

 <b>Finance and Audit Scrutiny Committee</b> <b>July 14, 2009</b>		<b>Agenda Item No.</b>
<b>Title</b>	Asset Management Update	
<b>For further information about this report please contact</b>	Paul E. Pinkney Head of Economic Development and Regeneration 01926 456016	
<b>Service Area</b>	Economic Development and Regeneration	
<b>Wards of the District directly affected</b>	All Wards	
<b>Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006</b>	No	
<b>Date and meeting when issue was last considered and relevant minute number</b>	20/03/2007, Item 8	
<b>Background Papers</b>	Asset Management Plan. 20/03/2007	

<b>Contrary to the policy framework:</b>	No
<b>Contrary to the budgetary framework:</b>	No
<b>Key Decision?</b>	Yes
<b>Included within the Forward Plan? (If yes include reference number)</b>	Yes

<b>Officer/Councillor Approval</b>		
With regard to officer approval all reports <i>must</i> be approved by the report author's relevant director, Finance, Legal Services and the relevant Portfolio Holder(s).		
<b>Officer Approval</b>	<b>Date</b>	<b>Name</b>
Relevant Deputy Chief Executive		Bill Hunt
Chief Executive		Chris Elliott
CMT		CMT
Section 151 Officer		Mike Snow
Legal		Peter Oliver
Finance		Mike Snow
Portfolio Holder(s)		Cllr John Hammon
<b>Consultation Undertaken</b>		
Consultation on the Draft Asset Management Plan (2009 – 2010) with members of the Asset Management Steering Group.		
<b>Final Decision?</b>		No
<b>Suggested next steps:</b> To report to the Council's Executive in August, 2009.		

## 1. **SUMMARY**

- 1.1 The purpose of this report is to update Members on the progress of the Asset Management Plan and the key principles and challenges that the plan has highlighted over the period 2009 – 2010.

## 2. **RECOMMENDATION**

- 2.1 That Members note that a report and the Asset Management Plan (2009 – 2010) will be considered by the Executive on 26 August, 2009.
- 2.2 That Members note and, as part of the consultation process, comment on the key principles which guide asset management over the next year.
- 2.3 That Members note and, as part of the consultation process, the key challenges facing the Council in managing its assets in the coming year 2009 -2010.

## 3. **REASONS FOR THE RECOMMENDATION**

- 3.1 The full Asset management Plan (2009 -2010) is in the final consultation phase with members of the Asset Management Steering Group (AMSG) and will be the subject of a report to Executive in August, 2009.
- 3.2 The Asset Management Plan establishes the key principles which will guide the management of the Council's assets over the coming year (2009 – 2010). It is considered to be appropriate that the Finance and Audit Scrutiny Committee are aware of these principles and can comment on them prior to the Asset Management Plan (AMP) progressing to the Executive.
- 3.3 Key Principles which will Guide Asset Management over the next year are:
- supporting the delivery of the corporate strategic objectives,
  - supporting the specific asset requirements of detailed service plans,
  - monitoring occupancy and condition to inform action and decisions on reallocation or disposal,
  - seeking and taking opportunities to generate capital receipts which can support the wider capital programme (including economic development and regeneration),
  - seeking and taking opportunities to generate additional income from property assets and appropriate new property investments so as to support the Council's wider financial and capital strategies,
  - monitoring return on investment property to ensure that continued ownership is financially prudent, and to ensure that long term income is safeguarded by working closely with tenants,
  - using assets creatively, including in partnership with others, to enable regeneration and intensification of development, and
  - seeking to empower communities through transfer of assets, including newly acquired assets, to community associations, parish and town councils.
- 3.4 The AMP identifies the key challenges for the Council's management of assets in the coming year 2009 – 2010. It is considered appropriate that the Finance and Audit Scrutiny Committee are aware of the challenges and have an opportunity to comment on them prior to the AMP progressing to the Executive.
- 3.5 Key Challenges facing the Council in managing its assets in the coming year are:

1. Improving the efficiency with which the Council occupies office accommodation. The Council has already reviewed the way in which it uses the space it occupies at Riverside House which has resulted in reducing the footprint. This has created an opportunity to bring forward additional income for the Council through shared-space with other organisations which will pay a rental. There may be additional opportunities for additional shared-space or services being provided from the Riverside House location.
2. Reviewing the way that the Council delivers services. Services may be delivered more remotely, locally or virtually in the future. This may decrease demand for large office units, but increase demand for 'hot desking' and meeting places. This could mean more locations for smaller shared buildings.
3. The operation of the Spa centre is currently being considered by a task and finish group.
4. Proposed redevelopment of the Chandos Street car parking area. The Council is progressing this site in partnership with Wilson Bowden for Comparison led retail development.
5. Disposal of the Wilton House site to enable positive change and regeneration in Kenilworth town centre (through the development of the Public Service Centre.
6. The Council will continue to consider how it can bring forward assets to enable development and regeneration projects (such as, Chandos Street, Spencer Yard, the Court Street Creative Arches, etc.). It is the intention that the Asset Management Strategy and the Local Development Framework (2026) will be much more aligned to ensure that schemes can be brought forward; especially in the urban centres, rural opportunities and areas of deprivation. The delivery vehicle for this will be the Area Action Plan process which the Council is progressing and in consultation with the Housing and Communities Agencies ATLAS team regarding delivery.

3.6 It should be noted that a key action coming from the AMP is that a more strategic approach to the management of the Council's assets is required. An asset management strategy will be prepared that considers the longer term use of the Council's assets over a timeframe in line with the Local Development Framework (i.e. 2026). This will enable the Council to develop a more effective and efficient asset management structure which delivers the strategic objectives of the Council.

#### 4. **ALTERNATIVE OPTION CONSIDERED**

4.1 The Council could opt to create a joint AMP with other public sector providers: this option is being actively considered and may be adopted as part of the Asset Management Strategy (2026). However, it is not sufficiently advanced to be an alternative at this point.

#### 5. **BUDGETARY FRAMEWORK**

5.1 The AMP has a direct and indirect impact on the budgetary position of the Council. This is from the perspective of revenue income, capital fund and investment portfolio.

#### 6. **POLICY FRAMEWORK**

- 6.1 The Asset Management Plan establishes how the Council has used its property assets to deliver the corporate strategy and sets out how the Council will continue to deliver the Council's corporate strategy over the next year. Warwick District Council's Corporate Strategy 2008 – 2011 establishes a strategic vision: "Warwick District: a great place to live, work and visit." The AMP looks to deliver this strategic vision and the corporate strategic objectives: leadership; housing; culture; environment; development; communities and customers.