

**Corporate  
Asset  
Management  
Strategy**

**2016-2021**

# **Corporate Asset Management Strategy 2016-2021**

## **1.0 Introduction:**

1.1 A significant amount of the council's resources is spent on its property. It is crucial therefore that we understand how this investment should be prioritised and what we expect to achieve as a result. Asset management planning ensures a corporate approach and provides the framework to measure and monitor how our property is performing and where we can improve.

## **1.2 Stroud District Councils strategic property aim is:**

**To ensure that the council's property assets are managed in the most economic effective and efficient manner to achieve value for money and contribute towards achieving the Council's corporate objectives and service delivery.**

## **1.3 The Council's strategic property priorities are:**

- Regenerate poor performing and non-traditional construction stock
- Pursue new initiatives relating to the use of our land and existing stock
- Dispose of the assets we no longer need
- Challenge whether we need to keep all of our assets
- Acquire new assets if we need them

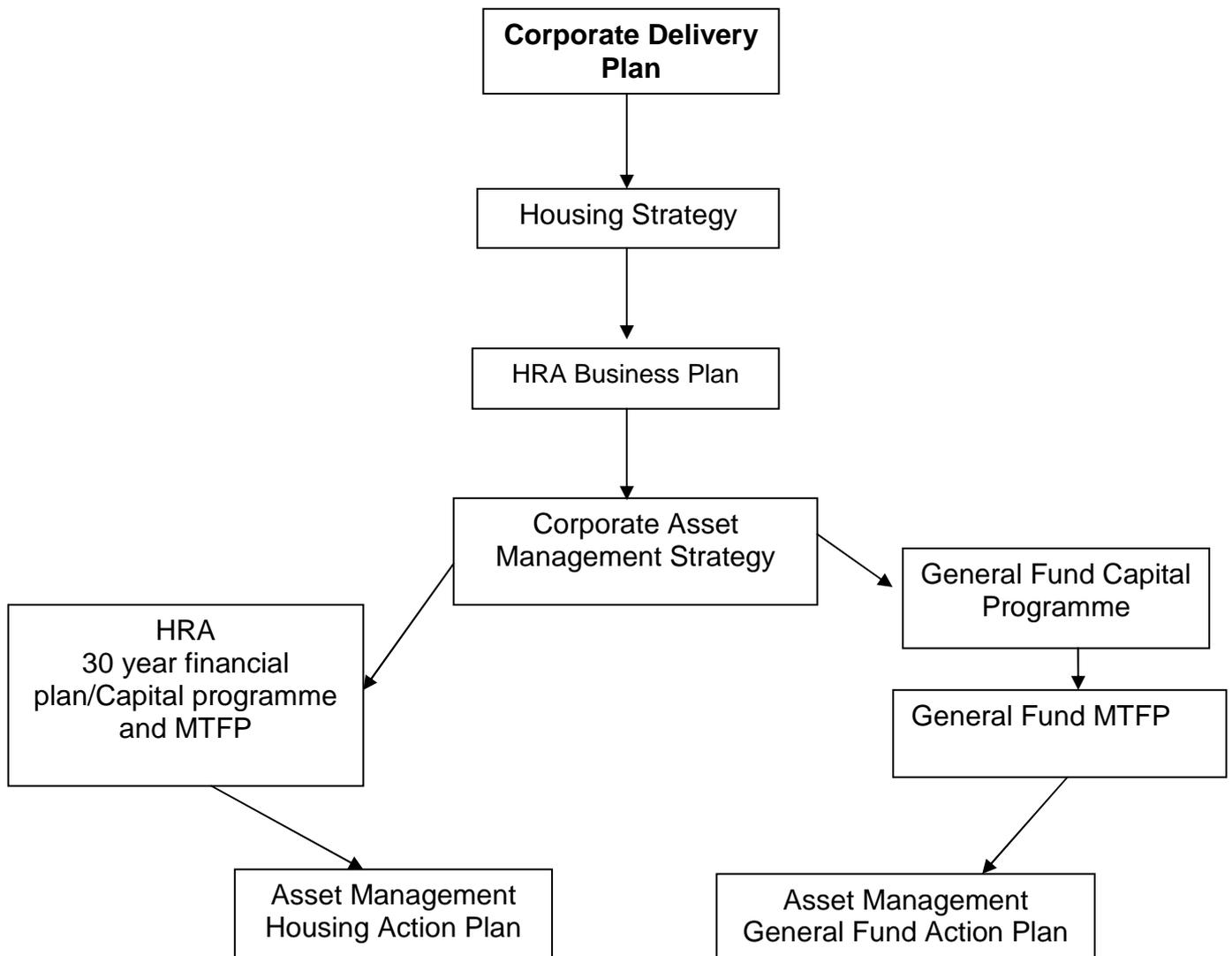
## **1.4 This will achieve the following:**

- Assets aligned with corporate aspirations and customer needs
- A more environmentally sustainable asset base and an understanding of what we can deliver within the constraints of budget and technology
- The right mix of properties in the right locations to meet local and demographic needs
- Minimise running costs to the Council and tenants
- Identify long term capital investment needs with a clear understanding of maintenance needs and a clear strategy for maintenance
- Appropriate retention and disposal of assets, enabling reinvestment in existing properties, and development or acquisitions of new homes and properties

1.5 The Corporate Asset Management Strategy (CAMS) is a key corporate document setting out how the long term objectives for managing the Council's property portfolio will be delivered. Action plans, which outline clear and measurable actions that will be implemented over the next 5 years as part of delivering the CAMS, will form part of the framework and be reviewed annually.

## **2.0 The Corporate Picture:**

- 2.1 The Corporate Delivery Plan 2015-19 (CDP) was published in 2015. <http://www.stroud.gov.uk/media/1084/cdp2015web.pdf>. New challenges for our housing stock include; customer affordability issues arising from welfare reforms, increasing customer expectations, increasing demand and the need to ensure more sustainable homes against the back drop of recent legislative reforms which have significantly affected income streams from 2016-2020 and an ageing stock.
- 2.2 Challenges for the General Fund portfolio are similar with many listed buildings requiring ongoing maintenance, increases in running costs and requirements to improve energy efficiency, all against a backdrop of reducing revenue streams.
- 2.3 The Council's key priorities contained in the Corporate Delivery Plan are:
- ❖ **ECONOMY**  
Help local people and businesses grow the local economy and increase employment
  - ❖ **AFFORDABLE HOUSING**  
Provide affordable, decent and social housing
  - ❖ **ENVIRONMENT**  
Help the community minimise its carbon footprint, adapt to climate change and recycle more
  - ❖ **RESOURCES**  
Provide value for money to our taxpayers and high quality services to our customers
  - ❖ **HEALTH AND WELLBEING**  
Promote the health and wellbeing of our communities and work with others to deliver the public health agenda
- 2.4 The CAMS supports the Corporate Delivery Plan and includes key objectives and targets for our assets to ensure they are used in an effective and efficient way. It also provides detail on our future investment strategy and the effect this will have on our assets. The framework is shown below:



### 3.0 Property Portfolio

3.1 As at the 31<sup>st</sup> March 2016, the Council's balance sheet shows that the council held Property, Plant and Equipment with a net book value of £256.8m (split HRA £225.5; GF 31.3m) and an asset management policy ensures that these assets are maximised to best use in support of its corporate aims.

3.2 The council's property portfolio is categorised as follows:

❖ Housing Revenue Account Portfolio:

Comprises of 5,097 general needs dwellings, 21 shared ownership dwellings, 798 sheltered units, 161 leasehold flats, 775 garages, 12 estate shops, open spaces and play areas, un-adopted roads and drainage.

## ❖ General Fund

Operational property portfolio:

Assets held for service delivery e.g. Ebley Mill, Dursley Pool, Stratford Park Leisure Centre

Non operational property portfolio:

Assets held for economic development and financial return e.g. Brunel Mall, Old Town Hall, Oldends Lane, Littlecombe, public car parks, public conveniences

Community/Heritage Assets:

Assets of social value and /or heritage value e.g. the Subscription Rooms, Woodchester Mansion

A list of the council's assets can be found on PDF format at

<http://www.stroud.gov.uk/council/opendata/registers/council-property-register>

## **4.0 How is the property held and funded?**

### **4.1 General Fund Capital Financing**

Property other than Housing is held by the Council in a "General Fund", which will show the aggregated financial position of the Council's non housing portfolio.

### **4.2 HRA Capital Financing**

The Councils Housing and housing related property is held in a Housing Revenue Account. Self financing was introduced in 2012. The Councils HRA capital financing position is set out in the 30 year financial business plan.

## **5.0 Property Reviews/Asset Challenge**

5.1 It is essential that the council routinely challenges and reviews the use, provision and performance of its property and a programme of property reviews have been time tabled and reviews are underway. These challenge whether the council's assets are fit for purpose, provide value for money, meet current and future needs and will enable informed decisions in respect of retention, management and disposal.

## **6.0 Acquisitions, Under-Use and Disposal**

6.1 The Council both sells, acquires land and property as appropriate, more recently it has also started to build homes in Minchinhampton and Stroud and facilities such as Gossington Depot and manage property on behalf of other parties (MSCP and Brimscombe Port). Discussions to acquire or sell assets are informed by the asset management planning process, ongoing asset reviews and proposals arising from market opportunities and service requirements

## 6.2 Acquisitions

One of the council's new priorities is to invest in a balanced portfolio of investment properties in mainstream sectors that can generate an income for the council to contribute towards financial self sufficiency.

A detailed investment strategy is being drafted which identifies the issues, ground rules, drivers and governance arrangements and incorporates development.

## 6.3 Under use /disposals

Assets that the council no longer needs will be identified in asset reviews and will be disposed of generating capital receipts for re-use in support of council priorities or reducing costs.

## 6.4 Future disposals will arise:

- Through changing operational needs such as the sheltered and garage reviews
- Where property has the potential of development, redevelopment or may be of more beneficial use.
- Where it is considered that the councils needs can be provided by alternative accommodation, joint use or rationalisation of existing property holdings
- As a result of approaches from interested parties (e.g. developers or adjacent owners)
- Where the management of a site can be delivered more effectively by another organisation (we encourage purely local facilities to be managed locally)

## **7.0 Property Data and Performance**

7.1 In order to manage its property portfolio effectively both now and in the future and to enable priorities to be met, the council requires accurate information on its property assets including legal title, landlord and tenant matters, running costs, good quality stock condition and performance information including user and occupier satisfaction This is provided in a variety of ways through Agresso, Northgate, Keystone and other databases.

## **8.0 Condition of the portfolio**

8.1 Condition surveys inform us of the backlog of works and ongoing demand for new investment. It also assists with the prioritisation of schemes within limited resources and helps reassess future programmes. General Fund stock condition surveys are carried out on a 5 yearly cycle.

8.2 The Strategy is informed through the regular undertaking of Stock Condition Surveys, and is supported by the medium term financial plan (MTFP) Long term projections for maintenance and investment costs have been made based on component whole life forecasts contained within the Asset management database.

- 8.3 The MTFP HRA Business Plan 2017-2022 will incorporate the Stock Condition Survey data to ensure that the maintenance requirements are fully transparent.
- 8.4 Proper investment in existing HRA stock is imperative for continued high performance. For the medium term, a five Year Maintenance Plan (2017-2022) is being produced for HRA properties and will be publicised to customers and stakeholders. The Plan is designed to be both flexible and comprehensive, enabling us to balance maintenance with development and with government funding streams where applicable. Investment is not simply a balancing figure in the business plan; the Maintenance Plan is one of the essential supporting documents to be reviewed early in the life of this new Corporate Asset Management Strategy.
- 8.5 The New Homes and Regeneration programme is set to deliver 236 homes by March 2018 from an overall budget of £19.5 million. The future delivery of new homes beyond this programme needs to be reviewed in the light of recent national policy changes and their impact on the HRA.
- 8.6 Due to the stock condition spend requirements, in particular with regard to the sheltered housing stock and non traditional properties, it is envisaged that future new homes will be delivered as part of the redevelopment and regeneration of existing schemes and estates.
- 8.7 The Council's key development sites at Littlecombe and Brimscombe Port will be progressed over the next period of this Strategy.

## **9.0 Statutory Duties**

- 9.1 The Council ensures that its property portfolio is compliant with legislation by establishing key responsibilities and carrying out all necessary statutory servicing and inspections including asbestos, Legionella, gas and electrical safety and fire risk assessments, Housing health and safety rating system and energy performance certificates (EPC's).

## **10.0 Equality and Diversity**

- 10.1 The Council values and respects the wide variety of people in the district from diverse backgrounds, cultures, beliefs and lifestyles who are a part of the community we serve. The policies, procedures and working practices reflect the commitment to adhering to the Equalities Act 2010.

## **11.0 Environment**

- 11.1 The Council will seek to minimise its effect on the environment by ensuring that its assets are sustainable in maintenance and operation and has an environmental strategy, see [http://www.stroud.gov.uk/media/2267/environment\\_strategy.pdf](http://www.stroud.gov.uk/media/2267/environment_strategy.pdf). It aims to improve energy efficiency and reduce energy consumption in line with the targets set out in the strategy.

## **12.0 Risk Management**

- 12.1 Management responsibility has been clearly defined for the identification, evaluation and control of significant risks throughout the organisation. There is a formal and on-going process of management review which is coordinated through a quarterly reporting framework from management through Scrutiny members who have been appointed by Housing Committee.
- 12.2 Risk is also managed via Excelsis which is monitored by Unit Managers and Heads of Service on a monthly basis and reported to corporate team quarterly. Significant risk areas are also reported to Joint Safety Committee which meets bi-annually.
- 12.3 The ongoing review of risk includes consideration of the completeness of the principal risks identified, of the relative significance of those risks and of the risk management techniques that are applied to mitigate those risks.
- 12.4 A range of risk mitigation techniques should be used including assurance, preparation of contingency plans and internal controls. The system of internal control is present in all aspects of the organisations operations and is essential to its management of risk.

The Corporate risk register is a supporting document to this Strategy

## **13.0 Next Steps**

- 13.1 The delivery of the Strategy will be achieved through the Asset Management Action Plans which identify clear and measurable actions that will be undertaken to deliver each of the strategic priorities, give brief details of the work needed and allocate responsibilities and deadlines.

## **14.0 Document Review**

- 14.1 The Asset Management Strategy will be reviewed every 5 years. The Action Plans will be reviewed annually and progress reported to members.

## **15.0 Document Responsibility**

- 15.1 The Strategic Head of Tenant & Corporate Services has overall responsibility for the Asset Management Strategy and the completion of the associated Action Plans.