

<b>Key Decision Required:</b>	<b>No</b>	<b>In the Forward Plan:</b>	<b>No</b>
-------------------------------	-----------	-----------------------------	-----------

## CABINET

### REPORT OF THE RESOURCES AND CORPORATE SERVICES PORTFOLIO HOLDER

21 APRIL 2017

#### **A.6 ASSET MANAGEMENT PLAN, PROPERTY STRATEGY, PROPERTY PROGRAMME, PROCEDURE RULES AND CONSEQUENT CONSTITUTION AMENDMENTS**

(Report prepared by Andy White)

#### **PART 1 – KEY INFORMATION**

##### **PURPOSE OF THE REPORT**

**To consider the draft Asset Management Plan, Property Strategy, Property Programme, Procedure Rules and consequent Constitution amendments.**

##### **EXECUTIVE SUMMARY**

The adoption of an Asset Management Plan is no longer mandatory but it is good practice. The Asset Management is not a budget and policy framework document.

The Asset Management Plan, Property Strategy and updated procedure rules have been outstanding Auditors' requirements for some years.

Officers have produced a suite of policy and procedure documents comprising a high level Asset Management Plan and subsidiary documents.

It is proposed that the Asset Management Plan will be adopted at the full Council together with the necessary Constitutional changes. Other parts of the package will be adopted, subject to the foregoing, as the documents progress through the approvals process.

The key proposed changes to the Constitution are to:

- Provide authority for the adoption of the Property Strategy, Property Programme and procedure rules.
- Remove detailed provisions on property procedures and provide authority for a separate suite of procedure rules.
- Update decision making and valuation thresholds.

The Corporate Management Committee considered the draft documents on 13 March 2017 and made comments as set out in the Current Position section of this report. Where applicable the draft documents appended have been adjusted to reflect the Committee's comments.

##### **RECOMMENDATION(S)**

**That Cabinet;**

- a) **Considers the draft Asset Management Plan, Property Strategy, Property Programme, Procedure Rules, consequent Constitution amendments and comments from the Corporate Management Committee and;**
- b) **Recommends and refers the Asset Management plan and proposed constitution amendments to the Full Council for adoption;**
- c) **Subject to Council's decision on the foregoing, adopts the Property Strategy;**
- d) **Notes the draft Property Programme and procedure rules proposed for**

**separate adoption by the Portfolio Holder and by officers subject to the adoption of the Asset Management Plan and Constitution changes as detailed above.**

- e) Requests that officers bring forward delivery plans for the aspirational projects in the Property Programme as resources permit.**

## **PART 2 – IMPLICATIONS OF THE DECISION**

### **DELIVERING PRIORITIES**

The Council has key priorities:

- Balance our budget
- Good Governance
- Transform the way we work
- Make the most of our assets

### **FINANCE, OTHER RESOURCES AND RISK**

#### **Finance and other resources**

The Council faces an increasingly tough financial outlook. Property ownership represents both potential costs and potential revenue and capital receipts. Robust property management will be essential to the financial stability of the authority.

#### **Risk**

In addition to the financial imperative to manage property effectively the ownership of land and especially buildings entails significant responsibilities in terms of liability, risk and claims. It is essential that robust arrangements are in place to ensure that the authority's exposure to claims and liabilities is minimised.

The Asset Management Plan, Property Strategy and updated procedure rules have been outstanding Auditors' requirements for some years.

### **LEGAL AND GOVERNANCE**

The adoption of an Asset Management Plan is no longer mandatory but it is good practice. The Asset Management is not a budget and policy framework document.

In coming to decisions in relation to management of assets, the Council must act in accordance with its statutory duties and responsibilities. The Principal Powers to deal with Council property are derived from:

- The Local Government Act 1972:
  - Section 120: Power to acquire land; and under related case law the Council is obliged to ensure that the management of its assets are for the benefit of the district.
  - Section 121: Power to compulsorily purchase land, subject to later legislative amendments
  - Section 122: Appropriation of land for other purposes
  - Section 123: Power to dispose of land, including:
    - (1) disposal of land held by it in any way it wishes so long as:
    - (2) the land is disposed for a consideration not less than the best that can reasonably be obtained.

Note: The General Disposal Consent Order (England) 2003 gives consent for disposal at below best consideration reasonably obtainable provided that the undervalue is less than £2m and the proposal enhances the environmental

economic and social wellbeing of the area. The order includes specific rules and guidance on the consideration and approval of any such decision.

(2A) requirement for a local authority may not dispose of land held by it as public open space without advertising its intention to do so in the local press.

- Housing Act 1985, Part II:
  - Section 17: Provides the principal power for the acquisition of land for housing purposes, including land as a site for the erection of houses, this includes the power to acquire land for the purposes of disposing of the land to a person who intends to provide housing accommodation on it.
  - Section 32 to 44: Together with the General Housing Consent 2013 give the Council discretionary power to dispose of land held under Part II of the Housing Act 1985 subject to various limitations and requirements.

In order to set a corporate level plan in place while retaining agility in the delivery plans and internal rules it is proposed that the Asset Management Plan will be adopted at the full Council together with the necessary Constitutional changes. Other parts of the package will be adopted, subject to the foregoing, as the documents progress through the approvals process:

Document	Management Team (Statutory Officers)	Corporate Management Committee	Cabinet	Full Council	Portfolio Holder
Constitutional amendments	Consider and advise	Consider and recommend	Consider and recommend	<b>Adopt</b>	Consider and recommend
Asset Management Plan	Consider and advise	Consider and recommend	Consider and recommend	<b>Adopt</b>	Consider and recommend
Property Strategy	Consider and advise	Consider and recommend	<b>Adopt</b> subject to later approvals	For information	Consider and recommend
Property Programme	Consider and advise	Consider and recommend	For information	For information	<b>Adopt</b>
Procedure Pules	<b>Adopt</b> subject to later approvals	For information	For information	For information	For information
Timeline	07 February 2017	13 March 2017	21 April 2017	16 May 2017	17 May 2017

#### **OTHER IMPLICATIONS**

Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.

Future decisions on property specific matters may have effects on:

- Crime and Disorder
- Equality and Diversity

- Health Inequalities
- Consultation
- Public Engagement

It is proposed that the detailed effects are considered in the context of individual specific projects and proposals

**Ward**

Various

**PART 3 – SUPPORTING INFORMATION**

**BACKGROUND**

The adoption of an Asset Management Plan is no longer mandatory but it is good practice. The Asset Management is not a budget and policy framework document. The Asset Management Plan, Property Strategy and updated procedure rules have been outstanding Auditors’ requirements for some years.

**CURRENT POSITION**

Officers have produced a suite of policy and procedure documents with a high level Asset Management Plan and subsidiary documents.

The Corporate Management Committee considered the draft documents on 13 March 2017. After discussion of the report and its appendices it was agreed that the committee comments to Cabinet that:

- a) the Council’s attitude should be that “if we don’t need it and its costing us money then we dispose of it”;
- b) robust action/business plans should be put in place to deliver the aspirational aspects of the Property Programme;
- c) the Property Programme should cover at least a three year period in order to take into account the next District Council Elections; and
- d) the need for an Integrated Transport Plan should be included, where appropriate, in the documents

The Portfolio Holder’s response to these comments is set out below. Where applicable the draft documents have been amended to reflect these comments.

**PORTFOLIO HOLDER’S RESPONSE TO THE COMMENTS**

I thank the Committee for its time and comments.

- a) The Committee is quite right in its view of the need to dispose of surplus property. This approach is in line with the draft documents prepared by officers and will help the Council to achieve a leaner property portfolio that actively contributes to our objectives and is sustainable in the light of our future financial circumstances.
- b) The documents proposed are not the best place to expand on the detailed plans for specific projects. Instead I propose that Cabinet should request that officers prepare plans separately for the delivery of projects.
- c) The Property Programme needs to both reflect long term aspirations and focus on immediate priorities as well as retaining flexibility to deal with changing circumstances. Cabinet will note the change of the duration of the programme attached to the report also on this agenda in line with the suggestion of the Committee.

d) Members will note the addition of a Transport Plan into the infrastructure section of the Property Strategy. It is likely that the Council will look towards sector partners for delivery.

#### **BACKGROUND PAPERS**

None

#### **APPENDICES**

- Appendix A – Draft Asset Management Plan
- Appendix B – Draft Property Strategy
- Appendix C – Draft Property Programme
- Appendix D – Procedure rules adopted, subject to adoption of the foregoing.
- Appendix E – Schedule of consequent amendments to the Constitution