

Asset Management Strategy 2024/25 – 2029/30

Foreword

Effective asset management is essential in enabling the Council to meet its statutory obligations, to servicing the public and in achieving its vision.

The framework of this asset management strategy sets the structure for managing our property portfolio effectively over the next 5 years. It will guide our future strategic property decisions to make sure we manage our property portfolio sustainably and efficiently, so that it can remain fit for the future and support frontline delivery. It will support asset-led transformation and innovation, giving clear direction and instruction to service areas in respect of how our assets and estate can help them achieve and exceed their objectives.

The Council assets exist: -

- to provide suitable accommodation for Council services so that they can deliver services to the citizens of Tamworth.
- to generate income
- to provide affordable housing
- to attract visitors to Tamworth
- to stimulate economic growth

Portfolio Holder comments

Contents

Foreword	1
Contents	2
Introduction	2
Corporate Priorities	2
Property Categorisation	2
Income Generation	3
Housing	4
Portfolio Overview	4
Key Challenges	5
Asset Management Plans	5
Reset and Recovery	6
Use of Data	7
Repairs & Investment	7
Disposals Policy	8
Funding Opportunities	9
Strategic Partnerships	9
KPIs and Monitoring	9
Risks	10
The Asset Management Team	12
Monitoring and Review	13
Governance	13
Linked Strategies	13
Appendices	14

Introduction

Property is the Council’s most valuable asset in respect of financial value, as well as being essential for effective service delivery. A clear asset management strategy is essential to enable property decisions to be made in the best interests of those that we serve – the people and communities of Tamworth. These property decisions need to be transparent, and subject to robust challenge. They need to be consistent and reflect the flexibility that individual services require. They need to be effective at both operational and strategic level. The Asset Management Strategy provides a framework that sets out how and why these property decisions will be made, and how we lead and co-ordinate a process that involves service areas, portfolio holders, members, local businesses and the community. All of this is in a context of statutory compliance, best practice, sustainability, and innovation. The Council will aim to have a highly aspirational approach to the management of its assets, recognising their importance to the Council and the people it serves.

Corporate Priorities*

Tamworth - celebrating our heritage, creating a better future.’

OUR PRIORITIES	IMPACT OF ASSET MANAGEMENT STRATEGY
1. The Environment	<ul style="list-style-type: none"> Supporting the Net Zero Carbon Strategy through property.
2. The Economy	<ul style="list-style-type: none"> Providing high quality affordable commercial property to support businesses and employment opportunities.
3. Infrastructure	<ul style="list-style-type: none"> Providing on and off road parking on housing estates. Making use of surplus land to enable regeneration.
4. Living in Tamworth	<ul style="list-style-type: none"> Providing high quality, affordable, social housing. Identification of housing regeneration opportunities.
5. Town Centre	<ul style="list-style-type: none"> Providing rental opportunities for retail units. Fulfilling obligations as custodian of heritage assets.

*Corporate priorities will need to be updated as and when they change, and the impact of the Asset Management Strategy will need to be considered and aligned with the new priorities.

Property Categorisation

The Council owns a range of property types for different purposes; key to successful asset management is understanding the purpose for which the Council owns property. So far as possible the asset management strategy will use the Chartered Institute of Public Finance and Accountancy (CIPFA) property categorisations, these being:

Operational – operational property consists of those properties used by the Council directly to deliver services to the citizens of Tamworth, these properties need to be fit for purpose and of a suitable size and in a suitable location to allow for efficient delivery of services.

Heritage/Leisure – Tamworth enjoys a rich heritage (including a 900+ year old castle) which attracts visitors to the town, the Council has a responsibility as custodian to manage and maintain these buildings for current and future generations.

Investment – the Council holds a number of building assets for investment purposes, not only do these properties generate revenue for the Council they also provide places for businesses to grow and create employment opportunities.

Disposal – from time-to-time land and buildings will be identified for disposal, this could be for financial reasons, to support housing developments or to support regeneration projects.

Housing – the Council has a retained housing stock that exists to provide high quality affordable housing.

Income Generation

Like most Councils there is a need to increase revenues to support wider activities, typically the investment property portfolio has seen annual revenues in the region of £1.7m. If this income is to continue to support wider council activities a long-term investment and divestment programme will be required. The capital receipts from the disposal of poorly performing land and property can be reinvested in development and regeneration projects with the aim of showing an improved return on investment.

Changes to the way in which the Council operates has seen a reduction in the amount of space it needs for operational purposes; this will present an opportunity to make savings through reduced building occupation and offer the opportunity to use land and building assets to regenerate the town. In the short-term the Council should seek to generate an income through the letting of available space within the building.

The investment portfolio exists of land and property being held by the Council solely for the purpose of generating an income; they key objectives for this portfolio will be:-

- Increased revenue income
- Reduced costs and overheads
- Targeted investment
- Targeted divestment

The investment portfolio fits into two key categories:-

- Ground rents – the Council owns the land but not the buildings; these generate an income but generally would not incur any expenditure.

- Commercial lettings – the Council owns a number of small industrial units, town centre and local centre shops. These are let on a commercial basis on a variety of lease types.

Key to increasing revenue and reducing costs will be effective day to day operational management combined with a detailed understanding of stock condition:-

- Rent reviews – most leases will make provision for rent reviews at set periods. Undertaking rent reviews is a time-consuming process and in a stagnant market result in minimal returns. Resources will be made available to accurately identify and record all rent review dates with priority being given to those rent reviews likely to yield the greatest returns.
- Enforce tenancy conditions – tenant obligations vary from lease to lease; greater emphasis is to be placed on inspection of properties and the enforcement of tenancy conditions in relation to repairs so as to reduce future investment needs.
- Individual asset management plans – low level asset management plans to be developed for individual or groups of properties to assess performance and viability, to be used to determine investment and divestment.

Housing

As a stock retaining local authority the Council's key objective is to help improve the quality and condition of the stock and to maintain the Government's Decent Homes Standard. This objective requires a carefully planned programme of re-investment, as illustrated within the 30-year HRA Business Plan particularly against the backdrop of Government policy including rental reductions. This Strategy establishes the framework within which asset management operations will be provided. It highlights the component parts of the asset management function and their inter-relationship.

The housing stock represents the Council's highest value asset and its repair and maintenance its largest liability. The property owned is worth many millions of pounds, either as capital assets or as revenue generating assets; therefore, planning for its sustainable future is important.

The Asset Management Strategy fundamentally needs to balance assets and needs. In the context of social housing, Tamworth cannot charge open market rents and must therefore operate with a Business Plan that delivers good quality housing and services in a cost-effective way; although care is needed to ensure that a balance of these factors is maintained to ensure sustainability.

The Council has determined the current position regarding the housing stock and through business planning processes has also determined its long-term objectives, core business drivers and a vision for the future of the stock. These directional components have resulted in a number of initiatives and administrative processes, aimed at achieving the 'vision'.

The Council owns a wide range of property archetypes, there is generally demand for all property types although this demand can fluctuate.

The Council will maintain Decent Homes by developing works programmes in 5-year bands in line with the MTFs planning process. An amount of non-decency may therefore be

experienced within any 5-year period, although zero non-decency will be delivered at the end of each programme period. In this way Tamworth can maintain a logical programme of work that affords economies of scale and value for money and avoids the need to ‘pepper-pot’ works year on year to meet this theoretical standard.

It is anticipated that changes to the requirements around Decent Homes, the need to reduce carbon emissions and the introduction of the Building Safety Act combined with increased regulation of the sector will add to the overall investment requirements.

Portfolio Overview

The Council’s assets portfolio is valued at £277m (Existing Use Value) with an income from investment lettings of £1.7m per annum and an expenditure on repairs, maintenance and operations of £576,440.

Type	Number	Value (Mar 24)	Income ²	Revenue Expenditure	Required Investment
Operational premises	10	£3.46m	£160k	£238k	£2.7m
Heritage Leisure	12	£4.8m	Nil	£104k	£34k ¹
Investment	122	£22.7m	£1.7m	£197k	£850k
Housing	4289	£246m	£22.9m	£31.9m	£22.6m

¹ excludes works already underway at Castle

² rental income only

The above table sets out the portfolio values as at March 31st 2024 along with the planned income, annual expenditure and future investment needs as set out in the Stock Condition Survey data and relate to a 5-year period.

Key Challenges

There are a number of challenges facing the Council in relation to asset management with human and financial resources being the primary challenges.

In order to successfully deliver an asset management strategy on the ground it requires a strong team with clear direction and leadership. It will be the role of the Corporate Asset Strategy Group to take on the overall leadership role for Asset Management with the team under the Assistant Director Assets delivering the operational elements of the Asset Management Strategy. It is recognised that recruitment and retention into key professional roles can be challenging, and that external resource may be required to support. The cost of recruitment and use of external support will need to be factored into any future cost modelling to ensure that the monies expended on resources show a return on investment.

The changing face of business post-covid presents both opportunities and challenges. Through different ways of working the Council will be able to reduce its property related expenses by occupying less space, the same however will apply to the businesses operated by our tenants and it is anticipated that retail in particular will see further decline and this will have to be considered in our local asset management plans through viability modelling which will include a wider market demands study to determine where our investment properties fit within the local and wider regional markets.

Climate change is high on the Government’s agenda with a Climate Emergency having been declared in Staffordshire. The Council has already committed to achieving Zero Carbon across its own activities which will require investment in operational, heritage and leisure premises as well as common parts of housing properties. It is anticipated that housing standards will change with further emphasis on energy efficiency and there will be demand for energy efficient business premises. The challenge here will be that in most cases there will be very limited, if any, return on investment. Funding opportunities are likely to be available for social housing, but the Council will need to develop mechanisms to support local businesses, and in particular business tenants in applying for energy efficiency grants. Funding for operational properties will need to be modelled against projected savings to ensure that there is a return on investment.

The Social Housing Act and the associated regulatory framework will have an impact on the investment requirements of the housing property portfolio. There will be a requirement for ongoing collection of condition data and addressing matters such as Damp & Mould and building safety will be a priority that will require investment.

Asset Management Plans

An Asset Management Plan will be developed for all properties; these will take account of the reason for holding a property, its financial performance and any operational or strategic importance. The Asset Management Plans will consider the assessed value of the property, the income for the property, current and future expenditure, anticipated remaining life and demands data. This assessment will take the form of a Viability Model with properties being categorised as:-

- Green – performing well; financially viable, generating returns at or above market expectations, in demand, and attractive to quality covenants.
- Amber – in demand and could perform well with investment and would show a return on investment
- Red – poorly performing, not likely to show a return on investment, no demand

The Asset Strategy Steering Group will review the Asset Management Plans with a view to agreeing a course of action for each property or grouping of properties. Where the viability model indicates properties in Amber or Red a detailed proposal will be produced for consideration by the Asset Strategy Steering Group.

Category	Purpose	Performance Assessment
Operational premises	Service delivery	<ul style="list-style-type: none"> • Efficient and effective use • Minimising cost of occupation • Improved utilisation • Maximising building energy • Efficiency
Heritage Leisure	<ul style="list-style-type: none"> • Visitor offer • Health and wellbeing 	<ul style="list-style-type: none"> • Must be protected because of historic, heritage value • Social value assessment
Investment	<ul style="list-style-type: none"> • Revenue generation 	<ul style="list-style-type: none"> • Return on investment • Stimulate growth

	<ul style="list-style-type: none"> • Employment opportunity • Strategic influence 	<ul style="list-style-type: none"> • Stimulate regeneration
Disposal	<ul style="list-style-type: none"> • Generate capital receipt • Growth 	<ul style="list-style-type: none"> • Surplus land and buildings, • that do not fit into any of the categories above • Identified for strategic growth
Housing	<ul style="list-style-type: none"> • Affordable social housing • Health & wellbeing 	<ul style="list-style-type: none"> • Return on investment • Decency

Future Office Requirements

Since Covid the Council has operated differently having adopted a ‘Smart Working’ approach, this has impacted on the amount of operational office space required for normal day to day service delivery. Consideration will need to be given to the future of Marmion House and any future operational office needs. The review of operational needs is expected to fall outside the general scope of the wider Asset Management Strategy although some of the Asset Management Plan criteria will apply. As part of the wider review of Marmion House consideration is to be given as to how the building can be used to generate income through commercial lettings.

The ‘post covid’ commercial market has not recovered significantly and it is likely that this will continue to result in reduced demand for our investment property. The impact of this will need to be considered in any modelling; in particular retail is likely to continue to see a decline and consideration will need to be given to the future income potential of our retail premises. The Ankerside shopping centre is a known significant risk and will require its own specific plans.

The outcomes and impacts of the Future High Streets Fund investment is yet to be realised and understood. Consideration will need to be given to this once the project is fully completed.

Use of Data

Access to accurate and up to date information is crucial to the successful management of assets.

- Stock Condition Data – our housing property was last surveyed in 2018 with approx. 20% of properties being physically inspected and the remainder being cloned to give an accuracy of between 91% & 99%. A new condition survey is due for completion in 2024 and the Regulator for Social Housing [RSH] requires that Landlords update their information on a regular basis. Operational and Investment properties were surveyed in 2021. Separate detailed surveys were completed on the Castle and the Assembly Rooms was recently fully refurbished. Additional fire safety and structural surveys have

been carried out to the high-rise blocks and the Council's non-traditional housing properties.

- IT Systems – The Orchard system is used to hold information on all buildings owned by the Council. All repairs and investment works are recorded in Orchard and the system also holds stock condition data for the housing property portfolio. Separate databases are held for condition data for non-housing property. Further systems hold data on compliance testing across housing and non-housing property
- Energy Assessments – investment is needed in the development of an energy assessment database that will be used to identify targeted investment across the property portfolio. This will need to align with the Council's wider Net Zero strategy and aims to become carbon neutral by 2050.
- Income – income information is held within the eFin financial system, this information can be readily extracted for use in any viability modelling.
- Viability modelling – a simple viability modelling tool is available to use, the model considers factors such as useful remaining life, demand, value, investment requirements and income.

It is considered good practice to update condition data on no more than a five-year cycle; there is provision within the HRA budget; provision will need to be made with the General Fund budgets for the non-housing property.

Repairs & Investment

The Council has a detailed repairs and investment programme and associated budget for the HRA property portfolio based on the outputs from the stock condition survey. A similarly detailed programme is essential for the delivery of repairs and investment to the Council's non-housing property portfolio.

The Council should aim to undertake more of its investment work on a planned basis, ideally achieving ratio of 75% of spend being planned with 25% of spend being reactive. This will give greater certainty around investment requirements and is considered to be a more efficient way of delivering investment work.

Greater emphasis is to be placed on enforcing tenant repairing obligations across all property types, for housing tenants and leaseholders in HRA properties this means greater use of recharges and service charges. For commercial tenants resource will need to be allocated to property inspection and the enforcement of any tenant repairing obligations under the lease.

Responsibility for Asset Management across all property types sits within a single team ensuring a consistent approach and availability of resourcing. In April 2020 new 10-year contracts were awarded for Repairs & Investment with the same contractors now delivering across all property types. This has given us greater availability of resources, improved value for money and has reduced the administrative costs associated with contractor management.

The strategy will set in motion the need for a focused repairs and maintenance strategy for the non-housing portfolio similar to that already in place for the housing property portfolio. Maintenance will become planned and proactive to ease the burden of expensive reactive maintenance. Investment and improvement will be targeted appropriately and measured to match the both the capital and revenue monies available within the MTFs.

Condition Surveys and Condition Programme – This strategy will promote and engender visibility across a five-year programme of condition surveys. The Council will become

intelligence led in terms of financial deployment. The condition data will be coherent, transparent, accessible and dynamic to all areas to allow fast and effective decision making.

Coherent – consistent cost-effective survey programme providing compatible data with the Council's ICT property management system. It is likely that this will be delivered through external consultancies.

Transparent – data will be accurate, and quality checked to ensure evidence-based decisions can be taken when setting short- and long-term maintenance programmes. It does however be recognised that some information will remain confidential to within the Council for commercial and data protection reasons.

Accessible – data will be available to all officers through the property management system.

Planned Maintenance Programmes – This strategy recognises the tension between the financial budgetary pressures and planned maintenance. Through achieving a critical mass in terms of the quantum of the Council's estate and consolidating locations so far as practicable, this strategy endorses the fundamental importance of a Planned Maintenance programme. This is sometimes referred to as planned and preventative maintenance or PPM, this is the scheduled maintenance of an asset to prevent failure or deterioration and the key target in the corporate plan is to reduce any risks associated with health and safety or major failure leading to financial and reputational damage.

A rolling 5 year planned maintenance programme is developed using information gathered from condition and suitability surveys, fire risk and access assessments, service objectives, in accordance with the need/requirement set out by its categorisation and any determined required intervention. Extensive property data enables programmes of work to be developed that meet service needs, corporate objectives, and can address the highest priorities. Any planned maintenance programme needs to take account of the Council's Zero Carbon Strategy.

The planned maintenance programme is managed by the Assets Team and monitored through the Asset Strategy Steering Group. The programme need to be flexible enough to meet changing priorities and corporate objectives, as well as external factors such as responding to the challenges of the climate emergency.

Reduce Reactive Maintenance – This strategy proposes an approach to reduce reactive maintenance to 25%, promoting a move towards planned maintenance reflected within the identified budgets.

Disposals Policy

The Council currently has a disposals policy that deals with *ad-hoc* disposal, usually of small plots of land. Larger disposals generally result from corporate or regeneration projects. An overarching disposals policy is needed to ensure consistency in approach and to ensure that there is sound financial reasoning and rationale for any disposals.

In addition to the viability model a disposal toolkit is needed to properly record and assess the purpose of any disposal. Any toolkit will need to consider how capital receipts will be used.

Where assets are disposed of the capital receipts should ideally be ringfenced and reinvested back into the investment property portfolio to improve standards, longevity of the asset with

the aim of securing continued rental income. Specifically, where Town Centre assets are disposed of any funds should be reinvested back into the Town Centre.

The same approach can be used for the repurposing of assets.

Consideration will also need to be given to growth through acquisition of land and property.

Funding Opportunities

Asset Management and investment in property already forms a key element of the 30-year HRA business plan, this considers income, management costs and required expenditure. Condition data and investment plans will continue to feed the HRA business plan.

The condition data and viability modelling will be used to identify investment requirements in the non-housing portfolio using similar criteria to that used for housing; detailed Asset Management Plans will be developed for all key asset groups.

The Council will explore funding opportunities that become available to support the Asset Management Strategy.

Asset Accounting and Depreciation

As a Local Authority the Council is obliged to comply with the accounting standards set out by the Chartered Institute of Public Finance and Accountancy [CIPFA]. CIPFA sets out the requirements for asset accounting including matters such as land/building value ratios and the process for dealing with depreciation. Whilst these are required for compliance with financial regulations and reporting they are less relevant when looking at operational asset performance.

Strategic Partnerships

It is recognised that the Council may need to work with strategic partners to deliver services, to take advantage of specialist expertise and to leverage funding opportunities. A strategy for working with external partners will need to be developed. This work will be overseen by the Asset Strategy Steering Group. Assets such as the Ankerside Shopping Centre will need specific specialist management input.

KPIs and Monitoring

A suite of Key Performance Indicators will be developed and monitored by the Asset Strategy Steering Group. The KPIs will consider strategic issues alongside operational performance issues.

The Council will seek to engage in benchmarking with similar organisations.

KPI	Target	Assessment
Through effective service asset management planning the Council will retain fit for	Quarterly review/KPI monitor	Monitored by Asset Strategy Steering Group

purpose assets which strongly align to service delivery.		
Fit for purpose operational accommodation of reduced size to meet future needs of the Council	April 2025with regular review.	Monitored by Asset Strategy Steering Group.
Optimising the estate to reduce the volume of repairs and maintenance and reducing operating costs.	Quarterly review/KPI monitor	Monitored by Asset Strategy Steering Group
% of buildings with FRAs	100%	Monthly compliance reporting to ELT
% of buildings with condition survey no older than 5 years	100%	Monitored by Asset Strategy Steering Group
% of buildings with viability no older than 5 years	100%	Monitored by Asset Strategy Steering Group
% of buildings with urgent and essential category work outstanding	10%	Monitored by Asset Strategy Steering Group
% of buildings with Energy Performance Rating below national target	5%	Monitored by Asset Strategy Steering Group
% of commercial rent collected	95%	Monitored by Asset Strategy Steering Group & through monthly budget reporting
No of vacant investment units as % of total portfolio	10%	Monitored by Asset Strategy Steering Group
Average time taken to lease a unit	90days	Monitored by Asset Strategy Steering Group
% Tenant Turnover Rate	10%	Monitored by Asset Strategy Steering Group
% of Asset Valuations completed by due date	100%	Monitored by Asset Strategy Steering Group
% of rent reviews overdue	15%	Monitored by Asset Strategy Steering Group

Risks

There are a number of risks that will impact on the deliverability of the Asset Management Strategy, not all risks will be in the control of the Council and many external and unpredictable factors are likely to have an effect on the highly volatile property markets.

Risk	Impact	Mitigation
------	--------	------------

Lack of financial resource	<ul style="list-style-type: none"> - Properties become unfit for occupation - Loss of income - Increased future spend. 	<ul style="list-style-type: none"> - Use data and information to plan budgets and ensure that budgets are available or impacts fully understood. - Disposals policy and consideration given to reinvestment.
Failure to allocate staff resource	<ul style="list-style-type: none"> - Inability to manage programmes resulting in properties becoming unfit or increasing costs. - Inability to undertake rent reviews resulting in loss of income. - Inability to manage tenancies resulting in increased spend on repairs and maintenance 	<ul style="list-style-type: none"> - Ensure sufficient capacity in team. - Prioritise allocation of resource to maximise return on investment. - Procurement of external resource to support where needed.
Lack of single source of data	<ul style="list-style-type: none"> - Inconsistency in planning - Spending twice - Missed properties 	<ul style="list-style-type: none"> - Ensure that data is held in a consistent manner in a single location. - Separate databases can be held for Housing and non-Housing
Contracts not delivering VFM	<ul style="list-style-type: none"> - Spend on maintenance exceeds allocated budgets. - Repairs/investment goes unactioned. 	<ul style="list-style-type: none"> - Long-term contracts already in place. - Ability to procure from alternative sourced if needed.
Changes in space demands	<ul style="list-style-type: none"> - Insufficient space to undertake operational activity. - Underoccupancy results in unnecessary costs. 	<ul style="list-style-type: none"> - Regular review of space needs. - Design accommodation to allow for scalability. - Review working practices to limit space needs.
Changes in regulation	<ul style="list-style-type: none"> - Unplanned spend on property. - Less money to spend on repairs and investment - Properties no longer financially viable. - Properties no longer lettable or fit for occupation. 	<ul style="list-style-type: none"> - Regular and active review of upcoming regulation changes. Identification of costs associated, revisit of viability models and reprofiling of budgets.
Tax & NNDR changes	<ul style="list-style-type: none"> - Unplanned spend on property. 	<ul style="list-style-type: none"> - Regular review of upcoming regulation changes. Identification of costs

	<ul style="list-style-type: none"> - Less money to spend on repairs and investment - Properties no longer financially viable. 	<p>associated, revisit of viability models and reprofiling of budgets.</p>
Failure to collect and update data	<ul style="list-style-type: none"> - Inconsistency in planning - Spending twice - Resources allocated to the wrong places - Properties become non-compliant. 	<ul style="list-style-type: none"> - Forward planning for condition surveys. - Forward allocation of budgets for updating condition data. - Ensure that data is held in a consistent manner in a single location. - Separate databases can be held for Housing and non-Housing
Data corruption	<ul style="list-style-type: none"> - Inconsistency in planning - Spending twice - Resources allocated to the wrong places - Properties become non-compliant. - Repairs & investment history not understood. 	<ul style="list-style-type: none"> - All data held in corporate systems that are backed up on a regular basis. - Monitoring of any externally held data to ensure that it is properly backed up and available for restore. - Reinstatement requirements identified in Business Continuity Plans.
Investment needs exceed available budget	<ul style="list-style-type: none"> - Properties become unfit for occupation - Loss of income - Increased future spend. 	<ul style="list-style-type: none"> - Use data and information to plan budgets and ensure that budgets are available or impacts fully understood. - Planned disposals of poorest performing property.
Unplanned expenditure demands	<ul style="list-style-type: none"> - Less money to spend on repairs and investment - Properties no longer financially viable. - Resources no longer available when and where needed. 	<ul style="list-style-type: none"> - Move towards a planned preventative model with an allocation of unplanned budget to deal with <i>ad-hoc</i> type works.
Unplanned reduction in income.	<ul style="list-style-type: none"> - Less money to spend on repairs and investment - Properties no longer financially viable. - Resources no longer available when and where needed. 	<ul style="list-style-type: none"> - Move towards a planned preventative model with an allocation of unplanned budget to deal with <i>ad-hoc</i> type works. - Seek to turnaround property as quickly as possible to increase income levels.

Exposure to market.	<ul style="list-style-type: none"> - A significant proportion of the annual income from investment properties comes from a single tenant. Failure of this tenant would impact on both investment opportunities and the wider Council budget position. 	<ul style="list-style-type: none"> - Monitor tenant's financial performance and stability. Raise early warnings of any known issues. - Where possible diversify and avoid single high income lettings.
---------------------	--	--

The Asset Management Team

The Asset Strategy Steering Group will have overall responsibility for overseeing the implementation of the Asset Management Strategy.

Meeting bi-monthly the group will: -

- monitor performance against the strategy and plans
- review the KPIs
- review viability models
- agree return on investment threshold
- review major disposal
- consider larger regeneration projects

The Group will have a mandate to agree standards and establish logical programmes of work designed to meet the requirement of the corporate stock, based on the recommendations of the Assistant Director of Assets. Requirements should go beyond those that are purely technical and thus should take into account other factors that contribute to effective asset management. The Group are kept informed through accurate data sources, including the Asset Management Database, and through these make informed business planning decisions, subject to budgetary availability. Care needs to be taken not to re-invest in poor performing areas at the expense of all others, nor should high-risk re-investment occur without due consideration, option appraisal and piloting. Condition related needs may not always be the root cause of the poor performance.

Monitoring and Review

The Council has identified the need to ensure that, as a portfolio of projects is undertaken, there are suitable monitoring and review processes in place so that the outcome of a particular initiative is closely monitored, and the achievement of business objectives realised.

The process will review the actual deliverables and outcomes of a project and compare these against the objectives as set out in the implementation plan. These processes will be instigated both during and at the completion of the project through regular progress reports, meetings,

feedback to key stakeholders and the Asset Strategy Steering Group, and through the pre-defined project process established by the Council.

As part of the monitoring and implementation plans, there will also be risk mitigation and contingency plans in place so that when problems occur their impact on the overall delivery of an initiative is minimised. The lessons learnt from such instances will be fed back into the Asset Strategy Steering Group to reduce the likelihood of their occurrence in future projects.

It is essential to the long-term success of the Asset Management Strategy that such lessons learnt, and other information is regularly communicated between all the key stakeholder groups and that feedback from users, including residents, is considered and incorporated into future plans.

Governance

The primary group responsible for oversight of Asset Management will be the Asset Strategy Steering Group consisting of:

- ELT Members
- Assistant Director – Finance
- Assistant Director – Assets
- Assistant Director – Growth & Regeneration

The Asset Strategy Steering Group will be responsible for:

- Approving the contents of the Asset Management Strategy
- Oversight of the implementation of the Asset Management Strategy
- Review of Asset Management Plans
- Review of Asset performance

For matters relating to Housing Revenue Account assets there will be oversight by the Housing & Homelessness Advisory Board

The Asset Management Strategy will be approved by Cabinet with oversight by the Corporate Scrutiny Committee and regular input from the relevant Portfolio Holder. The lead member will be the Portfolio Holder for Infrastructure, Heritage and Local Economy

Linked Strategies

Capital Asset Strategy
Net Zero Carbon Strategy
Housing Revenue Account Business Plan
Local Development Plan
Economic Growth & Regeneration Strategy
Corporate Workforce Strategy
Heritage Strategy
Arts & Leisure Strategy
Compliance policies

Appendices

Stock Condition Data
Asset Valuations Viability Model

This page is intentionally left blank