

## CABINET

<b>Date of Meeting</b>	Tuesday, 18 <sup>th</sup> October 2022
<b>Report Subject</b>	Asset Management Plan 2022 – 2027
<b>Portfolio Holder</b>	Cabinet Member for Governance and Corporate Services including Health and Safety and Human Resources
<b>Report Author</b>	Corporate Manager, Capital Programme and Assets
<b>Type of Report</b>	Strategic

### EXECUTIVE SUMMARY

This report introduces the refreshed Corporate Asset Management Plan 2022 - 2027 which replaces the previous plan which ran from 2020 to 2026.

The primary reason for updating the previous plan is the Welsh Government Policy for Net zero carbon Public Sector by 2030, the Welsh Government's Future Generation Act and as a consequence the Council's Climate Change strategy which was adopted by the Council in February 2022.

As with the previous plan, it sets the Council's medium-term strategy for managing its assets and moving towards an optimal portfolio of assets. The report explains the need for the Plan, its purpose, objectives, key aims, and content.

### RECOMMENDATIONS

1	To approve the Asset Management Plan 2022 – 2027 so that it can be adopted as the principal document for managing the Council's corporate property and land resource assets.
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## REPORT DETAILS

<b>1.00</b>	<b>EXPLAINING THE ASSET MANAGEMENT PLAN 2022 - 2027</b>
	<b>Introduction</b>
1.01	<p>The Council's assets, primarily land and property, are a significant and valued resource with a value of circa £780.553m in March 2022. Over the last three years in excess £3.8m of capital receipts have been generated through the sale and disposal of surplus land and property.</p>
1.02	<p>There is a need for a comprehensive and structured strategy which sets out the Council's framework for asset management planning. The objective of the strategy is to set out the optimal asset portfolio the Council requires in the medium term to deliver its corporate objectives, the services it is responsible for providing, the statutory functions it is responsible for fulfilling, efficiently and considering overall value for money.</p>
1.03	<p>The key aims of the Strategy are as follows:</p> <ul style="list-style-type: none"><li>• Provide a clear context within which proposals for capital expenditure are evaluated to ensure all capital investment is targeted to deliver the Council's priorities as set out in the Council Plan.</li><li>• Sets out how the Council identifies and prioritises capital requirements and proposals arising from various strategies including Council Plan, Portfolio Business Plans, and other corporate strategies and how they will be managed within the limited capital resources available.</li><li>• Contribute to the Welsh Government's Net Zero Public Sector by 2030 and manage assets to adapt to the changing climate as well as fulfilling our duties to enhance biodiversity and resilience of ecosystems.</li><li>• Challenge our current estate, continue with the programme of asset rationalisation, ensuring that assets retained are effective, efficient and sustainable to deliver services.</li><li>• Maximise capital receipts, whilst balancing the need for land retention for carbon sequestration purposes.</li><li>• Identify and consider options available to fund capital expenditure that minimises the ongoing revenue implications of historic capital expenditure and of any new investments.</li><li>• Use partnerships, both public and private, more effectively to support our overall strategy.</li></ul>

	<ul style="list-style-type: none"> <li>Establish effective arrangements for managing capital projects including assessment of outcomes and achievement of value for money.</li> </ul>
1.04	The document, which is in final draft is structured into a number of sections which are briefly explained below.
1.05	<p><u>The key facts</u></p> <p>Section explains the types of assets the Council has, how many and asset condition information.</p>
1.06	<p><u>The bigger picture</u></p> <p>Section explains how asset management planning fits in with national strategic context, regional strategic context and the local strategic context. Including how the Strategy ties in with the Council Plan, Portfolio Business Plans, the Capital Programme, and the Medium-Term Financial Strategy.</p>
1.07	<p><u>Where we want to be</u></p> <p>Section explains what the Council's optimal portfolio of assets is. It seeks to identify what we want our capital resources to deliver over the medium term.</p> <p>This high-level strategic document makes reference to the more detailed asset management plans developed within portfolios for example; Schools modernisation, Highways Asset Management Plan, Housing Asset Management Plan, Corporate Property, Industrial Estate, Agricultural Estate and the Digital Strategy.</p>
1.08	<p><u>The Challenges</u></p> <p>Section explains the challenges that we face in delivering the optimal portfolio of assets identified.</p>
1.09	The AMP and covering report were shared with Corporate Resource Overview and Scrutiny Committee (CROSC) on the 23rd September 2022 for comment, observations and general support.
1.10	There was a healthy debate on the AMP and questions and clarifications were sought from the committee in summary around agricultural estate, carbon strategy, clarification of tables, County Hall & condition of school estate. In addition, it was noted that there was an inconsistency in words around the capital receipts paragraph and table which has now been rectified.
1.11	The Corporate Resource Overview and Scrutiny Committee, resolved that the Asset Management Plan 2022-2027 be supported, in order that it can be adopted as the principal document for managing the Council's corporate property and land resource assets.

<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	Implications for assets and financial implications as set out within the report. Other resource implications include Officer time in delivering the Strategy and associated capital programme which is not considered to be a significant change.

<b>3.00</b>	<b>IMPACT ASSESSMENT AND RISK MANAGEMENT</b>	
3.01	Decisions made which involve the Council's assets and its Capital Programme often have very large and long-term financial implications. The purpose of the Capital Strategy and Asset Management Plan is to set a clear framework within which such decisions can be made mitigating the risks involved.	
3.02	<b>Ways of Working (Sustainable Development) Principles Impact</b>	
	Long-term	Positive in that it supports the delivery of modernised and efficient assets.
	Prevention	Creates sustainable and energy efficient assets
	Integration	Integrates developments within local communities to create and support the sustainable and resilient communities' agenda
	Collaboration	Positive in that it supports other public sector and community based organisations deliver services through shared space.
	Involvement	Through the engagement and consultation with our communities in our assets their development and the role they play within our communities.
	<b>Well-being Goals Impact</b>	
	Prosperous Wales	Contributing to the wealth and prosperity of Wales through the programmes of work attached to the capital programme developing the skills to deliver locally.
	Resilient Wales	Creating a skills base within the construction industry and wider to develop increased resilience.

	Healthier Wales	Quality accommodation and facilities to support a healthier Wales.
	More equal Wales	Provision of spaces and environments that respond positively to equality and gender.
	Cohesive Wales	The transfer of assets to our communities to create resilience and develop knowledge and skills in the management of such assets.
	Vibrant Wales	Activity which stimulates the local economy and builds upon and adds to the Welsh economy.
	Globally responsible Wales	The development of carbon neutral environments and decarbonisation of our existing estate where practicable.

<b>4.00</b>	<b>CONSULTATIONS REQUIRED / CARRIED OUT</b>
4.01	The AMP and covering report were shared with Corporate Resource Overview and Scrutiny Committee (CROSC) on the 23 <sup>rd</sup> September 2022 for comment, observations and general support.

<b>5.00</b>	<b>APPENDICES</b>
5.01	Appendix 1 – Final Draft Asset Management Plan 2022 – 2027.

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	None.

<b>7.00</b>	<b>CONTACT OFFICER DETAILS</b>
7.01	<b>Contact Officer:</b> Damian Hughes, Corporate Manager, Capital Programme and Assets <b>Telephone:</b> 01352 704135 <b>E-mail:</b> <a href="mailto:damian.hughes@flintshire.gov.uk">damian.hughes@flintshire.gov.uk</a>

8.00	GLOSSARY OF TERMS
8.01	<p><b>Asset Management Plan</b> - A plan maintained by an authority of the condition and suitability of its assets, updated regularly and utilised to assess future capital needs.</p> <p><b>Capital Expenditure</b> - Expenditure on the acquisition of <b>Non-current Assets</b> or expenditure that extends the life or value of an existing asset.</p> <p><b>Capital Programme</b> - The Council's financial plan covering capital schemes and expenditure proposals for the current year and a number of future years. It also includes estimates of the capital resources available to finance the programme.</p> <p><b>Capital Receipt</b> - Receipts (in excess of £10,000) from the disposal of an asset.</p> <p><b>Capital Scheme</b> - An individual capital project which is monitored and managed in isolation. The aggregate of all schemes comprises the <b>Capital Programme</b>.</p> <p><b>Capital Strategy</b> - A corporate document providing clear strategic guidance about an authority's objectives, priorities and spending plans, demonstrating the link to key corporate and service objectives. May be combined with the <b>Asset Management Plan (AMP)</b> to form a single document.</p> <p><b>Disposal</b> - The decommissioning or transfer of an asset to another party.</p> <p><b>Financing</b> - The process of allocating resources to meet the cost of capital expenditure, which can be done on a project, asset or whole programme basis. This contrasts with making the invoice payments relating to capital expenditure, which should be managed within the authority's overall treasury management policy.</p> <p><b>Non-current Asset</b> - A resource controlled (but not necessarily owned) by an authority, from which economic benefits or service potential are expected to flow to the authority for more than 12 months.</p> <p><b>Whole Life Costs</b> - The costs of acquiring or creating an asset, operating it, maintaining it over its useful life and finally any costs of disposal (i.e. the total cost of ownership).</p>