



**PORTFOLIO AREA: POLICY, PERFORMANCE MANAGEMENT,
FINANCE & RESOURCES**

Date of Meeting: 19 July 2004

Public

Key Decision: Yes

Recorded in Forward Plan: Yes

Inside Policy Framework: Yes

Title: ASSET MANAGEMENT PLAN
Report of: HEAD OF PROPERTY SERVICES
Report reference: PS 13/04

Summary:

The plan has been the subject of consultation with both Corporate Resources Overview and Scrutiny / business stakeholders. It is presented in a format for adoption by full Council.

Recommendations: It is recommend that:

The Asset Management Plan be recommended to full Council for adoption.

Contact Officer: David Atkinson

Ext: 7420

Note: in compliance with Section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers: none

1. BACKGROUND INFORMATION & OPTIONS

- 1.1 The Asset Management Plan has been a key document for Government since it was introduced in 2000/2001. This year's was approved in draft form by the Executive on 17 May 2004 subject to consultation.
- 1.2 The key feature to note is that the Audit Commission returned to the Council to **assess** progress - they reported that significant progress is being made. Their further recommendations are outlined in the plan.
- 1.3 The plan incorporates the new themes and priorities set by the Council along with input from Overview and Scrutiny Committee / business stakeholders - in relation to the Council's new corporate priorities, the reinvestment budget particularly for individual industrial estates and support for the Housing Strategy.
- 1.4 In particular, business is looking for consistent policy from the Council and a review of economic development **assets** aims to produce this by the middle of 2005.

2. CONSULTATION

- 2.1 *Consultation to date:* Corporate colleagues, Corporate Resources, Overview & Scrutiny (25 May 2004), Business stakeholders (24 June 2004).
- 2.2 *Consultation proposed:* This next year, primarily through the review of economic development assets.

3. RECOMMENDATIONS It is recommend that:

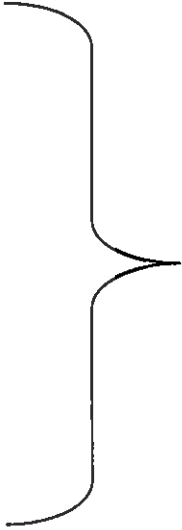
- 3.1 The Asset Management Plan be recommended to full Council for adoption.

4. REASONS FOR RECOMMENDATIONS

- 4.1 To approve the Asset Management Plan in order that property assets may further Council priorities.

5. IMPLICATIONS

- STAFFING / RESOURCES :
- FINANCIAL:
- LEGAL :
- CORPORATE :
- RISK MANAGEMENT:
- EQUALITY ISSUES :
- ENVIRONMENTAL :
- CRIME & DISORDER :
- IMPACT ON CUSTOMERS:



Included within the Plan.



PROPERTY SERVICES

Managing Property as a resource for the City

ASSET MANAGEMENT PLAN

2004 - 2007

JULY 2004



INVESTOR IN PEOPLE

EXECUTIVE SUMMARY

The Asset Management Plan is this Authority's statement about how it will use its capital and asset resources to contribute towards fulfilling the themes set out in City Vision. It has been written in conjunction with the Capital Strategy. The process forms a part of the Corporate Plan.

The Council has a substantial asset base. It is directing the implementation of asset planning, using the asset base as a foundation to attract the maximum public / private Capital Strategy investment through partnership working. Particularly, the Council is reviewing all that it owns, whether it is still relevant to own what it does, and review policy to achieve consistency of expression.

	Operational assets	Non operational assets	Surplus assets
No. of asset lots	50	44	22
Total income	£1.1 million pa	£3.9 million pa	£16,400 pa
Total value	£18 million	£61.3 million	£5.3 million
Note: Operational assets now includes income from Council owned car parks (£1,035,010)			
Re-investment budget 03 / 04	£1,070,000	£200,000	£5,000

1. The community of Carlisle has developed a new 10-year strategy for the City – City Vision – through consultation. Corporate Plan objectives are being reappraised to target City Vision themes.
2. The Capital Strategy shows how capital spending will help achieve corporate themes. The Asset Management Plan outlines how assets can maximise capital benefits.
3. A surplus land review has identified assets available and is set to achieve receipts of at least £500,000 pa over the next 3 years - £680,000 was raised in 03/04.
4. An Asset Investment Fund has been established to be resourced from the receipts.
5. The Audit Commission recommendations for the Property Service and, through cross cutting work, those of Economic Development, are being implemented through the Council's Overview and Scrutiny Committee. The Commission returned to audit the Council's progress in 2003 and concluded the Council is making significant progress. In particular the Council has:
 - Submitted an asset management plan and capital strategy. Both have been graded as "good" by Government.
 - Sought to address the weaknesses in the data held on its assets.
 - Developed a range of performance indicators.
 - Commenced work to ascertain the level of property holding the Council needs to deliver its future services together with the level of funding of repairs and maintenance that this will require.
 - Undertaken a Best Value Review of asset management.
6. An upgrade of operational buildings has occurred to comply with the Disability Discrimination Act.
7. Partnership working continues with the transfer of Kingmoor Park to 90% private sector control, new shops let in the Lanes, and the establishment of new partners for the Market Hall and Raffles.
8. The potential to acquire and invest in Talkin Tarn Country Park is being investigated. Capital is allocated to assist funding of electricity infrastructure in North Carlisle.

The 2004/07 Asset Management Plan sets further targets which flow from this work.

Managing Property as a Resource for the City

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1.0 OVERALL STRATEGY

1.1 Strategy Summary

- 1.1.1 The Council owns a highly rationalised and good quality operational property portfolio which provides facilities to deliver services to the public in order to meet its corporate objectives and, as a secondary output, to provide finance in both revenue and capital terms from its extensive set of non-operational properties.
- 1.1.2 This plan sets out a strategy for the ownership, use, management and assessing of future requirements that Carlisle City Council has in relation to land and property assets.
- 1.1.3 Carlisle City Council has an extensive property portfolio built up over its history.
- 1.1.4 This significant property ownership enables the Council to meet its objectives directly, such as through the ownership of a museum; and also to support economic development through providing property for joint initiatives and partnerships. The Council's commercial rent role is used to finance core services. It is the largest district council property ownership north of Manchester or York. The rent roll is nearly equal to Council Tax.

1.2 Land and Property Principal Aims and Objectives

1.2.1 Property as a resource supports the delivery of the Council's corporate objectives by:-

- (i) Meeting direct service delivery objectives – through providing good quality, rationalised and accessible accommodation for frontline services: such as a Leisure Centre, Swimming Pool, Museum and car parks;
- (ii) Meeting indirect service delivery objectives - through providing central accommodation for administration and a depot;
- (iii) Meeting the needs of the local community – such as the parks and community centres;
- (iv) Facilitating strategic economic development – such as the partnerships of The Lanes, Market Hall, Kingmoor Park and Raffles.
- (v) Helping promote employment – such as the small industrial units, Enterprise Centre, industrial estates and Market Hall;
- (vi) Safeguarding the heritage of the City – such as the Guildhall;
- (vii) Providing a financial return - through its considerable rent role and sale of surplus assets.

2.0 ORGANISATIONAL ARRANGEMENTS FOR CORPORATE ASSET MANAGEMENT

2.1 Main Events 2002 – 2004

- 2.1.1 The Audit Commission inspected and reported on asset management through the Best Value Inspectorate in 2002.
- 2.1.2 The Inspectors' report was accepted by the Council through the Overview and Scrutiny Committee approving recommendations, incorporated into this plan.
- 2.1.3 The Property Service has had additional resources added to its budget, resulting in the appointment of qualified and graduate staff, the establishment of an asset investment fund and introduction of a database.
- 2.1.4 The Audit Commission were invited to undertake a follow-up inspection in September 2003. They report that it is clear that the Council is committed to the agenda and is making significant progress.
- 2.1.5 The Asset Management Officer Group has been re-established and special Corporate Resources Overview and Scrutiny meetings organised to process and implement the agenda.

2.2 Strategic remit

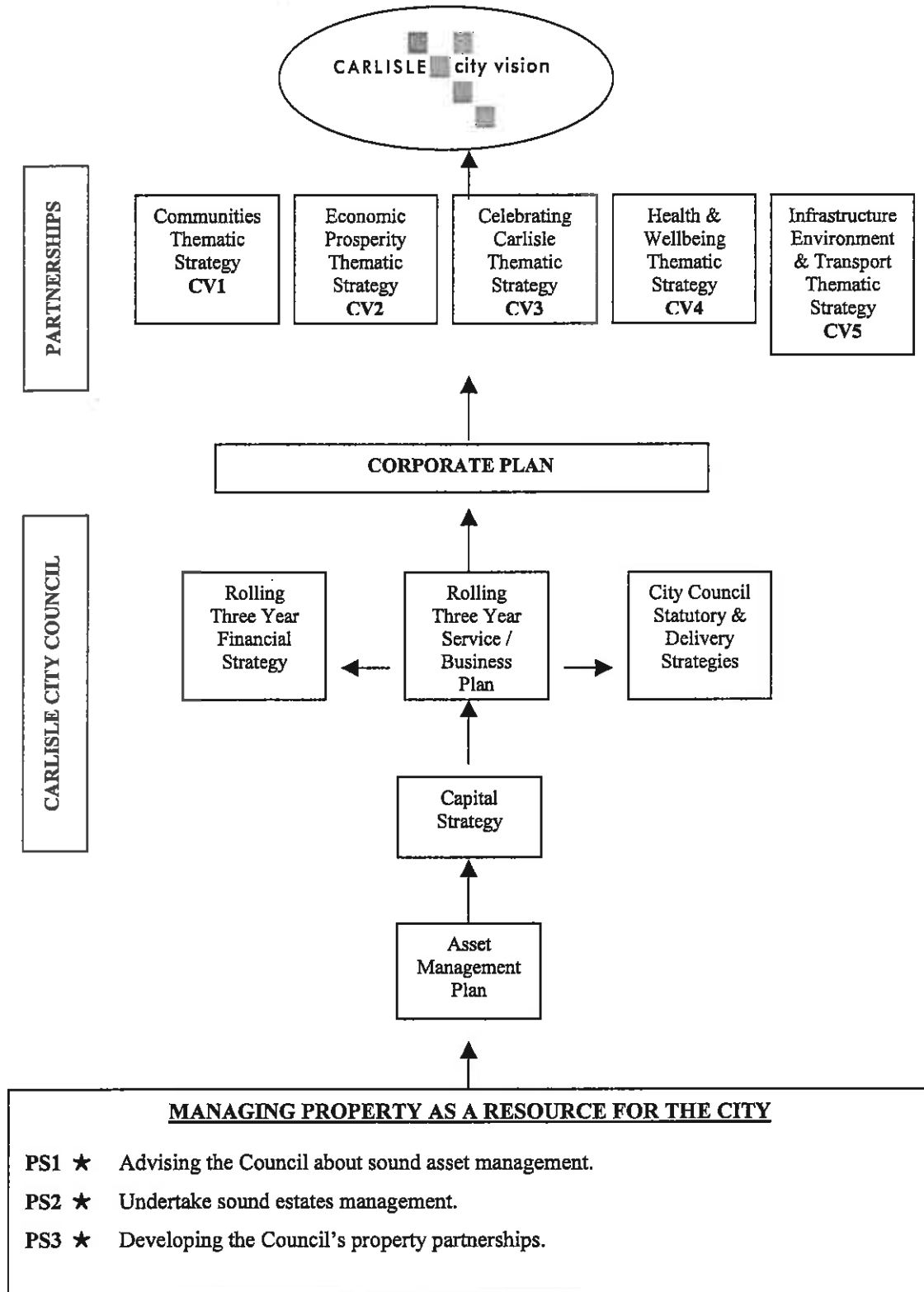
- 2.2.1 Property Service functions have been defined in accordance with the Corporate Plan and City Vision. The Unit's main objective is:

Managing property as a resource for the City

2.3 The Golden Thread

- 2.3.1 The City Vision partnership of 36 stakeholders has presented the vision to the residents of Carlisle as their own statement for development.
- 2.3.2 The Council's corporate objectives are contained in the Corporate Plan now being reviewed to ensure that it is able to meet its contribution to the vision. The strategic direction of the Capital Strategy and Asset Management Plan have been reviewed to thread the new themes together.
- 2.3.3 Local Authorities have a responsibility, as stated by the Audit Commission, to ensure proper stewardship of the resources under their control. The Council delivers much of its services from its holdings of land and property. They are visible representation of the Council and Carlisle.
- 2.3.4 This golden thread is set out on the following page. The most relevant corporate promises are:-
 - **Promise 1**
Ensure Carlisle is a safe and attractive place where people are included and feel they belong.
 - **Promise 2**
Develop a sustainable economy.
 - **Promise 3**
Manage our environment responsibly.
 - **Promise 4**
Improve local housing, health and well being.
 - **Promise 5**
Provide sound Council management.

2.4 City Vision and Corporate Themes Supported and Promoted by Asset Management Plan



2.5 Asset Management Plan Objectives have been reviewed in the light of the Council's priorities:

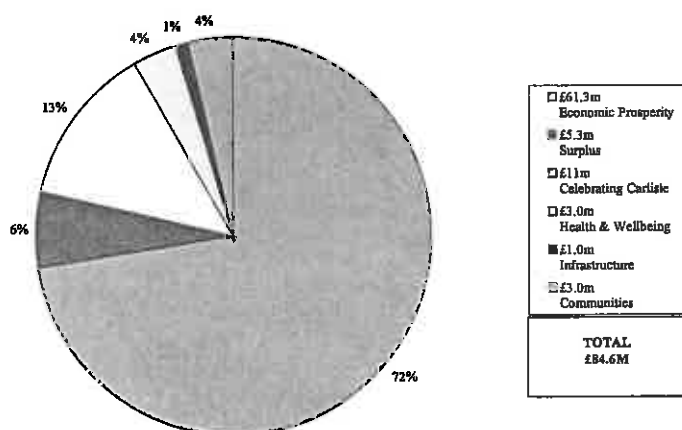
Council Promise	Council Priority	Relevant Council Priority to Asset Management Plan
1.	Ensure Carlisle is a safe and attractive place	
	SA.2	Develop Carlisle's regional status
	SA2.1	Develop a University in Carlisle and invest in student facilities.
	SA2.2	Increase footfall in the City's retail outlets.
	SA2.5	Strengthen Carlisle's position as the principal sub-regional local government centre.
	SA2.6	Develop schemes that make the most of Carlisle's Roman heritage.
	SA.3	Improve the perception of Carlisle as a place to live.
	SA.4	Increase community engagement and access to local services.
	SA.4.3	Ensure all appropriate Council premises are compliant with Disability Discrimination requirements.
	SA.5	Improve cultural, leisure and sporting facilities.
	SA.5.5	Invest in improved sports facilities in Carlisle.
	SA.5.6	Make more use of our rivers for leisure facilities.
2.	Develop a sustainable economy.	
	SA.1.1	In partnership, support the development of Kingmoor Park to increase employment.
	SE.1.3	Ensure a 10 year supply of development land and premises that meet needs of existing and future businesses.
	SE.1.5	Increase capital investment in industrial estates.
	SE.1.6	Extend the footprint of the City Centre to facilitate commercial development.
	SE.2	Broaden and enhance the economic base.
	SE.2.3	Increase inward and local investment in Carlisle.
3.	Manage our environment responsibly.	
	ME.1	Promote good sustainable access and transportation in and around Carlisle.
	ME.1.1	Support the delivery of the Local Transport Plan.
	ME.1.3	Improve access to Carlisle City Centre.
	ME.3	Conserve and develop our build heritage and natural environment.
	ME.3.2	Target improvements in residential areas and green spaces for community use.
	ME.3.4	Improve energy efficiency practices in Council buildings.

Carlisle City Council – Asset Management Plan 2004-2007

Council Promise	Council Priority	Relevant Council Priority to Asset Management Plan
4.		Improve local housing, health and well being.
	HW.3.4	Encourage the development of affordable housing schemes in both urban and rural areas.
	HW.4	Provide support and housing to people who are, or are potentially, homeless and / or vulnerable.
	HW.4.1	In partnership, ensure the provision of suitable short term accommodation.
	HW.4.2	Undertake suitability review of Council's homelessness accommodation.
5.		Provide sound Council management.
	CM.1	Put customers first.
	CM.1.1	Increase customer satisfaction with Council services.
	CM.1.2	Increase the percentage of customers dealt with at first point of contact.
	CM.7	Improve decision making.
	CM.3.1	Enhance the use of business case methodology (including procurement) for high value or high risk projects.
	CM.4.	Provide sound financial management.
	CM.4.2	Generate efficiency savings to reinvest in Council priorities.

- 2.6 The Council's Asset Portfolio as at 1 April 2002 and the links with Corporate and Asset Plan Objectives have been analysed to continue the golden thread:

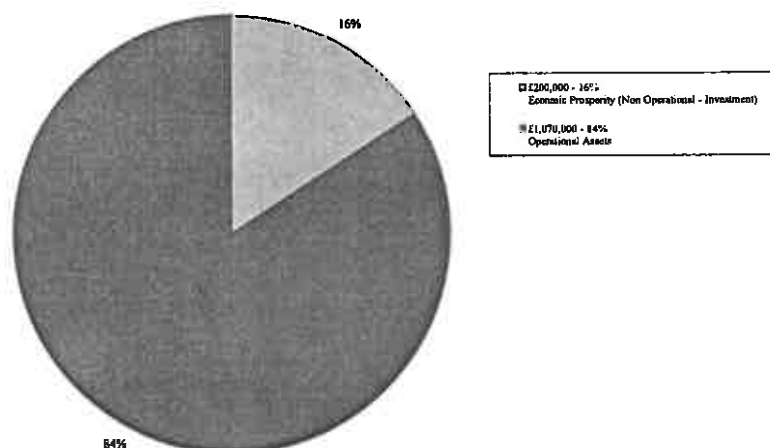
ASSET PORTFOLIO



Corporate Plan Theme	Communities	Infrastructure, Environment & Transport		TOTALS
	Celebrating Carlisle Health & Wellbeing	Economic Prosperity		
Asset Type	Operational	Non-Operational	Surplus	
Asset Lots	50	44	38	132
Income (£)	£1.1 M pa	£3.9 M pa	£16,400 pa	£5 M pa
Value (£)	£18 M	£61.3 M	£5.3 M	£84.6 M

- 2.7 The Asset Portfolio has been analysed to show that asset investment is dis-proportionate to value and income:

ASSET INVESTMENT FUND



2.8 The Corporate Property Officer

- 2.8.1 The identification of a Corporate Property Officer with associated specific roles and responsibilities is the Head of Property Services. The responsibilities of the Corporate Property Officer have been widely published through the Council's organisational review and at management briefings.

2.9 Best Value

- 2.9.1 The Property Services underwent a rigorous Best Value Review, and in January 2002 the Audit Commission recommendations were:-

- Maintain the fabric and worth of the community's property assets through a programme of asset maintenance.
- Improve liaison and consultation with tenants.
- Clarify the Council's community and financial aims for property in one consistent policy expression.
- Develop criteria for decisions on whether to dispose of property.
- Complete property reviews for the whole urban area.
- Improve data on property holdings.
- Define a small suite of performance indicators for property, including those specified by Government, together with challenging but realistic targets, and monitor performance against those targets.
- Conduct a property review covering all property.
- Advance geographical information systems – based asset management, ensuring a consistent corporate approach.
- Question the need for any individual service to "own" property.
- Clearly identify one portfolio holder responsible for all property, and
- Clearly identify one centre of commissioning of property services.

- 2.9.2 The Overview and Scrutiny Committee approved a new Best Value Action Plan, following the Inspectors' report.

2.10 Audit Commission Follow-up Report

- 2.10.1 In 2003 the Audit Commission followed up matters to ascertain whether the Council was making progress. They reported:-

Significant progress has been made in implementing the recommendations and it is clear that the Council has been committed to addressing the asset management agenda. In particular the Council has:-

- Submitted an Asset Management Plan and Capital Strategy, and both have been graded as "good" by the Office of the Deputy Prime Minister.
- Sought to address the weaknesses in the data held on its assets.
- Developed a range of performance indicators.

- Commenced work to ascertain the level of property holding the Council needs to delivery its vision for future services together with the level of funding for repairs and maintenance that this work will require.
- Undertaken a Best Value Review of asset management.
- The Council is now well placed to continue to develop its approach to effective asset management and it needs to ensure that ongoing work continues.
- It is now key that the Council ensures that the areas for development, outlined below are implemented so that the Council's asset management practices are consistent with its overall aims and objectives.
- Development of a unified and informed Council wide decision on the most effective level of property holding that supports the achievement of corporate objectives.
- Re-establish the Asset Management Officers Group.
- Development of a corporate procurement framework.
- Improved energy efficiency management.
- Population of the database.

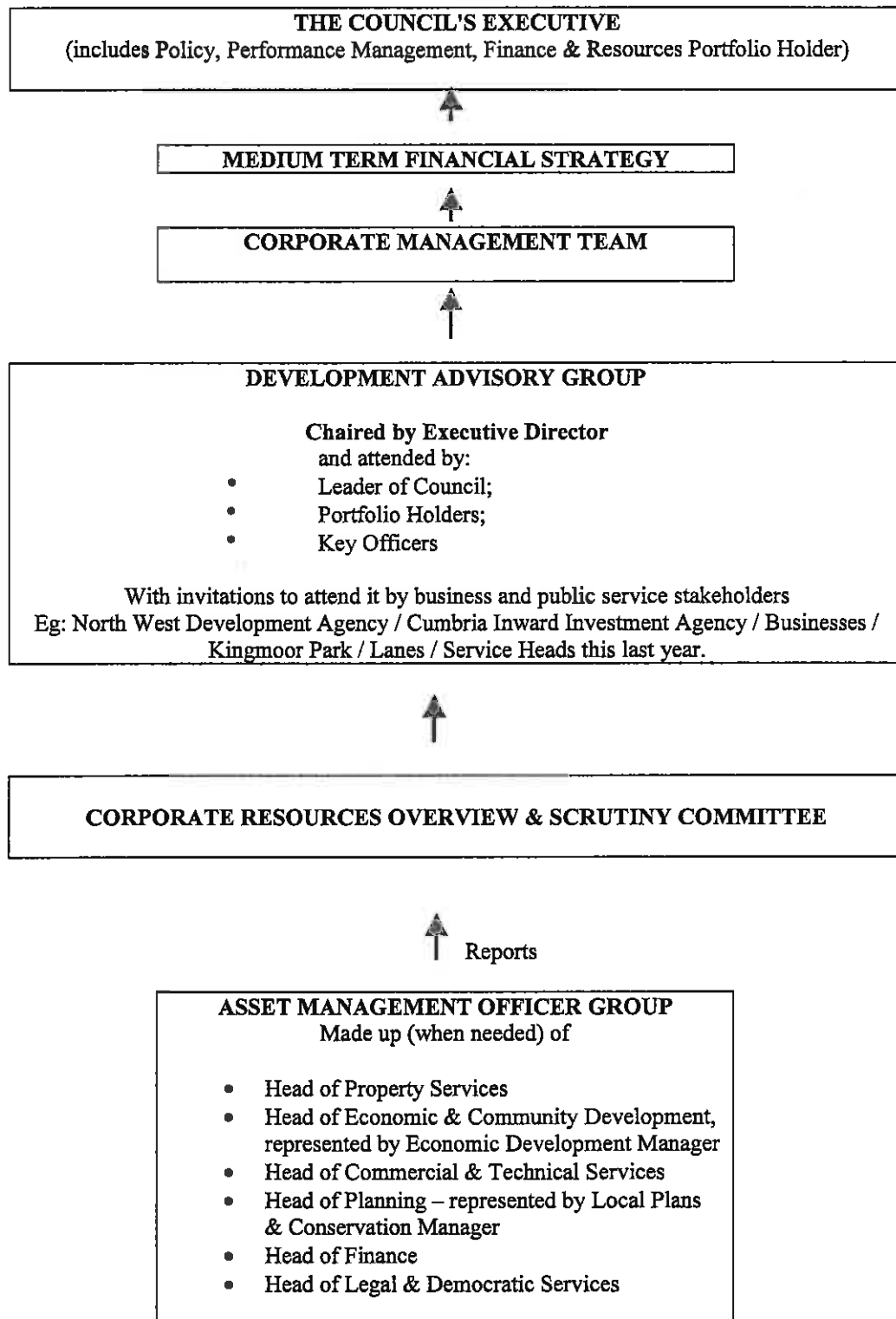
2.11 Strategic Co-ordination - Development Advisory Group

- 2.11.1 The Corporate Property Officer reports to the Development Advisory Group after monthly briefings with the Member responsible for Property (the Council's Deputy Leader); then to the Corporate Management Team; and then to the Executive. The Group, its terms of reference and the Corporate Property Officer's role in it have been communicated throughout the Council.
- 2.11.2 The Development Advisory Group is chaired by an Executive Director – and includes the relevant portfolio holder and officers tasked with strategic co-ordination. It is a crosscutting vehicle for integrating strategic asset issues, economic development and surplus land.
- 2.11.3 Its terms of reference were agreed at its first meeting in February 2001. It meets monthly. It is able to refer to representatives of stakeholders to act as the consultation and contact point, acting as the forum to consult by inviting business stakeholders.
- 2.11.4 Advice is then formulated for the Medium Term Financial Strategy.

2.12 Officer Implementation – Asset Management Officer Group

- 2.12.1 As recommended by the Audit Commission in their 2003 report, an Officer Group has been reformed to implement specific case work.

2.13 Organisational chart



2.14 Housing Policy

2.14.1 The Council is developing a new Council strategy. The Council aims to use appropriate property assets to encourage the development of affordable homes in partnership with other providers to produce innovative affordable schemes.

2.15 Consultation

CONSULTATION		
	Method	Examples
Progress So Far	<u>Internal</u> - Development Advisory Group – 12 meetings, 3 with external partners. <u>External</u> - Carlisle Chartered Surveyors Forum. - Historic Cities Guild – 2 meetings - Asset Management Launch → - Kingstown / Kingmoor liaison - Database benchmarking	- Business Asset Management Launch at Conference Centre. 120 Business / property representatives / Councillors attended. - Presentations from Portfolio Holder, Corporate Property Officer, Kingmoor and Lanes partners. - Regular Kingstown business meetings arranged by Economic Development
Future Targets	<u>Internal</u> Development Advisory Group to meet monthly →	- Cumbria Inward Investment Agency attended - The Lanes (Morley) partners attended. - Northwest Development Agency attended. - Kingmoor Park attended.
Cross-Cutting Forums	- Historic Cities Property Group - Market Hall Board - Kingmoor Park Property Board - Historic Land Use Group - Regeneration Team - GIS Group - Medium Term Financial Group - Cumbria Property Services Benchmarking - Association of Chief Estates Surveyors (ACES) - Asset Management Officer Group	- Market Hall Board meet 2 times per year. - Kingmoor Board meet bi-monthly. - Historic Cities Property conference meets annually (Carlisle lead). - Regular attendance at IPF Seminars - Presentations in Scotland, Windermere and London. - Participation in database design workshops.

3.0 PERFORMANCE MEASUREMENT AND MONITORING INFORMATION

3.1 Best Value and Property Performance Indicators

3.1.1 The asset management database was procured and introduced in 2003/04.

3.1.2 A system of Property Performance Indicators has been put in place to incorporate the Office of the Deputy Prime Minister's recommendations, indicators agreed through benchmarking, together with a set of local indicators designed to support asset management objectives under the Corporate Plan. This is reported to Council on an annual basis.

3.2 Historic Cities Property Group - Benchmarking

3.2.1 The Corporate Property Officer leads the Historic Cities Property Group. 10 performance indicators (including the 5 Central Government indicators) have been established and are becoming more sophisticated as experience grows.

3.3 Future Targets

3.3.1 The graphs illustrate the key performance data analysed to date with financial targets set for the following years.

3.4 Performance Indicator Information

PI ref.	Description	2000/1/2 as at 1/4/01	2002/3 as at 1/4/02	Current	Targets	
				2003/4 as at 1/4/04	2004/5	2005/6
ODPM 1	A - % GIA in Cond. Cats A-D	16.9%	3.6%	2%	4%	5%
	B	18.3%	49.3%	48.8%	50%	55%
	C	24.7%	37.9%	38.3%	40%	40%
	D	40.1%	9.2%	10.9%	6%	0%
	B - Backlog of maintenance: Total % in priority levels 1 – 3:	-	£3,337,000	£3,447,181	£3,300,000	£3,000,000
	1	}*1	}*2	0%	0%	0%
	2			50%	40%	30%
	3			50%	60%	70%
ODPM 2	A - IRR for Industrial Property		9.03%	6.18%	7%	8%
	B - IRR for Retail Property		13.56%	13.83%	14%	15%
	C - IRR for Agricultural		N/A	N/A	N/A	N/A
ODPM 3	A - Mgt costs / sq m	N/A	£1.66	£1.52	£1.60	£1.70
ODPM 4	A - R & M costs /sq m – Op Prop	N/A	£26.27	£22.44	£25.00	£24.00
	B - Energy & utility cost / sq m – Op Prop	N/A	£7.15	£6.82	£6.80	£6.78
	C - Water costs / sq m – Op Prop	N/A	£3.61	£3.45	£3.40	£3.35
	D - CO ₂ emissions in T /sq m – Op Prop	N/A	0.162	0.144	0.142	0.140
ODPM 5	A - % capital projects +/- 5% outturn	100%	100%	100%	100%	100%
	B - % capital projects +5% timescale	100%	100%	100%	100%	100%
HCG 1	Performance of disposals against target	100%	100%	120%	100%	95%
HCG 2	Performance of investment portfolio	9.1%	9.1%	7.45%	8%	8%
HCG 3	No. of lettable void units as % of whole	8.85%	8.15%	7%	7%	5%
HCG 4	Efficiency of income collection	90%	91%	95%	97%	98%
HCG 5	Total maint budget as % of Rev	1.7%	1.6%	1.8%	1.85%	2.1%
Local 1	Ratio of surplus land to non-surplus	-	8.7%	8.1%	8%	7.8%
Local 2	RRs completed within 1 yr as % of all	-	68.7%	82.8%	80%	85%
Local 3	LRs completed within 1 yr as % of all	-	27.3%	87.5%	80%	85%
Local 4	DDA reqs compliance % of No of prop	-	23.2%	40%	73%	78%
Local 5	Space utilisation / sq m / person	-	13.5	15.5	13	12

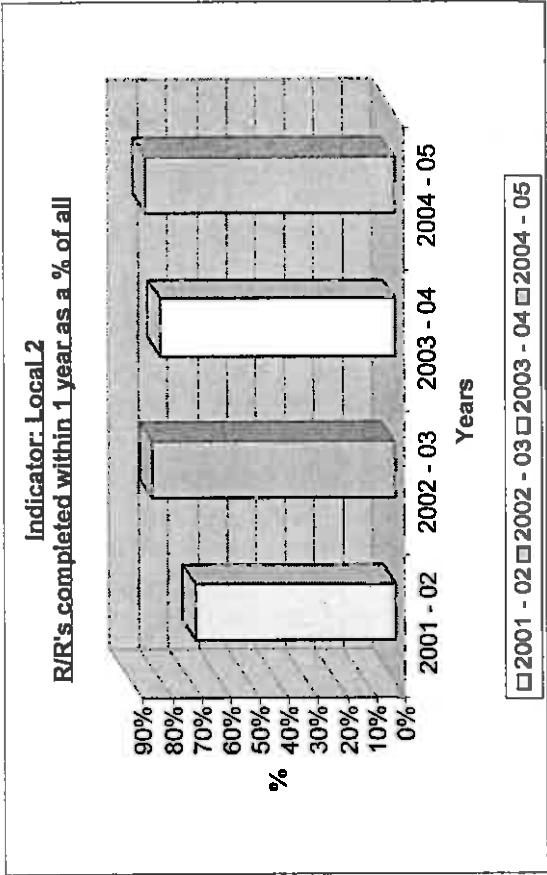
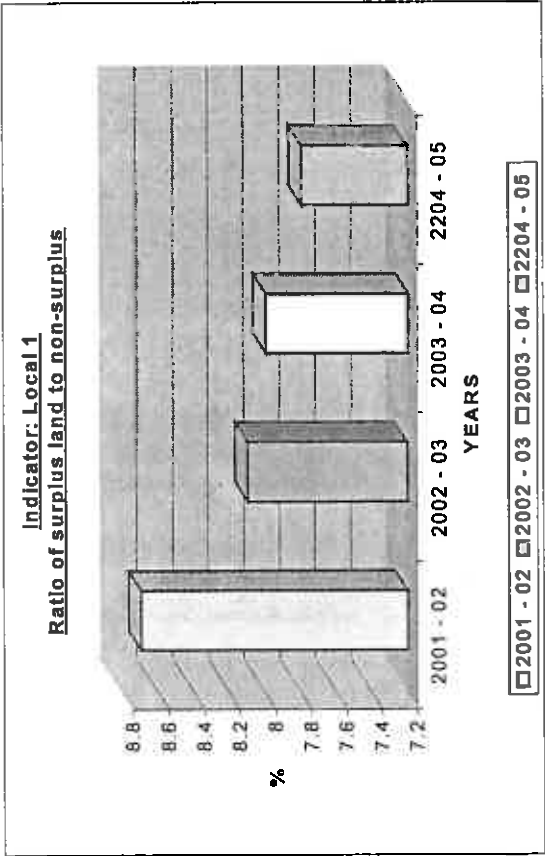
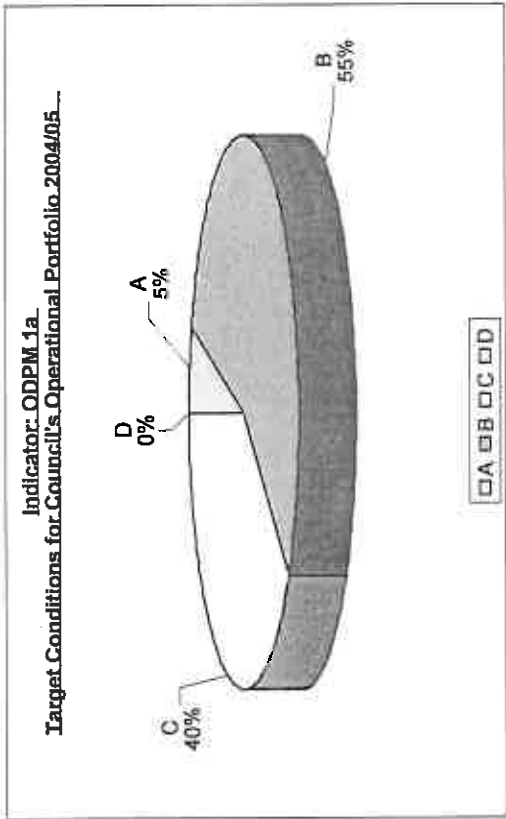
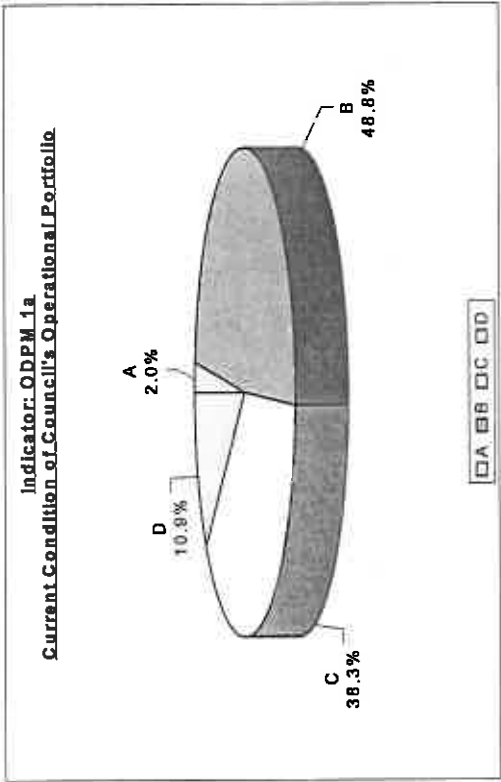
Notes:

ODPM Office of Deputy Prime Minister indicators – national
HCG Historic Cities Guild – regional
LOCAL Carlisle City Council land performance indicators

*1 ODPM Local indicators not assessed in 2000/1

*2 ODPM definitions changed, previous figures unavailable.

3.5 Graphic Representations and Future Targets for Performance Indicators



4.0 GENERAL ASSET MANAGEMENT PROGRAMME & IMPLEMENTATION

4.1 The general programme is to:-

- (i) Continue to undertake a rationalisation programme across the whole property portfolio.
- (ii) Undertake a fundamental asset review related to an economic development theme.
- (iii) Continue to improve the corporate management of property through the Asset Management Officer Group.
- (iv) Undertake good asset and estates management.
- (v) Review the adequacy of the property maintenance budget to ensure that optimum planned maintenance is undertaken and property remains fit for use.
- (vi) Develop a long term approach to sustaining Council assets.
- (vii) Hold up to date records of the Council's ownership, use, condition and running costs.
- (viii) Undertake a revaluation of property assets over a five year cycle in accordance with CIPFA requirements. Combined to a simultaneous condition survey of all assets.
- (ix) Keep uniform business rates liability to the Council as low as possible.

4.2 Operational Property Strategy

- (i) The Council will own a highly rationalised set of buildings to deliver services in order to provide users with a good standard of accommodation and facilities by making buildings attractive, safe and accessible.
- (ii) To only hold sufficient property to meet direct corporate service objectives – and continue to ensure all property is assessed for suitability and sufficiency.
- (iii) To have a presumption against the purchase, lease or construction of further property unless there is demonstrative benefit to the Carlisle community.
- (iv) To occupy only freehold property wherever possible.
- (v) To only hold leasehold property for a period that equates to the duration of the service being accommodated.
- (vi) To ensure sufficient use of space in operational buildings.
- (vii) To recognise the Civic Centre as the strategic location for City governance.
- (viii) Maximise good customer relations from one main contact point in the Civic Centre to include partnering and co-location.
- (ix) To maintain the fabric and worth of the City's property assets through a programme of asset maintenance.
- (x) To consult with users in the planning and design stages of new buildings.
- (xi) To have cultural and educational facilities of the highest standard.

- (xii) To ensure Council facilities comply with all statutory standards, particularly those set out in Disabled Discrimination Act.
- (xiii) To create space to share with other agencies.
- (xiv) Improve cost efficiency and energy efficiency of buildings.
- (xv) To ensure the Council is not paying any more uniform business rate than it needs to.
- (xvi) To realise income potential where services do not require space.

4.3 Non-Operational Property Strategy

- (i) The Council will own property to further economic development objectives.
- (ii) As a secondary element, the Council will own property to provide a regular and secure income stream.
- (iii) To review economic development assets in order to align them in partnership in order to develop support and modernise the local economy and a learning city.
- (iv) To have an asset investment fund for economic assets.
- (v) To investigate new medium and long term development opportunities, particularly where the private sector is not confident in investing alone.
- (vi) To have a presumption against the loss of rental income.
- (vii) To have a presumption in favour of improving its rental income according to the sensibilities of the Carlisle property market.
- (viii) Full market rental value to be charged for its commercial properties and lease renewals and rent reviews will be carried out in accordance with landlord and tenant legislation and lease terms.
- (ix) To improve the performance of the property portfolio through seeking to secure partnership working and grant assistance where appropriate.

4.4 Under-use and Disposal Strategy

- (i) The Council will continue to undertake systematic property reviews and dispose of assets on a freehold and leasehold basis where land and property is surplus.
- (ii) To obtain best consideration in accordance with Section 123 of the Local Government Act 1972 by the most appropriate method of sale or lease, following proper disposal procedures.
- (iii) To aim to raise £500,000 of capital receipts to support the capital strategy per year.
- (iv) To retain 50% of the capital receipts raised up to a maximum of £200,000 to finance an asset investment fund.
- (v) To use the following criteria in evaluating whether an asset is surplus.

SURPLUS ASSET CRITERIA

PRACTICAL EXAMPLE

SURPLUS PROPERTY DESIGNATION MATRIX

ASSET ADDRESS: Land at Howard Street, Carlisle

ASSET DESCRIPTION: Cleared site to rear of houses

QUESTION	YES / NO
1. Is the asset currently being used for direct service delivery?	NO
2. Is the asset likely to be required for direct service delivery in the next 10 years?	NO
3. Is the asset likely to be required to assist supporting the City Vision partners in relation to:	
* Health and wellbeing.	NO
* Communities.	NO
* Economic prosperity.	NO
* Infrastructure, environment and transport.	NO
* Celebrating Carlisle.	NO
PROPERTY SERVICES ANALYSIS	
1. Current use value	£NIL
2. Alternative use value	£85,000
3. Current rental income	£NIL
4. Potential future rental income	£NIL
5. Current management costs	£1,000
6. Likely disposal fees	£2,250
7. Estimated net capital receipts	£82,750
8. Date when receipt expected	31/03/03
CONCLUSIONS	
Is this asset recommended for disposal?	YES

COMMENTS

The land has been vacant and causes management costs.

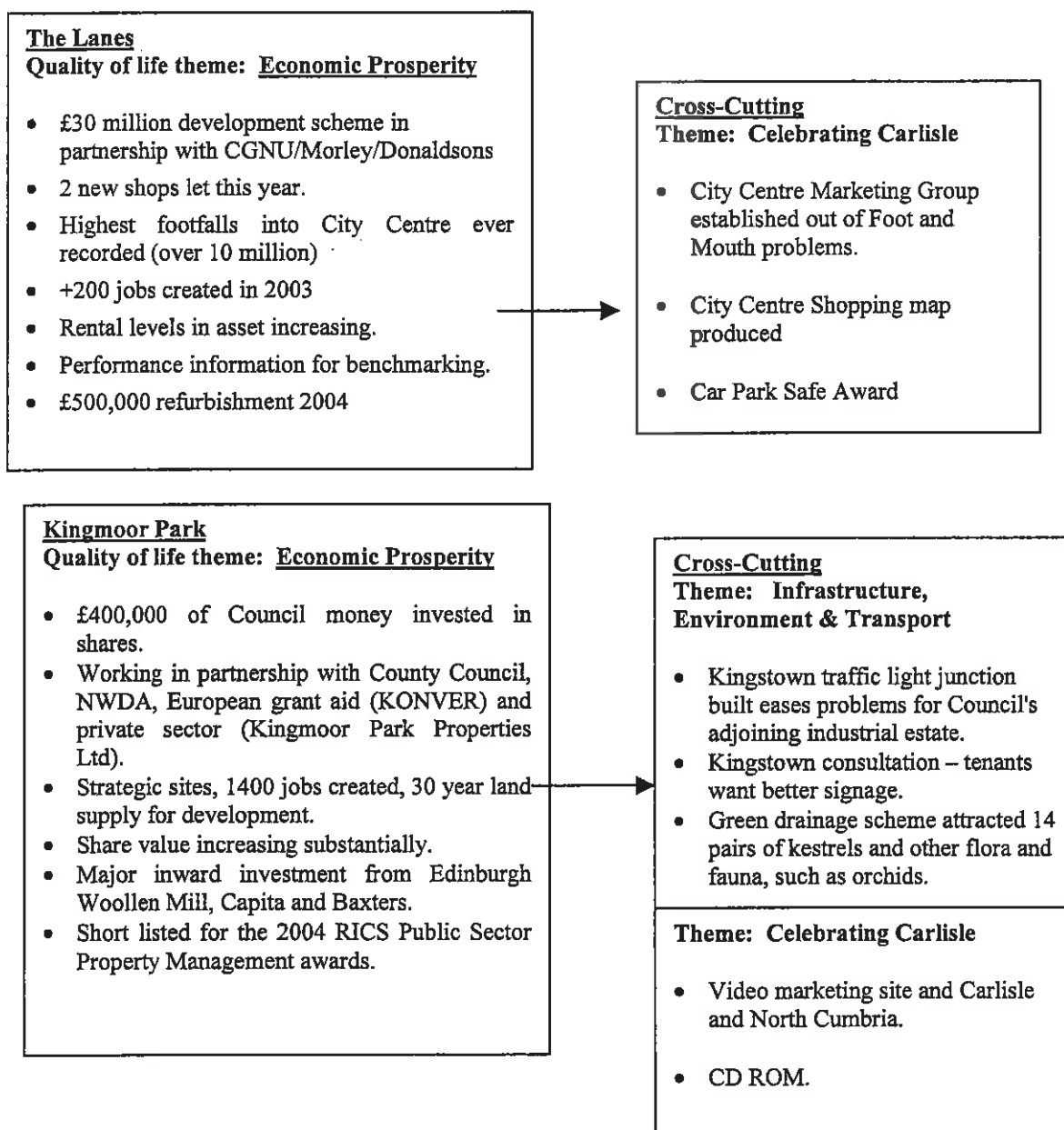
4.5 Partnership Working Strategy for Assets

4.5.1 Carlisle has a successful track record with partnership working.

4.5.2 The Council will continue to maximise capital expenditure, minimise revenue costs and add value through private sector investment, by working in partnership wherever possible in relation to asset management and development.

4.5.3 This approach not only maximises capital expenditure and minimises revenue costs, there is added value through private sector benchmarking and cross cutting into other City Vision themes.

4.5.4 This can be demonstrated as follows:-



4.6 Acquisition Strategy

- 4.6.1 The Council will acquire no further leasehold or freehold property for operational purposes unless it can be demonstrated that the service cannot be delivered from existing accommodation in the Council's ownership.
- 4.6.2 All potential acquisitions will be identified at the earliest opportunity and the cost and benefits appraised as part of the Council's medium financial strategy.
- 4.6.3 Funding for the acquisition and provision of future revenue costs for income generation will be identified in the Council's annual budget process.
- 4.6.4 The Council will look at opportunities in partnership with others for the acquisition of land to further Council objectives as part of a proactive approach.

5.0 ACTION FOR 2004 / 05

- 5.1 The Asset Management Plan for 2004/05 is to be monitored by the Overview and Scrutiny Committee.
- 5.2 This Action Plan sets out the targets for the period 2004 – 2005.

ACTION PLAN 2004 / 05

1. OVERALL TARGETS – AUDIT COMMISSION 2003 RECOMMENDATIONS

It is key that the Council ensures that the areas for development, outlined below are implemented so that the Council's asset management practices are consistent with its overall aims and objectives.

- Development of a unified and informed Council wide decision on the most effective level of property holding that supports the achievement of corporate objectives.
- As the Asset Management Officer Group has been identified as a key vehicle for the delivery of the asset management agenda, the Council needs to ensure that a timetable for its meetings is re-established.
- Development of the corporate procurement framework so that it facilitates competition and the effective use of partnering contracts for future procurement activity.
- Improved energy efficiency management.
- Population of the property database.

2. ECONOMIC DEVELOPMENT ASSET REVIEW

The review will provide a new policy and plan for the non-operational assets.:

2.1 The review will be conducted in three parts, comprising:

- A Portfolio Review
- A Geographical Review
- A process to identify priorities for action

2.2 The Portfolio Review will include:

- (i) An evaluation of individual Council properties held for economic development purposes on a site by site basis to include:
- (ii) An assessment of the extent to which each property (including its current management policy and practice) is contributing to the Council's financial and economic development objectives.
- (iii) An assessment of whether the delivery of objectives is dependent on the property remaining in Council ownership.
- (iv) An assessment of whether properties generate suitable levels of sustainable income based on target yields.
- (v) An assessment of hidden value opportunities.
- (vi) Where appropriate, an evaluation of the case for investment or retention to achieve financial and / or economic development objectives.

2.3 The Geographical Review will include:

- (i) The identification of logical geographic areas within Carlisle and the key drivers of economic success in each area.
- (ii) An evaluation of the role of the Council's land holdings in each area.
- (iii) An assessment of changes or opportunities that could deliver economic or financial benefits.

2.4 Priorities for Action

- (i) This part of the review will categorise the Council's estate into:
 - Properties for retention that require no immediate investment.
 - Properties for retention that currently meet financial return requirements but require and justify future investment to be sustainable.
 - Properties for retention that currently meet financial return requirements, but where the income is not sustainable in the long-term and investment is not cost effective (ie for eventual disposal).
 - Properties for retention that do not meet financial return requirements but deliver other Council objectives.
 - Properties for retention that do not meet financial return requirements but offer other economic development opportunities or geographical opportunities.
 - Properties for disposal – where there is no justified reason for continued retention.
- (ii) This section will also shortlist investment opportunities / projects for consideration by the Council for eventual inclusion in the Business Plan. This will include:
 - Up to three priorities for immediate investment.
 - Up to three priorities for the delivery of Economic Development opportunities including possible acquisitions.

3. SURPLUS PROPERTY

3.1 Proactively manage existing disposals to completion / conclusion.

3.2 Agents to be appointed when needed. Each disposal to be judged on its merits.

3.3 Longer term review as operational / investment portfolio becomes reviewed. Any potentially surplus sites will be reviewed and all properties will go through the standard disposal's procedure, including the revised homework approach identified above.

4. ACQUISITIONS

4.1 Appraise the cost benefit of acquiring Talkin Tarn.

4.2 Appraise the cost benefit of acquiring other assets as part of Economic Development Asset Review.

5. HOUSING

5.1 The Council will explore with developers and registered social landlords opportunities to effectively use its property resources to aid the provision of affordable housing in support of the new housing strategy.

6. OPERATIONAL PROPERTY

- 6.1 The Council will continue to own a highly rationalised operational property portfolio and invest in it through a proactive maintenance programme.
- 6.2 The Council will establish a customer contact centre on the ground floor of the Civic Centre as one main contact point.
- 6.3 The Council will seek to find further efficiency savings in its management of the property portfolio with particular emphasis on energy efficiency measures.
- 6.4 The Council will develop a 5-year programme of building condition surveys to match the asset valuation programme and assess all properties for suitability and sufficiency, with particular emphasis on access ability for customers.
- 6.5 The Council will complete the works required under the Disabled Discrimination Act where it can and continue to monitor and adapt buildings in order to improve access ability so that customers are put first.

7. FINANCIAL SUMMARY

INCOME:

Received 2003/04	Projected 2004/05	Projected 2005/06
£3.9m	£3.95 m	£4.05 m

CAPITAL RECEIPTS

Received 2003/04	Projected 2004/05	Projected 2005/06
£670,000	£1.2 m	£850,000

INVESTMENTS & ACQUISITION COSTS

2003/04		2004/05		2005/06	
Asset Investment Fund	£200,000	Electricity	£1,000,000	Asset Investment Fund	£200,000
		Asset investment Fund	£200,000		
		Industrial Estates	£500,000	Industrial Estates	£500,000
				Acquisitions	£250,000
		Acquisitions	£250,000	Energy Efficiency	£200,000
Repair & maintenance	£1,070,000	Repair & maintenance	£1,055,000	Repair & maintenance	£1,065,000
DDA	£180,000	DDA	£100,000		

HEAD OF PROPERTY SERVICES

JULY 2004