

Full Council

21 February 2018

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

Yes

Asset Management Plan 2018/19

Final Decision-Maker	Full Council
Portfolio Holder(s)	Councillor David Jukes – Leader of the Council Councillor David Reilly – Portfolio Holder for Finance and Governance
Lead Director	Lee Colyer Director of Finance, Policy and Development
Head of Service	David Candlin, Head of Economic Development and Property
Lead Officer/Author	John Antoniadis – Acting Property and Estates Manager
Classification	Non-Exempt
Wards affected	All

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

1. That completion of the formal public consultation and results on the Draft Asset Management Plan 2018/19 be noted; and
2. That the Asset Management Plan 2018/19 be adopted.

This report relates to the following corporate priorities:

The Council's Five Year Plan sets out the Council's overall priorities and objectives for the years 2017 - 22. 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	20 December 2017
Discussion with Portfolio Holder	21 December 2017
Finance and Governance Cabinet Advisory Board	09 January 2018
Cabinet	01 February 2018
Full Council	21 February 2018

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, following a period of 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.
-

2. INTRODUCTION AND BACKGROUND

- 2.1 Cabinet resolved on 7 December 2017 that the Draft Asset Management Plan (AMP) 2018/19 be approved for formal public consultation. A number of key features are highlighted now, and appear below at paragraphs 2.2 to 2.9.
- 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 was originally produced in October, half way through the financial year and therefore figures and details will change as the year progresses.
- 2.3 Over the past financial year the Council has negotiated lease renewals, new lettings and rent reviews to an increased value of approximately £41,000 annually on Council property, excluding transfers to the new property company. Property and Estates Services have established and will support the activities of Tunbridge Wells Property Holdings Ltd.
- 2.4 In addition, all property rentals that are subject to an annual rental increase at the RPI were increased over this financial year, 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 From the beginning of the financial year, the Council has negotiated a capital income of £1.85M from the rationalisation of the asset portfolio (with three further staged 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 four sites sold at auction in May 2017. A further four sites were transferred to parish councils for nominal sums of £1 each. One final site was transferred to a water works 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. Property and Estates 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 for affordable housing, for private residential development or other regenerative purposes.

- 2.7 In the 2017/18 financial year, £923,800 was allocated for the maintenance budget and as of the end of October 2017, £593,000 worth of planned maintenance works has been carried out, and it is anticipated that the identified works will be completed by the end of the financial year.
 - 2.8 Capital projects to the value of £3.2M were programmed during 2017/18. Refurbishment and improvements to the multi-storey car parks have been the primary focus in this expenditure to maintain the asset and significantly reduce energy consumption and having positive impact on revenue expenditure.
 - 2.9 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 Option 1: That the Council approves the Asset Management Plan 2018/19.
 - 3.2 Option 2: As the Asset Management Plan is a key strategic document, no alternative option is recommended.
-

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 That the Council approves the Asset Management Plan 2018/19.
 - 4.2 Adoption of the Asset Management Plan will help the authority to improve its efficiency and focus on delivering its objectives, aiding the decision-making process. The Asset Management Plan is a requirement of the Constitution and of local government statute.
-

5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 5.1 The Draft Asset Management Plan was subject to public consultation from 8 December 2017 to 18 January 2018. No comments were received from the public during this consultation period.

RECOMMENDATIO FROM CABINET ADVISORY BOARD

- 5.2 A verbal update of the consultation was provided and the Finance and Governance Cabinet Advisory Board were consulted on this decision and agreed the following recommendation:

That the recommendations set out in the report be supported.

RECOMMENDATION FROM CABINET

5.3 The Cabinet considered the report at its meeting on 1 February 2018 and resolved as follows:

That Full Council be recommended:

1. That completion of the formal public consultation and results on the Draft Asset Management Plan 2018/19 be noted; and
2. That the Asset Management Plan 2018/19 be adopted.

6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

6.1 If adopted by the Full Council on 21 February 2018, the Asset Management Plan 2018/19 will appear as an adopted policy on the Council's website.

7. 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 the 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>	<p>Keith Trowell, Senior Lawyer and Deputy Monitoring Officer</p> <p>20 December 17</p>
Finance and other resources	<p>Ensuring that assets are properly managed and accounted for will impact on maintenance expenditure, revenue income and capital receipts.</p>	<p>Jane Fineman, Head of Finance and Procurement</p> <p>20 December 17</p>
Staffing establishment	<p>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.</p>	<p>Nicky Carter, Head of Human Resources</p> <p>20 December 17</p>

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.	Rich Clarke, Head of Internal Audit 20 December 17
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 the target in the Carbon Management Plan.	Gary Stevenson, Head of Environment and Street Scene 20 December 17
Community safety	No specific issues.	John Antoniadis, Acting Property and Estates Manager 20 December 17
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.	
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 20 December 17

8. REPORT APPENDICES

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

- Appendix A: Plan Document
- Appendix B: Ten Year Property Maintenance Plan
- Appendix C: Asset Register (Investment)
- Appendix D: Asset Register (Operational)
- Appendix E: Asset Register (Non-Operational)