



EXECUTIVE BOARD DECISION

REPORT OF:	Executive Member for Growth and Development
LEAD OFFICERS:	Strategic Director of Growth & Development
DATE:	Thursday, 10 October 2024

PORTFOLIO/S AFFECTED:	Growth and Development
WARD/S AFFECTED:	(All Wards);
KEY DECISION:	Y

SUBJECT: Strategic Asset Management Plan - 2024 Update

1. EXECUTIVE SUMMARY

The Council's **Strategic Asset Management Plan 2023-2026**¹ (the 'SAMP') was approved by the Council's Executive Board in March 2023. It sets out the Council's intentions relating to property assets - to support our corporate priorities, increase the Council's financial resources and deliver value for money. The Council recognises that effective management of our land and property is essential to meeting the Council's priorities and improvement aims, with on-going asset rationalisation presenting opportunities to reduce costs and improve service efficiencies.

This report reviews progress against the Key Performance Indicators (KPIs) and Action Plans which were set out in the SAMP, providing an update on activity to date.

This strategic review is aimed at supporting our overall objectives to reduce expenditure, increase income and realise value from our strategic land assets. It's key to the delivery of our Place investment; closely linked to the Council's Capital Programme; and to capturing external funding opportunities and achieving our Medium-Term Financial Plan. The updated KPI Report and Action Plan are included as appendices to this report, setting out the details of the latest progress against each action.

2. RECOMMENDATIONS

That the Executive Board notes the progress made by the Growth & Development team against the SAMP Key Performance Indicators and Action Plan.

3. BACKGROUND

Asset Management

Asset Management is the activity of aligning land and property assets with the strategic aims and direction of the organisation and adding both financial and non-financial value to the organisation as a result.

¹ <https://blackburn.gov.uk/land-and-property/strategic-asset-management-plan>

The **SAMP** covers a 3-year timeframe from 2023/24 to 2025/26 identifies the following 7 objectives: -

1. achieve corporate objectives and improve service delivery;
2. set out the scope of the Council's property assets portfolio;
3. assist in maximising the beneficial use of property assets;
4. promote service benefits such as accessibility, user satisfaction and comfort;
5. generate carbon and budget efficiencies;
6. encourage continuous review and challenge of the use and ownership of property assets; and
7. ensure that buildings are maintained in line with statutory requirements.

The Council's new Corporate Plan, which was agreed following publication of the SAMP, has further strengthened the objectives around supporting the Council's climate change and service adaptation priorities.

Our Asset Portfolio

The Council carries out the whole range of functions required of a unitary authority including education, social care, leisure culture and sport, planning, highways and housing. As a result of this, the Council holds a large and diverse portfolio of land and building assets which extends to around 12% of the borough's land coverage. The reasons for holding these assets will vary and, therefore, the performance of each asset must link to the strategic purpose for holding it.

- The Council's asset list for valuation purposes records circa 600 individual land and property assets, of which circa 200 are buildings and 400 are land parcels.
- Each of the assets are valued in accordance with CIPFA guidance and the value included within the Statement of Accounts, which for 2023/24 records the book value for these assets as £242.753m.
- The Council's asset list for ownership and property management purposes records circa 2,700 individual assets, which includes subdivisions of the valued assets and other assets which are not recorded for valuation purposes.

The **operational estate** comprises assets which are utilised for the delivery of Council services, the **investment estate** includes land and property which generates income from tenants, and the **community estate** comprises assets such as amenity land, allotments and gardens. **Surplus property** is any asset which does not fall into any of the previous three categories and has been declared surplus via the Council's Asset Management Group (AMG).

Our Investment Estate

The Council's **Investment Estate** directly contributes towards the Council's Financial Plan. The portfolio comprises a variety of industrial units, retail premises, ground rents and other commercial properties occupied by various tenants (businesses, individuals and community organisations). In 2023/24 the Council received an investment estate income of £2,548,442 based on circa 300 assets (excluding business centres), which is an 8.4% increase on our 2022/23 income.

KPIs and Action Plan

The KPIs and action plan are illustrated at section 6 of the SAMP. They outline how the strategic objectives will be delivered and identify the links between the Council's Corporate Plan, the Asset Management Plan and timescales for delivery. Progress updates against the KPIs and Actions are included at Appendix A – KPIs and Appendix B – Action Plans.

Asset Reviews

The Council's assets deliver a combination of front-line services, indirect service provision and support to our communities. Some assets are legacies from donations in the past, local government reorganisation or previous acquisition and all these assets need to have a purpose which should be continuously challenged.

Therefore, the Growth and Development Department, in conjunction with all other Council Departments, is progressing an Asset Review to identify opportunities for service improvement and revenue savings to help support the Council's Medium Term Financial Plan. The Review, in Phase 1, initially considered 65 of the Council's key buildings from the operational estate and assessed the assets against service needs to identify

opportunities for co-location, service relocation or intensification of existing assets.

A summary of the proposed interventions, which required no change to service provision, were approved by Finance Council in February 2024, allowing officers to commence with more detailed engagement work and/or disposals via a lease or sale.

4. KEY ISSUES & RISKS

Many external factors continue to impact upon how local authorities prioritise their asset management activities. These include, for example, the Climate Emergency, Brexit, the Covid-19 pandemic, the Cost of Living Crisis and international conflicts.

From 2010 onwards, the budget for planned maintenance work and building condition surveys was significantly reduced. Targeted planned preventative maintenance not only reduces cost, but also the impact and downtime caused. Therefore, to support future planned maintenance programmes and asset improvement works to reduce carbon emissions, a new programme of building condition assessments is being compiled, for completion within the timeframe of the SAMP, and to be used to inform the future Capital Programme.

5. POLICY IMPLICATIONS

The Strategic Asset Management Plan aligns with, and in some cases informs, existing Council Policies and Strategies including the Financial Plan, Corporate Plan, Climate Emergency Action Plan, Capital Programme, Local Plan and Growth Programme.

6. FINANCIAL IMPLICATIONS

None. A revenue fund of £300,000 over the 3-year period of the Strategic Asset Management Plan was approved in March 2023, and no additional funding is sought at this time. Any follow-on capital requests for individual projects are to be reported separately.

7. LEGAL IMPLICATIONS

Whilst there may be legal implications for individual projects there are no legal implications for the monitoring of the Strategic Asset Management Plan, and indeed is a requirement of the financial governance framework that an asset plan is prepared and adopted by the Council.

8. RESOURCE IMPLICATIONS

Whilst there may be resource implications for individual projects there are no additional resource implications for the Growth & Development department for the implementation and monitoring of the Strategic Asset Management Plan.

9. EQUALITY AND HEALTH IMPLICATIONS

Option 1 Equality Impact Assessment (EIA) not required – the EIA checklist has been completed.

Option 2 In determining this matter the Executive Member needs to consider the EIA associated with this item in advance of making the decision.

Option 3 In determining this matter the Executive Board Members need to consider the EIA associated with this item in advance of making the decision.

10. CONSULTATIONS

Consultations will be undertaken for any follow-on schemes developed by the on-going Asset Review Process in accordance with the Council's constitution and other statutory planning legislation.

11. STATEMENT OF COMPLIANCE

The recommendations are made further to advice from the Monitoring Officer and the Section 151 Officer has confirmed that they do not incur unlawful expenditure. They are also compliant with equality legislation and an equality analysis and impact assessment has been considered. The recommendations reflect the core principles of good governance set out in the Council's Code of Corporate Governance.

12. DECLARATION OF INTEREST

All Declarations of Interest of any Executive Member consulted and note of any dispensation granted by the Chief Executive will be recorded in the Summary of Decisions published on the day following the meeting.

VERSION:	1
-----------------	----------

CONTACT OFFICER:	PMO Growth
-------------------------	-------------------

DATE:	10/10/2024
--------------	------------

BACKGROUND PAPER:	
--------------------------	--