



REPORT TO EXECUTIVE

PORTFOLIO AREA: FINANCE & RESOURCES

Date of Meeting: 20 June 2005

Public

Key Decision: Yes

Recorded in Forward Plan:

Yes

Inside Policy Framework: Yes

Title: DRAFT ASSET MANAGEMENT PLAN

Report of: HEAD OF PROPERTY SERVICES

Report reference: PS 08/05

Summary:

This report provides a draft of this year's Asset Management Plan for Members' consideration. It has been reviewed in the light of the Beacon assessment, January floods and the Council's key priorities.

Recommendations: It is recommend that:

The Executive approve the Asset Management Plan in principle and it proceed to consultation – including consideration by the Corporate Resources Overview & Scrutiny Committee.

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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 in the Council's financial planning process since it was introduced through Government guidance in 2001.
- 1.2 The attached report provides this year's plan in draft form.
- 1.3 The key features to note include that the Beacon assessment reviewed progress. Recommendations are outlined in the plan.
- 1.4 The Council is setting new priorities through its current corporate process and the plan incorporates them.
- 1.5 There are also important issues in respect to the strategic and operational approach in the aftermath of the flood.
- 1.6 Some authorities are proceeding towards a two stage approach in the development of their plans. Firstly, a fairly static outline demonstrating the formal processes. Secondly, a flexible addendum which can be reviewed regularly as a working plan.
- 1.7 If Members' wish, this approach will be developed and reported back later in the municipal year.

2. CONSULTATION

- 2.1 *Consultation to date:* Corporate colleagues
- 2.2 *Consultation proposed:* Medium Term Financial Special Planning Group; Corporate Resources Overview and Scrutiny Committee; appropriate business stakeholders.

3. RECOMMENDATIONS It is recommend that:

- 3.1 The Executive approve the Asset Management Plan in principle and it proceed to consultation – including consideration by the Corporate Resources Overview & Scrutiny Committee.

4. REASONS FOR RECOMMENDATIONS

- 4.1 To approve the draft Asset Management Plan in advance of consultation.

DRAFT



Managing property as a resource for the City

ASSET MANAGEMENT PLAN

2005 - 2008

REVISED AS AT JUNE 2005



INVESTOR IN PEOPLE

EXECUTIVE SUMMARY

The Asset Management Plan is Carlisle City Council's corporate statement about how it will use its asset resources to contribute towards fulfilling priorities in support of City Vision. It has been written in conjunction with the Capital Strategy to inform decisions made under the Medium Term Financial Plan.

The Council has the largest asset base of any district north of Manchester and York. Its income is comparable to that generated from Council Tax. Major strategic partnerships use property in order to drive priorities – particularly those relating to economic development and regeneration.

The Council is reviewing all that it owns. It has to decide whether it is still relevant to own what it does; policy needs to be reviewed in order to achieve consistency of expression over the long term; particularly, strategic decisions will be required in order to drive asset development to shape Carlisle in 2020.

Progress 2004 / 05

1. The Council was assessed under the Beacon Scheme for asset management. It was awarded excellent.
2. The assessors reported: *"that the Council is without doubt using its assets for the maximum benefit of the local community"*.
3. The City of Carlisle suffered its most serious floods since the early 19th century in the early part of 2005. Considerable damage has been caused to public assets.
4. One of the early lessons learnt from the flood was that the damage brought into focus the outdated suitability of some of the City's assets.
5. The floods have brought further impetus in order to review the assets, particularly to support modern service provision and economic sustainability over the long term.

Priorities 2005 / 06

1. Review and refurbish flood affected assets.
2. Review and plan a 5-year maintenance programme for all assets by creating an integrated approach.
3. Review the economic development assets and make strategic recommendations.
4. Advise the Council about new asset development initiatives to promote Carlisle.
5. Develop a two stage asset plan which provides more flexibility as a working document.

Managing Property as a Resource for the City

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1.0 OVERARCHING STRATEGY

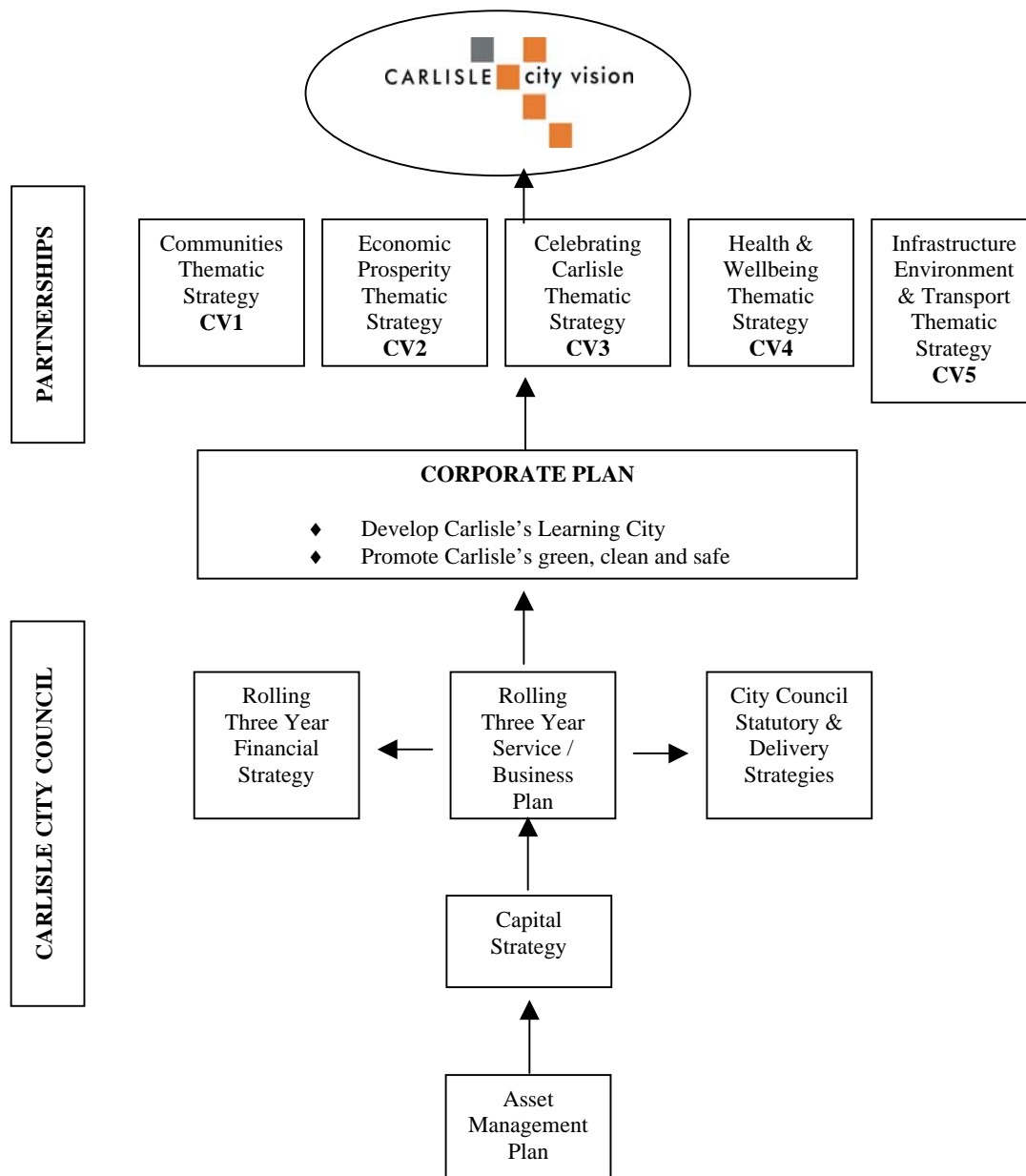
- 1.1 This plan sets out a strategy for the ownership, use, management and assessing of future requirements that Carlisle City Council has in relation to land and property assets.
- 1.2 Carlisle City Council takes the responsibility for sustainable long term asset stewardship of its resources seriously.
- 1.3 The Council accepts that its assets are a visible representation of the Council.
- 1.4 The Council will own a highly rationalised operational asset portfolio in order that services can be delivered to the public in the right place and at the right cost.
- 1.5 The Council will own a non-operational property portfolio to provide economic development opportunity and commercial income in order to support key priorities.
- 1.6 The Council will continue to review all its property holdings according to the priorities of the Council and shall dispose any surplus assets not required.
- 1.7 The Council will continue to use partnerships for its assets in order to further key priorities.
- 1.8 The Council will reduce its asset maintenance backlog by using some of its reserves and capital receipts to be directed into a refurbishment programme over a 5-year period.

2.0 CITY VISION AND CORPORATE PRIORITIES

PURPOSE

To directly link the asset base to corporate priorities

- 2.1 The Council will further City Vision and corporate priorities through using asset management as a key driver of policy.



3.0 NATIONAL INFLUENCES

PURPOSE

- ♦ *To ensure the Council's Asset Strategy is underpinned by Government advice*

Central Government Advice

3.1 There are a number of Central Government initiatives that will impact on the future of the Council's asset base. These include:-

- ♦ The Audit Commission Report – Hot Property.
- ♦ Sir Michael Lyons Review.
- ♦ The Gershon Review and the Annual Efficiency Statement.
- ♦ CPA Process – Key Lines of Enquiry.
- ♦ Whole of Government Accounts and the Prudential Code.
- ♦ Procurement.
- ♦ Prospects for change to Local Authority Structures.
- ♦ ODPM guidance in Asset Management reviewed in 2005.

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3.2 The Audit Commission in its Key Lines of Enquiry for the 2005 CPA (although this believed to be under review) will look specifically at:-

<i>How effectively does the organisation manage its asset base?</i>	
Audit Focus	
Evidence:	
<ul style="list-style-type: none"> ◆ That the organisation treats its fixed assets as an integrated corporate resource. ◆ Of the extent to which fixed assets are maintained in fit for purpose condition. 	
Criteria for Judgement	
Level 2	Level 3
<p>The organisation has put in place arrangements for the management of its fixed assets including:</p> <ul style="list-style-type: none"> ◆ Maintaining an up to date asset management plan. ◆ Ensuring that properties are fit for purpose by making adequate provision for repair and maintenance. ◆ Basing investment and disposal decisions on option appraisal and whole life costing. 	<p>The organisation treats its property as a corporate resource, oriented towards achieving its overall goals, underpinned by:-</p> <ul style="list-style-type: none"> ◆ Clear links to financial plans and budgets. ◆ Effective arrangements for cross-service working. ◆ Champions at senior office and member level. ◆ Significant scrutiny by members.
	<p>The organisation ensures its properties are fit for purpose by making proper provision and action for maintenance and repair.</p> <p>The organisation makes investment and disposal decisions on thorough option appraisal and whole life costing.</p> <p>The organisation's capital programme gives priority to potential capital projects based on a formal, objective approval process.</p>

3.3 This plan aims to be used as a base document for the CPA to make its judgements in this regard.

BEACON STATUS APPLICATION 2005

3.4 The Council applied for Beacon Status for its asset management in 2005.

3.5 It did not receive the final accolade, but was rated excellent (a score of 5 out of a possible 6). The summary assessment was:-

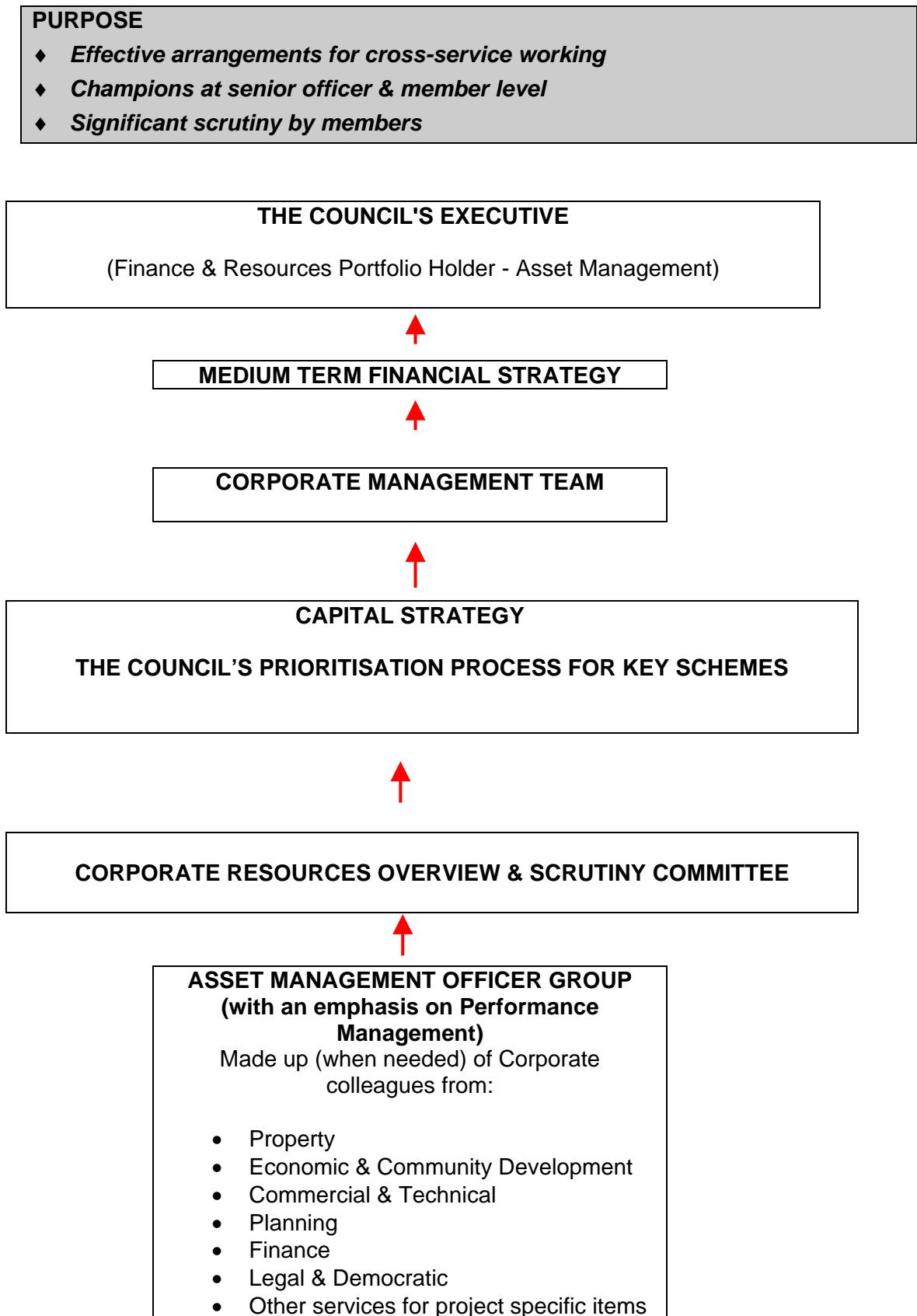
The Council demonstrates excellent commitment to asset management, more especially in respect of the management of its substantial commercial portfolio and which reflects its overriding objective of developing Carlisle's regional status in general and economic development in particular. The Council too has received national recognition with achievements in employment creation in partnership with the private sector. The Council is without doubt using its assets for the maximum benefit of the local community and is working to further develop the integration of its operational assets into overall asset management strategy.

3.6 Areas of improvement by the assessors are recommended to be:

- ♦ ***The links between asset management and services, whilst relating to a smaller part of the Council's estate, need to be further developed, along with energy and environmental strategies.***
- ♦ ***The greater use of qualitative and quantitative data on levels of satisfaction and how that impacts on asset management should be explored.***
- ♦ ***It is not clear that all assets are regarded as corporately owned and the Council should review the benefits of closer integration of the management of its non-operational and operational assets.***
- ♦ ***The Council needs to develop asset strategy in relation to its operational estate and how the asset strategy relates to corporate priority.***
- ♦ ***Partnership working with other local authorities, the community and voluntary sector require further development.***
- ♦ ***How the Council is implementing the prudential code and further detailed information on the maintenance backlog and how the Council intends to tackle it.***
- ♦ ***A more strategic approach to accommodation with partners.***

3.7 This plan for 2005 primarily aims to reach the goal of integrating the portfolio management for operational and non-operational assets as a consequence of these recommendations.

4.0 ORGANISATIONAL ARRANGEMENTS



5.0 THE CARLISLE PROPERTY MARKET, THE CITY'S ASSET BASE AND FUTURE STRATEGY

PURPOSE

- ♦ *To ensure the Council responds to the local circumstances in the property market because of the size of its portfolio.*

- 5.1 The underlying economic factors affecting the national economy apply to Carlisle subject to unique geographical characteristics. The City is held back from its full potential because it is not considered a prime location for investment by property market decision-makers. In overall terms, its economy is relatively self contained.
- 5.2 The Carlisle property market, with the possible exception of retail, is served mainly by sub-regional and local developers and investors.
- 5.3 When the UK market shows an upward trend, stability or decline, the Carlisle market follows – subject to a time delay because of its geographical location.
- 5.4 The City's peaks have been, historically, neither high enough nor long enough to attract much national interest – or, more importantly – the institutional funds that finance property development. This may be slowly changing.
- 5.5 Attracting new interest to Carlisle can be painstakingly slow and has required public pump priming intervention over a long period at different levels of risk, leadership and support.
- 5.6 It is the major financial institutions that ultimately control capital flow and investment. It is such institutions that make decisions in the UK property market. These funders prefer rapid rental growth in return for their capital investment in order to secure large rewards quickly and offset the risk involved.
- 5.7 Unless such funders are looking for long-term sustainable investment with the need for a geographic and time consuming commitment – developers will prefer more profitable southern locations – where rental growth patterns increase more rapidly and for longer periods of time.
- 5.8 This risk averse attitude by the private sector has meant that the public sector has had to be proactive in order to attract development to Carlisle in order to improve economic development opportunity for its community.
- 5.9 This is why Carlisle City Council owns a considerable property portfolio and needs to be at the leading edge of public – private partnership working.
- 5.10 However, the income has become an end in its own right and the Council's influences – both positive and negative – should not be underestimated when making asset decisions.

The Main Issues Ahead

- 5.11 The prime retail and commercial leisure sectors in the City are consolidating. The values are high enough to enable the property market to function without significant public intervention. But this dynamism could be embraced to lead to further strategic opportunities through site assembly and development. The public realm facilities are becoming dated.
- 5.12 The industrial property market is not dynamic and requires pump-priming intervention. The Council's estates require investment – particularly as 25% of Carlisle's workforce are employed on the estates. There are also site specific needs which require priority as a consequence of the floods. The success of Kingmoor Park now needs to be counter balanced in other areas of the City.
- 5.13 The office market in central Carlisle has not delivered the levels of development one would expect to have seen by this stage in the economic cycle.
- 5.14 The hotel market is limited compared to other comparable City's.
- 5.15 The higher education sector requires a co-ordinating catalyst to provide a student centre in the central area, to further the City Council's objectives of a Learning City.
- 5.16 The residential sector has become more strongly development led. The central market is still in its infancy and could be used as a basis for the Council's aspirations to improve the evening and late time economy by bringing people back to live in the City. The rural area suffers from planning restrictions.
- 5.17 The Council must continue to invest in its long term operational service needs in order to operate efficiently from its asset base in a sustainable way. The lessons from the flooding include that some of the City's assets are now not suitable and sufficient for modern service delivery. The river corridors need an integrated approach for public access.
- 5.18 The flood enables the Council to appraise a master plan with specific areas to convert general opportunistic issues.

Opportunities

- 5.19 The main focus of future investment should be concentrated on:

- | |
|--|
| <ul style="list-style-type: none">A. Rickergate and City Centre public realmB. City FringeC. Industrial EstatesD. AirportE. Public access to the Three Rivers |
|--|

6.0 THE COUNCIL'S ASSET BASE AND MAINTENANCE BACKLOG

PURPOSE

- ♦ *To demonstrate how the Council is implementing the prudential code and reducing its maintenance backlog.*

Asset Ownership As At June 2005

	Operational assets	Non operational assets	Surplus assets	Total
No. of asset lots	113	86	7	206
Total income	£1,356,335	£4,091,411	£10,000 pa	£5,447,746
Total value	£18,804,875	£63,682,000	£4,085,000	£82,486,875
Re-investment budget 03 / 04	£1,070,000	£200,000	£5,000	£1,275,000
Asset Reserve	-	-	£100,000	£100,000
Capital Pot	-	£1 million	-	£1,000,000
Capital Receipts	-	-	£1,000,000	£1,000,000
Maintenance Backlog	£4 million	£5 million	-	£9,000,000
Flood Damage	£5.5 million	£500,000	-	£6,000,000

- 6.1 The City Council's portfolio of operational and non-operational property is extensive.
- 6.2 The operational portfolio is highly rationalised and accords with central government advice in this regard: there is one main administrative building supported by a second office location and depot; one of each of a museum, sports centre, swimming pool, golf course and athletics stadium. Further rationalisation is difficult to achieve without major investment.
- 6.3 The flood has brought to attention some suitability issues, particularly concerning the Civic Centre and Enterprise Centre. This could be turned into opportunity.

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- 6.4 The City's portfolio of industrial land is extensive. It has a major affect on the local property market because of the ground rented nature of the estate. The Council owns several large estates – including Willowholme, Rosehill, Kingstown & Durranhill, a variety of small-scale industrial estates, workshops and workspaces (including Carlisle Enterprise Centre) and has a stake in Kingmoor Park. It is estimated that 25% of all employees in Carlisle (circa over 10,000 people) are employed in private firms located on City Council owned land.
- 6.5 The City Council's retail and portfolio is significant with the Lanes, Market Hall and Woolworths block along with the Old Town Hall.
- 6.6 Being generated from the Council's portfolio – £4million per annum – is comparable to Council Tax and fundamental to its ability to delivery public services across its administrative area.

Maintenance Backlog

- 6.7 The total maintenance backlog is in the region of £9 million. In condition category terms the split is as follows, A – being Excellent and D being Poor:

<u>Condition Category</u>	<u>Sustainability Criteria</u>
A. 12% B. 35% C. 30% D. 23%	Yes 75% No 12.6% Review 12.4%

- 6.8 The ultimate objective is to achieve condition category B or C for all the Council assets with flagship assets being in A. Sustainability is a major criteria to be assessed too.
- 6.9 The main problem is the lack of investment on the industrial estates. This will be addressed through a root and base review. In principle, the backlog is considerable, but solutions are available to be reported through options appraisal in the Autumn.
- 6.10 The operational estate, being lightly rationalised, is less of a problem because of the Council's proactive approach to 70% of its maintenance budget with 30% reactive capacity.

6.11 Particularly the Council needs to address two main issues: energy efficiency and a refurbish of its poor public conveniences.

6.12 There is a detailed Appendix of the assessment, asset by asset, if required.

Flood Reinstatement

6.13 Flood in early 2005 caused substantial service difficulties for the City Council and its partners. Effectively the nerve centre of Carlisle was brought to a standstill.

6.14 In reinstatement terms for the City Council, this has been estimated at £6million. This is primarily covered through the Council's robust insurance policies. Additional funds need to be allocated to Willowholme over and above this.

6.15 There is the opportunity to add value to some of the reinstatement works - particularly to the Civic Centre Customer Contact Centre and depots rationalisation.

7.0 GENERAL OBJECTIVES

PURPOSE

- ♦ *To demonstrate that assets are corporately owned.*

7.1 The general programme aims to: -

- (i) Reinststate and refurbish assets affected by the flood.
- (ii) Continue to undertake further asset rationalisation where possible.
- (iii) Undertake a fundamental asset review related to an economic development theme. Particularly, to develop a long-term approach to sustaining the Council's industrial estates.
- (iv) Improve the performance management of property in order to 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.

7.2 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 hold sufficient property to meet direct corporate service objectives – and ensure all property is suitable and sufficient.
- (iii) To occupy only freehold property wherever possible.
- (iv) To only hold leasehold property for a period that equates to the duration of the service being accommodated.
- (v) To ensure efficient use of space in operational buildings with an average of 10 square metres per officer (the national norm).

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- (vi) The City Council to have one main location for City governance.
- (vii) Maximise good customer relations from one contact point.
- (viii) To seek partners to share accommodation and co-locate services.

7.3 Non-Operational Property Strategy

- (i) The Council will own property to further economic development objectives and to provide a regular and sustainable income stream according to the Carlisle property market dynamics.
- (ii) To review economic development assets in order to align them to develop and modernise the local economy and a learning city.
- (iii) To investigate new medium and long term development opportunities, particularly where the private sector is not confident in investing alone, as a key driver for Carlisle Renaissance after the flood.
- (iv) To have a presumption in favour of improving its rental income according to the sensibilities of the Carlisle property market.
- (v) To improve the performance of the property portfolio through seeking to secure partnership working and grant assistance where appropriate.

7.4 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.

7.5 Acquisition Strategy

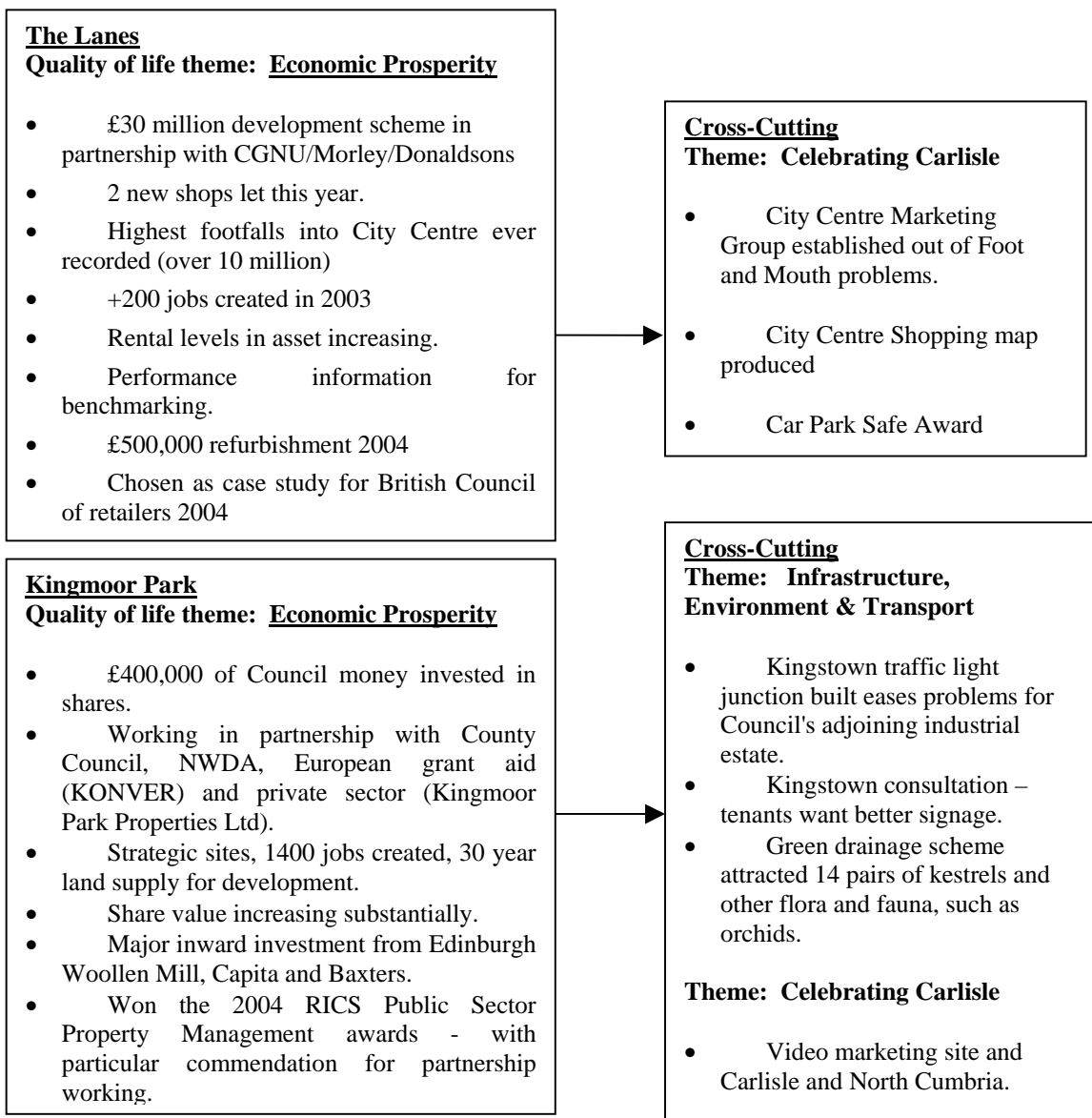
- 7.5.1 The Council will acquire no further leasehold or freehold property for its officer corps unless it can be demonstrated that the service cannot be delivered from existing accommodation.
- 7.5.2 The Council will look at opportunities in partnership with others for the acquisition of land to further Council objectives as part of its proactive approach, particularly its priorities of:-
- ◆ Learning City
 - ◆ Clean, green and safe City.
 - ◆ Carlisle Renaissance.
- 7.5.3 The Council used its acquisition powers in order to assemble the sites for them to be developed strategically and in partnership.

8.0 ASSET PARTNERSHIP STRATEGY

PURPOSE

- ♦ *To demonstrate partnership working with other local authorities, the community and voluntary sector, and private sector.*

8.1 The Council will maximise capital expenditure, minimise revenue costs and add value by working in partnership.



8.2 Other partnerships are the Market Hall, Irthing Centre, Raffles, trust status for the community centres and Carlisle Leisure assets.

8.3 The Council through refurbishment of the Civic Centre ground floor aims to improve its Customer Contact Centre.

9.0 PROGRAMME

PURPOSE

- ♦ *To demonstrate the closer integration of the management of the Council's non-operational and operational assets.*

Priority 1 - Overall Targets – Audit Commission Recommendations and City Council Priorities

- Development of a unified and informed Council wide decision on the most effective level of property holding that supports the achievement of corporate objectives.
- To recommend asset development and investment that supports the Council's key priorities of Learning City and clean green and safe.
- Improved energy efficiency management.
- Population of the property database and the development of a more robust performance management approach.

Priority 2 - Flood Recovery

THEME	COMMENTARY	TIME 2005/06
A. Making sure operational office service capacity is put back as effectively as possible	A1 Customer Contact Centre (interim) re-established at the Civic Centre – in the octagon.	Mid March 05
	A2 Relocate Financial Services back to Civic – 9 th floor.	July 05
	A3 Review the resilience plan for the Civic Centre in a risk managed approach.	March – Dec 05
	A4 Consult and review with users of Civic, particularly to enhance ground floor customer contact and meeting spaces. Make recommendations.	March – July 05
	A5 Changes to make most effective use of space.	Aug – Dec 05
B. Assist restoring confidence in the Willowholme Industrial Estate.	B1 Tidy up and assist with reinstatement issues after consultation.	March – April 05
	B2 Recommend Asset Investment Fund in 2005/06 for some public realm improvements.	April – Dec 05

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THEME		COMMENTARY	TIME 2005/06
C.	Provide better storage accommodation to Council services.	C1 Arrange short term accommodation with basement and other assets out of action.	April – Aug 05
		C2 Review long term needs and make recommendations after consultation.	May – Dec 06
D.	Reinstate hostel for homeless	D1 Emergency reinstatement - first floor completed.	March – June 05
		D2 Review to link into Housing Strategy.	April – Dec 05
E.	Carlisle Renaissance	E1 Liaise and consult with stakeholders and make recommendations for the long term.	March – Dec 05
F.	Plan flood affects of defence works scheme (led by Environment Agency).	F1 Consult with stakeholders and make recommendations.	March – April 05
		F2 Plan any schemes particularly in the flood plain – especially with Carlisle Leisure involvement / Three Rivers Strategy.	April – Dec 05
G.	Reinstate other assets on a “like for like” or improved basis.	G1 Consult with users to ascertain if improvements can be accommodated.	March – April 05
		G2 Undertake works to the affected assets on an agreed programme with the insurers.	April 05 – Oct 05

Priority 3 - Economic Development Asset Review

		TIME 2005/06
A.	<p>The review will provide a new policy and plan for the non-operational assets.</p> <ul style="list-style-type: none"> • A Portfolio Review • A Geographical Review • A process to identify priorities for action 	Up to March 2006
B.	<p>The Portfolio Review will include:</p> <ul style="list-style-type: none"> (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. 	August 2005
C.	<p>The Geographical Review will include:</p> <ul style="list-style-type: none"> (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. 	August 2005

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Priority 4 - Surplus Property

		TIME 2005/06
9.1	Proactively manage existing disposals to completion / conclusion with the aim of realising at least £500,000 of value per year. It is likely £1 million will be raised in 2005/06.	March 2006
9.2	That £200,000 of these receipts be used to fund asset investment improvements at Willowholme Industrial Estate following the flood in 2005/06.	

Priority 5 - Acquisitions

9.3	Appraise the terms of acquiring Talkin Tarn and report to the Executive.	July 2005
9.4	Appraise the cost benefit of acquiring other assets as part of Economic Development Asset Review and Carlisle Renaissance plans.	October 2005

Priority 6 - Housing

9.5	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.	March 2006
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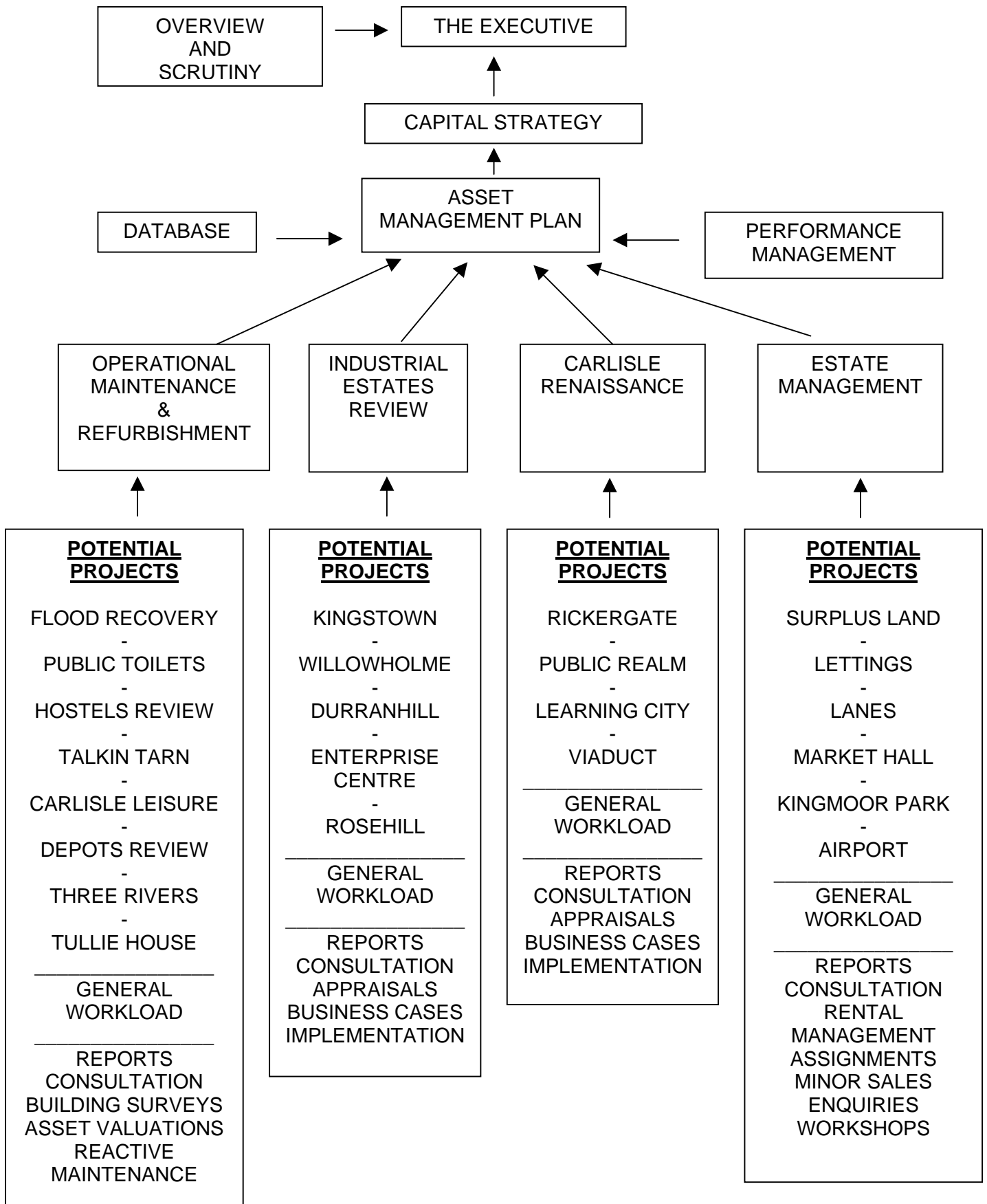
Priority 7 - Rural Strategy

9.6	Assist Parish Council's and village halls with their repair and maintenance programmes.	March 2006
9.7	Invest in Talkin Tarn according to the budgets set by the Council.	
9.8	To assist with the further development of the Irthing Valley Centre as a community resource.	

Priority 8 - Operational Property

		TIME 2005/06
9.9	Re-plan and re-establish a customer contact centre on the ground floor of the Civic Centre as one contact point.	August 2005
9.10	Seek to find further efficiency savings in its management of the property portfolio with particular emphasis on energy efficiency measures and managing officer / space ratio at the nationally recognised norm. The use of grant aid from the Carbon Trust will be investigated.	October 2005
9.11	The Council will look at learning city and clean and green and safe asset development and investment opportunities in support of Council priorities.	March 2006
9.12	To review the operational service delivery of the Civic Centre in the location of Rickergate and whether there are benefits in re-location over the medium to long term.	March 2006
9.13	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 accessibility for customers.	October 2005
9.14	The Council will complete any final works required under the Disabled Discrimination Act and new asbestos regulations.	March 2006
9.15	The Council will consider a Three Rivers Strategy.	October 2005
9.16	The Council will review its hostels and homeless accommodation.	March 2006
9.17	The Council will consider a development plan for Tullie House.	August 2005
9.18	The Council will complete the Sheepmount athletics facility.	July 2005
9.19	The Council will complete capital refurbishment works to leisure assets.	March 2006

Summary Programme



10. CONCLUSIONS

- 10.1 The Council has used assets to drive its economic policy for generations. This has achieved considerable success and as assessed for Beacon Status with the Council receiving an overall grade of excellent.
- 10.2 In the past year, both the Lanes and Kingmoor Park have been singled out for commendation by outside bodies.
- 10.3 The Council is now reliant on the commercial rental income and it needs to integrate this further into the maintenance of its overall asset base as part of performance management.
- 10.4 The floods of January have highlighted the need to review the Council's more outdated assets.
- 10.5 That asset base has a maintenance backlog – exacerbated by the floods – but it is manageable as part of a five year plan of repair and refurbishment in a corporate and strategic way. This should be developed as part of a flexible asset plan in future years.
- 10.6 More alarming are some of the independent economic indicators. Cumbria is the only county in the UK, apparently, facing economic decline; Carlisle is failing to generate high gross value added employment. There are serious pockets of deprivation in the western and southern parts of the City.
- 10.7 The office market is stagnant; hotel supply should be extended; the evening economy lacks diversity; the retail market is consolidating; the industrial market is over dominated by the Council and Kingmoor Park.
- 10.8 There is a strong case for appropriate public intervention where the open market would not succeed on its own but the possible outcomes need to be carefully appraised.
- 10.9 The Council is in a unique position to assist in the long-term sustainability and the development of the City and its rural areas. This requires a balanced public/private partnership entrepreneurial approach, something the Council has considerable experience in leading.
- 10.10 The final conclusion is that the Council would be wise to consolidate its existing asset base and develop further long-term strategic opportunity for the City's future.