



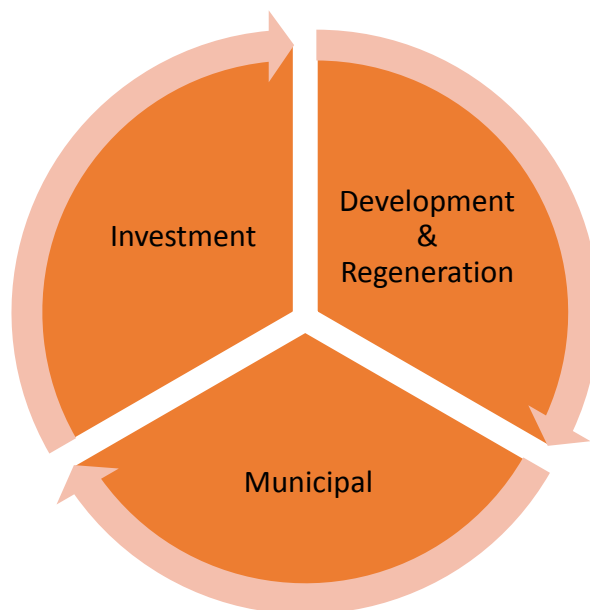
## Asset Management Strategy 2023/24 – 2027/28

### 1. Overriding Objective

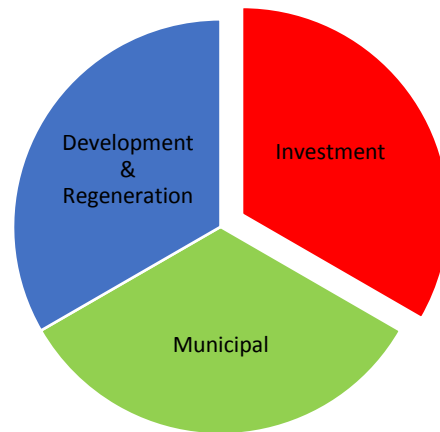
*The Council will own an optimum estate which enables the effective delivery of its services and objectives. This will be managed efficiently, effectively and sustainably on a basis that represents value for money, minimises risk and has the interests of the local community at heart.*

### 2. Strategy Overview

This Asset Management Strategy covers all of the Council's property holdings. These are held in three distinct portfolios as shown below, but it is intended that individual assets may be transferred from one portfolio to another if required (for example if alternative use is more beneficial to the Council's need than as an income producing asset).



### 3. Investment Portfolio – Strategic Purpose

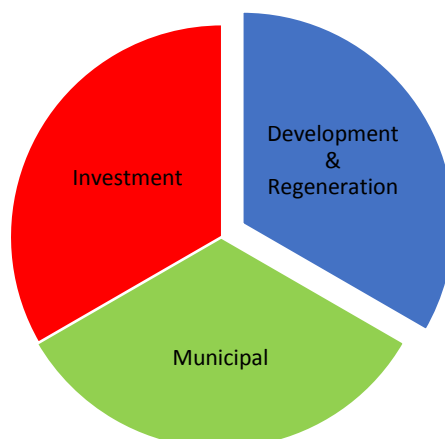


***To deliver positive net returns to support the Council's Revenue Budget and support the Council's ability to provide services, particularly discretionary, for its residents.***

The Investment Portfolio will seek to:-

- a. Deliver a secure and sustainable income net of all attributable costs
- b. Maintain capital value in real terms over the ownership period
- c. Generate a net profit over medium and long term after deduction of attributable costs and with appropriate sinking fund contributions
- d. 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
- e. 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)
- f. Make a positive contribution to the Council's commitment to reach Net Zero for Scope 1 & 2 emissions by 2030
- g. 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.

#### 4. 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.*

The Development & Regeneration Portfolio's strategic priorities will be:-

- a) To ensure all development / schemes / partnerships meet the Council's corporate objectives (see below) and aim to deliver high quality housing and other economic and community places in a timely and financially efficient manner.
- b) To prioritise delivery of affordable housing and mixed use projects to meet the needs of Spelthorne residents.
- c) All significant proposed developments will be subject to meaningful public consultation
- d) All 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
- e) All developments will contribute to the Council's commitment to reach Net Zero for Scope 1 & 2 emissions by 2030.



To put our communities at the heart of everything we do, building strong relationships with our residents and businesses, and helping to forge links within those communities, so that they feel empowered, included, supported, safe and healthy.



To deliver housing which meets the needs of all sections of our communities, building new homes, helping people to stay in their existing accommodation and ensuring that none of our residents are homeless.



To provide support and guidance to our residential and business communities to enable them to recover from the significant effects of the COVID-19 pandemic.

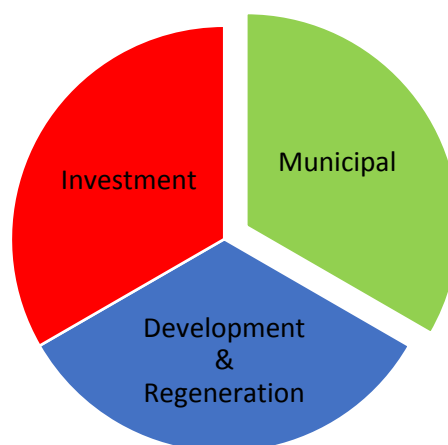


To work with our communities and partners to minimise our effects on the environment, play our part in tackling the threat of climate change and to maintain a clean, green and attractive Borough, which recognises and protects biodiversity.



To deliver efficient and effective services which meet the changing needs of our communities, adapting to meet new challenges, new ways of working and different ways of interacting with our communities.

## 5. 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.***

The strategic priorities of the Municipal Portfolio are:-

- a) To provide well maintained and accessible assets that benefit all who live in the borough, and support local community groups and vulnerable residents.
- b) To promote the use by residents of our attractive parks, open spaces and public places, with a focus on bio-diversity.
- c) To consult with our residents, where appropriate, on the best use for municipal assets in the borough.
- d) 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.
- e) Good relationships will be maintained with our tenants to ensure compliance with lease obligations.
- f) The portfolio will contribute to the Council's commitment to reach Net Zero for Scope 1 & 2 emissions by 2030.

**6. How will performance against strategic objectives be measured?**

The Asset Management Strategy is the overarching report that informs a number of tools by which performance will be measured and reported to Councillors. These are summarised below:-



Key

*Yellow – whole portfolio*

*Red – Investment portfolio*

*Blue – Development & Regeneration portfolios*

**7. Contacts & Further Information**

This Asset Management Strategy has been developed by Councillors. Any queries should be directed to the Chair or Vice Chair of the Development Sub-Committee.

Further information on the Council’s property portfolio can be found using the link <https://www.spelthorne.gov.uk/article/16779/Property-and-investments>

## 8. Next Steps

Take reports to CPRC on 27<sup>th</sup> November and Full Council in xx December with following recommendations:

- Asset Management Strategy (AMS) and Asset Management Plan (AMP) to be publicly available documents
- Business Plans; Asset Investment Strategy; Investment, Sinking Fund and Budget reporting, Development delivery programme to remain confidential Councillor and Officer documents (links to all documents will be included within section 6 of the AMS)
- Agree future Reporting and Governance of investment portfolio via either:
  - New Sub Committee (previously requested CASC) who report into CPRC, potential to include an external advisor
  - New Working Group Structure (similar to APWG) with a smaller number of members (4 or 5) to include an independent external advisor who also report into CPRC
- Current/New Working group to review and build on current KPIs and Risk Register for Investment Portfolio

October 2023