

# Report

## Cabinet Member for Assets and Member Development

---

### Part 1

Date: 19 February 2019

**Subject** Strategic Asset Management Plan (SAMP) - Property

**Purpose** To consult with the Cabinet Member for Assets regarding the Strategic Asset Management Plan (SAMP) for property.

**Author** Housing & Assets Manager  
Newport Norse

**Ward** All

**Summary** The Council owns a large and complex property portfolio of operational and non-operational assets. This requires active management, if it is to support service delivery in a timely and financially efficient manner.

The SAMP provides a policy and framework, alongside the NCC Corporate Plan 2017-2022 and strategic service plans for the management of property assets. Its approval will ensure a consistent approach to policy decisions.

**Proposal** To approve and adopt the Strategic Asset Management Plan attached to this report, as a formal policy of Newport City Council.

This will provide a consistent policy and framework to further develop a property portfolio that supports service delivery and provides financial efficiencies that are sustainable.

**Action by** Head of Regeneration, Investment & Housing

**Timetable** Immediate

This report was prepared after consultation with;

- NCC Senior Leadership Team
- NCC Capital Strategy and Asset Management Group
- Strategic Director - Place
- Head of Regeneration, Investment and Housing
- Housing & Assets Manager
- Head of Finance – Chief Finance Officer
- Head of Law and Standards – Monitoring Officer
- Head of People & Business Change
- Newport Norse

**Signed**

## Background

The Council owns a large and complex property portfolio and is committed to taking an active approach to the management and sustainability of buildings and assets. The Council must remain agile in its actions, whilst ensuring a long term, consistent and co-ordinated approach.

The Strategic Asset Management Plan for property assets (SAMP) accompanying this report sets out a policy and framework for the management of Council property assets.

The SAMP recognises that the Council has adopted a Corporate Landlord model as its management framework across its estate. This model requires all key decisions affecting property are considered from the perspective of the Council as a whole, rather than the particular requirements of the service that is, or has been, occupying that asset.

It is recognised that suitable premises are key for the effective delivery of operational services. The suitability of premises and any change to the portfolio must therefore remain responsive to service requirements.

Owning property assets is a significant opportunity of capital receipt and at the same time can be costly and a liability to the Council. Therefore, surplus assets should be sold in order to release capital for reinvestment. The costs associated with operating property are the second largest revenue cost (after staff) that the Council faces. A reduction in the size of the property portfolio or other efficiency measures will release revenue for alternative use. The SAMP and the Council's financial strategy are therefore closely integrated.

The Council's structure ensures a robust governance arrangement for the management of property assets, including a range of integrated professional disciplines. Discussion of key issues and policy development is managed through the Corporate Strategy and Asset management Group, involving senior managers of all council service areas.

## Financial Summary

	Year 1 (Current) £	Year 2 £	Year 3 £	Ongoing £	Notes including budgets heads affected
<b>Costs</b>					Managing an active disposal programme will release capital and enable reinvestment.
					Disposal can generate a capital receipt for investment.
					Managing and investment in an actively managed assets portfolio can enable increased rental income.
<b>(Income)</b>					
<b>Net Costs</b>					
<b>(Savings)</b>					
<b>Net Impact on Budget</b>					

## Risks

Risk	Impact of Risk if it occurs* (H/M/L)	Probability of risk occurring (H/M/L)	What is the Council doing or what has it done to avoid the risk or reduce its effect	Who is responsible for dealing with the risk?
Officers may be unaware of the requirements of the SAMP as it relates to their role	L	L	The adopted SAMP should be widely communicated and placed on the NCC intranet.  Heads of Service and service managers to brief staff on key requirements of the SAMP	NCC Newport Norse
Service requirements will change over the course of the lifetime of the SAMP	M	H	The position be monitored and the plan developed and its work plan kept under review, throughout the plan period.	CSAMG NCC Newport Norse
Risk of deterioration in the condition of the property portfolio	M	H	NCC to keep requirements under review within its maintenance budgets.  Targeted maintenance investment according to need and policy priorities following completion and ongoing monitoring of condition surveys across the estate.	NCC Newport Norse
Statutory requirements affecting property will change over the course of the plan	M	L	Obligations regarding the use and management of property will be kept under review and raised throughout the governance structure.	NCC Newport Norse

## Links to Council Policies and Priorities

- NCC Corporate Plan 2017-2022
- Medium Term Revenue Plan (MTRP)
- Service Plans
- Strategic Equalities Plan

## Options Available and considered

1. Take no action and do not adopt the Strategic Asset Management Plan.
2. To adopt the Strategic Asset Management Plan attached to this report.

## **Preferred Option and Why**

Option 2 - To adopt the Strategic Asset Management Plan attached to this report.

This will provide a consistent policy and framework to further develop a property portfolio that supports service delivery and provides financial sustainable efficiencies.

### **Comments of Chief Financial Officer**

Any financial implications such as capital receipts through disposal, or monthly on-going rental income relating the Council's asset portfolio are reported as part of the on-going medium term financial planning and revenue / capital monitoring processes. Having a consistent policy that allows further development of a property portfolio which has a positive impact on service delivery and provides financial efficiencies where required is key.

### **Comments of Monitoring Officer**

There are no specific legal issues arising from the Report. The proposed SAMP will provide a strategic framework and a consistent approach to the management, acquisition and disposal of operational and non-operational property assets. The strategy will ensure that the Council meets its obligations under the Local Government Act in terms of ensuring that its property assets are properly appropriated and utilised in the delivery of services and that best value is secured in the investment and disposal of non-operational assets. The principles set out in the SAMP are also consistent with the sustainable development principle and ways of working set out in the Well-Being of Future Generations Act and the Well-Being Strategy.

### **Comments of Head of People and Business Change**

There are no staffing implications.

The Strategic Asset Management Plan has fully considered the Well-being of Future Generation (Wales) Act 2015. The plan states that each asset management decision will consider the five ways of working of the sustainable development principle from the Act.

### **Comments of Cabinet Member**

Cabinet Member has been briefed on this report.

### **Local issues**

Not applicable

### **Scrutiny Committees**

Not applicable

### **Equalities Impact Assessment and the Equalities Act 2010**

The Equality Act 2010 contains a Public Sector Equality Duty which came into force on 06 April 2011.

The Act identifies a number of 'protected characteristics', namely age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; sexual orientation; marriage and civil partnership.

The single duty aims to integrate consideration of equality and good relations into the regular business of public authorities. Compliance with the duty is a legal obligation and is intended to result in better informed decision-making and policy development and services that are more effective for users.

In exercising its functions, the Council must have due regard to the need to: eliminate unlawful discrimination, harassment, victimisation and other conduct that is prohibited by the Act; advance equality of opportunity between persons who share a protected characteristic and those who do not; and foster good relations between persons who share a protected characteristic and those who do not.

The Act is not overly prescriptive about the approach a public authority should take to ensure due regard, although it does set out that due regard to advancing equality involves: removing or minimising disadvantages suffered by people due to their protected characteristics; taking steps to meet the needs of people from protected groups where these differ from the need of other people; and encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low.

### **Children and Families (Wales) Measure**

Although no targeted consultation takes place specifically aimed at children and young people, consultation on planning applications and appeals is open to all of our citizens regardless of their age. Depending on the scale of the proposed development, applications are publicised via letters to neighbouring occupiers, site notices, press notices and/or social media. People replying to consultations are not required to provide their age or any other personal data, and therefore this data is not held or recorded in any way, and responses are not separated out by age.

### **Wellbeing of Future Generations (Wales) Act 2015**

The Strategic Asset Management Plan covers the period April 2018 to March 2025 and sets out the vision of how Newport city Council will manage and develop its assets. Many differing decisions will be taken in respect of existing and future assets.

Each decision taken as part of the Strategic Asset Management Plan will follow the five ways of working principles set out in the guidance for compliance with the Wellbeing of Future Generations ( Wales ) Act 2015.

Discussion on each scheme and how the five ways of working impact upon and support the decision to be taken can form part of the overall scheme approval and monitoring within Capital Strategy and Asset Management Group.

### **Crime and Disorder Act 1998**

Section 17(1) of the Crime and Disorder Act 1998 imposes a duty on the Local Authority to exercise its various functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent, crime and disorder in its area.

### **Consultation**

The SAMP has been considered and endorsed by the Council's Capital Strategy and Asset Management Group (CSAMG).

### **Background Papers**

Strategic Asset Management Plan for Property Assets (April 2018)

Dated: 19 February 2019