

AGENDA ITEM

REPORT TO CABINET

12 DECEMBER 2024

**REPORT OF CORPORATE
MANAGEMENT TEAM**

CABINET DECISION

Leader of the Council – Councillor Bob Cook

STRATEGIC ASSET MANAGEMENT PLAN 2025-2030

SUMMARY

The Strategic Asset Management Plan (SAMP) 2025-2030 sets a strategic direction for the Council managing its land and property portfolio. It marks the transition to a Corporate Landlord Model, centralising all Council-owned assets' ownership and strategic management. This approach ensures efficiency, transparency, and alignment with the Council's strategic objectives. The SAMP outlines key aims and actions to maximise the use of land and buildings, drive regeneration and inclusive growth, and support community needs, all while promoting sustainability and value for money.

REASONS FOR RECOMMENDATION(S)/DECISION(S)

1. **Efficient Asset Management:** To manage Stockton-on-Tees Borough Council's assets to maximise value for money and align with strategic goals and community needs.
2. **Regeneration and Inclusive Growth:** To leverage land and property assets to stimulate regeneration, attract investment, and promote inclusive economic growth across the borough.
3. **Aligned Practices:** To standardise asset management processes across the Council for consistency, operational efficiency, and improved decision-making.

RECOMMENDATIONS

It is recommended that Cabinet:

1. Approve the live Strategic Asset Management Plan (SAMP) 2025-2030 (Appendix 1).
2. Endorse the implementation of the Corporate Landlord Model to centralise asset ownership and streamline management processes.
3. Note the planned review of assets to ensure their optimal use in alignment with strategic goals and community needs.

DETAIL

1. The Council's land and property portfolio includes operational buildings, commercial properties, community facilities, housing, and land assets. Given financial pressures, it is vital to manage

these assets effectively to achieve cost savings, generate income, and advance the Council's broader corporate priorities, including regeneration and inclusive growth, sustainability, and community well-being.

2. The Strategic Asset Management Plan (SAMP) 2025-2030 provides a strategic direction to align asset management with the Council's corporate objectives. The SAMP prioritises financial sustainability, regeneration and inclusive growth, asset efficiency, and meeting the community's diverse needs.
3. A core feature of the SAMP is the Asset Challenge process, which involves continuous evaluation of asset performance and relevance. This ensures that assets remain fit for purpose, contribute to corporate objectives, deliver value for money and align with service delivery needs. It also identifies opportunities for collaboration, partnership, repurposing, redeveloping, maximising income, and reducing operational costs. This process ensures the Council can adapt to changing needs and maximise the value of its assets.
4. The SAMP introduces a Corporate Landlord Model, centralising the ownership and management of assets under a corporate function. This shift ensures decisions align with the Council's strategic objectives, promote transparency, and maximise efficiency in service delivery. Service departments will become corporate tenants, using assets to deliver their services, while the Corporate Landlord will manage these assets, ensuring compliance with legal and operational standards.
5. The SAMP comprises three interconnecting components:
 - **Policy:** Establishes the overarching direction for managing Council assets to meet corporate objectives and priorities.
 - **Strategy:** Outlines the key aims for our assets, including a corporate approach, regeneration and inclusive growth, value for money, optimisation, community support and partnership, and sustainability.
 - **Action Plan:** Provides a live document detailing specific actions, performance measures, and timelines for achieving the strategy objectives.
6. Under the SAMP, the Council's asset management approach is structured around six key aims:
 - a. **Corporate Landlord Model:**

Under a Corporate Landlord model, ownership of all assets and responsibility for their management is centralised, shifting ownership from individual service departments to a Corporate Landlord function for consistency and improved financial efficiency. The service departments become corporate tenants and use assets for service delivery.
 - b. **Regeneration and Inclusive Growth:**

The Council will utilise its land and buildings to stimulate regeneration, attract investment, and promote inclusive growth. This includes prioritising assets to support business growth, revitalising town centres, and creating new opportunities for residents and businesses.
 - c. **Supporting Communities and Partners:**

This will highlight the role of Council assets in empowering local communities. It promotes using assets to strengthen partnerships with local organisations, support well-being, and foster social cohesion. The plan ensures that properties like community centres and public spaces deliver tangible social benefits by aligning asset management with community needs.

d. **Optimisation of Assets:**

The Council will ensure its assets are fully utilised, fit for purpose, and aligned with strategic goals through systematic review and challenge processes. This includes reducing operational costs, identifying opportunities for consolidation, and repurposing underutilised properties.

e. **Value for Money and Financial Efficiency:**

We will ensure that the Council's assets deliver optimal value for money. This includes continuously challenging occupation and utilisation, maximising financial returns, reducing operational costs, and ensuring assets are fit for purpose. The plan outlines a process of regularly challenging asset performance and utilisation, seeking opportunities for consolidation, income generation, and cost savings.

f. **Sustainability and Environmental Stewardship:**

The SAMP supports the Council's sustainability goals by ensuring environmentally responsible asset management. It sets out a strategy to reduce carbon emissions, improve energy efficiency, and promote sustainable practices across the estate.

7. Alongside the SAMP, we will develop specific targeted asset management strategies to address distinct needs and opportunities, ensuring they contribute effectively to the Council's corporate objectives. This approach will allow for more focused management and asset optimisation while ensuring alignment with the overall vision outlined in the SAMP.

COMMUNITY IMPACT IMPLICATIONS

The SAMP is a broad Council-wide strategy based on which subsequent strategic decisions regarding Council-owned assets will be made. The potential impact of these decisions will need to be considered individually with the Equality Act 2010.

The SAMP aligns with the Council's Powering Our Future (POF) programme, which has a long-term vision for Stockton-on-Tees. One of the POF missions relevant to the SAMP is the Regeneration Mission, which aims to generate more employment opportunities, reduce the demand for services, and achieve financial savings. The Communities Mission of the POF programme is also relevant, as the SAMP will identify community needs and take action to provide meaningful community benefits. The best possible outcomes for the local community is a key aim of the SAMP.

Further Cabinet Member briefings will inform members of significant actions and decisions after adopting the SAMP.

The Council has considered how the proposed SAMP could affect groups within the 12 protected characteristics listed in the Equality Act 2010 and Public Sector Equality Duty. The impact is neutral.

CORPORATE PARENTING IMPLICATIONS

The SAMP will consider children's and young people's needs, especially with assets that support services for children and families. Any property-related changes will account for the safety, accessibility, and well-being of young residents. If no direct implications are identified, this will be noted.

FINANCIAL IMPLICATIONS

The implementation of the SAMP is expected to generate significant revenue savings and increase income and capital receipts. The Corporate Landlord Model will help streamline maintenance costs, and strategic asset disposals will reduce operational costs and provide additional funding.

LEGAL IMPLICATIONS

The SAMP and associated asset management practices comply with local authority legislation and statutory requirements. All asset-related decisions will adhere to governance frameworks outlined in the Council's Constitution. Legal Services will be consulted on major asset management decisions to ensure compliance.

RISK ASSESSMENT

The SAMP has been categorised as low to medium risk, with key risks mitigated through comprehensive governance and monitoring:

- **Asset Value Decline:** Mitigated by continuous asset reviews and performance management.
- **Financial Risks:** Addressed through strategic asset disposals and income generation plans.
- **Service Disruptions:** Minimised by aligning asset management with service delivery needs.

WARDS AFFECTED AND CONSULTATION WITH WARD/COUNCILLORS

All wards will be affected. As this is a live SAMP, consultation with key stakeholders will inform its development, and future asset reviews will engage relevant ward councillors and community groups as needed.

BACKGROUND PAPERS

None.

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