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| | <p align="center">Assets Regeneration and Growth Committee</p> <p align="center">15th December 2014</p> |
| <p align="center">Title</p> | <p align="center">Strategic Asset Management Plan</p> |
| <p align="center">Report of</p> | <p>John Hooton, Deputy Chief Operating Officer Cath Shaw, Lead Commissioner, Enterprise and Regeneration</p> |
| <p align="center">Wards</p> | <p>All</p> |
| <p align="center">Status</p> | <p>Public</p> |
| <p align="center">Enclosures</p> | <p>Appendix 1 – Draft Strategic Asset Management Plan Appendix 2 - Consultation Plan</p> |
| <p align="center">Officer Contact Details</p> | <p>Michael Sudlow, Property Director, Re, 07860 758461</p> |

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| <h2>Summary</h2> |
| <p>The Strategic Asset Management Plan (SAMP) is a key corporate strategic tool which sets out the London Borough of Barnet’s property objectives, focussing on how the Council intends to utilise its asset base to deliver its Corporate Plan over the next five years.</p> <p>The strategic document sets out the template and framework for how the Council will seek to utilise its land and property assets as a corporate resource.</p> <p>The key principles of the SAMP were reported at the 9 July 2014 Assets, Regeneration and Growth Committee and Assets and Capital board on the 19 September 2014. Taking into account those principles, this document sets out the proposed approach to asset management over the next five years.</p> |

Recommendations

That the Committee approve the attached Strategic Asset Management Plan (SAMP) following a period of internal and public consultation.

1. WHY THIS REPORT IS NEEDED

1.1 Executive Summary

1.1.1 The London Borough of Barnet (LBB) holds property to sustain and support its corporate objectives as reflected in the corporate plan. The Council should seek to secure an operational and asset portfolio that is both fit for purpose and capable of providing flexible accommodation that can adapt to future requirements and increase/decrease in accordance with need.

The SAMP is attached to this report for approval following further engagement and consultation.

The SAMP sets out an approach to how the Council should manage the different types of land and property assets that it owns or leases. These fall into six main categories which are discussed in more detail within the SAMP:

1. Operational Assets – Held for the delivery of Council services
2. Community Assets – Retained for the benefit of the community
3. Highways and Green Spaces Portfolio
4. Investment Portfolio – Held primarily to provide income and investment opportunity
5. Housing Portfolio – Managed by Barnet Homes
6. Development Portfolio

1.1.2 A consultation exercise was held between the period October 2013-November 2014 with key stakeholders, elected members, community groups and stakeholders/partner organisations.

1.1.3 The draft SAMP was available to download from the Engage Barnet web site from 13/10/2014 until 17/11/2014 to all interested parties requesting feedback and or requests for one to one meetings. (See 4 for full consultation details)

1.1.4 The SAMP is the overarching document which will set out the council's objectives in terms of the use of the asset base to deliver the stated corporate objectives. A number of subsidiary policy documents will shortly be delivered such as the Community Asset Strategy and library strategy which will form the policy documents supporting the parent SAMP and approval of the SAMP should precede publication of any further strategic policy.

2.2 REASONS FOR RECOMMENDATIONS

2.2.1 It is important that the Council takes a strategic approach to asset management. The SAMP is a document designed to set out the future direction for managing public assets within the London Borough of Barnet for the next five years. It sets out guidelines regarding both the intended state of the asset portfolio and the key parameters in relation to overall asset management. It will be used by Elected Members, Officers and Partner organisations to support/inform any decision related to property assets and should be treated as the key reference point to which all future decisions in relation to the property portfolio are referenced.

2.2.2 The purpose of the Council holding assets is to support its corporate objectives by delivering services, generating income, making assets available for activities that support our objectives, and protecting the long term interest of the community. Holding assets will also support the objectives of the local plan and maintaining the built environment.

The objectives within the SAMP are:

- Articulate a vision for Council land and property assets over the next five years in support of the Council's Corporate Plan and objectives.
- Set out a strategic approach in respect of the Council's land and property assets so the portfolio is managed as a whole rather than considering assets in isolation.
- Shape the Council's operational estate to optimise service provision and meet the needs of customers.
 - a) Ensure that operational properties are appropriately located, provide flexible accommodation at appropriate cost, are in good condition and are accessible to all.
 - b) Achieve a reduction in the overall use of operational space to achieve savings.
 - c) Reduce the running costs of buildings and benchmark costs in use against peer groups.

d) Develop an Office Accommodation Strategy, achieving efficiency in the use of space through Agile / remote working, and to maximise co-location of services working with partners.

- Ensure that the procurement of works for buildings meets sustainable design criteria and those buildings are maintained and managed for maximum energy and resource efficiency.
- Support longer term regeneration and growth by preparing business cases for retaining, acquiring or disposing of assets ensuring best consideration is achieved and where relevant community and social value is taken into consideration.
- Provide a framework against which strategies for council assets such as highways, housing and parks can be developed.
- Develop an approach that maximises letting income and where relevant, this should be balanced against community or social value.
- Achieve efficiencies by sharing assets across the Public Sector.

2.2.3 The Council has an extensive and varied asset portfolio. The total assets by category and income are set out within the SAMP attached.

2.2.4 The total asset value of the portfolio based on current book value (as at 31st March 2013) was over £1bn. This figure includes £0.6bn of social housing stock. Excluding the housing revenue account, the annual rental income received on the estate is circa £3m per annum. The total cost of office accommodation is currently £8.6m per annum.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

3.1 It is important that the Council has an up to date Strategic Asset Management Plan in place. The SAMP is recommending an approach to asset management that maximises cost and energy efficiency across the operational estate, balances income maximisation with operational and community service and delivery across the remainder of the estate. It also considers the development portfolio as an income stream.

3.2 The alternative option considered but not recommended is that the Council could decide to not adopt a SAMP. Failure to adopt a strategic approach to the management of the Council's estate will fail to deliver reductions in cost and increases in income in future decisions relating to the use of land and property. Given the challenging financial climate and the need for the Council to maximise the performance of its assets, this course of action is not recommended.

4. POST DECISION IMPLEMENTATION

In the event that the SAMP is approved for publication the plan will be issued and made publicly available on the Barnet web site. As policy documents subsequently emerge the SAMP will be reviewed and updated at least annually to reflect any relevant changes.

5. CONSULTATION AND ENGAGEMENT

- 5.1 A copy of the Consultation Plan is attached setting out the methodology and the five phase consultation plan undertaken over the period October 2013 – December 2014 with key stakeholders; including elected Members, community groups and partner organisations
- 5.2 As a result of the consultation exercises feedback over the entire period has been incorporated within the final document on a continuing basis.
- 5.3 The consultation included a presentation of the draft SAMP at Hendon Town hall on 3/9/2014 to interested groups including CommUNITY Barnet, Age UK, Catch 22 and Barnet Homes.
- 5.4 Whilst the individual groups expressed interest in the extent of the reach of the SAMP and the nature of the document as the parent strategic plan which will overarch the specific subsidiary policy proposals (e.g.; CAS) the majority of the enquiries referred to detail outside the SAMP scope.
- 5.5 Comment therefore on the SAMP was positive and interested parties reserved their further comments until such time as the policy documents such as the CAS and Library strategies are published.
- 5.6 The SAMP was made available for download on the Engage Barnet web site for the period 13/10/2014 -17/11/2014 inviting either comments from interested parties or requests for one on one meetings. In addition approximately 150 hard copies of the SAMP have been distributed to officer's members and the general public.
- 5.7 In association with CommUNITY Barnet community groups were approached to establish if there was demand for a specific SAMP workshop. The general response was that given the nature of the SAMP groups would prefer to await specific implementation/policy documents as they emerge as set out below.
- 5.8 The Engage Barnet site noted; *a number of documents will subsequently be developed to support implementation of the SAMP, for example our Sports and Leisure Strategy, our Community Asset Strategy, and our Housing Strategy, and these will all be consulted on an individual basis.*
- 5.9 Consequently, overall there has been fairly limited feedback to the final version of the SAMP because, it is believed, the SAMP is seen as a non-specific, over-arching document. It is expected that subsequent consultations

on the detailed implementation plans will elicit far more interest from the community, and there are plans to continue proactive engagement on these additional elements as they are developed.

- 5.10 As a result of the Engage Barnet phase of the consultation two parties have requested on-to-one meetings which are in hand post the formal consultation end date of 17-11-2014.
- 5.11 This meeting has been programmed for the 5th December and in the event that any matters should arise that are relevant to this exercise those will be reported as a separate paper to be read in conjunction with this document prior to any approvals being sought.

6. IMPLICATIONS OF DECISION

6.1 CORPORATE PRIORITIES AND PERFORMANCE

- 6.1.1 The Corporate Plan 2013-16 has a strategic objective to “promote responsible growth, development and success across the Borough”.

6.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)

- 6.2.1 The cost of the development of the SAMP and the component elements within this strategy are contained within existing CSG budgets.

6.3 Legal and Constitutional References

- 6.3.1 Council Constitution, Responsibility for Functions, Annex A – sets out the terms of reference do the Assets, Regeneration and Growth Committee which includes:

- Develop strategies which maximise the financial opportunities of growth; and
- Asset Management – all matters relating to land and buildings owned, rented or proposed to be acquired or disposed of by the Council
- To approve any non-statutory plan or strategy within the remit of the Committee that is not reserved to Full Council or Policy and Resources.

- 6.3.2 Council Constitution, Management of Asset, Property and Land Rules – the following sections relate to the Strategic Asset Management Plan:

- 2.6 Reference must be made to the Council Corporate Plan, which informs the Strategic Asset Management Plan and is delivered through the Annual Work Plan
- 2.7 The Council may delegate responsibility to Authorised Service Providers to develop and deliver the Strategic Asset Management Plan

and Annual Work Plan through the adoption of an Approved Management Structure.

- 2.8 The Strategic Asset Management Plan will govern decisions on the future direction and development of the Council's Built Environment.
- 2.12 The Chief Operating Officer shall maintain issue and publish the Management of Asset, Property and Land Rules, the Strategic Asset Management Plan and the Annual Work Plan.
- 4.1 Any significant changes to existing legislation or measurement standards and methods which impact upon the Asset Portfolio will be reflected in changes to the Annual Work Plan, Strategic Asset Management Plan and the Corporate Plan.

6.3.3 The Council has general powers to dispose of and acquire property, contained in the Local Government Act 1972 and the Housing Act 1985.

7.4 Risk Management

7.4.1 The Strategic Asset Management Plan recommends an approach to asset management that maximises cost and energy efficiency across the operational estate whilst balances income maximisation with operational and community service and delivery across the remainder of the estate.

7.4.2 This document can be used by Elected Members, Officers and Partner organisations to support/inform any decision related to property assets and can be treated as the key reference point to which all future decisions in relation to the property portfolio are referenced.

7.4.3 The risk associated with not implementing a Strategic Asset Management Plan could result in failure to deliver reductions in cost and increases in income in future decisions relating to the use of land and property. This is a high risk given the challenging financial climate and the need for the Council to maximise the performance of its assets, this course of action is not recommended.

7.5 Equalities and Diversity

7.5.1 Equality and diversity issues are a mandatory consideration in the decision-making of the Council. This requires elected Members to satisfy themselves that equality considerations are integrated into day to day business and that all proposals emerging from the finance and business planning process have properly taken into consideration what impact, if any, there is on any protected group and what mitigating factors can be put in train.

7.5.2 The projected increase in the borough's population and changes in the demographic profile will be key factors that need to be considered when determining both the corporate strategy and service responses. Both of these need to also reflect the aspirations and contributions of current residents

- 7.5.3 Similarly, all human resources implications will be managed in accordance with the Council's Managing Organisational Change policy that supports the Council's Human Resources Strategy and meets statutory equalities duties and current employment legislation.
- 7.5.4 In consulting on the principles of the strategic asset management plan over the summer we sought to identify any particular impacts on protected groups that should be taken into account in developing the strategic asset management plan.

8. BACKGROUND PAPERS

- 8.1 July 2014 Asset, Regeneration and Growth Committee approved the key principles of the Strategic Asset Management Plan for consultation <http://barnet.moderngov.co.uk/documents/g7960/Public%20reports%20pack%2009th-Jul-2014%2019.00%20Assets%20Regeneration%20and%20Growth%20Committee.pdf?T=10> Starting at page 167