

Finance & Governance Cabinet Advisory Board

14 November 2017

Is the final decision on the recommendations in this report to be made at this meeting?

No

Draft Asset Management Plan 2018/19

Final Decision-Maker	Cabinet
Portfolio Holder(s)	Councillor David Jukes, Leader of the Council
Lead Director	Lee Colyer, Director of Finance, Policy & Development (S151 Officer)
Head of Service	David Candlin, Head of Economic Development & Property
Lead Officer/Report Author	John Antoniades, Acting Property & Estates Manager – Estates
Classification	Non-Exempt
Wards affected	All

This report makes the following recommendations to the final decision-maker:

That the Draft Asset Management Plan 2018/19 be agreed for consultation.

This report relates to the following corporate priorities:

Tunbridge Wells

The Council's Five Year Plan sets out the Council's overall priorities and objectives for the years 2014 -19. All assets are managed in accordance with the Five Year Plan and the property portfolio is managed and maintained having regard to the objectives within the framework of legislation and the state of the current property market. The Asset Management Plan is a fundamental contributor to core business resource planning and to empowering wellbeing within the Borough, as set out in the Council's corporate priorities within the Five Year Plan.

Timetable

Meeting	Date
Management Board	25/10/17
Discussion with Portfolio Holder	06/11/17
Finance & Governance Cabinet Advisory Board	14/11/17
Cabinet	07/12/17

Draft Asset Management Plan 2018/19

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 This report presents the Asset Management Plan (AMP) 2018/19 for acceptance prior to formal public consultation.
 - 1.2 The AMP supports the Council's Corporate Priorities and the Five Year Plan, along with other strategic documents such as the Medium Term Financial Strategy and the Cultural Strategy.
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2. INTRODUCTION AND BACKGROUND

- 2.1 Full Council resolved on 22 February 2017 to adopt the Asset Management Plan (AMP) 2017/18 for the current year. The Draft AMP for next year is now presented by adopting the same process, initially by seeking approval to consult with the public prior to the Council considering its adoption. A number of key features are highlighted now and appear below at paragraphs 2.2 to 2.8.
- 2.2 The Asset Management Plan for the period 2018/19 provides a management strategy for the Council's property assets. It details the principles, procedures and mechanisms to be adopted that effectively and efficiently manage the Property Asset Portfolio. It evaluates specific actions for the previous financial year relating to the Council's property estate and identifies the main portfolio ambitions for 2018/19. The draft has been produced in October, half-way through the financial year and therefore figures and details will change as the year progresses towards adoption of the Plan.
- 2.3 Over the past financial year the Council has negotiated lease renewals, new lettings and rent reviews to an increased value of approximately £46,000 annually on Council property, excluding transfers to the new property company. The Council has established and will support the activities of Tunbridge Wells Property Holdings Ltd.
- 2.4 All property rentals that are subject to an annual rental increase at the RPI were increased over the period 2017/18 resulting in a rental increase of £6,000 per annum. These reviews are usually based on the previous year's RPI figure which was 3.5% for April 2016/17.
- 2.5 Over the past 12 months, the Council has negotiated a capital income of £1.85m from the rationalisation of the asset portfolio (with 3 further payments of £1.38m due on 04/05/2018, 04/05/2019 and 04/05/2020 from the sale of Holly Farm) and a further £536,000 from 4 sites sold at auction in May 2017. A further 4 sites were transferred to parish councils for nominal sums of £1 each. One final site was transferred to a water company to correct an erroneous title.
- 2.6 Vacant space on the portfolio has been reduced by letting or licensing space to reduce occupation liabilities and to achieve rental income. The Council continues with the disposal of surplus land held by the Council from the review that was commenced a few years ago, continuing to identify and dispose of specific sites for development.
- 2.7 In the 2017/18 financial year, a maintenance budget of £923,800 was allocated and as of the end of October 2017, £593,000 worth of planned maintenance works have been

carried out and it is anticipated that the identified works will be completed by the end of the financial year.

- 2.8 The Draft Asset Management Plan outlines the forward projection and management strategy for the Property Asset Portfolio in 2018/19. It identifies the aims and objectives for next year. It includes any requirements relating to the publication of data as required by the Local Government Transparency Code 2014.

3. AVAILABLE OPTIONS

- 3.1 Enter public consultation on the Draft AMP 2018/19.
- 3.2 Do not enter public consultation on the Draft AMP 2018/19.

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 Enter public consultation on the Draft AMP 2018/19 to strengthen local democratic engagement that facilitates adoption of the AMP by due process, assists the authority to improve its efficiency and focus on its delivery of objectives by aiding the decision-making process.

5. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 5.1 The Draft Asset Management Plan 2018/19 will appear as a proposed policy, seeking public comments on the Council's website.

6. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Legal including Human Rights Act	<p>Legal</p> <p>Section 151 of the Local Government Act 1972 requires councils to put in proper processes for the management of their finances, including their assets. The Asset Management Plan demonstrates to Council's commitment to fulfilling its duties under the Act.</p> <p>Human Rights Act</p> <p>There are no consequences arising from the recommendation that adversely affect or interfere with individuals' rights and freedoms as set out in the Human Rights Act 1998.</p>	Keith Trowell, Interim Team Leader (Corporate Governance)
Finance and other resources	Ensuring that assets are properly managed and accounted for will impact on maintenance expenditure, revenue income and capital receipts.	Jane Fineman, Head of Finance & Procurement

Staffing establishment	Work will be prioritised to be undertaken by permanent staff, but specialist consultants will be appointed when necessary, subject to approval, in order to deliver the aims and objectives of the AMP.	Nicky Carter, Head of Human Resources
Risk management and health & safety	Strong asset management should ensure that risks are quickly identified and that there are procedures in place to remedy them.	Report author
Environment and sustainability	There are no specific implications that arise from the Asset Management Plan other than the Plan will support the Council's priorities. Projects including maintenance schemes will need to include a sustainability assessment, to enable fully informed decisions to be made to support carbon reduction.	Gary Stevenson, Head of Environment and Street Scene
Community safety	There are no consequences arising from this report that adversely affect community safety.	Terry Hughes Community Safety Manager
Health and wellbeing	There are no specific implications that arise from the Asset Management Plan over the fact that the Plan will support the Council's priorities.	Report author
Equalities	The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no apparent equality impact on end users.	Sarah Lavallie, Corporate Governance Officer

7. REPORT APPENDICES

The following documents are to be published with and form part of the report:

- Appendix A: Draft Plan 2018/19
 - Appendix B: Draft Plan Appendix 5 Ten Year Maintenance
 - Appendix C: Draft Plan Appendix 6a Asset Register 1
 - Appendix D: Draft Plan Appendix 6b Asset Register 2
 - Appendix E: Draft Plan Appendix 6c Asset Register 3
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