

**PROPERTY**  
**ASSET MANAGEMENT PLAN AND CAPITAL STRATEGY**

**EXECUTIVE** Councillor A Holliday  
**MEMBER:**  
**LEAD OFFICER:** Mrs S Bamforth  
**REPORT** Mr C A Lloyd  
**AUTHOR:**

**Summary and Recommendation:**

The Asset Management Plan and Capital Strategy for the year 2006/7 is provided for Executive to consider and note, and for which agreement is sought to continue principles into future years.

**1. INTRODUCTION**

- 1.1. Government Office Northwest has required Local Authorities to submit an Asset Management Plan, Capital Strategy and Context Sheet annually over recent years with the proviso that once Authorities attained a score of 'good' they would no longer be required to produce further annual submissions.
- 1.2. Copeland obtained a 'good' score in 2003/4, and further decided to continue the production of these plans annually as a matter of good practice. This report includes a set of documents that review the position in hindsight for the year 2006/7, utilising information gained during the period reviewed.
- 1.3. Following approval of the 2005/6 Plan at Policy and Performance Overview and Scrutiny Committee on 30 November 2006 plans for following years will be provided direct to Executive, unless there are policy changes requiring OSC approval.
- 1.4. The documents do remain in line with the GONW policy, and are provided by the Finance and Business Development Service Unit, with support for liaison and input sought from the Regeneration Service Unit.
- 1.5. Executive is invited to comment or question any part of these documents, should further information be required.

**2. ARGUMENT**

- 2.1. The Asset Management Plan, Capital Strategy and Context Sheet are attached as Appendices A, B and C. The documents have been made more concise, and Members are recommended to view these.
- 2.2. Further Appendices are also attached giving more detail and background to the main documents.

### 3. CONCLUSIONS

- 5.1 The Council activity continues to build on accepted national principles which provide the Council with a robust framework within which to manage the property assets.
- 5.2 Executive is asked to consider the Asset Management Plan and Capital Strategy for 2006/7, to note these documents, and approve the principles contained therein for application to future years.

### 6 FINANCIAL AND HUMAN RESOURCES IMPLICATIONS (INCLUDING SOURCES OF FINANCE)

- 6.1 Considered within documents.

### 7 PROJECT AND RISK MANAGEMENT

- 7.1 Project management techniques will be employed.

### 8 IMPACT ON CORPORATE PLAN

- 8.1 Essential component document contributing to, aligning with the Corporate Plan.

- **List of Appendices**

- A Asset Management Plan
- B Capital Strategy
- C Context Sheet
- B/A Organisational Arrangements
- B/B Consultation
- B/C Data management
- B/D Performance Management and Monitoring
- C/E Programme and Plan Development and Application
- B/A Capital Strategy Appendix
- B/B Context Sheet Appendix

**List of Background Documents:** Project files.

**List of Consultees:** Corporate Team, Cllr N Williams, Property officer.

### CHECKLIST FOR DEALING WITH KEY ISSUES

Please confirm against the issue if the key issues below have been addressed. This can be by either a short narrative or quoting the paragraph number in the report in which it has been covered.

Impact on Crime and Disorder	Potential to reduce
Impact on Sustainability	Supports
Impact on Rural Proofing	No effect
Health and Safety Implications	Fully considered including CDM

Impact on Equality and Diversity Issues	No effect
Children and Young Persons Implications	No effect
Human Rights Act Implications	Complies with DDA.

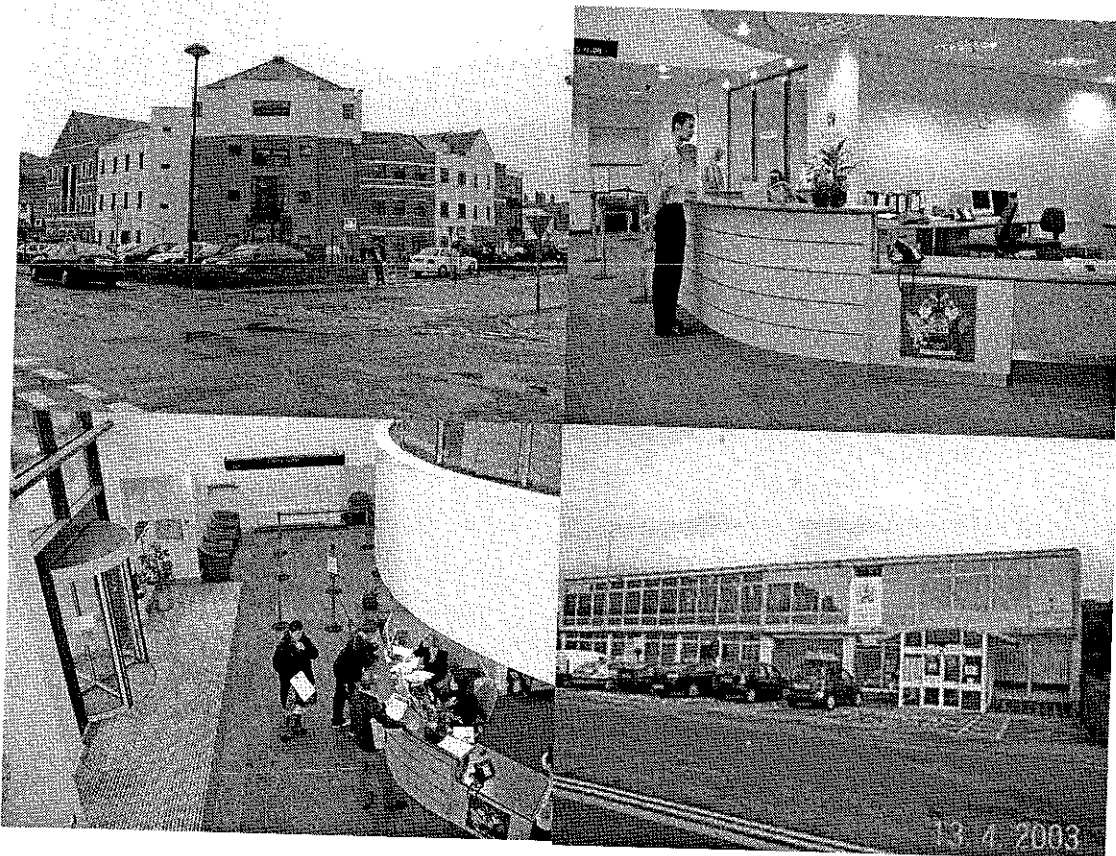
Please say if this report will require the making of a Key Decision NO



# 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:***

- |  |  |  |
|--|--|--|
| <b>1.<br/>Effective<br/>Leadership</b> | <b>2.<br/>Achieving<br/>Transformation</b> | <b>3.<br/>Promoting<br/>Prosperity</b> |
|--|--|--|

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 B/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 B/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.

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

2..5 Appendices

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



## 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 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.

<b>GENERAL FUND REVENUE BUDGET BUSINESS UNIT</b>	<b>2006/7 NET APPROVED BUDGET £000</b>
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
<b>TOTAL REVENUE EXPENDITURE (LEVY)</b>	<b>10,342</b>

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**APPENDIX B**

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

**4 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
<b>TOTAL</b>	<b>544</b>	<b>5,992</b>	<b>8716</b>	<b>9,477</b>	<b>24,729</b>

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:

<b>Expenditure:</b>	<b>2005/6 Illustrative £K</b>	<b>2006/7 Illustrative £K</b>	<b>2006/7 Outturn £K</b>	<b>2007/8 Revised £k</b>
General Fund	500			
HRA	2,426			
Housing GF	1,070			
<b>TOTAL</b>	<b>3996</b>	<b>3066</b>		
<b>Funded By:</b>				
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		
<b>TOTAL</b>	<b>3996</b>	<b>3066</b>	<b>8,785,818</b>	<b>9,476,687</b>

## **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 it's 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.

- 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 Councils 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 Councils 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.

### 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.
- 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.
  - 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](http://www.copelandbc.gov.uk)

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**APPENDIX A**

**ORGANISATIONAL ARRANGEMENTS FOR CORPORATE ASSET MANAGEMENT**

The Corporate Property Officer role is undertaken by the Business Development Manager, responsible to the Head of Finance and Business Development, Executive Portfolio Holder and Executive for all Asset Management. This was approved by Cabinet and Full Council some four years ago.

A job description has been issued for the CPO role. This has been approved by Executive and Full Council, and advised to the Council's Corporate Team and Management Group. Any matter relating to, or that has an effect on, land or property owned or used by the Council is subject of consultation with the CPO.

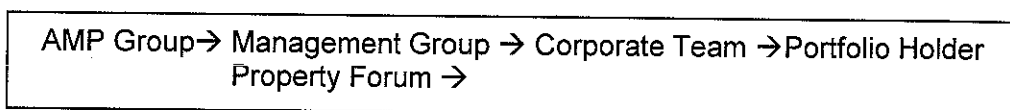
Positive liaison exists with other Service Units (AMP Group) having interest or involvement in Asset Management, with regular contact and meetings held with the following:

Finance and Business Development	-	CPO, Valuation, Public Buildings
	-	Accounting
Regeneration	-	Regeneration Strategy
Economic Development	-	Community renewal
	-	Economic Regeneration
Policy and Performance	-	Communications

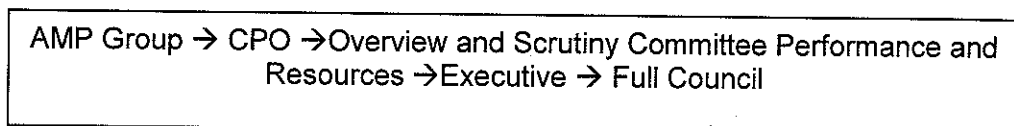
The Council has, within the Executive, established a Member responsible for the Asset Management Portfolio, with one Overview and Scrutiny Committee having responsibility for Policy Development.

The CPO is accountable for and takes proposals through the consultation/approval processes outlined below:

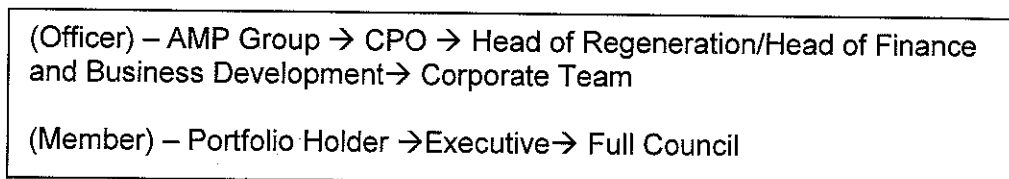
Consultation level



Policy making level



Decision making level



The following Service units are represented on a Client Property Forum. Whilst the CPO retains overall responsibility for the Assets it is recognised that each Client department has the

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responsibility for operational management. The Forum generally meets biannually, or on an exception basis if necessary.

As a result of changes in level of Council Services (recent restructure, the Housing Stock transfer and Leisure Trust outsourcing) consideration is being given to current arrangements. At present income from property rents and leases is spread over a range of departments, whilst responsibility for maintenance leasing, selling, purchasing rests with CPO. With the Housing Stock now transferred and a diminishing number of properties remaining this could simplify management. Some adjustment to budgets would be needed with funding from maintenance coming from income, and realignment of funding to Service units.

Service units involved are:

- Leisure, Amenity & Environmental Services
- Regeneration
- Finance and Business Development
- Policy and Performance

Due to the size of the Authority (relatively small) "Forum" business is principally channelled through the Corporate Team where developments and changes to Policy and Strategy are discussed and reviewed.

The Capital Strategy and AMP prepared by the CPO and AMP Group and are both taken through the Corporate Team, OSC Policy and resources (which comprises Heads of Service Units and Chief Executive), Executive and Full Council for approval annually. Through this process, it is considered that full and wide discussion and consultation is achieved

The current 5 year Corporate Plan provides the Council key objectives and this is in the process of being developed in the Community Plan through the LSP.

The Service Plans for all Business Units respond to the Corporate Plan and the Capital Strategy and Asset Management Plan draw together the proposals to respond to the objectives.

The terms of reference for the Forum include reinforcing CPO role, consultation on proposals affecting property, decisions to be taken through Corporate Team prior to Member reporting, crosscutting implications, and reference to Council Objectives. In practice many matters are directed to Corporate Team but with annual review dealt with through the Forum.

Due to the size of the Authority and number of assets the forum has a relatively light touch with principal matters being taken through the formal process described earlier.

The CPO, through the Asset Management Group and Corporate Team responds to developments and changes both in the Authorities requirements, customer expectations, and the local economic climate, to provide a match of resource against policy/demand.

Principles for challenging and reviewing the use, provision and performance of the Council Assets are set out below. These are amplified further under programme Plan Development and Implementation.

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Acquisition

- Where regeneration can be positively encouraged through acquisition the Council, through partnership funding and working seeks to acquire suitable property. Partners are sought to assist with funding and delivery to make best use of resources. Such properties will remain in Council ownership only long enough to achieve corporate regeneration objectives

Disposal

- Property for disposal is identified with information retained on a schedule (see Capital Programme). This is monitored monthly.
- External consultant provides estate management function through term contract.
- Planning Approval for specific sales to enhance disposal prospects.
- Disposal generally by advertisement securing expressions of interest followed by sealed bids.
- Gradual release so as not to flood the market with property for sale.
- Purpose is to dispose of assets which cease to be used for operational purposes and which will generate a stream of capital receipts
- Where regeneration can be positively encouraged through specific methods of disposal or joint ownerships the latter will be fully considered and pursued as appropriate.

Investment

- The authority will join with partners to encourage use and development of investment property in the borough, and where appropriate will consider injecting funds where a perceived quantifiable benefit can be demonstrated.
- The Council will develop an integrated approach to investment and disposal which supports the ongoing delivery of regeneration programmes.

Development

- The Authority will seek to obtain external funding where property development will enhance regeneration within the borough, particularly to encourage new businesses to start up. Potential grant sources are continually monitored to enable this process

Maintenance

- This is ongoing with an annual revenue budget, with annual bids made for capital to address the backlog of repair. Limited by constraints on availability of funds.

Surplus/Under performing

- Through the Property Forum, Best Value Service Reviews, PI's and monthly monitoring of vacant property/property for sale a continuous process to deal with under performing property and surplus property is in place

Shared use/Location

- The Council is already sharing wherever space is possible with internal/external partners within buildings. The aim being to widen the scope of services available to local customers.

The Finance and Business Development Service Plan contains objectives in respect of Asset Management. These are reproduced in the BVPP and Corporate Plan. There is a process of Performance Management where progress is monitored against objectives on a three monthly basis with reporting back to the Council Executive. Where remedial action is required this must be dealt with in the report.

## **CONSULTATION**

Consultation on provision of accommodation and working conditions is undertaken through review at the Property Forum/Corporate Team.

Regular meetings are held between the CPO and client departments for three purposes.

- To review service provision from buildings, suitability, change
- To confirm the budgetary provision sought for each year's bidding process and decide and agree on implementation of condition surveys and/or other works becoming apparent between surveys
- To monitor responsive and programmed repairs, identify any shortcomings and obtain feedback from customers.

Specific consultation through Best Value Service Reviews enables further feedback to be gathered but also enables consideration of future requirements and changes to be assessed and included in the improvement plans.

The Council has consulted on a programme for compliance with the DDA Part III 2004, and as a result a four-year programme has now all but been completed, confirming that 885 of public Buildings are compliant (median is approx 60%).

When leases reach the end of their term or approach review personal contact is made with the lessee and discussions are opened to explain the Council's obligations. This is done to smooth out the process and reduce potential for misunderstanding or conflict.

Other areas for consultation are included in the Capital Strategy.

## **DATA MANAGEMENT**

### **Estates**

The Council Consultant operates a computerised system to record and maintain details of all Council land and property (Prop man). This land and property has been divided into the ODPM use categories, condition reference categories, and UPRN and priority status along with other data used for management purposes.

### **Maintenance**

Public Buildings Records – in 2002/3 a sample audit of contracts was undertaken which indicated that the records and administration was correctly carried out.

Condition Surveys – Qualified Consultants are used that operate Quality Assurance systems, they are required to self-test and certify accuracy.

All principal Public Buildings are subject to a full condition survey with recommendations for future maintenance and a costed minimum 5 year plan indicating separately any urgent or Health and Safety issues that may require addressing. Other minor assets have been subject to a less intensive condition survey. PI's 1 a and b provide detail.

The Council Audit section also has an annual work plan with time allocated against Asset Management.

The core information will be used and developed in the management of the property portfolio.

The Legoinalla Policy has been updated and further adopted, through the measured term contract an ongoing regime of inspection testing etc is in place.

An Asbestos Management Policy has been written and adopted by the Council. Asbestos surveys have now been completed, minor residual amounts of asbestos are being dealt with, and the management policy is being rolled out to Building Managers who will be responsible for buildings under their control.

The Finance Department is about to select new software for the Financial management of the Authority. Consideration is being given to the capability of linking to the Land terrier system to enable electronic ordering and or invoice payment to be electronically linked to this new system, as part of continuing improvements.

The existing software already has the facility for intermediate data, for example to give advance warning of lease reviews and renewals to enable staff to respond within the required timescale and ensure increases in income are received. This will be replicated and improved on the new system.

At present there is a paper system for dating condition surveys.

The Capital Finance asset register is cross-referenced to the PropertyTerrier.

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**5 PERFORMANCE MANAGEMENT MONITORING**

Service Plans for each year now include a schedule of Performance indicators and Principal Objectives that are linked to the Council's key priorities and objectives, there is also a review of achievement against the previous year.

The CPO Asset Management is included within the Service Plan for the Business Unit. This includes the CPA PI and the 5 ODPM P.I.s, local P.I.s with an explanation and comparison with previous year figures.

The P.I.s will also be used to contribute towards and direct future changes and development.

<b>ODPM PI</b>	<b>DESCRIPTION</b>	<b>Previous Year</b>	<b>Previous Year</b>	<b>Current Year</b>	<b>Target</b>	<b>Target</b>
		<b>2004/5</b>	<b>2005/6</b>	<b>2006/7</b>	<b>2007/8</b>	<b>2008/9</b>
ODPM 1	A - % GIA in Cond. Cats A-D A	20%	17%	20%	23%	26%
	B	56%	80%	78%	75%	73%
	C	18%	3%	2%	2%	1%
	D	6%	0%	0%	0%	0%
	B - Backlog of maintenance: Total	£2,800,000	£1,947,528	£1,800,000	£881,805 (excludes leisure, etc)	£738,309
ODPM 2	A - IRR for Industrial Property	13%	N/A	N/A		
	B - IRR for Retail Property	12%	15.2%	13.2%		
	C - IRR for Agricultural	N/A	N/A	N/A		
ODPM 3	Mgt costs / sq m	£1.83	£1.59	£1.83		
	B - Mgt costs / sq m - Non-Prop	N/A	N/A	N/A		
ODPM 4	A - R & M costs /sq m - Op Prop	£13.97	£13.87	£13.97		
	B - Energy & utility cost / sq m - Op Prop	£6.80	£6.87	£6.80		

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	C - Water costs / sq m – Op Prop	£2.01	£2.03	<b>£2.01</b>		
	D - CO <sub>2</sub> emissions in T /sq m – Op Prop	0.0584	0.0596	<b>0.0584</b>		
ODPM 5	A - % capital projects +/- 5% outturn	100%	100%	<b>100%</b>	100%	100%
	B - % capital projects +5% timescale					
	N B Only one project in this financial year	100%	100%	<b>100%</b>	100%	100%

See also Appendix PI 2 A&B for graphs.

Expenditure of revenue budget for responsive and planned repairs is reported at six and twelve month stages within each financial year. Expenditure is split on a building-by-building basis now indicating separately cyclical maintenance and building and mechanical/electrical expenditure against budgets.

Members have approved a limited pot of funding (£75,000) to pump prime disposals. Funds are used to secure planning approvals and other expenditure, on completion of successful sales expended costs are refunded to the pot to enable further sales as an ongoing process.

A target programme for generating income from final disposal of assets has been established at a level of £300,000 per annum. To date this has been successfully achieved with over double expected this financial year and achievements are confirmed in the bi-annual reports. The expected income (figures exclude potential income from Preston St development) is shown on a separate Appendix.

Specific property details are not included as they are/will be commercially sensitive.

As a result of the Housing Stock Transfer there are a number of small sites having development potential for sale to developers. These form the second tranche of the disposal policy and are expected to further enhance the income from disposals. Sales have now commenced and are well in advance of profile.

The capital programme is discussed in the Capital Strategy. In summary terms the four-year programme is monitored in detail within each year. The CPO and Service Accountant discuss each project with the Project Managers, this information is provided for regular

meetings that take place between CPO, Finance and Portfolio holder to discuss progress and identify changes. These are reported to the Council Executive for approval. The entire annual programme is provided to all Members and specifically to the Executive.

Developments now require a project initiation document to be provided by the Project Manager to demonstrate how the project meets the Council priorities and delivers the Council's objectives, to consider resources, timescales, options, risks and exit strategy

Consultation does take place with adjacent authorities to share details of processes and their performance achievements.

There has been considerable activity in reviewing the Council operational requirements during the past two years. These have included relocation into purpose built accommodation, transfer of the Council housing stock and TUPE of related staff, these followed with a complete restructure of the remaining Council services, finally completed in October 2005, which include substantial changes in front/back office split and call centre facilities, all resulting in a more compact and relevant portfolio of operational accommodation.

#### **The current operational buildings comprise**

- The Copeland Centre Whitehaven (PFI – to 17 09 2029)

This is jointly occupied with the Department for Work and pensions, Copeland Homes, with part sold to O'Connor fencing.

- Moresby Parks Freehold tenure

This is jointly occupied by The Council, Copeland Homes and Fraiken, part sold to O'Connor fencing.

- Beck green Depot Freehold tenure
- The lodge, low Road cemetery, Whitehaven Freehold tenure
- Unit 1, King Street industrial Estate, Millom. Leased

These properties utilised by the Leisure & Environmental Services Unit for provision of services.

- Cleator Moor Area Office Freehold tenure

This is jointly occupied by The Council, Cumbria County Council, Cleator Moor Business Centre, Credit Union.

- Millom Area Office Leased

This is occupied with the County Council as landlord operating a local office/centre.

- Egremont Area Office Freehold tenure

This is currently leased to Egremont & Area Regeneration Ltd., with minimal Council cash collection activity remaining.

- Offices, Market place, Whitehaven Leased

Short term lease for regeneration now ended.



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- The Beacon Principally freehold tenure  
This is currently operated as a museum through the Regeneration Service unit.

- Recreation centre, Millom Freehold tenure  
This building is operated by a management group of local people

- Distington Crematorium Freehold tenure  
This is operated to provide cremation facilities to the community.

- Whitehaven Sports Centre
- Whitehaven Swimming Pool
- Whitehaven Civic Hall
- Cleator Moor Civic Hall
- Cleator Moor Bowling Centre

These facilities are operated by North Countryside Leisure as tenant through a transfer agreement.

- Cleator Moor Business Centre Freehold tenure
- Phoenix house Freehold tenure

Properties part managed for Council, part leased for use as business start up units and offices.

**There are also Tourist information centres within jointly occupied buildings at:**

- Market Hall Whitehaven Freehold tenure
- Museum, Millom Station Leased

**Maintenance funding**

Responsive Maintenance is prioritised and Contractor performance is monitored to identify number of orders completed within timescale. The results are discussed monthly with Contractors to generate improvement. This obviously has an effect on efficiency of/ability to provide services where repairs are outstanding. Consultation with user units on performance and satisfaction through cards with orders and monthly consultative meetings provides useful feedback

A case has been made the Council OSC (P &R) and Executive identifying the maintenance backlog and seeking funding to address this, so that Council members are aware of its existence. The Reports have also sought consideration for the release of part of capital receipts from property sales to be used towards clearing the backlog; this was approved in principle but administered through the annual bidding process. Members have to prioritise the bids against the Council objectives with limited capital available. For the past four years strong annual budget bids have been made for funding towards the backlog. This year £165,135 capital has been provided. The capital bid is in addition to £166,265 for Revenue maintenance.

6 PROGRAMME AND PLAN DEVELOPMENT AND IMPLEMENTATION

The Asset Management Plan considers the Council's objectives and identifies the implications for property in order to direct available resources to these priority areas

The property implications relate to the full spectrum of Council activities, and it has been accepted that in being able to manage operations, various service departments require the input and guidance of the CPO on a corporate basis to enable change and improvement to take place.

In order to demonstrate progress a chart is provided below that identifies activity to rationalise surplus/under performing assets

Council Objective	Property	Problem	- Action -	Result	£
Tourism/Museum Services	Beacon refurbishment	Refocus attraction now at end of life & retain home for museum services	Lottery bid	Project underway, completion 2007	£2.2m funding package secured.

Examples of underused property are also given:

Council Objective	Property	Problem	- Action -	Result	£
Delivery of Services Access to Services	Moresby Parks	Approx 50% of area comprises empty warehouse	Advertised for sale	Sold	Capital receipt – avoids maintenance liability
Policy and resources	Civic Dunboyne hall space below etc	Under utilisation	Building now let to NCL	Defer action to end of lease	Future Business Case Review
Making Copeland a better place to work and live.  Improving Job opportunities	Cleator Moor Bowls centre	Trust collapse running building – empty for some time could not find tenant	Building now let to NCL	Defer action to end of lease	Future Business Case Review
Making Copeland a better place to work and live.	Community Centres	Some problems with location/tenants	Rationalised with two buildings demolished, upgrading works to remainder	-	-

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Examples of Shared use Co-location are also provided on the following chart:

Council Objective	Property	Proposal	- Action –	Result	£
Policy and Resources. Council services Making Copeland a better place to work and live.	New Council Centre	Mitigate effect of Housing Stock transfer Joint occupier Copeland Homes	Assist affordability - Joint occupiers Department for Work and Pensions and Copeland Homes	Back to back 25 year agreement DWP. 10 year break clause Copeland Homes.	£360,000 p.a. income
Policy and Resources. Council services	Moresby Parks Garage operator area	Lease portion to contracted Refuse vehicle provider.	Negotiated rent	Fraiken in occupation. Tendering Mid 2007	Services in lieu of rent
Delivery of Services Access to Services	Cleator Moor Area Office	Office shared with County Council Voluntary Organisations	Good example of sharing/co-location	Areas leased	Rental income
Delivery of Services Access to Services	Millom Area Office	County Council office – CBC tenant	Good example of sharing co/location		
Regeneration Delivery of Services Tourism	Millom Station Museum	Project to provide museum, Tourist Information Centre, small workshop & Café	Provides private sector opportunities with council support operating TIC	Areas leased	£net cost to Council, terms etc under review lease expires Sept 2008
Delivery of Services Tourism	Market Hall Whitehaven	Building re-vitalised using grant	Parts let to Health Authority and Whitehaven Youth trust. Part occupied by TIC		Rental income. Sales income

Evidence that continuing Review Challenge is undertaken:

Council Objective	Property	Problem	- Action –	Result	£
Regeneration Policy and	Sneckyeat Factory units/sites	Release run down property NWDA interest in	Negotiate	Sold	Capital receipt

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Resources.		purchase. Would involve large cash injection not available to Council.			
Policy and Resources. Council services	Frizington Factory unit	Release run down property - sought NWDA agreement to add on to above deal – this failed – advertised for sale.	Negotiate	Sold	Capital receipt
Generate capital receipts	Remove bar on release of large land parcels for Housing Land	Previous committee decision in earlier economic situation – now changed	Releases parcels for sale Regeneration, new homes jobs income	Ongoing programme of sales	£ Large potential depending on market response.

The Authority is adopting Project Management principles and requires all capital projects to be presented in the form of a Project Initiation Document. This is required to demonstrate how it will meet the Council objectives, what internal external resources are needed what outcomes will be delivered, and timescales required.

There is a resources and steering group (of which the CPO is a member) that considers the Council's position each year and commences the process of preparing for the forthcoming year. The Group reports through to Corporate Team, and then to a Member Working Party and the Executive and Full Council for approval of the forthcoming year's budget.

Bids are invited for Service Units in the form of PIDs and these are scored against the Council objectives to establish a priority list. Members are provided details of funds available, options for the Capital Programme and then consider the ranking for the prioritised bids.

The Council's Capital Programme is summarised on the Context Sheet provided with this Plan.

The Projects are then monitored through the Capital Programme with changes or proposals reported to the Executive, as previously discussed.

**Property used to provide Council services**

- Addressing Council's key objectives.
- Identifying the services provided from each property.
- Identifying the use and adequacy of space for the service and for occupants.
- Enabling decisions to be made to make efficient use of the property and or if disposal is appropriate.

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- Measuring energy efficiency, benchmarking enabling improvements
- Identifying full revenue costs.
- Deciding if the community benefit is justifiable.
- Deciding if maintenance funding is adequate, if backlog may generate review of suitability for purpose.

Investment Property

- The data needs to inform the Council.
- Are rent levels appropriate.
- Are they reviewed at appropriate periods to maximise income.
- How long are the leases.
- Is the investment return beneficial?
- Is management cost appropriate.
- Is property maintained at an adequate level?

Development Property

Council services are concentrated on: -

- Main Council Offices, Whitehaven, Moresby
- Leisure Buildings: Civic Halls, Sports Centre, Swimming Pool and Bowls Centre

The Council also operates area offices at

- Cleator Moor
- Egremont
- Millom

The use and appropriateness of these has been subject to review. However, the Council has limited opportunities to utilise alternative accommodation without significant investment that is not available. Account has to be taken that because of this the cost of relocating to apparently more efficient accommodation is unlikely to be justified by the level of savings that can be made. The collection and use of data must be applied to those areas where it can be of benefit. In a small authority that does not possess a wide range of alternative premises the requirement must be kept in perspective.

Consideration is given to known future requirements. This is not always easy to assess as changes are always developing, such as community initiatives, partnerships, Unitary Authorities. What is important is that property implications are considered before changes are implemented. Any new initiatives are reported to the Council's Executive including resource implications that include property needs.

For information on other Council Strategies, Policies and Plans please refer to the Council website:

[www.copelandbc.gov.uk](http://www.copelandbc.gov.uk)