

Arun District Council

REPORT TO:	Economy Committee - 22 October 2024
SUBJECT:	Asset Review
LEAD OFFICER:	Nat Slade, Group Head of Technical Services
LEAD MEMBER:	Councillor Roger Nash, Chair of the Economy Committee
WARDS:	All

CORPORATE PRIORITY / POLICY CONTEXT / CORPORATE VISION:

The Financial Strategy adopted by Full Council in January 2024 agreed to carry out a review of its assets to identify opportunities for increasing revenue generation, savings, and capital receipts in order to help address the Council's unsustainable use of reserves.

DIRECTORATE POLICY CONTEXT:

The review of the Council's assets will be undertaken in the context of its Corporate Asset Strategy. The recommendations stemming from the asset review will feed into a refresh of the Asset Strategy.

FINANCIAL SUMMARY:

The asset review will be reliant on appointing a project manager to manage, coordinate and commission feasibility with appropriate business case and due diligence.

The scope of this project is difficult to estimate, as it will depend upon the recommendations of the proposed Asset Review Working Party and the subsequent approval of the Economy Committee on what initiatives it would like to explore further and proceed with.

We currently anticipate 18 months that require an additional resource with subsequent commissioning, feasibility studies with appropriate business cases with financial appraisals and due diligence.

Additional costs can be met from current year budget, and we will monitor and review requirements for 2025/26 budget setting growth if required.

It is expected that the above costs will be an investment from which opportunities to generate off-setting increased revenues, savings and capital receipts.

1. PURPOSE OF REPORT

- 1.1. To initiate the asset review approved within the Council's Financial Strategy, this report will set out proposals for establishing an Asset Review Working Party.

2. RECOMMENDATIONS

- 2.1. It is recommended that the Committee:
- 2.2. Approves the establishment of a task and finish Working Party entitled “Asset Review Working Party”, to review the Council’s General Fund Asset Portfolio, with a view to identifying opportunities for generating improved revenues, savings and/or capital receipts, with agreed terms of reference as appended to this report. The working party will then report to and make recommendations back to this Committee.

3. EXECUTIVE SUMMARY

- 3.1. A high-level review of The Council’s general fund asset portfolio, including recommendations for disposal where appropriate.

4. DETAIL

- 4.1. The current version of the Council’s Corporate Asset Management Strategy was published in 2010 and although much of the content remains relevant it is now well beyond it’s intended life.
- 4.2. In order to update the Asset Management Strategy, it is appropriate to review the asset portfolio and consider the short, medium, and long term future of assets.
- 4.3. It is appropriate that any asset review process engages with Members, but that this engagement is structured and coordinated, with clear objectives. Therefore, it is proposed that an Asset Review Working Party be formed.
- 4.4. Proposed terms of reference for an Asset Review Working Party are provided as an appendix to this report.

5. CONSULTATION

- 5.1. All District Ward Members of Arun District Council have been notified directly of this work program item. A response has been received seeking to review the asset register. Consultation with stakeholders would be undertaken at the appropriate time as specific proposals emerge.

6. OPTIONS / ALTERNATIVES CONSIDERED

- 6.1. **Do nothing:-** This option is inconsistent with the Council’s adopted Financial Strategy and will not identify opportunities to address the Council’s use of its reserves.
- 6.2. Deliver the asset review from within existing resources. This would introduce risks and lost opportunity costs by removing existing estate management resource and slow its delivery significantly.

7. COMMENTS BY THE GROUP HEAD OF FINANCE/SECTION 151 OFFICER

- 7.1. This initiative can be funded from current in year budgets and monitored accordingly, going forwards requirements will be required for 2025/26 budgets where it is expected to be self-financing and will be an investment from which opportunities to generate off-setting increased revenues, savings and capital receipts.

8. RISK ASSESSMENT CONSIDERATIONS

- 8.1. While much of the existing Corporate Asset Management strategy remains relevant, it is now beyond it's expected life and there is a risk that this document is no longer aligned with the Council's Vision, statute, industry best practice, or market trends.

9. COMMENTS OF THE GROUP HEAD OF LAW AND GOVERNANCE & MONITORING OFFICER

- 9.1. The Economy committee is, under paragraph 3.1.4 of part 3 of the constitution able to establish a working party as it considers necessary for the effective conduct of the committee's powers and duties. It should be noted that the establishment of such a working party shall have regard to the overall resource parameters and advice of the Chief Executive and officers. Paragraph 7 of part 3 of the constitution sets out the terms on which such a working party should be established (specifically the size of its membership, how membership will be agreed, proposals for the allocation of seats if a vacancy occurs, an agreed terms of reference and the timescale for the work to be undertaken). This should be given consideration.

10. HUMAN RESOURCES IMPACT

- 10.1. The asset review will rely upon the fixed-term secondment of a dedicated project manager to coordinate the review, including commissioning of work to help inform decisions. The recruitment to this secondment will be advertised internally. If this is not successful, the post will be advertised externally as a fixed term post. The expected pay scale for the secondment position is Scale 12.

11. HEALTH & SAFETY IMPACT

- 11.1. There will be no direct health and safety impact as a result of proceeding with the recommendations of this report. Health and Safety considerations will be addressed, in consultation with the Council's corporate Health and Safety function, as proposals arising out of the review progress.

12. PROPERTY & ESTATES IMPACT

- 12.1. Recommendations made by the Asset Review Working Party are likely to have impacts on the General Fund property portfolio.

13. EQUALITIES IMPACT ASSESSMENT (EIA) / SOCIAL VALUE

13.1. The recommendation of this report has no direct equalities or social value impact. Equalities Impact Assessments will be undertaken on specific proposals arising out of the review in due course.

14. CLIMATE CHANGE & ENVIRONMENTAL IMPACT/SOCIAL VALUE

14.1 When undertaking this review environmental and climate impacts of sites should be considered. Additionally, where appropriate and applicable, on-site renewable energy generation should also be considered.

15. CRIME AND DISORDER REDUCTION IMPACT

15.1. There are no specific crime and disorder implications.

16. HUMAN RIGHTS IMPACT

16.1. No specific human rights implications have been identified that arise out of the recommendations.

17. FREEDOM OF INFORMATION / DATA PROTECTION CONSIDERATIONS

17.1. There are no specific FOI or Data Protection implications.

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BACKGROUND DOCUMENTS:

[Corporate Asset Management Strategy](#)

Appendix – Asset Review Working Party – Terms of Reference