

Public Accounts Committee			
Report Title	Strategic Asset Management Plan 2015-2020		
Key Decision	No	Item No.	5
Ward	All		
Contributors	Head of Corporate Asset Services; Sustainable Resources Group Manager		
		Date:	10 December 2014

Reason for lateness

This report was not available for the original dispatch because it was necessary to provide further information that required analysis before being able to be published. The report is urgent and cannot wait until the next meeting of the Public Accounts Select Committee as the Committee has identified this issue as a high priority as part of their work programme.

1. Purpose

- 1.1 This report seeks the views of Public Accounts Committee on the approach proposed to Lewisham's Strategic Asset Management Plan 2015-2020.

2. Recommendations

- 2.1 Public Accounts Committee is invited to comment on the draft Strategic Asset Management Plan and in particular:
- The approach proposed to management of corporate assets (section 3.2)
 - The accommodation strategy (section 3.3)
 - The approach to statutory compliance and risk (section 3.4)
 - The proposals for optimising the commercial estate (section 3.5)
 - The delivery plan (section 4)

3. Policy context

- 3.1 Lewisham's Sustainable Community Strategy 'Shaping our future' 2008-2020 sets out 6 priority outcomes. Each of these outcomes are relevant, since Council assets provide the foundation for delivery across the range of services, though the Strategic Asset Management Plan has particular resonance with the priorities for 'Dynamic and prosperous' communities 'where people are part of vibrant localities and town centres well connected to London and beyond'.
- 3.2 Lewisham's Corporate Strategy sets out 10 corporate priorities. For the reasons above the Council's asset base is integral to each of these

priorities, but has particular links to ‘Clean, green and liveable’, ‘Strengthening the local economy’, ‘Decent Homes for all’, and ‘Inspiring efficiency, effectiveness and equity’.

- 3.3 Lewisham’s Regeneration Strategy 2008-2020 set out priorities for investment in infrastructure for Lewisham and the Council’s role in reshaping the borough to meet the needs of communities now and into the future. A proposed ‘refresh’ of the Regeneration Strategy for 2015 will update the current document to reflect the different national and local economic circumstances since 2008 and respond to demographic changes forecast in the 2011 census. It will also be an opportunity to reframe the focus across the borough based on the evolving picture on housing, regeneration and development.
- 3.5 Lewisham’s Housing Strategy 2009-14 responds to the commitments within the Sustainable Community Strategy, and to the level of housing need evidenced in the borough and the future aspirations of residents. The Housing Strategy includes five areas where Lewisham needs to make an impact, and in particular:
 - Increasing housing supply;
 - Widening housing choice and managing demand.

- 3.6 Lewisham’s *Children & Young People’s Plan* sets out the Council’s vision for improving outcomes for all children and young people, and reducing the achievement gap between our most disadvantaged pupils and their peers. It also aims to improve outcomes for children with identified SEN and disabilities. The local authority has a duty to ensure the provision of sufficient places for pupils of statutory age and, within financial constraints, accommodation that is both suitable and in good condition.

4. Background

- 4.1 The proposed approach to the Strategic Asset Management Plan was discussed at a meeting of Public Accounts Committee on the 25 March 2014.
- 4.2 The current draft of the Strategic Asset Management Plan 2015-2020 is intended to respond to the Public Accounts Committee request for more detailed information on the management of the corporate estate. The level of detail presented in the draft is intended to help generate discussion to help shape the final Strategic Asset Management Plan. The final document is scheduled to go to Mayor and Cabinet in March 2015
- 4.3 The SAMP describes the Council’s approach to management of its assets and provides links to the operational and technical detail that underpins the overall strategy. The SAMP is intended to provide the framework for decision-making across the estate and for individual buildings, and shape delivery of a resource at the heart of the Council’s current and future offer to residents.

- 4.3 The draft SAMP sets four interlinked objectives driving the range of activities to be delivered over the coming years. These are:
- Compliance with regulation and responsiveness to risk
 - Improving the quality of services delivered by the corporate asset function
 - Reducing expenditure associated with the Council's assets
 - Increasing the level of income generated by the Council's assets
- 4.5 A summary of the Council's asset register is set out in section 2 of the SAMP.
- 4.6 A core priority for the Council has been to significantly strengthen the management of corporate assets as the basis for ensuring their safe use and to improve the quality and value for money of the service they can deliver. Section 3 of the SAMP describes the foundations of this change include more robust data and processes, increased capacity and stronger governance and decision-making.
- 4.7 Section 3 of the SAMP sets out the Council's Accommodation Strategy that seeks to optimise the use of assets to maintain the quality of service provision while further driving reductions in expenditure and exposure to costs. The overall level of savings required of the Council increasingly requires a transformational approach, but with rising values for property and land there are opportunities to use the Council's portfolio to open up potentially significant income sources.
- 4.8 Understanding risk and ensuring compliance with statutory requirements is an absolutely fundamental priority. Section 3 of the SAMP sets out the different strands of this activity including fire safety, asbestos management, water hygiene, DDA compliance, Energy Performance Certificates, staff safety and third party management of assets.
- 4.9 Effective management of the commercial estate is an essential part of getting value for money from the corporate estate and responding to the Council's wider financial pressures. Section 3 of the SAMP includes the approach proposed to the commercial estate in terms of fully utilising assets, increasing income by achieving market rates and the proactive collection of income.
- 4.10 The final section of the SAMP sets out the approach proposed to delivery by setting out an overview of the outcomes and projects included within the body of the document, setting out the key indicators and targets that will be used to monitor performance, identifying the risks associated with management of corporate assets and the overall timetable for delivery.

5. Financial implications

- 5.1 The Council's total assets, including housing, have a value of £1.7bn. The total net controllable budget for Corporate Asset Services in 2014/15 is £7.7m. The Strategic Asset Management Plan would be expected to drive improvements in the value of assets, increasing revenues and decreasing exposure to costs. There are however no direct financial implications for the Council specifically as a result of this report.

6. Legal implications

- 6.1 There is no statutory requirement on local authorities to have an asset management plan in place, although it is considered a matter of good practice. The asset management plan does not require approval by Full Council and is a decision for Mayor and Cabinet.

7. Environmental implications

- 7.1 The Council's assets, and the operation of the corporate estate has implications for carbon emissions, local air quality, use of resources and a range of other environmental factors. Improving the efficiency of the estate would be expected to have a positive environmental impact.

8. Equalities implications

- 8.1 The equalities implications of decisions in relation to the corporate estate will be considered in detail as part of the Accommodation Strategy and in relation to decisions on individual buildings will be subject to the Council's decision-making processes.

9. Crime and disorder implications

- 9.1 There are no crime and disorder implications arising out of this report.