



Council name	<b>COTSWOLD DISTRICT COUNCIL</b>
Name and date of Committee	<b>CABINET - 9 MAY 2024</b>
Subject	<b>ADOPTION OF ASSET MANAGEMENT STRATEGY</b>
Wards affected	All
Accountable member	Cllr Mike Evely - Deputy Leader and Cabinet Member for Finance Email: <a href="mailto:mike.evely@cotswold.gov.uk">mike.evely@cotswold.gov.uk</a>
Accountable officer	Claire Locke, Assistant Director - Property & Regeneration Email: <a href="mailto:claire.locke@cotswold.gov.uk">claire.locke@cotswold.gov.uk</a>
Report Author	Claire Locke, Assistant Director - Property & Regeneration Email: <a href="mailto:claire.locke@cotswold.gov.uk">claire.locke@cotswold.gov.uk</a>
Summary/Purpose	To agree to adopt the Asset Management Strategy to provide a clear strategy for future decision making and investment in the Councils land and property assets.
Annexes	Annex A – List of Assets Annex B – Draft Asset Management Strategy
Recommendation(s)	That Cabinet resolves to:  <ol style="list-style-type: none"><li>1. Adopt the Asset Management Strategy attached at Annex B.</li><li>2. Instruct its consultants Carter Jonas to review its existing assets in line with that Strategy.</li></ol>
Corporate priorities	<ul style="list-style-type: none"><li>● Delivering our services to the highest standards</li><li>● Responding to the challenges presented by the climate crisis</li><li>● Helping residents and communities access the support they need for good health and wellbeing</li><li>● Supporting businesses to grow in a green, sustainable manner, and to provide high value jobs.</li></ul>
Key Decision	YES
Exempt	NO
Consultees/ Consultation	Specialist Council officers representing the Property, Leisure and Waste services, the S.151 and the Deputy Leader and Cabinet Member for Finance were consulted in the drafting of this Strategy.



## **I BACKGROUND**

- 1.1 The Council owns assets totalling £64M. These Assets are held principally as either commercial investments (£5.4M), to provide services such as Leisure, Waste, Parking or Council offices (£55.6M) or as a result of historic ownership, particularly of small plots of land (£3M). An Asset list is provided in Annex A. This information is updated annually and provided on the Council's website.
- 1.1 Recent Audit reports have identified significant risks to the Council in managing its Assets without an Asset Management Strategy (AMS) in place.

## **2 STRATEGIC MANAGEMENT OF ASSETS**

- 2.1 In order to effectively manage this estate, the Council needs to understand its condition so it can plan for and budget for pro-active repairs and maintenance and future investment can form part of decision making on whether an asset is retained, redeveloped or sold.
- 2.2 An Asset Management Strategy would provide a strategic approach to property, establishing what the Council wished to achieve from its estate, aligning it with other Council priorities and ensuring decision making is based on clear policy. Decisions on purchasing, investing in or disposing of property would be based on pre-agreed principles to maximise return, reduce expenses and manage risk, enabling a far more strategic approach rather than consideration of individual properties in a piecemeal way.
- 2.3 The overarching Strategic document would then be complimented by a review of the Council's assets to consider what future approach should be taken. This would be based on data such as current value, how the property is performing (lease income and return on investment) and broader opportunities to maximise income or in some cases dispose of a financial liability.
- 2.4 There is scope to significantly increase the efficiency with which Assets are managed by streamlining delegations and decision making based on the adopted Strategy and transferring or selling assets that provide no value but take time and money to manage and maintain.
- 2.5 The Council undertook an open procurement to appoint a consultant with specialist expertise in this field in the Summer 2023. Unfortunately, no tenders were received. The Council therefore used a Procurement Framework to appoint consultants Carter Jonas to undertake a two stage process. The first stage was the production of a Strategy document. The second is to undertake a review of the land and property assets held by the Council in line with the Strategy once it has been adopted.
- 2.6 The draft Asset Management Strategy produced is attached at Annex B.

## **3 FINANCIAL IMPLICATIONS**

- 3.1 There are no financial implications associated with the adoption of the Strategy. The subsequent review of individual assets will result in an Asset Plan. This is likely to include



recommendations for action such as investment, disposal or rent reviews. Reports for decision will be brought forward as appropriate setting out the financial implications.

- 3.2 The cost of the work undertaken by Carter Jonas to support the Council with the Asset Management Strategy and the detailed plans for each asset is £40,000. This is funded from the Asset Management & Property reserve which is held as a distinct earmarked reserve and was summarised in the 2024/25 Revenue Budget, Capital Programme and Medium-Term Financial Strategy report approved by Council in February 2024 (Table 9b, summary heading Risk Mitigation).

## **4 CONCLUSIONS**

- 4.1 The adoption of the Asset Management Strategy provides a clear framework for the management of the Councils assets ensuring a coordinated approach, linked to Council priorities and the Medium Term Financial Strategy.
- 4.2 Once adopted the Strategy will be applied in a review of all Land and Property assets to ensure the Council is achieving the maximum benefit from its assets.

## **5 LEGAL IMPLICATIONS**

- 5.1 The Council has statutory duties to provide certain services such as Planning, Benefits and Waste collection. The Council also provides essential discretionary services which benefit the public such as leisure centres and public conveniences. The Council needs to have access to appropriate land and buildings to provide these services. In addition the Council owns some commercial investments and acts as landlord. The Council has legal responsibilities regarding the standard of leased properties.

## **6 RISK ASSESSMENT**

- 6.1 If the Council decides not to adopt the Strategy there is a risk that a lack of clear strategic direction in the investment, regeneration, acquisition or disposal of assets negatively affects the Councils finances or that activities do not align with the Cirencester Masterplan or the planned strategic approach to development in the north of the district.

## **7 EQUALITIES IMPACT**

- 7.1 None associated with this report.

## **8 CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS**

- 8.1 None associated with this report. Decarbonisation of assets will be considered on a building specific basis.

## **9 ALTERNATIVE OPTIONS**

- 9.1 The Council could decide not to adopt the Strategy.



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## **10 BACKGROUND PAPERS**

10.1 None.

(END)