

11. STRATEGIC ASSET MANAGEMENT AND OPERATIONAL FINANCIAL PERFORMANCE OF THE PROPERTY ASSETS (2017/18) (CBM)

1. Purpose of the report

Following the Members Forum on Asset Management on 1st December 2017, this report informs Members who were not able to be present regarding the proposed approach to Asset Management and seeks formal approval for it. It also updates Members who were not present on the operational financial performance of the property assets.

Key Issues

- **The Authority owns & manages an extensive property portfolio with significant opportunities as well as liabilities**
- **The portfolio supports many of our services and objectives and is a key component of our overall business strategy and needs to be resourced and managed accordingly**
- **It is proposed that a refreshed short-term and longer term Asset Management process (including the production of a new Asset Management Plan) will take place over the next 3 years**
- **The process will challenge each of our Services to review what property they need and can manage well within their resources**
- **Where ownership of property assets is not necessary, or is discretionary, financial objectives may be set to minimise or eliminate the cost of ownership**
- **These financial objectives may also be set for certain services which are discretionary and are capable of income recovery**

2. Recommendations

- 1. Members to note and approve proposed approach to strategic asset management and the production of a refreshed Asset Management Plan over the next 3 years.**
- 2. Members to note current operational financial performance of the property assets**

How does this contribute to our policies and legal obligations?

3. Corporate Strategy 2016- 2019

Cornerstone 1 –Our Assets: Clear plan for the standards needed for our assets for maintenance, environmental performance and visitor experience.

Cornerstone 3- Our Organisation: Develop key business processes underpinning the Corporate Strategy.

Directional Shift 3- Visitor experiences that inspire and move –provide a quality experience for anybody that visits our property

Corporate Priority 17/18

‘We will have an updated Asset Management Plan which aligns with the Corporate Strategy and sets out the need and scope for improvements in a targeted way’ (SDM agreement that we are not ready for full scale Asset Management Review)

Revised Corporate Priority 18/19

‘We will have all the relevant information (in particular condition surveys of all our properties), plans and resources to undertake a review of the Asset Management Plan’.

Although there is no legal obligation on the Authority to have an Asset Management Plan it is regarded as ‘good practice’ within the public sector. Value for money in the use of assets for the provision of public services cannot be managed or measured without some form of explicit asset management plan.

Background Information

1. Please see Appendix 1 and 2

Proposals

2. Please see Appendix 1 and 2

Are there any corporate implications members should be concerned about?

Financial:

3. Please see Appendix 1 and 2

Risk Management:

4. Please see Appendix 1 and 2

Sustainability:

5. Our properties are managed in accordance with Authority policy on Sustainability

Equality:

6. Our properties are managed in accordance with Authority policy on Equality

7. **Background papers (not previously published)**

As below

8. **Appendices**

Appendix 1 - Copy of presentation by the Authority’s Corporate Property Officer on Asset Management to Members Forum on Friday 1st December 2017.(The presentation includes an update on the Woodland Disposal Project 2015-2018)

Appendix 2 - Copy of presentation by the Authority’s Chief Financial Officer on the operational financial performance of the property assets to Members Forum on Friday 1st December 2017

Report Author, Job Title and Publication Date

Chris Manby, Corporate Property Officer, 11th January 2018