

Asset Management Plan 2023/24

For Full Council 1 March 2023

Summary

Lead Member:– Cabinet Member for Finance and Performance

Lead Director: Lee Colyer Director of Finance, Policy & Development (S151 Officer)

Head of Service: David Candlin, Head of Economic Development and Property

Report Author: David Candlin, Head of Economic Development and Property

Classification: Public document (non-exempt)

Wards Affected: All

Approval Timetable	Date
Management Board	11 January 2023
Portfolio Holder	17 January 2023
Finance & Governance Cabinet Advisory Board	24 January 2023
Cabinet	9 February 2023
Full Council	1 March 2023

This report relates to the following corporate priorities:

The Strategic Direction, Focus on Five provides the overall priorities and objectives for the Council. All assets are managed in accordance with this 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 Strategic Direction. It also recognises the importance of the declaration of a Climate Emergency by Full Council in July 2019, with the Asset Management Plan being critical to support a reduction in carbon emissions from its own estate.

Recommendations

Officer recommendations as supported by the Cabinet Member:

1. That Full Council approves and adopts the Asset Management Plan for 2023/24.

1. Introduction and Background

- 1.1 The Asset Management Plan (AMP) for the period 2023/24 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 2023/24. The AMP has been produced in January 2023 with some figures representing the most recent available.
- 1.2 The portfolio is currently valued at £102.98M (31/03/2022).
- 1.3 So far this financial year the Council has negotiated lease renewals, new lettings and rent reviews to an increased value of approximately £37,549 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.
- 1.4 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 £9,366 per annum (included in the figure given in 1.3). These reviews are usually based on the previous year's RPI figure which was 9% for April 2022.
- 1.5 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.
- 1.6 The Planned Maintenance Programme for the financial year 2022/23 will have completed works to the value of £750k to ensure compliance with statutory requirements and to carry out priority repairs and upgrades to maintain assets and as indicated in the 10 year property maintenance plan, additional planned maintenance expenditure will be required to maintain assets and prevent dilapidation.
- 1.7 Capital projects to the value of £2.9m have been progressed or completed 2022/23.
- 1.8 No property assets have been disposed of during this period. However the acquisition of the Coneyburrow Wood and Lake has been completed in year.
- 1.9 The AMP outlines the forward projection and management strategy for the Property Asset Portfolio in 2023/24. It identifies the aims and objectives for next year. The Asset Management Plan (Appendix A), Planned Maintenance Programme (Appendix B) and Asset Register (Appendix C) attached to this report form the full Asset Management Plan 2023/24.
- 1.10 Following the declaration of global climate and biodiversity emergencies by the Council in July 2019 the Climate Emergency Advisory Panel contracted Laser to produce a Carbon Audit and a Carbon Reduction Plan. The initial results of this work

in respect of the Councils estate are set out under sustainability in the cross-cutting considerations of this covering report. Recommendations arising from this work have been included in the revised draft AMP 2023/24. The AMP will be critical in identifying, planning, and delivering on energy saving and carbon reduction interventions.

1.11 Since Cabinet in November 2022 some minor amendments have been made to the draft AMP to simplify the layout and information provided. These include:

- In sections 3 and 4 of the AMP the paragraphs on Development have been integrated into the paragraphs on Strategic Asset Management, Estates Management and Property and Projects to remove a number of areas of duplication in the text.
- Appendix 2 – information related to the development and use of the Techforge system previously included in the planned maintenance plan appendix has been included in Appendix 2 under data management.
- Appendix 4 – this appendix has been renamed as Property Asset Programme.
- Appendix 5 – relocating the carbon emissions information (previously appendix 6) to Appendix 5.
- Appendix 6 – relocating the planned maintenance information (previously appendix 5) into Appendix 6 and integrating the descriptive text on approach to management into the report appendix.
- Appendix 7 – A condensed version of the Asset Register. Techforge enables a granular level of detail for asset management. The sub-level detail of some assets (for example breaking down a piece of land into parts that are footpath and grass area) is not shown to clarify overall ownership.

2. Options Considered

2.1 **Option 1:** That Full Council approves and adopts the Asset Management Plan 2023/24.

2.2 **Option 2:** To not approve and adopt the Asset Management Plan.

3. Preferred Option and Reason

3.1 **Option 1:** That Full Council approves and adopts the Asset Management Plan 2023/24.

3.2 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.

4. Consultation on Options

- 4.1 The draft Asset Management Plan was approved by Cabinet in December 2022 for consultation purposes. Public consultation on the Asset Management Plan commenced on the 5 January 2023 and ends on the 9 February 2023. Comments received will be reported verbally up to date of consultation closure.

5. Implementation

- 5.1 The AMP will be considered at the Finance & Governance Cabinet Advisory Board before being submitted to Cabinet and then Full Council for approval. Subject to approval a final version of the AMP will be published on the Website. Work undertaken during 2023/24 will be based on the strategic direction outlined in the AMP.

6. Appendices and Background Documents

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

- Appendix A: Asset Management Plan 2023/24
- Appendix B: AMP Appendix 6 - 10 year Planned Maintenance Plan
- Appendix C: AMP Appendix 7: Asset Register (Investment, Operational, Non-Operational)

7. Cross Cutting Issues

A. Legal (including the Human Rights Act)

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.

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.

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.

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.

Acting on the recommendations is within the Council's powers as set out in the above statutory provisions.

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.

Claudette Valmond, Head of Legal Partnership

B. 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 and Parking

C. Staffing

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

D. Risk Management

Strong asset management should ensure that risks are quickly identified and that there are procedures in place to remedy them.

Jacqueline Tolhurst, Interim Estates Manager

E. Environment and Sustainability

The Council passed a notice of motion of a Climate Emergency in July 2019, by agreeing an ambition to make the Council's operations carbon neutral by 2030. A carbon audit completed August 2020 (based on 2018/19 data) to identify the Council's carbon footprint shows that its buildings account for 68% of its total carbon emissions. Therefore, reducing emissions from buildings owned or for which the Council is responsible for, will be essential if the Council is to meet its ambition of being carbon neutral by 2030.

To achieve this ambition the following actions are recommended: -

- Recognise the scale of emission reduction required to achieve the objective.

- Provide clear policy direction relating to the property portfolio, estate rationalisation and long-term use of buildings.
- Develop a clear pathway in terms of the property portfolio to achieve the Council's ambition on being carbon neutral by 2030
- An assessment of each project including maintenance schemes to identify the impacts on carbon emission, cost effectiveness of retrofits, energy reduction measures etc. to make an informed decision on meeting the ambition of being carbon neutral by 2030. Including the long-term financial implications and reputational risks of not meeting this goal.

Karin Grey, Sustainability Manager

F. Community Safety

There are no consequences of concern arising from this report.

Terry Hughes, Community Safety Manager

G. 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:

- Property and projects – maintenance programmes that could impact on access for protected characteristics
- Managing the asset portfolio in accordance with the Council's Focus on Five
- Managing the asset portfolio to deliver the needs of the Council's services
- Ongoing support for development initiatives in Royal Tunbridge Wells, Cranbrook and Paddock Wood Town Centres
- Working with land owners and Town and Parish Councils to progress potential opportunities including the provision of new community facilities for Cranbrook and Paddock Wood
- Monitoring changes in compliance legislation relevant to the property portfolio and maintain and manage accordingly to ensure statutory compliance

One of the aims of the Property Management Strategy is to ensure that the portfolio is managed in accordance with the Council's Equalities Policy, with Equalities Impact Assessments being undertaken as and when appropriate.

, Estates Manager

H. Data Protection

No specific issues.

Jacqueline Tolhurst, Interim Estates Manager

I. Health and Safety

No specific issues.

Mike Catling, Corporate Health and Safety Advisor

J. Health and Wellbeing

No specific issues.

Rebecca Bowers

Health Improvement Team Leader