

# Report to Executive

Agenda  
Item:

A.3

Meeting Date: 27<sup>th</sup> July 2015  
Portfolio: Finance, Governance and Resources  
Key Decision: YES: Recorded in the Notice Ref: KD.  
Within Policy and Budget Framework YES  
Public / Private Public

Title: **DRAFT ASSET MANAGEMENT PLAN 2015 TO 2020**  
Report of: **Director of Governance**  
Report Number: **GD 28/15**

## Purpose / Summary:

The Asset Management Plan is being updated to reflect the key issues and changes affecting the management and use of the City's property resources, and the impact of the Asset Review Business Plan approved by Council in January 2011. The Plan will also report on the current position and performance of the Portfolio, and the Asset Disposal Programme.

## Recommendations:

The Executive notes the position and approves the update to the Draft Asset Management Plan in order for it to proceed for consideration by the Resources Overview & Scrutiny Panel, back to the Executive and then full Council.

## Tracking

Executive:	<b>27 July 2015</b>
Overview and Scrutiny:	<b>6 August 2015</b>
Executive:	<b>24 August 2015</b>
Council:	<b>8 September 2015</b>

## **1. BACKGROUND**

- 1.1. The Council's land holdings are one of the essential resources used to carry out our day to day business, generate income to support services, and deliver economic development goals and housing opportunities.
- 1.2. The Asset Management Plan (AMP) outlines how the Council's strategies and policies for its property portfolio are used to support corporate priorities and directorate service plans.
- 1.3. The AMP also gives guidance on the overall performance of the asset base, what it is costing and producing, and how it is being used and reviewed. It also takes account of, and links into, the Council's Medium Term Financial Plan (MTFP) and the Capital Strategy (CS), which provides guidance on the Capital Programme and use of resources.
- 1.4. The AMP is reviewed annually and updated, along with the MTFP and CS, and aims to set out:-
  - The Council's aims and objectives for the use and management of its property, in order to further the delivery of corporate plans and priorities.
  - The organisational framework within the Council which provides the strategic, operational and investment advice needed to run the Portfolio.
  - The principles, policy and strategy for holding operational and non-operational property, releasing and disposing of surplus assets, and making investment in new acquisitions.
  - The make-up of the Council's asset base, its financial worth and revenue returns, operational performance, condition and maintenance position.
  - The Governmental position and economic climate within which the Portfolio operates and the constraints and influences which bear on the way property is held and managed.
  - How the Council challenges and reviews the Portfolio in order to better use and manage its assets to deliver public services.
- 1.5. Recognising the need to more effectively manage and utilise its property assets the Council has considered various options to improve the running of the Portfolio in order to better meet the operational, investment and economic development goals of the Authority. This re-assessment resulted in the Asset Review Business Plan, approved by Council in January 2011, which reclassified the Portfolio into three distinct categories, (Operational, Investment and Economic Development property), each with a clear focus and differing business objectives.

Along with the redefining of the Portfolio, the Business Plan proposed that staffing and management structures should be realigned to provide the appropriate resources, skills and experience to run each category of asset.

- 1.6. As part of the Asset Review there has been an appraisal of the non-operational properties that the Council own, to determine if they are fit for purpose and meet the Council's overall investment objectives. This identified a requirement to rationalise and consolidate these assets and a programme of disposals is in hand, over a four year period, to re-engineer the investment portfolio. This will release latent value and generate capital receipts which will be reinvested in new assets or other funding opportunities in order to yield a better revenue return for the Council. The Disposal Programme is into its fifth year and the Management Plan reports and updates on the position and the delivery performance.
- 1.7. The Council has also been looking at its operational assets, in conjunction with the business changes which have come about through service transformation. The Accommodation Review aims to more efficiently and cost effectively meet future service delivery, identifying savings and opportunities to generate additional income from this part of the portfolio. The AMP reports on progress and the position with this and identifies future areas for review.

## **2. PROPOSALS**

- 2.1. The AMP has been revised this year to reflect changes covering:-

- The Asset Review Business Plan & Disposal Programme – progress on the implementation of the Plan, the impact on the Portfolio and its future management.
- Structural changes in the portfolio – the makeup of the operational and non-operational assets, current capital worth and rental levels.
- Performance of the assets – an update to the National and Local Performance Indicators used to gauge how the Portfolio is doing.
- Condition of the Portfolio – the standard of our properties, current maintenance backlog and where it lays, its suitability and sustainability for future use, and the steps which are being taken to improve energy efficiency.
- Accommodation Review – the outcomes, achievements and next steps to improve the use and efficiency of our operational property used for back office or front line service delivery.
- Capital Schemes and Maintenance Budget – where the expenditure is going to sustain, maintain and improve the Portfolio.

- Government Policy and Statutory Responsibilities – additional guidance and how this affects local authority owned property.
- Market conditions and the economy – how this will impact on the Portfolio and the delivery of the Disposal Plan.
- Property acquisitions – what has been done to implement the Business Plan proposal and requirement to reinvest in assets which will produce income to maintain service delivery, support economic development initiatives and deliver operational services.

### **3. CONSULTATION**

- 3.1. Internally via the Council's corporate structures and processes. The Draft Plan will go to Resources Overview & Scrutiny Panel on 6 August for consideration, comment and feedback.

### **4. CONCLUSION AND REASONS FOR RECOMMENDATIONS**

- 4.1. To update the Council's Asset Management Plan and the position of the property portfolio in the light of the Asset Review Business Plan and Disposal Programme and other corporate initiatives.

### **5. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES**

- 5.1. The proper management of the Council's property resource makes an essential contribution the achievement of the Council's action plans and priorities.

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**Appendices Draft Asset Management Plan 2015 - 2020  
attached to report:**

**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

### **CORPORATE IMPLICATIONS/RISKS:**

**Chief Executive's – None**

**Community Engagement – None**

## **Economic Development – None**

**Governance** –The Council has a fiduciary duty to properly manage its assets and the Asset Management Plan is a vital part of this process. It is also a designated budget document in accordance with the Council's Budget & Policy framework and, as such, as the report indicates, it is required to follow the usual route of consideration by Scrutiny and, thereafter, recommendation by the Executive to the Council.

## **Local Environment – None**

**Resources** –The Asset Management Plan provides details on the Council's asset portfolio and the issues around the management of these assets. This will be used to inform the Medium Term Financial Plan and budget setting process for 2015/16 to 2019/20.



*Managing property as a resource for the City*

## ASSET MANAGEMENT PLAN

2015 – 2020

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## **1. Purpose of the Plan and what it covers**

The Asset Management Plan is a key document which sets out the Council's approach to managing its land and property assets, providing information about the overall performance of the asset base, and how it is being used and reviewed to allow us to meet tough financial targets whilst ensuring the residents of Carlisle receive the services they need most.

The Plan aims to demonstrate a Council-wide approach to managing assets as a corporate resource that is fully integrated with corporate and service planning with clear alignment between asset plans and other corporate service plans.

The Council has been undergoing radical transformation to achieve substantial cost savings and to reduce the base budget over a 5 year period by £6.0 million. The Plan describes the current organisational and reporting structure and how the Council's strategies and policies for its property portfolio support the Carlisle Plan priorities and Directorate Service Plans.

The Plan takes account of, and links into, the Council's Medium Term Financial Plan and the Capital Strategy, which provides guidance on the Capital Programme and use of resources.

The Plan aims to summarise current and longer term objectives by using property assets more effectively, developing a planned approach to the management of the Council's assets linked to corporate priorities.

The Plan sets out the Council's policy principles and strategies for the use of assets in order to have a flexible approach to asset ownership and outlines the existing portfolio and how performance is monitored, reviewed and challenged to enable us to secure a portfolio of the right size, quality, cost and location and one which is suitable and sustainable for service delivery now and into the future.

## **2. The Council**

Carlisle City Council delivers services to around 108,000 people and for the year 2015/16 has a net revenue budget of £12.411 million and capital expenditure of £7.199 million. The Council uses its property resources to deliver services, either directly or through the rental income it earns, and improve the quality of life for local people.

The Council's asset base is one of its key financial resources, with a rental income of around £4.5 million per annum, from its non-operational property, and a net asset value, taking account of depreciation, of circa £121 million. The income is

comparable to that of Council Tax. Over 20% (12,500 people) of Carlisle's workforce are based on the Council's assets.

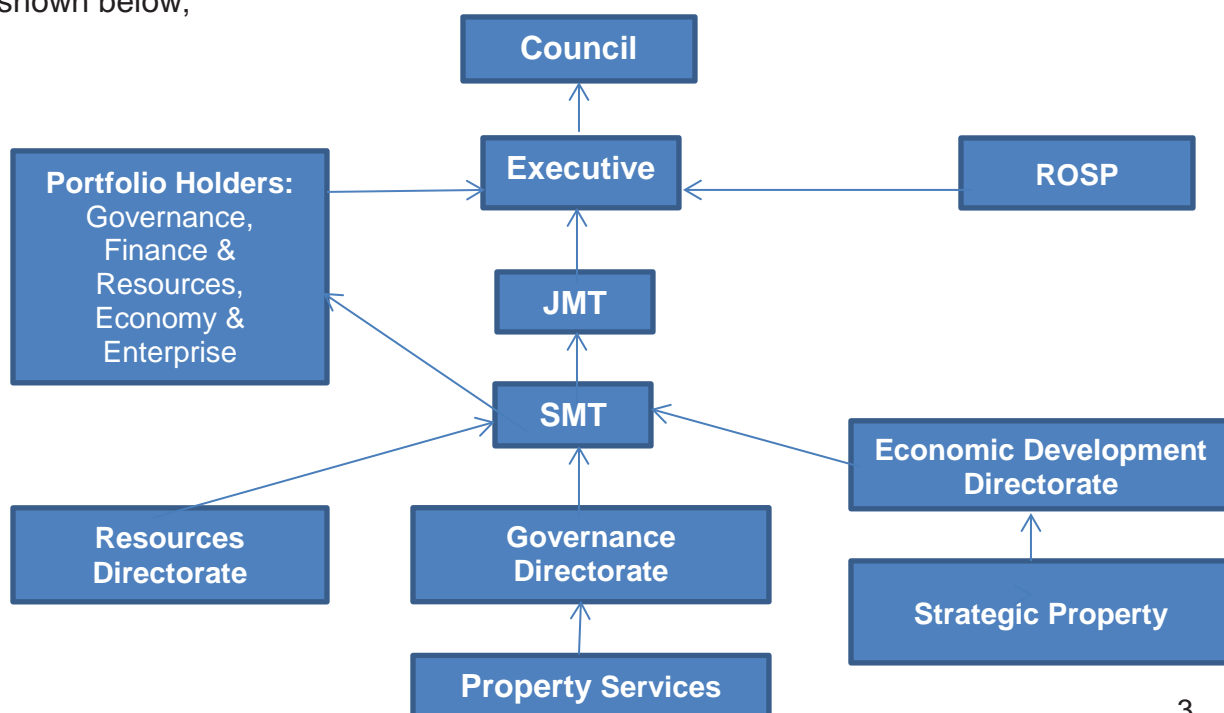
### 3. Organisational Framework

The organisational framework for the delivery of property functions has changed in tandem with the Council's Transformation Programme and Asset Review Business Plan, adopted by Council in 2011. The Business Plan Working Group provides strategic direction, oversees the corporate management of the Council's property assets, and gives direction to the work programme.

The framework put in place as part of the recommendations of the Asset Review Business Plan is evolving; recently following a review of Directorate responsibilities the Property Services and Building Services team has become part of the Governance Directorate. Collectively these teams now assume responsibility for providing estate and asset management advice, facility management and running capital projects across the portfolio.

Strategic property advice, in terms of economic development activity, is delivered through the Economic Development Directorate. All Directorates report through the Senior Management Team (SMT) and then on through the normal Council channels.

The work of SMT reports through the Council's formal channels to Joint Management Team (JMT), the two Portfolio Holders for Finance, Governance & Resources, and Economy and Enterprise, the Executive, Resources Overview and Scrutiny Panel (ROSP), and finally Full Council. The Organisational Framework is constantly developing, however the current framework and reporting structure is shown below;



## **4. Council Policies and Strategies**

### **4.1 The Corporate Plan**

The Carlisle Plan is reviewed annually to take account of emerging issues. The plan is developed through consultation with stakeholders; it is a statement of the key actions for the Council and likely outcomes for communities. The Carlisle Plan forms part of the Policy and Budgetary Framework for the Council. These frameworks work together to create the strategic framework.

The Carlisle Plan 2015/18 sets out the Council's vision for the City *"to promote Carlisle as a prosperous City, one in which we can all be proud"*. The Plan identifies the actions and timetabling for delivering the key priorities for the Council to:-

- Support the growth of more, high quality and sustainable, business and employment opportunities.
- Develop vibrant sports, arts and cultural facilities, showcasing the City of Carlisle.
- Work more effectively through partnerships to achieve the Council's priorities.
- Work with partners to develop a skilled and prosperous workforce, fit for the future.
- Make Carlisle clean and tidy.
- Address Carlisle's current and future housing needs

### **4.2 The Community Plan**

The community plan is 'owned' by the Carlisle Partnership (our Local Strategic Partnership (LSP)). It reflects and develops the aspirations of the communities of Carlisle and provides a strategic context for the partnership activities of all members of the LSP. For the City Council it is particularly important that the Corporate Plan enables delivery of the Community Plan; there must be similarity between the strategic objectives of both plans.

The communities of Carlisle are consulted and involved in the development of the Community Plan. This Community Plan helps to inform the strategic thinking of partner organisations.

The LSP's Community and Council's Corporate Planning process informs and supports the strategy of the Cumbria Strategic Partnership.

### **4.3 Directorate Service Plans**

The primary purpose of a Service Plan is to provide a link between the resources used to deliver services and the delivery of agreed outputs. Service Plans are inextricably linked to each Directorate's budget.

Service Plans develop the key actions of the Carlisle Plan into detailed activities for Directorates and provide a framework for their financial, performance and risk management.

### **4.4 Other Corporate Strategies, Plans and Policies**

The Medium Term Financial Plan (MTFP) takes account of other Plans and Strategies of the Council, which have a potential impact on the use of resources. In particular consideration is given to the following key strategies: -

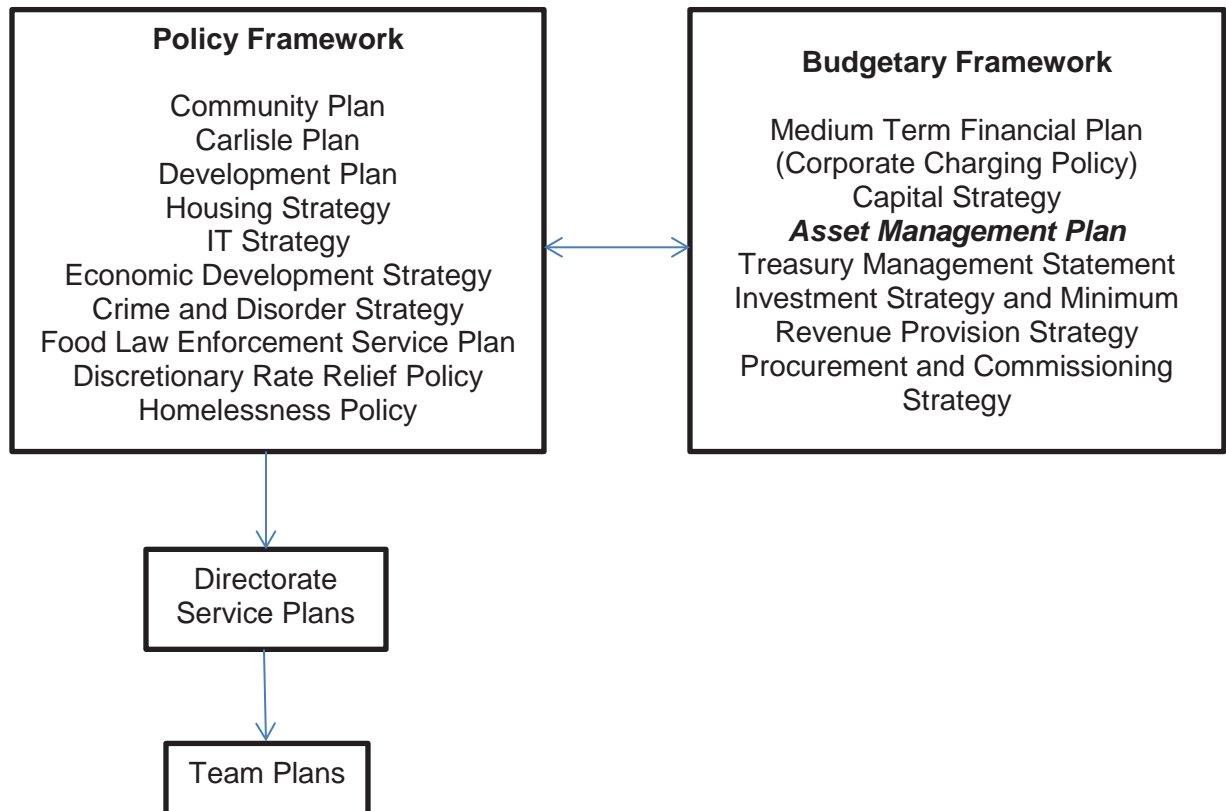
- The Capital Strategy (CS), which provides information on the proposed level of investment in capital projects and the consequent impact on the revenue budget.
- The Treasury Management Strategy Statement, Investment Strategy and Minimum Revenue Provision Strategy, which set out the assumptions for financing requirements and interest rates and their effect on the revenue budget.
- The Asset Management Plan, which provides forecasts of necessary investment in the Council's land and property portfolio.
- The Procurement and Commissioning Strategy.
- The Local Plan which is currently in the process of review.
- The Organisational Development Plan, which highlights the need for a thorough review of the Council's staffing needs and skill levels to ensure that the Council improves its performance to deliver excellent services to the local community in the future.
- The Digital Strategy which sets out the Council's approach to technology from 2015 to 2020 and describes how the strategic adoption of cloud platforms and digital techniques will allow the organisation to become more citizen focused, flexible collaborative and efficient.

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- There are also a number of strategies, (some of which are currently under development) which set out policy direction for key Council priority areas, and these include the Economic Strategy, and Housing Strategy.

### 4.5 Policy and Budgetary Frameworks

The following diagram illustrates the relationships between the Policy and Budgetary Frameworks and where the Asset Management Plan sits within those frameworks.



## 5. Aims, Objectives and Delivery

The overall aim of the Council is to own assets which are suitable, fit for purpose and sustainable, to enable services to be delivered effectively and with equality of access.

The Council has a number of strategic objectives which are outlined below. These will be delivered by linking to corporate priorities, by benchmarking and performance measurement and by developing strategies linked to our Operational, Non-Operational, Surplus property portfolio, and Property Acquisition needs.

1. Identify all property which the Council owns or uses, compiling accurate records, establishing its value and the function it performs by ensuring a reliable and accurate property management system is in place which can be

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developed to embrace technological advances in data collection and recording, and by maintaining and continually updating information to enable decision making and support to the Council.

2. Make services aware of the costs of occupying property, maximising the use of the asset base to enable efficiency savings, by identifying 'expensive' and obsolete' assets and ensuring assets are fit for purpose and sustainable.
3. Effectively respond to the changing property requirements of service delivery improvements, by identifying improvements to assets or the asset base to enhance service delivery, disposing of assets no longer required for operational purposes and acquiring new assets to support service delivery following full life costings.
4. Provide a transparent basis for property investment decisions, through the Capital Programme, and have a planned approach to the management of the Council's assets, aligned to corporate objectives.
5. Ensure a healthy and safe environment for property users, promoting improved standards, sufficiency and suitability across the portfolio by undertaking health and safety risk assessments and customer satisfaction surveys.
6. Apply "Green Design" principles to construction, refurbishment and maintenance projects and encourage environmentally sustainable management of operational properties.
7. Support the Council's Climate Change Strategy, approved in January 2009, to reduce carbon emissions from our property estate in accordance with the policies and actions set out in the Carbon Management Plan (CMP) by improving energy efficiency through the use of renewable sources and setting targets for carbon reduction
8. Promote and encourage community and partnership use of assets by identifying changes to operational asset requirements giving rise to opportunities for shared services and liaising with partners and by working closely with the community.
9. Link into and contribute to the Council's Medium Term Financial Plan and Capital Strategy by identifying investment opportunities to improve income yields and through the disposal of surplus assets to achieve a capital receipt.
10. Provide sustainable planned maintenance programmes for a 5-year period by undertaking condition surveys.

## **6. Performance Monitoring**

The Council reviews the performance of its property through its Performance Framework, further developing SMART indicators to accurately measure the contribution property makes to achieve corporate objectives in the Carlisle Plan.

An annual exercise is undertaken to collect property information to measure performance. The suite of Performance Indicators (PI's) set out in Appendices I and II of this Plan has allowed the Authority to improve the monitoring of asset performance, illustrate improvements, and identify shortcomings.

The Government's Operational Efficiency Programme (OEP) recommends that Local Authorities and other agencies use the CIPFA Property Asset Management Planning Network to share best practice together with the use of benchmarking to help drive efficiencies.

The Authority is a member of the CIPFA IPF Asset Management Plan Network. Current best practice is to use the National Property Performance Indicators (NAPPMI) set out in Appendix I. The indices measure property condition, maintenance backlog and expenditure, the cost of energy, water and CO<sub>2</sub> emissions, accessibility and space utilisation. Suitability surveys and assessments on the operational portfolio have not yet been undertaken, work on establishing a framework and protocol for implementing these will get underway as soon as resources allow.

The Authority also produces a suite of local indicators, shown in Appendix II, which measure occupancy rates for the let estate and disability access to our buildings. We are also looking to develop indicators to measure outputs from the Economic Development portfolio. It is anticipated that reporting of these indicators will commence next year.

## **7. Property Strategies and Principles**

### **7.1 Operational Property Strategy**

- The Council will own a highly rationalised portfolio of property to deliver services which provides users with a good standard of suitable, sufficient, accessible and energy efficient accommodation and facilities, in the right location and at the right cost.
- All operational property will be efficient and effective in supporting delivery of the Council's priorities.

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- The Council will occupy freehold property where appropriate; will hold leasehold property only when necessary to deliver accommodation on a flexible basis, or when freehold is not available, following full life costing.
- The Council will develop partnership working with local authorities, public sector bodies, the community and voluntary sector to co-locate and share services, and where appropriate use its assets with the private sector to deliver services.
- Investment in property will only be made following the consideration of a detailed business case and options appraisal which includes whole life costing.
- **Investment Principles:**

Investment should be made only through a 5 year programme where:

- The property is required for the medium or long term use by the Council, and the investment;
  - enhances service delivery,
  - improves environmental sustainability,
  - improves utilisation,
  - increases efficiency,
  - adds value,
  - addresses statutory obligations.

### **7.2 Non-Operational Property Strategy**

- The Council will own property that helps to deliver the corporate priorities of Environment and Economy.
- The Council will investigate new medium and long-term development opportunities that will support the growth of Carlisle and the Economic Development Strategy.
- The Council will own property that provides a regular and sustainable income stream, as a key component of the Medium Term Financial Plan.

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- The Council will strive to improve the performance of the income stream and reduce liability through partnership working and grant assistance where appropriate.

- **Investment Principles:**

Commercial property will only be held where;

- it provides an acceptable financial return,
- there is potential for Council involvement to deliver economic development objectives,
- it contributes effectively to the delivery of other Council priorities,
- it improves future sustainability of income,
- It addresses legal or contractual liabilities and obligations.

### **7.3 Surplus Property Strategy**

- The Council will normally dispose of assets that it does not require on the open market on a freehold and leasehold basis at best consideration.

The following policy principles will be applied to enable delivery of the surplus property strategy and the generation of annual capital receipts in line with the Capital Strategy and Medium Term Financial Plan.

- **Surplus Property Principles**

All operational and non-operational property will be sold unless one of the following applies:

- It is occupied efficiently and effectively for services in the right location, at the right price.
- It can be used to deliver social, housing, economic or environmental benefits to meet the Council's agreed priorities, in which case the Council may take a flexible approach to a disposal at less than market value, subject to compliance with any statutory consents and full Council approval.
- It is a long-term strategic investment.

#### **7.4 Property Acquisition Strategy**

- The Council will only acquire assets if there is a business case to support the improvement in service delivery in the Capital Strategy.
- The Council only will acquire assets that assist with the delivery of Economic Development policy if there is a business case.
- The Council will develop opportunities, in partnership, to assemble sites to deliver Council objectives, particularly its priorities of Environment and Economy.
- The Council will invest in assets to improve the financial returns and yields from the portfolio and deliver the Asset Review Business Plan.
- **Property Acquisition Policy Principles**

Property will only be acquired in the following circumstances:

- Where the service cannot be efficiently delivered without it.
- Where it is required to deliver Economic Development policy.
- Where it is required to support the delivery of other Council services and priorities, either directly or through income generation.
- Whole life costing and option appraisal exercises are undertaken.
- Portfolio investments and opportunity purchases meet set target criteria around risk, income returns and yields.

#### **8. Government Policy and Statutory Responsibilities**

In recent years Government Guidance has increased dramatically on asset management and should be considered alongside the Audit Commission Use of Resources Guidance.

The last Government's Spending Review (2010) committed to "*Delivering a step change in the management of the public sector asset base*". More specifically, the spending review focused on the condition and management of the public asset stock as a basis for looking at investment decisions. The aim was to maximise value from assets through disposing of assets no longer required for service delivery, Improving the management and utilisation of retained assets, and basing future investment

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decisions on a more complete assessment of the condition and performance of the existing asset base.

The Government's regional policy aims to improve the economic performance of the English regions and to reduce the gap in performance between the regions. The Review of Sub National Economic Development and Regeneration (SNR) sets out a comprehensive package of reform to improve performance. The CSR10 takes forward the conclusions of the SNR.

The Government Property Unit (GPU) was established in 2010 as part of the Cabinet Office. The unit has central oversight over all government land and property, and works collaboratively across the Civil Service. In June 2013 the Government published its first estate strategy – Government Estate Strategy: Delivering a Modern Estate. In October 2014 a further strategy was published expanding the scope of the work. This aims to use the estate to provide value for money, deliver better integrated public services and act as an enabler for growth. The Government Estate Strategy was developed by the Government Property Unit working with estate teams across Whitehall with the initial pilot involving 12 Councils with the next stage involving a further 20 Councils. The Strategy sets out ways of making savings and improving the efficiency of the central civil estate and looks at plans for better co-ordination across the whole of the public sector estate.

The Government is promoting the community management and ownership of public sector assets through the Localism Act 2011 which builds on recommendations from the Quirk Review in 2007. The initiatives which have an effect on Local Authority property and service provision are;

- 'Community Right to Bid' where 'Assets of Community Value' can be registered which, if the asset is to be sold, allows the community time to raise capital to purchase the asset. The Council now holds a register of 'Assets of Community Value'.
- 'Community Right to Challenge' gives community groups, parish councils and local authority employees the right to submit an "expression of interest" in taking over and running a local authority service. The local authority must consider and respond to the challenge. If the local authority accepts the challenge they must then run a procurement exercise in which organisations – including those that challenged the delivery of the service but also private companies – can bid to take over the running of the service.
- 'Community Right to Build' allows local communities to undertake small-scale, site-specific, community-led developments and the freedom to build new

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homes, shops, businesses or facilities where they want them, without going through the normal planning application process.

- 'Community Right to Reclaim Land' helps communities to improve their local area by giving them the right to ask that under-used or unused land owned by Councils and other public bodies is sold so that it can be brought back into use.
- 'Community Asset Transfer' enables community or voluntary groups to seek to acquire a Local Authority owned property at less than best value, usually by way of a lease, to promote local social, economic and or environmental objectives.

The Housing and Regeneration Bill aims to deliver the commitments set out in the Housing Green Paper to provide more and greener homes, in mixed and sustainable communities. The Council has been designated as a Growth Point and is seeking ways to encourage increased levels of affordable housing within the district, working with partners to bring Council owned sites into development for the provision of social and affordable housing.

In 2008, the Government passed the Climate Change Bill setting ambitious targets for carbon reduction. In line with its Climate Change Strategy and the Nottingham Declaration, the Council has committed itself to tackling environmental improvement and responding to climate change.

A 5-year Carbon Management Plan was developed with support from the Carbon Trust. Along with other Cumbrian Authorities the City Council set a target to reduce carbon emissions by 25% from its buildings, street lighting and transport related functions by April 2013, against a 2007/08 baseline of 6,015 (Note: Figure updated, July 2014 based on new conversion factors) tonnes of carbon. Emissions from buildings accounted for 71% of the carbon baseline. The data recorded shows a steady reduction in emissions up to 2011/12 by which time a 20% reduction had been achieved compared to the base year. However in 2012/13 the level of emissions rose back to 15% below the base year, improving again to reach a 19.6% reduction in 2013/14. Projected data (not all figures are available yet, July 2015) for 2014/15 shows an improvement to around 24% less than the base year. Overall this shows an average of 20% over the past 4 years. The emissions are to some extent weather dependent as the consumption of energy for space heating is linked to external temperatures. The trend is generally upwards and it is anticipated that the target will be eventually be reached, however it could take a few more years.

## **9. The Resource Context: Value for Money**

The Audit Commission used to measure how well an organisation managed its resources and delivered value for money and better and sustainable outcomes for local people through an annual Use of Resources assessment. This considered *“how well the organisation manages its assets effectively to help deliver its strategic priorities and service needs”*.

With changes in national Government in 2010 this framework for measuring the use of resources was discontinued. However, the Asset Management Plan must still demonstrate a Council-wide approach to managing assets as a corporate resource, with the focus on using assets to help to deliver social, environmental and economic outcomes for local communities. Asset management planning should be fully integrated with corporate and service planning with clear alignment between asset plans and other corporate service plans.

Collaborating with partner organisations on strategic asset management planning remains an important requirement. The Council will continue to develop its strategic approach to working with other bodies to identify opportunities for shared use and alternative options for the management and ownership of its assets.

## **10. Changes in the External Environment and Implications for Property**

The underlying economic factors affecting the national economy apply to Carlisle subject to its relatively isolated and remote location. The City is held back from realising its full potential because generally it has not been considered a prime location for investment by property market decision-makers. In overall terms, its property economy is relatively self-contained on a needs must basis. It is resilient to change and external market movement and influence.

It is mainly sub-regional and local developers and investors who serve the Carlisle property market, with the possible exception of the retail sector. When the UK market shows an upward trend, stability or decline, the Carlisle market follows proportionately – subject to a time delay because of its location.

The City's peaks have been historically, neither high enough nor long enough to attract much national interest – or more importantly, the magnet of institutional funds which finances property development.

It is the major financial institutions who ultimately control capital flow and investment. It is such institutions that make decisions in the UK property market.

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These funders prefer rapid rental growth in return for their capital investment in order to secure large rewards quickly and offset risk.

Unless funders are looking for long-term sustainable investment, with a local geographic commitment, developers will prefer more profitable southern locations where rental growth increases more rapidly, and over longer periods.

This risk adverse attitude by the private sector has meant that to date, the public sector has had to be proactive in order to attract development to Carlisle in order to improve economic development opportunities for the community. This is why Carlisle City Council owns the legacy of a considerable property portfolio, and needs to be involved in public/private partnership working.

The changing economic climate, both at a national and local level, arising from the “credit crunch” in 2008, restricted borrowing regimes and the continued economic recession, is impacting on the local property market. The Government’s Comprehensive Spending Review, cutting public spending by 25%, to redress the budget deficit, has fuelled further uncertainty in the economy and property markets.

The adjustment in values was most significant during 2008-2010. Since then the markets have continued to operate against low demand and over supply. Prices achieved have usually been driven by the circumstances of the parties and method of sale.

The improvement in the national economy in 2014 has seen price rises in the markets, especially the residential sector, in much of the country. Whilst there was increased activity in the local area and shorter marketing periods, there was little evidence of higher prices being achieved. There is some hope, however, for continued improvement in the markets as the economy moves out of recession.

There remains reasonable demand for well let commercial investments and also good quality residential investments, and an increasing demand for residential development opportunities as a hoped for increase in demand for completed schemes.

Apart from the effect of some structural changes to the way certain assets are held, the overall capital value of the portfolio has remained relatively static. There has been some upward and downward movement in market values for particular assets but, excepting the volatility attached to the Council’s retail development asset at Morton, overall this has balanced out to leave the position year on year relatively unchanged. The makeup of the investment portfolio is quite resilient but, rental income has fallen by roughly £250,000 (5%) since the peak of the market in

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2007/08. This mainly arises from the retail part of the portfolio and the influence of the Disposal Programme, although recently the retail market has shown faint signs that it may have bottomed out and stabilised but, undoubtedly it will be several years before any real growth materialises and, when this does arise, it will be slight.

### 11. The Existing Portfolio and Current Performance

#### 11.1 Gross Asset Value as at 31 March 2015

	Operational assets		Non-operational assets		Total
	Community Assets	Land & Buildings	Investment	Surplus	
No of assets	72	81	60	2	215
Total income	£22,885	£2,490,967	£4,543,280	£43,400	£7,100,532
Capital value	£3,930,748	£29,773,699	£87,510,500	£590,000	£121,804,947
Capital Expenditure	£100,021	£1,319,066	£3,756,799	-	£5,175,886
Asset Reserve			£360,000		£360,000
Maintenance backlog		£2,759,100	£2,000,000	-	£4,759,100

**NB** The total capital spend in 2014/15 was £7.81million. However this did not all relate to property assets, £1.9 million was Revenue Expenditure Funded from Capital Under Statute which included capital works on assets not owned by the Council.

The figure for the maintenance backlog on the operational buildings is based on a costed 5 year plan derived from a rolling programme of Condition Surveys. The figure has decreased by around £328,500 or 16% since last year. This is mainly as a result of remedial work carried out under the capital works programme but is also affected by the disposal and acquisition of assets. It is anticipated however, that the reduction in the capital schemes special project fund by 50% to £150,000 per year will begin to affect next year's figures.

The figure for the non-operational backlog relates to historical infrastructure costs associated with our industrial estate ground rent portfolio and has not been reviewed for a number of years. There is a suspicion this figure has come down, due to the disposal programme and the capital expenditure which has gone into infrastructure improvements on the Kingstown, Durranhill and Willowholme Industrial Estates over

## **ASSET MANAGEMENT PLAN 2015-2020**

the last few years but, as there is no recent survey data available, this notion can't be substantiated with evidence.

## 11.2 Maintenance Backlog

	15/16	16/17	17/18	18/19	19/20
<b>Total Revenue Budget</b>	£724,400	£724,400	£724,400	£724,400	£724,400
<b>Capital Schemes Special Projects</b>	£150,000	£150,000	£150,000	£150,000	£150,000
<b>Ratio Planned: Reactive Maintenance</b>	76 : 24	76 : 24	76 : 24	76 : 24	76 :24

Based upon property condition surveys, an annual planned maintenance programme has been established for all operational assets. There is a maintenance backlog; currently £2,765,100 for the portfolio of operational and non-operational buildings, the delivery programme to reduce this incorporates a degree of flexibility and balance in order to respond to the demands and aspirations for service delivery, asset review, and other changing circumstances which may arise during the course of the programme. Members approved a 3 year programme of planned and reactive maintenance on 10 November 2014 (report reference RD39/14). In condition category terms the split is as follows:-

<b>Condition Category</b> (as a % of Gross Internal Area Operational Property)	<b>Sustainable Criteria</b>
<b>A. (Excellent) 59%</b>	<b>Yes</b>
<b>B. (Good) 28%</b>	<b>Yes</b>
<b>C. (Mediocre) 12%</b>	<b>Review</b>
<b>D. (Poor) 1%</b>	<b>No</b>

Improvements in the operational portfolio are mainly due to the upgrading of the Old Town Hall, the new families hostel at Water Street and disposal/demolition of assets in the lower condition categories.

## 11.3 Energy Efficiency

Reflecting the Council's Environmental Policy and Carbon Management Plan a programme of energy efficiency and renewable energy projects has been carried out

## ASSET MANAGEMENT PLAN 2015-2020

with significant investment in recent years. In the last year the amount of investment has been less than in previous years, however contributions have been made by improving the levels of insulation in pitched and flat roofs at the Enterprise Centre and Tullie House, by replacing old single-glazed roof lights with new double-glazed and insulated roof lights at the Civic Centre and by continuing to replace old lighting in the Civic Centre with new smart lighting. The sale of Stafffield House contributed to a reduction in our carbon emissions.

The solar photovoltaic arrays at the Civic Centre and Sands Centre continue to be successful in terms of electricity generation and income received from the feed in tariff.

### 11.4 Capital Works and Repairs

The programme of works identified in the Capital Major Repairs Programme is initially shaped by a 5 year maintenance plan produced from condition surveys and adjusted each year to keep abreast with new legislation. The Council has a legal duty to maintain its properties and the programme is required to meet those duties. Report (RD 39/14) was presented to the Executive on the 10<sup>th</sup> November 2014 with proposals for capital investment for planned major repairs. The business case identified 7 separate projects required to meet the Council's legal obligations and priorities for building maintenance.

The capital schemes special project fund for the programme 2015/16 has been allocated as follows:-

PROJECT	COST	PRIORITY
Civic Centre – Replace roof covering and rooflights over Executive Room	£40,000	Health and Safety / Energy Conservation
Herbert Atkinson House – Re-slate roof	£20,000	Conservation / Asset protection
Irish Gate Bridge – replace hydraulics and doors south side lift	£40,000	Asset protection
Castle Banks – rebuild leaning part of wall	£5,000	Health and Safety / Heritage Conservation
West Walls – Stone repairs and underpinning of historic City Wall	£20,000	Health and Safety / Heritage Conservation
Bousteads Grassing – Demolish lighting store building area	£15,000	Health and Safety / Energy Conservation

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Upperby Cemetery – Demolish toilet building	£10,000	Health and Safety/Energy Conservation
TOTAL	£150,000	

## **12. Continuous Review and Challenge**

1. The City Council holds a significant, but numerous and diverse, portfolio of assets across Carlisle. This portfolio generates considerable income for the City and has an important impact on the local economy.
2. It has a highly rationalised operational (service occupied) portfolio, with a manageable maintenance backlog, but with scope for further consolidation.
3. It has a diverse and mixed non-operational (predominantly commercial and industrial) portfolio which through rationalisation is becoming more efficient but has considerable further potential.
4. The Council possesses a good portfolio and has a record of using property well to meet its aims; it is planning for future investment and development to allow it to continue to do this.
5. The opportunity has been grasped to take a more dynamic and commercial approach to the management of the portfolio in order to strategically balance the need for operational assets, income generation and economic development, in support of the local economy, the protection of public services and other priority objectives.
6. The Transformation Programme has identified the need for further rationalisation and consolidation of the operational property to improve access to public services and efficiency.

### **12.1 Accommodation Review**

An Accommodation Review, an integral part of the Transformation Programme, to review corporate accommodation, both back office and front public facing service delivery properties is underway. This comprises an analysis of accommodation needs and the existing provision, exploring future solutions and implementing the most beneficial models for the Authority. It seeks to deliver effective and efficient accommodation that suits the needs of each service, establish a more corporate approach to accommodation, make more effective use of space, improve the working environment and make the accommodation as productive as possible. The project will be on going over several years, and will be undertaken in phases. It will cover all the City's operational buildings with an initial focus on the Civic Centre, Boustead's Grassing and the Depots. The project's outcomes must deliver:-

- Corporate standards for accommodation;

## **ASSET MANAGEMENT PLAN 2015-2020**

- Efficient and effective accommodation for all Council staff & operations;
- Consolidation of office staff and functions into the Civic Centre;
- Maximisation of usage of occupied accommodation and delivery efficiencies;
- Maximise potential revenue streams;
- Identify and meet target capital receipt savings and income.

To date the review has achieved the following improvements to the portfolio:-

- Centralisation of back office delivery with the closure and demolition of part of Boustead's Grassing and transfer of staff to the Civic Centre;
- Improved space utilisation in the Civic Centre;
- Continued development of the Customer Contact Centre as a public service centre hub;
- The letting and sharing of office space with other public sector providers;
- An interim rationalisation of the Councils Depots, Willowholme Depot has been sold and parts demolished;
- The provision of a new Women's and Family Hostel in Water Street to replace the former facility Staffield House, which has been sold.

The challenges going forward are to further examine space utilisation in the Civic Centre; the continued reduction in staff during 2013/14 has led to a reduction in the occupancy rate and increased costs per full time employee (FTE), and to find new occupiers to share the surplus accommodation, reduce overall costs in use, and compliment the Council's ambitions to improve public access to a wider range of customer services through the Contact Centre. Also, with the recent transfer of retained Highway Rights back to the County Council there is a need, in the light of future service requirements, to further examine the utilisation and retention of Boustead's Grassing as a sustainable Depot and the possible requirement for alternative provision.

### 12.2 Asset Review Business Plan

An asset review and investigation into the options for the development of a new approach to the management and use of the portfolio has been concluded with the adoption by Council in January of an Asset Review Business Plan (Report Ref. CE 39/10 refers).

The strategic objectives of the Plan are broadly to have:-

- Clear and separately focused management of operational, investment and economic development assets;
- Fewer higher value assets giving better yields that are cheaper and easier to manage;
- The latent value and development opportunities embedded in the portfolio unlocked and released for reinvestment;
- Well maintained assets which continue to be attractive to tenants and occupiers;
- Increased returns through higher income and lower outgoings.

To provide clear objectives and priorities for each asset the portfolio has been divided into 3 categories as follows:-

1. Operational Assets –needed to carry out the Council's business and deliver services or are retained for public benefit. The task here is to create through rationalisation an efficient and sustainable portfolio which is fit for purpose;
2. Economic Development Assets –identified or acquired for strategic purposes to stimulate and deliver economic development activity leading to growth and regeneration of the City and District;
3. Investment Assets –to deliver the maximum financial return for the Authority through revenue receipts and capital growth which meets set targets and criteria.

The next step in the implementation of the Business Plan is to put in place the management structures and resource capacity to deliver the 3 portfolio areas and the overarching strategic asset management. These changes are taking place within the context of the Transformation Programme.

### **12.3 Disposal Programme**

The Business Plan recognised that the property portfolio needed re-engineering through a process of rationalisation to consolidate the asset base and improve overall financial returns through reinvestment or acquisitions. The Plan aims at realising £24m through the disposal over a 4 year period of 51 assets which are underperforming or have embedded value which can be realised. The proceeds will be used to generate additional income to support budget and efficiency savings and help protect and secure service delivery into the future.

#### **Outcomes:**

In line with expectations individual asset receipts have produced results on, below and above target figures. To date 32 assets have been sold realising total gross receipts of circa £9.6 million. Overall the returns show an increase of approximately 15% (Morton excluded) above the business plan estimates.

The market appears to be hardening for certain types of asset; at this juncture in the programme there is no reason to suspect the current trends and levels of return will not continue however, we have adopted a conservative approach and these increases have not been built into future sale projections. The programme plan for this year 2015/16 has been refreshed and re profiled, it aims to deliver circa £1.5m in capital receipts from the disposal of 10 assets. It also looks at the future release and disposal of assets with potential to supply land for future housing development, into the private and social housing sectors.

### **12.4 Reinvestment Options**

The Business Plan envisages capital receipts will be used to generate additional revenue and support purchases in the economic development and operational property portfolios.

Opportunity purchases into the Economic Development and Operational portfolios have been completed to consolidate the Council's existing ownership and land holdings in Rickergate with the acquisition of properties in the Warwick St area. This includes Herbert Atkinson House adjoining Tullie House and the Old Carlisle Fire Station, which following a scheme of refurbishment and capital improvements is now an Arts Centre for the City.

Purchases into the investment portfolio have been undertaken with the acquisition of a leasehold interest in the Woolworths Building and employment land at Morton. Other options and opportunities are being investigated. The Council is also

examining the options and feasibility for alternative approaches to the asset and estate management of its investment land holdings at Kingstown and Parkhouse.

### **12.5 Economic Development Portfolio**

The assets within this portfolio are directed towards supporting and creating opportunities for the growth of the City using employment, housing and retail development land.

Major road infrastructure improvements are to commence shortly at Durranhill Industrial Estate following grant support being obtained from Cumbria LEP (£2,000,000) and the Homes and Communities Agency (£250,000). It is estimated the improvements could create 200 FTE's.

Rosehill car park has recently been sold to H&H Group who propose a major redevelopment which will include a new retail unit for Pioneer, a 350 space car park and 20,000 sq. ft. of Industrial units. The proposals will create 50 FTE's.

### **13. Summary**


1. The Council has the Governance & Resources Portfolio Holder responsible for asset management.
2. Members are aware and have approved a plan to address backlog maintenance.
3. Performance measures, which are being improved upon, are in place to evaluate asset use in relation to corporate objectives.
4. The Council has a highly rationalised and suitable service occupied portfolio with a manageable maintenance backlog which it will seek to improve through the Accommodation Review; it has a considerable commercial portfolio, which is generating substantial rental income.
5. The Council's asset base has considerable latent value, which if unlocked through the new Asset Review Business Plan and Disposal Programme, will help provide more robust support to economic development initiatives, generate additional income and provide a portfolio which is cheaper and easier to manage.

The Council is looking at opportunities for rationalising the portfolio and sharing accommodation with other public bodies and partner organisations.

**APPENDIX I**


**NATIONAL PROPERTY PERFORMANCE INDICATORS**

**APPENDIX I**

 <b>CARLISLE</b> <b>CITY COUNCIL</b>  <a href="http://www.carlisle.gov.uk">www.carlisle.gov.uk</a>	Asset Management Plan		
	<b>Appendix : Property Performance Indicators</b>		
<b>COPROP Property Management Initiative Property Performance Indicators (PMI's)</b>			
<b>PMI 1A: % gross internal floor-space in condition categories A- D</b>			
	<b>Mar-13</b>	<b>Mar-14</b>	<b>Mar-15</b>
(a) <b>Schools:</b> Good condition (category A) Satisfactory condition (category B) Poor condition (category C) Bad condition (category D)	n/a n/a n/a n/a	n/a n/a n/a n/a	n/a n/a n/a n/a
(b) <b>Other Land &amp; Buildings:</b> Good condition (category A) Satisfactory condition (category B) Poor condition (category C) Bad condition (category D)	50.8 31.4 12.5 5.3	59.3 28.8 11.0 0.9	59.3 28.8 11.0 0.9
(c) <b>Community Assets:</b> Good condition (category A) Satisfactory condition (category B) Poor condition (category C) Bad condition (category D)	n/a n/a n/a n/a	n/a n/a n/a n/a	n/a n/a n/a n/a
(d) <b>Non-operational assets:</b> Good condition (category A) Satisfactory condition (category B) Poor condition (category C) Bad condition (category D)	0 30.7 0.8 68.5	0 27.8 7.3 64.9	0 27.8 7.3 64.9
<b>Objective:-</b> To measure the condition of the asset for its current use			
<b>Definitions:-</b> <b>A:</b> Good – Performing as intended and operating efficiently <b>B:</b> Satisfactory – Performing as intended but showing minor deterioration <b>C:</b> Poor – Showing major defects and/or not operating as intended <b>D:</b> Bad – Life expired and/or serious risk of imminent failure			
<b>Comments:-</b> We do not currently hold the required level of information on our Community assets and this information will be collated in due course. Non-operational assets include our investment portfolio of individual shops and offices, workshops and the Enterprise Centre. It does not include our ground lease portfolio. The marginal overall shift in improvement on the operational properties from 2013 is due to the new buildings coming into the portfolio such as the Water Street accommodation and the disposal of Staffield House. The decline in performance of the non-operational portfolio, also from			

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2013, is largely due to the relatively high proportion of poor quality assets left on the books as a consequence of the disposal programme. For example, the Enterprise Centre now accounts for 65% of non-operational floor space.

 <p><b>CARLISLE</b> CITY COUNCIL</p> <p><a href="http://www.carlisle.gov.uk">www.carlisle.gov.uk</a></p>	<p>Asset Management Plan</p> <p><b>Appendix : Property Performance Indicators</b></p>
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**PMI 1B: required maintenance by cost expressed (i) as total cost in priority levels 1-3; (ii) as a % in priority levels 1-3; and (iii) overall cost per m<sup>2</sup> GIA**

	Mar-13		Mar-14		Mar-15	
	£	%	£	%	£	%
(a) <b>Schools</b>						
Urgent repairs (priority 1)						
Essential repairs (priority 2)						
Desirable repairs (priority 3)						
Total						
Overall Cost per m <sup>2</sup> GIA						
(b) <b>Other Land &amp; Buildings</b>						
Urgent repairs (priority 1)	325,600	15	183,000	10	111,000	7
Essential repairs (priority 2)	1,460,425	68	1,449,000	73	1,074,100	65
Desirable repairs (priority 3)	353,600	17	341,100	17	459,000	28
Total	2,139,625	100	1,973,100	100	1,644,600	100
Overall Cost per m <sup>2</sup> GIA	41.59		36.82		32.47	
(c) <b>Community Assets:</b>						
Urgent repairs (priority 1)	n/a		n/a		n/a	
Essential repairs (priority 2)	n/a		n/a		n/a	
Desirable repairs (priority 3)	n/a		n/a		n/a	
Total	n/a		n/a		n/a	
Overall Cost per m <sup>2</sup> GIA	n/a		n/a		n/a	
(d) <b>Non-operational Assets:</b>						
Urgent repairs (priority 1)	0	0	0	0	0	0
Essential repairs (priority 2)	561,000	68	516,000	66	525,000	62
Desirable repairs (priority 3)	270,000	32	270,000	34	321,000	38
Total	831,000	100	786,000	100	846,000	100
Overall Cost per m <sup>2</sup> GIA	124.03		118.32		127.35	

**Objective:-**

Measure required maintenance.

**Definitions:-**

Urgent works that will prevent immediate closure of premises and/or address an immediate high risk to the health and safety of the occupants and/or remedy a serious breach of legislation.


Essential work required within two years that will prevent serious deterioration of the fabric of the services and/or address a medium risk to the health and safety of the occupants and/or remedy a minor breach of the legislation.

## ASSET MANAGEMENT PLAN 2015-2020

Desirable works required within 3 to 5 years that will prevent deterioration of the fabric or services and/or address a low risk to the health and safety of the occupants and/or a minor breach of the legislation.

**Comments:-**

Non-operational assets include our investment portfolio of individual shops and offices, workshops and the Enterprise Centre. It does not include our ground lease portfolio. Slightly improving overall picture to the operational portfolio as capital expenditure has been targeted at urgent work.

 <p><b>CARLISLE</b> CITY COUNCIL</p> <p><a href="http://www.carlisle.gov.uk">www.carlisle.gov.uk</a></p>	<p>Asset Management Plan</p> <p><b>Appendix:</b> Property Performance Indicators</p>
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**PMI 1C: Annual Percentage change to total required maintenance figure over previous year**

	Mar-15
Total Required Maintenance	£2,765,100
Annual % Change in total required maintenance from previous year	0%

**Objective:-** Measure changes in spend on maintenance.

**Definitions:-**

**Required maintenance** is defined as “The cost to bring the property from its present state up to the state reasonably required by the authority to deliver the service and/or meet statutory or contract obligations and maintain it at the standard”.  
**Spend on maintenance** covers the total repair and maintenance programme (reactive and planned) including any associated fees for the work. It should also include any capital spending on repair and maintenance.

**Comments:-**

The total backlog maintenance liability figure is the same as last year. This is likely to remain so, with the reduction in the capital schemes special project fund and reduced opportunities for disposal/replacement of high maintenance and costly properties.

**PMI 1D: Maintenance Spend**

		2013/14	2014/15
(i)	Total spend on maintenance	897,613	1,085,000
(ii)	Total spend on maintenance per m <sup>2</sup> GIA	£14.90	£18.73
(iii)	Planned/reactive maintenance split	76%:24%	76% : 24%

**Objective:-** Show split in type of maintenance

**Definition of Planned and Reactive Repairs:-**



**Planned** – If the work is part of a regular routine e.g. removing leaves from gutters, re-decorations, replacing worn out items, routine servicing of plant etc.

**Reactive** – If the work is unexpected e.g. leaking roof, broken toilet seat etc. This would include urgent/critical work identified during routine servicing.


To be classified as planned, you do not necessarily need to have known in advance that you would be arranging the work at a specific point in time but you were aware that work would be needed.

**Comments:-**


Increased annual spend partly reflects a budget contribution for Cenotaph & War memorials.

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PMI 2 A, B & C Environmental Property Issues				
		2012/13	2013/14	2014/15
A	Energy Cost – total spend (£)			
	Energy Total Consumption (kwh)	11,807,588	11,543,580	11,685,424
	Energy Cost per m <sup>2</sup> (£/m <sup>2</sup> )			
	Energy Consumption per m <sup>2</sup>	324.76	317.5	321.4
B	Water Cost – total spend (£)			
	Water Total Consumption (m <sup>3</sup> )	7,930	8,635	Not available yet
	Water Cost per m <sup>2</sup> (£/m <sup>2</sup> )			
	Water Consumption per m <sup>2</sup> (m <sup>3</sup> /m <sup>2</sup> )	0.89	0.97	
C	CO2 Total Emissions (kg CO <sup>2</sup> )	3,265,622	3,141,560	3,194,548
	CO2 total Emissions/m <sup>2</sup> (kg CO <sup>2</sup> /m <sup>2</sup> )	89.82	86.4	87.87
<b>Objective:-</b> To encourage efficient use of assets over time and year-on-year improvements in energy efficiency.				
<b>Definitions:-</b> To reduce environmental impacts of operational property. To highlight areas of poor or mediocre energy and water efficiency/performance and act as a catalyst for improvement. To compliment the process for 'Energy Certificates'. To support the assessment of property performance together with condition and suitability within the framework of Asset Management Planning.				
<b>Comments:-</b> Although generally recognised that energy costs are increasing the effect of this has been offset by a reduction in consumption. This is attributable to energy saving conservation projects which have been adopted but also due to shrinking operations arising from the Transformation process. Consumption figures are always influenced by the weather conditions				

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	<b>Appendix:</b> Property Performance Indicators

<b>PMI 3 A &amp; B: Suitability Surveys (Local Indicator)</b>			
	<b>Mar-13</b>	<b>Mar-14</b>	<b>Mar-15</b>
% of Portfolio by GIA m <sup>2</sup> for which a Suitability Survey has been undertaken in the last 5 years	Not available	Not available	Not available
Number of properties, for which a Suitability Survey has been undertaken over the last 5 years	Not available	Not available	Not available
<b>Objective:-</b> For Local Authorities to carry out Suitability Surveys enabling them to identify how assets support and contribute to the effectiveness of frontline service deliveries i.e. are they fit for purpose.			
<b>Definitions:-</b> To be reported for <b>all</b> operational buildings (excluding Schools) occupied by the Local Authority. To ensure that the property meets the needs of the user. To enable key decisions to be made.			
<b>Comments:-</b> Suitability surveys will be undertaken on a phased basis as and when resources allow.			

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	<b>Appendix:</b> Property Performance Indicators

PMI 4 A, B, C & D: Provision of access to buildings for people with disabilities			
		Mar-14	Mar-15
A	% of Portfolio by GIA sq.m for which an Access Audit has been undertaken by a competent person	80%	80%
B	Number of properties for which an Access Audit has been undertaken by a competent person	37	37
C	% of Portfolio by GIA sq.m for which there is an Accessibility Plan in place	80%	80%
D	Number of properties for which there is an Accessibility Plan in place	37	37
BV 156	% Percentage of authority buildings open to the public in which all public areas are suitable for and accessible to disabled people	84.8%	84.8%
<b>Objective:-</b> To monitor progress in providing access to buildings for people with disabilities.			
<b>Definitions:-</b> To monitor the progress at which Local Authorities carry out access audits. To enable key decisions to be made.			
<b>Comments:-</b> A level of accessibility has now been attained such that further progress with these indices will be difficult to achieve without considerable capital expenditure.			

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	<b>Appendix:</b> Property Performance Indicators

**PMI 5 A & B: Sufficiency (Capacity and Utilisation) Office Portfolio**

		<b>Mar-14</b>	<b>Mar-15</b>
A1a	Operational office property as a percentage (% GIA m <sup>2</sup> ) of the total portfolio	19.33%	19.3%
A1b	Office space per head of population	0.11 sq m	0.11 sq m
A2	Office space as a % of total floor space in operational office buildings using NOS to NIA	78.2%	78.2%
A3a	The number of office or operational buildings shared with other public agencies	1	1
A3b	The % of office or operational buildings shared with public agencies	50%	50%
B1	Average office floor space per number of staff in office based teams (NIA per FTE)	16 sq m	17.6 sq m
B2	Average floor space per workstation (not FTE)	12.13 sq m	12.13 sq m
B3	Annual property cost per workstation (not FTE)	£1162.99	£1162.99

**Objective:-**

To measure the capacity and utilisation of the office portfolio. There is an implicit assumption that services should be delivered in the minimum amount of space as space is costly to own and use. For a similar reason an authority should occupy a minimum of administrative accommodation.

**Definitions:-**

To identify the intensity of use of space.

To assist councils to identify and minimise assets which are surplus or not in use.

To minimise costs of assets (or avoidance of costs from acquiring more space) through intensification of use.

To measure the level of usage.


**Net Internal Area (NIA):** The usable area within a building measured to the internal face of the perimeter walls at each floor level.

**Net Office Space (NOS):** NIA less primary circulation space, civic areas, reception areas, canteen facilities and basement store.


**Full Time Equivalent (FTE):** No of staff based in the building expressed in full time equivalent terms.

**Comments:-**

Recent improvements in occupancy rates, achieved through the Accommodation Review, have deteriorated within the Civic Centre. The lower utilisation rate has arisen from staff reductions; there are now more empty desks throughout the building, highlighting a need for further review to redress the shortfalls.

 <p><b>CARLISLE</b> CITY COUNCIL</p> <p><a href="http://www.carlisle.gov.uk">www.carlisle.gov.uk</a></p>	Asset Management Plan
	<b>Appendix :</b> Property Performance Indicators

PMI 6: Spend		
	Mar-14	Mar-15
Gross Property Costs of the operational estate as a % of the Gross Revenue Budget	2.74%	3.61%
Gross Property Costs per m <sup>2</sup> GIA by CIPFA Categories/Types:	£/m2	£/m2
Schools		
Operational Buildings	31.96	42.07
Community Assets	N/A	N/A
Non-operational Assets	17.47	16.06
<b>Objective:-</b> To measure the overall property costs and changes over time. This will be backed up by a number of local indicators relating to the various elements of buildings.		
<b>Comments:-</b> Total running costs show an increase on last year's figures as a proportion of the total gross revenue budget, this is mainly associated with the increased spend on capital projects such as the refurbishment of the TIC accommodation within the Old Hall.		

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	<b>Appendix :</b> Property Performance Indicators

PMI 7 A, B, C & D: Time & Cost Predictability		Mar-14	Mar-15
A	The % of projects where the actual time between Commit to Design & Commit to Construct is within, or not more than 5% above, the time predicted at Commit to Design	90%	90%
B	The % of projects where the actual time between Commit to Construct & Available for Use is within, or not more than 5% above, the time predicted at Commit to Construct	100%	100%
C	The % of projects where the actual cost at Commit to Construct is within +/- 5% of the cost predicted at Commit to Design	90%	90%
D	The % of projects where the actual cost at Available for Use is within +/- 5% of the cost predicted at Commit to Construct	100%	100%
<b>Objective:-</b> To measure time and cost predictability pre and post-contract. To identify variability through the design and construction phases of the project, with the added flexibility of optional "local" indicators to start the measures at an earlier stage.			
<b>Comments:-</b> A cautious approach is taken to target setting for project timescales. Costs limits are strictly enforced and projects are amended to meet the budget if unforeseeable events result in increases beyond the contingency sum. This is reflected in the indicator result. In respect of (A) the 90% outturn figure reflects the unusually lengthy internal consultation/design process for the Old Fire Station Arts Centre scheme. In respect of (C), the 90% outturn figure reflects that the Old Fire Station Arts Centre tender came in over budget, but after value engineering it was brought in under budget			

**APPENDIX II**

**LOCAL PERFORMANCE INDICATORS**

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**Local Performance Indicators**

Indicator	10/11 Actual	11/12 Actual	12/13 Actual	13/14 Actual	14/15 Target	14/15 Actual	Comments
<b>BV 156</b> Percentage of buildings open to the public suitable for and accessible to disabled people	83.8%	83.9%	84.4%	84.8%	85%	84.8%	A level of accessibility has now been attained such that further progress with these indices will be difficult to achieve without considerable capital expenditure. Improved performance on the remaining buildings will be increasingly difficult to achieve due to capital costs and the nature of the portfolio i.e. Listed Buildings.
<b>MI 931 C1</b> Maximise the occupancy of Council's commercially let business units	88.03%	87.87%	85.92%	82.01%	90%	76.59%	The target going forward remains the same reflecting the unchanged market conditions. The acquisition of a vacant unit plus disposal of a number of relatively well let workshop units, has impacted negatively on this indicator.