

## Asset Review Framework

### Part 1 Asset Challenge

- a) **Strategic purpose** - This part of the process determines whether an asset has an identified use and purpose which enables service delivery in line with the corporate plan.
- b) **Opportunities and risk** – This part of the assessment is understanding if there are any opportunities that could be exploited. It will overlay any planning policy issues, restrictive covenants or, if the asset was gifted, restrictions on any sale. It also deals with the cost and condition of the asset, whether it is fit for purpose and any investment required. Decarbonisation and climate adaption must be considered as part of the investment required
- c) **Performance appraisal** – This considers costs of running the asset, current levels of reactive maintenance and any known planned maintenance issues such as upcoming component replacement and known backlog maintenance. For significant assets the review process may need to commission a condition survey to inform this part of the evaluation. A discounted cashflow for the next 30 years should be included in this section and, where appropriate, the payback on any investment. The appraisal should examine under what Corporate Plan Priority the asset is held to deliver and what outcomes are delivered by that asset. There evaluation should consider how the asset helps or hinders service delivery now and also under the Future Operating Model defined by the Transforming East Herts Programme.

### Part 2 Option Appraisal

- a) **Option Appraisal** – The “Do nothing” option **must** always be appraised alongside other potential options arising from Part 1

## Strategic Asset Management Plan 2023 – 2028 Annex 2

i.e. Retain and Maintain, Retain and Improve, Dispose and Replace, Dispose

b) **Recommendation** – this should flow from the evidence in the evaluation

### **Strategic Asset Management Group**

This group comprises Key Members and officers. The group will agree the appraisal programme and receive the options appraisal reports. The group will use their service knowledge and partnerships to ensure that we take into account partner's potential opportunities e.g. Social Housing Registered Providers may want first refusal on sites suitable for housing, however given the council's finances sales will be at the market valuation. This may therefore require s.106 commuted sums to be used to deliver social housing on those sites but this will be facilitated by the Strategic Asset Management Group.

The group will also sign off the Option Appraisals and recommend any disposals to Executive for decision.

Investment will be proposed as part of the capital programme and for the acquisition of new assets a business case will be required.