



**WEST OXFORDSHIRE
DISTRICT COUNCIL**

WEST OXFORDSHIRE DISTRICT COUNCIL

Name and date of Committee	EXECUTIVE - 20 NOVEMBER 2024
Subject	ADOPTION OF ASSET MANAGEMENT STRATEGY
Wards affected	All
Accountable member	CLlr Alaric Smith - Executive Member for Finance Email: alaric.smith@westoxon.gov.uk
Accountable officer	Claire Locke, Assistant Director - Property & Regeneration Email: democratic.services@westoxon.gov.uk
Report Author	Andrew Turner, Business Manager – Assets and Council Priorities Email: democratic.services@westoxon.gov.uk
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 – Asset Management Strategy Annex B – Schedule of assets by priority
Recommendation(s)	That Executive: <ol style="list-style-type: none">1. Adopts the Asset Management Strategy attached at Annex A.2. That the Council proceeds with the development of Asset Plans for a number of key properties, in line with that Strategy.

Corporate priorities	<ul style="list-style-type: none"> ● Putting Residents First ● Enabling a Good Quality of Life for All ● Creating a Better Environment for People and Wildlife ● Responding to the Climate and Ecological Emergency ● Working Together for West Oxfordshire
Key Decision	YES
Exempt	No
Consultees/ Consultation	Specialist Council officers representing the property, leisure and waste services, the S151 and Executive Member for Finance were consulted in the drafting of this Strategy.

1. BACKGROUND

- 1.1 The Council owns assets totalling £128m. These assets are held principally as either commercial investments (£51m) to provide services such as Leisure, Waste, Parking or Council Offices (£73m), or as a result of historic ownership, particularly small plots of land (£4m).
- 1.2 Recent audit reports have identified significant risks to the Council in managing its Assets without an Asset Management Strategy (AMS) in place.
- 1.3 In April 2024 Executive agreed funding for the preparation of an Asset Management Strategy, Asset Plans and Condition surveys.

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 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 AMS 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 used a Procurement Framework to appoint consultants Carter Jonas to undertake a two-stage process. The first stage was the production of a AMS document. The second is to undertake a review of key land and property assets held by the Council in line with the Strategy once it has been adopted. Assets will be prioritised, with a focus on those that are underperforming, underutilised or may require significant investment. The Asset Plans produced will guide decision making based on opportunities and costs and may result in subsequent reports coming back to Executive with the Asset Plan, recommending disposal or investment.
- 2.6 The draft AMS produced is attached at Annex A.

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 preparation of the AMS and Asset Plans is being funded from the Property budget 2024/25 at a total cost of £50,000.
- 3.3 A budget allocation of £30,000 per year was allocated for a rolling programme of building and car park condition surveys.

4. CONCLUSIONS

- 4.1 The adoption of the AMS 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.
- 4.3 Asset Plans will then be commissioned based on priority, in consultation with the S.151 and Executive Member for Finance. A good example of an asset that would be the subject of an Asset Plan is the Greystones Depot at Chipping Norton. This depot is a satellite depot for Ubico but the wider site is underutilised and the buildings on the site are in a very poor state of repair. Considerations would include investment in the site to then attract additional lease income or disposal of the site.

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 AMS 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 Council strategic objectives or plans such as the Local Plan, Parking Strategy or Leisure strategy.

7. EQUALITIES IMPACT

- 7.1 None associated with this report.

8. CLIMATE AND ECOLOGICAL EMERGENCIES PLANNING

8.1 None associated with this report. Decarbonisation of assets will be considered on a building specific basis and form part of any decision report.

9. ALTERNATIVE OPTIONS

9.1 The Council could decide not to adopt the Strategy.

10. BACKGROUND PAPERS

10.1 None.

(END)