



Finance Sub-Committee 26 March 2018

Asset Management Strategy Working Party (AMSWP)

Purpose of report

To provide an update on Asset Management Strategy Working Party and seek approval for the Asset Management Strategy.

Appendix 1 – Asset Management Strategy

Appendix 2 - AMSWP – Minutes of 28 February 2018 meeting

1.0 Introduction

1.1 This report provides an update on the work of the Asset Management Working Party and seeks approval for the Asset Management Strategy that was considered and agreed at its meeting on the 28 February 2018

2.0 Background

2.1 The inaugural meeting of the Asset Management Strategy Working Party was held on the 20 November and considered:

- Terms of Reference
- Assessment Methodology
- High level review of all assets
- Themes to form the basis of a work programme for 2018

2.2 The Asset Management Strategy is presented in Appendix 1 and the Minutes of the 28 February meeting are presented in Appendix 2.

3.0 Equality and diversity implications

3.1 The review will consider all assets to make sure they are DDA compliant where relevant.

4.0 Legal Implications

4.1 The review will consider any legal implications relating to the Council's assets. Any legal matters identified will be managed through the delivery of the work programme.

5.0 Risk Management

5.1 A risk register will be produced and reviewed as part of the work programme.

6.0 Financial and Resource Implications

6.1 The financial and resource implications of each asset will be assessed and presented as part of the work programme

7.0 Corporate Outcomes

7.1 This report contributes to the following corporate outcomes:

- **Good Quality of Life** – Ensuring that the Council's assets are fit for purpose to support service delivery and improvements
- **Good value for money** – Reducing costs and improving the rate of return on assets
- **Effective Partnership working** – Utilise the Council's assets where possible to support joint working with others to improve services and facilities across the district, reduce costs and generate income.

8.0 Recommendations

The Sub-Committee is recommended to:

- a) Consider and agree the Asset Management Strategy in Appendix 1 and recommend it for approval to the Policy and Resources Committee and Council.
- b) Note the Minutes of the 28 February meeting in Appendix 2

(Reason – To provide the policy basis for the asset management review through 2018)

Legal	Power: Local Government Act 1972				
	Other considerations:				
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Date: 26 March 2018					
CFO		MO		CX	



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Asset Management Strategy

Enterprising East Northants Council
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Next review date	Annual review as part of budget setting process

Change History

Issue	Date	Comments
V0.1	21 December 2017	Circulated to CMT and members working group for comment

NB: Draft versions 0.1 - final published versions 1.0

Consultees

Internal	External
CMT	
Middle Managers	

Distribution List

Internal	External
All members	
CMT	
Middle Managers	

Links to other documents

Document	Link
Corporate Plan	
Medium Term Financial Strategy	
Economic Development, Tourism and Regeneration Strategy	
Asset Management Plan	In development
Organisational Development Plan	In development

Additional Comments to note

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Appendix A – Action Plan to 2021

1. Introduction

1.1 Purpose and Scope

1.2 This document sets out the Council's policy position with regards to asset management and how it will support the delivery of the Corporate Plan and Medium Term Financial Strategy (MTFS). The policy will, for the most part, focus on providing assets to support service delivery, income generation and regeneration but will also influence (and make reference to) activity that is (or will be) covered by other Council policy regarding:

- Treasury Strategy
- Car Park Strategy
- Commercialisation
- Capital Investment
- Efficiency Plan
- Business Transformation
- Organisational Development
- Land use planning
- Economic Development
- Destination Management
- Customer Service

1.3 Drivers for asset management – The main drivers for asset management within ENC are:

- To ensure fit for purpose assets to support service delivery now and in the future as the services evolve to reflect changes in:
 - The districts demographic profile
 - Broader socio-economic trends.
 - Customer Services Strategy
 - The needs of our communities
 - Technology
 - Environmental pressures
 - Political and governance structures relating to the district
 - To generate income to support the delivery of the MTFS
 - To provide leadership, and an example to others, in the development of place through driving new developments that set a high quality standard for design and delivery
 - To ensure our assets are maintained to a high standard with a clear asset management budget and maintenance programme in place

1.4 Best practice – The development of this policy has involved reviewing best practice from across all sectors. This will be continued through to delivery to ensure a culture of continuous improvement underpins the Council's approach to asset management.

2. Policy

2.1 **Outcome** – By 2021 the Council will have an asset portfolio that enables:

- Effective service delivery at the most appropriate locations to meet the needs of service users
- Growth in income from assets as a proportion of the MTFS to support service delivery
- Faster delivery of high quality residential and commercial development on council owned land to meet the demands of residents and businesses.

2.2 **Status** – The current position relating to the above is characterised by:

- Significant savings have been made through delivery of an efficiency plan
- Major investment of a Rushden town centre site to generate income and secure interest into a strategic site as basis for driving redevelopment and reconfiguration of the town centre
- Asset management strategy that in recent years has focused on disposal of land assets to developers which have generated capital receipts
- Piecemeal and market led approach to disposal of assets which has seen the most viable sites being sold with the Council being left with the more difficult sites.
- Several surface car parks sites that do not reflect the current and changing demands of the town centres they serve
- Several ransom strips that are not currently being utilised
- A treasury strategy that is focused on low risk investments
- Ambition to undertake more direct development to set the pace and tone of development but as yet there is no mechanism for taking this forward.
- Plans for a new Enterprise Centre are underway which will set quality standards in design, provide space for new businesses and generate revenue that will support service delivery
- Work environment for Council services does not reflect current best practice in office design and does not make the best use of the space available.
- The need for a robust asset management programme and delivered by appropriate contractors.

2.3 **Policy** - To move the Council from its current position described in section 2.2 towards to desired outcome presented in section 2.1 the following policy will be pursued:

The council will focus its asset management on 2 distinct but interrelated work streams:

- Asset Planning - Producing an asset plan for each asset to consider current and potential use and all associated resource and service implications including matters of maintenance, performance management, estate management, risk, income generation and economic, environmental and social implications.
- Asset Development - Rationalising and developing its assets which will include keeping all assets under review and, where appropriate, acquiring and disposing of assets and developing assets to provide a range of residential, commercial and mix use development schemes.

Appendix 1 details the action plan up until March 2021 to take forward the work streams presented in the policy. This action plan presents the headline actions, leads and timeframes under each work stream. The detail of the headline actions will be worked up through a combination of the Council's project management process, briefing notes and reports to committee.

3 Next Steps

3.1 Governance and management arrangements – All decisions relating to the implementation of this strategy will be taken via the formal committee process with the Asset Management Strategy Working Party taking a more detailed oversight of the delivery of the action plan:

- Council – Oversight of decision making process
- Policy and Resources Committee – Approval of Policy
- Finance Sub Committee – Recommendations on decision making on project proposals
- Asset Management Strategy Working Party – Oversight of action plan delivery; reviewing and revising where required
- Corporate Management Team – Oversight of project development
- Other groups will be established as required

3.2 Processes and procedures to support delivery – The delivery of the strategy will be overseen by the Head of Economic and Commercial Development with support from a range of internal and external resources. This will include, for example, involving the Northamptonshire Property Group in exploring joint initiatives regarding public sector assets,

Internally, it is proposed that a virtual commercial team is set up to oversee the day to day management of the delivery of this strategy. It is suggested that this includes:

- Head of Economic and Commercial Development (HECD)
- Section 151 Officer
- Finance Manager
- Facilities Manager
- Property Management Contractor (to be procured)
- Specialist Legal advice as required

Other officers will be involved on an ad hoc basis depending of the focus of the work being undertaken. The team will report through to CMT to ensure all services areas have an oversight and input into the delivery of the action plan.

Appendix A – Action Plan to 2021

Work Stream	Headline Actions	Lead	Timeframe
WS1 – Asset Planning	1. Asset Plan – Undertake a review to understand current conditions and maintenance requirements of each asset	FM	Dec 18
	2. Facilities Plan – To programme works to be undertaken on all assets as part of the budgeting and service planning process	FM	Oct 18 (Annually)
	3. Produce an annual asset statement to report on: <ul style="list-style-type: none"> • Number / value of assets held • Rent and yield levels • Statutory duties • Income generated • Economic, environmental and social implications • Maintenance undertaken • Disposals • Acquisitions • Developments • Voids • Risks • Estate management matters 	FM	Nov (each year)
WS 2 – Asset Development	4. Asset acquisitions/ disposals	HECD	On going
	5. Produce Car Parking Strategy	FM	Feb to Oct 18
	6. Deliver the Enterprise Centre project	HECD	Jan 18 to Mar 20
	7. Review use of Council offices	HECD	Feb 18 to Mar 19
	8. Explore joint venture options	HECD	Aug 18 to Mar 19
9. Ransom Strip Delivery Strategy	HECD	Spring 19	

Note – This work programme will be reviewed annually and updated as required.



Asset Management Strategy Working Party
Draft Minutes of meeting held on Wednesday
28th February at 11.30am in the CX Office

Present

Councillors	Richard Lewis David Brackenbury Steven North	CllrRL CllrDB CllrSN
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Also in attendance

Head of Economic and Commercial Development	Greg Macdonald	GM
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Head of Customer and Community Services	Julia Smith	JS
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Minutes – Charlie Christmas, Democratic Service and Corporate Support CC

		<u>ACTION</u>
1.	Apologies and introductions	
1.1	Apologies were received from Sharn Matthews, Paul Bland and Matt Lineham	
2	Minutes of the last meeting	
2.1	The minutes of the meeting held on November 20 th 2017 were agreed as a true and accurate record, subject to an amendment in paragraph 2.1, referencing the appointment of the Deputy Chair as Councillor Richard Lewis.	
3	Declarations of Interest	
3.1	No declarations were made.	
4	Review of Draft Asset Management Strategy	
4.1	The aim is to have a portfolio of assets in place by 2021 in order to drive service delivery and enable growth in income from those assets, as well as using them to deliver high quality residential and commercial development. A number of acquisitions (and disposals) are currently underway, as we move forward towards achieving the aims as set out in the Strategy.	
4.2	The next steps were considered, and it was confirmed that	

	the Strategy will be submitted to FSC and then P&R for consideration. The ASMWG to review, revise and drive forward the action plan. .	
5	Review of Draft Asset Management Plan	
5.1	The Plan is a work in progress, and will be brought to the September meeting of this Working Group for review, with an aim to getting it signed off in December. The work plan to be updated, and information pertaining to some Rushden sites as details in previous FSC reports and the Asset Monitoring Report from March 2017 to be obtained.	CC
6	Car Parking Strategy	
6.1	A condition and use survey will be carried out, the results of which will influence the strategy going forward.	
6.2	The enforcement of car parking regulations was discussed, where it was noted that if it is private land owned by East Northamptonshire Council, any monies generated from fines within those car park would be ours to keep. It was also noted that it would be expensive to establish our own car parking enforcement service, with no income being generated to supplement this, aside from any parking fines.	
7	Site Development Strategy	
7.1	This forms part of the discussions around commercialisation work. Corby is looking at working on some of their own sites, and we may be able to utilise their existing infrastructure bring forward some of ENC sites.	
7.2	GM to explore the options, and bring these back to the September meeting of this Working Group. GM to update Members on any developments. GM to meet with Nick Bolton in April.	GM CC
8	Ransom Strips	
8.1	A review of the Ransom Strips is ongoing.	
9	Any Other Business	
9.1	GM presented a briefing note, detailing current issues for consideration: <ul style="list-style-type: none"> Rushden Centre – the new lease has yet to be signed, concerns were raised regarding the amount of time that has elapsed, and GM is chasing this matter. There are several options to consider going forward on how to best utilise the site. Matt Lineham 	ML

	<p>to speak to the agent and present details of the options.</p> <ul style="list-style-type: none"> Thrapston offices – there will be a phased approach to the reconfiguration of the office accommodation; agile working will also be promoted. A meeting to be arranged for the Business Transformation Group in the next few weeks. 	CC
9.2	GM made Members aware of the proposal to introduce electric charging points in a number of car parking spaces at the Thrapston offices. It was agreed that GM should explore this further and report back with a detailed and costed proposal.	GM
10	Dates for future meetings	
10.1	The next meeting will take place on Wednesday 13 th June, at 10am in the Members Room.	