

To: Cabinet
Date: 10th August 2022
Report of: Head of Corporate Property
Title of Report: Asset Management Strategy 2021 - 2031

| Summary and recommendations | |
|--|---|
| Purpose of report: | To approve the Asset Management Strategy 2021 - 2031 ,which will provide an ongoing framework for the management of the Council’s property assets, for adoption by the Council |
| Key decision: | Yes |
| Executive Board Member: | Councillor Ed Turner Portfolio Holder for Finance and Asset Management |
| Corporate Priority: | Linked to all Corporate Priorities |
| Policy Framework: | The Asset Management Strategy is a Policy Framework document and additionally has links to other Policy Framework documents including the Corporate Plan, Sustainability Strategy, Leisure Policy, Housing and Homelessness Strategy and the Economic Development and Growth Strategy |
| Recommendation(s):That the Cabinet resolves to: | |
| | <ol style="list-style-type: none"> 1. Approve the Asset Management Strategy 2021- 2031 for adoption by the Council 2. Delegate approval to the Executive Director of Development for any non-substantive changes to the Asset Management Strategy 3. Delegate approval and ongoing change to the Asset Management Action Plan (AMAP) to the Executive Director of Development in consultation with the Portfolio Holder for Finance and Asset Management |

| Appendices | |
|-------------------|--|
| Appendix 1 | Asset Management Strategy 2021-2031 |
| Appendix 2 | Template for Asset Management Action Plan (AMAP) |
| Appendix 3 | Risk Register |

Background

- 1 The Council has a duty to prepare an Asset Management Strategy (AMS) and Plan and historically has prepared a plan on a 5 yearly basis to set out the Council's objectives, priorities and delivery model for its assets which are substantive and extensive in nature and comprise some 547 Operational Assets and 234 Investment Assets providing a rental income pre Covid of some £12.7M.
- 2 A new Asset Management Strategy 2021-2031 has been prepared to replace the existing Asset Management Plan 2016-2021 which was adopted in 2016.
- 3 Cabinet approved the draft Asset Management Strategy 2021-2031 for public consultation in December 2021.
- 4 We are therefore bringing the Asset Management Strategy 2021-2031 back to Cabinet for approval and adoption by the Council with no changes apart from an update to reflect position on Gas as assured by the Portfolio Holder at Cabinet in December 2021 along with minor grammatical spelling formatting and punctuation amendments.

The Asset Management Strategy (AMS)

- 5 The AMS:
 - Provides a clear statement of direction for internal and external stakeholders; and
 - Identifies to the public the way the Council will deal with its land and buildings during the next 10 years.
- 6 The Council's Corporate Plan provides the leadership and vision of building on its strengths to provide a 'World Class City for everyone' and this vision and direction is at the core of the new AMS.
- 7 The AMS documents a shift towards a more dynamic approach with a 10 year strategy and a more flexible Asset Management Action Plan (AMAP) that is a live continuously evolving document.
- 8 The AMAP will have clear management control through Asset Review Group and Development Board which will drive quarterly performance and progress reporting. The initial AMAP will be completed within 3 months of the adoption of the strategy.
- 9 Consideration has been given not just to how the Council can manage its property assets but how these can be used to influence the wider environment and economy supporting the Council's core priorities:
 - Thriving Communities;
 - More Affordable Housing;
 - An Inclusive Economy; and
 - A Zero Carbon Economy.
- 10 The AMS is structured as follows:
 - Section 1 Introduction;
 - Section 2 – an Executive Summary giving a broad overview;

- Section 3 – articulates the role of the Strategy to foster a long term perspective that enables capital and operational sustainability and efficiency;
 - Section 4 – provides details of our property estate;
 - Section 5 – details our approach to Asset Management and direction of travel towards an ‘Oxford’ Corporate Landlord Model;
 - Section 6 – places the Strategy in its policy context and provides a bridge between the Councils Core Objectives and the Strategy;
 - Section 7 – Provides the context to the plan and the detailed strategy distilled down into the eleven core strategic areas we identify and listed alphabetically below:
 - Agile Spaces
 - Asset Condition
 - Biodiversity
 - Carbon Reduction
 - Car Parks and Park & Rides
 - City Centre
 - District Shop Portfolio
 - Housing Development
 - Investment Portfolio
 - Leisure and Community Facilities
 - Parks Open Spaces and Waterways
 - Section 8 – outlines the governance; and
 - Section 9 – provides details of current and proposed activities that are to be undertaken and will provide an initial feed to the AMAP.
- 11 The AMAP format is attached at appendix C with an initial version intended to be completed and approved within three months of the adoption of the AMS by the Council.
- 12 Key points of note in relation to the AMS compared to the previous Asset Management Plan include:
- It covers the General Fund property portfolio only. Housing has its own separate Asset Management Plan;
 - It continues incremental development of the strategy rather than radical change;
 - It responds to significant change due to the effects of the Covidandemic upon the property portfolio and income streams; and
 - Positions the strategy in the context of the climate emergency and action that is required in response.

Consultation and engagement

- 13 Public Consultation has been undertaken through the Consultation Portal and circulated to over 180 interested parties with no responses were received. This lack of response was disappointing, but not unanticipated as only one response was received to the 2016 plan and similarly to the 2011 plan.

- 14 The AMS has though been developed through extensive consultation with, Service Heads and Senior Council Managers alongside a review of market, economic and budgetary impacts on Oxford and the Council's assets.
- 15 The development of the AMAP will also be subject extensive internal engagement across the council and with Service Heads and will also engage in how our assets can drive savings and efficiencies within its remit.

Legal Issues

- 16 There are no direct legal implications arising out of this report.

Financial Issues

- 17 The AMS 2021 – 2031 has adopted current agreed budgets.
- 18 Any future changes will be subject to appropriate approval processes that apply to any budget proposals.

Carbon and environmental considerations

- 19 This proposed strategy complies with Oxford City Council's policies and commitments relating to carbon reduction and safeguarding the environment.
- 20 We do not consider that the AMS itself requires an Environmental Assessment as it provides a strategic framework for action only with no direct environmental impact.
- 21 Each project in the AMAP will specifically address environmental issues and consideration of the need for an Environmental Assessment will be made at the inception of those individual projects and actions.
- 22 Policy guidelines to ensure appropriate consideration is given will be developed within the AMAP.
- 23 The strategy re-states and brings us closer to our commitment to becoming a Zero Carbon Council by 2030 or earlier and Zero Carbon Oxford by 2040 or earlier by outlining a strategy for management of the Council's property assets.
- 24 Through this strategy projects and work packages will be developed through the AMAP to deliver against the commitments made.
- 25 The AMS will support the delivery of the following plans and strategies:
 - The 4th Carbon Management Plan 2021 – 2030: The Strategy will support the development of a plan to decarbonise the City Council's fleet vehicles;
 - The Net Zero Oxford Action Plan: Net Zero by 2040 requires decarbonisation of road transport;
 - The Council Strategy 2020 – 2024: Includes the priority to pursue a zero carbon Oxford;
 - .Oxford Local Plan 2036: Includes commitments to provide EV infrastructure with new developments; and

- Air Quality Action Plan 2021 – 2025: Requires the reduction in usage of fossil fuel cars in the city.

Level of Risk

- 26 A Risk Register is provided alongside the AMS. This identifies core risks which primarily include the lack of an AMS/AMAP, poor delivery and market change with a number of other lower level risks.
- 27 The conclusion is that with the adoption of AMS and proper implementation of the AMAP risks will be effectively managed and mitigated and reduced so that overall risk can be considered low.

Equalities Impact

- 28 We do not consider that the AMS itself requires an Equalities Impact Assessment as it provides a strategic framework for action only with no direct equalities impact.
- 29 Each project in the AMAP will specifically address equality issues and consideration of the need for Equalities Impact Assessments will be made at the inception of those individual projects and actions.
- 30 Policy guidelines to ensure appropriate consideration is given will be developed within the AMAP.

| | |
|----------------------------|--|
| Report author | Mike Scott |
| Job title | Senior Estates Surveyor |
| Service area or department | Corporate Property |
| Telephone | 07483 010449 |
| e-mail | mwscott@oxford.gov.uk |

| |
|--------------------------------|
| Background Papers: None |
|--------------------------------|

This page is intentionally left blank