



# **Asset Management Strategy Progress Report & Update**

## **Development Sub Committee**

### **2<sup>nd</sup> October 2023**

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@SpelthorneBC



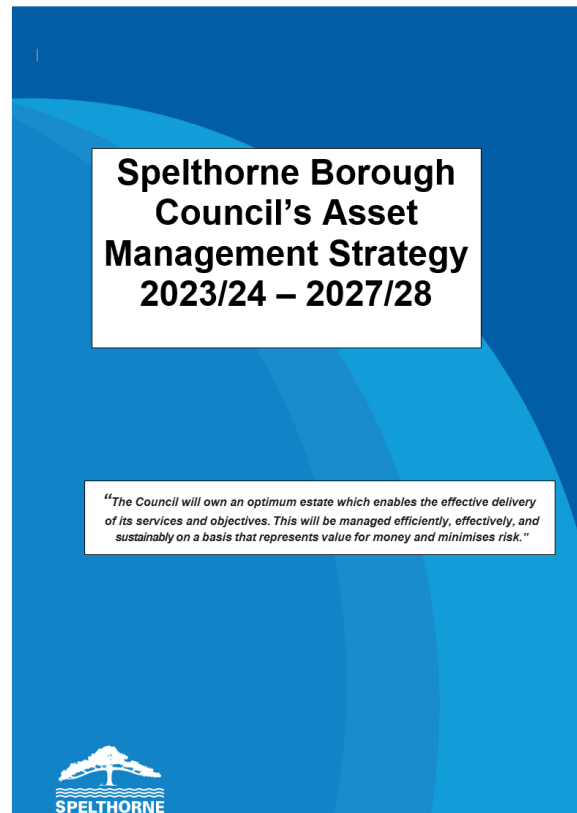
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# Context



- ▶ Updated Asset Management Strategy with accompanying suite of documents proposed at DSC July 2023
- ▶ Workshop session held with small group of DSC members on 12<sup>th</sup> September to discuss Councillor comments and feedback
- ▶ A collaborative approach established to ensure a Councillor-led strategy supported by officer input

# Asset Monitoring & Reporting

## Asset Management Strategy

Asset Management Plan  
(5 year portfolio level plan)

Business Plans  
(Annual)

Asset  
Investment  
Strategy  
(Annual)

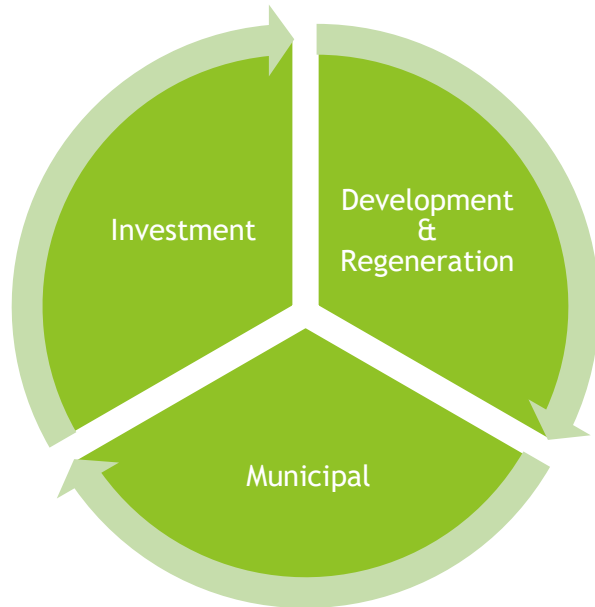
Investment  
Report (Annual  
& Six Month  
review)

Sinking Fund  
Monitoring  
(Quarterly)

Budget  
Monitoring  
(Monthly)

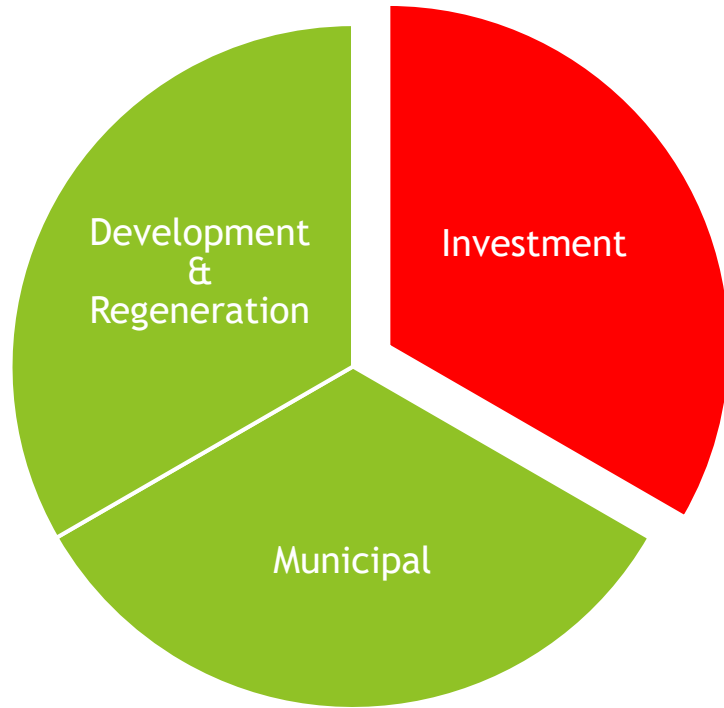
# Three Portfolios - One Strategy

## Asset Management Strategy



- ▶ *“The Council will own an optimum estate which enables the effective delivery of its services and objectives. This will be managed efficiently, effectively and sustainably on a basis that represents value for money, minimises risk and has the interests of the local community at heart.”*

# Investment Portfolio - Strategic Purpose



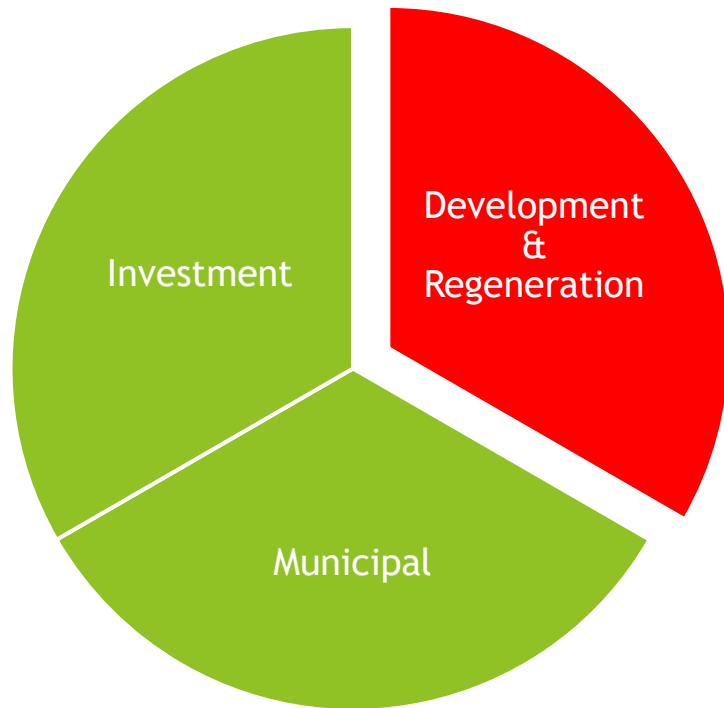
- ▶ *“To deliver positive net returns to support the Council’s Revenue Budget and support the Council’s ability to provide services, particularly discretionary, for its residents.”*

# Investment Portfolio - Strategic Priorities

The portfolio will seek to:-

- ▶ Deliver a secure and sustainable income net of all attributable costs
- ▶ Maintain capital value in real terms over the ownership period
- ▶ Generate a net profit over medium and long term after deduction of attributable costs and with appropriate sinking fund contributions
- ▶ Ensure that income returns meet or exceed budget targets and wider industry-standard benchmarks on a medium and long term basis, with an expectation of long term income growth
- ▶ Diversify risk through leasing assets to a broad range of tenants operating across different business sectors and with a mixture of income lengths (i.e. between 5 and 15 years)
- ▶ Make a positive contribution to the Council's commitment to reach Net Zero for Scope 1 & 2 emissions by 2030
- ▶ The Council to retain these assets if they perform to required criteria, but will continually assess alternative options in the event of under-performance or reasonable expectation of adverse future circumstances.

# Development & Regeneration Portfolio - Strategic Purpose



- ▶ *“To ensure the borough remains an attractive place to live, work and undertake leisure activities through the delivery of high quality affordable housing, social infrastructure and commercial property that meets the needs and requirements of residents and local businesses.”*

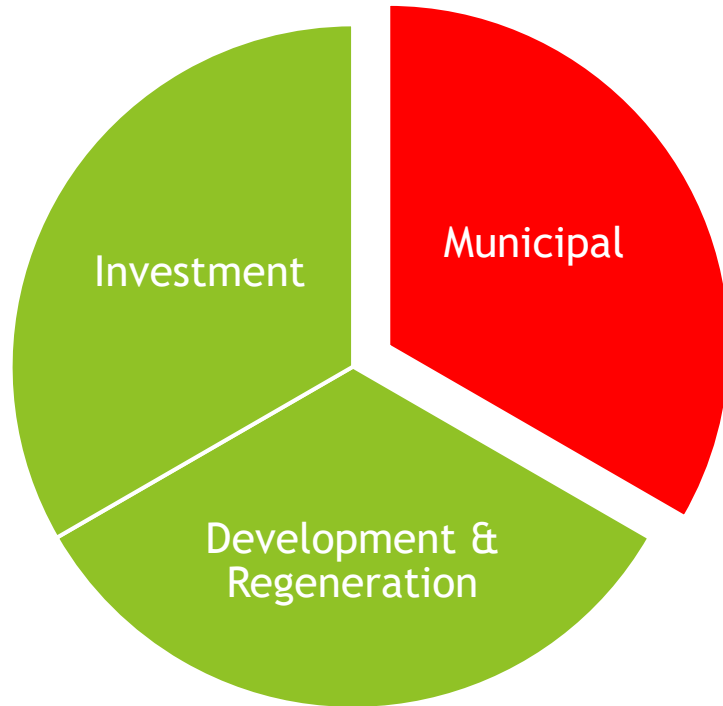
# Development & Regeneration Portfolio

## Strategic Priorities

- ▶ Ensure all development / schemes / partnerships meet the Council's corporate objectives ("CARES"), and aim to deliver high quality housing and other economic and community places in a timely and financially efficient manner.
- ▶ Prioritise delivery of affordable housing and mixed use projects to meet the needs of Spelthorne residents.
- ▶ All significant proposed developments will be subject to meaningful public consultation
- ▶ Delivery mechanisms and longer term buy/hold/sell decisions will be decided by Councillors on a basis that meets the needs of our residents, businesses and wider communities
- ▶ All developments will contribute to the Council's commitment to reach Net Zero for Scope 1 & 2 emissions by 2030.



# Municipal Portfolio - Strategic Purpose



- ▶ *“To manage all property assets within the borough professionally and effectively to support service delivery, the voluntary, charitable and community sectors and provide amenity and community benefit to residents and support our CARES corporate priorities.”*



# Municipal Portfolio - Strategic Priorities

- ▶ To provide well maintained and accessible assets that benefit all who live in the borough, and support local community groups and vulnerable residents.
- ▶ To promote the use by residents of our attractive parks, open spaces and public places, with a focus on bio-diversity.
- ▶ To consult with our residents, where appropriate, on the best use for municipal assets in the borough.
- ▶ The granting of occupational agreements to third parties by the Council will be dealt with in a fair and open manner, and where required in accordance with the Community Letting Policy.
- ▶ Good relationships will be maintained with our tenants to ensure compliance with lease obligations.
- ▶ The portfolio will contribute to the Council's commitment to reach Net Zero for Scope 1 & 2 emissions by 2030.

# Asset Management Strategy - Timescales for Approval and Delivery

