



COPELAND BOROUGH COUNCIL

CAPITAL STRATEGY AND ASSET MANAGEMENT PLAN 2006/7

ASSET MANAGEMENT PLAN



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1. INTRODUCTION

- 1.1. The layout and presentation of the Asset Management Plan has been changed for 2006/7 to make it more concise and better focussed on Copeland's specific needs, and to give Members some detail of what activity is taking place.
- 1.2. The continuing policy elements of the plan are now provided as Appendices for reference.
- 1.3. The way in which the Plan addresses the latest Corporate Plan objectives is summarised, and
- 1.4. Activities undertaken within the last 12 months are reviewed and measured against expectations.

2. EXECUTIVE SUMMARY

- 2.1. Through the management of property the Council has the ability to positively influence customer and working environments, changes and developments within the Borough of Copeland.
- 2.2. The key message from the 5 year corporate plan is:

Vision - Copeland Borough Council – leading the transformation of West Cumbria to a prosperous future, through:

**1.
Effective
Leadership**

**2.
Achieving
Transformation**

**3.
Promoting
Prosperity**

- 2.3. The Asset Management Plan responds to the Corporate plan through application of the land and property assets by:
 - 2.3.1. Public building Fund - utilisation of Revenue and Capital budgets to maintain the assets to address back log of repair (See Appendix D).
 - Asbestos Management strategy – this has now been completed, surveys undertaken in 2006/7, removal of residual asbestos and roll out to building managers 2007/8.
 - Procedures to protect against Legionella reviewed strengthened 2006/7.
 - Construction Design Management procedures updated following the introduction of new legislation 2006/7/8.

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2.3.2. Providing accessible buildings for customers.

- The performance Indicator BV 156 demonstrates that this Council has achieved a rating of 87%. This has been achieved through early recognition of the DDA requirements, the undertaking of an Access audit of all buildings, and provision of funding for a four year programme for implementation. A further review, audit and implementation of any outstanding works for compliance in 2007/8 at the Moresby parks is expected to extend the rating to 100%.
- The provision of 'Evac.' chairs to The Copeland Centre and Moresby Parks has responded to changes in legislation in 2006 relating to evacuation of disabled persons.

2.3.3. Tailoring buildings to respond to service delivery aspirations, staff requirements.

- Moresby Parks - substantial upgrading and extension of offices and toilets.
- Moresby Parks - utilising disposal income to remove steel gantries and silo from rear 2006/7, undertake improvements to rear access and improve security 2007/8.

2.3.4. Providing buildings and land that are a benefit to, and used by the community

- Maintenance of public toilets particularly Whitehaven and St Bees (blue flag) 2006/7/8.
- Community Centres maintained, peppercorn leases, ongoing.
- sponsoring other organisations through grant assistance towards rent
 - e.g. 37/39 Newlands Avenue

2.3.5. Producing revenue for the Council through letting.

- All leases are reviewed prior to renewal to adjust to current market values. At such time consideration is given to reducing Council liabilities for maintenance and the like 2006/7/8.
- Garage plot sites under review to consider use, improve visual appearance through clearance of vegetation, maintenance of access, utilising income from rents. New tenancy agreements progressively requiring tenants to provide permanent garages of similar appearance 2007/8.

2.3.6. Producing capital receipts from sale of surplus or underused assets.

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- Reviewing potential for assets, identifying those suitable for marketing, enhancing value through remedial works or planning permissions, establishing programme of disposal, linked to Local plan 2006/7/8.
- Considering all options for assets, involving with developers to seek to maximise the Council potential income 2006/7/8.
- A target income of £300,000 per annum for disposals was established three years ago. This has consistently been exceeded with income supporting the Council capital programme ongoing (See Context Appendix A).

2.3.7. Supporting the Council's economic and physical development strategy.

- Where future plans for regeneration are known reserving assets that can contribute to these whilst maintaining income until required 2006/7/8.
- Working in partnership with the North West Development Agency and West Lakes Renaissance and others to purchase and hold assets on partners' behalf to secure the ability for planned regeneration and development to be undertaken 2006/7/8.
- Working with Regeneration to promote use of external funding to maximise resources to enhance areas of Copeland 2006/7/8. Includes English Partnerships, National Trust, Land Restoration trust, English Heritage and others.
- Engaging with commercial enterprises to encourage regeneration whilst directing and responding to area plans and policies; Tesco, Asda and others.
- Continuing development

2..1 Through discussion with Service Units consideration is being given to transferring property held by other Service Units to the Property Section to consolidate the information into one area. This applies mainly to Leisure & Environmental Services and Regeneration. The income from lettings supports the Trading Accounts for these Service Units, and any changes need to be carefully considered.

2..2 A set of Performance indicators has been agreed with Capita in respect of their services to expose performance and enable monitoring.

2..3 Property management is to be strengthened in respect of Service charges to ensure maximum income is obtained.

2..4 Review of human resources in the property maintenance area has been undertaken with report to Personnel Panel and Executive.

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2..5 Appendices

- A Organisational Arrangements
- B Consultation
- C Data management
- D Performance Management and Monitoring
- E Programme and Plan Development and Application

CAPITAL STRATEGY

1 THE AIMS OF THE CAPITAL STRATEGY

The Capital Strategy sets out the way in which the Council works with the community, voluntary sector and partners to deliver the council's objectives.

The Corporate Property Officer and the Asset Management Group have prepared the Strategy. This group comprises officers from Finance and Business Development, Regeneration, Leisure Amenity and Environmental, Policy and Performance, Executive Assets Portfolio holder, with contributions from Corporate Team.

Consultation has taken place with stakeholders, Overview and Scrutiny Committee (Performance and Resources). Approval has been obtained from Corporate Team, Executive and Full Council.

The Capital Strategy contributes to the delivery of the Council's 5 year Corporate Plan which supports the Community Strategy.

2 STRATEGIES AND OBJECTIVES

The Visions and Themes are contained in the Corporate Plan. This is being developed with our partners Cumbria County Council and Allerdale Borough Council into the Community Strategy through the local Strategic Partnership:

Context

Vision and Themes

We are committed to working effectively through our service areas and with partner organisations both to improve the way the council operates and to address residents', businesses, partners' and visitors' key issues and needs. Our vision reflects this:

Copeland Borough Council – leading the transformation of West Cumbria to a prosperous future.

What do we mean by this?

We will show ***leadership*** – shaping the local agenda; working in partnership; providing clear direction through our policies and plans towards the achievement of that agenda; and ensuring that we represent the interests of the local community at all times.

We will continue to work to ***transform*** Copeland to ensure a ***prosperous*** future. This will be evidenced by a strong and varied local economy; good quality of life; equal opportunity and neighbourhood renewal. Many of these outcomes will take longer than the five year

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timeframe of this plan, but we can set the direction and route over that period.

The Capital Strategy supports these objectives through:

- Consolidating the strategic capital priorities within the Corporate Service Plan and Service Unit Plans in a crosscutting manner to direct the contribution of the Council's capital resources.
- Facilitating prioritisation of the ranking of bids for capital resources.
- Establishing and monitoring the Council Capital programme to ensure delivery, directing project managers, scrutinising project plans
- Ensuring that the Council's Operational Buildings provide the environment necessary to maximise delivery of the objectives.
- Ensuring the Council retains an appropriate level of assets to support Council business.
- Generate a flow of Capital receipts from final disposal of surplus assets through continual review, appraisal of market conditions and opportunities.
- Supporting the implementation of specific action plans to deliver key objectives which ensuring most effective use of capital and where possible enhanced value

3 MAIN SERVICE PRIORITIES FOR 2005/6

The schedule below provides an overview of costs for each expenditure head and total spend, plus amount of grants and receipts, fees and charges etc.

GENERAL FUND REVENUE BUDGET BUSINESS UNIT	2006/7 NET APPROVED BUDGET £000
Housing services	285
Leisure & Tourism	3,593
Refuse Collection & Street Cleansing	2,230
Economic Development	654
Benefits	1,456
Miscellaneous	356
Contingencies	2,886
Movement on Reserves	200
Support for Capital Programme	(2,457)
	1,140
TOTAL REVENUE EXPENDITURE (LEVY)	10,342

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Funded by:	
Reserve Support Grant	1,099
National Non-Domestic Rates	5,693
Deficit on 05/06 Collection fund	44
Tax Payers	3,506

CAPITAL PROGRAMME

The reader is referred to Appendix A that sets out the details of projects within the programme and demonstrates individual project funding.

The overall programme for 2002/03 TO 2005/06 is summarised:

£K	2004/5	2005/6	2006/7	2007/8	TOTALS
CBC	461	2,237	2,994	4,094	9,786
EXTERNAL	83	3,755	5,772	5,383	14993
TOTAL	544	5,992	8716	9,477	24,729

The programme has reduced through the transfer of the Housing Stock, this has also had the effect of eliminating the Capital receipts from Right to Buy Council House Sales.

A surplus land disposal strategy, with a SMART target of £300,000 per year of new receipts, has been introduced through the Asset Management Officer Group to bridge the gap.

A summary of the funding of capital schemes is shown below:

Expenditure:	2005/6 Illustrative £K	2006/7 Illustrative £K	2006/7 Outturn £K	2007/8 Revised £k
General Fund	500			
HRA	2,426			
Housing GF	1,070			
TOTAL	3996	3066		
Funded By:				
Capital Receipts	360	1140		
HRA Major Rep Allowance	2,145			
Disabled Facilities Grant	130	157		
Loan	996			
Revenue Contributions	285			
Capital Projects Fund	-			
Grants & donations	80	1,619		
Movement in creditors		150		
TOTAL	3996	3066	8,785,818	9,476,687

5 CAPITAL STRATEGY PRIORITIES FOR 2007 to 2011

5.1 Managing Change

- The Council is proceeding through a period of substantial change with modernising of local government, potential, with the consequence of restructuring, the unitary authority process, and CPA.

5.2 Best Value Developments

- The Council has, following government guidance, established a procurement strategy that operates on a Council wide basis. The principles of Egan's Rethinking Construction have been applied to maintenance of Public Buildings, and the PFI is also an example of joint working.

5.3 Partnership Working

- The Council's main thrust in partnership working is through the West Cumbria Strategic Forum, Local Strategic Partnership (LSP) and a range of specific delivery partnerships, however there is involvement with others; principally through utilising its own capital and assets as contributions to lever in external funding.
- A number of initiatives are being pursued to enhance levels of capital investment in the Borough. Examples are given in the AMP.

5.4 Links to Other Relevant Strategies and Plans

- The Capital Strategy is cross cutting. It impacts on every Service Plan and Strategy of the Council. The Corporate Planning framework provides a mechanism for the prioritisation of investment, with its close links to the Housing Strategy, Recycling Strategy, Leisure and Culture Strategy, Asset Management Plan, and the Regeneration Strategy.
- Each Service Plan for Business Units considers capital, revenue and property asset requirements; developments are in place for monitoring by the Asset Management Group.

5.5 Financing Considerations

- The Council determines capital spending priorities. Capital investment is a fundamental contribution to enable the Council to achieve its longer-term objectives.
- The Council's four year capital and revenue programmes are aimed at being deliverable based on anticipated funds.
- Allocations available through the single capital pot are fully utilised.

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- The implications of the new prudential framework on borrowing may be used where appropriate. The Council will only borrow what it can afford to repay. It may include some borrowing if savings would result or income be generated, provided these can be soundly demonstrated.
- Opportunities for external funding are exploited wherever possible and funding has been secured for significant projects delivered by the Council e.g. South Whitehaven Scheme, Powbeck, Egremont and Area Regeneration Co., Millom Regeneration Co., in addition the Council invests resources in securing large scale programme commitment for regeneration that draws investments into other partnership activities. One example of this is the Council's success in ensure that the Nuclear decommissioning Authority had statutory responsibilities in relation to regeneration in Copeland. As well as capital investment in the NDA headquarters taking place in Copeland. The organisation has committed close to £40m this year alone in investments supporting local economic wellbeing.
- A partnership relationship has been established with Westlakes Renaissance Ltd., to jointly move forward with regeneration projects and funding has been provided for the advance purchase of property to enable future regeneration and development of Copeland. The Council is holding on trust property for these purposes.
- A further example of indirect activity is the Council's part in the West Cumbria Development Fund that draws in investment from the private sector to invest. This has facilitated the development of the Westlakes Science and Technology Park owned by Westlakes Properties, itself wholly owned by the West Cumbria Development Fund. This effective use of Council funding has generated a major partnership asset managed for the benefit of regeneration of the area.
- This approach is consistent with our strategy of using our own capital to lever as much external private and public sector capital as possible to achieve best value. This leverage criteria will continue to be a key element of our strategy.
- Projects contributing to more than one objective will receive a higher priority ranking. Projects that demonstrate an improvement in service delivery are assessed against cost and will receive support where viable.
- Financing mechanisms are under review for private sector renewal grant funding.
- Implications of Housing Capital receipts are under consideration pending Housing Stock Transfer ballot.
- Funding options for Capital projects are pursued as a first priority when appraising the viability of project. As previously indicated PFI, EEC, NWDA Lottery and other sources are considered and are successfully enabling the capital programme.

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5.6 Bidding for capital resources

- The Council's annual budget cycle starts around July each financial year to review and consider prioritisation within both its revenue budget and capital programme, due to the finite level of resources.
- Service units now use Project management techniques starting with a Project Initiation Document (PID) (to confirm quality control) when submitting bids related to Council strategies, their service plans and Best Value reviews.
- These submissions highlight options available, consider risks, exit strategies, include resource estimates and also require a full assessment of the capital cost, and running costs for the life of the project, together with income profile where relevant.
- A formal system of project appraisal to score and assess capital project applications against set criteria is now used to assess schemes for inclusion in the capital programme.
- As part of the appraisal, a ranking score is accorded to each of the bids by the Asset Management Officer Group and reported to the Resources Steering group. The scoring system is based on:
 - Linkage to the Councils key corporate objectives
 - Need to comply with Statutory obligations, contractual and Legal commitments
 - Extent and availability of internal/external funding/partnership contributions and involvement.

5.7. Performance measurement and monitoring

- The Council has established a strategy for a rolling Capital (and HIP) Programme reviewed every four years. These are monitored and reviewed by the Corporate Property officer and Finance Accountant on a monthly basis with progress/scheme cost updates provided by the project managers.
- Any additions, omissions, changes in funding or other adjustments to the programme including action to be taken are made through reports to Executive (and full Council), generally on an exception basis.
- Where difficulties occur there is provision for the Overview and Scrutiny Committee (Performance and Resources) to examine and report back, thus enabling review of the process.
- The PID includes for project review after completion and reporting back on conclusions.

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- Performance Measurement and Innovation
- The Council's corporate planning process incorporates results and lessons from:
 - Comprehensive Performance Assessment
 - Best Value Reviews
 - Peer Challenges
 - Knowledge gained from Partners and other service providers to identify possible capital projects.
- In addition use of local performance indicators, together with the formal Best Value Performance Indicators, allow the Council to identify service performance issues. This information is used to prioritise services to be studied in detail in order to understand the causes of the issues.
- Feasibility studies are used to develop detailed solution proposals and benefit cases to describe potential capital projects.
- Capital Projects are managed via Project Management discipline. This includes the setting of SMART targets and outcomes up-front using Project Initiation Documents, which are reviewed and approved by senior Management, and senior Members.
- This ensures ownership for the projects and allows the progress and success of capital investment to be measured and tracked. Regular updates and monitoring of the performance of capital projects is used to maintain focus and ensure that the potential benefits of the capital investment are realised.
- The PIDs and project plans require managers to highlight risk assessment, options and exit strategies and progress on projects is monitored by SMT during performance monitoring.
- The programme of major projects is managed corporately to ensure that the programme as a whole is resourced and the activities are adding value. Further details of the Council's corporate approach and plan development & implementation are provided in the Asset Management Plan.
- Project Teams are established on a cross cutting basis to ensure stakeholder involvement and influence throughout the duration of the project. The PID and Project Plans pick up the contribution of the project to the Council objectives and the monitoring process highlights progress towards successfully achieving them.
- Service units through the regular Performance Monitoring reports are required to confirm achievements against Performance Indicators with reporting on remedial action where problem arise. There is an expectation for a year on year improvements to be made.

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- These reports are circulation throughout the Council so those stakeholders are aware of progress.

5.8 Cross Cutting Activities

- Expenditure proposals are considered and approved on a corporate basis to maximise the effect of Capital expenditure.
- Some examples of crosscutting working are given in sections 5 & 11.
- Copeland Direct: the whole thrust of this initiative is to provide better customer services, this splits delivery of services between 'front' and 'back' of office affecting staff in service departments. In order for it to succeed both consultation and co-operation has been needed across all Council departments.
- South Whitehaven Partnership and Pow Beck Corridor: The thrust of these initiatives is to improve the infrastructure, to generate tourism, regeneration, making the area a better place to live: it involves both Business development and Economic Development, and a number of external partners, and e-government where a project for a joint IT unit with the adjacent local authority in streamlining the process, promising economies and providing delivery of new structures and systems.

5.9 Consultation

- The Council is keen to obtain views and feedback from its customers and uses various means to obtain this:
- There is ongoing and continuing consultation through the LSP on the Community Plan
- Citizens Panels have been established to put forward ideas and options and obtain views. The Council also involves Neighbourhood Forums. The quarterly magazine 'Copeland Matters' is used to inform residents.
- Postal surveys have been undertaken to identify customer perception.

Please refer to Appendix A Capital programme, Appendix B New Initiatives, Appendix C Management Changes

For information on other Council Strategies, Policies and Plans please refer to the Council website: www.copelandbc.gov.uk

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CONTEXT SHEET

1. REVENUE BUDGET

The gross and net District Council Revenue Budget figures for 2006/7 are:

Gross Budget	34,815
Net Budget	10,342

2. FIXED ASSET ANALYSIS

The fixed assets are analysed on the consolidated balance sheet in the Statement of Accounts as follows:

These Accounts are prepared in accordance with the Code of Practice on Local Authority Accounting (The 1996 Code), published in May 1996, by the Chartered Institute of Public Finance and Accountancy (CIPFA), and also with guidance notes issued by CIPFA.

Costs x £000	Intangible	Other Land/ Buildings	Vehicles, Plant/Equip't	Infrastructure Assets	Community Assets	Non-Op Assets	TOTAL
Gross Book Value as at 01.04.06	759,201	15,111,487	2,287,935	3,496,625	-	4,952,493	26,607,700
Net Book Value as at 31.03.07	378,430	19,898,931	1,109,054	2,472,216	-	8,548,459	32,407,119

3. ASSETS ACROSS MAIN SERVICE AREAS

Details of the number, gross floor area (GIA) type and value of assets across the main service areas are summarised below:

Property type by Department	No of properties	Floor Area (GIA sq.m)	Value as at 31.03.03
All departments	36	25,395	£11,966,349

4. MAINTENANCE BACKLOG

The assessed maintenance backlog across service areas is summarised below.

Estimate of backlog costs (excludes NCL tenanted buildings)	£ 881,805
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5. CAPITAL PROGRAMME

The Council Capital programme for the current and next year is summarised below internal/external sources are included, in summary term as these sources include:

Capital Programme £000	CBC	External	Total
2005/6	2,237	3,755	5,992
2006/7	2,994	5,772	8716
2007/8	4,094	5,383	9,477
Total (3 years)	9,786	14993	24,729

Generating Capital Receipts through disposal of property assets is seen as a prime opportunity to enhance capital programmes.

The release of property against expected demand is carefully considered in order to maximise value (see context sheet Appendix A).

A result of the decision to release land for housing development, and to provide an enabling fund and framework to promote disposal is now showing results in the generation of capital receipts.

The Council recognises the challenges through limited availability of Capital for application to the programme. Efforts are concentrated on drawing in Partnership funding that can contribute towards meeting Key Objectives.

6. BRIEF BACKGROUND ON AREA

Copeland is a special place with a mix of social, environmental and economic factors found nowhere else in the country. It is a place of contrasts. The majority of the Borough is rural and yet it has a rich industrial heritage of mining, shipping and heavy chemical manufacturing. The Borough has some very affluent areas and yet we have pockets of urban deprivation as serious as those of any inner city.

We have England's highest mountain and deepest lake amid some of the best landscape in the world, and yet the coastal area is dominated by the massive Sellafield site (which is the location for 60% of the UK's nuclear waste) and has significant areas of urban and industrial decay. This mix presents unique challenges – and opportunities – for Copeland Borough Council and the communities we represent.

Copeland is situated on the west coast of Cumbria the most northwesterly county in England. Our neighbours are the districts of Allerdale, Barrow-in-Furness and South Lakeland. Geographically, most of our 284 sq. miles is rural, with two thirds of it in the Lake District National Park. But the majority of our 69,000 population live in the relatively narrow coastal strip, served by the A595 and west coast rail line, both of which hug the 35 miles of coastline.

We have four main population centres, Whitehaven (25,000), Egremont (8,000) and Cleator Moor (7,000) in the north of the Borough, and Millom (7,000) in the south. Copeland has relatively poor physical links with the rest of the World. The main road access is the A66 into the north of the Borough, with a journey time of at least an

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hour from Whitehaven to junction 40 on the M6. The West Coast rail line provides a slow and infrequent link to the West Coast Main Line at Carlisle.

Regional airports at Manchester and Newcastle are over two hours away by car. Travel time between Whitehaven and Millom is at least an hour and the route to Millom through the south of Cumbria is equally poor and slow. Within Copeland the main north-south road (A595) is single carriageway, at one point passing through a farmyard. Public transport in rural areas is poor, with many areas having no daily bus service.

For the leisure user, we are well served by cycle ways and long distance footpaths. The C2C national cycle route between West Cumbria and Tyneside, the Reivers Route, and the Hadrian's Route all start in the Borough, as does the Coast-to-Coast footpath.

The Council comprises 51 elected members representing 25 Wards, 29 Labour Councillors, 16 Conservative, 3 Independent, and 3 vacancies. We have around 352 directly employed staff.

Five key issues face Copeland: 1 - Creating and sustaining a healthy local economy, 2 - The impact of the nuclear industry, 3 - Tackling social exclusion and deprivation, 4 - Scarcity of resources, 5 - The current scale and pace of change.

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