

STRATEGIC ASSET MANAGEMENT FRAMEWORK

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Portfolio: Leader

Wards Affected: All

Purpose of the Report:

The Council holds a diverse portfolio of property assets. These are a key resource in the delivery of the Council's priorities and have significant value, but also cost money to use and maintain. The proposed Strategic Asset Management Framework provides the basis under which the Council will manage, dispose and acquire property assets.

Recommendations:

Cabinet agrees to recommend to Council:

1. The adoption of the Strategic Asset Management Framework.

1. Summary

- 1.1 The Council holds a significant number of property assets worth circa £29 million (as at the 31 March 2023). This paper proposes the adoption of a Strategic Asset Management Framework to provide a basis on which to manage those assets going forward.
- 1.2 The Strategic Asset Management Framework adheres to the latest guidance on strategic asset management issued by the Royal Institution of Chartered Surveyors (RICS) and the Chartered Institute of Public Finance and Accountancy (CIPFA).
- 1.3 The Asset Management Framework comprises of three elements:
 - An Asset Management Policy
 - A Strategic Asset Management Strategy
 - An Asset Management Working Action Plan
- 1.4 The framework provides the link between the Council's property portfolio and the delivery of its corporate objectives. It outlines why we hold property assets, how they align to the Council's vision and objectives and what actions need to be taken to ensure those property assets are performing effectively and efficiently.

2. Background

- 2.1 The Council owns a diverse property portfolio that has been acquired over time and are held for a variety of purposes. It can be divided into three asset types as described below:
 - Operational - held primarily to support (directly or indirectly) the delivery of council services.
 - Infrastructure Assets – held solely for the purposes of providing infrastructure in the district.
 - Community Assets – held by the council in perpetuity to support recreational, cultural & social well-being of the area.
- 2.2 Over the past few years Broadland has increased its asset base with the purchase of Broadland Country Park, temporary accommodation and the jointly owned Horizon Centre.
- 2.3 In addition to the property owned by the Council, a number of homes are being purchased with the aid of the Local Authority Housing Fund (LAHF) funding, to house Afghan refugees, which will be held by the Council's new property company Broadland Living Limited. These assets will be outside of the Strategic Asset Management Framework.

3. Current position & recommendations

- 3.1 With the growth in property assets it is proposed that Council adopts a Strategic Asset Management Framework in line with CIPFA and RICS best practice, to assist the Council in managing its property assets going forwards.

- 3.2 Appendix A contains a draft Strategic Asset Management Framework for Cabinet to consider. Section 2.1 within the document outlines six principles by which the Council will manage its land and property assets.
- 3.3 The Working Action Plan in section 4 pulls together the property related activities in the Council's Delivery Plan and the Capital Programme. This Working Action Plan will be a living document and will therefore change as the Council approves future delivery plans and budgets.

4. Other options

- 4.1 Cabinet could decide not to adopt a Strategic Asset Management Framework, but this would not be in accordance with best practice and may mean that the Council does not optimise the use of its property assets or maintain them as efficiently and cost effectively as it could.

5. Issues and risks

- 5.1 **Resource Implications** – The proposed Strategic Asset Management Framework includes a programme of condition surveys. The results of these surveys may have budgetary implications if they show a requirement to invest in individual properties to either improve or maintain them at their current standard. The revenue budgets for 2024/25 include the running costs of the current property assets and the capital budget for the next five years from 2024/25 includes a capital maintenance programme for some property assets.
- 5.2 **Legal Implications** – None
- 5.3 **Equality Implications** – None
- 5.4 **Environmental Impact** – The proposed Strategic Asset Management Framework considers the Council's Environmental Strategy and Delivery Plan.
- 5.5 **Crime and Disorder** – None

6. Conclusion

- 6.1 The introduction of a Strategic Asset Management Framework is in accordance with best practice. The framework will outline how the Council manages its property assets going forward to ensure they are performing effectively and efficiently.

7. Recommendations

Cabinet agrees to recommend to Council:

- 7.1 The adoption of the Strategic Asset Management Framework.