

Subject:	Asset Management Plan & Corporate Property Strategy 2008-2011		
Date of Meeting:	16th October 2008		
Report of:	Interim Director, Finance & Resources		
Contact Officer:	Name:	Angela Dymott	Tel: 29-1450
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Key Decision:	Yes	Forward Plan No. CAB 2205	
Wards Affected:	All		

FOR GENERAL RELEASE**1. SUMMARY AND POLICY CONTEXT:**

- 1.1 To seek approval for the updated Asset Management Plan & Corporate Property Strategy (AMP & CPS) 2008-11. This document updates the current AMP & CPS 2006-09 and provides a strategic overview of Brighton & Hove City Council's property assets and the systems, processes and policies in place to manage and maintain them over the next three years.

2. RECOMMENDATIONS:

- 2.1 That the Cabinet approve the Asset Management Plan & Corporate Property Strategy (AMP & CPS) 2008-2011 as set out in Appendix 1 of the report.
- 2.2 That the Cabinet note that the views of the Overview and Scrutiny Commission of the 9th September 2008 have been sought and comments as minuted in Appendix 2 have been covered in the report and included in the AMP & CPS 2008-11.

3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:

- 3.1 The council first published its Asset Management Plan (AMP) in 2002 which together with the Capital Strategy were submitted to the government for assessment. The AMP received a “good” assessment (the highest category) thus freeing the council from having to submit further annual AMPs. The AMP 2002 set out the council’s asset management process that covered three years, 2002-05. Over this period there was an annual requirement for all council’s to submit annual core performance data based on the five national property performance indicators.
- 3.2 The AMP has been developed and updated and in 2006 the council’s corporate property strategy was combined into the document and published the approved Asset Management Plan & Corporate Property Strategy 2006-09. This set out the property context for the City and the council’s property function within the council’s priorities and strategic goals.
- 3.3 The document has been progressed and refreshed to incorporate corporate priorities, legislation where appropriate and new national policies.
- 3.4 The Asset Management Plan & Corporate Property Strategy 2008-11 provides a strategic overview of the council’s property assets, a framework for challenge and continual review and explains the systems and policies in place to manage and maintain the portfolio. It demonstrates how the council uses its property assets to the best advantage, striking a balance between income and capital receipts to deliver value for money, improve service delivery and support the well being and regeneration of the City.
- 3.5 The council annually publishes the results of our property performance indicators that are based on national property performance indicators, NaPPMIs (national property performance management initiative) including benchmarking information. We also have local property performance indicators that are monitored and reviewed annually.

4. ASSET MANAGEMENT PLAN & CORPORATE PROPERTY STRATEGY 2008-11

Summary

- 4.1 The council has a large property and land portfolio valued at £1.7b (2008 balance sheet) and is also fortunate to have a substantial investment portfolio, valued at approximately £200m, that produces an annual income of £8.5m, contributes to the medium term financial strategy and helps to keep the council tax down.

- 4.2 It is important for all Local Authorities as major landowners and occupiers to justify their holdings. The Asset Management Plan & Corporate Property Strategy 2008-11 is intended to be used as a tool to help maximise the deployment and use of its property assets. It clearly demonstrates the rationale for continuing to hold property assets and how they link to the council's corporate priorities and property objectives to support and improve performance, service delivery and facilities for the City.
- 4.3 The Corporate Property Strategy sets the context for the City and Brighton & Hove City Council and explains how the council's property assets fit into the golden thread of our corporate planning framework. It introduces our 6 property objectives and shows how they relate to our corporate priorities through live examples. It gives overviews of the various asset management strategies relating to the different specific portfolios – operational, non-operational (commercial and agricultural), housing, schools and highways – and other related strategies that impact on our property assets. It identifies major external influences and pressures and sets out the council's response, particularly to statutory legislation, community assets, property related Health & Safety and the construction and property market.
- 4.4 The Asset Management Plan is the delivery arm that details our data management systems, property performance information and performance indicators. It describes the delivery of our key services and accommodation strategy, value for money transformation agenda, future accommodation needs and joint working arrangements. It demonstrates how we review and challenge our operational and non-operational portfolios to identify alternative uses, investment requirements and disposal opportunities. It outlines our funding streams to maintain and improve our property assets and our property related procurement areas, demonstrating efficiency gains and value for money. Our Action Plan summarises our main targets that are monitored bi-annually, linking them to our property objectives.
- Main changes**
- 4.5 Changes have been made to the structure of the document that splits it into Part A Strategy – the Corporate Property Strategy – showing how we link our property objectives to the corporate priorities and Part B Delivery – the Asset Management Plan - showing how we intend to deliver on the strategy.

- 4.6 We have condensed our property asset priorities into 6 corporate property objectives:
- 1 Optimise the contribution property assets make to the council's strategic & service objectives
 - 2 Prioritise investment into our operational property assets to meet service objectives
 - 3 Seek innovative value for money solutions to our procurement and staff accommodation needs through our value for money transformation programmes.
 - 4 Ensure the maximum return from our investment portfolios
 - 5 Reduce the environmental impact of our operational property assets
 - 6 Use our property assets to pump prime new developments, re-developments and regeneration
- 4.7 We have shown how the 6 property objectives link into the council's priorities with examples of case studies and how we are measuring success through targets linked to the corporate planning process.
- 4.8 We have amended the document to reflect the new Leader and Cabinet system. An overview of the Housing, Education and Highways Asset Management Plans have been incorporated to show the links to the corporate AMP and the document has been updated with the latest council's strategies and policies within the corporate planning framework again demonstrating the golden thread and links.
- 4.9 In essence, the document is outcome focussed demonstrating how we deliver on our corporate property strategy, property objectives and council's corporate priorities to achieve value for money and improve performance, services and facilities for the City.

5. CONSULTATION

- 5.1 The document has been consulted on across the council with our partners and externally with our property Agents, partners and other interested parties.
- 5.2 The Overview and Scrutiny commission comments are set out in the minutes at Appendix 2 and the responses follow as ordered in the OSC Minutes.

- 5.3 Item 37.3. The AMP & CPS 2008-11 document (para 3.5.2) has been clarified on the housing asset management plan integrated approach and the AMP will promote closer working between departments.
Item 37.4. The Value For Money process is to be captured in the budget strategy and service department reviews.
Item 37.5, 37.6 and 37.7 Local groups will be given greater support to help regenerate local Neighbourhood shops and parades through the present Demonstration Project with the Development Trust Association and the development of the Community Asset Transfer Strategy. It will also further investigate the Community Land Trust process. Officer support has been given to the Bevendean neighbourhood shops.

6. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 6.1 The council's property portfolio has an estimated value of £1.7b and the management and maintenance of these assets plays an integral part in managing the council's financial position and performance. The capital and revenue costs of maintaining and running these assets are a significant part of the council's expenditure across all direct orates and therefore achieving maximum benefit from the asset base is a key principle in the council's Medium Term Financial Strategy. The AMP & CPS will ensure the council is receiving Value for Money from its property assets, asset management is integrated with business planning and the council has effective financial management in making decisions relating to its property assets.

James Hengeveld

21st August 2008

Legal Implications:

- 6.2 There are no adverse legal implications arising from the contents of this report.

Anna Mackenzie

20th August 2008

Equalities Implications:

- 6.3 The document sets out ways to support and improve access for all to services and in developments. Equalities Impact Assessment screening has identified 4 main areas of impact - accommodation, community assets, commercial portfolio and building maintenance with the first two of these requiring further action and assessment.

Sustainability Implications:

- 5.4 The document provides support through regeneration of the City, enabling sustainable development, energy efficiency improvements to council buildings, improving access to the Downlands and encouraging apprenticeships in construction contracts and the use of sustainable materials and construction practices.

Crime & Disorder Implications:

- 5.5 The document supports the reduction of vandalism through investment and maintenance of property assets.

Risk and Opportunity Management Implications:

- 5.6 Risks are highlighted in the Appendix 1 documents particularly in terms of the current unstable property market and global financial situation.

Corporate / Citywide Implications:

- 5.7 This report compliments the key deliverables in the corporate plan and provides the strategic property overview for the council's other and related plan

7. EVALUATION OF ANY ALTERNATIVE OPTION

- 7.1 The document is a statutory requirement and set out accordingly. All Local Authorities Asset Management Plans are structured to a prescriptive form as specified under the Royal Institution of Chartered Surveyors (RICS) guidance notes and endorsed by the Institute of Public Finance (IPF) and the Department of Communities & Local Government (DCLG).

8. REASONS FOR REPORT RECOMMENDATIONS

- 8.1 The council needs an overarching property strategy and asset management plan to ensure that it is making best use of its property asset base and achieving value for money. It needs to demonstrate the rationale for continuing to hold property assets and show how the property objectives link to the council's corporate priorities, improve performance, service delivery and facilities for the City.
- 8.2 The decision is required to endorse the adoption of the refreshed AMP & CPS 2008-11 and enables the council to fulfil its commitment to deliver the targets and asset management action plan.

SUPPORTING DOCUMENTATION

Appendices:

1. The Corporate Property Strategy & Asset Management Plan 2008-11
2. Overview and Scrutiny Commission minutes 9th September 2008
Agenda item 37.

