

## CABINET

<b>Date of Meeting</b>	Tuesday, 19 <sup>th</sup> November 2019
<b>Report Subject</b>	Capital Strategy and Asset Management Plan 2020 – 2026
<b>Portfolio Holder</b>	Cabinet Member for Finance Cabinet Member for Corporate Management and Assets
<b>Report Author</b>	Chief Officer (Housing and Assets)
<b>Strategic</b>	Strategic

## EXECUTIVE SUMMARY

This report introduces the refreshed Corporate Asset Management Plan 2020 - 2026, which 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 2020 – 2026 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 2019 - 2026</b>
	<b>Introduction</b>
1.01	The Council's assets, primarily land and property, are a significant and valued resource with a value of circa £762m (2018/19 Statement of Accounts). Over the last three years in excess of £7m of capital receipts have been generated through the sale and disposal of surplus land and property.
1.02	There is a need for a comprehensive and structured strategy which sets out the Council's framework for asset management planning. The objective of 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 taking into account overall value for money.
1.03	<p>The key aims of the Strategy are to provide a framework for:</p> <ul style="list-style-type: none"> <li>• Managing the Council's assets to ensure that the right asset is in the right place to support Council priorities and enable efficient service delivery.</li> <li>• Identifying surplus assets and those where retention provides no economic benefit and seeking to dispose of such assets as appropriate.</li> <li>• Critically challenging our current estate, continue with the programme of asset rationalisation, ensuring that assets retained are effective, efficient and sustainable to deliver services now and into the future.</li> <li>• Understanding the Council's future requirements and current asset base to map out a strategy for delivery. This will inform and link in with the development of the Council's Capital Programme.</li> <li>• A more dynamic approach to Asset Management Planning, adapting as requirements change and services adapt to ongoing demands. This refreshed strategy will capture the current position and will include an action plan which will link closely with the Capital Programme.</li> </ul>
1.04	The document, which is in final draft for Members approval is structured into a number of sections which are briefly explained below.
1.05	<p>The key facts.</p> <p>Section explains the types of assets the Council has, how many and asset condition information.</p>
1.06	<p>The bigger picture</p> <p>Section explains how asset management planning fits in with national strategic context, regional strategic context and the local strategic context.</p>

	Including how the Strategy ties in with the Council Plan, Portfolio Business Plans, the Capital Programme, and the Medium Term Financial Strategy.
1.07	<p>Where we want to be</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>The Challenges</p> <p>Section explains the challenges that we face in delivering the optimal portfolio of assets identified, and how we plan to overcome those challenges.</p>

<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	<p><b>Ways of Working (Sustainable Development) Principles Impact</b></p> <table border="1"> <tr> <td>Long-term</td><td>Positive in that it supports the delivery of modernised and efficient assets.</td></tr> <tr> <td>Prevention</td><td>Creates sustainable and energy efficient assets</td></tr> <tr> <td>Integration</td><td>Integrates developments within local communities to create and support the sustainable and resilient communities agenda</td></tr> <tr> <td>Collaboration</td><td>Positive in that it supports other public sector and community based organisations</td></tr> </table>	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
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		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	Assets Programme Board and the Chief Officer Team, both supported the proposals and principles.
4.02	The AMP and covering report was shared with Corporate Resource Overview and Scrutiny Committee on the 14 <sup>th</sup> November 2019 for comment,

	<p>observations and general support.</p> <p>Any feedback or observations from CROSC will be reported into this Cabinet meeting for consideration.</p>
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<b>5.00</b>	<b>APPENDICES</b>
5.01	Appendix 1 – Draft Asset Management Plan 2020 – 2026.

<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	<p><b>Contact Officer:</b> Neal Cockerton, Chief Officer Housing and Assets</p> <p><b>Telephone:</b> 01352 703169</p> <p><b>E-mail:</b> <a href="mailto:neal.cockerton@flintshire.gov.uk">neal.cockerton@flintshire.gov.uk</a></p>

<b>8.00</b>	<b>GLOSSARY OF TERMS</b>
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>
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