

Finance & Governance Cabinet Advisory Board

14 January 2020

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

No

Asset Management Plan 2020/21

Final Decision-Maker	Cabinet
Portfolio Holder(s)	Councillor David Scott – Portfolio Holder for Property, Major Projects and Strategic Engagement Councillor Tom Dawlings – Portfolio Holder for Finance and Governance
Lead Director	Lee Colyer Director of Finance, Policy & Development (S151 Officer)
Head of Service	David Candlin, Head of Economic Development and Property
Lead Officer/Author	Diane Brady Property Estates and Development Lead/John Antoniades, Estate Manager.
Classification	Non-Exempt
Wards affected	All

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

That the Asset Management Plan 2020/21 be recommended for Cabinet approval. Note the AMP is currently out for public consultation which ends on 29 01 2020.

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	03 January 2020
Discussion with Portfolio Holder	07 January 2020
Finance and Governance Cabinet Advisory Board	14 January 2020
Public Consultation Completion Date	29 January 2020

Cabinet	06 February 2020
Full Council	26 February 2020

Asset Management Plan 2020/21

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 This report presents the Asset Management Plan (AMP) 2020/21 for consideration of approval for Cabinet to consider.
 - 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 2020/21 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 summarises the value and composition of the current portfolio and evaluates specific actions for the previous financial year relating to the Council's property estate, and identifies the main portfolio ambitions for 2020/21. This AMP has been produced in January 2020 part way through the financial year and therefore figures and details will change as the year progresses. Some figures are subject to updating as the year progresses.
- 2.2 The portfolio is currently valued at £106.77 million (31/03/19).
- 2.3 So far this financial year the Council has negotiated lease renewals, new lettings and rent reviews to an increased value of approximately £109,000 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 to date, resulting in a rental increase of £7,000 per annum. These reviews are usually based on the previous year's RPI figure which was 3% for April 2018/19.
- 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 The Planned Maintenance Programme for the financial year 2019/20 will have completed works to the value of £600,000 to ensure compliance with statutory requirements and to carry out priority repairs and upgrades to maintain assets and prevent dilapidation.

- 2.7 Capital projects to the value of £600,000 have been progressed or completed 2019/20.
- 2.8 Capital receipts to a total value of £1.17 million have been received from the disposal of surplus land and a property asset.
- 2.9 In addition a ransom strip of land has been acquired to significantly increase the value and potential of a site already in the freehold ownership of the Council.
- 2.10 As part of the partnership with KCC, the Council has acquired the former Museum and Library building and former Adult Education buildings in readiness to commence the development of the Amelia Scott cultural hub in Quarter 1 2020.
- 2.11 Agreement to progress the Royal Victoria Place mall refresh was completed on 06/11/2019. This comprises a £11 million refresh by British Land with a contribution of 10% provided by TWBC in accordance with the terms of the lease.
- 2.12 The Asset Management Plan outlines the forward projection and management strategy for the Property Asset Portfolio in 2020/21. It identifies the aims and objectives for next year.
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3. AVAILABLE OPTIONS

- 3.1 Option 1: That Finance and Governance Cabinet Advisory Board recommends approval of the Asset Management Plan 2020/21 for Cabinet to consider.
- 3.2 Option 2: To not recommend approval of the AMP to Cabinet.
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4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 That Finance and Governance Cabinet Advisory Board recommends the Asset Management Plan 2020/21 for approval by due process which 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 The AMP has previously been approved by Management Board, F & G Cabinet Advisory Board and by Cabinet in the latter part of 2019 to enable the commencement of the public consultation period.

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</p>	<p>Patricia Narebor Head of Mid Kent Legal Partnership</p>

	interfere with individuals' rights and freedoms as set out in the Human Rights Act 1998.	
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 and 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 HR, Customer Service and Culture

Risk management	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 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 in line with the Full Council resolution to work towards carbon neutrality by 2030.	Gary Stevenson, Head of Housing, Health & Environment
Community safety	There are no consequences of concern arising from this report.	Terry Hughes Community Safety Manager
Health and Safety	No specific issues.	Mike Catling Corporate Health and Safety Advisor
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	Report Author

	<p>between people from different groups, and (iii) foster good relations between people from different groups.</p> <p>The 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:</p> <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 – 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, which is referred to in the Asset Management Plan. Members should note that further analysis of the impacts of the 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 Maintenance Plan
- Appendix C: Asset Register (Investment)
- Appendix D: Asset Register (Operational)
- Appendix E: Asset Register (Non-Operational)