

# REPORT TO EXECUTIVE

**CARLISLE**  
CITY COUNCIL



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

## PORTFOLIO AREA: FINANCE & RESOURCES

Date of Meeting:

7 July 2003

Public

Key Decision:

Yes

Recorded in Forward Plan:

Yes

Inside Policy Framework - Yes

**Title:** CAPITAL STRATEGY AND ASSET MANAGEMENT PLAN

**Report of:** HEAD OF PROPERTY SERVICES & HEAD OF FINANCE

**Report reference:** PS 04/03 & FS 10/03

### Summary:

This Council received top gradings for both its Capital Strategy and Asset Management Plan for the past two years. Submissions to Government are not now required. In terms of good practice, this Authority is recommended to continue the work, subject to Members' approval.

### Recommendations: It is recommend that:

1. The Capital Strategy and Asset Management Plan link into the new Medium Term

Financial Strategy.

2. That the Executive consider the Property Review at its meeting on 1 September 2003.

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## **1. BACKGROUND INFORMATION**

1. Authorities such as Carlisle scoring "good" in their Capital Strategy and Asset Management Plan are not required to submit such reports to Central Government in future years. Performance Indicators must continue to be good practice.
2. This year's Capital Strategy and Asset Management Plan have not been revised to any great degree and follow the policy approved by Council over the last two years. Further consultation is not proposed at this stage.
3. The Strategy, Plan and Performance Indicators are attached.
4. The District Auditor inspected the Council's approach to Asset Management in 00. Through the Audit Commission, this is subject to further review presently.
5. The Council is establishing a new medium term Financial Strategy and it will be good practice to continue the Capital Strategy and Asset Management Plan work.
6. All processes interrelate and one of the main challenges is to assure they flow – rather than duplicate – one from another.

## **2. MONITORING**

1. The Capital Strategy and Asset Management Plan were considered by Overview and Scrutiny Committee on 12 June 2003 and any recommendations shall be reported to the Executive.
2. Central Government definitions about the Performance Indicators have changed again, so some caution needs to be addressed to the analysis of the figures. Mathematical anomalies have occurred due to housing transfer. The figures provide only an initial basis for debate.

## **3. CONCLUSIONS**

1. In respect to sustaining and enhancing how the Council's assets contribute to corporate objectives, there is still much to do.
2. Particularly, there is a major piece of work ongoing in respect to setting a new policy expression to determine if and why the Council owns what property it does and whether it still needs to – the Property Review. It includes considerable public consultation. This is extremely complex, but initial recommendations are due in the autumn.
3. New Financial systems are being introduced by Government which will become more reliant on the capital value and income flow from Council

property assets. This approach will be important to the Council's Medium Term Financial Strategy and long term sustainability.

#### **4. CONSULTATION**

1. Consultation to date – Overview and Scrutiny – 12 June 2003; Carlisle Chartered Surveyors forum; ODPM; IPF; Historic Cities Guild; Carlisle Property Business Conference.
2. Consultation proposed –. Carlisle Chartered Surveyors Forum; ODPM; IPF; Historic Cities Guild.

#### **5. RECOMMENDATIONS**

1. The Capital Strategy and Asset Management Plan link into the new Medium Term Financial Strategy.
2. That the Executive consider the Property Review at its meeting on 1 September 2003.

#### **6. REASONS FOR RECOMMENDATIONS**

1. To monitor and implement work which contributes impotently towards all corporate objectives, particularly:-

CM1: To ensure the Council provides sound corporate governance.

CM5: To ensure our services are focused on our customer needs.

CM6: To effectively monitor our performance for the community's benefit.

CM7: To effectively manage our resources strategically through 3-year financial planning.

and, more specifically:-

- Continue to develop and implement the Capital Strategy and Asset Management Plan.
- Instigate capital investment to ensure the sustainability of assets.
- Raise capital receipts to support Capital Strategy.
- Ensure all Council property is assessed for suitability and sufficiency.
- Maintain the fabric and worth of the City's property assets through a programme of asset maintenance.
- Ensuring the Council is not paying any more Uniform Business Rates than it needs to.

#### **1. IMPLICATIONS**

- *Staffing / Resources* – The Council's in house Property Team are now base budgeted but have recruitment difficulties, which have resulted in delays to the Property Review.
- *Financial* – Included.
- *Legal* – Not required.

- *Corporate* – The Property Review involves appropriate corporate colleagues, managed by the Head of Economic & Community Development Services.
- *Risk Management* – Included in the report.
- *Equality Issues* – Access to property is an issue being tackled by the Council through asset investment.
- *Environmental* – Good building design and maintenance are critical issues included in the Asset Management Plan.
- *Crime and Disorder* – Security of building users is an issue that is also being considered through suitability and sufficiency assessments.



## PROPERTY SERVICES

*Managing Property as a resource for the City*

## ASSET MANAGEMENT PLAN

2003 - 2006

*JULY 2003*



INVESTOR IN PEOPLE

## EXECUTIVE SUMMARY

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

The Council has a substantial asset base. It is directing the implementation of Asset Planning at a strategic level, using this 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.

	<b>Operational assets</b>	<b>Non operational assets</b>	<b>Surplus assets</b>
<b>No. of asset lots</b>	50	44	22
<b>Total income</b>	£1.1 million pa	£3.9 million pa	£16,400 pa
<b>Total value</b>	£18 million	£61.3 million	£5.3 million
Note: Operational assets now includes income from Council owned car parks (£1,035,010)			
<b>Re-investment budget 03 / 04</b>	£1,070,000	£200,000	£5,000
<b>Estimated backlog of maintenance repairs</b>	£3,000,000	£4,000,000	£ nil

1. The community of Carlisle has developed a new 10-year strategy for the City – City Vision – through consultation Corporate Plan objectives are agreed to target City Vision themes.
2. The Capital Strategy in partnership with the Asset Management Plan show how capital spending will help achieve corporate themes.
3. The Development Advisory Group of colleagues meet to focus strategic thinking and direction between Members and Officers and inform the Medium Term Financial Strategy.
4. A surplus land review has identified £5.8 million of assets available with a SMART £500,000 minimum target per year to achieve.
5. An Asset Investment Fund has been established as a first principle to be resourced from the receipts.
6. The Audit Commission recommendations for the Property Service and, through cross cutting work, those of Economic Development, are being monitored through the Council's Overview and Scrutiny Committee and are being implemented.
7. A business-managed approach is enabling the release of resources to implement proactive asset management, including £220,000 to upgrade operational buildings to comply with the Disability Discrimination Act.
8. Partnership working continues with the transfer of Kingmoor Park to 90% private sector control, 11 new shops let in the Lanes, and the establishment of new partners for the Market Hall and Raffles.
9. The asset management database has been purchased and data is being implemented.
10. A corporate research paper into the property market of Carlisle is completed. This major piece of work will inform policy making to determine if and why the Council owns what property it does and whether it still needs to.

The 2003/06 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 ORGANISATIONAL ARRANGEMENTS FOR CORPORATE ASSET MANAGEMENT**

**1.1 Main Events 2001 – 2003**

- 1.1.1 The Audit Commission inspected and reported on Property Services through the Best Value Inspectorate.
- 1.1.2 The Inspectors' report was accepted by the Council in April 2002 through the Overview and Scrutiny Committee approving a new Best Value action plan, the recommendations being fully transcribed into this plan. This is being monitored and implemented.
- 1.1.3 The Property Service has had additional resources added to its budget, resulting in the appointment of asset development staff and the establishment of an Asset Investment Fund.
- 1.1.4 The Council's restructure established Property Services as one of 12 Business Units.
- 1.1.5 The Audit Commission are reviewing the Council through the Comprehensive Performance Assessment.

**1.2 Redefined strategic remit**

- 1.2.1 Property Service functions have been defined in accordance with the Corporate Plan and City Vision.

**PS1 Strategic Property Advice and Management**

- 1.1 Provision of strategic advice about the role of property in the Carlisle economy;
- 1.2 Accounting for all Council property as a whole.

**PS2 Asset Management**

- 2.1 Providing policy advice on the utilisation of property;
- 2.2 Development of property to achieve investment appropriate to the Carlisle property market;
- 2.3 Efficient identification and disposal of surplus assets;
- 2.4 Asset Valuations in accordance with CIPFA regulations.

**PS3 Estate Management**

- 3.1 Best practice property management;

**PS4 Facilities Management**

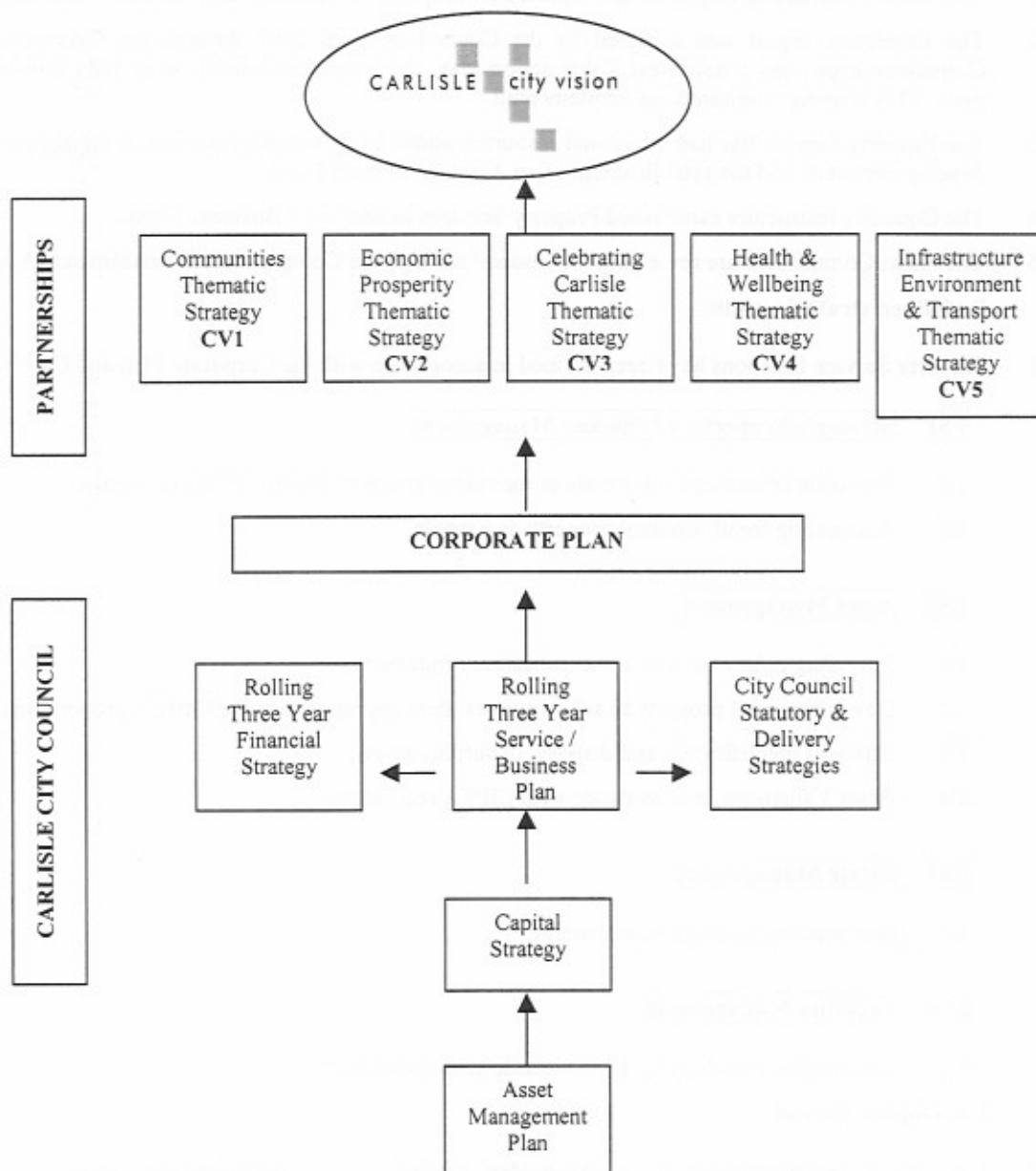
- 4.1 Ensuring service delivery from suitable accommodation.

**1.3 The Golden Thread**

- 1.3.1 The City Vision partnership of 36 stakeholders formed last year presented the vision to the residents of Carlisle as their own statement for the development of over the next 10 years.
- 1.3.2 The Council's corporate objectives are contained in the Carlisle Corporate Plan to be reviewed annually 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.
- 1.3.3 Asset management team objectives have been agreed to support this process – to manage Property as a resource for the City.
- 1.3.4 This golden thread is set out on the following page.



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

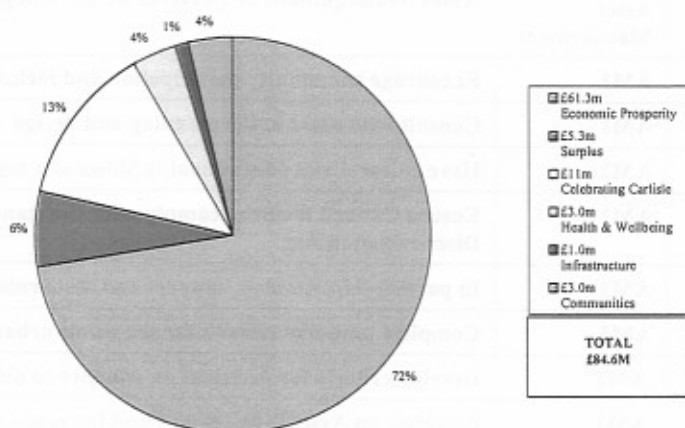


- 1.5 Asset Management Plan Objectives have been reviewed and are recorded in the new Corporate Plan taking the lead from the City Vision process outlined in 1.4:

Theme	Objective	Asset Management Objectives in the Corporate Plan:
City Vision	Asset Management	
CV1	AM1	Encourage community participation and inclusion in the Carlisle area
CV1	AM1	Consult with users in the planning and design stages of new buildings.
CV3	AM2	Have cultural and educational facilities of a high standard.
CV4	AM2	Ensure Council facilities comply with the standards set out in the Disability Discrimination Act.
CV2	AM3	In partnership, develop, support and modernise the local economy.
CV2	AM3	Complete property reviews for the whole urban area.
CV2	AM5	Develop criteria for decisions on whether to dispose of property.
CV2	AM3	Establish an Asset Investment Fund for economic assets.
CV2	AM3	Establish whether the Council's land ownership policies support the demand, and therefore encourage inward investment.
CV1-CV5	AM5	Review the Council's economic and financial aims for property in one consistent policy expression
CV1	AM1	Investigate with partners the creation of a shared location for agency advice.
CV2	AM3	Investigate and develop new medium and long-term development opportunities, particularly where private sector is not confident in investing alone.
CV4	AM4	Make best use of our heritage and natural surroundings.
CV4	AM4	Reduce the number of locations susceptible to criminal activity by reducing the amount of surplus land and property in the Council's ownership.
CV1 – CV5	AM5	To effectively manage our resources strategically through 3 year financial planning priorities.
CV2	AM5	Comply with District Audit requirements for asset valuations.
CV1 – CV5	AM5	Continue to develop and implement the Capital Strategy and Asset Management Plan.
CV1 – CV5	AM5	Ensure all Council property is assessed for suitability and efficiency.
CV1 – CV5	AM5	Ensure the Council is not paying any more Uniform Business Rate than it needs to through appeal and negotiation.
CV1 – CV5	AM5	Instigate capital investment to ensure the sustainability of assets for both the Council and business stakeholders.
CV2	AM3	Maintain and improve the Council's rental income according to the sensibilities of the Carlisle property market.
CV2	AM3	Maintain the fabric and worth of the City's property assets through a programme of asset maintenance.
CV1 – CV5	AM5	Raise capital receipts to support Capital Strategy.
CV5	AM5	Maximise the income potential of the space available in the Civic Centre, should space become available in the next 3 years.

- 1.6 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:

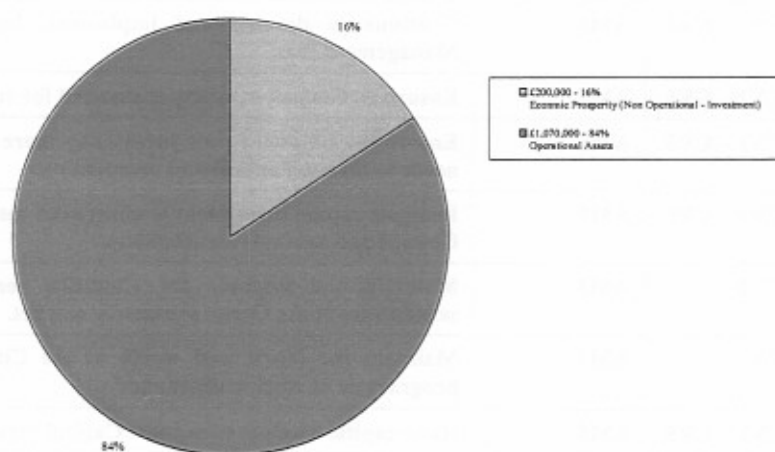
ASSET PORTFOLIO



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

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

ASSET INVESTMENT FUND



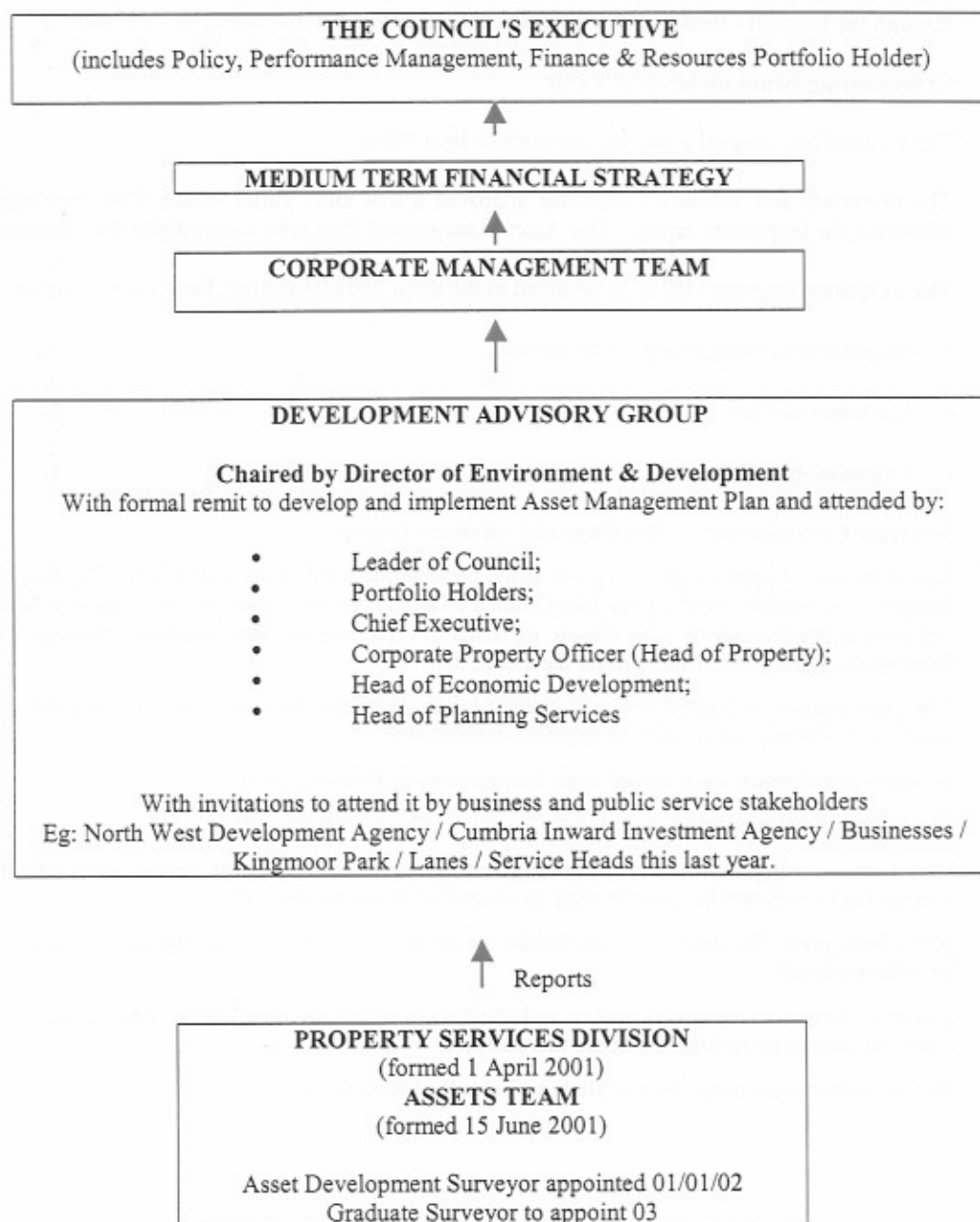
**1.8 The Corporate Property Officer**

- 1.8.1 The structure of the Asset Management decision making process has been governed by the aims of City Vision and the Corporate Plan. As the plan last year informed, the identification of a Corporate Property Officer with associated specific roles and responsibilities is defined as the Head of Property – the primary author of this plan. The responsibilities of the Corporate Property Officer have been widely published through the Council's Best Value Organisational Review and at management briefings.

**1.9 Cross-cutting issues under Best Value**

- 1.9.1 The Council has adopted a themed approach to Best Value.
- 1.9.2 The Overview and Scrutiny Committee approved a new Best Value Action Plan for Property in April, following the Inspectors' report. This Asset Management Plan fully incorporates the recommendations.
- 1.9.3 The Corporate Property Officer is involved in the three 2002/03 themed Best Value reviews:
- Regeneration (Supporting Communities)
  - Customer contact
  - Organisational Review
- 1.10 Strategic Co-ordination - Development Advisory Group**
- 1.10.1 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.
- 1.10.2 The Development Advisory Group is chaired by an Executive Director – and includes the relevant portfolio holder and officers tasked with strategic co-ordination.
- 1.10.3 Its terms of reference were agreed at its first meeting in February 2001.
- 1.10.4 The Group meets monthly.
- 1.10.5 It is a crosscutting vehicle for integrating strategic asset management issues, economic development and surplus land combined to co-ordinating development issues for the City.
- 1.10.6 It has been given the authority to undertake all required action to ensure that the corporate use of assets can be fully achieved.
- 1.10.7 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.
- 1.10.8 Advice is then formulated for the Medium Term Financial Strategy.

1.11 Organisational chart



1.12 Housing Policy

1.12.1 The Council's dwellings were transferred through Large Scale Voluntary Transfer on 9 December 2002.

1.13 Consultation

1.13.1 The City Vision process is leading an open approach at Carlisle. Consultation about the Asset Management Plan is linked into this process to ensure that the Council uses its assets to help the authority meet its support to City Vision and the needs of the community.

CONSULTATION		
	Method	Examples
<b>Progress So Far</b>	<p><u>Internal</u></p> <ul style="list-style-type: none"> <li>Development Advisory Group – 12 meetings, 3 with external partners.</li> </ul> <p><u>External</u></p> <ul style="list-style-type: none"> <li>Carlisle Chartered Surveyors Forum.</li> <li>Historic Cities Guild – 2 meetings</li> <li>Asset Management Launch</li> <li>Kingstown / Kingmoor liaison</li> <li>Database benchmarking</li> </ul>	<ul style="list-style-type: none"> <li>Business Asset Management Launch at Conference Centre.</li> <li>120 Business / property representatives / Councillors attended.</li> <li>Presentations from Portfolio Holder, Corporate Property Officer, Kingmoor and Lanes partners.</li> </ul>
<b>Future Targets</b>	<p><u>Internal</u></p> <ul style="list-style-type: none"> <li>Development Advisory Group to meet bi-monthly</li> </ul> <p><u>External:</u></p> <ul style="list-style-type: none"> <li>New Asset Investment Focus Group to be established.</li> <li>New operational Property Focus Group to be established.</li> </ul>	<ul style="list-style-type: none"> <li>Cumbria Inward Investment Agency attended</li> <li>The Lanes (Morley) partners attended.</li> <li>Northwest Development Agency attended.</li> <li>Kingmoor Park attended.</li> </ul>
<b>Cross-Cutting Forums</b>	<ul style="list-style-type: none"> <li>Historic Cities Property Guild</li> <li>Market Hall Board</li> <li>Kingmoor Park Property Board</li> <li>Historic Land Use Group</li> <li>Regeneration Team</li> <li>GIS Group</li> <li>Medium Term Financial Group</li> <li>Cumbria Property Services Benchmarking</li> <li>Association of Chief Estates Surveyors (ACES)</li> <li>Institute of Public Finance (IPF)</li> </ul>	<ul style="list-style-type: none"> <li>Market Hall Board meet 3 times per year.</li> <li>Kingmoor Board meet bi-monthly.</li> <li>Historic Cities Property conference meets annually (Carlisle lead).</li> <li>Regular attendance at IPF Seminars</li> <li>Participation at DTLR seminar in Northallerton.</li> <li>Participation in database design workshops.</li> </ul>

1.14 Organisational Arrangements – Checklist & Forward Plan

RECOMMENDATION	COMMENTS	TARGET DATE
Property assets should be considered as a strategic resource.	<b>Achieved</b> - All property held or used by the Council is a corporate resource and is managed on a central and strategic basis.	26/11/01
The Council needs to develop a detailed project plan for preparing its Asset Management Plan.	<b>Achieved</b> – ODPM awarded 01/02 and 02/03 Plans "good".	31/07/02
Consider the level of property holding the Council needs to deliver its vision.	<b>Achieved</b> - Criteria approved by Executive.	10/05/02
Review the budgetary delegation arrangements.	<b>Target</b> - Introduce ring-fenced budgets and incentivisation system.	01/03/05
Develop space standards.	<b>Target</b> - National guidelines to be used for space allocation.	01/03/04
Review the resources.	<b>Achieved</b> - Trading Account system established.  The base budget for Property Management resources is increased by 2002/03 - £57,000; 2003/4 - £117,000; 2004/5 - £177,000	04/04/01
Review the current arrangements for reporting to Members.	<b>Achieved</b> - A protocol for communications and the effective briefing for the portfolio holder with specific responsibility for the Asset Management Plan / Property has been agreed.	26/11/01
Ensure that all property related issues will be covered within a Best Value review.	<b>Achieved</b> - Overview & Scrutiny Committee agreed Action Plan.	12/06/03
Challenge the competitiveness.	<b>Achieved</b> – Market test. Demonstrated in-house service is the most cost effective.	04/04/01
Ensure that the Best Value review process is ongoing	<b>Achieved.</b>	04/08/02 & 12/06/03
Develop a set of clear property policy objectives	<b>Target</b> - Asset strategy to be considered by the Executive.	01/09/03



## 2.0 DATA MANAGEMENT – CHECK LIST AND FORWARD PLAN

2.1 This District Audit study of 2000 into asset management at Carlisle and the Best Value Review recommended that a new database be introduced.

2.2 A capital allocation of £100,000 is set out in the Council's budget to acquire it.

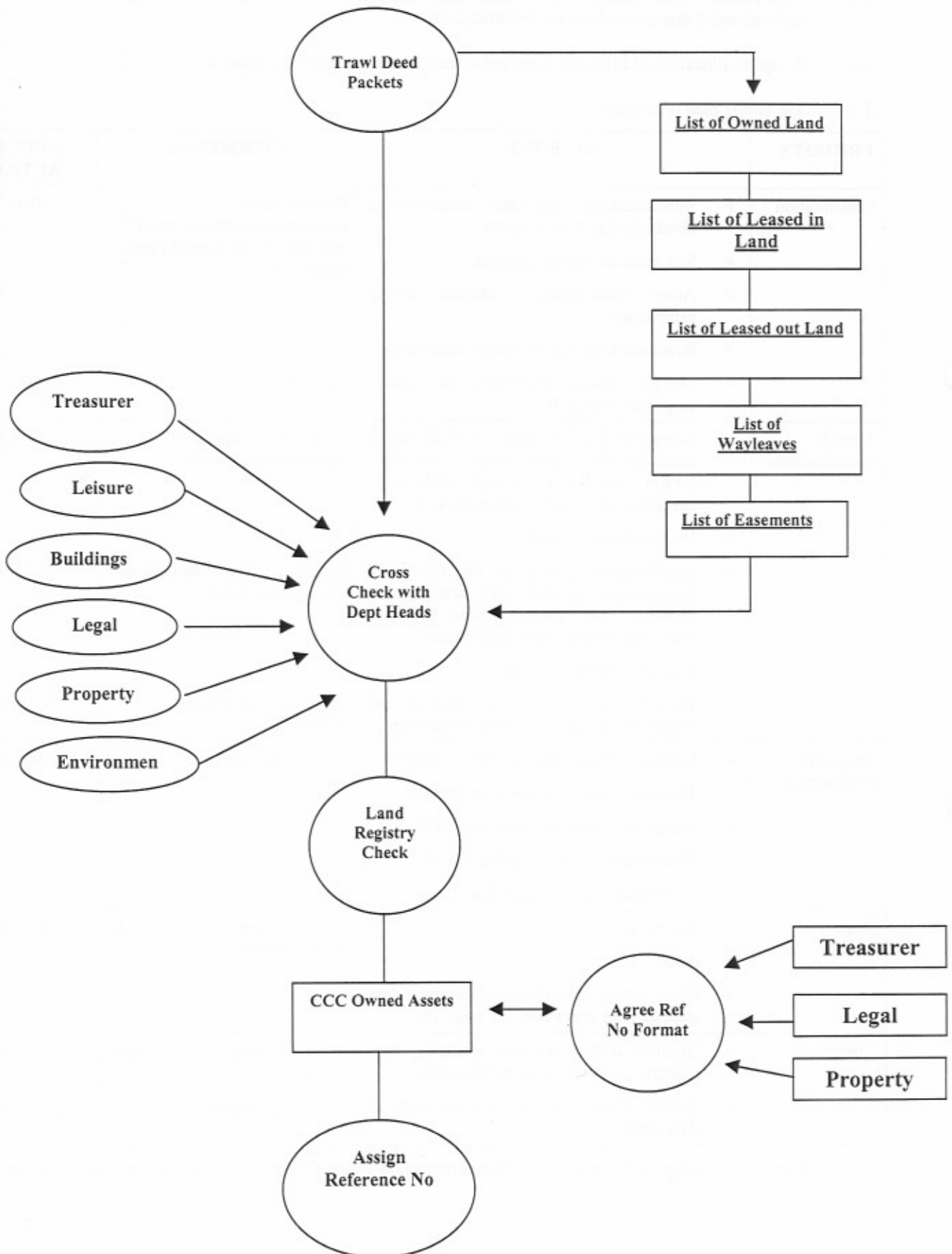
2.3 The action plan is as follows:

PRIORITY	ACTIONS	COMMENTS	DATE OF ACTION
Consultation	<ul style="list-style-type: none"> <li>➤ Benchmarking with other authorities to obtain feedback on systems.</li> <li>➤ Site visits to software houses</li> <li>➤ Asset Management Database Group established.</li> <li>➤ Benchmarking with Historic Cities Group</li> <li>➤ Service Head interviews to ensure corporate approach.</li> </ul>	District Audit recommendations accepted and Best Value Action Plan approved	10/4/02
Identify Requirements	<ul style="list-style-type: none"> <li>➤ Comprehensive electronic records are in place for all property assets – including UPRN core data but system needs to be corporate. With paper terrier back-up.</li> </ul>	£100,000 approved for database procurement.	4/4/02
	<ul style="list-style-type: none"> <li>➤ District Audit verified.</li> </ul>		
	<ul style="list-style-type: none"> <li>➤ Specification drawn up for future IT requirement, together with Data Capture Strategy, and comprehensive forward plan. Includes resource implications.</li> </ul>	Specification and data capture strategy approved.	10/05/02
	<ul style="list-style-type: none"> <li>➤ Training required for staff.</li> <li>➤ Through consultation, a shortlist of companies has been selected for tendering.</li> </ul>	System acquired after tendering	01/06/02
Proposed Programme	<ul style="list-style-type: none"> <li>➤ Housing surveys prior to LSVT - 2002</li> <li>➤ Training needs for users of system 03.</li> <li>➤ Leisuretime building surveys – 2002.</li> <li>➤ Finalisation of Specification July 02.</li> <li>➤ Confirmation of Forward Plan</li> </ul>	Project Management	30/08/02
Reality Checks	<ul style="list-style-type: none"> <li>➤ Site visits</li> <li>➤ Audit</li> <li>➤ Cross service area checks of common data such as floor areas (see 2.5, page 10).</li> </ul>	District Audit invited back to investigate 04	31/03/04
Comments	<ul style="list-style-type: none"> <li>➤ Installation of system after tendering data capture involving cross-cutting talks.</li> </ul>	Asset Management Officer Group	Monthly
	<ul style="list-style-type: none"> <li>➤ System implementation. Regular audit of data input.</li> </ul>	Corporate Property Officer	Monthly

2.4 The process adopted by the Asset Management Database Group is set out on the chart overleaf.



2.5 Chart showing data collection process.



### **3.0 PERFORMANCE MEASUREMENT AND MONITORING INFORMATION**

#### **3.1 Best Value and Property Performance Indicators**

- 3.1.1 The Corporate Property Officer submits, on a quarterly basis to Members and Chief Officers, a corporate report on the performance of the property estate.
- 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 Guild - Benchmarking**

- 3.2.1 The Corporate Property Officer leads the Historic Cities Property Guild. The guild has undertaken Best Value reviews and is in the third year of statistical analysis. 10 performance indicators (including the 5 Central Government indicators) have been established and are becoming more sophisticated as experience grows. A 2 year target programme has been established.

#### **3.3 Future Targets**

- 3.3.1 The graphs in 3.5 (page 13) illustrate the key performance data analysed to date with financial targets set for the following years. These targets will be analysed against actual figures for the 04/05 Asset Management Plan.

## 3.4 Performance Indicator Information

PI ref.	Description	2000/1 as at 1/4/01	2001/2 as at 1/4/02	Current	Targets		
				2002/03 as at 1/4/03	2003/04	2004/05	
ODPM 1	A - % GIA in Cond. Cats A-D	A	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 <sup>2</sup> 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%	100%	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%	10%	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	

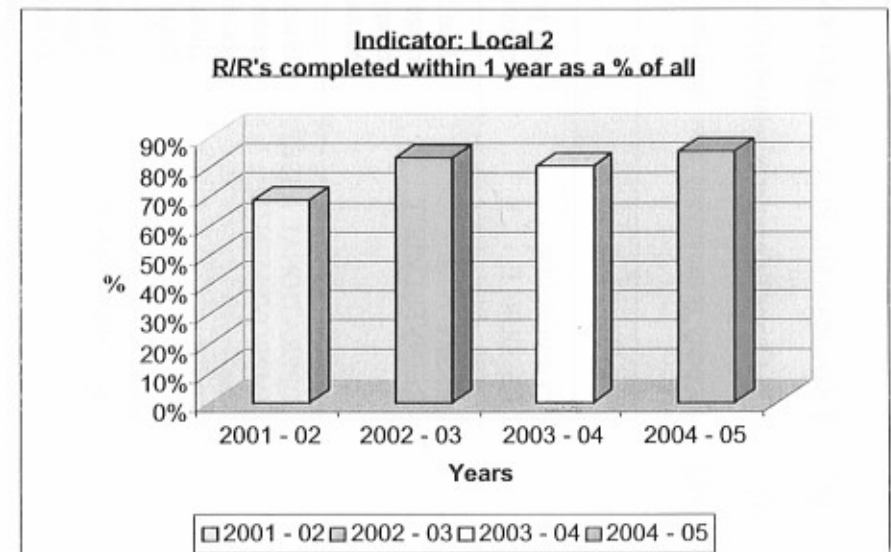
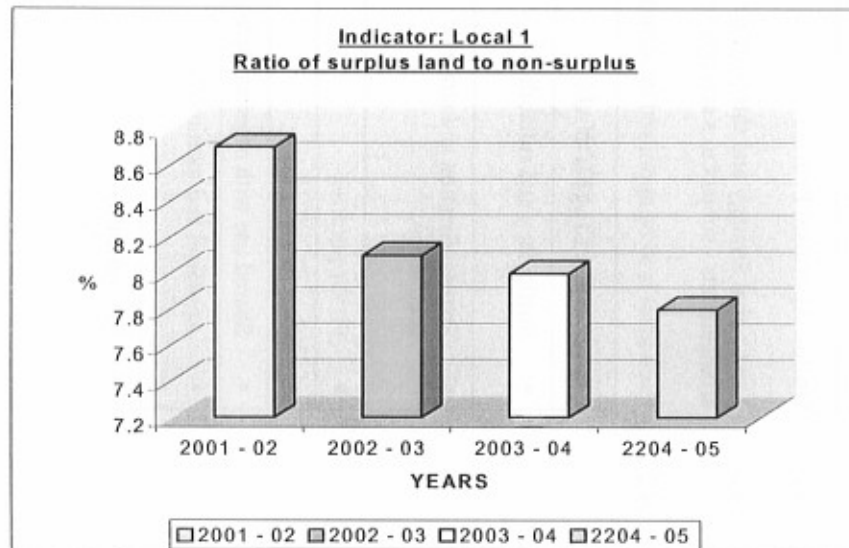
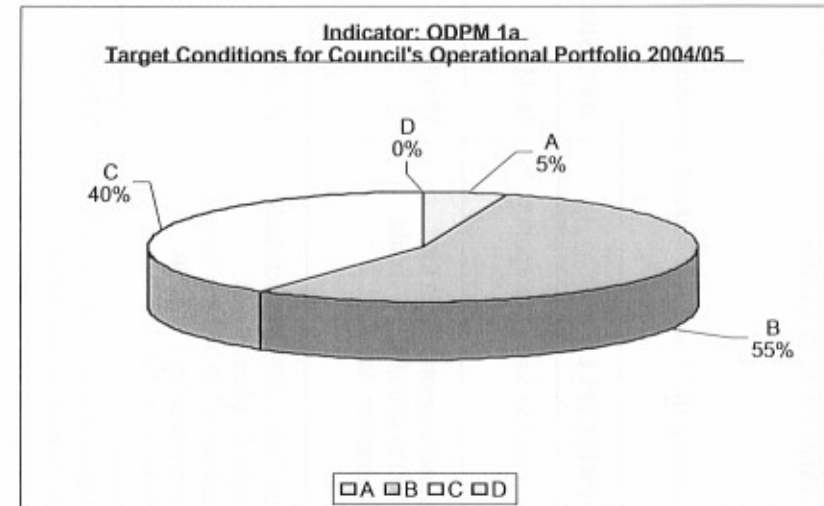
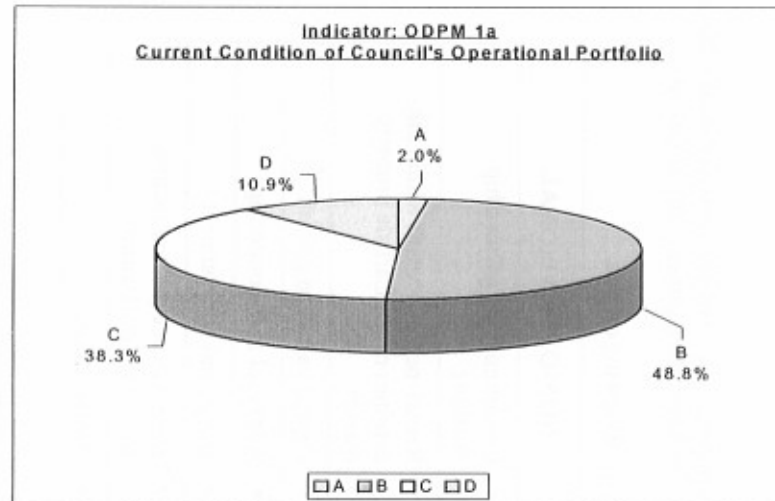
Notes:

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 PROGRAMME, PLAN DEVELOPMENT & IMPLEMENTATION

##### 4.1 The Council's property related requirements

4.1.1 Property requirements have been reviewed following the Audit Commission recommendations. These are:

THEME	PRINCIPLE	DECISION
CORPORATE RESOURCE	All property is treated as a single corporate resource.	26/11/01
ASSET REINVESTMENT	That 50% of capital receipts within total range of £100,000 to £500,000 pa should be applied to support the Asset Management Plan.	18/4/02
OPERATIONAL ASSET IMPROVEMENTS	In addition to the 70% / 30% District Audit recommended split for planned and reactive maintenance, £180,000 has been allocated to comply buildings with the Disabled Discrimination Act.	18/4/02
SURPLUS LAND	A review of all property has identified £5.8 million of assets, to be sold at a rate of £500,000 per year, governed by new land disposal procedures.	27/5/02
ECONOMY	Economic Research for consultation to inform new policy thinking about the non-operational portfolio.	01/09/03

##### 4.2 Option Appraisal Process

4.2.1 The Capital Strategy and this plan are being developed, monitored and reviewed within the new executive arrangements - subject to a scrutiny regime – by the Asset Management Officer Group.

4.2.2 Each asset is to be appraised in accordance with the following criteria.

OPERATIONAL	NON-OPERATIONAL
▪ Sufficiency and suitability.	▪ Opportunity for partnership working.
▪ Space utilisation and strategic acquisition.	▪ Rental income growth within the confines of the Carlisle property market.
▪ Fit for purpose	▪ Capital valuation growth
▪ Cost in use	▪ Appraisal and monitoring
▪ Shared use with other agencies.	▪ Image and environment.
▪ Appraisal and monitoring	▪ Disposal receipts and income fund for reinstatement
▪ Sustainability	▪ Sustainability

### 4.3 Evaluation

- 4.3.1 The City Council owns more property than any other district north of Manchester and York and has an unusually high proportion of non-operational (investment) assets – 72% of all the Council's assets create income for the Council, against a national average of 20%.
- 4.3.2 The levels of rental income from its non-operational investment portfolio are similar to revenue from Council Tax - £3.9 million pa – and the custodianship of these assets is critical to the wellbeing of the Council's Medium Term Financial Strategy.
- 4.3.3 The current income profile of the main investment property portfolio is:-

The Lanes	£1.49 m
Industrial Estates, Enterprise Leisure, Industrial Units	£1.91 m
General (Old Town Hall & University of Northumbria	£0.29 m
Industrial Units	£0.10 m
Market Hall & Civic Centre	£0.11 m
<b>TOTAL</b>	<b>£3.9 M</b>

- 4.3.4 The Council has recognised the need to review the non-operational portfolio to ensure it is still a relevant service to aid economic prosperity, a balance of sustainable income and generation of capital receipts.
- 4.3.5 The corporate research paper commissioned to ascertain the potential future needs of the Carlisle economy to inform options for economic development, property and planning policy is completed to inform the Council of new policy options in Autumn 2003.
- 4.3.6 The Council's operational property portfolio has a maintenance backlog and investment programme in reasonable proportion to its liabilities, which is sustainable approach for the future.
- 4.3.7 The Council's non-operational (investment) assets do not have this level of resources allocated to it. Over time, the assets will fail and income decline substantially. This will become a significant problem to the Council in the medium term.
- 4.3.8 For operational property, each property shall be analysed and benchmarked as part of the themed Best Value reviews and after consultation with services.
- 4.3.9 The workload is significant and will require private sector expertise to assist the in-house service.

#### 4.4 UNDER-USE AND DISPOSAL

- 4.4.1 A systematic property review commenced in 1996, looking at properties and land held north of the River Eden. Following evaluation, £3.5 million has been realised, including the sale of Carlisle Airport.
- 4.4.2 This process has been revisited and a further £5.8 million of surplus assets are identified using the new City Vision themed criteria approved by the Executive in May 2002.
- 4.4.3 A SMART minimum of £500,000 of receipts has been set by the Executive to finance a new Asset Investment Fund - established in 2002 – as a major outcome of the Best Value Review – to be recommended through the Capital Strategy.
- 4.4.4 A practical example of the new criteria is as follows:

##### 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.

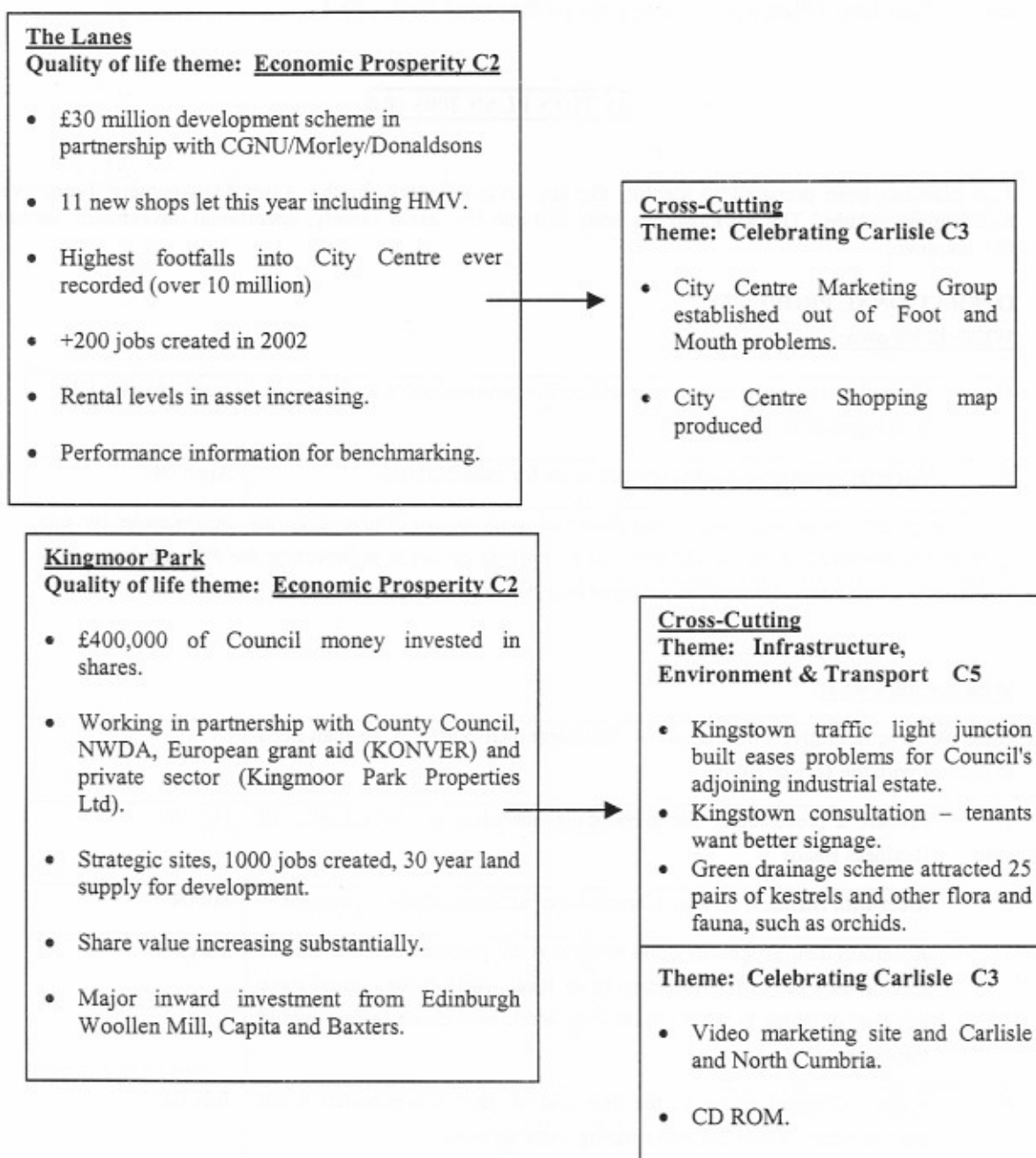
- 4.4.5 This site was sold in March 2003, after a 12 year marketing process.

#### 4.5 Cross cutting issues and partnership working

4.5.1 As stated in the Capital Strategy, Carlisle has a successful track record with partnership working, particularly in relation to property assets.

4.5.2 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.

4.5.3 This can be demonstrated as follows:-



#### 4.6 Programme priorities and output / outcome targets

4.6.1 The methodology outlined in this chapter is focusing officers to advise the Development Advisory Group about intended priorities.



## 5.0 ACTION FOR 2003 / 04

- 5.1 The Asset Management Plan for 2003/04 has been analysed in a cross check with the Best Value Inspectors' report of March 2002, and the revised Best Value Action Plan that was monitored by the Overview and Scrutiny Committee in June 2003.
- 5.2 This is considered to be a thorough investigation of the gaps between future requirements and the current provision and performance of the Authority's property assets.
- 5.3 The Corporate Property Officer has identified and appraised options for closing the gaps and the following strategic action plan is the result.
- 5.4 This Action Plan sets out the strategy for the period 2003 – 2004.

### ACTION PLAN 2003 / 04

This plan has been prepared to identify the key areas of work for the Asset Management Team over the forthcoming months. The workload has been split into four areas namely, operational, investment, surplus and the unknown.

#### OPERATIONAL PROPERTY

##### What do we own:

1.	Compile basic information on each asset – who occupies it, what is it, how big is it etc.	June - August 03
2.	Ascertain running costs/occupation costs for each building	April 04

*The aim is at that at the end of the financial year we will have accurate information on our operational portfolio. This should allow us to provide accurate information for PI calculations, as well as providing basic information for input into the new database.*

##### Who occupies what:

Once we have definitive information of the operational portfolio we then need to consult with the service users		
1.	Prepare a presentation for introducing our plans to consult with all Business Heads	Dec 03
2.	Meet with Business Heads. Clarify list of accommodation is correct.	Jan 04
3.	Ascertain their accommodation needs – is the property suitable for the service they provide. Ascertain in an ideal world if they could have any sort of property what would they want, how much, where would they want it?	May 04
4.	Make colleagues aware of the true cost of their accommodation not only in terms of rent but also running costs services etc.	July 04
5.	Advise colleagues of ways of saving money i.e. better use of space, energy saving methods.	Sept 04

## Carlisle City Council – Asset Management Plan 2003-2006

6.	Review charging regime to accurately reflect the true cost of accommodation.	April 05
7.	Compare costs across business units	Dec 04
8.	Incentives – there needs to be an incentive for business users to reduce or improve accommodation – if business units release space a percentage of the saving should go back to the business unit for service improvement for a fixed period of time as recommended by CIPFA.	April 05

### INVESTMENT PORTFOLIO (INCLUDING ACQUISITIONS)

1.	Compile basic information on each asset – who occupies it, what is it, how big is it etc.	Sep – April 04
2.	Await Consultants final reports (Economic Research paper)	June 03
3.	Prepare our implementation plan i.e. what do we want to do.	July 03
4.	Seek support of colleagues through individual discussions and then collectively through DAG.	August 03
5.	Brief Members.	August 03
6.	Seek approval to the future plan. Once we know the Council's position we can then prepare an action plan for the asset re-investment fund and its attitude and policy concerning acquisitions to support policy.	September 03
7.	Lanes / Market Hall consolidation.	June 03 – July 04
8.	Kingmoor Park – shares	June 03 – July 04
9.	Strategic Acquisitions – such as car park to rear of CG Ford.	June 03 - ongoing

### SURPLUS PROPERTY

1.	Compile basic information on each asset – who occupies it, what is it, how big is it etc.	Sep – April 04
2.	Proactively manage existing disposals to completion / conclusion.	June 03 onwards.
3.	Proposed Autumn sale – delayed!	
4.	Implement new "homework" approach to disposals.	
5.	Legals to check title on the original proposed Autumn sale properties.	June 03 – November 04
6.	Once feedback from Legals consult with other relevant colleagues (Planners, Parks & Countryside etc). All meetings to be minuted and agreed.	December 03 onwards

7.	Properties to be ready to market from April 04 onwards with a rolling programme (as and when required).	April 04
8.	Agents to be appointed when needed. Each disposal to be judged on its merits.	March 04
9.	Longer term review as operational / investment portfolio becomes reviewed. Any potentially surplus sites will be reviewed and all properties will go through the standard disposals procedure, including the revised homework approach identified above.	Sept 04 onwards

#### **The Unknown**

Preparation of Asset Management Plan and calculation of PI's April 04. This also includes one off deals, managing agents and queries from the public which we have no control over, however they are an important part of our work.

#### **Conclusion**

Outlined above is the proposed work programme for the Asset Management Team. Once agreed, we then need to look at the allocation of work to the individuals of the Team. Much of this will be dependent on the skills involved in the team and any new surveyors appointed. Of particular significance to the Medium Term Financial Strategy for Carlisle is the policy option which will arise from the current economic research and the implications for the way the Council owns, manages and invests in its non-operational assets will be significant.

Timescales are subject to change depending on workload pressures and the unknown.

**HEAD OF PROPERTY SERVICES**

**JUNE 2003**



*Managing Capital as a Resource for the City*

## CAPITAL STRATEGY

JUNE 2003



INVESTOR IN PEOPLE

## Carlisle City Council Capital Strategy

### **1. The Capital Strategy Objectives**

#### **1.1 The objectives of the Capital Strategy are to:**

- set out the corporate objectives that will determine the Council's priorities and approach to capital investment in support of City Vision;
- inform the bidding for capital resources;
- ensure that capital resources contribute to the achievement of the Council's corporate objectives;
- pull together and determine the strategic capital priorities emerging from service unit business planning and ensure opportunity for crosscutting and joined up investment is maximised;
- manage performance management and decision-making procedures that will help achieve the best use of capital resources;
- monitor the capital spending and projects and schemes to ensure that the City's money is spent wisely.

#### **1.2 The Capital Strategy assessed as good by the ODPM in 2001 and 2002, was considered and developed by the Asset Management Officer Group and will continue to be reviewed and updated annually by the Strategic Financial Planning Group. This group consists of senior officers from corporate services and three Members of the Executive. Corporate Management Team will consider the revisions at the same time as the Asset Management Plan, before recommending both to Members of the Executive, Overview and Scrutiny Committee and full Council.**

### **2. Carlisle City Council Services**

#### **2.1 The main service priorities during 2003/04 are: Planning and Economic Development; Recreation and Tourism; Environmental Health; Refuse Collection/Street Cleaning; Housing and Central Services. The estimated Gross expenditure on these services is £47.1million. Of this, £20.6m is met from Grants and Receipts, £11.9m from fees and charges (which includes £3.9m of property income), and £0.6m from the Council's Reserves, leaving a net budget requirement to be financed from Council Tax of £5.3m and Government Grants of £8.7m. The Council employs approximately 788 (full time equivalent) staff.**

### **3. Community Planning and Consultation**

#### **3.1 The Capital Strategy contributes to the delivery of the City's community plan, *Carlisle City Vision*, through the *Corporate and Best Value Plan 2002-2005*.**

#### **3.2 The Carlisle City Vision Partnership first met in October 2000 to develop a community plan for Carlisle. It has received national recognition from Local Government Minister Nick Raynsford in 2002 for its comprehensive community consultation and engagement process. It feeds into the broader Carlisle and Eden District Local Strategic Partnership, which is currently focussed upon the economic recovery of the area following the 2001 Foot and Mouth crisis.**

#### **3.3 The City Vision, which was published in March 2002, identifies five themes:**

- Communities
- Economic Prosperity
- Health and Well Being
- Infrastructure, Environment and Transport
- Celebrating Carlisle

## Carlisle City Council Capital Strategy

- 3.4 Each theme has a number of priorities for action that will be delivered by the multi-agency City Vision Partnership. The Council's contribution to delivering these priorities is detailed in its own Corporate Plan 2002-2005, which was published in June 2002. The objectives in the corporate plan are divided into two sections: Council quality of life objectives (those related to delivering the community plan) and Council management objectives (those related to how effectively the Council is managed).

### 4. Capital Strategy priorities for the next three years

- 4.1 From City Vision, the Council's corporate plan and the recent Prioritisation exercise has informed the development of the Capital Strategy by identifying potential future key capital projects. In turn, the Asset Management Plan, is driving the better use of assets to deliver services and in identifying opportunities for capital receipts and partnership working to maximise outcomes from the capital programme. Examples of future capital schemes in the Corporate Plan, to be considered through the Capital Strategy are:

CITY VISION THEME	CORPORATE PLAN OBJECTIVES	POTENTIAL CAPITAL STRATEGY PRIORITY
Communities Objectives	CO 2 Reduce crime and the fear of crime within our communities.	Seek to increase the coverage of CCTV cameras. Seek to increase the coverage of street lighting.
	CO 3 Tackle poverty & deprivation by ensuring regeneration is focused in areas of greatest need.	Target unfit private properties on an area basis (using the newly completed Housing Condition Survey). Contribute to partnerships in the implementation of the Raffles Vision.
Health & Well Being Objectives	HW 1 Promote healthy living & lifestyles.	To deliver the agreed capital programme identified in the Leisure Services Trust. Sports Development Fund. Undertake feasibility studies into a new ice rink and new sports centre.
	HW 3 Fulfil our statutory requirements for Environmental Health	Complete the BV review of bereavement services and implement findings where appropriate
Infrastructure Environment & Transport Objectives	IET 1 Promote and maintain a sustainable environment.	Increase recycling rates and waste management to meet the government's targets in the Waste Strategy 2000
	IET 2 Promote good access and transportation in and around the City area	Ensure that the local transport plan is effective in partnership with other stakeholders. Undertake feasibility into car parking options (Multi-storey and Park & Ride).
Celebrating Carlisle Objectives	CC 2 Have cultural and educational facilities of a high standard.	Review in partnership the creation of a dedicated theatre and art facility in the Carlisle area. Improve the Sheepmount so as to provide a regionally important facility for athletics football and other outdoor sports.
	CC 3 Make best use of our heritage and natural surroundings	Consider the expansion in use of the river frontage in the City area.
Economic Prosperity	EP1 In partnership, develop, support and modernise the local economy	Establish an asset investment fund £200,000 recurring



## Carlisle City Council Capital Strategy

### 5. Council Management Objectives

- 5.1 The Council has agreed 8 management objectives in relation to the Capital Strategy, these are summarised in the table below:

Council Management Objective	Priorities for Action	Year 1 Targets	Year 2/3 Targets	Responsibility
<b>CM5</b> To ensure our services are focussed on our customers' needs.	Provide a centralised attractive customer contact centre for all services.	Temporary customer contact centre to be completed Summer 2003	Permanent customer contact centre to be developed by Autumn 2004 (dependant upon CHA vacating)	Customer and Information Services
<b>CM7</b> To effectively manage our resources strategically through 3 year financial planning.	Review funding mechanisms (including consideration of 'trust' status) for the museum service (Tullie House) with a view to providing more effective operational control			Culture Sports & Leisure
	Undertake major capital schemes to ensure all Council property is assessed for suitability, sufficiency etc.	£200,000 Major Repairs £220,000 DDA Act	£200,000	Property and Commercial & Technical Services
	Continue to develop and implement Capital Strategy and Asset Plan	Spend £100,000 allocation on a corporate property database and other management initiatives according to District Audit advice	Use in a systematic way to analyse future Council and community needs, particularly to reduce Council property running costs	Property Services in conjunction with Financial Services
	Develop a 3 Year financial strategy reviewing patterns of expenditure across the Authority to seek to identify and reduce areas of regular over-budgeting	Change the financial ledger to provide more flexible financial information by 1 <sup>st</sup> April 2004		Financial Services
<b>CM8</b> To ensure our services can be accessed electronically by 2005.	Review and introduce (where appropriate) Geographical Information Systems in the Council.	Report due Summer 2003		Planning and Customer & Information Services
	Adopt the government's standardisation of property details by joining the Government's National and Property Gazetteer scheme.			Planning and Customer & Information Services
	To introduce post office payments facility for payment of council tax.	■		Revenues and Benefits Services

## Carlisle City Council Capital Strategy

### **6. Best Value**

- 6.1 The Corporate Plan is annually updated to incorporate the Best Value Performance Plan (BVPP). The BVPP uses these corporate objectives as the basis for priority setting and performance management. Best Value Fundamental Performance Reviews are organised on a thematic basis and the outcomes recommend capital needs for the Capital Strategy to address.

### **7. Partnership Working**

- 7.1 The Council's capital and asset value contributions are used to pump prime other sources of funding to achieve maximum outcomes. Recent examples are:

- Local Strategic Partnership. The Council led the formation of the Carlisle and Eden Local Strategic Partnership in response to the economic and community devastation caused by Foot and Mouth disease.
- Tullie House. The Council is currently investigating the available options for the future delivery of the Museum service based at Tullie House including the setting up of a Trust as a means of delivering the Council's long term objectives.
- Housing Stock Transfer. The Council has selected Riverside Housing Association to be its partner for the transfer of 7200 houses, which will result in £43m of reinvestment in the Housing Stock in the first five years.
- Leisuretime. The Council externalised the assets of the Sands Leisure Centre, City Pools and Outdoor Recreation facilities to a partnership. This will provide capital investment in the facilities, as recommended in the Best Value Review of Leisuretime.
- Sheepmount. The Council is currently in Round 2 of the bid to Sport England to provide improved facilities at the outdoor athletics facility. If successful, the bid will bring £1.35m from Sports England and will require £725,000 of investment from the City.
- Lanes Development. This award winning development is the City Council's main shopping centre and has achieved a further 11 retailers in 2002, enhancing capital value and rental income.
- Kingmoor Park Development. This multi-million pound project to develop the only regional strategic employment site north of Lancaster has seen £400,000 of City capital invested in a company partnership with the County, private sector, English Partnerships combined to European monies (KONVER) grant funding.

### **8. Capital Programme 2003/04 to 2006/07**

- 8.1 **Council's approach to PPP/PFI and other external funding** - Funding for Capital projects is sought from all sources including emphasis on the attraction of external and competitive funding regimes, considered by the Council's External Funding Officer, appointed in 2001. In respect of PFI, the Council is working with the County Council regarding the proposed Carlisle Northern Development Route. As a sole enabler, the City has not yet made use of PFI funding - but it will be explored as part of the review of assets.

**Prudential Code** -The Council will ensure that the capital and revenue budget planning processes are integrated so that coherent decision making can take place on the level of borrowing that is prudent, affordable and sustainable for the authority. The capital strategy will therefore form an integral part of the strategic financial and service planning process and will support decisions made on capital investment under the prudential code.



## Carlisle City Council Capital Strategy

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

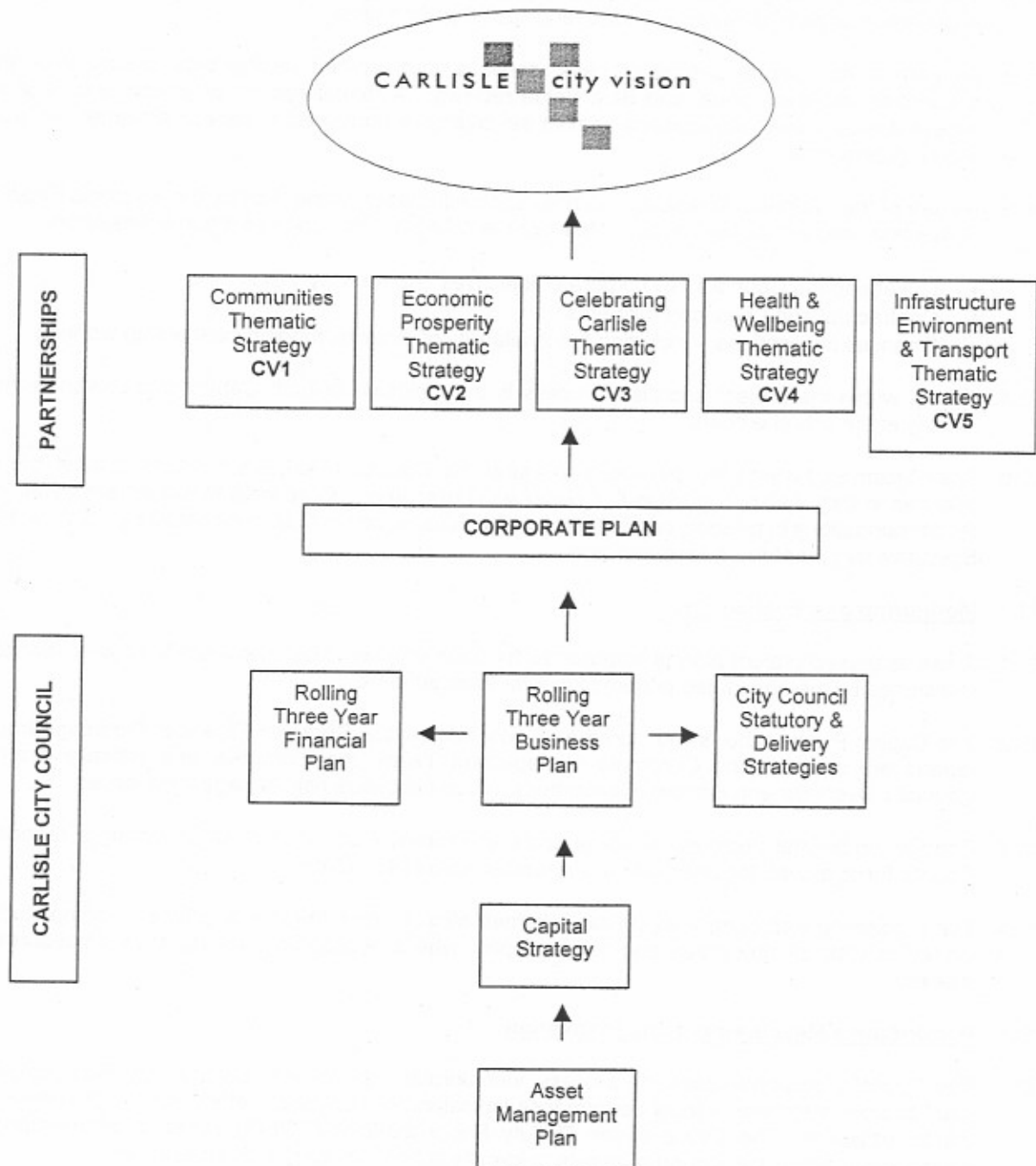
<b>Expenditure:</b>	<b>2003/04 Original £</b>	<b>2004/05 Illustrative £</b>	<b>2005/06 Illustrative £</b>	<b>2006/07 Illustrative £</b>
General Fund	4,025,000	3,468,000	1,578,000	1,168,000
Vehicle, Plant & Equip	768,000	632,000	391,000	391,000
	<b>4,793,000</b>	<b>4,100,000</b>	<b>1,969,000</b>	<b>1,559,000</b>
<b>Funded By:</b>				
Capital Receipts	1,461,000	866,000	<b>845,000</b>	<b>845,000</b>
Disabled Facilities Grant	156,000	156,000	156,000	156,000
Loan	1,153,000	1,153,000	1,153,000	1,153,000
Capital Projects Fund	916,000	0	60,000	0
Reserve Funds	1,093,000	632,000	391,000	391,000
Grants	650,000	1,300,000	91,000	0
	<b>5,429,000</b>	<b>4,107,000</b>	<b>2,696,000</b>	<b>2,545,000</b>
Gross Revenue Budget	£47,100,000			
Net Revenue Budget	£14,600,000			

8.3 The programme has reduced substantially from previous years due to the transfer of the Housing Stock, on which the bulk of the expenditure was spent. Capital receipts from Right to Buy Council House Sales, which funded a substantial proportion of the General Fund capital programme, will reduce. A surplus land disposal strategy, with a SMART target of achieving a minimum of £500,000 per year of new receipts, has been introduced to help bridge the gap.

## 9. Links to Other Relevant Strategies and Plans

9.1 The Capital Strategy is cross cutting. It impacts on every Business Plan and strategy of the Council. The Corporate Planning framework provides a mechanism for the prioritisation of investment, with its close links to the Housing Strategy, Economic Prosperity Strategy, Cultural Strategy, Asset Management Plan, and the Regeneration Strategy – the latter emerging from the Best Value review on Regeneration. Each Business Plan for Business Units must include capital, revenue and property asset requirements, which are closely monitored by the Strategic Financial Planning Group. The linkage can be shown as follows:

## Carlisle City Council Capital Strategy



## Carlisle City Council Capital Strategy

### **10. Approach to Prioritisation of Investment**

- 10.1 The Council's rolling three-year budget cycle starts early in each Municipal year and addresses the prioritisation of both its revenue budget and capital programme.
- 10.2 As part of the annual budget process, services, put forward capital bids arising from their strategy documents, business plans and Best Value reviews. A formal system of project appraisal to score and assess capital project applications against set criteria is now used to assess schemes for inclusion in the capital programme.
- 10.3 As part of the appraisal, a ranking score is accorded to each of the bids by the Strategic Financial Planning Group and reported to the Corporate Management Team. The scoring system is based on:
  - Linkage to the Council's key corporate objectives and the City Vision
  - Contractual and Legal commitments
  - Financial Implications – including the availability of external funding/partnership working.
- 10.4 Critical within the project appraisal process is the inclusion of both Capital and Revenue implications to identify entire scheme costs.
- 10.5 The objective of the ranking score is to assist the Council to assess the bids against the community priorities in City Vision in relation to Council wide resources. Corporate Management Team includes their recommendations in a report on the total scheme bids, which is then considered by Portfolio Holders of the Executive as part of the budget process.

### **11. Monitoring and Evaluation**

- 11.1 A risk assessed project plan is established for each project. This is subject to regular monitoring against milestones by the nominated project officer for each scheme.
- 11.2 The Capital Programme is monitored and reviewed by the Strategic Financial Planning Group. Quarterly reports are made to the Corporate Management Team, the Executive and critically examined by the Council's Overview and Scrutiny Committees, which considers risk management issues.
- 11.3 Changes in budget positions, scheme costs and removal or inclusion of schemes is reported to the full Council for approval, together with any remedial action necessary.
- 11.4 The monitoring and control of capital schemes also reviews the effectiveness of completed schemes in achieving Council objectives and recommends, where appropriate, changes to procedures to improve delivery.

### **12. Performance Measurement and Innovation**

- 12.1 The Council's corporate planning process, incorporating results and lessons from Best Value Reviews, is used to drive a system of local performance indicators to monitor the effectiveness of service delivery and capital utilisation. The Office of the Deputy Prime Minister (ODPM) series of Performance Indicators contributes towards monitoring of assets to identify targets for additional investment.
- 12.2 Each capital project incorporates measures for monitoring. This methodology, along with the utilisation of the ODPM indicator 5 for capital projects, provides the framework.
- 12.3 In relation to Asset Management a series of 15 indicators have been formulated. In particular, 5 ODPM indicators, include the monitoring of capital expenditure (through what is known as the Egan indices).
- 12.4 There is a SMART target for the achievement of capital receipts. Further details about the Council's corporate approach and evidence of plan development and implementation is outlined in the Asset Management Plan.