

MIDDLESBROUGH COUNCIL

Report of:	Director of Regeneration
Relevant Executive Member:	Executive Member for Regeneration
Submitted to:	Executive
Date:	13 November 2024
Title:	Corporate Asset Management Plan 2024/25 - 2027/28
Report for:	Decision
Status:	Public
Council Plan priority:	Delivering Best Value
Key decision:	Yes
Why:	Decision(s) will have a significant impact in two or more wards
Subject to call in?:	Yes
Why:	Non-urgent Report and place on Executive Forward Work Programme

Proposed decision(s)

It is recommended that Executive:

1. Approves the Corporate Asset Management Plan 2024- 2027.

Executive summary

The size, shape and location of our land and property portfolio is vitally important to enabling the success of the Council's ambitions. It provides assets for the delivery of our public services; it helps create jobs and economic growth; as well as income to invest in our services. The strategic management of this valuable resource is important to the Council and to the communities we serve.

To achieve this, it is recommended that Executive approve the Corporate Asset Management Plan (CAMP) as the strategic plan which sets out how the property portfolio will support the Council Plan, Transformation Programme and provide direction for the ongoing management of the portfolio over the next three years to 2027-28.

This CAMP has three elements:

1. The Asset Management Strategy – highlighting the strategic context, factors that will influence change and translating organisational objectives into property objectives.
2. The Asset Management Policy – setting out the framework of rules, culture and behaviour that will ensure the consistent management and high performance of Council property assets.
3. The Asset Management Action Plan – an action plan of activities and projects that deliver Council property objectives.

The CAMP therefore has due regard to the role of land and property in acting as an enabler to the Council achieving effective outcomes.

The implications of the recommendation(s) have been considered by the appropriate officers of the Council and are set out in the main body of the report.

1. Purpose

1.1 This report seeks Executive approval for the implementation of the Corporate Asset Management Plan 2024- 25 to 2027-28

2. Recommendations

2.1 It is recommended that Executive approve the Corporate Asset Management Plan 2024-25 to 2027-28.

3. Rationale for the recommended decision(s)

3.1 The Corporate Asset Management Plan (CAMP) is a Policy and Strategic plan setting out how the property portfolio will support the Council Plan, Transformation, Corporate priorities, and objectives, providing the direction for the ongoing management of the portfolio over the next three financial years.

3.2 This will allow the Council to demonstrate robust corporate governance relating to acquisition, disposal, corporate and commercial estates management and investment.

3.3 Effective performance management will allow the council to demonstrate duty of best value by making arrangements to secure continuous improvement in the way in which Asset Management functions are exercised, having regard to a combination of economy, efficiency, and effectiveness.

3.4 The CAMP has been developed in accordance with Chartered Institute of Public Finance and Accountancy (CIPFA) Asset Management best practise guidance.

4. Background and relevant information

4.1 The Council refreshed the 2014 Estate Strategy in 2019/2020. The strategy predominantly focussed on actions to improve the efficiency of the Valuation & Estates Service, with a view to understand the benefit that the town could derive from the Council's commercial estate.

4.2 Further progress has been made with the most significant being a service restructure in August 2023, which amalgamated Strategic, Operational Property Management and Valuation & Estates. The purpose of this change being to have all property related activities managed by one service.

4.3 These changes necessitated the implementation of the CAMP, including adopting the principals of the Corporate Landlord model, which transfers responsibility for all property related activity, and expenditure, to be within the remit of the Directorate of Regeneration.

4.4 The establishment of the Corporate Asset Management Group (CAMG) will provide governance for strategic decisions relating to land and built assets.

4.5 This approach will ensure that finances are properly prioritised, management is consistent, and opportunities are realised across the whole estate. In this way, we can be confident that the needs of the whole organisation, as well as individual service operations, are met to allow them to provide better outcomes for the community.

4.6 The CAMP has three elements:

1. The Asset Management Policy – setting out the framework of rules, culture and behaviour that will ensure the consistent management and high performance of our property assets.
2. The Asset Management Strategy – highlighting the strategic context, factors that will influence change, and translating organisational objectives into property objectives.
3. The Asset Management Action Plan – an action plan of activities and projects that deliver our property objectives.

4.7 The CAMP is attached at Appendix 1.

5. Other potential alternative(s) and why these have not been recommended.

5.1 **Option A:** - Continue to adopt the principals of the 2020 Estate Strategy

This is not recommended as it does not provide a strategy that endorses best practice of the Corporate Landlord Model and governance for the whole estate.

6. Impact(s) of the recommended decision(s)

6.1 *Financial (including procurement and Social Value) Paul please check, add as required?*

- 6.1.1 There are no direct financial implications with the adoption of the Corporate Asset Management Plan, however, the adoption of the plan will ensure that the necessary disciplines are in place to ensure that the Council's assets are managed both effectively and financially efficiently.
- 6.1.2 The adoption of the CAMP will also ensure that financial expectations within the medium-term financial plan are achieved, including.
- A budget reduction of £0.519m by 2026/27 is achieved.
 - Capital receipts of £44.7m are secured in order to fund the Council's Transformation Programme and part fund the wider capital programme.
- 6.1.3 The 'Asset Challenge programme', will identify further opportunities to rationalise the estate, control running costs and maximise property related opportunities for the council.
- 6.1.4 There will be financial implications for retained assets to address the estimate £35m maintenance backlog, introduction of a corporate standard for operational assets and investment in the commercial estate.
- 6.1.5 Whilst this report is not seeking any funds to address the backlog, a capital investment plan will be developed over the coming year, with governance provided through the Asset Management Group to ensure that allocated finances are effectively managed.

6.2 *Legal*

- 6.2.1 The adoption of the CAMP does in itself does not create any specific legal issues, although the subsequent steps to implement the change would need to be undertaken within the Council's legal framework.
- 6.2.2 The Council's property portfolio includes a variety of different property interests (such as commercial, agricultural, and even residential land and buildings) and the management of these differ significantly. To appropriate identify efficiencies in the management of property assets generally will require the involvement of legal to ensure that any existing legal obligations are both observed and enforced appropriately.

6.3 Risk

6.3.1 The CAMP is the fundamental strategic plan that sets out what the Council wants to achieve from property and land. The plan sets out opportunities to support the achievement of the Council Plan and corporate objectives. Robust governance will ensure risk is effectively understood and managed.

6.4 Human Rights, Public Sector Equality Duty, and Community Cohesion

6.4.1 There will be no negative, differential impact on diverse groups and communities associated with this report.

6.4.2 A Level 1 (Initial Screening) Impact Assessment will be carried out on individual actions, if deemed appropriate

6.5 Climate Change / Environmental

6.5.1 The Corporate Asset Management Plan will reflect the Council’s commitment to carbon reduction/neutralty through the asset rationalisation plan and when investing in assets through the introduction of low carbon energy, plant and equipment.

6.6 Children and Young People Cared for by the Authority and Care Leavers

6.6.1 The CAMP will contribute to the directorates transformation plan in the form of acquiring and investing in built assets (Homes) to meet the services needs and councils aspiration for children and young people.

6.7 Data Protection

6.7.1 The introduction of the Corporate Asset Management Plan does not impact directly upon data protection.

Actions to be taken to implement the recommended decision(s)

Action	Responsible Officer	Deadline
Implement the CAMP & Communicate across the Council	David Jamison	31/10/2024

Appendices

1	The Corporate Asset Management Plan
2	The Council Plan Council Plan 2024-27
3	

Background papers

Body	Report title	Date
Middlesbrough Council	Estates Strategy 2014-19	14/05/2014
Middlesbrough Council	Estates Strategy 2020-23	20/09/2020

Contact: David Jamison

Email: David_jamison@middlesbrough.gov.uk

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