

Report To: Cabinet

Date of Meeting: 18th July 2017

Lead Member / Officer: Julian Thompson Hill – Lead Member for Finance, Performance & Strategic Assets
Jamie Groves – Corporate Landlord & Head of FAH

Report Author: Tom Booty – FAH Programme Manager – Business Change

Title: **Asset Management Strategy**

1. What is the report about?

Along with Finance, People and ICT, Property is one of the four principle corporate resources that support the delivery of all services. As such, how that resource is utilised can have a significant impact on the Council's delivery of services and financial standing. In response to tighter budgets and new duties under the Wellbeing of Future Generations (Wales) Act 2015, a new Asset Management Strategy has been developed to replace the Corporate Asset Management Plan.

2. What is the reason for making this report?

The Asset Management Strategy has been developed under the direction and governance of the Asset Management Group (AMG), and this group's recommendation in relation to the strategy following consideration at their meeting on 13th July will be reported verbally to Cabinet. A decision is required to approve and adopt the Asset Management Strategy.

3. What are the Recommendations?

That Cabinet:

3.1 approves and adopts the Asset Management Strategy

4. Report details

Cabinet Briefing received a presentation on the Asset Management Strategy at their meeting of 13th February 2017 (presentation slides attached as appendix 1). This presentation outlined the positive progress we have made in terms of how we manage our assets, along with the rationale for and outline of the proposed new approach. Subsequent to that presentation, the strategy has been subject of a wider consultation exercise, the outcome of which is summarised in the following sections.

Following consideration by AMG at their meeting of 9th March 2017, the draft version of the Asset Management Strategy was published on the DCC website for consultation. The consultation period ended on 31st July 2017 and an analysis of the comments received was undertaken. The summary analysis is attached to this report as appendix 2, but are summarised below:

- 26 responses were received via the website, of which 7 (27%) were members of the public and 15 (54%) were DCC employees. This is a low response, but

is the first time the council has consulted outside the organisation in relation to any asset management plans or policies, so awareness with the general public is likely to be very low. However, with such a low return a degree of caution must be applied in terms of the findings summarised in the following bullet points.

- In terms of how respondents ranked the importance of the four outcomes, the results were:
 1. Outcome 3 – support the local economy
 2. Outcome 1 - right buildings, right place
 3. Outcome 4 – community capacity and resilience
 4. Outcome 2 – reduce environmental impact

- In terms of support for the strategy:
 - 31% - strongly in favour (8 respondents)
 - 42% - in favour (11 respondents)
 - 23% - neutral (6 respondents)
 - 4% against (1 respondents)

A number of respondents also provided some specific comments in regard to the strategy. These are included in appendix 3 – comments received, along with details of the response to these comments and whether any changes have been made to the strategy as a result of these responses.

Following the analysis of the consultation exercise, the strategy document has been amended. Further amendments have also been made following an informal meeting with the Welsh Audit Office (WAO) on 30th June 2017. The revised version of the Asset Management Strategy – with amendments made highlighted in red – is attached as appendix 4. It is this revised version of the strategy that we are recommending for approval and adoption by Cabinet.

5. How does the decision contribute to the Corporate Priorities?

The Corporate Plan is specifically referenced in the Asset Management Strategy, and details how the strategy can assist in the delivery of the Corporate Plan through:

- Consideration of the viability of services being delivered locally through the asset review process;
- Considering how we can use our land and building assets to increase community capacity and resilience.

6. What will it cost and how will it affect other services?

There are no direct costs associated with the strategy, although clearly the actions and activities that result from delivering the strategy – maintenance, refurbishments, acquisitions, etc. – will have significant financial implications.

All other services will be impacted on by the strategy as they are all occupiers, or have management responsibilities, for the council's land and buildings.

7. What are the main conclusions of the Well-being Impact Assessment? The completed Well-being Impact Assessment report can be downloaded from the [website](#) and should be attached as an appendix to the report

The Asset management Strategy embeds the five ways of working to secure sustainable development. We are trying to think in the much longer-term and consider opportunities to adopt new ways of managing our assets to secure resilience by working across the public sector and with communities. The strategy comes out as a positive against all seven wellbeing goals.

8. What consultations have been carried out with Scrutiny and others?

The process of developing a new asset management plan started through internal discussions with various staff with key responsibilities in relation to the operation or management of the council's land and building assets. Through this some initial outcomes were developed, which were tested with Members through presentation to each of the Member Area Groups (MAG's). It was from these presentations that the fourth outcome around community capacity and resilience was added.

Following the presentation to MAG's, a draft strategy document was prepared, again tested internally with key staff members, and considered by the Asset Management Group. Informal discussions have also taken place with the WAO. Following approval by AMG in March 2017 the strategy was published on the website inviting comments, the results of which have been detailed earlier in this report.

9. Chief Finance Officer Statement

The new Asset Management Strategy clearly sets out the council's corporate approach to the management of its assets and defines outcomes to deliver this. It is important, given the value of the council's asset base, running costs and scope for delivery of capital receipts, that the Asset Management Strategy links to the council's wider financial strategy through the Medium Term Financial Plan.

10. What risks are there and is there anything we can do to reduce them?

The following key risks have been identified and will be managed by the Asset Management Team:

- **Financial Limitations** – as the Portfolio Plans are developed under the strategy, many of the actions that are identified from this process will have financial implications such as works required to maintain buildings or acquire new ones, meeting statutory requirements, investing in energy conservation, etc. Financial limitations will mean that not all identified actions can be progressed, and a robust process of prioritisation will need to be applied.
- **Shared use of assets** – the principle of shared use of our assets to provide more citizen focussed services is a clear aspiration within the strategy. However, the reality of delivering such shared use is challenging, with different organisations having different priorities and drivers and decision-making processes. This could lead to limited success in delivering shared use.
- **Community Capacity and Resilience** – this fourth outcome under the strategy is new territory in terms of how the council considers its land and building assets.

This will require new, un-tested approaches to how we engage with and involve the wider community, and as such we will not know how effective (or not) these new approaches are until they have been tried. This could create real challenges in terms of delivering this outcome.

11. Power to make the Decision

Local Government Act 1972