

RESOURCES OVERVIEW AND SCRUTINY PANEL

Panel Report

Public

Date of Meeting: 30 August 2012

Title: DRAFT ASSET MANAGEMENT PLAN 2012 - 2017

Report of: DIRECTOR OF RESOURCES

Report reference: RD 32/12

Summary:

The attached Executive Report (RD 27/12) sets out this years revisions to the Asset Management Plan which has been updated to reflect any 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 also reports on the current position and performance of the portfolio, and the Asset Disposal Programme.

Questions for / input required from Scrutiny:

To comment on the content of the Report and the Draft Asset Management Plan.

Recommendations:

The Panel note the Report and Draft Asset Management Plan, make any comments and provide feedback to the Executive, in order to inform the way forward for the Council.

Contact Officer: Raymond Simmons

Ext: 7421

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: RD 27/12



REPORT TO EXECUTIVE

PORTFOLIO AREA: FINANCE, RESOURCES & GOVERNANCE

Date of Meeting: 6 August 2012

Public

Key Decision: Yes

Recorded in Forward Plan: Yes

Inside Policy Framework Yes

Title: Draft Asset Management Plan 2012 – 2017
Report of: Director of Resources
Report reference: RD 27/12

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: It is recommended that:-

The Executive notes the position and approves the updates 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

Contact Officer: Raymond Simmons

Ext: 7421

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

1. BACKGROUND INFORMATION AND OPTIONS

- 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 portfolios), 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 second 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 the 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. REVIEW & UPDATE

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

- 2.1. The Asset Review Business Plan & Disposal Programme – progress on the implementation of the Plan, the impact on the Portfolio and its future management.
- 2.2. Structural changes in the portfolio – the makeup of the operational and non-operational assets, current capital values and rental levels.
- 2.3. Performance of the assets – an update to the National and Local Performance Indicators used to gauge how the Portfolio is doing. This is work in progress.
- 2.4. 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.
- 2.5. 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.

- 2.6. Capital Schemes and Maintenance Budget – where the expenditure is going to sustain, maintain and improve the Portfolio.
- 2.7. Market conditions and the economy – how this will impact on the Portfolio and the delivery of the Disposal Plan.
- 2.8. 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 operational uses.

3. CONSULTATION

- 3.1. Consultation to Date: Internally via the Council's corporate structures and processes.
- 3.2. Consultation proposed: The Draft Plan will go to Resources Overview & Scrutiny Panel on the 30th August for consideration, comment and feedback.

4. RECOMMENDATIONS: It is recommended that:-

- 4.1. The Executive notes the position and approves the updates 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.

5. REASONS FOR RECOMMENDATIONS

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.

6. IMPLICATIONS

- Staffing/Resources – the impact of the Plan on the management capacities needed to run the Council's assets will be subject to further consideration as part of the business change process and restructure of the Portfolio to reflect service requirements, skills and future management changes.
- Financial – 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 2013 /14 to 2017/18.
- Legal – The Asset Management Plan is part of the Council's Budget and Policy Framework and the decision making route is as defined within the body of the report. The Council is entitled to properly manage its assets.

- Corporate – the views of the Senior Management Team are incorporated in this Report and draft plan.
- Risk Management – the Council needs to continuously review and manage its assets to make sure they are sustainable, fit for purpose and meet corporate objectives. Risks will continue to be managed in accordance with the established risk management policy.
- Environmental – the plan monitors the consumption of resources and aims to reduce the use of energy, source renewable supplies and lower emissions of CO².
- Crime and Disorder – no direct or significant impacts.
- Impacts on Customers – public services are delivered from our properties, and income generated from investment assets is used to support these. The use and management of the property resource will affect future service provision.
- Equality and Diversity – no direct impact.

Impact assessments

Does the change have an impact on the following?

Equality Impact Screening	Impact Yes/No?	Is the impact positive or negative?
Does the policy/service impact on the following?		
Age	No	N/A
Disability	No	N/A
Race	No	N/A
Gender/ Transgender	No	N/A
Sexual Orientation	No	N/A
Religion or belief	No	N/A
Human Rights	No	N/A
Social exclusion	No	N/A
Health inequalities	No	N/A
Rurality	No	N/A

If you consider there is either no impact or no negative impact, please give reasons:

The Asset Management Plan concerns the management and use of the Council's Portfolio of property as a resource to meet the business and budgetary needs of the organisation.



Managing property as a resource for the City

ASSET MANAGEMENT PLAN

2012 - 2017

ASSET MANAGEMENT PLAN 2012 - 2017

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1. The Council

Carlisle City Council delivers services to just over 100,000 people and for the year 2012/13 has a net revenue budget of £13.535 million and capital expenditure of £13.099 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 of circa £140 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.

2. The Asset Management Plan and Council Priorities

At the moment the Carlisle City Council Corporate Plan 2011/2012 identifies the Local Environment and the Economy as the two priorities for the Council in the coming years, although this may be subject to future review and modification, with the change in administration which arose following the elections in May.

The Local Environment priority is about improving the quality of the places where people live by tailoring services to a community's needs through an area based approach.

The Economy priority is about growing Carlisle for the future, strengthening its economic position, seeking opportunities for investment, growing the population, providing more homes, and supporting a thriving City Centre and the growth of businesses.

The Council has been undergoing a radical transformation of its organisational structure and service delivery to achieve substantial savings in costs, to reduce the base budget over a 5 year period by £5.4 million.

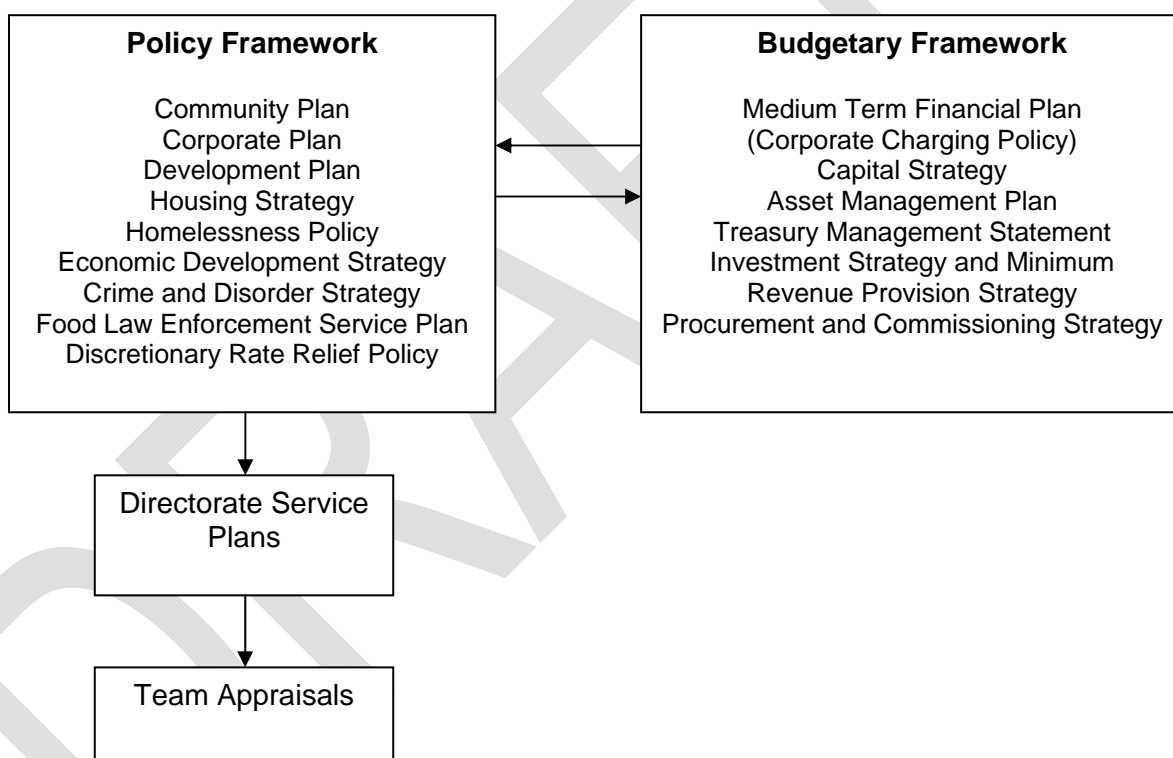
This Asset Management Plan describes how the Council's strategies and policies for its property portfolio will support these priorities and Directorate Service plans. The Plan aims to provide information about the overall performance of the asset base, and how it is being used and reviewed. It also takes account of, and links into, the Council's Medium Term Financial Plan (MYFP) and the Capital Strategy (CS), which provides guidance on the Capital Programme and use of resources.

3. The Council's Approach to Corporate Planning

The Council has a corporate plan that 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 Corporate Plan forms part of the Policy and Budgetary Framework for the Council. These frameworks work together to create the strategic framework.

The following diagram illustrates the relationships between the Policy and Budgetary Frameworks.



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.

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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.

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 Corporate Plan into detailed activities for Directorates and provide a framework for their financial, performance and risk management.

Other Council 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 by the Council. 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 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.

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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. Organisational Framework

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

The framework which has been put in place as part of the recommendations of the Asset Review Business Plan is evolving, as a first step in the transformational review of Directorates the Property Services and Building Services teams have come together within the Resources 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, will be delivered through the Economic Development Directorate. Both Directorates report through the Senior Management Team (SMT) and then on through the normal Council channels.

The terms of reference for SMT are:-

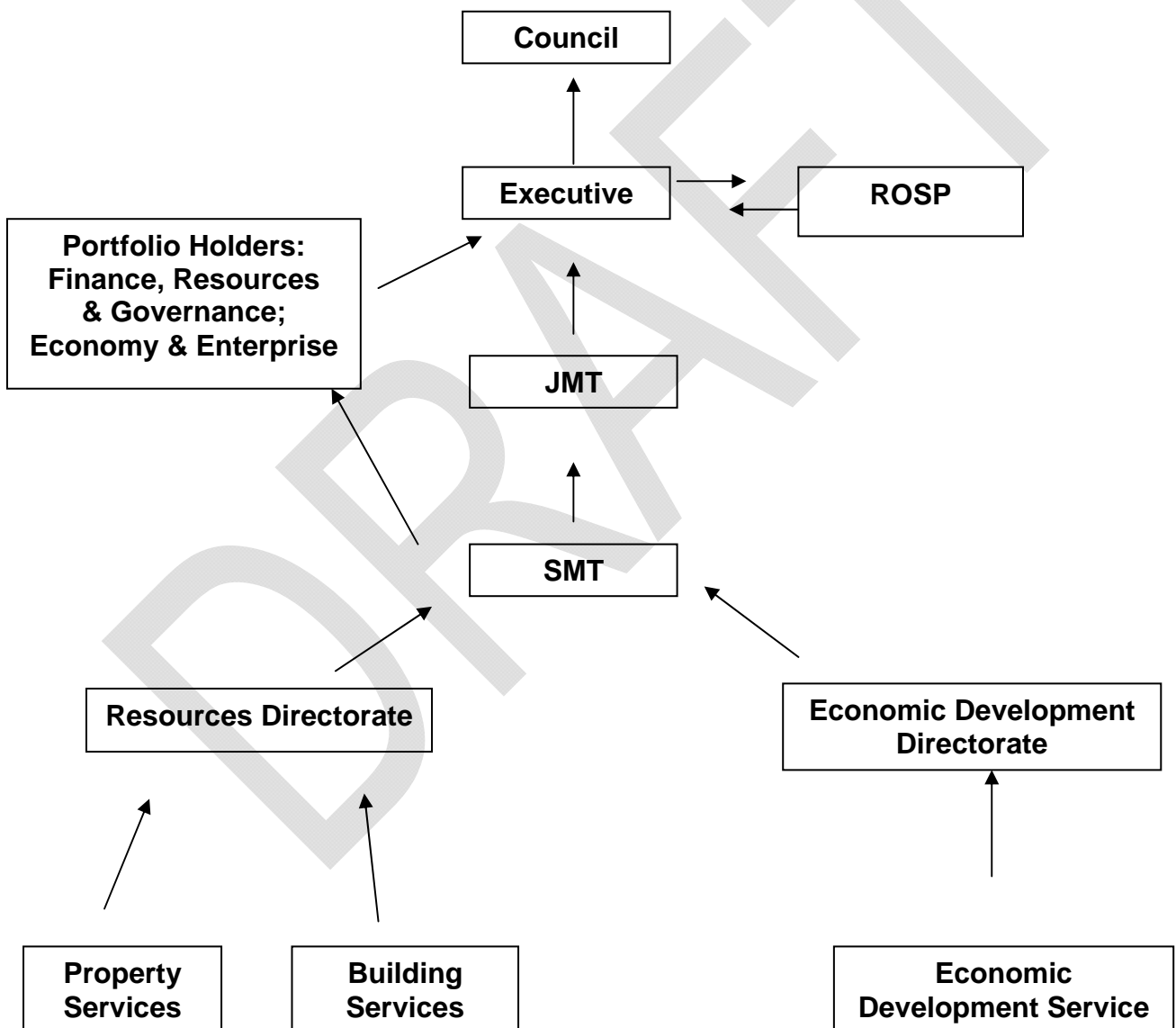
- ◆ To develop and implement corporate policy and best practise in relation to the Council's property assets.
- ◆ To give strategic direction to other corporate officer groups dealing with operational property matters.
- ◆ To ensure co-ordination of reporting and decision making on strategic matters relating to property.

SMT meets bi-weekly and membership comprises the Town Clerk & Chief Executive, the Deputy Chief Executive, and the Directors of Resources, Governance, Economic Development, Community Engagement and Local Environment.

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The work of SMT reports through the Council's formal channels to Joint Management Team (JMT), the two Portfolio Holders for Finance, Resources and Governance, and Economy and Enterprise, the Executive, Resources Overview and Scrutiny Panel (ROSP), and finally Full Council.

ORGANISATIONAL & REPORTING STRUCTURE



5. Corporate Asset Objectives

Aim

- To set out the Council's policy on the use of assets in order to have a flexible approach to asset ownership and 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.
- To develop a planned approach to the management of the Council's assets linked to corporate priorities.

Objectives

1. To identify all property which the Council owns or uses, compile accurate records, establish its value and the function it performs. Maintain and continually update this information to enable decision making and support to the Council.
2. To make services aware of the costs of occupying property, maximising the use of the asset base to enable efficiency savings, and increasing rental income.
3. To effectively respond to the changing property requirements of service delivery improvements.
4. To provide a transparent basis for property investment decisions, through the Capital Programme, and to have a planned approach to the management of the Council's assets, aligned to corporate objectives.
5. To ensure a healthy and safe environment for property users, promoting improved standards, sufficiency and suitability across the portfolio.
6. To apply "Green Design" principles to construction, refurbishment and maintenance projects and encourage environmentally sustainable management of operational properties.
7. To 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).

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8. To promote community and partnership use of assets.
9. To link into and contribute to the Council's Medium Term Financial Plan and Capital Strategy.
10. To provide sustainable planned maintenance programmes for a 5-year period.

Delivery

- To develop a planned approach through:-
 - Links to corporate priorities.
 - Carrying out condition surveys
 - Meeting Disabled Discrimination Act requirements.
 - Health and Safety risk assessments.
 - Benchmarking & performance measurement.
- Improving asset management to:-
 - Identify "expensive "and "obsolete" assets.
 - Identify surplus assets.
 - Identify changes to asset requirements, e.g. shared services and home working.
 - Improve energy efficiency, use renewable sources and set targets for carbon reduction.
 - Identify improvements to assets or the asset base to enhance service delivery.
 - Ensure assets are "fit for purposes" and "sustainable".
 - Identify investment opportunities to improve income yields.

6. Performance Monitoring and Measurement

The Council will manage and monitor the use of its property resources to ensure the portfolio meets the objectives set and delivers performance improvements linked to corporate and service objectives. The Council, using the 'Covalent system' overseen by Policy and Communications, manages and monitors performance indicators.

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

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The Council's performance framework continues to review performance and seek the development of SMART indicators which will effectively measure the contribution property makes to the achievement of corporate objectives set out in the Corporate Plan in the priority areas of Local Environment & Economy.

New data capture procedures have been established and an annual exercise is now undertaken to collect property information in order to measure performance and these are contained in the suite of Performance Indicators (PI's) set out in Appendices I and II of this Plan. The use of PI's has allowed the Authority to improve the monitoring of asset performance, illustrate improvements, identify shortcomings and could provide an opportunity to benchmark with other Authorities.

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. The OEP Report also strongly recommends 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) which is set out in Appendix I. These indices measure property condition, maintenance backlog and expenditure, the cost of energy, water and CO₂ emissions, accessibility and space utilisation. Suitability surveys and assessments on the operational portfolio haven't 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; these are shown in Appendix II, which additionally measure occupancy rates for the let estate and disability access to our buildings.

7. Policy and Strategy

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 service property will be efficient and effective in supporting delivery of the Council's priorities.
- The Council will occupy freehold property where appropriate.
- The Council will hold leasehold property only when necessary to deliver accommodation required on a flexible basis, or when freehold is not available.
- The Council will develop partnership working with other local authorities, public sector bodies, the community and voluntary sector to co-locate and share services.
- Investment in property will only be made following the consideration of a detailed business case and options appraisal which includes the revenue implications over its useful life (ie whole life costing).
- The following policy principles are to be applied to enable delivery of the service property strategy:

Investment Principles

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

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

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

The following policy principles are to be applied to enable delivery of the non-operational property strategy:

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

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 are to be applied to enable delivery of the surplus property strategy and the generation of annual capital receipts of £680,000 in 2012/13, and £460,000 in 2013/14 and £260,000 in 2014/15, in line with the Capital Strategy and Medium Term Financial Plan. Note additional receipts from the Asset Review Business Plan Disposal Programme are considered separately in this document and the MTFP.

Surplus Property

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.

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 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.

The following policy principles should be applied to enable delivery of the property acquisition strategy:

Property Acquisition

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

The overall amount available for distribution to Local Government is determined by the Government's Spending Review. The last review in 2009 (CSR09) is committed to: -

"Delivering a step change in the management of the public sector asset base".

More specifically, the spending review focuses on the condition and management of the public asset stock as a basis for looking at investment decisions. The aim is to maximise value from assets through:

- Disposing of assets no longer required for service delivery.
- Improving the management and utilisation of retained assets.
- Basing future investment 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 CSR09 takes forward the conclusions of the SNR.

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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.

Although the recent structural changes to local government in England have not brought about a change in governance in local areas in Cumbria, there remains an impetus to increase levels of joint working, to improve the efficiency of service delivery and share accommodation.

The Government is also promoting the community management and ownership of public sector assets, acting on the recommendations of the Quirk Review. It believes that community asset transfer can form part of a strategic approach to the use of local authority assets and that it is an important factor in enabling community organisations to be sustainable.

The Government recently 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 has been developed with support from the Carbon Trust. Along with other Cumbrian Authorities the Council has set an aspirational target of reducing by 25% carbon emissions from its buildings, street lighting and transport related functions by April 2013, against a 2007/08 baseline of 6,306 tonnes of carbon. Buildings account for 74% of the carbon baseline. The data received up to the end of March 2012 indicates that significant progress has been made towards this target.

9. The Resource Context: Key Line of Enquiry

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.

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From 2005 – 2008, the assessment of “*how well the Council manages its asset base*” was assessed as part of the Financial Management Key Line of Enquiry (KLoE). The last scored assessment under this regime was in 2008 when, for the management of its asset base, the Council achieved a score of 3 (Performing Well).

From 2009 the approach to the assessment and scoring of the KLoEs changed. Under the theme of Managing Resources, KLoE 3.2 considered “*how well the organisation manages its assets effectively to help deliver its strategic priorities and service needs*”. With the changes in national Government which arose in 2010 the Comprehensive Area Assessment (CAA) framework for measuring the use of resources was discontinued.

However, despite this the Asset Management Plan must still demonstrate a Council-wide approach to managing assets as a corporate resource, with the focus on using its 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 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.

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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. 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” of a few years ago, 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.

Demand has fallen in all sectors, capital and rental values have decreased. The residential and commercial investment markets, although showing signs of stabilising, still face difficult and uncertain times ahead. These downward trends in the market have undoubtedly affected the Council's portfolio, and will influence what we can do, and the way we do it, in the forthcoming years. The capital value of the portfolio has remained roughly static at around £140 million (2012). There has been some upward and downward movement in values for particular assets but, overall this has balanced out to leave the position year on year unchanged. The makeup of the investment portfolio is quite resilient but, rental income has fallen by £250,000 (5%) over the short term. This mainly arises from the retail part of the portfolio, which has recently shown faint signs 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.

The generation of capital receipts may be more problematic in the future the longer the downturn in the market, particularly the residential sector, persists.

11. The Existing Portfolio and Current Performance

Asset Value as at 31 March 2012.

	Operational assets		Non operational assets		Total
	Community Assets	Land & Buildings	Investment	Surplus	
No of assets	62	75	62	3	202
Total income	£26,000	£354,000	£4,438,000	Nil	£4,818,000
Capital value	-	£36,678,000	£102,033,000	£1,215,000	£139,926,000
Capital Expenditure	£211,711	£1,015,473	£535,535	-	£1,762,719
Asset Reserve		-	£365,000	£550,000	£915,000
Maintenance backlog		£3,309,425	£2,000,000	-	£5,309,425

NB The total capital spend in 2011/12 was £5.8 million. However this did not all relate to property assets, £1.7 million was Revenue Expenditure Funded from Capital Under Statute which included capital works on assets which are not owned by the Council.

The figure for the maintenance backlog on the operational buildings in the portfolio is based on a costed 5 year plan derived from a rolling programme of Condition Surveys. The figure has increased by around £450,000 since last year.

1. A significant part of this increase has been a result of the maintenance requirements for the Enterprise Centre increasing due to a new requirement for improvements in the energy efficiency of leased property under the Energy Performance of Buildings Directive. The directive states that from April 2018, all residential and commercial properties that have an Energy Performance Grade of F or G will be, by law, unable to be marketed for rent or sale. The cost of improving the Enterprise Centre to meet this requirement has been built into the 5 year plan.
2. Recent severe weather has highlighted problems with roof coverings and drainage and additional replacement work has been added to the plan as a result.

3. A programme of electrical testing has identified requirements to upgrade electrical installations, increasing the backlog figure.

The figure for 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.

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12. Maintenance Backlog

	11/12	12/13	13/14	14/15	15/16
Total Revenue Budget	£643,152	£700,000	£700,000	£700,000	£700,000
Capital Schemes Special Projects	£577,357	£300,000	£300,000	£300,000	£300,000
Ratio Planned: Reactive Maintenance	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 the operational assets. There is a maintenance backlog; currently £3.31m 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 5 year programme of planned and reactive maintenance on 5th April 2012 (report reference RD97/11). In condition category terms the split is as follows:-

Condition Category (as a % of Gross Internal Area Operational Property)	Sustainable Criteria
A. (Excellent) 49%	Yes
B. (Good) 33%	Yes
C. (Mediocre) 13%	Review
D. (Poor) 5%	No

Improvements in the operational portfolio are mainly due to improvements to Greystone & Raffles Community Centres along with the demolition of the roadside building at Bousteads Grassing.

ASSET MANAGEMENT PLAN 2012 - 2017

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. Significant investment in Tullie House has resulted in the target of 20% reduction in energy consumption being achieved. A scheme to generate electricity from solar pv modules at the Civic Centre and Sands Centre has recently been completed which will reduce electricity purchase by around 5% and make a significant financial contribution from the feed-in tariff. The merits and feasibility of a Hydro scheme is being investigated on the Caldew at Denton Holme. New boilers have been installed in the Civic Centre.

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. This programme is required to meet those duties. Report (RD 97/11) was presented to the Executive on the 5th April 2012 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 2012/13 has been allocated as follows:-

ASSET MANAGEMENT PLAN 2012 - 2017

PROJECT	COST	PRIORITY
Civic Centre - Rewiring and refurbishment of Floor 1 and Civic areas	£120,000	Health and Safety / Energy Conservation
Tullie House – Re-covering of flat roof area and replacement of glazed lantern light over special exhibition area	£85,000	Business Case/ Conservation
Guildhall Museum –Replacement of cement render with lime render, repairs Fisher Street elevation	£10,000	Conservation
West walls – Stone repairs and re-pointing of historic city wall	£10,000	Conservation
Morton Community Centre – Replacement of boilers	£30,000	Business Case/Energy conservation
Carlisle Crematorium – Re- covering of flat roof	£20,000	Health and Safety / Business case
Various Properties – Fixed wiring tests and rewiring	£25,000	Health and Safety
TOTAL	£300,000	

13. 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 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.

ASSET MANAGEMENT PLAN 2012 - 2017

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.

Accommodation Review

An Accommodation Review is underway as an integral part of the Transformation Programme to review corporate accommodation, both back office and front public facing service delivery properties. This will comprise a comprehensive analysis of accommodation needs and the existing provision, explore future solutions and implement 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 take 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;
- Efficient and effective accommodation for all Council staff & operations;
- Consolidate office staff and functions into the Civic Centre;
- Maximise usage of occupied accommodation and deliver efficiencies;
- Maximise potential revenue streams;
- Identify and meet target capital receipt savings and income

ASSET MANAGEMENT PLAN 2012 - 2017

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 the operational, investment and economic development assets.
- Fewer higher value assets which will give a better yield and 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 will continue to be attractive to tenants and occupiers.
- Increased returns through higher income and lower outgoings.

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

1. Operational Assets – properties that are needed in order to carry out the Council's day to day business and deliver services or are required and 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 – properties that are 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 – properties where the sole function is 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 will take place within the context of the Transformation Programme.

Disposal Programme

The Business Plan recognises that the current Investment portfolio needs 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 of £1m 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. Overall the returns show an increase of approximately 18% (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. Note the Morton Site, anticipating a receipt following the grant of outline planning consent in excess of the Business Plan estimate, has been included in the 2012/13 budget at a figure of £15m.

Reinvestment Options:

The Business Plan envisages capital receipts will be used to generate £1 million additional revenue and support purchases in the economic development and operational property portfolios.

Opportunity purchases have recently been completed to consolidate the Council's ownership and land holdings in Rickergate with the acquisition of 4 and 9 Warwick St and adjoining car parking.

The Morton disposals, paramount to the disposal programme, are progressing. The Executive's 2012/13 budget resolved that a £15 million Treasury Management investment is transacted whilst the longer term options for the proceeds of sale are determined, including option appraisals for paying off a £15 million stock issue in 2020.


14. 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.
6. 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


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 <p>CARLISLE CITY COUNCIL www.carlisle.gov.uk</p>	Asset Management Plan		
	Appendix : Property Performance Indicators		
COPROP Property Management Initiative Property Performance Indicators (PMI's)			
<u>PMI 1A: % gross internal floor-space in condition categories A- D</u>			
	<u>Mar-10</u>	<u>Mar-11</u>	<u>Mar-12</u>
(a) Schools:			
Good condition (category A)	n/a	n/a	n/a
Satisfactory condition (category B)	n/a	n/a	n/a
Poor condition (category C)	n/a	n/a	n/a
Bad condition (category D)	n/a	n/a	n/a
(b) Other Land & Buildings:			
Good condition (category A)	42.4%	46.1%	49.1%
Satisfactory condition (category B)	36.4%	31.8%	32.6%
Poor condition (category C)	12%	17.2%	12.8%
Bad condition (category D)	9.2%	4.9%	5.5%
(c) Community Assets:			
Good condition (category A)	n/a	n/a	n/a
Satisfactory condition (category B)	n/a	n/a	n/a
Poor condition (category C)	n/a	n/a	n/a
Bad condition (category D)	n/a	n/a	n/a
(d) Non-operational assets:			
Good condition (category A)	0%	0%	0%
Satisfactory condition (category B)	19%	19%	38.3%
Poor condition (category C)	6%	6%	0%
Bad condition (category D)	75%	75%	61.7%
Objective:- To measure the condition of the asset for its current use			
Definitions:- A: Good – Performing as intended and operating efficiently B: Satisfactory – Performing as intended but showing minor deterioration C: Poor – Showing major defects and/or not operating as intended D: Bad – Life expired and/or serious risk of imminent failure			

Comments:-

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. Improvements in the operational portfolio are mainly due to improvements to Greystone & Raffles Community Centres along with the demolition of the roadside building at Bousteads Grassing. The improved performance of the non-operational portfolio is due to the disposal of surplus investment assets.

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	Appendix : Property Performance Indicators

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 m² GIA

	Mar-10		Mar-11		Mar-12	
	£	%	£	%	£	%
(a) Schools						
Urgent repairs (priority 1)	n/a					
Essential repairs (priority 2)	n/a					
Desirable repairs (priority 3)	n/a					
Total	n/a					
Overall Cost per m ² GIA	n/a					
(b) Other Land & Buildings						
Urgent repairs (priority 1)	561,750	14	295,840	12.5	397,800	16
Essential repairs (priority 2)	3,287,340	82	1,667,350	70.2	1,684,900	68
Desirable repairs (priority 3)	145,100	4	411,375	17.3	385,725	16
Total	3,994,190		2,374,565		2,468,425	
Overall Cost per m ² GIA	89.27		45.47		49.94	
(c) Community Assets:						
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 ² GIA	n/a		n/a		n/a	
(d) Non-operational Assets:						
Urgent repairs (priority 1)	0		5850	1.2	0	
Essential repairs (priority 2)	466,800	100	463,150	98.6	841,000	100
Desirable repairs (priority 3)	0		900	0.2	0	
Total	466,800		469,900		841,000	
Overall Cost per m ² GIA	70.14		70.29		138.82	

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.


Desirable work 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:-

The indices show a rise in the proportion of priority 1 repairs which reflects re-wiring work following testing and problems experienced recently with flooding due to extreme weather conditions.

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 increase noted to the Non-operational assets is primarily due to the previously mentioned energy efficiency improvements required to the Enterprise Centre.

ASSET MANAGEMENT PLAN 2012 - 2017

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	Appendix: Property Performance Indicators

PMI 1C: Annual Percentage change to total required maintenance figure over previous year

	Mar-12
Total Required Maintenance	3,309,425
Annual % Change in total required maintenance from previous year	16%

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 maintenance liability figure is showing an increase of 16%, mainly as a result of the increased maintenance liability at the Enterprise Centre due to requirements arising from the changes in energy performance regulations being built into the 5 year plan.

PMI 1D: Maintenance Spend

		2010/11	2011/12
(i)	Total spend on maintenance	997,500	1,200,514
(ii)	Total spend on maintenance per m ² GIA	16.93	£20.54
(iii)	Planned/reactive maintenance split	74% / 26%	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.

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PMI 2 A, B & C Environmental Property Issues				
		<u>2009/10</u>	<u>2010/11</u>	<u>2011/12</u>
A	Energy Cost – total spend (£)			
	Energy Total Consumption (kwh)	12,977,135	12,863,493	11,008,581
	Energy Cost per m ² (£/m ²)			
	Energy Consumption per m ²	332.50	329.60	282.08
B	Water Cost – total spend (£)			
	Water Total Consumption (m ³)	13575	12593	12003
	Water Cost per m ² (£/m ²)			
	Water Consumption per m ² (m ³ /m ²)	0.63	0.58	0.55
C	CO2 Total Emissions (tonnes CO ²)	3892.14	3820.62	3321.52
	CO2 total Emissions/m ² (Tonnes CO ² /m ²)	0.0997	0.0979	0.0851
<p>To encourage efficient use of assets over time and year-on-year improvements in energy efficiency.</p>				
<p>Definitions:- 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.</p>				
<p>Comments:- Although generally recognised that energy costs are increasing, this has been balanced by a reduction in consumption. This is a result of energy conservation projects but also due to shrinking of operations due to the Transformation.</p>				

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	Appendix: Property Performance Indicators


PMI 3 A & B: Suitability Surveys (Local Indicator)			
	<u>Mar-10</u>	<u>Mar-11</u>	<u>Mar-12</u>
% of Portfolio by GIA m ² 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
<p>Objective:- To Local Authorities to carry out Suitability Surveys enabling them to identify how assets support and contribute to the effectiveness of frontline service delivery i.e. are they fit for purpose.</p>			
<p>Definitions:- To be reported for all 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.</p>			
<p>Comments:- Suitability surveys will be undertaken on a phased basis as and when resources allow.</p>			

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	Appendix: Property Performance Indicators


PMI 4 A, B, C & D: Provision of access to buildings for people with disabilities			
		Mar-11	Mar-12
A	% of Portfolio by GIA sq.m for which an Access Audit has been undertaken by a competent person	67.5%	73.72%
B	Number of properties for which an Access Audit has been undertaken by a competent person	30	33
C	% of Portfolio by GIA sq.m for which there is an Accessibility Plan in place	67.5%	73.72%
D	Number of properties for which there is an Accessibility Plan in place	30	33
BV 156	% Percentage of authority buildings open to the public in which all public areas are suitable for and accessible to disabled people	83.8%	83.9%
<p>Objective:- To monitor progress in providing access to buildings for people with disabilities.</p>			
<p>Definitions:- To monitor the progress at which Local Authorities carry out access audits. To enable key decisions to be made.</p>			
<p>Comments:- Year on year PI remains relatively static. The slight improvement is due to a higher proportion of non-compliant properties being disposed of. A level of accessibility has been obtained such that further progress with these indices will be very difficult to achieve without considerable capital expenditure.</p>			

ASSET MANAGEMENT PLAN 2012 - 2017

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PMI 5 A & B: Sufficiency (Capacity and Utilisation) Office Portfolio			
		<u>Mar-11</u>	<u>Mar-12</u>
A1a	Operational office property as a percentage (% GIA m ²) of the total portfolio	20.8%	20.9%
A1b	Office space per head of population	0.12 sq m	0.11 sq m
A2	Office space as a % of total floor space in operational office buildings using NOS to NIA	78%	78%
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)	13.69 sq m	15.67 sq m
B2	Average floor space per workstation (not FTE)	10.87 sq m	10.87 sq m
B3	Annual property cost per workstation (not FTE)	£995.64	£1028.21
<p>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.</p>			
<p>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.</p>			
<p>Comments:- Recent improvements arising from the accommodation review have been overtaken by reductions in staff resulting in empty desks throughout the building and lower utilisation rates as a consequence.</p>			

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PMI 6: Spend	Mar-11	Mar-12
Gross Property Costs of the operational estate as a % of the Gross Revenue Budget	2.8%	2.5%
Gross Property Costs per m ² GIA by CIPFA Categories/Types:	£/m ²	£/m ²
Schools		
Operational Buildings	43.74	35.10
Community Assets	N/A	N/A
Non-operational Assets	12.54	16.78
<p>Objective:- 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.</p>		
<p>Comments:- Shows slight overall improvement over last year as a proportion of the total revenue budget. Non-operational costs reflect increased costs associated with the Enterprise Centre.</p>		

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	Appendix : Property Performance Indicators

PMI 7 A, B, C & D: Time & Cost Predictability		Mar-11	Mar-12
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	100%	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	100%	100%
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%
<p>Objective:- 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.</p>			
<p>Comments:- 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.</p> <p>In respect of (A) the 90% reflects that 1 scheme, namely Kingstown Industrial Estate road refurbishment, did not meet the target as enhanced design criteria changes delayed the process.</p>			

APPENDIX II

LOCAL PERFORMANCE INDICATORS

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Local Performance Indicators

Indicator	08/09 Actual	09/10 Actual	10/11 Actual	11/12 Target	11/12 Actual	12/13 Target	Comments
BV 156 Percentage of buildings open to the public suitable for and accessible to disabled people	81.81%	82%	83.8%	85%	83.9%	85%	Improved performance on the remaining buildings will be difficult to achieve due to capital costs and the nature of the portfolio i.e. Listed Buildings.
MI 931 C1 Maximise the occupancy of Council's commercially let business units	90.53%	87.96%	88.03%	90%	87.87%	90%	The target remains the same reflecting the unchanged market conditions.

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