

Meeting date: 19th April 2021
Report to: Cabinet Member for Resources



Subject/report title: Corporate Asset Strategy 2019 - 2025
Report from: Director of Resources and Deputy Chief Executive
Report author/lead contact officer: Sam Gilbert – Assistant Director of Finance & Property Services
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Linda Wilson – Head of Corporate Property Services

Wards affected:

All Wards | Bickenhill | Blythe | Castle Bromwich | Chelmsley Wood |
 Dorridge/Hockley Heath | Elmdon | Kingshurst/Fordbridge | Knowle |
 Lyndon | Meriden | Olton | Shirley East | Shirley South |
 Shirley West | Silhill | Smith's Wood | St Alphege

Public/private report: Public

Exempt by virtue of paragraph:

1. Purpose of Report

1.1 To receive the updated Corporate Asset Strategy for 2019 – 2025, which provides a framework to measure and monitor how our property assets are performing.

2. Decision(s) recommended

2.1 The Cabinet Member for Resources is asked to approve the update to the Corporate Asset Strategy 2019-2025.

3. Matters for Consideration

3.1 As identified in the Council Plan to address the challenges and opportunities facing us as a Council one of our priorities is 'Making the best use of our people and physical assets'

3.2 To support this priority, and ensure our physical assets are fit for purpose to deliver our future service offers, we require a Corporate Asset Strategy.

3.3 This strategy summarises how the Council intends to use its land and property assets in accordance with the local plan and other policies and strategies to make a significant contribution to:

- Delivery of Council Priorities;

- Support improved service delivery;
- Continue to provide a significant and improved revenue stream from a managed investment portfolio;
- Drive efficiency in both financial and environmental terms through major initiatives including investment in the operational estate and expansion of shared services.

3.4 This strategy was approved at the Cabinet Member for Resources and Delivering Value session in January 2019, and the updates to the appended strategy (Appendix 1) are capturing progress made over the past 12 months to meet the programme objectives.

4. What options have been considered and what is the evidence telling us about them?

4.1 In January 2019, the two options presented to the Cabinet Member for Resources and Delivering Value session were:

4.2 Option 1

4.3 The Council's Corporate Asset Strategy includes an integrated Corporate Landlord framework that responds to the service delivery needs of each directorate captured through the Strategic Asset Management Plans (SAMPs) to support the allocation of property resources based on corporate priorities.

4.4 Incorporating a framework to measure and monitor how our properties are performing, the strategy will enable officers to ensure that our assets are being managed efficiently, are achieving value for money and contribute positively towards the Council's corporate objectives.

4.5 Option 2

4.6 We continue to create a standalone Asset Management Plan each year.

5. Reasons for recommending preferred option

5.1 Officers are still recommending Option 1 as the preferred option;

5.1.1 To enable the Council to focus their resource on the overall strategic direction;

5.1.2 Move the Council away from being driven by reactive projects;

5.1.3 Decision-making based on the future agreed Strategic Asset Management Plans.

5.2 Strategic Asset Management Plans are now in the process of being produced and will be reviewed on a quarterly basis moving forward. The SAMPS will set-out how the Council intends to use and manage its land and property assets in line with the Corporate Asset Strategy.

6. Implications and Considerations

6.1 State how the proposals in this report contribute to the priorities in the [Council Plan](#):

| Priority: | Contribution: |
|--|--|
| <p>Economy:</p> <ol style="list-style-type: none"> 1. Revitalising our towns and local centres. 2. UK Central (UKC) and maximising the opportunities of HS2. 3. Increase the supply of housing, especially affordable and social housing. | <p>Town centre master planning continues and many of the strategic objectives of the UKC programme in respect of ensuring future economic success are central to the purpose of this strategy and our property investment strategy.</p> |
| <p>Environment:</p> <ol style="list-style-type: none"> 4. Enhance Solihull's natural environment. 5. Improve Solihull's air quality. 6. Reduce Solihull's net carbon emissions. | <p>The Corporate Asset Strategy takes into account the Council's Emissions Reduction Pledge and Statement of Intent to reduce carbon emissions and the aim to become "net zero" as a Council by 2030. The Corporate Asset Strategy provides a key opportunity and is integral in the delivery of carbon reductions related to the Council's own buildings.</p> |
| <p>People and Communities:</p> <ol style="list-style-type: none"> 7. Take action to improve life chances in our most disadvantaged communities. 8. Enable communities to thrive. 9. Sustainable, quality, affordable provision for adults & children with complex needs. | <p>The Corporate Asset Strategy will reflect the needs of all service directorates through the SAMP process, including communities, and our evaluation approach to the allocation of property assets will include reference to social and community value.</p> |

6.2 Consultation and Scrutiny:

6.2.1 Consultation with internal officers has been undertaken through a series of meetings to agree the adoption of a Corporate Landlord Model and development of the SAMP's.

6.2.2 Strategic Land and Property are leading engagement with internal and external co-location stakeholders to define the property response to stakeholders future service requirements and asset needs. This has changed significantly due to the impact of COVID 19.

6.3 Financial implications:

6.3.1 To achieve 'the Corporate Landlord Approach there will be an on-going review of service related property requirements to ensure a 'best fit', that legislative compliance is maintained and that capital and revenue budgets will be committed accordingly.

6.3.2 Sale of land and property as part of the review should be monitored to ensure best consideration is obtained from capital receipts and that they are realised in a timely

manner (so as to avoid void costs etc. for which a budget will be required). Finance colleagues should also be consulted as part of this process to ensure the capital programme can be planned effectively.

6.4 Legal implications:

6.4.1 There are no legal implications at present.

6.5 Risk implications:

6.5.1 The risks of introducing a Corporate Landlord model are centred around the need for clear strategic direction from services in terms of their business plans and in turn, within the Corporate Landlord Teams and the associated Governance is the need for a high level of general competence and a strategic overview to maximise opportunities. Failure in the above could lead to:

- (a) Non-delivery of the capital programme.
- (b) Non-delivery of disposals programme.
- (c) Failure to realise income targets from property investments.
- (d) Failure to release Council assets or provide site assembly to enable development projects.

6.6 Equality implications:

6.6.1 Equality scoping of the key programme has been undertaken to look at the relevance of equality requirements and the access needs for people with disabilities in corporate buildings and building alterations. Further work will include the completion of a Fair Treatment Assessment to inform the Corporate Asset Management Strategy and the nine Strategic Assessment Management Plans.

6.6.2 When dealing with requests for the use of land and assets (including leasehold arrangements), the council will ensure that we act in a fair and equitable way to take account of the diverse equality needs in the borough.

7. List of appendices referred to

7.1 Appendix 1 – Corporate Asset Management Strategy

8. Background papers used to compile this report

8.1 None

9. List of other relevant documents

9.1 None