

<b>Report to:</b>	<b>EXECUTIVE CABINET</b>
<b>Date:</b>	29 July 2020
<b>Executive Member:</b>	Cllr Oliver Ryan - Executive Member (Finance & Economic Growth)
<b>Reporting Officer:</b>	Director of Growth – Jayne Traverse
<b>Subject:</b>	<b>STRATEGIC ASSET MANAGEMENT PLAN (SAMP)</b>
<b>Report Summary:</b>	<p>This Report sets out proposals for the integrated management of land and property assets to ensure they are best used to enable the delivery of the priorities identified in the Corporate Plan.</p> <p>It recommends the adoption of a Strategic Asset Management Plan, an Asset Management Governance Structure and an integrated Corporate Landlord process.</p>
<b>Recommendations:</b>	<p>That Executive Cabinet be recommended to:</p> <ul style="list-style-type: none"> <li>(i) Note the inherent value in the effective and efficient direction and utilisation of all land and property assets in sustaining the provision of services and enabling the delivery of the Tameside and Glossop Corporate Plan.</li> <li>(ii) Agree that land and property are a corporate resource and decisions on it should not be in the sole control of any one directorate or service.</li> <li>(iii) Agree that the alignment of assets with organisational priorities and objectives is key to ensuring that all land and property decisions are made in the correct context and having regard to all relevant factors.</li> <li>(iv) Agree the Strategic Asset Management Plan - Policy and Strategy, detailed in <b>Appendix 4</b> of this report.</li> <li>(v) Agree that the Strategic Asset Management Plan, Policy, Strategy and Action Plan are reviewed as part of an Asset Management Working Group annual service planning process.</li> <li>(vi) Agree with the Governance Model detailed in section 2 of this report.</li> <li>(vii) Agree with the Corporate Landlord approach detailed in section 3 of this report.</li> <li>(viii) Agree that each Directorate shall identify an appropriate Director or Assistant Director to act as Directorate lead for Asset Management and to be a Member of the Asset Management Working Group.</li> <li>(ix) Agree that each Directorate shall identify an appropriate relevant Assistant Director or Head(s) of Service to act as service lead for Asset Management, to attend the Asset Management Officer Group and to develop Service/ Directorate Asset Management Plans, (SDAMP) for all Council and CCG services.</li> </ul>
<b>Corporate Plan:</b>	Supports delivery of the Corporate Plan
<b>Policy Implications:</b>	The Asset Management Policy and Strategy outlined in the SAMP and the adoption of an Integrated Asset Management approach are a vital component to enable and support delivery of the

Corporate Plan.

**Financial Implications:  
(Authorised by the statutory  
Section 151 Officer & Chief  
Finance Officer)**

The Council has a property portfolio of operational land and building, industrial properties, green spaces and highways valued at approximately £490million. The net running cost of these assets is in excess of £18 million per annum.

There are no direct financial implications as a result of this report. However, the owning and operation of land and property assets costs a significant amount money and it is vital that these resources are deployed as efficiently as possible.

By way of example, the Council spent over £800k in 2019/20 on the maintenance and security of vacant premises. Costs that could have been redirected to front line services, or used to fund borrowing for capital investment.

The Council's capital programme ambition is currently unsustainable. The current commitment programme requires £18.8m of corporate resources, with only £14.6m available in reserves, leaving a £4.2m shortfall which needs to be met from the proceeds from the sale of surplus assets. The broader ambition of the Council points to a further requirement of £33.2m of corporate funding to pay for schemes identified as a priority and subject to future business cases. Clearly these will be unable to progress until additional capital receipts are generated.

A coherent asset management plan will enable; effective strategic management of the Council's assets. It will identify inefficient and underutilised assets allowing revenue savings to be released through the rationalisation of those assets, capital receipts to be generated, and a contribution to economic growth and employment through the release and development / redevelopment of surplus sites. .

Sound governance and project and programme management will assist the Council in improving its efficiency and effectiveness in capital programme delivery. In doing so it will give greater transparency, clarity and accountability across schemes in the programme and support to officers responsible for delivering the capital programme and estates management overall.

**Legal Implications:  
(Authorised by the Borough  
Solicitor)**

Recommendations (i) (ii) and (iii) helpfully remind us of existing council policy and confirm remain relevant.

The proposed Strategic Asset Management Plan has the potential to assist estates in undertaking the Council's duties as a corporate landlord by facilitating a collaborative approach across all the directorates and fostering early engagement with the enabling services and sets out a process for ensuring coordination and cooperation amongst service areas.

It is important to bear in mind that the Asset Management Working Group is not a decision making body and therefore all projects and decisions will still be subject to their own governance and decision making. Since January 2018 all property disposals have required the approval of Cabinet to proceed.

The challenge to the Council is to ensure that its estate (property assets) makes an effective contribution to improving the Council's financial and business performance; the service delivery agenda;

resolving the pressure on demands for estate capacity; and achieving change with minimal capital expenditure. We need to ensure that the buildings we need are fit for purpose and congruent with strategic service delivery. The major financial challenge is placing innovation and productivity at the heart of our efficient and effective delivery and the need to deliver better outcomes with less. Consequently there is a major challenge to achieve change through improving the productivity of the Council's estate. This challenge requires a response that benchmarks productivity, critically evaluates estate utilisation and develops low cost capital solutions to service change. It is recognised that good quality consistent data is essential to inform effective property asset management to address understanding as to what we have, how much it costs, and what we use it for. The report clearly and comprehensively identifies the issues, the challenges and the task ahead.

However, given our financial challenge we do move expediently with what buildings/properties we now need to keep especially in light of the learning of Covid 19 and work very hard at rationalising the rest.

Members may like to consider reviewing the progress which has been delivered via the Strategic Asset Management Plan and need to satisfy themselves with the timescales set out

**Risk Management:**

There is the existing risk of not utilising Land and Property Assets to the best effect, particularly due to an accelerated change in working practices expected in the new post Covid 19 environment, these are mitigated by the adoption of a SAMP and strengthening of the Corporate Landlord approach.

**Background Information:**

The background papers relating to this report can be inspected by contacting Paul Smith, Assistant Director

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## **1. INTRODUCTION**

- 1.1 The Executive Director of Growth is commissioning a review of how land and property assets across the Council and CCG can be best used to enable the delivery of the priorities identified in the Corporate Plan. This will complement the work undertaken through the GMCA's Local Asset Review (LAR) and Neighbourhood Asset Review (NAR), funded by the GM Transformational Fund and One Public Estate Programme.
- 1.2 The Council and CCG own or occupy a property portfolio, which includes a wide range of assets, all of which require individual consideration in terms of their management.
- 1.3 The CIPFA guidance for financial reporting in 2018 required that all Councils evidence an "Integrated thinking" approach to all decisions and expenditure. So an integrated thinking leadership system that considers all Council land and property as a strategic asset is required. This needs to:-
- Provide a single integrated overview of all Council land and property; policy, strategy, usage, change, service strategy/need, acquisition, disposal and development.
  - Integrate the strategy for the Council's assets and CCG property interests with those of the wider public sector.
  - Allow senior management and elected members to oversee Asset Management activities and set priorities.
- 1.4 The COVID 19 pandemic has radically changed working practices and social behaviours and it is expected that this will result in an accelerated change in working patterns and service delivery model'; This requires an integrated re-imagining of the corporate estate alongside those new service delivery models.
- 1.5 This integrated approach to Land and Property Asset Management can be achieved using, Integrated Governance, Corporate Landlord and a Strategic Asset Management Plan.

## **2. GOVERNANCE AND COMMUNICATION**

- 2.1 This report recommends a Cipfa model of governance that is generally accepted across Local Authorities as good practice for public sector property management which has been designed to provide a framework for an integrated thinking approach to organisation wide land and property Asset Management.
- 2.2 The proposed land and property Asset Management governance structure and Terms of Reference are shown in:-
- Appendix 1A - Asset Management Governance Structure
  - Appendix 1B- Wider Public Sector Asset Management Structure
  - Appendix 2: Terms of Reference – Asset Management Working Group
  - Appendix 3: Terms of Reference – Asset Management Officer Group.
  - Appendix 4: Strategic Asset Management Plan (SAMP)
  - Appendix 5: Service / Directorate Asset Management Plan (SDAMP) (Covid 19 amended template)
- 2.3 The proposed Asset Management governance structure is designed to provide a framework for an integrated thinking approach to management of the organisations Land and Property Assets.
- 2.4 The proposed Asset Management Working Group shall provide a single organisational overview, senior management and Member guidance to services and decision makers, co-ordinate all land and property asset management activities and set priorities in delivering: -
- Asset Management Policy.

- Asset Management Strategy.
- Asset Management Action Plan.
- Recommendations to Executive Cabinet on the future use of all Council Land and Property Assets, and sites where the CCG has an interest, including sites that can be made available for disposal or alternative use
- Co-ordinate with and inform corporate policies that effect Council Assets, i.e. Green Spaces, Highways, parking, agile working, transportation, growth, education, leisure, adult social care, primary health care, community health care, children's social care, education, MTFs, capital programme/ strategy, disposals..
- One Public Estate.
- Agile and Flexible Working.
- Asset Management co-ordination with external organisations.
- Corporate Landlord.
- Asset Management Governance.
- Change procedures for operational land and property.
- Service/Directorate Asset Management Plans.
- Land and Property related Environmental and Energy service.
- A pipeline of surplus sites.

2.5 The proposed Asset Management Officer Group shall: -

- Advise future Asset Management Policy.
- Advise future Asset Management Strategy.
- Assist in the development of an annually reviewed Asset Management Action Plan.
- Identify options for the future use of all Council Land and Property Assets.
- Review and identify surplus sites.
- Co-ordinate internally and with external organisations and integrated working programmes.
- Feedback and guidance on agile and flexible working.
- Agree and oversight the Corporate Landlord model, including change procedures. I.e. Operational land and property requirements.
- Identify and document service land and property needs through Service/ Directorate Asset Management Plans. (SDAMPs)
- Act as a corporate level user group to feedback on Corporate Landlord performance and issues.

2.6 Regular communication between the Strategic Property Team and users/ clients are a key component of an integrated approach to asset management, therefore it is envisaged that:-

- This new approach to integrated asset management is rolled out at Senior Management Group.
- The Strategic Property Service attends all Directorates' Management Team's on a quarterly or 6 monthly basis.

### **3. CORPORATE LANDLORD**

3.1 Corporate Landlord is where the ownership of all land and property is centrally held on behalf of the Council/ CCG, this includes the operational, industrial, community, highways, surplus, education, drainage and green spaces. Services based in / operating the operational estate are in essence 'tenants of the Corporate Landlord'.

3.2 It is proposed that the Corporate Landlord should be based upon the following principles:

- 3.2.1 Property is a corporate resource and is not in the sole control of any one directorate or service.
- 3.2.2 All property related activity and budgets should be managed centrally, under the Strategic Property Service acting, on behalf of the Corporate Landlord. Except:-

- Operations and Green Spaces Service; shall continue to maintain, operationally manage and hold budgets for Green Spaces land, but the land itself, the buildings on it and the building budgets shall be vested in the Corporate Landlord.
  - Highway and Drainage assets, including land adjacent; Engineering Services; shall continue to maintain, plan, operate and hold capital and revenue budgets as they do now, but the land itself shall be vested in the Corporate Landlord.
- 3.2.3 Any other land and property that can be identified as having a clear operational reason not to be covered by Corporate Landlord. To the satisfaction of the Asset Management Working Group.
- 3.2.4 The Corporate Landlord shall be responsible for maintaining the “condition” and “compliance” of operational buildings. Service Tenants “Suitability” issues shall be subject to change control procedures.
- 3.2.5 The relationship between the Corporate Landlord and service clients, who are Tenants of the Corporate Landlord shall be clearly defined utilising a standard service level agreement which outlines roles, responsibilities, clear fee scales (if applicable) and performance measures.
- 3.2.6 The Corporate Landlord, through the Asset Management Working Group shall lead on all property transactions and reviews such as, land and property review, such as leases, acquisitions, disposals, land assignments, valuations, CPO’s and wayleaves.
- 3.2.7 All Land and Property policy, strategy, change and usage shall be considered corporately, through the governance structure as set out in this report which includes the Asset Management Working Group, Asset Management Officer Group and Strategic Property Service and as necessary, Executive Cabinet.
- 3.2.8 No Council/ CCG services shall agree or commence negotiations related to any land and property asset related plans/ co-locations/ bids, change of use or additional expenditure without it being agreed through the Corporate Landlord, the Asset Management Working Group and then, as necessary, Executive Cabinet.

#### 4. STRATEGIC ASSET MANAGEMENT PLAN

- 4.1 **Appendix 4: Strategic Asset Management Plan** is intended to direct how assets are managed to best effect to not only capitalise on their benefit to the Borough, its communities and residents but also to maximise efficiency and effectiveness going forward.
- 4.2 The Policy, Strategy and Action Plan will also inform investment, disinvestment, development and disposal decisions.
- 4.3 Integrated Strategic asset management is crucial in ensuring that assets are managed in accordance with a pre-determined, well thought through plan but with a flexibility and adaptability that allows that plan to change should that be the right thing for the organisation. The Asset Management Policy and Asset Management Strategy have been developed to deliver a cohesive and considered approach and to inform the development of a comprehensive and timely Asset Management Action Plan to ensure effective delivery of identified short, medium and long term priorities. The three documents together will form the Council and CCG’s Strategic Asset Management Plan.
- 4.4 The Asset management and Policy and Strategy shall be reviewed on a bi-annual basis to ensure they still align with the organisations priorities. The Asset Management Action Plan shall be reviewed annually.

<b>Strategic Asset Management Plan</b>
Asset Management Policy – Review bi-annually.
Asset Management Strategy – Review bi-annually.
Asset Management Action Plan – Review annually.

4.5 The Asset Management Policy Aims have been defined as:-

**Asset Management Policy Aim 1:**

Cost effective delivery of the Council and CCG's services and Corporate Plan.

*I.e. operational estate, capital programme, compliance, resilience, school basic need, cost, transport, modern ways of working,*

**Asset Management Policy Aim 2:**

Enabling Inclusive - Economic Growth, Housing Growth, Employment Growth, Regeneration and Strategic Connectivity, whilst protecting Council historic/cultural assets.

**Asset Management Policy Aim 3:**

Maximising the opportunities that are available through the adoption of 'one public estate', public sector reform and unified public services, including Integrated Health and Social Care.

**Asset Management Policy Aim 4:**

Developing growth of financial income from commercial/non-operational activities.

**Asset Management Policy Aim 5:**

Maximising Social Value through the commissioning of property projects and property services.

**Asset Management Policy Aim 6:**

Enabling/ achieving the objectives of the 5-Year Environmental Plan for Greater Manchester.

## 5. PROPOSED TIMELINE

- 5.1 29 July 2020 – Executive Cabinet requested to approve the Strategic Asset Management Policy and Strategy, Corporate Landlord Approach and Governance.
- 5.2 By 14 August 2020 – Identify Directorate and Service Leads.
- 5.3 Executive Cabinet in August 2020 – Disposals Strategy and 1st Tranche of surplus sites report (Subject to consultation findings).
- 5.4 In September 2020 - Instigate Asset Management Working Group and Asset Management Officer Groups.
- 5.5 In September 2020 - Commission "Portfolio Review" of alternative site uses and valuations across the estate.
- 5.6 By 2 October 2020 – All services/ Directorates Leads to complete Service Directorate Asset Management Plan's for all Services of the Council/ CCG.
- 5.7 By 4 December 2020 – Complete review of all SDAMP's and advise Asset Management Working Group on the proposed way of meeting the short term identified service needs. (Interim Operational Accommodation Strategy to enable service changes post Covid19)
- 5.8 February 2021 – Executive Cabinet requested to approve the 2021-2022 Asset Management Action Plan. (Including planned reviews and surplus property).
- 5.9 By 4 March 2021 - All SDAMP's and Corporate Landlord (Land and Property) SLA's are signed off by Directorate Management / Leadership Teams and the Asset Management Working Group.

5.10 March 2021 - Portfolio review completed.

5.11 April 2021 - Accommodation Strategy 2021-2023 to AMWG. (Longer Term)

## **6. CONCLUSION**

6.1 The adoption of an Integrated approach to the strategic management of land and property assets is an essential enabler in the future delivery of the Council and CCG's Corporate Plan.

6.2 The integrated adoption of a Strategic Asset Management Plan, Governance and Corporate Landlord principles detailed in this report will provide the methodology to consider land and property assets in a single corporate view and then best wield these assets as a tool in delivering the Corporate Plan priorities.

## **7. RECOMMENDATIONS**

7.1 As set out at the front of the report.