

CAPITAL PROGRAMME 11/12 – BUDGET MONITORING REPORT (Quarter 1)

EXECUTIVE MEMBER: Councillor Gillian Troughton
LEAD OFFICER: Joanne Wagstaffe – Director of Resources and Transformation
REPORT AUTHOR: Ann Treble – Capital & Project Accountant

WHY HAS THIS REPORT COME TO THE EXECUTIVE?

To inform Executive of the summary budget position for the Capital Programme 2011/12 at 30 June 2011 and provide a forecast outturn position at year end.

RECOMMENDATION:

That the Executive;

- (i) Note that the gross expenditure budget for the Capital Programme in 2011/12 is £5,906,689 and that the forecast spend for the year against this programme is £4,190,815;
- (ii) Note that the gross budget for external income for the year is £3,322,021 and that the forecast income against this budget is £2,247,217;
- (iii) Note that the capital programme for 2011/12 is forecast to shown a net variance for the year of £641,070, £584,126 of which, is forecast to be carried forward to 2012/13 as slippage with the balance of £56,944 being returned to capital reserves at 31 March 2012.
- (iv) Note the progress made on the Asset Management Action Plan as detailed in paragraph 5 and Appendices B & C.

1. INTRODUCTION

- 1.1. The monitoring of the capital programme is undertaken monthly and reported to the Executive quarterly. This report provides the monitoring position at the end of the first quarter of 2011/12 (period 3) and provides a forecast of expenditure at the year-end. The report provides narrative in relation to exceptions.

2.0 REVISIONS TO THE CAPITAL PROGRAMME 2011/12

- 2.1 Members will recall, on 22 February 2011 Council approved a gross capital programme budget for 2011/12 of £4,998,428.

- 2.2 This was amended to £5,905,894 with the approval of the final out turn position for 2010/11 by Executive on 31 May 2011, which in turn has been amended to £5,906,689, to reflect additional external funding (and therefore potential for expenditure) of £795 on Mount Pleasant project, which is due for completion this year.

3.0 EXPENDITURE TO DATE AND FORECAST YEAR END POSITION

- 3.1 The capital programme budget for 2011/12 is £5,906,689, with external income of £3,322,021 to be received in the year giving a net capital programme cost of £2,584,668.
- 3.2 The forecast position at 30th June 2011 for financial year 2011/12 is capital expenditure of £4,190,815. This results in a forecast variance against budget of £1,715,874 as detailed in Table 1 below.

Table 1 Spend to date and Forecast for year as at quarter 1 2011/12

| | Gross expenditure budget | Spend to date | Forecast period 4-12 | Total forecast gross spend | Variance |
|---------------------|--------------------------|---------------|----------------------|----------------------------|-----------|
| 2011/12 Expenditure | 5,906,689 | 290,251 | 3,900,564 | 4,190,815 | 1,715,874 |

- 3.3 The forecast for external income as at 30th June 2011 is £2,247,436 compared to the income budget of £3,322,021. This variance of £1,074,585 in external funding is due to the expected delay in spend (as claim funding retrospectively) and will be receivable when spend occurs in 2012/13.
- 3.4 Overall therefore the net position on the capital programme shows a variance of £641,070. Of this £584,126 will be carried forward to 2012/13 as slippage with balance of £56,944 reducing the call on capital reserves. Explanations of key reasons giving rise to this variance are set out in paragraph 3.5.
- ### 3.5 Material Variances at Quarter 1 2011/12
- 3.5.1 The forecast for spend for the year on sewers, as at 30 June 2011, has been estimated at £18,500 resulting in an under spend in year of an estimated £220,000, Members will be updated with exact figures once known.
- 3.5.2 This meeting will also consider a report from the Open Spaces Manager on the Council's play areas. This monitoring report assumes capital

spending of £60,000 on play areas in the year, giving rise to an underspend of £56,944 against budget. This sum will also be returned to capital reserves and be available for use to fund other projects within the Council's future capital programme. These figures may change dependent upon Member's decisions today.

3.5.3 A number of Project Initiation Documents (PIDs) are still required before capital spend can commence on some schemes, these include 'Copeland Reception' and 'new website'. Although PIDs for these schemes are outstanding, work to deliver these schemes is ongoing and forecast spending is expected to be in line with approved budgets by the end of the year. These budgets stand at:

- £150,000 Copeland Reception and
- £30,000 and £21,908 (b fwd from 2010/11 existing scheme) (with a further £30,000 revenue costs in respect of the website) respectively.

3.5.4 Albion Square currently shows a forecast spend of £1,800,000 in year against a budget of £2,925,000. The delay in spending has arisen as a decision regarding the lease of the completed project is still awaited from the Shareholder's Executive. This decision cannot be confirmed until the Government Property Unit (GPU) approve the lease arrangements and they have requested a green book option appraisal to look at the scheme and its alternatives. The green book option appraisal is an evaluation process to ensure Central Government public funds are spent on activities that provide the greatest benefits to society and that they are spent in the most efficient way. This is expected to be completed by end of September. As a result of the delay, spend will commence later in the year than originally anticipated resulting in slippage of £1,125,000 (and associated funding of £1,078,212) into 2012/13.

3.5.5 Housing Services this year have a total budget (including carry forwards) of £978,458. This is to complete outstanding commitments from 2010/11 in the Home Renewals Programme and the provision of Disabled Facilities Grants (DFGs) and provide £500,000 for new DFG commitments to 31 March 2012. Due to the differing nature and volume of applications it is not possible to predict exactly what commitments will be made in the year but the Housing Renewals team are confident (at this stage in the year) that the £500,000 will be committed by 31 March 2012. Due to the nature of spend (majority of it occurring at end of projects which can be some time after approval of grant) the monies will not be fully spent in year. The forecast therefore shows spend of £785,652 and therefore the forecast slippage of £192,806 will be carried forward to 2012/13. The commitments will be reviewed by housing and finance staff on a monthly basis and Members updated as part of the quarterly capital programme monitoring process.

4.0 CAPITAL RECEIPTS

- 4.1 Forecast receipts from sale of assets as at 22 February 2011 stood at £1,596,560. This figure now stands at £1,720,318, an increase of £123,758. This change in value is as a result of a number of assets being withdrawn from sale until the market conditions are more favourable and a number of assets that were due to complete in 2010/11 that still remain unsold at this time, but are expected to be realised during 2011/12. A detailed breakdown is available but is not appended to this report due to its commercially sensitive content.
- 4.2 Disposal proceeds received to date at 30 June 2011 are £539,500.
- 4.3 Members are reminded that the timing and value of the capital receipts are critical to the funding of the capital programme.

5.0 ASSET MANAGEMENT

- 5.1 Details are confirmed for the previous Asset management Plan, for the progress made on the Action Plan in 2010/11, and the key government performance indicators for year 2010/11, based on information at the end of March 2011 and these are provided in **Appendix B**. The current 2011 – 2015 Strategic Asset Management Plan (SAMP) is being monitored through Covalent, with Highlight Reports provided quarterly for Property Disposal and for progress with the monitoring framework for the SAMP. Current progress indicates that work is on programme. The highlight reports are provided as **Appendix C**.

6.0 FINANCING

- 6.1 Table 2 below shows how the Capital Programme will be funded. It is important that the funding of the Capital Programme is fully understood and can be demonstrated, though the monitoring returns, and in particular, the identification of external resources to support capital expenditure. This will contribute to improving the quality of the Financial Accounts, and ongoing budget management.
- 6.2 The forecast 2011/12 capital programme expenditure of £4,190,815 can be financed as shown in Table 2 on the next page:

Table 2: Financing of the 2011/12 Capital Programme

| Funded by: | £ |
|--|--------------------|
| Useable Capital Receipts | (2,136,234) |
| Useable Capital Receipts - Preserved right to buy sales (post stock transfer) | (263,591) |
| Useable Capital Receipts - Residual Right to Buy receipts (pre stock transfer) | - |
| Useable Capital Receipts - Crematorium Sinking Fund | (10,910) |
| Other External Funding | (4,373,204) |
| Capital Grants unapplied (external funding received in advance - housing) | (858,195) |
| Other Reserves & contributions | (65,588) |
| TOTAL FINANCING | (7,707,721) |

7.0 CAPITAL RESOURCES

- 7.1 Table 3 below shows the forecast position of the movement (i.e. use and new capital receipts) on usable capital receipts during the year which will be used to fund the capital programme.

Table 3: Impact of forecast capital programme spending and capital receipts in 2011/12 on the Useable Capital Receipts Reserve

| USABLE CAPITAL RECEIPTS | Receipts from sale of assets | Cremat'm sinking fund | Preserved right to buy sales | Residual Right to buy | VAT sharing receipt | TOTAL |
|--|-------------------------------------|------------------------------|-------------------------------------|------------------------------|----------------------------|--------------|
| | £ | £ | £ | £ | £ | £ |
| Opening balance per unaudited accounts: | (1,536,358) | (168,550) | (1,750,471) | (1,349,385) | (1,425,868) | (6,230,632) |
| Forecast draw down to fund 09/10 capital programme | 2,136,233 | 10,910 | 263,591 | - | - | 2,410,734 |
| Forecast Capital Receipts in year | (1,848,090) | - | - | - | - | (1,848,090) |
| Forecast useable Capital Receipts closing balance | (1,248,215) | (157,640) | (1,486,880) | (1,349,385) | (1,425,868) | (5,667,988) |

4,262,133)

- 7.1 The table on the previous page, illustrates the balances within the Useable Capital Receipts Reserve and demonstrates the proportion of the overall value which relates to receipts arising from housing (£1,808,999 of a total forecast closing balance of £4,363,969)

8 STATUTORY OFFICER COMMENTS

- 8.1 The Monitoring Officer's comments are:

No comments

- 8.2 The Section 151 Officer's comments are: No further comments on this report

- 8.3 EIA Comments:

EIA Completed as part of the budget setting process.

- 8.4 Other consultee comments, if any:

9 WHAT ARE THE LEGAL, FINANCIAL AND HUMAN RESOURCES IMPLICATIONS?

- 9.1 It is imperative that all budgets are monitored monthly with exceptions reported through Corporate Leadership Team and Executive so that management action can be taken to ensure the effective use of resources as planned by the Council.
- 9.2 The capital programme will continue to be monitored monthly and reported to Members. The budget monitoring process continues to be refined to provide members and officers with the up-to-date financial information needed to make key decisions on resource allocations during the year to feed into the Council's budget process.
- 9.3 To assist with this process, the Council's approved budget will not be changed on an ongoing basis during the year, which has been the case in past years. Instead as the year passes by key changes will be identified through the budget monitoring process and incorporated into a revised budget position, which will be presented to members towards the end of 2011.
- 9.4 The budget monitoring process is fully integrated into the planning process to ensure that Council objectives and priorities as outlined in the Corporate Plan are fully resourced as planned.

- 9.5 The capital programme assumes funding from the sale of assets.
Generation of capital receipts presents risks in terms of the timing and value of receipt. The Development Surveyor and the Contracts and Property Manager meet monthly and review asset sales

List of Appendices

Appendix A Detailed Schemes Capital Programme

Appendix B

Appendix C

List of Background Documents:

EXECUTIVE - 23 August 2011

CAPITAL MONITORING REPORT - Q1 2011/12 - DETAIL
Appendix A

| Date PID approved Executive | | | | Budget | | FORECAST | | | | | | VARIANCE | | | | | |
|-------------------------------------|---|---------------------------|------------|--|---|---|------------------------------------|--|---|----------------------------------|---|--|-------------------|----------|----------------------------|------------------------------|---|
| | Budget Manager | Cost Centre | | Expenditure | Income | Gross Expenditure | | | Gross External Income (-) | | | Variance (Forecast to Budgeted Total Capital Programme) (Over / Under(-)) | | | Overall underspend £ | Overall carryforward £ | |
| | | | | 2011/12 Total Revised Capital Programme £ | 2011/12 Total Revised Capital Programme £(-) | Total Actual Gross Expenditure £ | Forecast Gross Expenditure £ | Total Forecast Gross Expenditure for 2011/12 £ | Total Actual Gross Income £(-) | Forecast Gross Income £(-) | Total Forecast Gross Income for 2011/12 £(-) | Gross Expenditure £ | Gross Income £ | Net £ | | | |
| OTHER (CORPORATE) | | | | | | | | | | | | | | | | | |
| Corporate Department: | | | | | | | | | | | | | | | | | |
| Chief Executive | | | | | | | | | | | | | | | | | |
| | Website Development (CRM 09 10) | Ian Curwen | 07031 | 21,908 | | - | 21,908 | 21,908 | - | - | - | - | - | - | - | - | - |
| | Website Redevelopment | Ian Curwen | 07031 | 30,000 | | - | 30,000 | 30,000 | - | - | - | - | - | - | - | - | - |
| | Chief Executive Total | | | 51,908 | - | - | 51,908 | 51,908 | - | - | - | - | - | - | - | - | - |
| Corporate Resources | | | | | | | | | | | | | | | | | |
| N/A | Revenues and Benefits | Jo Wagstaffe | 07040 | 63,725 | | - | 38,000 | 38,000 | - | - | - | 25,725 | - | 25,725 | | 25,725 | |
| N/A | New Financial Management System | Jo Wagstaffe | 07020 | 20,590 | | 2,880 | 7,500 | 10,380 | - | - | - | 10,210 | - | 10,210 | | 10,210 | |
| N/A | Public Buildings Condition Survey Backlog | C Lloyd | 07120 | 200,997 | | 23,602 | 177,395 | 200,997 | - | - | - | - | - | - | | - | |
| N/A | Energy Efficiency Measures | C Lloyd | 07063 | 79,315 | | 377 | 78,938 | 79,315 | - | - | - | - | - | - | | - | |
| N/A | Land Purchase at Millom | C Lloyd | 07058 | 39,216 | | - | - | - | - | - | - | 39,216 | - | 39,216 | | 39,216 | |
| N/A | New Cremators | C Lloyd | 07059 | 84,782 | | 21,672 | 40,000 | 61,672 | - | - | - | 23,110 | - | 23,110 | | 23,110 | |
| | Copeland Centre | J Wagstaffe | 07112 | 150,000 | | - | 150,000 | 150,000 | - | - | - | - | - | - | | - | |
| | Bransty Slippage (Soil nailing) | Martyn Morton | 07806 | 209,732 | | - | 200,000 | 200,000 | - | - | - | 9,732 | - | 9,732 | | 9,732 | |
| | Bransty Slippage (Rock bolting) | Martyn Morton | | 170,000 | | - | 170,000 | 170,000 | - | - | - | - | - | - | | - | |
| | Corporate Resources Total | | | 1,018,357 | - | 48,531 | 861,833 | 910,364 | - | - | - | 107,993 | - | 107,993 | | 107,993 | |
| Neighbourhoods | | | | | | | | | | | | | | | | | |
| N/A | Regeneration Software | Mark Key | 07037 | 41,127 | | 155 | 40,972 | 41,127 | - | - | - | - | - | - | | - | |
| July Exe - co | Building Control Data Capture | Mark Key | 07066 | 46,700 | | - | 46,700 | 46,700 | - | - | - | - | - | - | | - | |
| | Whitehaven Cemetery | S Benn | 07048 | 100,000 | | - | 100,000 | 100,000 | - | - | - | - | - | - | | - | |
| N/A | Whitehaven Cemetery (completion on 09/ | S Benn | 07077 | 1,200 | | - | 1,200 | 1,200 | - | - | - | - | - | - | | - | |
| | Fuel Tanker and Servicing/Washing Area | Janice Carol | 07809 | 43,500 | | - | 43,500 | 43,500 | - | - | - | - | - | - | | - | |
| | Children's Playgrounds and Cemeteries (t | Dave Toner/Richard Mellor | 07057 | 116,944 | | - | 60,000 | 60,000 | - | - | - | 56,944 | - | 56,944 | 56,944 | | |
| | Play Builder | Dave Toner/Richard Mellor | 07399 | 85,901 | (85,901) | 8,710 | 88,191 | 96,901 | (35,216) | (61,685) | (96,901) | (11,000) | 11,000 | - | | - | |
| N/A | Christmas Lights | Dave Toner | 07389 | 5,055 | | 5,751 | 5,751 | 5,751 | - | - | - | (696) | - | (696) | | (696) | |
| N/A | Whitehaven Market Lights | Dave Toner | 07405 | 31,770 | | - | 31,770 | 31,770 | - | - | - | - | - | - | | - | |
| N/A | Millom Iron Works | Dave Toner | 07600 | 19,858 | (19,858) | 17,485 | 2,373 | 19,858 | (825) | (19,033) | (19,858) | - | - | - | | - | |
| | Rottingham Beck | David B | 07285 | 86,752 | | - | 85,000 | 85,000 | - | - | - | 1,752 | - | 1,752 | | 1,752 | |
| N/A | Surveys/Cleansing/Repairs/adopt drains | Jackie O'Reilly/David B | 07762 | 238,500 | | 400 | 18,100 | 18,500 | - | - | - | 220,000 | - | 220,000 | | 220,000 | |
| | Nursery Stock Holding Area (MP) | Toni Meagan | 07808 | 27,000 | | - | 27,000 | 27,000 | - | - | - | - | - | - | | - | |
| N/A | Electronic Book of Remembrance | S Benn | 07802 | 6,575 | | 572 | 6,003 | 6,575 | - | - | - | - | - | - | | - | |
| | Neighbourhoods Total | | | 850,882 | (105,759) | 33,073 | 550,809 | 583,882 | (36,041) | (80,937) | (116,759) | 267,000 | 11,000 | 278,000 | 56,944 | 221,056 | |
| Regeneration and Community | | | | | | | | | | | | | | | | | |
| N/A | Albion Square (completion of 09 | Bob Collins | 07052 | 27,814 | - | 2,182 | 25,632 | 27,814 | - | - | - | - | - | - | | - | |
| | Albion Square Enabling works | Bob Collins | 07052 | 2,925,000 | (2,925,000) | - | 1,800,000 | 1,800,000 | - | (1,800,000) | (1,800,000) | 1,125,000 | (1,078,212) | 46,788 | | 46,788 | |
| N/A | Mount Pleasant (Retention Only) | Don Taylor | 07046 | 48,075 | (30,262) | - | 25,000 | 25,000 | 2,330 | (25,000) | (22,670) | 23,075 | (7,592) | 15,483 | | 15,483 | |
| N/A | Mosaic | Julia Jackson | 07049 | 6,195 | | - | 6,195 | 6,195 | - | - | - | - | - | - | | - | |
| N/A | Renewal Grants | L Priebe | 07601-0282 | 130,000 | - | 49,708 | 80,292 | 130,000 | - | - | - | - | - | - | | - | |
| N/A | Empty Properties | L Priebe | 07601-0280 | - | | - | - | - | - | - | - | - | - | - | | - | |
| N/A | Disabled Facilities Grants | L Priebe | 07601-2601 | 848,458 | (261,000) | 166,757 | 498,895 | 655,652 | (261,000) | - | (261,000) | 192,806 | - | 192,806 | | 192,806 | |
| | Regeneration Total | | | 3,985,542 | (3,216,262) | 208,647 | 2,436,014 | 2,644,661 | (258,670) | (1,871,788) | (2,130,458) | 1,340,881 | (1,085,804) | 255,077 | | 255,077 | |
| TOTAL CAPITAL PROGRAMME EXPENDITURE | | | | 5,906,689 | (3,322,021) | 290,251 | 3,900,564 | 4,190,815 | (294,711) | (1,952,725) | (2,247,217) | 1,715,874 | (1,074,804) | 641,070 | 56,944 | 584,126 | |



Highlight Report

Strategic Asset Management Plan

Project Manager: Chris Lloyd Contracts & Property Manager

Senior Responsible Owner: Chris Lloyd Contracts & Property Manager

Period Covered: 01 04 2011 to 31 06 2011

Overall Project Status

G

Project currently moving forward through the action plan, with intention of meeting target dates.

Budget Status

G

There is no budget.

Summary of current budget position

| Budget - Current Financial Year £ (1) | Spent to date this year £ (2) | Committed to date this year £ (3) | Budget less committed spend £ (1)-(2)-(3) |
|---|-------------------------------------|---|---|
| n/a | n/a | n/a | n/a |

Schedule Status

G

Please refer to action Plan included with Service Plan, and see below

Work Completed

G

Action Plan item 1.1. *The first term of the NCL contract for our leisure facilities is currently under assessment July 2011 Agreement on costs and way forward*

NCL – Considerable amount of work undertaken on planned preventative Maintenance budgets since October 2011. Report to CLT July 2011 requiring decision on investment policy for remaining 5 years of contract and decision on any extension of contract beyond.

Action Plan item 1.2. *To support the Community Asset Transfer Policy, adopt a Concessions Policy for local and charitable organisations to lease assets at reduced costs. Policy provides standardised approach and transparency. Continue to Support appropriate organisations through the application of the lease concessions policy. Policies in place by March 2011. Agreement of CLT/Exec on concessions beyond*

Policy in place – working through concessions for future report to CLT, completion expected September 2011.

Action Plan item 2.1. *Where recovery statistics indicate delays in rental payments seek to explore reasons and work with tenants who are experiencing financial difficulties to ensure properties remain tenanted. Monitor monthly against Recovery Reports Ongoing*

Debtors list now reviewed monthly discussed with recovery where necessary and actions agreed. To date one short term phased repayment of unpaid rental agreed.

Action Plan item 3.3 *Develop a strategic approach toward collaboration and identifying potential opportunities for sharing asset use and skills. Development will be progressive and ongoing working proactively across a number of sectors as the current fiscal environment bites. March 2012/3*

Discussions ongoing with Cumbria County Council and Police authority on sharing the CBC premises leased from the County Council with the police service. CBC is a willing partner however progress has been slow due to consideration by CCC/Police.

Whitehaven, Cumbria County Council interest in sharing accommodation at the Copeland Centre is currently uncertain but contact is being maintained.

Meeting quarterly with County Council and partners to discuss opportunities for joint working and shared services, attended meeting in June – very poorly attended, further meeting planned for September.

BG has visited CCC to review their property management System with view to identifying functions and cost for CBC to join. This will enhance management and sharing/obtaining property information.

Initial accommodation moves took place successfully in May 2011. Reporting on accommodation issues in July 2011 for potential second phase of changes

Action Plan item 3.3. To be proactive in using our Compulsory Purchase Powers in the acquisition of assets to facilitate the regeneration of Copeland and the reclamation of degraded sites. Albion Square and Powbeck Valley. June 2011

Negotiation is progressing on principally Albion Square at present (exec authority to CPO obtained).

Action Plan item 3.3 Cliff and Coastal Plan. Seek to maintain a balance between retaining public access, minimising expenditure whilst providing a safe long lasting environment. Seek to establish an overall risk based assessment for all Council related property in these areas. Ongoing.

Cliff and coastal protection plan currently under completion to be presented at Executive August 2011. Noted that due to seriously deteriorating unstable ground the path the Saltom Pit has been closed, working with Cumbria County Council on permanent closure.

Action Plan item 4.1 Extend the Copeland Asset register to include the land and property assets of all agencies and third sector organisations. CBC has no electronic land terrier. There is an intention to join the County Council software system when this becomes available. Through the Cumbria Asset Forum all organisations have been asked to provide property details to CCC. The County Council has agreed to consider access and involvement of CBC in use of system but has not been able to confirm a timescale as implementation is not yet fully complete. When system is available to CBC information from contributors will become available

See 3.3 for note of progress.

Action Plan item 4.4. Continuous maintenance of Asset Register. Note reclassification of buildings in 2010/11, and introduction of valuation of componentization. Includes Annual asset valuations for finance section. March 2012, annually beyond

Quarterly meetings held with finance, start made on 2012/13 asset valuations

Action Plan item 4.4. Confirmation of the Council's reporting process and procedures following Corporate Management Review and the adoption of the new constitution. Asset Management Group role to be re-affirmed, with new members following re-structure and staff turnover,

AMG meeting dates confirmed, await developments. Parameters for Collect data to ensure that the cost of occupying property can be compared against the benefits or outcomes being delivered to be agreed. Leased property schedule to be taken to next AMG.

Action Plan item 4.4. Planned maintenance programme addressed. Condition surveys carried out over 5-year periods 20% per annum. Five year programme established March 2011

Internal update meeting held early July to review projects, some minor amendments made, spend on target. Condition surveys for this year commenced. Agreement made on basis and frequency of EPC/DEC's.

Action Plan item 4.4. Ensure that the council has a robust programme for asset challenge in place. I.e. reviewing each asset – challenging reasons for tenure and use, considering options, best value etc. Ensure that the council has a robust programme for asset challenge in place. I.e. reviewing each asset – challenging reasons for tenure and use, considering options, best value etc. Develop current processes for reviewing ownership and use into new spreadsheet. Existing assets should be also be monitored to assess their importance in key areas such as Nuclear, Residential, Retail and Leisure - in respect of key growth, timing, location, and how it can be satisfied

Commenced establishing basis of challenge, to be tested July/August within C & P then proceed to L & ES. To be completed 2011/12.

PEC rationalisation/re-establishment report to CLT June 2011, lease now drafted and sent to PEC; report back to CLT Sept 2011

Action Plan item 4.4. Performance Indicators. Completed, regularly updated at six month intervals Sept 2011.

Indicators for previous year to be completed by deadline, further consideration being given to other indicators to provide.

| | |
|---------------------------------|----------|
| Actual Problems (Issues) | A |
|---------------------------------|----------|

Slight delay in setting up AMG meetings will affect progress on some items.

| | |
|--------------------------|----------|
| Potential (Risks) | G |
|--------------------------|----------|

No apparent problems at this time

| | |
|---------------------|----------|
| Forward Plan | A |
|---------------------|----------|

1.2 deadline for asset use/localities is Sept 2011 phase 1 Sept 2012 phase 2 – on target

3.3 deadline for Customer services and reception subject to approval - target Sept 2011- some risk this will now not be met. Accommodation review is Sept 2011 phase 1 Sept 2012 phase 2 – depends on CLT approval of report July 2011 – work started but may project beyond this date for phase 1.

4.4 Cost of occupying property deadline Sept 2011 likely to be delayed see note above re AMG. Undertake and complete annual leased property strategic review deadline Sept 2011 – on target.

4.4 Assess risks of holding property and land assets deadline Sept 2011 – on target.



Highlight Report

Property Disposals 2011 12

Project Manager: Barbara Green Development Surveyor

Senior Responsible Owner: Chris Lloyd Contracts & Property Manager

Period Covered: 01 04 2011 TO 31 06 2011

Overall Project Status

R

Kells self build sites receipt not obtained in 2010/11, now in April 2011 increasing expected income. Two plots of land in process of sale – mid street Kells moved to 2012 13, Tesco land moved to 20112 13 £554k, reducing income, with net increase remaining. Some small plots included.. Fruitless marketing exercise undertaken a few months ago. Further marketing under review.

Budget Status

R

See above

Summary of current budget position

| Income target - Current Financial Year £ (1) | Income to date this year £ (2) | Balance of income expected this year £ (3) | Current income projection £ (1)-(2)-(3) |
|---|--------------------------------------|--|---|
| £1,500,000 | £539,500 | £1,180,818 | £1,720,318 |

Schedule Status

G

Current income target will be met therefore assign green

Work Completed

G

Project has delivered £539,500 income to date

Self build plots at Kells £840,000 underway, Johnston House moving £99,000

Actual Problems (Issues)

G

Problems are purely the continuing economic climate, delays in expected capital receipt timing, and lack of interest in land purchase.

Potential (Risks)

G

Next year bulk of income is from Harras Moor site £2,966,000. A note of caution re covenants reserving mining rights covenants on land purchased – under consideration at present.

Forward Plan

G

Disposal of self build plots at Kells will deliver income shortly. Plan remains at increased income Green.

| Nr | Action | Target | Progress 2010 11 | Progress 2010 11 | Indicator for 2011 12 |
|--|---|---|---|--|---|
| GENERAL | | | | | |
| ❖ Copeland's Corporate Priorities and Asset Management Approach | | | | | |
| 1 | Action Plan – registration of land with Land Registry | All CBC land to be registered | Negotiations completed with Land registry - order placed for registration and for plotting of land and property co-ordinates onto the GIS - work commences September 2010 expected duration 9 -12 months. | 30% | % of assets registered |
| 2 | Action Plan – plot registered land onto GIS records to enable viewing | All CBC land to be plotted | Included above | 0% | % of CBC land on centralised County asset register |
| 3 | Asset Valuation | Introduce new classifications for property Introduce phased approach to componentisation | new classifications agreed with finance and valuations being undertaken to comply. Work also undertaken to provide information on Compartmentation as required by finance section. Agreed 20% of assets valued each year with additional review to include any major changes to asset category, extension or impediments etc occur. | 100% | % of land and property reclassified |
| | | | | 100% | % of buildings requiring componentisation recorded |
| | | | | 100% | |
| Nr | Action | Target | | | Indicator |
| CORPORATE THEME: PEOPLE | | | | | |
| ❖ To adopt a strategic approach to asset management based on our increasing understanding of needs and intended outcomes | | | | | |
| 4 | Customer access | | Commenced review of customer service reception at the Copeland Centre with intention of relocating and establishing an up to date facility to meet current and future demands | 1 Cleator Moor 4 The Copeland Centre 2 Moresby Parks 2011/12 action | <ul style="list-style-type: none"> Number of confirmed local link centres Number of public service providers operating from CBC buildings Number of new partners |
| 5 | | | Disabled access provision reviewed two buildings found to require same - work undertaken to Richmond Community centre and Beck Green Nursery. Use of two buildings by L & ES under review Castle park depot and cemetery Lodge as use of these is direct responsibility of that department | 100% | <ul style="list-style-type: none"> Number of public buildings fully accessible (DDA Compliance) |
| 6 | Community Asset Transfer | Seek to encourage applications at a rate of 3 per year | Asset transfer Strategy in place, one application for transfer of Gosforth Car park and public toilets made and approved by Executive. Legal still working of transfer document. Tentative enquiries made re Howgill Centre and Phoenix Enterprise centre - internal discussion and consultation with portfolio holder indicates that the Council would not support transfer due to asset value to council, town centre location, potential alternative use and redevelopment of first, and due to status of operator and dependency of achieving outputs at the second. | 1 Application made and accepted Consideration given but no further transfers at present | <ul style="list-style-type: none"> Number of applications made |
| 7 | Accommodation | Reduce density of occupation in the Copeland centre and Moresby parks by 10% | Accommodation review undertaken in October 2010 and presented to Corporate leadership Team, considering the accommodation at Copeland Centre - due to the impending restructuring and likely changes to the establishment further action deferred. Further report taken in march when restructuring completed and initial changes made to limited number of sections with further to be considered in April and July. Also on alert re Copeland Homes occupation at Moresby on short term lease with 6 months notice | 38 staff relocated | |

| | | | 2011/12 action | | Number of spaces saved by home working Number of spaces saved by hot desking Number of times video conferencing used. Space made available staff transfer or reletting |
|---|---|--|--|--|--|
| 8 | | Create 1 new local hub Per year | 2011/12 action | | Number of hubs created |
| 9 | Cliff and Coastal Access | | 2011/12 action | | % of length of cliff available for public access |
| 10 | | | 2011/12 action | | % of area of cliff with physical protection |
| | | | | | |
| Nr | Action | Target | | | Indicator |
| CORPORATE THEME: PERFORMANCE | | | | | |
| ❖ Ensure assets are fit for purpose and provide value for money | | | | | |
| 11 | Ensure assets are fit for purpose and provide value for money | | Decision made due to budgetary constraints that buildings to be maintained in current condition - not to seek to improve overall condition therefore Categories conditions will not change for foreseeable future | <ul style="list-style-type: none"> Maintain property condition, record figures: category A 24 % Category B 29% category C 41% category D (6%) | <ul style="list-style-type: none"> Maintain property condition, record figures: category A 24 % Category B 29% category C 41% category D (6%) |
| 12 | | Complete condition surveys – 17 over 5 year cycle | <p>Condition Surveys for 12 buildings completed October 2010, with remaining number (5) phased over five years based on expiry of existing surveys</p> <p>Capital budget provided for public building backlog £240,000 for 2010 11, but reduced by £46,000 for items not considered to be capital (revenue).</p> | <p>12</p> <p>12</p> <p>Capital PPM 96%</p> | <ul style="list-style-type: none"> Number of condition surveys planned in Number of condition surveys Measure % of maintenance done against |
| 13 | Energy efficiency | Seek to reduce carbon emissions of Council buildings | 2011 sees second year of four year plan to spend £50k per annum on energy improvements. These are based on surveys undertaken by carbon Trust approved consultants, the reduced energy consumption is fed in to revenue programmes to reduce budgets in future years. Quick hits balanced against need. | Improve energy rating (EPC) for at least 2 buildings EPC improved by at least 1 category - the Beacon and Moresby parks | <ul style="list-style-type: none"> Improve energy rating (EPC) for at least 2 buildings |
| 14 | | Seek to reduce energy consumption of Council buildings | Links to above | NI 185 2009 10 = xx, NI 185 2009 10 - yy NI officer has confirmed 2 year submission of NI to be made later in 2011 | <ul style="list-style-type: none"> Reduce emissions by 5% year on year |
| 15 | | Maximise reduction in energy cost in Council buildings | Also seeking compliance with staff turning off computers etc at end of day which is considered to be able to save up to 30% of energy (based on leaving all on) | Prioritising largest consumers - for 2011 12 voltage optimisation for Moresby and Copeland Centre, install grey water storage at Moresby to support mains supply for washing refuse vehicles | <ul style="list-style-type: none"> Reduce costs of electricity and gas by 10% |

| 16 | Energy Production - Undertake full evaluation of green electricity production at | Undertake study, confirm viability and obtain funding | 2011/12 action | | <ul style="list-style-type: none"> % reduction in cost after |
|--|--|--|--|--|--|
| 17 | Supporting the capital programme | Dispose of land/property assets Obtain capital receipts | Property for disposal is monitored on a monthly basis and meeting held with finance to confirm and discuss | Number of assets sold 10. Value £684,000 against target of £300,000 | <ul style="list-style-type: none"> Aim to sell 12 land assets Aim to achieve £1.4 M |
| 18 | Delivery of affordable housing | 10% of disposed housing land (net) is used for the delivery of affordable housing | | Kells site - development and self build 25% affordable = 22 Units | <ul style="list-style-type: none"> Number of affordable units from total number of units across all Number of units provided in the four Number of units provided where the partner is not a registered |
| Nr | Action | Target | | | Indicator |
| CORPORATE THEME: PLACE AND PROSPERITY Work in partnership with stakeholders and our communities to maximise the benefits from our assets | | | | | |
| 19 | Acquisition and Compulsory Purchase Powers | Success fully complete Albion Square and Powbeck Valley CPO | 2011 12 action - The Albion Square project is progressing with CPO as fall back position should negotiation fail which is currently looking likely. CPO will take some time to complete. Council decision to use already taken. | | <ul style="list-style-type: none"> Number of successful transactions Number based on negotiation and number |
| 20 | Rents | Implement policy statement on rental concessions. Seek to make a 10% reduction in payments. | 2011 12 action - A policy has been written. The 'concessions' have been listed and costed and are to be evaluated 2011/12 2011 12 action | | <ul style="list-style-type: none"> Review concessions awarded to Identify any savings |
| 21 | Asset Backed Vehicles | Seek to secure 1 regeneration partnership to deliver project | Conditional contract entered into (5 year) with Storey Homes to develop residential site at Townhead tip. This is a contaminated site and is very unlikely to be disposed of on open market. Tesco development - long term - discussions ongoing linking with Cumbria County Council Whitehaven harbour Commissioners to create | | <ul style="list-style-type: none"> Number of projects completed |
| 22 | Leisure Assets | Pow Beck Sports village: Complete 2 projects - Sports stadium - Sports Centre | 2011 12 action Stadium commenced | | <ul style="list-style-type: none"> Number of projects completed |

PERFORMANCE INDICATOR 1

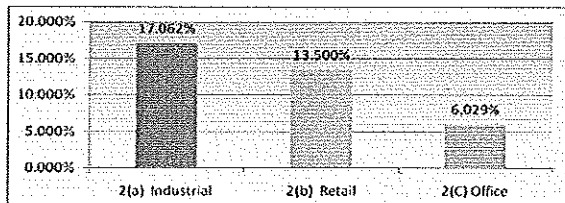
| | | | | |
|----|---|--|--|--------|
| 11 | Ensure assets are fit for purpose and provide value for money | | <ul style="list-style-type: none"> Maintain property condition. category A Category B category C category D | Mar-12 |
|----|---|--|--|--------|

- Category A = Good
- Category B = Satisfactory
- Category C = Poor
- Category D = Very poor
-

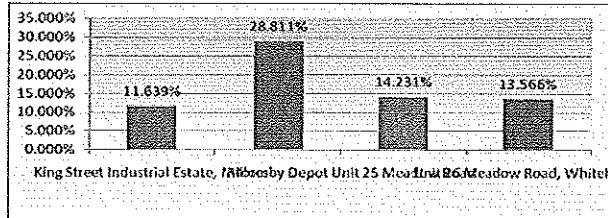
PERFORMANCE INDICATORS 2A & 2B

SUMMARY OF INTERNAL RATE OF RETURN FOR THE PORTFOLIO EXPRESSED AS AN AVERAGE OF (A) INDUSTRIAL (B) RETAIL AND (C) INVESTMENT PROPERTY

| Average IRR by portfolio | IRR |
|--------------------------|--------|
| 2(a) Industrial | 17.06% |
| 2(b) Retail | 13.50% |
| 2(C) Office | 6.03% |



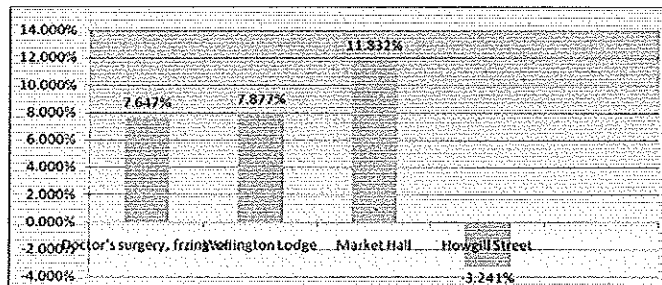
| PI 2(a) Industrial by premises | IRR |
|--------------------------------|--------|
| King Street Industrial Estate | 11.64% |
| Moresby Depot | 28.81% |
| Unit 25 Meadow Road | 14.23% |
| Unit 26 Meadow Road, White | 13.57% |



| PI 2(b) Retail by premises | IRR |
|----------------------------|--------|
| The Betting Shop | 13.50% |



| PI2(C) Office by premises | IRR |
|-----------------------------|--------|
| Doctor's surgery, frzington | 7.65% |
| Wellington Lodge | 7.88% |
| Market Hall | 11.83% |
| Howgill Street | -3.24% |



OTHER

- 1 Valuation services standards document prepared to deal with the bringing back of Capita outsourced services.
- 2 Property Tenure And Disposal Policy Statement (Appendix B)
Asset management/capital programme Group was set up to take reports from property - unfortunately due to various senior staff leaving the group did not get off ground
- 3 get off ground
- 4 property section holds monthly meetings with finance to monitor
- 5 Revenue budget spend and progress
- 6 Capital budget spend and progress - backlog, energy reduction new cremator project etc
- 7 Asset valuations progress and wrap up
- 8 Disposal and acquisition of property and land
- 9 Property undertakes quarterly review of property related to potential disposal against market conditions/decision to advertise etc.
- 10 For 2010 11 agreed with finance to set up single budget for incoming rents with information cost coded out to various service unit clients - give overall
Joined Cumbria property forum to exchange information with County Council, other district councils, health Trusts, police, national park etc
Provided complete schedule of CBC land and property to County Council to be placed in central register
Took part in SHHLA exercise to identify all potential land in County that could be developed for Housing.