

| ISLE OF ANGLESEY COUNTY COUNCIL <u>Scrutiny Report Template</u> | |
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| Committee: | Corporate Scrutiny Committee |
| Date: | 12 March, 2024 |
| Subject: | Asset Management Strategic Plan 2024-29 |
| Purpose of Report: | Scrutinize the Asset Management Strategic Plan 2024-29 and recommend its approval. |
| Scrutiny Chair: | Councillor Douglas M Fowlie |
| Portfolio Holder(s): | Councillor Dafydd Rhys Thomas |
| Head of Service: | Huw Percy Head of Service (Highways Waste and Property) |
| Report Author: | Meilir Hughes, Chief Asset and Property Officer |
| Tel: | 07513284664 |
| Email: | meilirhughes@ynysmon.gov.uk |
| Local Members: | Relevant to all Elected Members |

25

1 - Recommendation/s

The Committee is requested to:

R1 Recommend the Asset Management Strategic Plan 2024-29 to the Executive for adoption by the Full Council.

R2

2 – Link to Council Plan / Other Corporate Priorities

The purpose of the Asset Management Strategic Plan is to ensure that the Council has a financially and environmentally sustainable asset portfolio, rationalized to be fit for purpose and safe for the provision of services and the delivery of the Council Plan.

3 – Guiding Principles for Scrutiny Members

To assist Members when scrutinising the topic:-

3.1 Impact the matter has on individuals and communities [focus on customer/citizen]

3.2 A look at the efficiency & effectiveness of any proposed change – both financially and in terms of quality [focus on value]

3.3 A look at any risks [focus on risk]

3.4 Scrutiny taking a performance monitoring or quality assurance role [focus on performance & quality]

3.5 Looking at plans and proposals from a perspective of:

- Long term
- Prevention
- Integration
- Collaboration
- Involvement

[focus on wellbeing]

3.6 The potential impacts the decision would have on:

- protected groups under the Equality Act 2010
- those experiencing socio-economic disadvantage in their lives (when making strategic decisions)
- opportunities for people to use the Welsh language and treating the Welsh language no less favourably than the English language.

[focus on equality and the Welsh language]

4 - Key Scrutiny Questions

1. How does the Asset Management Strategic Plan enable the Council to deliver the Council's Plan: 2023-2028?
2. What benefits are there for the Authority to prepare an Asset Management Plan?
3. How affordable is the Asset Management Plan and what are the main risks for the Council when trying to manage its assets effectively?
4. What arrangements will be in place to monitor achievement and measure success?

5 – Background / Context

Background

Better asset management leads to the provision of better assets, in the right locations, drives efficiency and limits waste. In turn, the assets provide the best possible support for local communities and improve the efficiency of public services delivery.

Context

The Asset Management Strategic Plan 2024-2029 (**Appendix 1**) builds on the current work and investment programs that have driven the portfolio's priorities and management over the past few years and sets the direction for the next 5 years.

- The purpose of the Strategic Asset Management Plan is to ensure that the Council has an asset portfolio that is financially and environmentally sustainable, rationalized to be fit for purpose and safe for the provision of services.

Key Priority Areas

The key priority areas are;

1. Suitability
 - A rationalised portfolio
 - The right properties in the right locations
 - Properties that are accessible and safe for everyone
 - Properties in good condition (with budgetary constraints acknowledged)
2. Sustainability
 - Reduce our carbon footprint
 - Financially sustainable
3. Collaboration
 - Plan and manage properties as a corporate resource to achieve the Council's vision and strategic objectives.
4. Data driven
 - Proactive planning based on data
 - Clarity and transparency

It is emphasized that this is a document to set strategic direction. Considerable work will need to be done to organise, collect and analyse data to drive operational recommendations in due course.

6 – Equality Impact Assessment [including impacts on the Welsh Language]

6.1 Potential impacts on protected groups under the Equality Act 2010

The Equality Impact Assessment has not identified any negative impacts.

6.2 Potential impacts on those experiencing socio-economic disadvantage in their lives (strategic decisions)

The Equality Impact Assessment has not identified any negative impacts.

The Strategic Plan sets strategic direction and principles to improve the sustainability of the Council's property portfolio.
Improving sustainability will help maintain services in the long term,

6.3 Potential impacts on opportunities for people to use the Welsh language and treating the Welsh language no less favourably than the English language

The Strategic Plan sets strategic direction and principles to improve the sustainability of the Council's property portfolio.
Improving sustainability will help maintain local communities in the long term, which will have a positive effect on the Welsh language.

7 – Financial Implications

The Strategic Plan sets strategic direction and principles to improve the financial sustainability of the Council's property portfolio.

8 – Appendices:

Asset Management Strategic Plan 2024-29.

9 - Background papers (please contact the author of the Report for any further information):

None.

Ynys Môn

THE ISLE OF

Anglesey



Asset Management Strategic Plan

2024 – 2029



This is the Isle of Anglesey County Council's Asset Management Strategic Plan for 2024 to 2029. It is available on our website:

www.anglesey.gov.wales

If you require this publication in another format and/or language, or have any questions about its contents, please contact:

Isle of Anglesey County Council

Council Offices

Llangefni

LL77 7TW

Tel:

Email:

We welcome calls and correspondence in Welsh and English. Using Welsh will not lead to a delay in responding.

Foreword



Councillor Llinos Medi
Council Leader



Dylan Williams
Chief Executive

The Council is currently facing significant asset management challenges;

- our assets are aging
- their condition is deteriorating
- the burden of legislative compliance is intensifying
- the commitment to become a net zero council
- increasing public expectations
- the lack of sufficient capital funding
- increasing public expectations

The Council's capital requirement to modernise and upgrade existing assets and to deliver on its strategic objectives is in excess of £300m over the next 5 years. Whilst the Council takes pride in its assets, the void between ambition and the ability to deliver (due to increased costs and budget pressures) is growing.

Investment in the Council's property assets is essential from a social, economic, environmental and community perspective. In the current financial climate, it is important that decisions are evidence based, address the short and long-term risks faced by the Council and are affordable. This is a significant challenge.

The Asset Management Strategic Plan is driven by the Council Plan 2023-2028 and the Capital Strategic Plan 2024-2029. Together, the plans will ensure that asset management decisions are taken in a planned way that allows the Council to achieve its key strategic objectives whilst ensuring that the long-term viability of the Council is not put at risk.

Purpose of the Asset Management Strategic Plan

The Council's vision for 2023-2028 is to create an Anglesey that is healthy and prosperous where people can thrive.

The purpose of the Asset Management Strategic Plan is to ensure that the Council has a financially and environmentally sustainable asset portfolio, rationalized to be fit for purpose and safe for the delivery of services.

The condition, safety, suitability, accessibility and sustainability of Operational Assets (schools, leisure centres, care homes, public toilets and so on) have a direct bearing on the delivery of front-line services to the Island's communities.

The way in which management of Investment (or Non-Operational) Assets (Industrial Estates, Smallholdings and other let property) has an impact on the income generated and costs incurred which has a direct bearing on the Council's financial position.

It is therefore important that these assets continue to be managed in a proactive and efficient way.

This high-level strategic document has a five-year lifespan and will provide the framework for ensuring there is a strategic, corporate and co-ordinated approach to the management of our assets, in line with the Council Plan.

It is important to note that whilst the purpose of this Strategic Plan and the principles within are well established, the information we hold about our portfolio is not complete. Information collection and processing is therefore a key workstream that is already underway.

The Council's Assets

The Council has a varied portfolio of assets.

These assets contribute to the delivery of services; however, they require substantial revenue and capital funding to run and maintain.

The management of these assets are informed by legislative and statutory obligations.

| Type of Asset | Number | Type of Asset | Number | Type of Asset | Number |
|---------------------------------------|--------|----------------------------------|--------|------------------------|---------------|
| Primary Schools | 39 | Youth Clubs | 1 | Vehicles* | 200 |
| Secondary Schools | 5 | Industrial Units | 68 | Social Housing* | 3,953 |
| Canolfan Addysg y Bont | 1 | Retail Sites | 20 | Carriageway* | 1,188 km |
| Offices | 2 | Community Centres | 8 | Footway* | 661 km |
| Museums and Archives | 2 | Other Educational Establishments | 3 | Cycleways* | 211 km |
| Libraries | 7 | Sundry Property | 8 | Structures* | 539 |
| Residential Care Homes | 5 | Maritime Sites | 7 | Lighting* | 20,014 lights |
| Children's Care Homes (Cartrefi Clyd) | 3 | Moorings | 468 | Drainage* | 28,064 |
| Day Care Centres | 4 | Parks & Open Spaces | 47 | Non Illuminated Signs* | 7,629 |
| Leisure Centres | 4 | | | Other Highway Assets* | 9,239 |
| Public Conveniences | 22 | | | | |
| Smallholdings (5,845 acres) | 75 | | | | |

* Beyond the scope of the Asset Management Strategic Plan

Council Plan 2023-2028

The Council Plan's vision is to:

'Create an Anglesey that is healthy and prosperous where people can thrive.'

The Asset Management Strategic Plan is closely linked to the Council plan and its vision. The Council Plan is the key document serving as a focal point for decision-making at all levels; providing a framework to plan and drive forward priorities; shape annual spending; monitor performance and progress.

At its core is our desire to work with Anglesey residents, communities and partners to ensure the best possible services, improve the quality of life for all and create opportunities for future generations.

Its six main objectives reflect the key areas the Council should be focusing its efforts on.



The Welsh Language

Increasing opportunities to learn and use the language.



Social Care and Wellbeing

Providing the right support at the right time.



Education

Ensuring an effective provision for today and for future generations.



Housing

Ensuring that everyone has the right to call somewhere home.



Economy

Promoting opportunities to develop the Island's economy.



Climate Change

Responding to the crisis, tackling change and working towards becoming a net zero organisation by 2030.



[Council Plan 2023-2028](#)

Council Values

The Council Plan 2023-28 is underpinned by the organisation's core values, which are used to develop and guide the vision, strategic plans and services.

It also adheres to the general principles of:

- Sustainable development
- Equality and diversity
- Prevention and safeguarding
- Commitment and accountability
- Communication
- Modernisation

Values



Respect

We are respectful and considerate towards others regardless of our differences.



Honesty

We are committed to high standards of conduct and integrity.



Collaborate

We work best as a team, with our communities and partners to deliver the best outcomes for the people of Anglesey.



Champion the council and the island

We create a sense of pride in working for the council and present a positive image of the council on the council and the island.

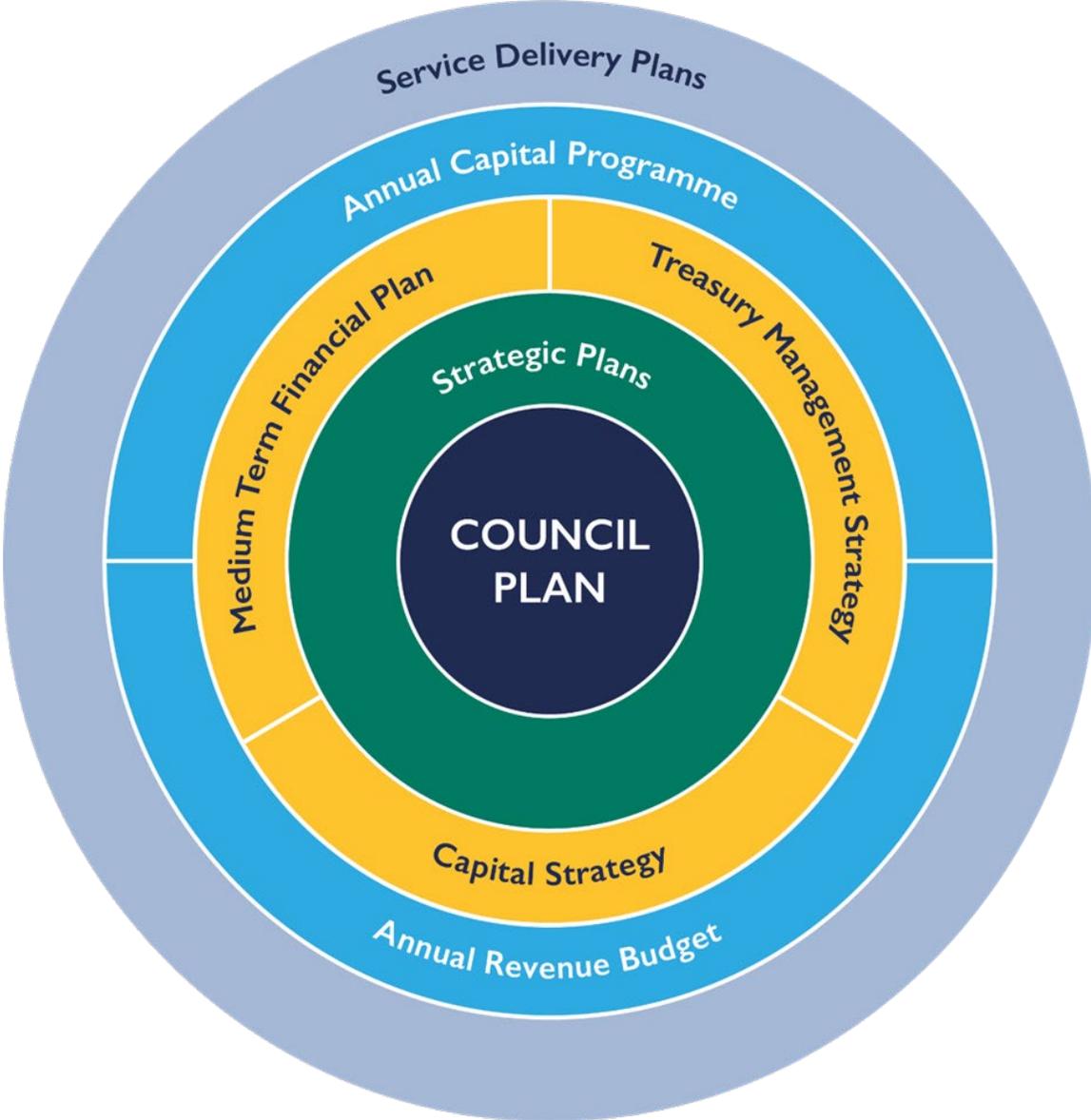


[Council Plan 2023-2028](#)

Strategic Circle

The strategic circle identifies the plans in place to ensure we are able to achieve our priorities and objectives.

This plan is a key strategic plan that aligns with the Council's Plan and contributes to the achievement of the strategic objectives and vision.



[Council Plan 2023-2028](#)

Key priority areas

To ensure that the Council has a financially and environmentally sustainable asset portfolio, rationalised to be fit for purpose and safe for the delivery of services.

1. Suitability

- A rationalised portfolio
- The right properties in the right locations
- Properties that are accessible and safe for everyone
- Properties in good condition (with budgetary constraints acknowledged)

2. Sustainability

- Reduce our carbon footprint
- Financially sustainable

3. Collaboration

- Plan and manage properties as a corporate resource to achieve the Council's vision and strategic objectives.

4. Data driven

- Proactive planning based on data
- Clarity and transparency

Suitability – a smaller portfolio, improved condition, safe and accessible

Why is this important?

We have a large historical portfolio that hasn't evolved at the same pace as our communities and their needs. We must align needs of our communities with our property portfolio.

Our maintenance backlog is increasing, and the condition of our buildings is deteriorating.

By reducing the size of our portfolio, we can concentrate our budgets and improve the condition of our properties. This will lead to us having fewer* but better-quality properties.

By providing fit for purpose properties, in the right locations, we can meet the needs of existing users and Services and plan more effectively for the future.

By providing safe and accessible properties and we can protect against health and safety risks and liability.

What are we going to do?

- Hold assets with a defined purpose only and aim for financial, socio-economic, and environmental sustainability across our property portfolio.
- Presume in favour of disposal of a property if there is no service requirement.
- Challenge the existing use of assets by identifying co-location opportunities and alternative provisions, including with partners, which could mean rationalising and disposing of properties when appropriate.
- Maintain assets so that they are in a good state of repair and legally compliant, to ensure their continued safety and suitability.
- Develop information gathering and management arrangements to evidence achievements.

How are we going to do this?

- Challenge our assets on a continued rolling programme.
- Identify properties that should be kept / invested in, and those that are surplus to requirement and should be disposed of.
- Review the portfolio and plan service provision according to service requirements and geographic areas.
- Formalise property safety arrangements and ensure that the necessary checks are completed within suitable timescales.
- Set up a rolling programme for detailed condition inspections of schools and other buildings.

Sustainability – reduced carbon footprint, increased financial efficiency

Why is this important?

Our property portfolio is one of our main carbon emitters and we will have to reduce our carbon footprint if we are to achieve our Towards Net Zero Plan. There are substantial grants linked to decarbonisation, and if we plan and prioritise correctly they offer a funding stream that will allow us to upgrade, improve and reduce the burden of maintaining our buildings whilst achieving the main goal of decarbonisation.

The current financial climate is challenging and the property portfolio's financial implications are significant. The corporate property portfolio represents a significant proportion of the value of the Council's assets, liabilities, revenue (rents) and expenditure (maintenance, energy, taxes etc.) and the portfolio can have a significant impact on the Council's financial capacity.

What are we going to do?

- Establish a carbon baseline for our buildings.
- Reduce the carbon emissions of property assets.
- Be ambitious and brave when considering opportunities to decarbonise our stock whilst accepting that there are risks associated with new technologies.
- Be open to opportunities to fund decarbonisation and energy production schemes.
- Encourage biodiversity gains when making property decisions and make wise and prudent investments.
- Reduce operational costs by using buildings more efficiently.
- Ensure maximum financial gains whilst recognising economic and social benefits.
- Make the most of external funding.

How are we going to do this?

- Develop a pathway towards net zero for the council's property portfolio.
- Establish design standards to follow when buying or renovating assets to ensure carbon efficiency and the future flexibility of the space.
- Develop performance monitoring processes and manage energy efficiently.
- Establish clear and transparent invoicing and debt collection arrangements.
- Review property disposal policies presuming in favour of ensuring the highest price.
- Explore all funding opportunities as stated in the Capital Strategy.

Collaboration – joined up thinking to deliver economic, environmental and social objectives

Why is this important?

It is crucial that property decisions are made with regard for, and in the context of, the economic, environmental and social impacts on our communities.

The property portfolio is an asset that is held with the aim of achieving the vision in the Council Plan of creating a healthy and prosperous Anglesey where people can thrive and introducing a breadth of services to support that vision.

What are we going to do?

- Work together to plan and manage properties as a corporate resource to achieve the council's vision and strategic objectives.
- Be open to opportunities to use our portfolio innovatively to support economic regeneration and the delivery of the objectives of the Housing Plan.

How are we going to do this?

- Develop a proposal for a Corporate Landlord Model for stakeholder consideration.
- Establish a view point on working in partnership with the Island's communities and other public services through the *Ystadau Cymru* programme.

Data Driven – proactive planning, clarity and transparency

Why is this important?

Decisions relating to property are significant, difficult to undo and can attract a lot of public interest. It is crucial that procedures and policies are clear and transparent.

Opinion is not always a sufficient basis for decision making when resources are limited and the decisions difficult.

We need to be able to plan our work and our investment programmes for the mid to long term to establish a long-term direction.

What are we going to do?

- Develop data gathering and management arrangements to provide evidence and aid decision making.
- Plan for the long-term despite gaps in information and uncertainties regarding resources.
- Ensure clarity about what needs to be done, the resources needed and any barriers.
- Make decisions after evaluating the options with clear and documented reasoning in line with recognised good practice.

How are we going to do this?

- Move to the CPM asset management software.
- Develop complete programmes for collecting, checking and maintaining data.
- Establish key performance indicators (KPIs) and suitable measures for managing them.
- Develop plans for undertaking prioritised work before funding is identified so that we are ready to respond to grant opportunities.
- Review or develop policies and arrangements as required.
- Establish suitable arrangements for publishing information.

Risks in delivering the Asset Management Strategic Plan



Governance and accountability



To ensure the plan is realised, we will establish robust arrangements. We will review the terms of reference of the Land and Assets Group to ensure its fit for purpose.

We will report to our Leadership Team and our Executive Committee.

Our arrangements will ensure clarity, accountability, coordination and the structure to monitor progress effectively.