

Report for: Cabinet 9 February 2021

Title: Asset Management Plan Update #1

Report

authorised by : David Joyce, Director of Housing, Regeneration & Planning

Lead Officer: Christine Addison, Assistant Director for Capital Projects & Property (interim)

Ward(s) affected: All

Report for Key/ Non-Key Decision: Key

1. Describe the issue under consideration

- 1.1. This report presents the Council's 2021 update of the Asset Management Plan for the period 2020-25 and recommends its adoption.
- 1.2. The Asset Management Plan was agreed in February 2020 and it was agreed at the time that there would be an update after one year in February 2021. The Asset Management Plan sets out an overarching strategy for the use of Council property and land to support the delivery of the Council's Borough Plan and Council services. It provides a baseline on property and land matters and supports capital investment decisions identified in the capital strategy / Medium Term Financial Strategy (MTFS). It sits alongside the Council's Capital Strategy and Capital Programme for 2021/22 – 2025/26. This update sets out some of the achievements over the course of the last year and updates the plan proposals in a number of areas for 2021/22 onwards.
- 1.3. Achievements over the year include:
 - a number of important property acquisitions which will help deliver Borough Plan targets on housing, enhance support for homeless people and support economic growth;
 - the Council's use of property during the Covid 19 pandemic,
 - great steps forward in compliance in schools and an expanded schools capital programme to deal with a backlog of condition issues.
- 1.4. New action which will be taken forward this coming year includes the major refurbishment of the Civic Centre to create a new Civic and Council Headquarter for Haringey over the course of this plan and a start on site of new Canning Crescent mental health facilities.
- 1.5. The update shows the success of the shift in emphasis in managing assets to ensure they are used to support the Council's Borough Plan objectives including considering use of land for the council housing growth programme and ensuring

council assets are used to support economic growth, regeneration and community well-being.

2. Cabinet Member Introduction

2.1. Last year Cabinet agreed to the Council's first Asset Management Plan since 2008. The Asset Management Plan is an important tool in achieving the Council's Borough Plan ambitions. It is part of the capital strategy and is the context for capital investment decisions, setting out major initiatives and priorities for capital investment, as well as investment required for compliance and carbon management planning. The plan includes our Acquisitions and Disposals Policy which is guiding our decision making in this area and this is updated this year.

2.2. This updated plan sets out our many achievements on property over the year including:-

- The decision to invest in the Civic Centre, protecting its heritage and creating something all residents in the borough will be proud of.
- The most ambitious acquisitions programmes in its recent history with some major acquisitions to support the housing programme - including at the Chocolate Factory, 1a Ashley Gardens (to be Rosa Luxembourg House) and the IBSA flats which are now housing homeless families.
- We've increased spending on the schools estate to help meet health and safety standards and deal with a backlog of poor condition.
- During the Covid-19 pandemic we have acted very quickly to use our property differently to support the management of the pandemic.
- We have completed the refurbishment of Hornsey Library, with other library improvements taking place or planned over the coming year. We're making a start this coming year on providing better facilities for adults at Burgoyne Road, Canning Crescent and Osbourne Road. We will also complete the new depot at Marsh Lane this year which frees up the existing site for Housing where we will be on site building new Council homes by March 2022.

2.3. The plan updates in relation to the commercial property strategy, which clarifies and emphasises the important role of the Council's property holdings in supporting service deliver or economic and social wellbeing first and foremost.

2.4. I therefore recommend the update of the Asset Management Plan is approved by Cabinet at this meeting.

3. Recommendations -

That Cabinet agrees:

3.1. The updated Asset Management Plan 2020-2025 ("AMP") as included at Appendix 1 including the updated Acquisitions and Disposals Policy and the updated Commercial Property Portfolio Strategy.

4. Reasons for decision

- 4.1. The Council's Asset Management Plan (AMP) sits alongside the Capital Strategy and is a key document in supporting the Council's decision making about investment in its land and property assets to deliver Council priorities and services.
- 4.2. CIPFA (Chartered Institute of Public Finance and Accountability) guidance advises councils to agree an Asset Management Plan as part of their budget strategy from 2020/21. CIPFA's guidance on asset management includes ensuring that councils regularly review their need for property either operationally or strategically.
- 4.3. The Council's Asset Management Plan 2020-25 was agreed in February 2020. At the time Cabinet was advised that it would be updated after one year as there would be significant progress and change over the course of the year to require an update. It is important that the plan is updated regularly to ensure it is useful in supporting capital investment decisions which will deliver the Council's Borough Plan and MTFs priorities.

5. Alternative Options

- 5.1. The Council's Asset Management Plan lasts for five years and can be refreshed periodically. If this doesn't happen, the plan will not reflect the most recent changes and the plan will not be as helpful in development the Council's budget strategy.

6. Background

- 6.1. Property assets are one of the Council's most significant resources, with an asset valued estimated at £2.582 billion in March 2020. The Asset Management Plan is intended to demonstrate efficient use of assets and that property is effectively managed and fit for purpose; and to help identify the pipeline for future investment and capital delivery to improve spend rates.
- 6.2. The Asset Management Plan forms part of the Council's Capital Strategy as part of the Budget Setting at February 2020 Cabinet. The plan lasts for five years but includes an annual review. The plan will be used to:
 - help guide decision making about capital investment decisions in Council property to support Council objectives
 - help identify land or property which is surplus to requirements for current purposes and help guide decisions about future use of land or property
 - support decisions on acquisitions and disposals; and
 - indicate where reviews will be required to ensure best use of assets in the future.
- 6.3. The objectives of the Asset Management Plan are:
 - to ensure property and land assets support the Council's Borough Plan objectives including considering use of land for the council housing growth

programme and ensuring council assets are used to support economic growth;

- to create a strategic framework for asset management to be able to support decisions about prioritising capital investment;
 - to ensure the Council's operational assets are fit for purpose for service delivery and that assets are reviewed at locality level with partners to improve service provision in communities;
 - to reduce the Council's environmental impact arising from its asset use or development;
 - maximising income opportunities and reduce asset running costs to support the MTFS;
 - to ensure that our property is in good condition and compliant with all relevant health and safety requirements, equalities and access policy and standards to ensure accessible for people with disabilities.
 - to ensure that during 2020/21 the AMP will develop an integrated capital strategy to incorporate outcomes of service area plans.
 - to highlight the need to develop an access policy and guidance.
- 6.4. The update includes revisions to the Acquisitions and Disposals Policy to strengthen the economic and employment principles to be taken into account in assessing proposals; and also sets out the tests used in the assessment of proposals. The plan also provides information about acquisitions and disposals which have been completed up to January 2021.
- 6.5. The commercial Portfolio Strategy has also been updated, to emphasis the use of the portfolio to support social and economic wellbeing, or service delivery. Specially the industrial portfolio review is ongoing with a major element of it reported to Cabinet this on this agenda, which is to acquire head-leases and freeholds where owners are willing, and then to ensure that the portfolio, as well as contributing to the Council's budget, is supporting the Council's economic growth and regeneration plans. Compliance testing of the portfolio is also underway, plus condition surveys will be completed over 2021/22 and investment options outlined.
- 6.6. A detailed review is also underway of retail commercial portfolio with a view to ensuring that opportunities to use this portfolio to support the Council's ambitions as part of its localities strategy and other Borough Plan priorities are taken when they arise, as well as how it can be used to support economic and social wellbeing locally. The review of locality based assets will also include ensuring that community assets are fit for purpose and used well to support communities.
- 6.7. Since the last Asset Management Plan, the Council has continued to review its own accommodation needs, including as a result of changes made to manage during the Covid-19 pandemic, plus the decision to invest in the Civic Centre as the Council's main civic and office headquarters. Proposals to release some current Council accommodation for repurposing will be brought forward during 2021/22.

6.8. The AMP Update has been restructured to include the themes described above and also to align more closely to the refreshed Borough Plan.

7. Contribution to Strategic Outcomes

7.1. The Asset Management Plan is a strategic overview of the Council's land and property assets. It provides the basis of a longer-term strategy for the Council's property assets and management, which underpins and supports the delivery of the 2019/20 to 2023/24 MTFS / Capital Strategy and the 2019 -2023 Borough Plan.

7.2. This plan aims to ensure that the Council's assets are used as effectively and efficiently as possible to support its service delivery, economic growth and new Council housing programmes as articulated in the 2019 – 23 Borough Plan.

7.3. The plan will be aligned with the MTFS cycles and the Borough Plan which will necessitate an annual review of the Asset Management Plan and a fuller update in 2023/24 to reflect any changes in Council priorities at that time.

8. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

8.1. Finance

8.1.1 The Council's current property estate includes a wide range of land and buildings with a total value (for accounting purposes) as at 31st March 2020 of £2.582 billion, comprising £1.460 billion held in the Housing Revenue Account (HRA) and £1.122 billion held in the General Fund Account (GF). Within the GF assets, nearly £0.794 billion worth of assets are used for service operational purposes and just over £0.084 billion are held for non-operational purposes (i.e. lettings to businesses and community groups). The remainder is made up of community assets (parks, open spaces, transport infrastructure and plant vehicles/equipment).

8.1.2 The proposed capital strategy being considered elsewhere on the agenda includes a proposed General Fund capital programme of £818.5m and a Housing Revenue Account capital programme of £1,556.1 for the period 2021/22-25/26. This level of budgeted activity will require the application of a considerable project management resource to be achieved.

8.1.3 The inclusion of a scheme in the capital programme at this stage is not an immediate authority to spend. A large proportion of the capital programme requires the completion of a satisfactory business case prior to the release of capital funding. The business case serves to validate the high-level assumptions used in the compilation of the capital programme.

8.1.4 The capital financing costs of the capital programme have been factored into the medium term financial strategy.

8.2 Legal

8.2.1 The purpose of an Asset Management plan is to ensure that the Council uses and manages its asset portfolio to meet its needs and objectives. It is good practice for the Council to have an Asset Management Plan and recommended by CIPFA.

8.2.2 The Asset Management Plan had already been approved by Cabinet and this version has now been updated. There are no legal reasons why the recommendations cannot be approved.

8.3 Procurement

8.3.1 Strategic Procurement notes the contents of the report and sees no procurement related matters preventing the approval of the recommendations in this report.

8.3.2 Strategic Procurement will continue to provide the necessary support in delivering the Asset Management Plan where required.

8.4 Equality

8.4.1 The Council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;
- Advance equality of opportunity between people who share protected characteristics and people who do not;
- Foster good relations between people who share those characteristics and people who do not;

8.4.2 The three parts of the duty apply to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty;

8.4.3 The proposed decision is to approve the update of Asset Management Plan 2020-25. The primary purpose of the Asset Management Plan is to ensure property and land assets support, and that decisions are aligned to the Council's Borough Plan objectives. These objectives are designed to reduce existing inequalities, advance equality of opportunity, and foster good relations among Haringey's communities. To the extent that the Asset Management Plan supports the achievement of the Borough Plan objectives it will enable Haringey Council to meet its public sector equality duty.

8.4.4 It is notable that the Asset Management Plan will help to ensure the Council meets its ambitions in relation to delivering Council homes, acquiring homes to use to house homeless households, achieving local economic outcomes, reducing carbon emissions, maintaining parks and the public realm, and promoting cultural and leisure activities. These activities are individually subject to assessment for their impact on residents who share the protected characteristics, and these Equality Impact Assessments are published on the Council website. These activities have been designed with the Council's public

sector equality duty in mind and address social, economic, and environmental inequalities.

- 8.4.5 The Asset Management Plan contains a chapter on 'Supporting Equality and Fairness.' This section describes the Council's duties to ensure equitable access to buildings and notes that a policy on Access to Buildings will be developed in 2021/22. This policy will help to ensure that steps are taken to meet the needs of individuals with disabilities and health conditions where these differ to those of others.
- 8.4.6 If Cabinet is asked to approve any policies that underpin the Asset Management Plan at a later date these policies will be subject to screening for equalities impact and equalities impact assessment where appropriate.

9 Use of Appendices

- 9.1 Appendix 1: Updated Asset Management Plan

10 Local Government (Access to Information) Act 1985

This report contains no exempt information.