



**Epping Forest  
District Council**

## ***Report to the Cabinet***

**Report reference:** C-003-2019/20  
**Date of meeting:** 13<sup>th</sup> June 2019

**Portfolio:** Commercial and Regulatory Services

**Subject:** Asset Management Strategy

**Responsible Officer:** Jim Nolan (01992 564083).

**Democratic Services:** Adrian Hendry (01992 564246).

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### **Recommendations/Decisions Required:**

**That Cabinet approves the attached Asset Management Strategy.**

### **Executive Summary:**

The proposed Asset Management Strategy (AMS) sets out the rationale for existing and future asset management initiatives. The AMS will assist EFDC in achieving its corporate objectives as guided by our Core Principles and identifies links with other key council strategies.

### **Reasons for Proposed Decision:**

At present, the councils approach to its land and property assets is on a case by case basis or by reference to approaches taken in the past. These are not always fit for purpose in the current market and there exists no overall strategy which provides links to our Corporate Plan or Medium Term Financial Strategy. Adoption of an AMS will bring EFDC in line with other Local Authorities who have adopted similar strategies and will ensure EFDC is making the best use of its assets in a comprehensive, cohesive, economic and socially responsible way.

Adoption of the AMS will ensure the various Directorates in the council are approaching the acquisition and management of assets in a cohesive, complimentary and joined up way.

### **Other Options for Action:**

This report addresses the absence of an AMS therefore the only options for action are to amend the proposed strategy in line with the wishes of Members or not to adopt the strategy at all.

**Report:**

In order to make best use of the Council's assets (which includes a sizeable portfolio of land and property) across commercial and residential sectors, a coherent strategy is required.

Following a series of meetings of the officer led Asset Management Group a draft Asset Management Strategy has been prepared. The strategy is based on sector good practice and refers to all council owned land and property assets with the exception of our housing stock. It outlines the principles the council should adopt in its approach to the management, acquisition and disposal of these assets going forward.

The strategy identifies the links to our corporate objectives and refers to, inter alia, the councils Medium Term Financial Strategy and its Capital Strategy and introduces the idea of setting up a Local Trading Company and Local Housing Company (which will be the subject of a future report to Cabinet).

The proposed AMS covers commercial investment, acquisition of new assets, disposal of underperforming or less secure assets, development of land and property for both investment/income and regeneration/socio-economic purposes, and investment vehicles. Furthermore it emphasises the concept of capital investment funding initiatives which will produce a revenue return.

**Resource Implications:**

There are no initial resource implications from adopting the recommendations in this Cabinet Report.

It is envisaged that there would be a net overall benefit to council resources by adopting the AMS as we would then pursue a coherent and proactive policy towards existing and future assets. This aims to improve annual investment income, the disposal of riskier or poorly performing assets, adoption of specialist expertise in-house and the creation of investment vehicles to more efficiently peruse the AMS.

**Legal and Governance Implications:**

The day to day application of the strategy will be monitored by the officer led Asset Management Group. The lead officer of the group will regularly update the Commercial and Regulatory Services Portfolio holder on developments.

Overall governance will be provided by regular reporting to the Asset Management and Economic Development Cabinet Committee and/or Cabinet.

The formation of Local Authority Companies will be subject to current legal and governance rules and will be the subject of a future report to Council.

**Safer, Cleaner and Greener Implications:**

In adopting an AMS we will be able to approach assets in a way that takes into account safer, cleaner and greener issues. This is directly relevant to the regeneration, redevelopment and acquisition of assets by creating more sustainable environments within the District.

**Consultation Undertaken:**

None at this stage.

**Background Papers:**

Asset Management Strategy (Proposed), Corporate Plan 2018-2023, Medium Term Financial Strategy, Capital Strategy

**Risk Management:**

Adoptions of an AMS includes a focus on reducing risk to EFDC through its approach to underperforming assets (both from an investment and a socio-economic focus) and reduction of risk by ensuring there is a cohesive framework for all Departments in approach to assets.

**Equality:**