

Report title	Strategic Asset Plan	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Peter Bilson City Assets and Housing	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All Wards	
Accountable Director	Andy Moran, Director of Commercial Services	
Originating service	Corporate Landlord	
Accountable employee	Julia Nock Tel Email	Head of Assets 01902 550 316 julia.nock@wolverhampton.gov.uk
Report to be/has been considered by	Strategic Executive Board	2 October 2018

Recommendation for decision

The Cabinet is recommended to:

Approve the implementation and adoption of a revised City of Wolverhampton Council Strategic Asset Plan and associated Action Plan.

1.0 Purpose

- 1.1 The purpose of this report is to seek approval for the adoption of a revised Strategic Asset Plan, which provides direction in the future management of the Council land and property portfolio.
- 1.2 The revised Strategic Asset Plan clarifies the Council's approach to the management of its land and buildings portfolio, alongside its aspirational future aims, over the next five years.

2.0 Background

- 2.1 The action to develop a Strategic Asset Plan was an outcome of the Corporate Landlord Healthcheck, completed by the Chartered Institute of Public Finance and Accountancy (CIPFA).
- 2.2 The Corporate Landlord Healthcheck Action Plan that was produced, as a resultant outcome of the Healthcheck, identified several areas to be documented. These inform the structure of the new Strategic Asset Plan framework.
- 2.3 The Strategic Asset Plan framework consists of three documents – Policy, Strategy and Action Plan.

3.0 Strategic Asset Plan

- 3.1 The Strategic Asset Plan will be a publicly accessible and predominantly online document and was completed after a series of workshops, with Corporate Landlord Leadership, to pull together the basic structure of the Policy and Strategy. Heads of Services were also engaged, across all parts of the Council, to capture the current and expected future land and buildings requirements of services.
- 3.2 Local Authorities across the UK generally hold large property portfolios. City of Wolverhampton Council (CWC) owns or operates over 1,900 land and building assets (excluding social housing), with a total floor area equivalent to approximately 82 football pitches, or 22 Civic Centres.
- 3.3 A key element of how CWC achieves its goals is how all resources are used, including land and buildings. To support this, the CWC adoption of the revised Strategic Asset Plan is necessary.
- 3.4 The Strategic Asset Plan is structured into three logical parts:
 - Asset Management Policy
 - Asset Management Strategy
 - Asset Management Action Plan

- 3.5 The benefit of adopting this structure is that aspects of CWC's approach to asset management are likely to remain constant for several years, such as the Asset Management Policy. The Asset Management Strategy, however, is unlikely to change frequently but it is likely to have a shorter life than the Policy objectives.
- 3.6 Supporting the Policy and Strategy documents is an Asset Management Action Plan, this will be used and updated regularly to reflect achievement of objectives and addition of new actions.

4.0 Asset Management Policy

- 4.1 The Asset Management Policy establishes a clear Mission and supporting principles for the management of land and buildings. This document will remain in place for the next five years but will be reviewed annually to ensure its relevance to what CWC strives to achieve.
- 4.2 The Mission is to develop an effective, efficient and economic land and property portfolio which:
- is managed corporately to support the Council's strategic themes and priorities
 - supports and empowers local people
 - provides value for money and secures efficiencies for the future
 - supports the regeneration of the city
 - works effectively with partners to maximise shared opportunities.
- 4.3 To support the key strands of the Mission, five Asset Management Policy principles underpin them to describe the Council's commitment to property asset management.
- a. To plan and manage property as a corporate resource for the benefit of the people of the City of Wolverhampton
 - b. To provide the right property, fit-for-purpose, and in the right place to meet current service needs and to plan for the future
 - c. To manage and maintain property effectively, efficiently and sustainably, together with optimising financial return and commercial opportunities from the rationalisation and disposal of land and buildings
 - d. To use land and buildings to stimulate development and growth, together with supporting local business needs and encouraging new business to the area
 - e. To promote joint-working where it will provide benefit for service delivery and in securing new efficiencies.

5.0 Asset Management Strategy

- 5.1 The Asset Management Strategy provides an overview of the CWC land and property estate, together with the main priorities for managing and developing it over the next five years. This document will be reviewed and amended within three years to ensure that the estate fully supports the Council's Corporate Plan by contributing to the key objectives for property asset management.
- 5.2 The Council's property portfolio extends to over 1,900 land and building assets, with a total Net Book Value of over £550 million. This demonstrates what a considerable resource the Council's land and buildings are, and why they need to be carefully managed.
- 5.3 Without careful management, there is potential to waste money on buildings that are not fit-for-use or are unnecessary. Equally, all assets have a value and if they are no longer required then value can be unlocked by selling them, providing opportunity to invest that value elsewhere.
- 5.4 As the delivery of services changes, CWC's assets will also need to change to support the Council as it moves forward. Investment in new assets may be required to ensure service provision is fit for the future and to maximise benefit to the people of the City of Wolverhampton.
- 5.5 The Strategy documents the broad financial challenges faced by CWC and the commitment to supporting the City's economic growth, encouraging job creation and investment through the capital programme.
- 5.6 In support of maximising value for money, in relation to the maintenance and day-to-day running of our buildings, contributory processes are embedded within Corporate Landlord. These processes ensure that capital works are prioritised appropriately, based on evidence from building condition surveys in alignment with operational priorities of services in occupation. In addition, the Asset Challenge process ensures that the future of those buildings not providing best value are reviewed appropriately before financial decisions are made on them. The governance structure provides further assurance that money is spent in the right places and on the right buildings.

6.0 Asset Management Action Plan

- 6.1 The Asset Management Action Plan supports the Policy and Strategy documents and will be used and adapted to manage programmes of work in relation to asset management on a regular basis.
- 6.2 The Action Plan is split logically into three thematic sections to cover Strategic, Operational and Service Improvement actions that are scheduled over the next three years.

6.3 The actions identified specify the activities required to achieve the objectives within the Strategy document. The Action Plan will be regularly updated to reflect achievement of actions and capture new priorities and initiatives as they are identified.

7.0 Evaluation of alternative options

7.1 The alternative option to adopting a revised Strategic Asset Plan is to continue without a Strategic Asset Plan that reflects the current challenges faced when making decisions on the assets within the CWC land and buildings portfolio. Continuing without a current Strategic Asset Plan will also result in an inconsistent approach to property asset management and an imbalanced approach to achieving CWC priorities.

8.0 Reasons for decision

8.1 It is important that the Council can make robust decisions on a range of property asset management issues, based on clear principles that are aligned with Council priorities.

8.2 If a current and valid Strategic Asset Plan is not in place there is a risk that property asset management decisions are made which are contrary to CWC's aims, objectives and aspirations.

9.0 Financial implications

9.1 The Corporate Landlord function, which sits within the Commercial Services division, controls property related revenue budgets of £7.2 million (2018-2019 net controllable expenditure). These budgets help to ensure that the Council's property assets are repaired, maintained and remain compliant with statutory requirements. The Council's capital programme for 2018-2019 includes approximately £1.5 million of prioritised, longer term investment.

9.2 The Corporate Landlord approach is to ensure that finite and reducing resources are prioritised to appropriate buildings. Maintenance priorities are identified by conducting a rolling programme of condition surveys to understand maintenance requirements over ten years.

9.3 It is vital that the Council's assets contribute to the overall corporate and service objectives, documented and committed to within the Strategic Asset Plan. These objectives ensure that buildings are safe and secure for the people using them, funding is allocated to projects that will achieve maximum positive impact, achieving an effective balance between planned and reactive maintenance work and maximising efficiencies in the way building maintenance work is procured.

[RT/03102018/E]

10.0 Legal implications

10.1 There are no legal implications in the adoption and implementation of the revised Strategic Asset Plan.

[RB/03102018/A]

11.0 Equalities implications

11.1 There are no equalities implications in the adoption and implementation of the revised Strategic Asset Plan. Equalities Impact Assessment has been completed and lodged with Equalities and Diversity Team.

12.0 Environmental implications

12.1 There are no environmental implications in the adoption and implementation of the revised Strategic Asset Plan.

13.0 Human resources implications

13.1 There are no human resources implications in the adoption and implementation of the revised Strategic Asset Plan.

14.0 Corporate landlord implications

14.1 The implication for Corporate Landlord is that the revised Strategic Asset Plan will need to be embedded into its business as usual actions. The benefit of the revised Strategic Asset Plan being embedded in Corporate Landlord can be summarised as decisions made at this level can be confidently and consistently linked to the appropriate CWC aims and objectives in relation to property asset management.

15.0 Schedule of background papers

15.1 Corporate Landlord Healthcheck 2016-2017 – completed by CIPFA

16.0 Appendices

Appendix 1 - Strategic Asset Plan 2018-2023 including:

- Asset Management Policy 2018-2023
- Asset Management Strategy 2018-2023
- Asset Management Action Plan