



Asset Management Plan for Corporate Assets

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Lead Member/Relevant Portfolio Holder	Councillor Sarah Cox - Portfolio Holder for Corporate Finance, Property and Resources

Corporate Priority:	Delivering sustainable and inclusive growth in Melton
Relevant Ward Member(s):	All
Date of consultation with Ward Member(s):	N/A
Exempt Information:	No
Key Decision:	No
Subject to call-in:	No

1 Summary

- 1.1 The purpose of this report is to present the Asset Management Plan for Corporate Properties and Assets to Cabinet for consideration and recommendation to the Council for approval.

2 Recommendations

That Cabinet:

- 2.1 **Notes the financial implications in the plan have been incorporated into the budget proposals.**
- 2.2 **Recommends to Council to approve the Asset Management Plan for Corporate Assets as attached in Appendix 1.**
- 2.3 **Delegates authority to the Director for Growth & Regeneration in consultation with the Portfolio Holder for Corporate Finance, Property and Resources, to make relevant amendments to the plan.**
- 2.4 **Delegates authority to the Director for Growth & Regeneration in consultation with the Portfolio Holder for Corporate Finance, Property and Resources, to procure contractors for implementation of works as identified in the action plan.**

3 Reason for Recommendations

- 3.1 Priority 3 of Council's Corporate Strategy 2020-2024 identifies a key focus area to be – 'Confirm plans, secure funding and develop our assets to generate income and provide housing and jobs'.
- 3.2 The corporate land assets and buildings are an important resource for the Council and if used wisely, can be a powerful tool to not only enable the council to deliver excellent customer services across all areas, but also support regeneration and economic growth by leveraging public and private sector investment.
- 3.3 One of the key recommendations from the Local Government Association (LGA) finance review (2021) is for the Council to take a more strategic long-term approach to Financial Planning and the delivery of transformation using Council assets and a requirement to at times take a commercial view.
- 3.4 An internal audit was undertaken for the Corporate Property and Assets (CPA) service in December 2021 that identified the control framework and compliance levels to be satisfactory. One of the key actions from the audit assessment undertaken for the Corporate Property and Assets (CPA) in December 2021 was to prepare an Asset management Plan.

4 Background

- 4.1 Since the previous management plan was agreed in 2015, there has been significant change within the authority which has required the council to take a renewed commercial view regarding how the property & assets which sit within the general fund are managed.
- 4.2 The Draft Asset Management Plan is informed by the work undertaken by the Council in the past few years, current challenges faced by the Council as well as the potential opportunities identified by horizon scanning.

5 Main Considerations

- 5.1 The purpose of the Asset Management Plan (AMP) 2024-2029 is to provide a framework to support the development and management of the Council's corporate land and property assets to achieve the priorities set out in the Council's Corporate Strategy. The Plan, set out at appendix 1, outlines the Council's approach to resource planning for effective management of all corporate assets. As outlined in the RICS (Royal Institute of Chartered Surveyors) Public Sector Asset Management Guidelines, the AMP articulates key objectives and identifies prioritised activities and resources to deliver the objectives.
- 5.2 The AMP primarily focuses on land and buildings (fixed assets) within the General Fund, both General Expenses (GE) and Special Expenses (SE) budgets. The assets and leases considered under the AMP are summarised in appendix 2B and 2C. The AMP excludes assets within the Housing Revenue Account (HRA) as well as the items managed and maintained by the Environmental Maintenance (EMT) service. It also excludes ICT, street furniture and other movable assets owned by the Council. The excluded items will be subject to subsequent reports or development plans.
- 5.3 The AMP sits alongside the Council's Capital Strategy and the Asset Development Programme and together these documents provide a robust plan for management and investment in the Council's assets.

5.4 Key objectives for the AMP are:

- **Regulatory compliance:** To be compliant to regulatory standards and provide a safe environment for the Council's staff, tenants, users and visitors. See appendix 2E for confirmation of the Council's current compliance status in relation to corporate assets.
- **Enabling service delivery:** Effective utilisation of corporate assets for enabling excellent service delivery for all our residents and businesses.
- **Financial stability:** Efficient management of Council owned assets to contribute to the financial stability of the Council.
- **Value for money:** Balancing community needs with commercial aspirations to achieve the best value for money for the Council.
- **Leverage of investment:** Use of assets as a leverage to attract further investment from public and private sector partners.
- **Supporting economic growth:** Support delivery of housing and economic growth and town centre regeneration
- **Energy efficiency:** Contribute towards the Council's ambition for becoming net zero.

5.5 The planned maintenance programme (see appendix 2F) is a rolling 5 year programme and will be reviewed annually in line with strategic objectives, risks and budget pressures. It is underpinned by condition surveys and a risk-based approach to prioritisation has been undertaken to ensure effective resource allocation. The focus has been on funding 'high risk' and 'essential' items at this stage and these have been incorporated into the 2024/25 budget process and allocation of capital and revenue proposals due to be considered as part of a separate report on the agenda. It is assumed that investment in planned maintenance will reduce the need for reactive maintenance and repair works.

5.6 Individual projects arising from the Actions identified in the AMP will be presented to the Cabinet for approval over the next financial year, subject to viable business cases. Appendix 2A sets out the current AMP Action Plan.

5.7 Delivery of the Asset Management Plan will be led and managed by the Corporate Property and Assets team. The CPA service manager will be responsible for the delivery of all actions as identified in the plan. The Plan will be reviewed and monitored on an annual basis and updates on progress will be reported as part of the Council's performance management framework. The resource requirements for delivery of the plan will be kept under review and will be updated as part of the annual budget process.

5.8 An Assets Working Group has been established to enable member oversight, review and engagement in preparing this plan.

6 Options Considered

6.1 Not having an Asset Management Plan is not considered to be an option for the reasons identified in Section 3.

7 Consultation

7.1 Members of the Assets working group have been consulted with over the past few months through a series of workshops. Discussions and steer received from this group have been incorporated into the draft AMP.

7.2 Budget allocation for AMP was considered by the Scrutiny Committee as part of budget discussion.

8 Next Steps – Implementation and Communication

- 8.1 Council meeting – 8th February 2024
- 8.2 Implementation of AMP – From April 2024

9 Financial Implications

- 9.1 The plan identifies a total spend of £1.64m that the Council will be investing on its assets over the next 5 years on both revenue and capital for general expenses assets as summarised in the table below:

General Expenses

	2024/25	2025/26	2026/27	2027/28	2028/29	Total
Revenue	£427k	£224k	£184k	£242k	£219k	£1,296k
Capital	£145k	£50k	£50k	£50k	£50k	£345k
Total	£572k	£274k	£234k	£292k	£269k	£1,641k

- 9.2 In terms of the Special Expenses a number of one-off costs have been identified to be undertaken in 2024/25 totalling £31.5k.
- 9.3 In order to fund the investment outlined above the council has a number of potential funding sources:
 - Corporate Repairs and Maintenance budget (Revenue)
 - Sinking Funds for specific assets such as leisure centres, Parkside and Cattle Market (Revenue and Capital)
 - General Property Repair Fund (Revenue and Capital)
 - Capital receipts (Capital)

Financial Implications reviewed by: Director for Corporate services

10 Legal and Governance Implications

- 10.1 The Council has statutory powers to hold land for a variety of purposes. There are also various statutory restrictions which apply to disposals of that land and how it is managed, and which impose strict requirements to ensure that they are safe.
- 10.2 The principles in the Asset Management Plan are central to ensuring that the Council complies with those requirements and manages its assets prudently.

Legal Implications reviewed by: Clive Tobin, Assistant Director Governance and Democracy

11 Equality and Safeguarding Implications

- 11.1 An Equalities Impact Assessment has been undertaken for the AMP which has identified no specific impact.

12 Data Protection Implications (Mandatory)

- 12.1 A Data Protection Impact Assessment (DPIA) has not been completed for the following reasons because the proposed Asset Management Plan does not pose risks to the rights and freedoms of natural persons. The Council's Data Protection Policies will apply in relation to the personal data of any persons occupying or connected with individual properties and appropriate advice can be given in relation to any such property.

13 Community Safety Implications

13.1 NA

14 Environmental and Climate Change Implications

14.1 Climate change considerations are included in Section 3.8 of the Draft AMP.

15 Other Implications (where significant)

15.1 Contractors will be procured in accordance with the Council’s procurement policy for implementation of planned maintenance works. Where appropriate and subject to budget approvals external expertise will be sought to bridge the gaps in capacity and capability within the team.

16 Risk & Mitigation

A detailed risk register is part of the Draft AMP.

Risk No	Risk Description	Likelihood	Impact	Risk
1	Proposals in AMP not aligned with budget allocations	Low	Critical	Medium Risk
2	AMP is not kept under review and loses its relevance over time	Low	Critical	Medium Risk
3	Members oversight on delivery of AMP	Low	Critical	Medium Risk
4	Affordability of reactive repairs due to reduction in budgets with planned maintenance being prioritised	Low	Critical	Medium Risk
5	Future affordability due to lack of council resources, leading to deterioration of assets	Significant	Critical	Medium Risk

		Impact / Consequences			
		Negligible	Marginal	Critical	Catastrophic
Likelihood	Score/ definition	1	2	3	4
	6 Very High				
	5 High				
	4 Significant			5	
	3 Low			1,2,3,4	
	2 Very Low				
	1 Almost impossible				

Risk No	Mitigation
1	AMP proposals are developed in conjunction with the budget proposals supported by the finance team
2	It is proposed to review cyclical actions on quarterly and annual basis with condition surveys to be reviewed every five years
3	A members working group is set up and annual updates are proposed to be provided to the cabinet as part of corporate performance framework
4	Budget for reactive repairs will be kept under review on annual basis
5	Annual review of AMP and 5 year rolling programme of condition surveys will help monitoring the costs and inform the budget process

17 Background Papers

17.1 NA

18 Appendices

18.1 Appendix 1 – Draft Asset Management Plan for Corporate Assets 2024-2029

18.2 Appendix 2A to G – Appendices for AMP 2024-2029