

POLICY, FINANCE AND ADMINISTRATION COMMITTEE

3rd July 2012

REPORT OF HEAD OF CENTRAL SERVICES AND CORPORATE PROPERTY OFFICER

ASSET MANAGEMENT PLAN AND CAPITAL STRATEGY 2012/13-2014/15

1.0 PURPOSE OF REPORT

- 1.1 To present the Asset Management Plan and Capital Strategy 2012-15 and for members to endorse and approve the plan.

2.0 RECOMMENDATIONS

- 2.1 That Members note the progress made on the Asset Management Plan 2009-11.
- 2.2 That Members approve the new Asset Management Plan for the period 2012-15 and the delivery of the Action Plan for its implementation.
- 2.3 That Members approve the adoption of the Code for Leasing Business Premises described in Section 4.6 of the Asset Management Plan and developed by the Joint Working Group on Commercial Leases in 2007.

3.0 KEY ISSUES

- 3.1 The Government introduced the requirement for local authorities to produce Asset Management Plans (AMP's) in 2001 whilst it is no longer a requirement for Councils to produce an AMP it is still considered good practice. This is the fifth Asset Management Plan produced by the Council.
- 3.2 The previous Asset Management Plan 2009-2011 set out four key priorities for Asset Management over the past two years:
- New Council Offices – To include partners, to be “fit for purpose” at an appropriate quality and design, to be built on time and within budget.
 - Disposal of surplus land at Nottingham Road
 - Development plan for Cattle market regeneration and negotiations with cattle market partners for future management
 - Waterfield Leisure Pool – Refurbishment project

The progress on these four key projects has been closely reported to members of the respective committees/sub-committees/working groups in individual reports for each project over the past three years. “Parkside” was successfully completed in September 2011, the sale of Nottingham Road completed in January 2012, the new agreement with the cattle market partners completed in April 2011—with a re-development clause enabling the Council to re-develop a defined part of the cattle market subject to certain conditions. Vacant possession of the abattoir was achieved in May 2012. SLM were awarded a new contract to manage Waterfield Leisure Pool in 2011. The contractor for the refurbishment is now on site and preliminary works underway.

- 3.3 The Asset Management Plan and Capital Strategy 2012-15 (Attached as Appendix A) recognises continued pressure on Council finances, and also recognises that following a period of significant progress and change there is now a need to focus on new management systems and processes to ensure our assets are effectively managed and maintained.

3.4 The plan looks at the following areas:

Progress from the Asset management plan 2009-2011

Policy and resources context

Property Assets – What the Council owns and details on condition and repairs

Capital Strategy

Consultation and Partnership working

Performance Monitoring

Next Steps, future opportunities and risks

- 3.4 In section 4.6 of the Asset Management Plan briefly describes the Code for Leasing Business premises. The Code was developed in 2007 by a Joint Working Group to help improve relations between Landlords and Tenants and ensure that leasing arrangements are flexible, transparent and clear. The code is endorsed by The Law Society, The Royal Institution of Chartered Surveyors, Communities and Local Government and other national organisations. It is recommended that the Council formally endorse and adopt the Code. This will mean that the Council will use the Model Heads of Terms, issue tenants with an occupiers guide and follow the Landlord Code. Further details on the Code for Leasing can be supplied upon request.

4.0 **CORPORATE IMPLICATIONS**

- 4.1 The Asset management Plan and Capital Strategy 2012-15 will be one of several service or subject strategies that contributes to the Councils overarching Corporate Plan.

5.0 **FINANCIAL AND OTHER RESOURCE IMPLICATIONS**

- 5.1 The Asset management Plan and Capital Strategy 2012-15 shows the Property team structure within Central Services and identifies the new 0.5 fte post of Building Surveyor; the plan also explains the proposed outsourcing of the caretaker and cleaning services to Leicestershire County Council. The key financial implications relate to the five year repairs and maintenance programme.

LEGAL IMPLICATIONS/POWERS

- 6.0 There are no particular legal implications in respect of this report other than the statutory requirements set out in the Asset Management Plan.

7.0 **COMMUNITY SAFETY**

- 7.1 Community safety is considered as part of the regular risk assessments that are undertaken for each building or asset owned by the Council and incorporated in the Property section of the Central Services Service Plan.

8.0 **EQUALITIES**

- 8.1 Asset related projects may impact upon equalities and impact assessments will be completed to assess this as required.

9.0 **RISKS**

- 9.1 Specific risks relating to individual projects will be highlighted in the detail of reports brought forward for Members consideration.

10.0 **CLIMATE CHANGE**

- 10.1 Improving energy efficiency in our buildings and reducing carbon emissions will continue to be a focus for the property team.

11.0 CONSULTATION

11.1 Management team and other appropriate officers have been consulted on the Asset Management Plan.

12.0 WARDS AFFECTED

12.1 The Asset Management Plan is a corporate document and therefore affects all the Wards within the Council.

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Date: 30/03/12

Appendices: Appendix A: The Corporate Asset Management Plan and appendices.

Background Papers: *Building on Strong Foundations* (CLG, 2008) www.communities.gov.uk/publications/localgovernment/assetmanagement; • *Public sector asset management guidelines* (RICS, 2008): www.publicsectorassetmanagement.com
Where to go for further information: www.publicsectorassetmanagement.com or www.rics.org

Reference: X: Council, C'tees & Sub-C'tees/PFA/2011-12/17-04-12/DB – Asset Management Plan & Capital Strategy 2012-15