

31 January 2017

Policy Finance and Resources Committee

Asset Review and Associated Income Generation

Report of: Philip Ruck – Chief Executive

Wards Affected: All

This report is: Public

1. Executive Summary

- 1.1 The purpose of this paper is to update Members on the status of the Asset Register for the Council.
- 1.2 Members will be aware of the financial pressures that Local Government is under and it is clear that to maximise the returns available from the Council's assets, that alongside an Asset review, the Council has to have a clear action plan, of which the Asset register forms a key part. Members are asked to note that the Council is in possession an Asset register but work is required to ensure its completeness.

2. Recommendation(s). That the committee agrees to the following:

- 2.1 That the PF&R committee approves the creation of the Asset Register**
- 2.2 That the PF&R committee approves the generation of income, subject to business approval.**
- 2.3 That the PF&R committee acts as the programme board for consideration of the projects that will arise as the result of the creation of the Asset Register.**

3. Introduction and Background

- 3.1 With the forecast reduction in income from central government, it is clear that Councils need to generate income to replace such losses. With plans soon to be in place to manage and contain income and expenditure for 2017/18, it is recognised that a longer lasting solution needs to be found to replace the income shortfall. Thus the Council needs to embark upon a

strategy of utilising the Council's property portfolio, to generate income by to take place in the year 2018/19.

- 3.2 As an example of the reduction in government income, it was announced in mid-December (2016) that the reduction in the New Homes Bonus for Brentwood alone was @ £0.5 million. This information was not available to Councils prior to its announcement and has a major impact on Brentwood's' finances.
- 3.3 To attempt to rectify such a downturn, it is essential to ensure that the Council is in possession of a complete list of its assets and implements actions to generate income as a matter of priority. Actions will need to be taken in the near future to enable the Council to recognise this income within the timescale needed. Decisions relating to assets normally have a longer lead time associated with various committees, which is right and proper, but this emphasises the need to take action now.
- 3.4 The Council will not necessarily wait for the complete list of assets to be compiled as there are already a number of key projects that have been identified with this review and they are currently in the process of being evaluated or will soon be so. Such projects are
 - i. The Depot
 - ii. The Town Centre
 - iii. The Town Hall
 - iv. 1&2 Seven Arches Road
- 3.5 The projects mentioned in 3.4 above, are not exclusive and more will develop as the asset register is reviewed.

4. Asset Register

- 4.1 The Asset register will have many attributes. It will be reconciled and referened to Deed packets.
- 4.2 Alongside the Asset Register will be the Landlord and Tenant list. This will clearly show
 - a) Address of the property
 - b) Whether it is a Rent Review or Lease Renewal
 - c) The date of the Rent Review or Lease Renewal
 - d) The tenant name
 - e) The Passing Rent
 - f) The tenancy main details
 - g) The rental increase
 - h) The projected increase/decrease

- 4.3 Both of the reports are currently available as examples as Appendix 1 and Appendix 2. Due to the sensitive nature of this information they not available as public documents, ie exempt.

5. Reasons for Recommendation

To ensure the Council has a substantial income generation plan based upon the assets of the Council

6. Consultation

- 6.1 None required

7. References to Corporate Plan

- 7.1 The Council seeks to deliver the objectives of the corporate plan by managing its assets in a way with maximises future income streams. In doing so there will need to be successful economic development strategies which look to transform assets to deliver sustainable income whilst delivering successful outcomes for the local community.

8. Implications

Financial Implications

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- 8.1 The Asset Working Programme seeks to ensure the Council is making the most efficient use of its resources.

Legal Implications

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- 8.2 The Council has broad responsibilities to manage its property assets and the development of an assets register will assist it in the pursuit of same.

9. Background Papers (include their location and identify whether any are exempt or protected by copyright)

- 9.1 None

10. Appendices to this report

Appendix 1 Asset Listing (draft) - *Exempt*

Appendix 2 Tenancy Schedule - *Exempt*

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