



Subject: Asset Strategy 2016/2019

Status: For Publication

Report to: Middleton Township Committee
Heywood Township Committee
Rochdale Township Committee
Pennines Township Committee

Date: Monday 21st July 2016
Wednesday 27th July 2016
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Cabinet Member: Cabinet Member for
Business, Skills and Employment

Report of: Director of Economy

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**Comments from Statutory
Officers:**

Monitoring Officer: Yes
Section 151 Officer: Yes

Key Decision:

No

1 Purpose of the report

- 1.1 The purpose of this report is to present to, and to advise members concerning the Cabinet's adoption of an amended Asset Strategy for 2016-2019

2 Recommendations

- 2.1 It is recommended that members note the approved Asset Strategy, which provides the framework by which the Council intends to manage its property assets during the financial years 2016-2019.

3 Background

- 3.1 The Council's current Asset Strategy is due to expire on 31 March 2016. Over the last three years the Strategy has helped to focus property management activities and has driven some significant changes and improvements. Progress against this Strategy was presented to the Overview and Scrutiny Committee on 11 November 2014 and 29 July 2015, and some of the achievements are summarised in Section 5 of the new Strategy.
- 3.2 The revised Strategy presented with this report is designed to replace the current Strategy and builds on its achievements. It considers the challenges the authority is likely to face over the next three years and how asset management might support service delivery. It seeks to establish the benefits the Council wishes to achieve from its property and recommends the overall direction of travel for property management activity. Finally, it provides a clear framework of objectives to support decisions affecting the management of assets and identifies a series of work streams and actions designed to develop the property portfolio and its contribution to Council objectives during the next three years.

- 3.3 The Strategy provides a governance framework for the whole portfolio of land and building assets held by the Council. It affects all the Council Services that are accommodated in Council-owned premises as well as public and voluntary sector partners and business tenants. The portfolio extends to approximately 5,000 separate property interests, valued for financial accounting purposes at almost £700m (valuation date 01 April 2015). The annual running costs are substantial and are only partly offset by the income generated through third party lettings.
- 3.4 The Council's current Asset Strategy comprises 21 work streams, some of which are project focused. This was the right approach at the time as the Council was seeking to achieve a significant change in the direction of and approach to asset management, and to engage its services more effectively in the process. This revised Strategy moves from that project-based emphasis to a more overtly asset-led approach and sets achievable but challenging objectives for each property in the portfolio.
- 3.5 The focus on the Council's main asset groups emphasises the importance of asset management but also aims to achieve significant improvements in fitness for purpose, data requirements, and the policies and procedures required to ensure effective management. The Council also has regard to the risks inherent within its asset portfolio and seeks, wherever practical, to mitigate those risks effectively.
- 3.5 It is also acknowledged that seizing all opportunities for improving the efficiency of assets must involve the effective use of available technology and new ways of working, and therefore requires a partnership between property managers and the Council's ICT and HR Services.

Alternatives considered

- 3.6 There is no mandatory requirement for the Council to adopt an Asset Strategy. However, it is recognised that this represents best practice in asset management. The Council wishes to secure maximum value from its portfolio, reduce portfolio size and deliver savings against property operating costs. The adoption of a coherent property strategy will continue to provide direction to all members and Council services in the achievement of those aims.

4 Financial Implications

- 4.1 This report has no direct financial implications. However, the approved strategy does set out broad principles and objectives for income and expenditure of revenue and capital budgets.
- 4.2 The Council has set a revenue savings target of £300,000 to be achieved from the management of assets in 2016/17, and this reduction in costs is addressed as part of the Asset Strategy.

5 Legal Implications

- 5.1 This report has no direct Legal Implications. Any changes to the Asset Strategy during this period would need to be carried out in accordance with the Council's governance framework.
- 5.2 The Director of Economy will continue to report to the Head of Legal Services for advice and transactional assistance in terms of the management of its Asset Strategy.

6 Personnel Implications

6.1 This report has no direct personnel implications. However, Council employees who deliver services from Council property assets may be indirectly affected by the requirements of the Asset Strategy, which encourages continual review of the Council's use of assets, leading in some cases to changes of use of property occupied by Council staff.

7 Corporate Priorities

7.1.1 The Asset Strategy is produced with deference to a number of Council policies including the following:

- Corporate Plan
- Vision and Blueprint
- Medium Term Financial Strategy
- Rochdale Borough Renaissance Masterplan
- Rochdale Borough Compact

8. Risk Assessment Implications

8.1 There are many and varied risks related to the ownership of property. A comprehensive review of the high level risks, set against each component of the Council's property portfolio is set within the Strategy.

9. Equalities Impacts

9.1 This report has no direct equality/community issues. However, the approved Asset Strategy does raise issues as set out in the Equality Impact Assessment and summarised below:

- The Strategy aims to provide a property portfolio that is increasingly more suitable for the purposes of the Council's service delivery, leading to buildings that are increasingly more accessible for service users, and are in better condition generally.
- The uniform implementation of the Strategy will result in consistent treatment of all groups and communities.
- The Strategy promotes inclusion by recognising that the Council's partnerships with the voluntary sector and with other public sector organisations are critical to service delivery.
- The Strategy advocates review and disposal of assets which fail to perform effectively against financial or suitability criteria and/or by their contribution to Council service objectives.

9.2 There are no workforce equality issues arising from this report.

Background Papers	
Document	Place of Inspection
Not applicable	