

	<p>Assets Regeneration and Growth Committee</p> <p>8 September 2014</p>
Title	Strategic Asset Management Plan
Report of	Deputy Chief Operating Officer Lead Commissioner, Enterprise and Regeneration
Wards	All
Date added to Forward Plan	June 2014
Status	Public
Enclosures	Appendix 1 – Draft Strategic Asset Management Plan
Officer Contact Details	Michael Sudlow, Property Director, Re, 07860 758461 michael.sudlow@capita.co.uk

Summary

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.

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.

The key principles of the SAMP were reported at the 9 July 2014 Assets, Regeneration and Growth Committee. Taking into account those principles, this document sets out the proposed approach to asset management over the next five years.

Recommendations

That the Committee approve the attached Strategic Asset Management Plan (SAMP) as the draft for public consultation.

2. WHY THIS REPORT IS NEEDED

2.1 Executive Summary

2.1.1 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 prior to 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 – Surplus land for development

2.2 Components of a Strategic Asset Management Plan

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:-
 - Ensure that operational properties are appropriately located, provide flexible accommodation at appropriate cost, are in good condition and are accessible to all.
 - Achieve a reduction in the overall use of operational space to achieve savings.
 - Reduce the running costs of buildings and benchmark costs in use against peer groups.
 - 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. A detailed report by property addresses is being prepared and this will be published in line with the transparency agenda in the autumn.
- 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.
- 2.3.2 The Committee is asked to comment on the attached SAMP and the Council seeks approval to carry out a further period of public consultation prior to final approval at 15 December 2014 committee meeting.

2.4 Next steps and timescales

- 2.4.1 This document will be consulted on over the autumn with key stakeholders including elected Members, community groups and partner organisations.
- 2.4.2 The final Strategic Asset Management Plan will be reported back to committee to seek final approval in December 2014.

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

- 4.1 This SAMP will undergo further consultation over the autumn and will come back to committee on 15 December 2014. It is planned that the draft community asset strategy, which is presently written and is referenced within the SAMP, will be presented to the December committee for approval.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

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

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

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

5.3 Legal and Constitutional References

5.3.1 Council Constitution, Responsibility for Functions, Annex A – sets out the terms of reference for 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.

5.3.2 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.

5.3.3 The Council has general powers to dispose of and acquire property, contained in (inter alia) the Local Government Act 1972, the Town and Country Planning Act 1990 and the Housing Act 1985.

5.4 Risk Management

5.4.1 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.

5.4.2 The SAMP 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.

5.4.3 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.

5.5 Equalities and Diversity

5.5.1 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 place.

5.5.2 An Equalities Impact assessment will be carried out to assist the council in meeting the requirements of the Public Sector Equalities Duty.

5.5.3 The 2010 Equality Act which outlines the provisions of the Public Sector Equality Duty (PSED), requires all Local Authorities to pay due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010;
- Advance equality of opportunity between people from different groups;
- Foster good relations between people from different groups;

This places a legal obligation on the Council to pay due regard to equalities in an appropriate and proportionate manner and to take account of how the Council's decisions might impact on different groups across the borough including those identified in equality legislation as protected characteristics, namely: Age, disability, gender, gender reassignment, marriage, civil partnership, pregnancy and maternity, sexual orientation and religion or belief.

The Census data of 2011 (as updated by the GLA population projections 2014) shows how Barnet is growing and changing. There has been a significant increase in the diversity of growth in the borough population and growth in older and younger generations has been particularly rapid. The over 65 population is forecast to grow by 10.4% in the next 5 years and 24% in the next decade.

Barnet is a racially diverse and multi faith borough and proud of community cohesion. Over a third of Barnet's citizens come from a rich diversity of black and minority ethnic groups. Christianity remains the biggest religious group (41.2%) and Barnet is home to the UK's largest Jewish community. Other significant groups are no religion (16.0%), Muslim (10.3%) and Hindu communities (6.2%).

Our reputation for excellent schools and green spaces makes us a popular destination for young families. These demographic changes present challenges both in the demand for services and the way we commission, deliver and continuously improve our services.

Barnet is a relatively affluent borough with significant pockets of deprivation and we have been successful in attracting regeneration funding to those areas in 7 major regeneration schemes. Our growth and economic strategies will reflect the importance that everyone benefits from regeneration and growth, job creation, reinvigorating communities and improved quality of life. This includes the protected characteristics outlined in the 2010 Equality Act as well as citizens and other groups in Barnet who can experience disadvantage, for example:

The council intends that the SAMP will have a positive impact on all groups identified in the 2010 Equality Act because it is designed to use council assets to promote inclusion and community engagement and participation.

The SAMP will support achievement of the council's Strategic Equalities Objective which sets out *our commitment that citizens will be treated equally, with understanding and respect; have equal opportunities with other citizens and receive quality services provided to Best Value principles.*

The SAMP will reflect the council's aim that all residents are able to share in the benefits and take advantage of the opportunities of economic growth in the borough.

- 5.5.4 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.

5.6 Consultation and Engagement

- 5.6.1 Detailed consultation will take place on the contents of the asset management plan in the autumn with key stakeholders, and will inform the final document.

5.6.2 Further consultation and engagement will aim to:

- Lay out the key principles within the draft strategy document.
- Communicate and raise awareness of the financial challenge facing the council and the potential opportunities offered by more effective and efficient uses of the council owned assets.
- Gather feedback on the draft document gaining an in depth understanding of stakeholders' views to help inform the final strategy documents.

5.6.3 To ensure we reach as many stakeholders as possible we will carry out on-line surveys and make the document available in public council buildings ensuring that the survey and SAMP are available on request in different formats: large print, easy read and audio.

5.6.4 Once the consultation is complete the final Strategic Asset Management Plan will be reported back to committee to seek final approval

6. PREVIOUS DECISIONS

6.1 July 2014 Asset, Regeneration and Growth Committee approved the key principles of the Strategic Asset Management Plan for consultation