

## **BARNSLEY METROPOLITAN BOROUGH COUNCIL**

**This matter is not a Key Decision within the Council's definition and has been included in the relevant Forward Plan**

### **Report of the Director of Core Services**

#### **ASSET MANAGEMENT STRATEGY 2017-2020**

##### **1. Purpose of Report**

- 1.1 The purpose of this report is to seek the authority of Cabinet to adopt the Asset Management Strategy for the period 2017-2020.

##### **2. Recommendations**

- 2.1 **That Cabinet support the adoption of the Asset Management Strategy for the period 2017-2020, attached at Appendix A, and the implementation of the key directions and themes set out in the strategy in order to achieve the desired outcomes**

##### **3. Introduction**

- 3.1 The Council adopted an Asset Management Plan in early 2010 for the period 2010 - 2013. It was envisaged at that time that this would be subject to annual review to reflect proposed change management programmes already planned within the Council as well as wider potential changes to political, economic and financial policies which impact on the property holdings of the Council.
- 3.2 Since 2010, there have been many political and economic changes which have impacted on the way property is managed and held. Expenditure reductions in the public sector have been much larger than were anticipated and additionally the Council has undergone an ambitious programme of change.
- 3.3 This Asset Management Strategy seeks to demonstrate that the Council is employing good practice in the management of its assets and is supporting the Council strategic goals. The strategy sets a clear strategic direction for the use of assets over the next three years.
- 3.4 The Plan refers to the Council's need to proactively generate its own capital through the identification and disposal of surplus assets. This will be done through us identifying and addressing barriers / challenges to eliminate the opportunity gap and release the full potential of our assets. In carrying out this process we will develop clear pathways to support the goals of the corporate plan and other council strategies.

- 3.5 In carrying out the above, an assessment of all Council owned land is to take place to identify land that is considered to have a better alternative use. These sites will fall into a number of categories:
- Brownfield sites.
  - Greenfield sites that do not form part of the greenspace strategy.
  - Sites identified in the greenspace strategy that are considered to have a better alternative use.
  - Sites identified in the greenspace strategy which form a small part of a larger site and the removal of which would not impact on the green space.
- 3.6 Increasingly, in the delivery of both frontline and support services vital economies can be achieved by working with partners from the public, private and voluntary sector. We have already embarked on a programme of partnership initiatives that will deliver improved value for money. We are members of SCR One Public Estate and chair the SCR Heads of Property Group
- 3.7 The Asset Management team will, through the Asset Strategy continue to lead the process of transformation producing the most efficient, effective and sustainable outcomes for both residents of Barnsley and service users
- 3.8 The Asset Strategy sets out our key ambitions for the borough, taking into consideration six main themes:

Theme 1 - **Opportunity Gap** - identifying and addressing the barriers and challenges to eliminate the opportunity gap and release the full potential in our assets. Developing clear pathways to supporting the goals of other corporate plans and strategies.

Theme 2 - **Accelerated Growth Sites** - supporting regeneration and growth strategies to accelerate development opportunities. Building strong and lasting relationships with developers

Theme 3 – **Communities** - building strong and inclusive communities using asset-based community development. Galvanising the strengths that already lie within communities to bring people together.

Theme 4 - **One Public Estate** - supporting joint working across the public sector organisations to release land and property and boost economic growth, regeneration and integrated public services.

Theme 5 - **Accommodation & Workstyle** - ensuring that our accommodation supports flexible and agile working. To provide reliable and efficient technology to mobilise employees and enable better and more efficient ways of working.

Theme 6 - **Energy Management** - minimising our energy consumption and promotion of energy efficient design in new and refurbished buildings. Promotion of renewable energy.

- 3.9 The delivery plan clearly sets out the actions we will take against each of the themes in order to bring about the required improvements and efficiencies to our organisation and how we operate.

Progress against the delivery plan will continue to be reported to and monitored by the Future Council Improvement and Growth Board and within the One Council – Governance Arrangements. The Asset Strategy will become part of the work of the Capital Oversight Board with the accommodation and workstyle elements of the strategy having a reporting line to the Organisation Improvement Board.

#### **4. Proposal and Justification**

- 4.1 The purpose of this report is to seek the authority of Cabinet to adopt the Asset Management Strategy for the period 2017-2020
- 4.2 This Strategy has been revised with clear intent to:
- Invest our capital in existing and new assets with the intent to reduce revenue running costs over the life of a building or to generate a sustainable income stream from rentals.
  - Provide the right assets in the right place at the right time from which to deliver our services. (Opportunity Gap)
  - Maximise the Estate's value for money.
  - Capitalise on potential opportunities for a new investment based approach to commercial property opportunities, which will deliver low risk, sustainable revenue income for the Council in the medium to long term.
  - Enable the objectives of Business units business plans to be met through the proper use of the asset base.
- 4.3 The Strategy gives high level details how the property portfolio is made up and the categories of property types that our assets fall into. Going forward the strategy sets out how we intend to manage and augment the estate over the next three years and it sets out the vision, objectives and priorities so property can support the council's key outcomes.
- 4.4 There is a real opportunity to get added value from our asset base to support all these themes and at the same time there is a real danger if this is not prioritised in this way that our assets remain a liability and mean front line services need to be cut to maintain them.
- 4.5 The Strategy is shaped by the need to further reduce overall expenditure, increase income and provide digital tools and approaches to improve services and overcome the challenges facing the Borough.
- 4.6 At the present time the Council holds an unsustainable number of buildings with a growing maintenance requirement. The current backlog maintenance is estimated to

be £30m and over the next three years. This figure will continue to grow and the Council does not have the financial resources to meet these requirements.

- 4.7 The Strategy has been developed to ensure we manage our assets efficiently, effectively and they support the achievement of our priorities and plans and to meet our customers' needs and expectations. It builds on the progress already made as a result of our previous Asset Management Plans and has been developed in consultation with our Business Units and partner organisations
- 4.8 The Asset Strategy is one of a number of strategies that are in place to continue to drive our journey of improvement through to 2020.

## **5. Consideration of Alternative Approaches**

### **5.1 Option 1 – Do nothing**

If the Council did not prepare an Asset Management Strategy it would not be possible to either manage assets dynamically or demonstrate the rationale for investment, thereby exposing the Council to criticism that it had a weak approach to the management and use of its physical resources.

### **5.2 Option 2 – Prepare Asset Management Strategy / Plan**

The preparation of a Strategy enables the Council to establish some key principles / themes about managing assets both strategically and dynamically in the context of Councils Corporate Plan priorities. Having an Asset Management Strategy provides a clear programme to optimise property in a wider context.

## **6. Impact on Local People**

- 6.1 The Asset Management Strategy is a strategic plan and as such is not site or building specific. In moving from strategic to asset specific issues, consultation with communities, local stakeholders and partner organisations will be key to fully developing detailed proposals.

## **7. Financial Implications**

- 7.1 There are no financial implications arising from this report.
- 7.2 Further reports will be prepared for Cabinet once detailed proposals are worked up from the strategy

## **8. Employee Implications**

- 8.1 There are no employee issues arising as a result of this report.

## **9. Communications Implications**

- 9.1 Once adopted and approved the Asset Strategy will be published as a corporate document and will be made available with all the councils strategy documents.

## **10. Consultations**

### **10.1 Stakeholders consulted during the preparation of this report include:**

Senior Management Team  
Communities Directorate  
Place Directorate  
People Directorate  
Public Health  
Performance & Communications  
Finance Assets & Information Services  
Legal & Governance

### **10.2 Once approved local ward members will be consulted through a number of workshops picking up wider property and asset issues.**

## **11. The Corporate Plan And The Council's Performance Management Framework**

### **11.1 The Asset Strategy sets out how the Council intends to manage and augment its property estate over the next three years. The strategy sets out the vision, objectives and priorities and how the Council's estate will be reviewed to ensure it is fit for purpose and supports the Council's key outcomes:**

Growing the Economy – Jobs, Housing & Regeneration

Improving people's potential and achievement – Sufficient school places and ensure they have excellent learning environments

Changing the relationship between the Council and the Community – Asset Based Community Development to enable communities to develop assets and create local economic opportunity

One Council – Reducing costs / increasing income and integrating digital / smart infrastructure to improve services and make them more accessible.

## **12. Promoting Equality and Diversity and Social Inclusion**

### **12.1 Equality and Diversity will be considered within site specific proposals. All public buildings are maintained to the appropriate standards and continue to be safe. Social inclusion will be promoted by the provision of improved local facilities providing services to communities.**

## **13. Tackling The Impact Of Poverty**

### **13.1 There are no issues arising from this report.**

## **14. Tackling Health Inequalities**

### **14.1 There are no issues arising from this report.**

## **15. Reduction of Crime and Disorder**

- 15.1 In investigating the options set out in this report, the Council's duties under Section 17 of the Crime and Disorder Act 1998 have been considered.
- 15.2 Vacant or under used assets can attract vandalism and unauthorised uses such as tipping, substance abuse and other anti-social behavior. Therefore the proposed strategy will endeavor to keep void periods to a minimum thereby helping to prevent such problems.

## **16. Risk Management Considerations**

- 16.1 Accurate and complete data on the council's assets is essential for minimising risk.
- 16.2 The Asset Strategy is used to determine keys areas of focus and themes, which will help ensure Assets Management systems and resources are targeted accordingly.
- 16.3 Keys areas are:

Accurate and robust asset information systems – new asset and energy management systems are currently being procured to meet the changing needs of the council.

Emergency planning to ensure that disaster recovery and business continuity plans are addressed.

To recognise and meet statutory and regulatory requirements.

Contribution towards the Carbon Management Plan.

The need to audit systems and processes.

Management review – a regular management review of performance of the systems

## **17. Health, Safety And Emergency Resilience Issues**

- 17.1 The Asset Strategy will be implemented and carried out giving full consideration to current Health and Safety Legislation.

## **18. Compatibility with European Convention on Human Rights**

- 18.1 This report recognises the promotion and importance of equality, diversity and human rights for all members of the local community and the wider Borough.

## **19. Conservation of Biodiversity**

- 19.1 There are no issues arising as a result of this report.

**20. Glossary**

- 20.1 IFRS – International Financial Reporting Standards  
SCR – Sheffield City Region  
OPE – One Public Estate

**21. List of Appendices**

- 21.1 Appendix A – Asset Management Strategy

**22. Background Papers**

- 22.1 Correspondence regarding this matter is held on the files in Asset Management – not available for inspection contains exempt information

**Office Contact: Tim Hartley**

**Telephone No: 774615**

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Financial Implications /  
Consultation .....

*(To be signed by senior Financial Services officer where no financial implications)*