

Cabinet – 15 December 2021

Walsall Council Strategic Asset Plan 2022-27

Portfolio: Councillor Andrew – Deputy Leader and Regeneration

Related portfolios: N/A

Service: Corporate Landlord

Wards: All

Key decision: Yes

Forward plan: Yes

1. Aim

The Strategic Asset Plan is the key document which sets out the Council's vision and approach for the management of its property portfolio under the new Corporate Landlord model.

2. Summary

- 2.1 The Council's property function has undergone a transformation to create a comprehensive, joined up service operating under a Corporate Landlord Methodology
- 2.2 Coupled with the integration of the Corporate Landlord service is the preparation of a Strategic Asset Plan which sets out the principles and objectives for the operational and strategic management of the Council's property assets.
- 2.3 The document also establishes clear governance arrangements for decision making and policies, processes and strategies for the active management of the portfolio.
- 2.4 The adoption of the Strategic Asset Plan is a key decision because it is significant in terms of its direct effects on communities in an area comprising two or more wards in the Borough.

3. Recommendations

That Cabinet approves the Strategic Asset Plan 2022-27 as attached in Appendix 1 including the governance arrangements, strategies and processes contained therein with the exception of Appendices 2 and 4 of the Strategic Asset Plan which will be brought to a future Cabinet meeting for approval.

4. Report detail - know

Context

- 4.1 Walsall Council has adopted a Corporate Landlord approach to the management of its land and property assets in order to support the Council's Corporate Plan Priorities.
- 4.2 The council's property portfolio extends to over 750 separately listed land and building assets, with a current total book value of over £335 million (as at 31st March 2021). Without careful management, there is potential to waste money by keeping buildings that are not fit for use or unnecessary. Equally, all assets have a value and if they are no longer required the Council might be able to sell them to unlock that value and use or invest the money elsewhere.
- 4.3 The Corporate Landlord model approach takes a more strategic approach to property and asset management across the Council, bringing together property, facilities management and commissioning responsibilities into a key Enabling Service under the Council's new functional model. This will ultimately enable the development and implementation of an estate that supports Walsall Proud Programme and the wider corporate objectives of the Council.
- 4.4 The Corporate Landlord model approach ensures that Property shall be centrally managed and maintained as a corporate resource by the Corporate Landlord, with service directorates and maintained schools occupying corporate assets as 'Tenants'. This provides the best mechanism for driving a more strategic approach.
- 4.5 Walsall Council has agreed the definition for the Corporate Landlord model within the Council which provides the new ways of working across Corporate Landlord Services:
"A corporate and strategic approach to the management of the Council's estate, involving closer integration of property asset management and facilities management resources, and closer working with service directorates and partners on estate planning – supported by effective governance and decision-making."
- A fundamental principle is that all property is treated as a corporate resource such that decisions on the management, maintenance and funding of property assets must be taken in the interests of the Council as a whole to ensure best value for the taxpayers of Walsall.*
- The overall aim is to enable more efficient and effective management of property, whilst optimising the estate and aligning it to the future delivery of Council services"*
- 4.6 It is important for the Council to focus on how it uses all of its resources, including, its land and buildings, in order to achieve its goals and deliver the priorities set out in the Corporate Plan. To support this, the Council has prepared a new Strategic Asset Plan (SAP), taking account of best practice advice from CIPFA, which comprises three separate elements as follows:
- Asset Management Policy
 - Asset Management Strategy
 - Asset Management Action Plan

Asset Management Policy

- 4.7 The following five policy objectives describe the Council's commitment to property asset management and to achieving the benefits that can be delivered through effective use of the portfolio:
1. To plan and manage property as a corporate resource for the benefit of the people of Walsall
 2. To provide the right property, fit for purpose, in the right place, to meet current service needs and to plan for the future
 3. To manage and maintain property effectively, efficiently and sustainably, together with optimising financial return and commercial opportunities from the rationalisation and disposal of land and buildings
 4. To use land and buildings to stimulate development and growth, together with supporting local business needs and encouraging new business to the area
 5. To promote joint working where it will provide benefit for service delivery and in securing efficiencies

Asset Management Strategy

- 4.8 The Asset Management Strategy details the main priorities for managing and developing the estate over the life of the Strategic Asset Plan:
- Our Corporate Landlord Approach
 - Our Money
 - Investment Property
 - Optimising Assets
 - Measuring Performance
 - Challenging our Assets
 - Climate Change
 - Regeneration and Housing
 - Working with Partners
 - Engaging with Communities
 - Supporting our Service Areas

Asset Management Action Plan

- 4.9 The Asset Management Action Plan sets out the main work streams required in order to deliver the Asset Management Strategy with key milestones to measure progress. The Action Plan is divided into three sections:
- A. Strategic
 - B. Operational
 - C. Service Improvement
- 4.10 In addition to the core SAP document, there is a suite of appendices to the main document which contain the policies, procedures, strategies, governance and

further detail which enables the Corporate Landlord to deliver the objectives of the SAP. The SAP appendices comprise the following:

1. Corporate Landlord Approach – Draft for approval

- 4.11 This document outlines the scope and key principles of the Corporate Landlord model. In particular, it defines the activities that fall within the Corporate landlord's responsibility.

2. Accommodation Policy – To follow

- 4.12 When complete, this document will set out the Council's policies relating to the occupation of property in accordance with the adopted principles of blended working. It will also set out requirements and expectations of service areas in terms of their occupation of buildings which, together with the Responsibilities document (appendix 5 below) will provide the framework for the "landlord" and "tenant" relationship between Corporate Landlord and Service Directorates.

3. Corporate Landlord Maintenance Policy and Strategy - Draft for approval

- 4.13 This document details the Council's strategy for the maintenance of the properties within the portfolio, including the use of stock condition surveys to identify and programme planned maintenance of the assets. It also details the scope of the works which fall within the Corporate Landlord responsibilities.

4. Major Projects handbook – To follow

- 4.14 The Major Projects Handbook will set out Corporate Landlord's process and governance for major capital projects in order to ensure that there is clarity and transparency in the management of such projects. In particular, the document details the process for the life of a project, to include the development of the client requirements, cost management, change management, quality control, management of the construction programme and obtaining planning permission, as necessary.

5. Responsibilities documents (Service Directorates) - Draft for approval

- 4.15 This document is the equivalent of the lease document for use where Council services occupy Council properties. It sets out the key obligations of both the Corporate Landlord and the occupying service in terms of repairs, services and the use of the space. This provides clarity of responsibility between the parties which ensures that statutory compliance requirements are met.

6. Responsibilities documents (Maintained Schools) - Draft for approval

- 4.16 This fulfils the same purpose as appendix 5, but reflects the different circumstances that apply to maintained schools in respect of devolved budgets.

7. Disposal, Investment and Acquisition Policy – Draft for approval

- 4.17 This sets out the governance and procedures to be followed when considering the disposal of, capital investment in and acquisition of property assets. The document

refers closely to the Council Constitution which defines the various delegations required for disposal, investment and acquisition. The document also details the process for assets to be declared surplus to the Council's requirements.

8. Disposal Strategy – Draft for approval

- 4.18 The Disposal Strategy sets out the process for the formation of the disposal programme which includes the criteria for selecting the surplus assets that should be retained or transferred to the disposal programme for disposal. Where surplus assets are identified for disposal, the strategy provides a scoring matrix to inform the prioritisation of the asset within the portfolio by taking into account risks, costs, requirement for capital, non-financial benefits of disposal and local or political influences. The aim of the strategy is to ensure that assets are only disposed of when a disposal is in the best interest of the Council and that the disposal programme minimises risk from holding surplus property and reflects the broader needs of the Council.
- 4.19 The SAP is aligned with the Corporate Plan and the Council's property and asset requirements for service delivery. The SAP sets out the essential policies, strategies and actions for the Council's land and property portfolio in line with the Corporate Plan and the Council's occupational needs under the Reset plan.
- 4.20 The development of the SAP has involved consultation with service directorates and elected members. To enable the consultation with service directorates, a Corporate Landlord Working Group has been established which has been the forum for sharing draft documents with key individuals representing all directorates and service areas to ensure that the documents produced and the governance structures proposed are robust.
- 4.21 Draft documentation has been shared with Asset Strategy Group to provide visibility of the proposed plan to the Leadership of the Council.
- 4.22 The SAP, including the appendices completed to date have been reviewed by Strategic Investment Board which has recommended that the document be presented to Cabinet for approval.

Council Corporate Plan priorities

- 4.23 As set out in the Corporate Plan 2021-2022, the Council's vision is to ensure that 'inequalities are reduced and all potential is maximised' which will be achieved by focusing on five key priorities. The adoption of the SAP will contribute towards the delivery of the following Council priorities and outcomes.
- Priority: Economic growth for all people, communities and businesses.
 - Outcome: Creating an environment where businesses invest and everyone who wants a job can access one.
 - Priority: Internal focus – All Council services are efficient and effective
 - Outcome: Services are efficient and deliver value for money.
 - Priority: Communities are prospering and resilient with all housing needs met in safe and healthy places that build a strong sense of belonging and cohesion

- Outcome: People are proud of their vibrant town, districts and communities.

Risk management

- 4.24 The SAP sets out the scope and approach of the Corporate Landlord model for the management of the Council's property assets to establish clear responsibilities for actions relating to risks arising from property ownership and occupation.
- 4.25 The inclusive approach of the SAP which enables Directorates to interact with Corporate Landlord promotes strategic property thinking, and ownership of the SAP by Members and senior officers provides valuable evidence of the efficient use of resources.
- 4.26 The clarified and revised governance arrangements established in the SAP will enable the Corporate Landlord, working with all occupiers of Council property, to minimise property related risks and to deliver a portfolio of safe assets.
- 4.27 The approach of a 5 year strategic plan and the assessment of the requirements for planned maintenance and lifecycle replacement minimises the risks arising from property defects and disrepair. It also enables the regular inspection of the Council's property assets to ensure compliance with statutory requirements such as those under the Equality Act. Planned disposals of surplus property and improved strategic investment in and management of assets will provide reliable financial information, enhancing short, medium and long terms budget planning.

Financial implications

- 4.28 By developing a property strategy that reflects current and future patterns of service delivery, the Council is ensuring that scarce financial resources are targeted to maximum effect and for the maximum benefit of the residents of the borough. In this way, decisions to invest or disinvest in locations are directly linked to service models and it can be demonstrated that opportunities to share accommodation across services, or with other public and private partners, have been explored.

Legal implications

- 4.29 In developing the strategies outlined in the SAP, due regard is had to the Council's statutory obligations in terms of health and safety, employment, property law, planning law and equality to ensure that its portfolio is fit for purpose. The governance arrangements contained within the SAP operate within the existing scheme of delegations set out in the Council's constitution.
- 4.30 This report does not seek directly to acquire or dispose of land or property. Such acquisitions and disposals will continue to be carried out in accordance with the Council's constitution. The Council has an overriding statutory duty to ensure that all property assets are managed efficiently to secure best value in service delivery and that in disposals the Council achieves best consideration.

Procurement Implications/Social Value

- 4.31 There are no direct procurement or social value implications arising from this report. Corporate Landlord will manage the Council's property assets in accordance with the SAP. In doing so, there will be requirements to procure services and works from external providers which will be undertaken with the Council's Procurement team in accordance with the Contract Rules, national legislation including Social Value and the council's wider priorities.

Property implications

- 4.32 The SAP sets out the governance, procedures, policies and strategies required to deliver an efficient and fit for purpose property portfolio.

Health and wellbeing implications

- 4.33 The adoption of the SAP has no direct impact on health and wellbeing, however the corporate priorities reflect the key objectives of the Marmot review and the implementation of the Council's Health and Wellbeing Strategy can be supported by a co-ordinated and planned provision of property assets to enable the delivery of appropriate services in locations that meet identified needs.

Staffing implications

- 4.34 Responsibility for the delivery of the strategy sits with the Corporate Landlord service. Across the wider Council, senior officers in all services are called upon to support the process. This support takes the form of attendance at Directorate Capital and Asset Groups, Working/Project Groups and Strategic Investment Board, assistance with general compliance with the policies and processes when considering property related matters. As assets are identified within the SAP programme as being surplus to requirements and/or for disposal, or as land and property is identified for acquisition, officers in Legal Services and possibly external providers will be involved, on a case by case basis.

Reducing Inequalities

- 4.35 The effect of the adoption of the SAP is to provide more focused management of the Council's existing assets and a strategic approach to disposals and acquisitions, making the most of opportunities as they arise. The operation of the SAP will potentially affect existing occupiers, employees and service users of Council assets. It may also affect how or where services are delivered. An initial EqIA has been carried out and is attached at Appendix 2. Whilst this demonstrates that there is no adverse impact upon protected groups under the Equality Act by reason of the adoption of the Corporate Landlord model, it is envisaged that a series of projects and transactions will emanate from this strategy and, as those individual projects are developed and brought forward, a separate EqIA may need to be prepared for each.
- 4.36 The Council is committed to ensuring that equalities form an intrinsic part of its decision making. In respect of each project, detailed thought will be required about the needs of people with protected characteristics, on a case by case basis and appropriate consultation will need to be carried out to ensure that protected groups,

including employees, occupiers and service users, have opportunities to comment. Whilst the Council's services rightly focus on delivery rather than location, the SAP will enable the location of a service and its suitability for purpose to be assessed, to ensure that there are sufficient assets of the right type available to meet the services we deliver, so that assets are well used and cost effective.

Climate Change

- 4.37 The Council declared a climate emergency on 16th September 2019 and resolved to develop strategies to become carbon neutral by 2050 in line with national government targets. In 2020, a Climate Change Action Plan was presented to Cabinet, which set out meaningful and effective measures to enable the Council to deliver against its vision.
- 4.38 To meet the net zero carbon by 2050 target, and fully respond to the declaration of a Climate Emergency, the Council needs to ensure that reducing greenhouse gas emissions (mitigation) and increasing climate resilience of our operations and assets is central to the work of the organisation. Including climate change as a mandatory element of Cabinet reports shows that the Council is taking measures to embed climate change within operations and normalise it as a key consideration for all projects. It will support the Council in reducing its own carbon footprint and help drive us to be carbon net zero by 2050.
- 4.39 The SAP embraces the objectives of the Climate Change Action Plan and notes the impact of the Council's property portfolio on the organisation's carbon footprint. A key aspect of the Corporate Landlord model is the maintenance of its assets. This includes building and land maintenance, fire, facilities management, services (gas, electricity, water etc), asbestos, Japanese knotweed, ground contamination etc. In addition, the maintenance element of the model enables consideration of energy resources, sustainability and carbon reduction methods, in line with the Council's Climate Change Action Plan.

Consultation

- 4.40 Consultation in respect of the preparation of the SAP has been undertaken with the Leader and Deputy Leader of the Council, Children's Services, Economy, Environment and Communities, Adult Social Care and Resources and Transformation.

5. Decide

- 5.1 The Approval of the Strategic Asset Plan will provide the strategic and operational framework required to enable the Corporate Landlord service to manage the Council's land and property assets effectively and in accordance with the Council's priorities.
- 5.2 The ability for the Corporate Landlord service to effectively and strategically manage the Council's land and property assets will be significantly reduced without an adopted Strategic Asset Plan.

6. Respond

- 6.1 Subject to Cabinet approval of the recommendations in this report, Corporate Landlord will enact the policies, procedures and strategies contained in the Strategic Asset Plan.

7. Review

- 7.1 Progress against the Asset Management Action Plan will be reported to Corporate Landlord Board and Strategic Investment Board.

Background papers

None

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