

Finance and Governance Cabinet Advisory Board

13 November 2018

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

No

Draft Asset Management Plan 2019/20

Final Decision-Maker	Cabinet
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 Antoniadou – Estates Manager
Classification	Non-Exempt
Wards affected	All

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

That the Draft Asset Management Plan 2019/20 be agreed for consultation

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	31 October 2018
Discussion with Portfolio Holder	5 November 2018
Finance and Governance Cabinet Advisory Board	13 November 2018
Cabinet	6 December 2018

Draft Asset Management Plan 2019/20

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 This report presents the Draft Asset Management Plan (AMP) 2019/20 for consideration and 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.
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2. INTRODUCTION AND BACKGROUND

- 2.1 The Asset Management Plan for the period 2019/20 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 2019/20. The draft has been produced in October 2018 half way through the financial year and therefore figures and details will change as the year progresses. The figures highlighted in yellow are correct at the time of writing this report.
- 2.2 So far this financial year the Council has negotiated lease renewals, new lettings and rent reviews to an increased value of approximately £78,000 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.
- 2.3 In addition, all property rentals that are subject to an annual rental increase at the RPI were increased over this financial year to date, resulting in a rental increase of £3,500 per annum. These reviews are usually based on the previous year's RPI figure which was 3.4% for April 2017/18.
- 2.4 In this financial year to date the Council has negotiated a capital income of £1.85M from the rationalisation of the asset portfolio (with two further staged payments of £1.38M due on 04/05/2019 and 04/05/2020 from the sale of Holly Farm) and a further £5,000 from the sale of one small piece of land.
- 2.5 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.

- 2.6 In the 2018/19 financial year, £948,050 was allocated for the maintenance budget and as of October 2018, £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.
- 2.7 Capital projects to the value of £4.4M were programmed during 2018/19. 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.
- 2.8 The Draft Asset Management Plan outlines the forward projection and management strategy for the Property Asset Portfolio in 2019/20. 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.
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3. AVAILABLE OPTIONS

- 3.1 Option 1: That the Cabinet approves the Draft Asset Management Plan 2019/20 for consultation.
- 3.2 Option 2: To not consult but proceed to a decision.
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4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 That Cabinet approves the Draft Asset Management Plan 2019/20 for consultation 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.
- 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.
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5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 5.1 Subject to Cabinet approval, a public consultation will be carried out between dates to be confirmed.
- 5.2 The Finance and Governance Cabinet Advisory Board will be consulted on this decision on 13 November 2018.
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6. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
<p>Legal including Human Rights Act</p>	<p>Section 151 of the Local Government Act 1972 requires councils to put in place 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>The Local Government Act 1972, section 111(1) empowers a local authority to do any thing (whether or not involving the expenditure, borrowing or lending of money or the acquisition or disposal of any property or rights) which is calculated to facilitate, or is conducive or incidental to, the discharge of any of their functions. This enables the Council as part of its asset management strategy to acquire and/or dispose of assets meeting relevant statutory requirements.</p> <p>In particular, section 120(1)(2) of the 1972 Act enables the Council to acquire land to be used for the benefit, improvement or development of their area; or for the purpose of discharging the Council's functions.</p> <p>Section 123(2) of the 1972 Act enables the Council to dispose of land or property for the best consideration reasonably obtainable, otherwise the consent of the Secretary of State will be required subject to certain conditions.</p> <p>Acting on the recommendations is within the Council's powers as set out in the above statutory provisions.</p> <p>Human Rights Act 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>Patricia Narebor Head of Mid Kent Legal Partnership 25/10/2018</p>
<p>Finance and other resources</p>	<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 24/10/2018</p>

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	Strong asset management should ensure that risks are quickly identified and that there are procedures in place to remedy them.	John Antoniadou, Estates Manager 23/10/2018
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 ensure that the impact of projects are fully understood and that mitigation measures are put in place and support a reduction in the carbon emissions.	Gary Stevenson, Head of Housing, Health & Environment 24/10/2018
Community safety	There are no consequences of concern arising from this report.	Terry Hughes Community Safety Manager 31/10/2018
Health and Safety	No specific issues.	Mike Catling Corporate Health and Safety Advisor 25/10/2018
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.	Stuart Smith, Health Team Leader 25/10/2018
Equalities	Decision-makers are reminded of the requirement under the Public Sector Equality Duty (s149 of the Equality Act 2010) to have due regard to (i) eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act, (ii) advance equality of opportunity between people from different groups, and (iii) foster good relations between people from different groups. The Draft Asset Management plan includes proposals and projects which have the potential to support the aims of the duty to advance equality of opportunity and foster good relations with regard to:	Ingrid Weatherup, Corporate Governance Officer 02/11/2018

	<ul style="list-style-type: none"> • Estate management priorities and seeking opportunities to work all assets with local community groups to improve community facilities • Strategic assessment management priorities and asset disposal • Property and projects – maintenance programmes that could impact on access for protected characteristics • Development – Calverley Square development / Amelia Scott project / community facility projects for Cranbrook and Paddock Wood (covered in Five Year Plan). • The progression of acquisition of land for recreational use • Supporting regeneration initiatives in Royal Tunbridge Wells, Cranbrook and Paddock Wood central areas <p>An EQIA has already been completed on the Council's five year plan. Separate EQIA's are being carried out for projects such as the Amelia Scott project, Calverley Square development which are referred to in the draft Asset Management Plan. Members should note that further analysis of the impacts of the Draft Asset Management Plan will take place and suggestions for mitigating any impacts identified, will be presented when the final plan is put forward for approval.</p>	
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7. 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 - Currently in production
- Appendix C: Asset Register (Investment)
- Appendix D: Asset Register (Operational)
- Appendix E: Asset Register (Non-Operational)

8. BACKGROUND PAPERS

- None