment

Summary

An Asset Management Policy and Asset Management Strategy have been developed to set out the objectives and principles that will guide the Council's approach to its property estate - land and buildings (excluding highways). The Strategy includes a high level action plan.

The Policy and Strategy documents are appended to this report for scrutiny by this committee in advance of a decision being taken by the Cabinet Member for Finance and Resources.

The previous report on the Asset Management Strategy was considered by the committee in October 2017, which supported the work being undertaken and requested that local members be consulted on any proposals for assets in their local area.

Recommendation

The committee is asked to:

- 1) Review and comment on the Asset Management Policy and Asset Management Strategy appended to this report; and
- 2) Support the Asset Management Policy and Asset Management Strategy, or provide any recommendations to the Cabinet Member to consider ahead of taking the decision.

Proposal

1. Background and Context

1.1 The Council has an interest in over 1,300 plots of land totalling in excess of 5,500 acres with 980 establishments included within these plots. The CIPFA book valuation of the establishments (insurance re-build value) is £1.35 billion. This is a snap shot as the data is subject to frequent changes.

1.2 Assets are fundamental to the efficient and effective operation of Council services – providing accommodation for staff, making services accessible to

the local community, generating income and enabling development and service contributions by third parties.

1.3 In accordance with the previous report to the Performance and Finance Select Committee in October 2017, the first phase of the completed Asset Management Policy and Asset Management Strategy has delivered the following.

- Fully validated data held on the County Council asset register for each asset, along with the gaps identified for further work.
- An asset strategy "hypothesis" as to how currently held assets might be used in future years.
- A defined scope of work of technical studies and other activities. required to test out the options identified and to provide the evidence base to support or vary the "hypothesis" set out in the asset strategy.
- A potential schedule of assets that may be declared surplus.
- A potential schedule of service asset requirements over the longer term to support service delivery or other strategic outcomes? (based on long term service planning).
- Where assets need to be located to support the efficient delivery of Council services.

1.4 There are a variety of working documents that comprise and inform the Asset Management Strategy. The two key documents for approval are the Asset Management Policy and Asset Management Strategy as these provide the policy framework and high level work programme.

1.5 The Cabinet Member for Finance and Resources is being asked to approve the Asset Management Policy and the Asset Management Strategy and the committee is invited to comment on these documents in advance of the key decision being taken. Both documents are appended to this report. The Asset Management Policy has the following aim and objectives.

Aim

- To ensure that assets are used efficiently and sustainably to provide suitable accommodation in appropriate locations to enable the County Council to deliver services and to generate revenues and growth.

Objectives

- To plan and manage property as a corporate resource for the benefit of the people of West Sussex.
- To provide the right property, fit for purpose, in the right place, to meet current service needs and plan for the future.
- To acquire, manage, maintain and dispose of property effectively, efficiently and sustainably, together with optimising financial return and commercial opportunities.
- To use land and buildings to stimulate development and growth.
- To promote joint working where it will provide benefit for service delivery and in securing efficiencies.

1.6 The Asset Management Strategy has also provided a framework to link service planning with assets work. As this develops viability studies will be commissioned to test ideas and ultimately a pipeline of potential capital

projects will be identified, which will feed the future capital programme. As part of this process surplus assets will also be identified for disposal.

2. Resources

- 2.1 The review of the property services function has been completed and the new staffing structure includes a Head of Assets and a reconfigured assets team to lead the work programme outlined in the Asset Management Strategy.
- 2.2 The existing Land and Property Information and Property and Asset Records teams have supported this work as part of their business as usual activity.
- 2.3 The technical work identified, such as condition surveys, market valuations and feasibility studies will be procured through the Multi-Disciplinary Consultants who are due to be appointed in July 2018.

3. Consultation

- 3.1 All services have been engaged in the development of the Asset Management Policy and Strategy.
- 3.2 The Cabinet Member for Finance and Resources, the Leader and the whole Cabinet have been consulted on the proposals.
- 3.3 There has been no public consultation. When changes are proposed to specific assets, e.g. arising from service reconfigurations, appropriate consultation arrangement will be put in place.

4. Risk Management Implications

- 4.1 The Asset Management Policy and Strategy are not completed by July 2018. This report to the committee is part of the mitigation of this risk, as it is monitoring that progress is being made to achieve that deadline. The County Council has not adopted an asset strategy since 2011.
- 4.2 Until the Asset Management Policy and Strategy are in place, there are risks
 - that the Council will make inconsistent or poor decisions about its property estate;
 - capital and revenue investment in assets (including maintenance) may not be directed where they can have the most impact;
 - assets are not located or configured to meet present and future service needs.

3. Other Options Considered

- 3.1 An audit report recommendation from May 2016 requires the development of an Asset Management Strategy; no other options have been considered.

4. Equality Duty

4.1 There is no equality impact as a result of this report as it is an internal report.

5. Social Value

5.1 The Asset Management Policy and Strategy provide significant opportunities to improve the County Council's environmental and sustainability performance.

5.2 There will be opportunities for savings, efficiencies and income generation as the Asset Management Policy and Strategy provides a basis for improved management of the property estate.

5.3 There will also be opportunities to utilise a local supply chain to add Social Value through works identified to develop, improve and maintain the property estate.

6. Crime and Disorder Implications

6.1 Not applicable

7. Human Rights Implications

7.1 Not applicable

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Background documents

None

Appendices

- A Asset Management Policy
- B Asset Management Strategy