

POLICY, FINANCE AND ADMINISTRATION COMMITTEE

12th APRIL 2017

REPORT OF CORPORATE PROPERTY OFFICER

ASSET MANAGEMENT PLAN AND CAPITAL STRATEGY 2015/16-2017/18 - UPDATE

1.0 PURPOSE OF REPORT

- 1.1 To review progress made since the Asset Management Plan and Capital Strategy 2015-18 was approved by Members on the 15th April 2015.

2.0 RECOMMENDATIONS

- 2.1 **That Members note the progress made on the Asset Management Plan and Capital Strategy 2015-18 and the updated Action Plan attached at Appendix A.**

3.0 KEY ISSUES

- 3.1 The Asset Management Plan and Capital Strategy 2015-18 recognises continued pressure on Council finances. There has been an ongoing review of the property team since the updated strategy was put in place which has impacted on the level of resources available as vacant posts have not been filled and as a consequence inhibited delivery against some areas of the action plan. Prioritised working took place to ensure all key issues were addressed.

- 3.2 A progress update on the key actions delivered between 2015 and the present from the Action plan reported to Members in April 2015 is attached at Appendix A for information.

3.3 Acquisitions

The Council acquired the King Edward VII site from Leicestershire County Council in 2015 and also acquired the Rutland Arms on behalf of HRA. We will continue to identify and monitor sites that are strategically important to the Council and where appropriate make recommendations for acquisition. Officers continue to monitor sites of importance and potential benefit to the Council.

Many Councils have developed Commercial Property Investment strategies to help improve their revenue budgets as they recognise and act on the market advantage that Councils have over private sector business. The public sector prudential borrowing rates are considerably lower than commercial borrowing rates and can be fixed at that rate for prolonged periods Councils also have the added advantage that they do not pay any tax on income received. If the Council makes affordable investment decisions, using specialist internal and external advisers to identify and mitigate any investment risks this would seem a sensible option. Following completion of the property review this will be considered by management team.

3.4 Disposals

Residential property values in the District have risen by 6-9% since April 2015 and market conditions are relatively favourable for disposals to help generate capital receipts. The Council commissioned consultants Pick Everards to do a feasibility assessment of several small Council owned sites that have potential for residential

development and consideration will be given on HRA and General Fund sites to see if any can be earmarked for disposal.

In addition to revenue generation from sites, opportunities of releasing sites suitable for affordable housing or suitable for helping to create economic growth and regeneration are being sought after from Council owned land.

3.5 Parkside

LPT have issued a date when they will be leaving Parkside, The Council wrote to the LPT at Chief Executive level to emphasize the important role that LPT staff play in delivering the "One Melton approach" to our customers at Parkside and suggesting that they consider taking a licence with a reduced amount of space occupation and reduced cost. The departure of LPT is disappointing given the National Award that the Council has received from ACES for excellence in Co-Location working and also the property profession for its work in partnership working and co-location. Representatives from the Cabinet Office property team will be visiting Parkside in April 2017 to see the working arrangements and also to review the property agreements that are in place.

3.6 Partnership opportunities

The Council is working closely with Gillstream Markets Ltd at the cattle market to develop a Phase 2 on the southern area, Maber architects have been jointly commissioned by the Council and Gillstream Markets Ltd to draw up plans that will help to build on the town and districts identity as Rural Capital of Food and Drink and also draw inward investment to help stimulate growth and accelerate development at the Cattle Market.

Collaboration and joint working continues to be a major opportunity for improving service delivery to customers, attracting investment and sharing costs, this can be well demonstrated at Parkside.

The Corporate Property Officer continues to meet regularly with the Town Estate to inform them of progress at the Cattle market and also explore any joint improvement opportunities in the locality.

4.0 CORPORATE IMPLICATIONS

4.1 The Asset Management Plan and Capital Strategy 2015-18 is 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 2015-18 shows the Property team structure within Central Services current proposals set out elsewhere on this agenda are to merge the Housing and General Fund property teams, it is important that the resources required to deliver pipeline Corporate capital projects and general practice work around landlord and tenant, lease renewals, rent reviews and strategic estate work around the use of assets is not underestimated.

6.0 LEGAL IMPLICATIONS/POWERS

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 property inspections and risk assessments that are undertaken for each building or asset owned by the Council by the Property section.

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 consideration for the property team and there are emerging requirements for local authorities to demonstrate the work they are doing in this area.

11.0 **CONSULTATION**

11.1 Management team and other appropriate officers were 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: 19/03/17

Appendices: Appendix A: The Corporate Asset Management Plan Action Plan Updated.

Background Papers:

Reference: X: Council, C'tees & Sub-C'tees/PFA/2015-16/15-04-15/DB – Asset Management Plan & Capital Strategy 2015-18