

To: Cabinet
Date: 15 December 2021
Report of: Finance and Performance Panel
Title of Report: Asset Management Strategy

Summary and recommendations	
Purpose of report:	To present Finance and Performance Panel recommendations concerning the Cabinet's Asset Management Strategy report
Key decision:	Yes
Scrutiny Lead Member:	Councillor James Fry, Chair of the Finance and Performance Panel
Cabinet Member:	Councillor Ed Turner, Deputy Leader and Cabinet Member for Finance and Asset Management
Corporate Priority:	All
Policy Framework:	Corporate Strategy 2020-24
Recommendation: That the Cabinet states whether it agrees or disagrees with the recommendation in the body of this report.	

Appendices
None

Introduction and overview

1. At its meeting on 07 December 2021, the Finance and Performance Panel considered the forthcoming Cabinet report concerning the Asset Management Strategy.
2. The Panel would like to thank Mike Scott, Senior Estates Surveyor, for authoring and presenting the report and responding to questions, and to Emma Gubbins, Corporate Asset Lead for her support with the meeting also.

Summary and recommendation

3. Mike Scott, Senior Estates Surveyor, presented to the Panel the Cabinet report on the Asset Management Strategy .
4. The Strategy would cover the next 10 years, a change in approach from previously, where the Council had had five year plans. The key difference would be that the new arrangements would allow delineation between strategic objectives, and the plans how to achieve those objectives, enabling the Council to have a more flexible and dynamic approach. In terms of its contents, the strategy engaged with new issues, such as the impacts of Covid on the commercial property market, but was generally an evolution from previous iterations. An investment of £20m in regenerative activities would help dilute the Council's high concentration of property within the retail sector. Another issue more prominent in the strategy compared to previous documents was the activity of the Council in seeking to address the Climate Emergency. Cost-wise, the Strategy was already included within the Medium Term Financial Plan, meaning the costs formed part of the Council's existing budget.
5. Issues discussed by the Panel in response to the report presented included; exploring issues around alternative diversification possibilities, particularly housing and logistics; the importance of integration of biodiversity into projects rather than just including it in designated sites; noting the value of taking a policy view on whether to support boats as homes in the City in order to maximise the utility of the Council's waterway assets; the comparative attractiveness of the city centre as a shopping destination; the level of resource available for the implementation of the Strategy, and the degree of cross-working between Council departments to deliver it and the issues arising from the need to work within the constraints of the Local Plan.
6. The Panel wishes to make one recommendation regarding the carbon reduction strand of the policy, and the importance of phasing out gas.

Carbon Reduction

7. The draft Asset Management Strategy states in s 7.4 that 'The Council's strategic response to these challenges are not to be seen as 'nice to have' but as 'must have' if it is to deliver on our carbon goals for our operational property assets, as set out in our Carbon Management Plan.' The Panel is fully in agreement with this view. The Strategy also notes that 'gas combustion accounts for 43% of the Council's emissions. Emissions have increased due to the addition of extra properties on our estate carbon footprint and through increased usage in our leisure centres.'
8. In discussion of this the view of the Panel was that if gas usage is sufficiently deleterious to the Council's carbon reduction targets that it is specifically identified as part of the strategy, the Council ought to be meeting that issue with a commensurate response, to phase out gas usage over the medium to long term.
9. The response made by officers to this suggestion was that particular projects and properties, with their own specific needs and considerations would be

informed by the strategy goals, but the specific means of achieving those goals most effectively would be situation-specific and more appropriately dealt with as part of the Asset Management Action Plan, rather than committed to within the overall Strategy. The Panel largely takes this point, that a strategy document should not unduly fetter the Council in options to achieve its strategic aims by being excessively specific. In this instance, however, the Panel feels that with gas being such a significant contributor to Council carbon emissions, if the Council is to meet its zero carbon targets, it must address the use of gas. This is particularly the case as the Cabinet is due to reconsider its green gas purchasing policy and recommends diverting the monies for it towards 'net zero transition.' The Panel considers its suggestion to be very much consistent with this position and suggests that it is appropriate that a commitment towards phasing out the use of gas in the medium to long term is therefore included in the Asset Management Strategy.

Recommendation 1: That the Council includes within the Strategy a commitment to working towards phasing out the use of gas within its non-domestic properties over the medium to long term.

Further Consideration

10. The Panel does not anticipate revisiting this issue again directly, although a lot of the issues the strategy aims to address will remain of relevance and interest to the Panel in its consideration of other items.

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Cabinet response to recommendations of the Finance and Performance Panel made on 07/12/2021 concerning the Asset Management Strategy report.

A verbal response will be provided by the Cabinet Member for Finance and Asset Management, Councillor Ed Turner

<i>Recommendation</i>	<i>Agree?</i>	<i>Comment</i>
1) That the Council includes within the Strategy a commitment to working towards phasing out the use of gas within its non-domestic properties over the medium to long term.		