

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 proposals for using council assets to generate income from 2018 onwards and to provide details of the status of the Council's Asset Register.
- 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 an ongoing review of assets, is essential, to inform the Council's clear action plan.

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

- 2.1 That the PF&R committee agrees to continue to review and update the asset register.
- 2.2 That PF&R agrees to continue the work on the five key asset projects identified in 3.3. and will bring business cases forward as appropriate.
- 2.3 That the PF&R committee acts as the programme board for consideration of these projects and any that arise as the result of the review 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 has embarked upon a strategy of utilising the Council's property portfolio, to generate income, with more significant returns expected from 2018/19 onwards.
- 3.2 A further challenge alongside the fall in government income relates to uncertainty around the New Homes Bonus, 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. We do not know if there will be additional such announcements in future years.
- 3.3 Over the past 18 months, significant work has taken place to review leases related to Council assets. This has delivered an increase in income to the Council and where appropriate, the Council has agreed more commercial arrangements. The Council will be increasing the focus on key assets in order to decide the best use for their future in both services provided and financial terms.

Projects are already underway to deliver both a refreshed Town Centre and William Hunter Way car park and a community hub at The Town Hall. These projects will continue to be reported back to members as they progress.

The future of 1&2 Seven Arches Road and the Council Depot in Warley Drive are currently being considered, whilst the Leisure Review is looking at service provision within the Borough along with recommendations for the Brentwood Centre. Business cases with proposals and details of investment will be brought back to the relevant committee in due course.

These five projects are key assets that will contribute to delivering a thriving borough and a modern Council, whilst also securing additional income to help fund council services for residents.

- 3.4 The projects mentioned in 3.3 above, are not exclusive and more will develop as the asset register is reviewed and as current projects

progress. However, it is essential that capacity to deliver is considered alongside new ideas. As such, it will be necessary to prioritise work and projects accordingly.

4. Asset Register

4.1 The updated asset register will have many attributes. It will also be reconciled and referenced to Deed packets.

4.2 Alongside the revised 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

This will enable officers to continue to ensure that assets are monitored very closely in order to achieve the best for the Borough.

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

5. Reasons for Recommendation

To ensure the Council's use of assets reflects the needs of the borough and the council and that there is a substantial income generation plan based upon the assets of the Council

6. Consultation

6.1 None required

7. References to Corporate Plan

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

Both of the Appendices are not Public Documents

Appendix 1 Asset Listing (draft)

Appendix 2 Tenancy Schedule

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