

<b>Reference</b>	
<b>Executive Director</b>	Paul Lakin
<b>Cabinet Member</b>	Clr O'Brien

## Section A

<b>Service Area</b>	BGI
<b>Budget Option Description</b>	Commercial Asset Management

### Budget Reduction Proposal – Detail and Objectives

The Council's Major Projects Division manage the Council's commercial and other land assets through the Land & Property Service.

The Service will shortly commission an asset management planning and review process; the aim of which will be to identify additional income opportunities from commercial assets. The process will also identify loss making assets or high cost / low margin activity.

The asset planning process will be the subject of a separate bid for flexible use of capital receipts or transformation funding. This will be submitted for approval in February 2023.

Following completion of this exercise, officers will prioritise activity and assets which will increase commercial income through:

- Rent review
- Asset disposal/mothballing
- Income growth through strategic investment
- Cost avoidance/reduction.

The Land & Property Service was prevented from engaging in commercial rent review processes during the pandemic and there is a backlog of this activity and therefore potential for increased rental income.

The Council's commercial activities bring in revenue income of approximately £3.6m per annum. The proposed saving of £250k is based on a targeted net increase in income/reduced expenditure which equates to 7% of net annual income. It is felt that this should be achievable, this will require the team to prioritise this activity and subject to the success of the afore mentioned bid for flexible use of capital receipts or transformation funds.

	2023/24	2024/25	2025/26
Budget Reduction (£m)	£0.250m		
Staffing Reduction (FTE)	N/a		

## Section B

***What impact does the proposal have on:***

### Property

The review will revise rent levels where possible. Income maximisation activity may result in asset disposal or capital investment (subject to approval).

<b>Service Delivery</b>
<p>The Land &amp; Property Service are currently engaged in wider activity focused on:</p> <ul style="list-style-type: none"> <li>• Maximising capital income through the Accelerated Land Disposal Programme (ALDP).</li> <li>• Supporting Capital Project delivery (Regen/Schools/Housing).</li> <li>• Supporting Brownfield Housing Delivery.</li> </ul> <p>These activities contribute directly to other budgeted savings associated with increases in Council Tax and Treasury Management.</p> <p>The Service is also carrying a number of vacancies and is capitalising staff resource to capital projects in order to deliver other BGI savings for which there is a resultant FTE reduction.</p> <p>This activity will require significant resource and will require complex planning to ensure it is completed effectively.</p>
<b>Organisation (Including Other Directorates/Services)</b>
Prioritisation of staff resources in order to deliver a number of key priorities for both the Department and the organisation including the Accelerated Land Disposal Programme (required to deliver capital receipts).
<b>Workforce – Number of posts likely to be affected.</b>
None
<b>Communities and Service Users</b>
None
<b>Other Partner Organisations</b>
None

## Section C

### Key Risks and Mitigations

Risks	Mitigations
The savings proposal is an estimate, based on the best available information. Full information on income maximisation potential/cost avoidance will not be known until asset management planning activity is complete.	Early procurement of Asset Management Plan work package.
Availability of Land & Property surveyor resource.	Ongoing recruitment activity associated with hard to fill posts.
Risk to other council savings: – The Land and Property Service is currently engaging in activity to underpin Council Tax income increases (Brownfield housing Programme) and will provide capital receipts under the ALDP to bring in funds	Ongoing recruitment activity associated with hard to fill posts.

used by other services for savings via flexible use of capital receipts. Should this initiative provide resourcing challenges for the Service, there is likely to be an effect on activity associated with the wider Council's savings programme.	
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### Key Delivery Milestones

*Include timescales for procurement, commissioning changes etc.*

Milestone	Timeline
Procurement of Asset Management Planning consultancy package	February – March 2023

### Section D

Consultation Required?	No consultation required
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	Start Date	End Date
Staff		
Trade Unions		
Public		
Service User		
Other		

### Equality Impact

*Is there potential for the proposed budget reduction to have a disproportionate/ adverse impact on any of the following?*

Disabled people	No
Particular Ethnic Groups	No
Men or Women (including impacts due to pregnancy/maternity)	No
People who are married or in a civil partnership	No
People of particular sexual orientation	No
People who are proposing to undergo, undergoing or undergone a process or part of a process of gender assignment	No
People on low incomes	No
People in particular age groups	No
Groups with particular faiths and beliefs	No

EIA Required?	No EIA required
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### Section E

*Financial Implications and Investment Requirements*

Investment requirements – Revenue and Capital

Investment will be required for the asset management planning and review system. This will be a non-recurrent costs and subject to a bid for use of flexible use of capital receipts or the transformation funds

**Finance Comments – Will the proposal deliver the savings and within the agreed timescales?**

This work has not yet started but there is an opportunity as this work has not been undertaken since before the pandemic to potentially recover prior years monies in 2023/24 which should compensate for any slippage in the scheme not starting on the 1<sup>st</sup> April but this will require careful negotiation and may also need the support of finance and legal colleagues