

Report for: Audit Committee 7th March 2024

Item number: 7

Title: Strategic Asset Management and Property Improvement Plan (SAMPIP) update

Report authorised by: David Joyce, Director of Placemaking and Housing

Lead Officer: Jonathan Kirby, Assistant Director Capital Projects and Property

Ward(s) affected: All

1. Describe the issue under consideration

- 1.1. Cabinet approved on the 18th April 2023 the Strategic Asset Management Plan and Property Improvement Plan (SAMPIP) 2023-2028 and also accepted in full the recommendations from the external property review. A link to both reports can be found here. [\(Public Pack\)Agenda Document for Cabinet, 18/04/2023 18:30 \(haringey.gov.uk\)](#)
- 1.2. This report provides key updates on progress of the Strategic Asset Management and Property Improvement Plan 2023-28 (SAMPIP 2023-28) and the associated action plans (Appendix 1), which capture the recommendations from previous internal and external audit reports.

2. Introduction

- 2.1. 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 which was exacerbated by the decision not to proceed with the Housing Delivery Vehicle and increased scaling back of investment and resource leading up to this period in time in 2020. 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.
- 2.2. This has meant a number of challenges and recommended areas for improvement, which the council have been addressing since 2019/20. These three core areas for improvement and actions that took place prior April 2023, are outlined below;

- People and Resources
- Governance
- Best Practise – Policies and Processes

2.3. People and Resources; The council recruited a permanent Assistant Director for Capital Projects and Property in 2021. Following this appointment and a thorough consultation process, the creation of a Capital Projects and Property Team took place in May 2022. This has been a real step change in Haringey's 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.

2.4. Governance; Governance surrounding property decisions was reviewed in 2020 to improve policies and procedures and ensure that decisions around the use of Council property and land continue to support the delivery of the Corporate Delivery Plan and Council services. The outcome of this review implemented by a restructure of Officer Boards delivered a more robust approach to business case-based decisions at a corporate level.

2.5. Best Practise – Policies and Process; Cabinet on the 11th February 2020 approved the councils first Asset Management Plan 2020-25. This was in response to CIPFA's Strategic Asset Management Framework of August 2018, which included an expectation that councils prepare an Asset Management Plan alongside their capital strategies for the 2020/21 municipal year. That Asset Management Plan set 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 provided a baseline on property and land matters and supports the capital investment decisions identified in the capital strategy / MTFS.

2.6. Cabinet approved on the 18th April 2023 the Strategic Asset Management Plan and Property Improvement Plan (SAMPIP) 2023-2028 and also accepted in full the recommendations from the external property review.

2.7. 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. Overall the review found that improvements have been made within the Council and Haringey's arrangements are now much stronger than the period under review. There is always room for improvement and the Review has made a number of further improvement suggestions which will help the Council strengthen still further

its property processes. These further improvements are captured within the SAMPIP action plans.

2.8. 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. The action plan details implementation of the 46 recommendations from the Property Audits, across 3 core themed areas, Governance, Best Practise & People.

2.9. 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.

2.10. 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.

2.11. Importantly this SAMPIP and associated action plans are 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

3. Recommendations

3.1.1. Audit committee are asked to note and comment on the SAMPIP 2023-28 to help inform the next annual update to Cabinet in June 2024. The committee are specifically asked to note and comment on the following sections:

- 3.1.1.1. The Corporate Property Model
- 3.1.1.2. The Property Governance Structure
- 3.1.1.3. The Property Performance Matrix
- 3.1.1.4. The SAMPIP action plans

Corporate Property Model update

3.2. The implementation of a corporate property model was a key recommendation of the external property review and focus of the SAMPIP. This implementation is 6 months into the 12-18 month timescale indicated in the SAMPIP. The corporate property model 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.

3.3. The Corporate Property Model once implemented will have a fundamental impact on the way property is managed in the future as all property related functions will be combined into one service, with centralised control of all property spend, space management, procurement, negotiations and capital programmes. This holistic approach not only improves quality by having a single point of contact but can deliver significant, sustainable savings. The benefits include:

- open and transparent decision making embedded on a robust governance model.
- improved service environment for employees, service users and residents.
- Haringey Deal to involve communities in decisions about Council buildings.
- Social value impact.
- Customer focused service and management reporting – service able to focus on delivery.
- Improved statutory obligations and health and safety compliance
- Reduced running costs, back logged maintenance and transition to planned rather than reactive maintenance.

3.4. The council's property governance structure has approved the Corporate Property Model Outline Business Case (OBC), which is now being developed into a Full Business Case for implementation, which subject to sign off will be June 2024. A series of staff workshops and engagement has commenced.

Governance

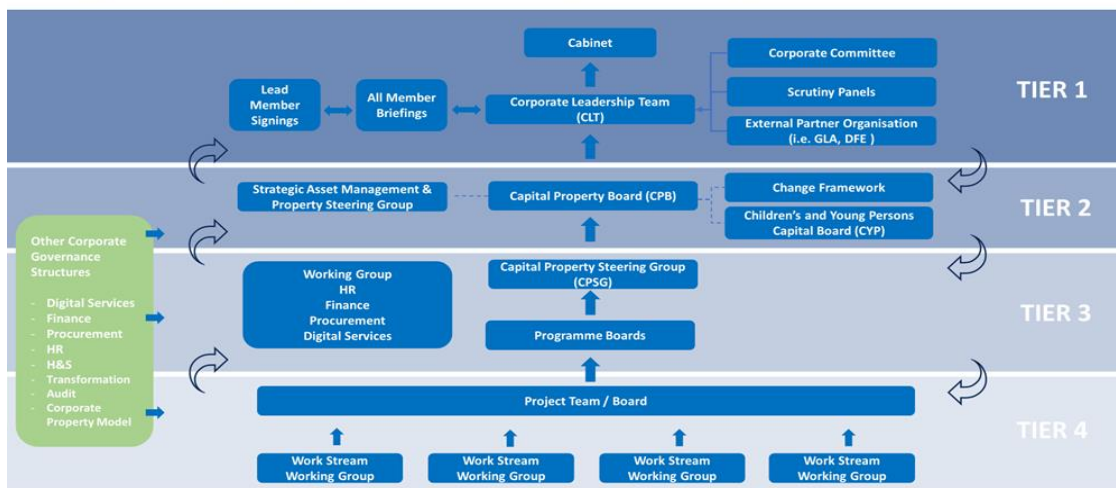
3.5. Governance surrounding property decisions was reviewed in 2020 to improve policies and procedures and ensure that decisions around the use of Council property and land continue to support the delivery of the Corporate Delivery Plan and Council services. The outcome of this review implemented by a restructure of Officer Boards delivered a more robust approach to business case based decisions at a corporate level.

3.6. Governance arrangements are subject to continuous scrutiny and review. One of the more pressing issues is to ensure that the Council can adopt an agile decision-making process that satisfies good governance needs.

3.7. The SAMPIP actions are measurable and will be taken through the property governance process to ensure transparency, strengthening oversight of work being carried out by officers and ensuring that members are fully informed of progress which will assist the Council when working with partners and other public sector bodies. Additional governance measures have recently been implemented in the form of the Strategic Asset Management & Property Steering Group which feeds into the Capital Project Board and then Cabinet to ensure decision making transparency and rigour.

Strategic Asset Management & Property Steering Group Governance Structure

Capital Projects & Property Governance Structure – February 2024



Property Performance Matrix

3.8. To assist with this decision-making process, a Property Performance Matrix is being developed that will change the way that property is assessed from an individual case-by-case basis to a Council wide standardised assessment matrix. On a rolling programme, depending on property review resource availability, assets will be analysed with firstly new acquisitions being assessed

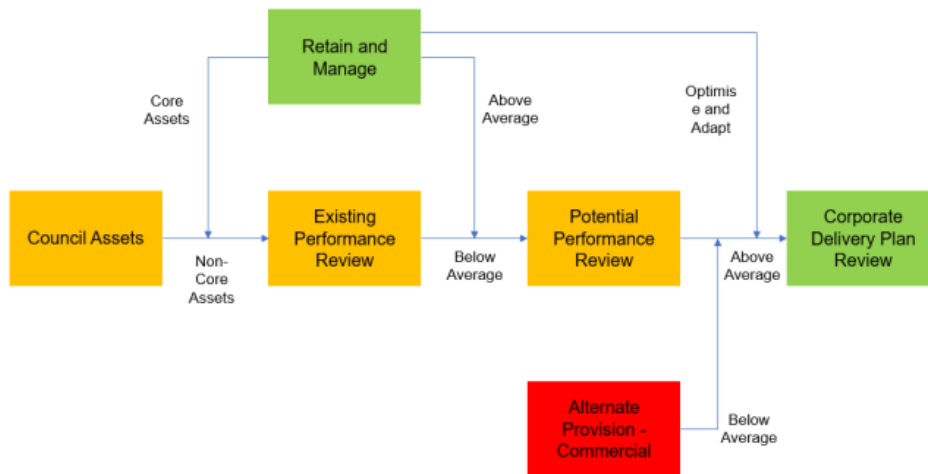
as part of the business case prior to a decision to acquire and concurrently proposed repurposing of existing sites will be evaluated as a part of the business case for capital investment, prior to any investment decision or recommendation for a change of use. Then a rolling programme will be run to evaluate all existing sites to be able to determine the Council's future strategy for retention or disposal of assets. The categories of analysis arise from the adopted Objectives within this Strategic Asset Management and Property Improvement Plan.

3.9. The below diagram provides a summary of the overall property performance matrix process. Behind this process sits the Corporate Property Model scoring matrix for existing and future asset performance and commercial criteria against strategic, operational and financial objectives, which is reported via a traffic light rating system. A draft of the electronic Asset Performance Assessment is attached in Appendix 2 for comment.

3.10. The traffic light system of red, amber, and green reflects the combined weighting and scoring for the criteria. Importantly this rating is a joint effort across council departments for the strategic, operational, and financial criteria. This ensures that the most informed and balanced recommendations are made for subsequent decisions to be taken, in accordance with the council's constitution.

3.11. The RAG rating is based on numeric criteria agreed by the working group evaluating the asset or site. An evaluation is required for existing use and then to rerun the model for proposed uses. As the Matrix is an evaluation tool for usage the outcome may vary with alternative proposed uses.

Property Review Process (PRP)



Red 0 – 39 = performance review

Amber 40 – 69 = performance review

Green 70 – 100 = retain and manage

SAMPIP Action Plans

3.12. The ten SAMPIP objectives have a corresponding action plan. Each action plan breaks down how we are going to go about implementing, delivering, and measuring performance. Each action outlines year 1 activity and indicates a direction for years 2 – 5. These Action Plans are contained in appendix 3 of this report.

3.13. The actions are measurable and will be taken through the property governance process to ensure transparency and that members are fully informed of progress which will assist the Council when working with partners and other public sector bodies.

3.14. Although the actions will be owned by the Capital Projects and Property (CPP) the activities require joint working across the Council to ensure delivery and inter dependencies are met.

4. Contribution to the Corporate Delivery Plan 2022-2024

4.1. 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.

4.2. 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).

4.3. The SAMPIP action will be aligned with the MTF5 cycles. The associated action plans will be live documents form the basis of future, annual updates of the SAMPIP.

5. Carbon and Climate Change

5.1. The Energy Performance Certificate (EPC) is a key performance indicator in the CDP. Survey work for commercial properties is progressing and we are at the stage in identifying the next batch of properties to be surveyed that have expired EPC's. This exercise is underway to ensure that the Council has captured all properties in the investment portfolio that does and does not meet the minimum energy efficiency (MEES) regulations.

5.2. Utility information has been provided for the schools estate and is currently being evaluated in preparation for the next round of the Mayor of London's Retrofit Accelerator – Workplace programme. The Childrens Capital Programme of works is under review and as previously reported replacement works will prioritise improving insulation to reduce energy costs.

5.3. The above is reported on a quarterly basis as part of the CDP governance and performance monitoring.

6. Statutory Officers comments

6.1. **Finance** - comments from April SAMPIP cabinet paper.

6.2. The Council's current General Fund property estate includes a wide range of land and buildings with a total value of £1.551 billion (for accounting purposes) as at 31st March 2023. Within the GF assets, nearly £1.201 billion worth of assets are used for service operational purposes and just over £0.113 billion are held for non-operational purposes (i.e. lettings to businesses and community groups). The remainder amounting to £0.238 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 4th March 2024 includes an approved General Fund capital programme of £583.5m 2024/25-28/29. This level of budgeted activity will require the application of a considerable project management resource to be achieved.

6.3. 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.

6.4. There are no financial implications as a result of this paper.

6.5. Assistant Director for Legal & Governance

6.6. 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.

6.7. There are no legal reasons why the recommendations cannot be approved.

6.8. Equality – Comments from the April cabinet paper.

6.9. The 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.

6.10. 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.

6.11. Any subsequent new or revised policies that underpin the Strategic Asset Management and Property Improvement Plan will be subject to screening for equalities impact and equalities impact assessment where appropriate.

7. Use of Appendices

- 7.1. Appendix 1 – Full SAMPIP
- 7.2. Appendix 2 – Asset Performance Assessment questionnaire
- 7.3. Appendix 3 – Action Plan updates

8. Background Papers

- 8.1. Strategic Asset Management and Property Improvement Plan (SAMPIP) 2023-28 ([Public Pack](#))[Agenda Document for Cabinet, 18/04/2023 18:30 \(haringey.gov.uk\)](#)
- 8.2. External Property Review ([Public Pack](#))[Agenda Document for Cabinet, 18/04/2023 18:30 \(haringey.gov.uk\)](#)