

CABINET - THURSDAY 14 DECEMBER 2023

Report of the Director Commercial and Economic Development Lead Member: Executive Member for Climate Action, Net Zero, Property and Assets

Part A

ASSET MANAGEMENT STRATEGY 2024 TO 2030

Purpose of Report

To seek Cabinet approval following a review and update of the Asset Management Strategy to reflect the corporate changes in the organisation and the commitment to a more agile, energy efficient and commercially focussed use of operational fixed assets.

Recommendations

That the Asset Management Strategy be approved to

1. generate income from the operational, commercial, and investment portfolio
2. identify and support delivery of corporate and service-related fixed asset projects
3. support the corporate objective for a Net Zero Council by 2030
4. continue the transformation journey toward an agile workforce that is well equipped.
5. delegate authority to the Strategic Director / Head of Service to make minor amendments to the strategy in consultation with the lead member.

Reasons

1. Generating additional income and operational savings will reduce the tax burden on residents.
2. Delivery/support of corporate projects that are in the corporate or service plans will ensure the fixed assets remain for purpose and meet or exceed operational requirements and add value to the estate.
3. Delivery/support of projects that reduce carbon emissions to meet the Council's Net Zero commitment for 2030 will ensure fixed assets perform at the best possible levels of efficacy and deliver carbon and financial savings.

4. Rationalising the fixed assets to meet the new agile workforce occupancy needs will reduce operational costs and where underused assets become apparent, they may be repurposed and utilised for income generation or capital receipt as may be appropriate.
5. The asset management strategy is very much an iterative document that needs to react in a timely fashion as a result of other policy or business model changes. Delegation to the Director / Service head to make and record minor changes in consultation with the lead member will ensure actions are taken under delegation without undue delay or use of valuable committee time.

Policy Justification and Previous Decisions

The previous Asset Management Strategy has expired. Given the level of transformation the Council has taken and continues to do so in order to deliver best value to the residents of Charnwood Borough it has been necessary to carry out a complete review of the strategy to recognise the corporate objectives going forward. This new strategy recognises the need to be iterative in application and adapt to support objectives that may change over time. There is now a closer alignment with the Council's Carbon Net Zero objective for 2030 and the wider current Corporate Delivery plan objectives. The Asset Management Strategy also commits to delivering cost effective, safe, well maintained fixed assets that are suitable for current and future use.

Implementation Timetable including Future Decisions

On approval the Asset Management Strategy will come into effect on 1st April 2024 (subject to call-in) to align with the Council's financial year processes although the principles of the strategy are already being employed to ensure opportunities are not lost in the preceding time.

Report Implications

Financial Implications

None directly associated with this report, but where physical works result as a natural output of the role of asset management service, project cost are notified and approved through the Council's financial and procurement procedures for transparency.

Risk Management

None identified.

Equality and Diversity

N/A

Climate Change and Carbon Impact

This strategy will promote the use of new technology through project delivery on fixed assets thus contributing to delivering the Carbon Net Zero commitment for 2030

Crime and Disorder

N/A

Wards Affected

All Wards

Publicity Arrangements

Not applicable, although once approved the strategy will be available on the Council's asset management website pages.

Consultations

The Director of Commercial and Economic Development and the Lead Member for Net Zero, Assets & Property have been consulted in the preparation of this document.

Links to the Corporate Strategy

Caring for the Environment	Yes
Healthy Communities	Yes
A Thriving Economy	Yes
Your Council	Yes

Key Decision: Yes

If yes

Date included on Forward Plan 11 October 2023

Background Papers: None

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Part B

1. Background

The previous Asset Management Strategy 2018 to 2021 having already expired was sufficient for its time and purpose. However, following the Covid-19 Pandemic there was a fast paced and dramatic step change in the way council services were provided. It became apparent that full time office centric attendance was no longer the perceived norm. Officers are now able to work from home or other locations having been issued with portable I.T. equipment and software packages that support day to day tasking, meeting attendance, audio/visual communications and the like.

The Council has committed to this new way of working and a project to partially address the office space requirements in the council offices was completed during 2021-22. The Asset Management Strategy going forward recognises the need to not only embed the agile working culture as an off-site operation but to further review the fixed assets to reduce costs/add value to the estate and simultaneously explore opportunities to generate income from underutilised assets.

Meeting rooms have already been equipped with hybrid communications equipment, staff office areas have been consolidated in part to reduce occupied space, workstations have been standardised including I.T. provision and whilst there are still service areas the current layout allows any member of staff to work at any workstation without difficulty.

A number of initiatives to reduce operational costs have also been implemented such as the conversion of lighting installations to L.E.D fittings which reduces carbon emissions and running costs. Installation of a platform lift to improve accessibility levels to the upper floor of the main office building, additional meeting rooms with hybrid meeting technology, and improvements to the air handling installations to improve air quality and comfort levels.

In order to further commit to the departure from what may be perceived as traditional asset management that focusses on delivering public services from public buildings, to a more flexible and iterative operation that still respects this need but also balances against the imperative to be commercial and cost effective to reduce the tax burden on citizens, the new strategy recognises the need to act with speed where possible and in support of corporate/service/commercial objectives and opportunities. This approach will focus on efficacy, sustainability, environmental impact, service provision, added value and prioritise each aspect based on individual projects.

In addition to maintaining the stock there will be exploration of development potential to generate a financial return on underused assets through leases and other agreements to ensure operational buildings remain value for money and complimentary to the business.

The Corporate Property Service has already commissioned a feasibility study into the key accommodation assets to explore all of the above. The results were received in October 2023 and are being assessed.

The feasibility study is complimentary to the Asset Management Strategy and will set the direction of travel for the authority's future occupation requirements, targeted investment, and income generation. Outputs will be shared with relevant boards and bodies for final decision making to ensure there is buy in and the Corporate Vision is supported.

2. Proposal.

That the Asset Management Strategy 2024 to 2030 be approved. After which the results of the Corporate Property Feasibility Study 2023 can formally be evaluated to determine the direction the council wishes to proceed in respect of its own accommodation requirements within the key operational assets. Remaining assets will then be addressed for any additional investment/development opportunities that will add value to the estate or for disposal where no longer required. Surplus space in retained assets will be assessed for potential repurposing for council use, or to generate income through leases with partners or appropriate complimentary occupiers to reduce per capita operational costs.

3. Consultation.

In order to derive the strategy a draft document was drawn up and shared with the Director of Commercial and Economic Development. The aims and objectives having been peer reviewed, with comments and additions/omissions discussed and incorporated into the document before being submitted as the final version for sign off. This ensured that the strategy document meets the requirements for the corporate and service objectives to meet the vision for future council operations.

As the document becomes live there will be a natural process of engagement with stakeholders to ensure inclusivity and understanding of the needs of those affected by any decision that may be required.

Appendices

Asset Management Strategy 2024 to 2030