

Report for:	Overview and Scrutiny Committee	Item Number:	
Title:	Asset Management Plan		
Report Authorised by:	Jon McGrath, Assistant Director Property and Capital Projects		
Lead Officer:			
Ward(s) affected: All		Report for Key/Non Key Decisions:	

1. Describe the issue under consideration

To update the Scrutiny panel on the progress to date on a Draft Authority Wide Asset Management Plan and to review the current list of sites noted as surplus to requirements.

2. Cabinet Member introduction

The Council is committed to creating and maintaining an effective and efficient estate, which provides value for money, reduces our environmental impact, transforms the way our staff work and contributes to the growth and regeneration agenda for the borough.

To this end, we are pleased to introduce the Corporate Asset Management Plan (AMP) for 2014-2018 which outlines the priorities, actions and projects aimed at improving the performance of our property portfolios and other physical assets to make a substantial and positive contribution to the



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Council's Regeneration and Housing Renewal Programmes and to support delivery of the Council's vision.

3. Recommendations

That Scrutiny notes the work to date and the proposed actions to bring this to conclusion.

4. Alternative options considered

N/A

5. Background information

The Council's Asset Management Plan (AMP) 2014-2018 has been developed with reference to the guidelines produced by the Department for Communities and Local Government (DCLG) and Royal Institution of Chartered Surveyors (RICS). Property assets are essential to the Council's functions and their best use and management are crucial in terms of delivery of efficient and effective services.

The AMP is a key element of the Council's corporate vision of One Borough, One Future and provides a high level strategic overview, outlining the way in which corporate assets will be used to help achieve corporate aims and contribute to the Medium Term Financial Strategy covering a period of four years 2014 – 2018.

The plan also sets out a strategic approach to supporting the best use of Council assets in a challenging economic climate. The Council's competing pressures for service delivery combined with financial constraints requires a new approach to the use of assets.

The purpose of the AMP is to provide Councillors with a document that can support informed decisions on property assets and capital investment. It also supports Corporate Directors and service heads in applying a systematic



approach to the management of operational assets from which to deliver services.

The AMP aims to support the provision of assets that are fit for purpose to deliver high quality services. This is through ensuring that the existing portfolio of assets complies with statutory requirements, facilitate the sharing of assets through partnership and through the acquisition, disposal and redeployment and renewal of assets to regenerate the estate for future use.

6. Comments of the Chief Finance Officer and financial implications

The Asset Management Plan describes the Council's land, property and equipment holdings and sets out our medium term plans for maintaining, upgrading or divesting of these assets to support service delivery and optimise value for the residents of Haringey. The balance sheet value of all Council Assets, including HRA assets as at March 2014 is £1.56 billion, and the current level of capital expenditure on our asset base is of the order of £100m per annum, funded from a variety of sources.

As such, the AMP comprises a fundamental part of our overall capital investment plans and needs to inform, and be informed by our long term capital strategy.

The Asset Management plan will inform the Capital Strategy by setting out:

- The level of backlog condition work that is required to ensure the Council's assets are up to standard and fit for purpose.
- The ongoing costs of maintaining the Council's asset base in fit for purpose condition.
- The identification of surplus assets which can be released for disposal, generating much needed capital resources for new investment
- The cost of plans for fulfilling new or changed requirements for services as they change and develop for the future.

The long term capital strategy is still under development in relation to the Council's refreshed corporate plan and priorities. The Capital Strategy will inform the AMP by setting out:

- Affordable limits for addressing backlog condition work
- The annual allocation of capital budgets to secure ongoing improvement and capital maintenance of the asset base
- Targets for the reduction of asset holdings to secure capital receipts



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- The levels of additional investment that can be afforded under the prudential framework governing our ability to borrow.
- The performance and pay back thresholds that need to be met by projects requesting invest to save funding
- The priorities and ranking criteria to be used to judge requests for new investment..

Overall, the capital strategy and asset management plan together should ensure that:

- Assets are held in order to support overall service objectives and delivery of Council priorities and to extract community benefits
- Assets deployed in service delivery are fit for purpose and maintained to a good standard, and the running costs of premises are minimised.
- The value of assets is secured for future generations, and the deployment of capital investment is directed to the long term benefit of the community;
- Partners and businesses are able to work with the Council to maximise value and benefit for local residents from the strategic deployment of capital investment.
- Surplus assets are disposed of for best value, and for a use aligned to Council priorities and future community benefit

7. Comments of the Assistant Director of Corporate Governance and legal implications

Comments from the Head of Legal Services will be sought when the paper moves from draft to approval stage.

8. Equalities and Community Cohesion Comments

Comments from Equalities and Community Cohesion will be sought when the paper moves from draft to approval stage.



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9. Head of Procurement Comments

N/A

10. Policy Implication

N/A

11. Reasons for Decision

12. Use of Appendices

**Appendix 1 – Draft Asset Management Plan
Appendix 2 – Disposals list**

13. Local Government (Access to Information) Act 1985