

From: Peter Oakford, Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services

Rebecca Spore, Director of Infrastructure

To: Policy and Resources Cabinet Committee – 10th September 2024

Subject: Asset Management Strategy 2024 - 2030

Decision no: 24/00069

Key Decision: Yes - The decision will result in the adoption of a new strategy.

Classification: Unrestricted

Past Pathway of report: Policy and Resources Cabinet Committee, 17 January 2024

Future Pathway of report: Cabinet Member Decision

Electoral Division: All

Is the decision eligible for call-in? Yes

Summary: This report provides an update on the new 2024-2030 Asset Management Strategy.

Recommendation(s):

The Policy and Resources Cabinet Committee are asked to consider and endorse or make recommendations to the Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services on the proposed decision to agree to the adoption of the new Asset Management Strategy 2024-2030.

1. Introduction

1.1 The current Asset Management Strategy (AMS) ended in 2023, and a replacement AMS (2024 –2030) has been developed for adoption by the Council. The strategy has been developed alongside Kent County Council's (KCC's) core strategic objectives and seeks to build on the outcomes achieved and lessons learnt from the previous (2018-2023) AMS.

1.2 The previous AMS focused on six key themes in the management of the Council assets:

- Innovation and customer focus.
- Safe, warm, dry and proactively compliant.
- Effective asset and estate management.
- An efficient, adequate and appropriate estate.
- Maximising regeneration and growth in Kent.

- Reducing the estate's environmental impact and the environment's impact on the estate.
- 1.3 Internal engagement sessions have been undertaken to review the 2018-2023 AMS, which reflected on what had been achieved; lessons learnt; and areas for improvement. This also identified areas to be considered for the new strategy which included ambition, vision, and new themes.
 - 1.4 These lessons learnt have been used to inform the new AMS.
 - 1.5 An update of the progress of the new AMS was taken to the Policy and Resources Cabinet Committee on 17 January 2024.
 - 1.6 To further develop and refine the AMS, along with feedback from the committee, engagement has been ongoing with services via Directorate Management Teams (DMT) since the end of 2023. Feedback from the various engagement sessions has been taken into consideration in the development of the Strategic Objectives of the new AMS.

2. Moving Forward with the New 2024-2030 Asset Management Strategy

- 1.7 The new AMS has been devised from KCC's strategic core objectives; Securing Kent's Future budget recovery plan; the evaluation of the 2018-2023 Asset Management Plan and from feedback through stakeholder engagement.
- 1.8 This new AMS comes at a critical time as the Council faces significant financial pressures. It is, therefore, essential that our assets deliver maximum value for the Council throughout the asset lifecycle.

The **Key drivers** for the new strategy are:

- i. Securing Kent's Future:
 - Financial Sustainability: achieving sustainability requires a commercially focused approach that balances supply and demand for services.
- ii. Net Zero Targets:
 - Reducing our environmental footprint and improving efficiency of our assets are essential to achieving the Council's Net Zero emissions targets.
- iii. Adherence to Legislative Framework, Health and Safety Compliance, and Delivery of Statutory Provision:
 - Compliance with the legislative framework and health and safety regulations is paramount.
- iv. Property Enhancing Service delivery:
 - Optimising our property portfolio is crucial for enhancing service delivery.

- This includes ensuring the property service provided in buildings meets the service need and any new investment in buildings is designed to be fully fit-for-purpose to support service delivery.
- 1.9 This strategy will seek to further develop strategies to ensure that KCC's property and assets portfolio are optimised; with enhanced collaboration with partners regarding **potential shared use to ensure efficiencies can be realised; and that KCC's statutory and essential services are delivered, fulfilling statutory obligations. Securing our short-term and medium-term position is crucial for effective future planning.**
 - 1.10 The new strategy will seek to transform the Council's asset portfolio to be leaner, greener, and more financially sustainable, with greater efficiencies and aligned to the Council needs.
 - 1.11 The new strategy will be for 6 years, taking us through to 2030, with a review at the midway point; to ensure that the AMS aligns with KCC's other key strategies and creates a framework within which policies can evolve and be developed as the context of the Council changes:
 - 1.12 Following the previous 2018-2023 strategy, the outcomes and lesson learnt will continue to be strengthened to ensure we have a solid foundation, to refine our asset information into one cohesive framework. This will allow us to critically evaluate our portfolio, retaining only the essential assets that align with service needs. This process will **further develop the baseline information in relation to the Council's assets.**
 - 1.13 The accurate baseline data will ensure that KCC **can enable the implementation of long-term, lifecycle management strategies, which will capture comprehensive lifecycle information for all its assets, enabling whole-life cost analysis to inform decision-making. This will ensure KCC maintains a proactive rather than reactive approach to its estate.**
 - 1.14 By aligning assets with service requirements, our future estate will directly support the service provision's needs and integrated models. Assets will be designed and managed for multi-purpose use; flexible in terms of function; and facilitating agile working to create a fit for purpose estate aligned to the future needs of the Council and those that access our buildings including residents, service users, partners and staff.
 - 1.15 We will actively seek to engage with stakeholders both internal and external to KCC to demonstrate how assets can enable new operating models and integrated delivery to shape service transformation and support the way that we want to work and operate in the future.
 - 1.16 Environmental principles will be embedded into our asset strategies to continuously improve energy efficiency, reduce emissions, and drive sustainability with the aim of driving towards KCC's net zero targets by 2030, which may be achieved through seeking additional grant funding.

- 1.17 Robust asset data will enhance KCC's strategic capital and revenue planning and enable the forecast for long-term asset and investment needs, **which will promote spending efficiencies and building utilisation, by enhancing the performance of the estate.**
- 1.18 We will seek to adopt smart building technologies, utilise intelligent building management systems, and automation, to provide flexibility and data-driven insights where possible. This will ensure there is a holistic approach to the management of KCC's estate, where efficiencies, economies of scale and the monitoring of **the estate will seek to be proactive where possible.**
- 1.19 By embracing smart technology, **where possible we will be able to focus on improving the management of KCC's assets and have reliable, effective systems in place, to ensure rent reviews, lease renewals, building maintenance, parts replacements etc. are undertaken in a timely and efficient manner.**
- 1.20 To ensure a holistic approach, we will prioritise sites with service users' requirements. Engagement with all stakeholders will be key to ensuring that assets enable excellent services and will allow focus on positive outcomes for Kent's residents and its staff through alignment with our people and technology strategies.
- 1.21 In light of the new requirements set out in Securing Kent's future, other potential considerations are being made for the AMS which are set out in Appendix A.

2. Options considered and dismissed, and associated risk

- 2.1 Do nothing – discarded - Since the current AMS ended in 2023, a replacement AMS is required to ensure that KCC obtains best value for money from its estate.

3. Financial Implications

- 3.1 There are no financial cost implications in the development or establishing of this strategy.
- 3.2 Whilst there are no savings ascribed specifically to the strategy, it is anticipated the initiatives it supports will result in better value for money, by ensuring that our assets deliver maximum value for the Council and the whole impact of property decisions are fully considered.

4. Legal implications

- 5.1 There are no legal implications.

6. Equalities implications

- 6.1 An Equality Impact Assessment (EqIA) was completed. The implementation of this strategy does not present any impact on any of the nine areas specified by KCC.

7. Data Protection Implications

7.1 There are no expected data protection implications as a result of this strategy.

8. Other corporate implications

8.1 The implementation of the new AMS will have a positive impact, as it aims to optimise KCC's property portfolio to enhance service delivery, and to ensure that the property service provided in buildings meets the service need.

9. Governance

9.1 In line with the Council's governance process, as this will involve the adoption of a new strategy, not included on the Policy Framework, a key decision will be required.

10. Conclusions/Next Steps

10.1 The next steps are the adoption of the new AMS.

10.2 KCC to implement the new strategy, working closely and collaboratively with all stakeholders to ensure this is a live active strategy and all future decisions relate back to the principles set out in the new AMS.

10.3 As a live strategy, it will be monitored to align with any changes to KCC's core strategies, policies and service objectives, as well as any political or statutory fluctuations.

Recommendation(s):

The Policy and Resources Cabinet Committee are asked to consider and endorse or make recommendations to the Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services on the proposed decision to agree to the adoption of the new Asset Management Strategy 2024-2030.

11. Background documents

11.1 Asset Management Strategy – A Five-Year Plan 2018 -2023

https://www.kent.gov.uk/_data/assets/pdf_file/0019/5545/Asset-management-strategy.pdf

11.2 Framing Kent's Future - Our Council Strategy 2022- 2026

https://www.kent.gov.uk/_data/assets/pdf_file/0018/136431/Framing-Kents-Future-strategy-document.pdf

11.3 Securing Kent's Future – Budget Recovery Strategy & Financial Report

<https://democracy.kent.gov.uk/documents/s120272/Cabinet%20Report.pdf>

12. Appendices

12.1 Appendix A – The Asset Management Strategy 2024-2030

12.2 Appendix B - Equality Impact Assessment

12.3 Appendix C – Proposed Record of Decision

13. Contact details

Report Author: Rebecca Anderson Job title: Head of Business Information, Strategy and Assurance Telephone number: 03000417731 Email address: rebecca.anderson2@kent.gov.uk	Director: Rebecca Spore Job title: Director of Infrastructure Telephone number: 03000416716 Email address: rebecca.spore@kent.gov.uk
----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------