



REPORT TO:	OVERVIEW & SCRUTINY COMMITTEE
DATE:	18 FEBRUARY 2016
REPORT OF THE:	HEAD OF ENVIRONMENT, FACILITIES AND STREETSCENE BECKIE BENNETT
TITLE OF REPORT:	TERMS OF REFERENCE - SCRUTINY REVIEW OF PROPERTY RELATED ASSETS
WARDS AFFECTED:	ALL

EXECUTIVE SUMMARY

1.0 PURPOSE OF REPORT

- 1.1 To present members of the committee a set of terms of reference for the scrutiny review of property related assets as requested.

2.0 RECOMMENDATION

- 2.1 That members of the Committee:
- a) Agree the terms of reference for the review of property related assets.

3.0 REASON FOR RECOMMENDATION

- 3.1 The key to a successful scrutiny review is agreeing a clear terms of reference before embarking on the review.
- 3.2 The task group will undertake the work on the reviews and require a minimum of two members of the committee but are open to all Members of the scrutiny committee.
- 3.3 The first phase of the review will inform the scope and timeframe for the subsequent phase of the reviews.

4.0 SIGNIFICANT RISKS

- 4.1 There are no significant risks associated with this report. It is anticipated that the work on property related assets will inform the work being undertaken to deliver the Towards 2020 programme.

REPORT

5.0 BACKGROUND AND INTRODUCTION

- 5.1 At the previous meeting of the Scrutiny Committee on 3 December 2015, Members agreed the next topic would be a review of Council owned Assets.

This review will consider:

- What sort of property does the Council own or lease?
- What do we use it for or how do others use it?
- How much does the current property portfolio cost?
- What is the condition of the property and the planned preventative maintenance
- How much income does the current portfolio of property assets generate and is there scope to generate additional income?
- An appraisal of the options available to ensure the best use of these property assets now and into the future, linked to the future provision of council services
- Current property portfolio and policy on property rationalisation

It is estimated that this review will take six months starting in February 2016 and will make recommendations to Policy and Resources in September 2016

Recommendations may include a new asset management policy and supporting strategy including a vision, principles and strategic objectives, linked to the delivery of the Councils priorities and the development of the Towards 2020 programme.

6.0 POLICY CONTEXT

- 6.1 The Council has an aim to Transform the Council by understanding our communities and meeting their needs and developing the leadership, capacity and capability to deliver future improvements, considering options for alternative models of delivery.
- 6.2 The aim of the Towards 2020 programme is to transform our workforce and the way they work, systematically redesigning the Councils services and optimising our assets, IT and systems, to ensure that the Council is relevant to residents and meeting local needs.

7.0 CONSULTATION

- 7.1 There is an ongoing programme of engagement linked to the delivery of the Towards 2020 programme and the outcomes of activity will be used to inform this review
- 7.2 A plan will be developed for engaging stakeholders in the asset management review.

8.0 REPORT DETAILS

- 8.1 The tables attached at annex A present a draft terms of reference for the review covering the following areas:
- Aim of the review
 - Why has this review been selected?
 - Who will undertake the review?
 - How will the review be undertaken?
 - What are the expected outputs?
 - Timescale

9.0 IMPLICATIONS

- 9.1 The following implications have been identified:
- a) Financial
None currently beyond existing budget provision
 - b) Legal
None currently though advice may needed relating to possible disposal of assets
 - c) Other (Equalities, Staffing, Planning, Health & Safety, Environmental, Crime & Disorder) None at this stage, equality impact assessment will be undertaken as part of the review process.

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Background Papers:
None

Background Papers are available for inspection at:
N/A

Terms of Reference for a Scrutiny Review of Council Assets

Aim of the Review	<p>For the Council to have a clear understanding of its property portfolio, how properties are currently used and how that could alter to ensure their value is fully maximised.</p> <p>The review will make recommendations to the Policy and Resources Committee and will appraise the options available regarding; use or disposal of property within the Councils portfolio.</p> <p>Recommendations from the review could inform the development of :</p> <ul style="list-style-type: none"> • A new asset management strategy including vision, principles and strategic objectives, linked to the delivery of the Councils priorities and the Towards 2020 transformation programme.
Why has this review been selected?	<p>The property portfolio has not been reviewed recently. We need to refocus and redesign the Council including the property holding. The scope of the review is set within some uncertainty about the Councils financial position. Potential estimates calculate that the total cost that remains to be saved from the revenue budget through the Towards 2020 programme ranges from £1.2 million to £1.7 million from a £6.8 million net revenue budget. The additional saving being required from 2017/18 onwards.</p> <p>Changes have been introduced following the Chancellor's 2015 budget statement including how Councils can use proceeds from the sale of their capital assets, this now includes the ability to fund transformational projects. As such the review could usefully inform the development of a new asset management strategy</p>
Who will carry out the review?	<p>The review will be carried out by the Scrutiny Committee operating as a task group:</p> <ul style="list-style-type: none"> • A minimum of 2 members of the Scrutiny Committee must be present for the task group meeting, which will follow the scheduled meeting of the Scrutiny committee. • Head of Environment, Streetscene and Facilities • Head of Corporate Services • Building Surveyor • Support will be provided by members of the Asset Management Group and the Business Improvement Team • External support as required
How the review will be carried out?	<p>The task group will consider the implications of the 2015 Local Government settlement and delivery of Council Priorities</p> <p>In considering the above the review would need to analyse:</p> <ul style="list-style-type: none"> • The portfolio of property currently owned by the Council • The use made of Council property by the Council or others • The net profit or loss of the current portfolio of property held by the Council <p>This could include:</p> <ul style="list-style-type: none"> • Reviews of the asset management register. • Financial records regarding investment portfolio • Reviews undertaken by other local authorities • Government policy and the impact of reviews of funding arrangements • Best practice regarding use of and disposal of assets

What are the expected outputs?	<p>It is expected that the task group will produce a report, summarising the evidence they have gathered and containing specific recommendations for the Council including</p> <ul style="list-style-type: none"> • recommendations to Council for a new asset management policy to support the transformation of the Council and delivery of a future council which is efficient and fit for purpose. • A new asset management strategy for the Council - 8 October 2016 • A set of key recommendations for disposal of assets supported by a business case, to deliver the Towards 2020 programme.
Timescale	<p>It is anticipated that the group will conclude the outcomes of the review by 29 September 2016. Progress reports will be submitted to the committee throughout the review.</p> <p>Date of Scrutiny Committees:</p> <ul style="list-style-type: none"> • 18 February 2016 • 7 April 2016 • 23 June 2016 • 29 Sept 2016