

To: Cabinet
Date: 10 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 for adoption by the Council. The Strategy will provide an ongoing framework for the management of the Council’s property assets.
Key decision:	Yes
Executive Board Member:	Councillor Ed Turner, Deputy Leader (Statutory) - Finance and Asset Management
Corporate Priority:	All
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.
Recommendations: That Cabinet resolves to:	
<ol style="list-style-type: none"> 1. Recommend to Council that the Asset Management Strategy 2021- 2031 be adopted; 2. Delegate authority to the Executive Director (Development) in consultation with the Deputy Leader (Statutory) – Finance and Asset Management to make minor, non-substantive changes to the Strategy; 3. Delegate authority to the Executive Director (Development) in consultation with the Deputy Leader (Statutory) - Finance and Asset Management to make ongoing changes to the Asset Management Action Plan (AMAP). 	

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. Historically, a Plan has been prepared on a five yearly basis to set out the Council's objectives, priorities and delivery model for its assets. These 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 The Asset Management Strategy 2021-2031 is being brought back to Cabinet for approval and adoption by the Council with no changes apart from an update to reflect the position on gas, as assured by the Portfolio Holder at Cabinet in December 2021. Minor grammatical, spelling, formatting and punctuation amendments have also been made.

The Asset Management Strategy (AMS)

- 5 The Asset Management Strategy:
 - 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'. This vision and direction is at the core of the new Asset Management Strategy.
- 7 The Asset Management Strategy documents a shift towards a more dynamic approach, with a ten year strategy and a more flexible Asset Management Action Plan (AMAP) which is a live, continuously evolving document.
- 8 The AMAP will have clear management control through the Asset Review Group and the Development Board. This 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
- A Zero Carbon Economy.

10 The Asset Management Strategy 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 the 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 identified 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 2, with an initial version intended to be completed and approved within three months of the adoption of the Asset Management Strategy by the Council.

12 Key points of note in relation to the Asset Management Strategy compared to the previous Asset Management Plan include:

- It covers the General Fund property portfolio only. There is a separate Asset Management Plan for Housing;
- It continues incremental development of the strategy, rather than radical change;
- It responds to significant change due to the effects of the Covid pandemic on the property portfolio and income streams; and
- It positions the strategy in the context of the climate emergency and action which 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 received. This lack of response was disappointing, but not unanticipated as only one response had been received to the 2016 Plan and similarly to the 2011 Plan.
- 14 The Asset Management Strategy has been developed through extensive consultation with Heads of Service 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 Heads of Service. It will also engage with work to identify how the Council's assets can drive savings and efficiencies.

Legal Issues

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

Financial Issues

- 17 The Asset Management Strategy 2021 – 2031 has adopted current agreed budgets.
- 18 Any future changes will be subject to the appropriate approval processes which apply to budget proposals.

Carbon and environmental considerations

- 19 The Strategy complies with Oxford City Council's policies and commitments relating to carbon reduction and safeguarding the environment.
- 20 It is not considered that the Asset Management Strategy requires an Environmental Impact Assessment, as it provides a strategic framework for action, with no direct environmental impact.
- 21 Each project in the AMAP will specifically address environmental issues. Consideration of the need for an Environmental Impact Assessment will be made at the inception of those individual projects and actions.
- 22 Policy guidelines to ensure appropriate consideration is given will be enveloped within the AMAP.
- 23 The Strategy re-states, and brings the Council closer to, the commitment to become 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 Projects and work packages will be developed through the AMAP to deliver against the commitments made.
- 25 The Asset Management Strategy 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 Asset Management Strategy. This identifies core risks which primarily include the lack of an Asset Management Strategy/Asset Management Action Plan; poor delivery; market change; and a number of other lower level risks.
- 27 The conclusion is that with the adoption of the Asset Management Strategy 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 It is not considered that the Asset Management Strategy requires an Equalities Impact Assessment as it provides a strategic framework for action, with no direct equalities impact.
- 29 Each project in the AMAP will specifically address equality issues. 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 that 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