

**Report for:** Cabinet 18<sup>th</sup> April 2023

**Title:** Strategic Asset Management Plan and Property Improvement Plan (SAMPIP) 2023-2028

**Report authorised by:** David Joyce, Director of Placemaking & Housing

**Lead Officer:** Jonathan Kirby, Assistant Director for Capital Projects & Property

**Ward(s) affected:** All

**Report for Key/ Non-Key Decision:** **Key**

**1. Describe the issue under consideration**

- 1.1. We cannot deliver great services to our residents, be it a place to visit and enjoy, work or raise a family; without providing an excellent, fit for purpose and sustainable operational asset and property base.
- 1.2. The Council holds property for service delivery purposes to achieve the above. Physical assets such as the Council's housing stock, schools, libraries, community and leisure centres, commercial properties, parks, residential homes, and day centres are all an integral part of delivering services.
- 1.3. The Council also holds property intended to contribute to the achievement of corporate objectives and priorities in the longer term, as reflected in the Corporate Delivery Plan (CDP).
- 1.4. The Strategic Asset Management Plan and Property Improvement Plan (SAMPIP) 2023-28, builds upon the solid foundation of the previous Asset Management Plan 2020-2025 which was adopted by cabinet. This SAMPIP has a set of action plans, which address each of the objectives. This reflects the open and transparent approach to our management of assets and property related decisions, which underpins the SAMPIP.
- 1.5. The action plans incorporate recommendations made from the External Property Review, as well as wider activity as part of our continued journey of improvement in the management of our assets and property.
- 1.6. This updated Strategic Asset Management & Property Improvement Plan (SAMPIP 2023-2028) sets out the following.
  - An overarching strategy for the reason why the council holds property.
  - Haringey Council's strategic Objectives that steer our decision making and management of property.
  - A decision-making framework of how we will make evidence based, open and transparent decisions relating to our asset and property transactions.

- A set of Action plans with measurable objectives and timescales, allowing for scrutiny of how we are going to implement the SAMPIP objectives and improve the way we manage our assets and property decision making.
- 1.7. This SAMPIP provides the framework that will guide and shape service specific Asset Management Plans (AMP) such as the Housing Asset Management Plan and Parks and Leisure Asset Management Plan. Those service specific AMP's will identify how assets are operated on a day-to-day basis to meet legislative and specific service operational plan need, but importantly in accordance with the objectives of this SAMPIP, ensuring a consistent approach.
  - 1.8. For example, where there is a service need for a new property, replacement property due to the current asset reaching the end of its operational life or when a property has become surplus for its current allocated use; then the governance and decision-making toolkit within this SAMPIP will be followed as part of a Corporate Property Model.
  - 1.9. All of the policies adopted under the previous versions of the AMP, such as Acquisitions and Disposals are still valid. In accordance with Best Practise, and to address recommendations within the External Property Review, these policies should be periodically reviewed. The SAMPIP action plan has a specific section on reviewing property and asset related policies and procedures. The governance process for approving these policies and procedures, currently through the council Property Governance Structure, which is depicted in section 11.
  - 1.10. Importantly this SAMPIP and associated action plans will be monitored through the council's property governance framework and will be taken to Placemaking and Housing Scrutiny panel for regular review, as well as wider panels as required. Finally, it will be brought back for annual updates to Cabinet.

## **2. Cabinet Member Introduction**

- 2.1. In February 2021 Cabinet agreed to the Council's update of the 2020 Asset Management Plan. It covered the five-year period to 2025. It captured our property plans, in line with our Borough Plan, to support our Capital Strategy over the same period. It also included a number of policies, which are still valid today.
- 2.2. An Asset Management Plan is an important tool in achieving the Council's policy and service ambitions. It informs the capital strategy and provides data to inform for capital investment decisions.
- 2.3. We are entering a period of uncertainty, with the effects of energy costs increasing, rising cost of inflation, cost of living crisis and world issues having an effect on the supply chain. The Council has recognised that it needs to adopt a different approach and make best use of our assets to support the implementation

of the Haringey Deal, Corporate Delivery Plan, MTFs and Locality Strategy work incorporating outcomes from the recent external property review.

- 2.4. Therefore, this Strategic Asset Management and Property Improvement Plan (SAMPIP) 2023-2028 aligns with the Medium-Term Financial Strategy and sets out some of our achievements including the next steps for changing the culture of property management by introducing a Corporate Property Model (CPM).
- 2.5. The council have been on a journey of improving its asset management and property functions since the adoption of the original Asset Management Plan in February 2020. The action plans, within the SAMPIP show how we will make these improvements, what is involved and the timeframe by when they will be achieved.
- 2.6. The reorganisation of property teams, which created a Capital Projects and Property service (CPP) concluded in May 2022, as part of this improvement journey. This was a major step to ensuring a co-ordinated approach across Strategic Asset Management, day to day operations, capital projects and property related matters. This co-ordinated approach will continue to benefit services, residents, partners, and elected members, especially as we progress the delivery of the Corporate Delivery Plan (CDP).
- 2.7. The CPP team, are the owners of the SAMPIP and the associated action plans. However, it will require the joint working across the council and my cabinet colleagues, to deliver in the SAMPIP objectives.
- 2.8. Key areas we will be delivering this year that I would like to highlight are:
  - Implementing all recommendations from the Independent Property review.
  - Introducing a Corporate Property Model that will develop a robust and transparent system that centralises property budgets, improve planned maintenance through efficiency savings and improve the utilisation of buildings with co-location and or meanwhile uses of empty property. This arrangement is a significant culture shift to a corporate approach that determines the best use of property assets and regularises standards. This will enable operational areas to concentrate on delivery of excellent services.
  - Undertake a Commercial Property Review, including reviewing all Voluntary Community Sector properties and leasing arrangements to develop a much better fit for purpose approach, working with our communities.
  - Developing the next steps for the strategic accommodation strategy now that the decision to invest in the Civic Centre has moved into the project delivery phase.
  - Working with colleagues in Children's Services to develop the Safety Valve project further to successfully securing £7m capital funding from the DfE for the Safety Valve programme.
- 2.9. I therefore recommend the adoption of this Strategic Asset Management and Property Improvement Plan (SAMPIP) 2023-2028.

### **3. Recommendations**

#### **That Cabinet agrees:**

- 3.1. The Strategic Asset Management and Property Improvement Plan 2020-2028 ("SAMPIP"), attached at Appendix A of this report.
- 3.2. Agree that progress on this SAMPIP will be brought back to Cabinet for annual review in March 2024.

### **4. Reasons for decision**

- 4.1. The Council's Asset Management Plan 2020-25 was adopted by Cabinet in February 2020, with an update taken to cabinet in February 2021. At the time Cabinet was advised that it would be updated as there would be significant progress and change over the course of time. That AMP has provided a solid foundation and many policies, which are still valid.
- 4.2. Officers are recommending a new Strategic Asset Management and Property Improvement Plan (SAMPIP) 2023-2028 is adopted, which builds upon this solid foundation a to reflect the current direction of travel of Haringey Council. This involves.
  - Addressing the challenges as we come out of the Covid Pandemic and enter a cost-of-living crisis.
  - Meeting the objectives of the Haringey Deal and recently adopted Corporate Delivery Plan (CDP).
  - Aligning with time frames of the Medium-Term Financial Strategy (MTFS).
  - An expanded and refreshed set of strategic Objectives, from the previously adopted Asset Management Plan, to reflect the council's priorities.
  - The development of 10 action plans, within the SAMPIP, to show what, by when and the outcome of improvements we will be making to our management of assets and property. There may be a very small number of properties in the HRA, which will be included in the review of the commercial and community properties, such as shop units.
  - Adoption of a decision-making toolkit to underpin all decision making, relating to property and assets.

### **5. Alternative Options**

- 5.1. The Council's Asset Management Plan lasts for five years and can be refreshed annually. If this does not 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. Like many local authorities the council has faced serious challenges with the management of its assets and wider property. This is largely due to aging facilities and reducing budgets. In conjunction with this, the property and asset management teams across local authorities have reduced, with a significant proportion of activities being outsourced, with only a small number of officers remaining to manage these external contacts.
- 6.2. This has meant a number of challenges and recommended areas for improvement, which have been identified by officers and supported by recommendations from independent audit reviews over the years. These three core areas for improvement can be summarised as.

- People and Resources
  - Governance
  - Best Practise – Policies and Processes
- 6.3. The council have made improvements in all these areas over the past years, which again has been reflected in recent internal and external audit reviews. However, there is much more work to do as outlined in the SAMPIP action plans.
- 6.4. The creation of a Capital Projects and Property Team in May 2022, has been a real step change in our ability to have a strategic approach to our asset and property management, as well being able to ensure we have the right level of resource to management our portfolio, which are permanent members of staff and a development of a new culture and approach to our asset and property management. For Example, having a dedicated Head of Property and a Head of Strategic Asset and Accommodation Management.
- 6.5. Property assets are one of the Council's most significant resources, with our total assets valued at £1.505 billion as of 31 March 2021. The Strategic Asset Management and Property Improvement Plan intends 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.
- 6.6. With regards to our property transactions, the council have made significant improvements in this area over the past 3 years, as reflected in the commissioned Independent External Property review. This review did include 12 recommendations, which will be delivered as part of the actions plans that are now a core part of the SAMPIP in Appendix A.
- 6.7. The SAMPIP informs the Council's Capital Strategy as part of annual Budget Setting. This updated version will align with the timeframe of the MTFS. The improvements we will be making, that are outlined in the action plans, will help ensure that data led recommendations are made, which take into account Haringey council's wider objectives, in an open and transparent way.
- 6.8. The objectives of the AMP have been updated in this SAMPIP and are below
1. To ensure Council property works for the benefit of residents and achieves value for money for the Council while supporting financial sustainability.
  2. To ensure that our property meets our service needs across Adults, Health and communities, Placemaking and Housing, Children's Services, Environment and Resident Experience & Culture, Strategy and Engagement.
  3. To use our asset base to enable placemaking where the need and opportunity is greatest for people who live, work and visit the borough, ensuring the Borough's diverse communities are celebrated.
  4. To implement the restoration of the Civic Centre as part of an Accommodation Strategy that provides high quality sustainable workspace for all staff across the Borough.
  5. To establish a corporate property model that holds all non-residential property and budgets centrally, in accordance with good practice.

6. To complete a commercial portfolio review which will inform our future approach to industrial, community and retail property portfolios to maximise income opportunities and efficiency of running costs across the council's property portfolio, including investment and divestment opportunities.
7. To ensure open and transparent decision making, via a robust governance framework, updated policies & procedures and implementation of a fully resourced property team.
8. To create a strategic framework informed by performance data that will support the prioritisation of capital investment decisions.
9. Working with public sector partner organisations, to adopt a One Public Estate approach, where possible, which utilises assets for public good.
10. To deliver Zero Carbon and Low Carbon Council Buildings, in line with the Climate Action Plan including maximising technological and digital solutions via smart buildings and green tech industries.

## **7. Contribution to Strategic Outcomes**

- 7.1. This updated Strategic Asset Management and Property Improvement Plan (SAMPIP 2023-2028) sets out an overarching strategy for the reason why the council holds property and a decision-making framework of how we manage our assets to support the delivery of Council services and the Council's recently adopted Corporate Delivery Plan 2022-24.
- 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 of the January 2023 adopted Corporate Delivery Plan (CDP).
- 7.3. The SAMPIP action will be aligned with the MTFS cycles. The associated action plans will be live documents form the basis of future, annual updates of the SAMPIP.

## **8. Statutory Officers comments**

### **8.1. Finance**

- 8.1.1 The Council's current General Fund property estate includes a wide range of land and buildings with a total value of £1.505 billion (for accounting purposes) as at 31st March 2022. Within the GF assets, nearly £1.384 billion worth of assets are used for service operational purposes and just over £0.099 billion are held for non-operational purposes (i.e. lettings to businesses and community groups). The remainder amounting to £0.022 billion is made up of community assets (parks, open spaces, transport infrastructure and plant vehicles/equipment). The capital strategy agreed by Council at its budget setting meeting of the 2<sup>nd</sup> March 2023 includes an approved General Fund capital programme of £1.008 billion 2023/24-27/28. This level of budgeted activity will require the application of a considerable project management resource to be achieved.
- 8.1.2 The inclusion of a scheme in the capital programme 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.

## **8.2. Legal**

8.2.1 The purpose of the SAMPIP 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 There are no legal reasons why the recommendations cannot be approved.

## **8.3. Equality**

8.3.1 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 those protected characteristics and people who do not.
- Foster good relations between people who share those characteristics and people who do not.

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.

Although it is not enforced in legislation as a protected characteristic, Haringey Council treats socioeconomic status as a local protected characteristic.

The Council's updated Strategic Asset Management and Property Improvement Plan 2023-2028 ("SAMPIP"), attached at as included the Appendix A of this report.

8.3.2 The proposed decision is to approve the updated Strategic Asset Management and Property Improvement Plan 2023-28 ("SAMPIP"). This updated Strategic Asset Management and Property Improvement Plan (SAMPIP 2023-2028) sets out an overarching strategy for the reason why the council holds property and a decision-making framework of how we manage our assets to support the delivery of Council services and the Council's recently adopted Corporate Delivery Plan 2022-24.

8.3.3 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.

8.3.4 It is notable that the Strategic Asset Management and Property Improvement Plan will help to ensure the Council meets its ambitions in relation to maximising housing growth and delivering Council homes, achieving local economic outcomes, reducing carbon emissions, and regeneration activities. These

programmes 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. Therefore, the Asset Management Plan enables the Council to eliminate discrimination, advance equality of opportunity and foster good relations.

8.3.5 It is notable that the report approves to a policy on Access to Buildings. 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.

8.3.6 If Cabinet is asked to approve any policies that underpin the Strategic Asset Management and Property Improvement 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 A: Strategic Asset Management and Property Improvement Plan (SAMPIP) 2023-2028 and associated Action Plans.

## **10. Local Government (Access to Information) Act 1985**

This report contains no exempt information.