



Meeting: Executive

Portfolio Area: Resources & Community

Date: 11th July 2018

**ADOPTION OF GENERAL FUND ASSET MANAGEMENT STRATEGY
AND ACTION PLAN**

KEY DECISION

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1. PURPOSE

- 1.1 To seek approval to the adoption of the revised new General Fund Asset Management Strategy and Action Plan.

2. RECOMMENDATIONS

- 2.1 That the changes to the Asset Management Strategy and Action Plan, which now take into account co-operative council principles be noted .
- 2.2 That the revised Asset Management Strategy at Appendix A be adopted.
- 2.3 That the revised Asset Management Action Plan, at Appendix B, be adopted.
- 2.4 That approval of a package of community development support is delegated to the Strategic Director having consulted the Leader and the Portfolio Holders for Resources and for Neighbourhoods and Co-operative Working.

3. BACKGROUND

- 3.1 A new draft Asset Management Strategy (AMS) and Action Plan (AMS Action Plan) were presented to Executive on the 14th February 2018.
- 3.2 The AMS will set the framework for managing the Council's General Fund property portfolio for the next five years.

- 3.3. It will guide the Council's future strategic property decisions to make sure the estate is managed sustainably and efficiently so it can adapt and remain fit for the future, and help the Council meet its Future Town Future Council aims.
- 3.4 Since the previous AMS, the financial landscape has changed considerably impacted by the comprehensive spending review in 2017, and further financial pressures on the general fund. This coupled with an already aged and extensive property portfolio to keep water-tight, secure, operational and fit for purpose, where costs have outstripped the capital receipt pipeline, is not sustainable. The Council is now facing some difficult decisions if its ambition to hold a well maintained and sustainable estate is to be achieved. The new AMS sets out clear financial targets to achieve during the next five years in order to help meet these challenges. To help reach those financial targets, the AMS recommends seven clear areas for change, including undertaking comprehensive locality and asset reviews to try and identify new opportunities to release surplus land and buildings for sale (to support the capital programme), and opportunities to generate new sustained revenue income as well as improving efficiency and utilisation of its assets.
- 3.5 It is proposed that the AMS will remain in place until 2023 and that the AMS Action Plan will be the key change document and main focus, to be updated annually.
- 3.6. Whilst both the draft AMS and the draft AMS Action Plan were noted on the 14th February, the Executive requested that both documents be amended to adopt 'a co-operative approach to engagement with communities, in particular through reviews of assets in different localities' before consideration for final adoption.
- 3.7 A working group was established, as required by Executive, chaired by the Portfolio Holder for Resources, with the Portfolio Holders for Environment & Regeneration and Neighbourhoods & Co-operative Working and the Leader present, working alongside the Assistant Directors, Communities and Neighbourhoods, Direct Services, and Finance & Estates to help develop the Council's co-operative approach to Asset Management.
- 3.8 Following Executive on 14 February and in advance of the meeting of the working group, Officers reviewed good practice in respect of community engagement and successful community asset transfer from other co-operative councils, as identified through the Co-operative Innovative Network. This research was considered alongside the good practices this Council are already following in order to develop a new Stevenage approach to Asset Management.
- 3.9 The working group met on the 6th June 2018 to develop a number of key principles which are considered important for successful community development. These are discussed in Section 4 below and have been incorporated into the AMS and the AMS Action Plan (Appendices A and B).

4. REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

- 4.1 A key action within the AMS Action Plan is for the Council to undertake locality reviews of its current land and buildings together with other public sector partners (such as HCC, NHS and Blue light authorities). This means taking a look at the Council's assets in a holistic way, identifying new opportunities for better use of

existing buildings by shared or co-location of services, identifying potential sites (land and buildings) for release for sale (establishing a much needed new development pipeline for potential capital receipts) and identifying land for the Council's own housing building programme (meeting our Future Town Future Council ambitions).

- 4.2 It is proposed that the locality reviews will be undertaken jointly with a specialist external advisor. The in-house Estates team intend to produce an initial opportunity list in consultation with Assistant Directors and Executive Members, gathering known property intelligence with the support of in-house information technology specialists, using much improved spatial data systems. The external advisor will be commissioned to help identify new additional opportunities and lead on any challenge of other public sector stakeholders.
- 4.3 The outcome of the locality reviews will be a list of potential opportunities and some of these may touch and concern community buildings. Where community assets are not affected, decisions relating to disposal will be taken through the normal authority processes. An indicative process map/decision tree is provided on page 41 of the Asset Management Strategy (Appendix A).
- 4.4 Where community buildings are affected, the council will adopt a pro-active approach with a clear process to consult and engage with community stakeholders prior to any decision being taken.
- 4.5 The Member/Officer working group reviewed good practice from Newcastle City Council, Milton Keynes Council and South Tyneside Councils which has helped shape the Council's co-operative approach, whilst also recognising the differences between Stevenage and these councils.
- 4.6 The working group reviewed and agreed a number of key principles which have been incorporated into the new Strategy including
 - 4.6.1 A definition for community buildings (see Appendix A),
 - 4.6.2 The development of a community value checklist to apply to all buildings,
 - 4.6.3 Process mapping of the stakeholder engagement process (see Appendix A),
 - 4.6.4 The level of support offered by the Council to community groups interested in taking more control of assets.
- 4.7 It is clear that community involvement in the management and development of assets requires good quality support. The level of support required will vary depending on the circumstances of particular communities. Some communities may not have an abundance of volunteers with time available to volunteer or manage community assets. In order to help develop the capabilities of local communities to manage assets the community development service will design and tailor a support package on business planning, good governance and fundraising and will help shape toolkits to assist communities in running community buildings. This package of support will need to be developed and provision is made in year two of the AMS Action Plan.

5. IMPLICATIONS

5.1 Financial Implications

- 5.1.1 The Council needs an overarching strategy on how to manage its assets and this is key when considering the outcomes achieved from investment. To determine whether this delivers value for money or whether a better outcome can be gained from redevelopment or revised provision. The Council's Asset Management Plan will inform the Council's Capital Strategy and the use of the Council's limited capital resources. In addition the AMS may identify potential capital receipts which are required to fund priority capital works over the life of the Strategy.
- 5.1.2 The Council has bid for some match funding from Hertfordshire County Council to procure a contractor to undertake some of the locality review work, which is available through the One Public Estate programme (which supports Councils' undertaking locality reviews).
- 5.1.3 Funding application has also been made to the Hertfordshire Economic Growth Fund (administered through the Herts Business Rates pool) for £30,000 to help fund some of the balance of external fees in respect of the locality reviews and also to fund a part time post within the Community Development Team to help deliver the additional support mentioned within the report.

5.2 Legal Implications

- 5.2.1 There are no legal implications at this stage.

5.3 Risk Implications

- 5.3.1 The risks remain unchanged from the February 14th Executive report.
- 5.3.2 If no business support is offered to community organisations/third sector groups by the Council, the groups will not have capacity to grow or develop services for the benefit of the local community. Good sustainable and viable business planning will help provide confidence for all parties and lead to successful asset transfers.
- 5.3.3 Understanding that opportunities with community buildings will take time and positive engagement with communities before outcomes can be achieved.

5.4 Staffing and Accommodation Implications

- 5.4.1 There may be staffing implications as new staff may be required to ensure that community engagement is effectively undertaken and support provided. Please refer to comments within the financial implications (section 5.1.3).

5.5 Equalities and Diversity Implications

5.5.1 Equality Impact assessments will be undertaken during the locality reviews. Where the reviews identify community assets, wider community considerations around equalities will be considered in relation to open access for all parts of the community.

BACKGROUND DOCUMENTS

- February 14 Executive report and attachments

<https://democracy.stevenage.gov.uk/documents/s5350/20180214-Item6.pdf>

APPENDICES

- Appendix A - Asset Management Strategy
- Appendix B – AMS Action Plan