

Business Development - Asset Management Strategy

Report to: **West Devon Hub Committee**

Date: **27 October 2015**

Title: **Business Development - Asset Management Strategy**

Portfolio Area: **Environment - Cllr Mike Benson**
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Wards Affected: **All**

Relevant Scrutiny Committee: **N/A**

Approval and clearance obtained: **Yes**

Urgent Decision: **No** Date next steps can be taken: **After Council Approval**

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Recommendation:

That the Hub Committee recommends that the Council approves the updated Asset Management Strategy as detailed in Appendix One

1. Executive summary

- 1.1. This report recommends that the Council updates its Asset Management Strategy to that detailed in Appendix One.
- 1.2. The Strategy is an updated version of the Asset Management Review which was approved by Council in 2013, with a greater emphasis on business development and income generation than before.
- 1.3. It is envisaged the Strategy will be shared with South Hams District Council.
- 1.4. It will be underpinned by an updated Asset Management Plan, which will review all West Devon property interests and categorise them by their status – Strategic, Non-Strategic and Public Open Space. This plan is currently being prepared/updated and will be shared with members when complete and then on a quarterly basis.

2. Background

- 2.1. To alleviate the impact of changes to funding, the Council agreed the business case for the T18 business transformation programme in December 2014.
- 2.2. It is forecast that by 2020/21 there will be a budget gap of £0.35 million in West Devon, caused by a forecast reduction in Central Government funded Revenue Support Grant, coupled with increased cost pressures. There is also the possible withdrawal of New Homes Bonus.
- 2.3. The Council is reviewing its expenditure and income opportunities in order to bridge the forecast gap.
- 2.4. The efficient and effective management of the Council's commercial property portfolio is a critical component in the response to addressing this gap. It can deliver enhanced recurrent income streams with focused capital investment.

3. Outcomes/outputs

- 3.1. The aim of this strategy is to set out and refresh the high level principles by which the Council's commercial property estate will be managed.

4. Options available and consideration of risk

- 4.1. Members could opt to do nothing – however, this strategy aims to realign the current process and understanding of commercial property management in order to fit within the Council's strategic business development and income generation agenda.
- 4.2. Each individual development or project will be progressed subject to a viable business case and in conjunction with Members (as per the financial thresholds shown in section 5 of Appendix One) and relevant Council policies.

5. Proposed Way Forward

5.1. It is recommended that West Devon Borough Council Members agree to adopt the strategy detailed in Appendix One.

6. Implications

| Implications | Relevant to proposals Y/N | Details and proposed measures to address |
|---|----------------------------------|---|
| Legal/ Governance | Y | <p>The strategy addresses the Council’s corporate priority stated within Our Plan to undertake a systematic review of the Council’s assets.</p> <p>The strategy sets out how the Council will deal with capital receipts from property disposals. Any spend will be approved by the Council in line with existing policy and financial thresholds.</p> <p>Any new initiative, development or partnership resulting from this strategy will have its own dedicated legal and governance assessment.</p> |
| Financial | Y | <p>Property disposal receipts (capital receipts) will be generated, which would be available for reinvestment into the commercial property portfolio through the capital programme process.</p> <p>This approach could be utilised to drive further recurring income and where possible, help to reduce expenditure in property related spend (e.g. housing benefit).</p> <p>No specific projects or developments are covered by the acceptance of this strategy. Any new initiative, development or partnership resulting from this strategy will have its own dedicated business case and financial assessment.</p> |
| Risk | Y | <p>This strategy does not create any additional risk. It aims to operate within existing procedures, policies and processes. Any new initiative, development or partnership will have its own dedicated risk assessment.</p> |
| Comprehensive Impact Assessment Implications | | |
| Equality and Diversity | N/A | |
| Safeguarding | N/A | |
| Community Safety, Crime and Disorder | N/A | |
| Health, Safety and Wellbeing | N/A | |
| Other implications | N/A | |

Please refer to Appendix 1 for the full Asset Management Strategy

Business Development - Asset Management Strategy

| Process checklist | Completed |
|--|------------------|
| Portfolio Holder briefed | Yes |
| SLT Rep briefed | Yes |
| Relevant Exec Director sign off (draft) | Yes |
| Data protection issues considered | Yes |
| If exempt information, public (part 1) report also drafted. (Executive/Hub/Scrutiny) | n/a |