

## CITY OF PLYMOUTH

**Subject:** Corporate Asset Management Plan

**Committee:** Cabinet  
Overview & Scrutiny Management Board

**Date:** Cabinet - 9 February 2010  
Overview & Scrutiny Management Board  
- 15 & 17 February 2010

**Cabinet Member:** Councillor Bowyer

**CMT Member:** Director for Corporate Support

**Author:** Chris Trevitt

**Contact:** 5441

**Ref:** Part 1

---

### Executive Summary:

The attached report is the City Council's update of the Asset Management Plan.

The Asset Management Plan timetable has been revised to the end of 2015 due to the effect of the current economic downturn. This will be reviewed during the next twelve months.

Asset Management is now part of the Capital & Assets Service formed in the autumn of 2009 and sits with the Finance, Assets and Efficiencies Department of the Corporate Support Directorate. This service is a key vehicle for assisting the organisation to deliver on the key corporate improvement priorities identified in the Corporate Plan 2010-2013. This plan demonstrates where we are now, what progress has been achieved to date and where we intend to be with the property estate by the end of 2015.

The Capital Programme and Capital Strategy is included as an appendix to the plan as this information now forms part of the separate budget report.

---

**Corporate Plan 2009-2012:**

The Asset Management Plan supports the Corporate Improvement Priorities identified enabling the Council to deliver an excellent service to the community. In addition it supports the City's 4 visionary goals as established through the Local Strategic Partnership.

---

**Implications for Medium Term Financial Plan and Resource Implications:  
Including finance, human, IT and land**

The Asset Management Plan identifies how the maintenance backlog is being dealt with and the future strategy for rationalisation of the corporate property estate.

---

**Other Implications: e.g. Section 17 Community Safety, Health and Safety, Risk Management, Equalities Impact Assessment, etc.**

The Asset Management Plan deals with issues regarding accessibility, health & safety and equality in respect of the corporate building estate.

---

**Recommendations & Reasons for recommended action:**

It is recommended that the Asset Management Plan is approved.

---

**Background papers:**

Asset Management Plan February 2010 update.

---

**Sign off:**

Fi n	<b>MC 0910 .017</b>	Leg	<b>LT 1095</b>	HR	N/A	Corp Prop	CJT/045 /290110	IT	N/A	Strat Proc	N/A
Originating SMT Member:											

## **Corporate Asset Management Plan**

**2005-2015 (incorporating Capital Programme for 2010/11-2014/15)**



**A plan for making the best use of our assets to achieve our Corporate Objectives and support service delivery**

**Plymouth City Council**

**February 2010 Update**



## CONTENTS

	<b>Page</b>
<b>Corporate Asset Management Plan for 2005-2010</b>	
1.0 Introduction	3
2.0 Vision for the Service	6
3.0 Current property portfolio	7
4.0 Where we intend to be and the link with Corporate Priorities	11
5.0 How we will achieve our objectives	17
6.0 Organisation arrangements and consultation	26

## APPENDICES

1	Capital Programme & Strategy 2010-2015
---	--

## SECTION 1

### Corporate Asset Management Plan for 2005-2015 (February 2010 Update)

**Responsible Officer** – Chris Trevitt, Head of Capital and Assets

**Telephone:** 01752 305441

**E-Mail:** [chris.trevitt@plymouth.gov.uk](mailto:chris.trevitt@plymouth.gov.uk)

This year's Asset Management Plan has been written as an update to our 2009 Plan.

The 2008 Plan remains the basis of our strategy for land, property and use of Capital. However, the current economic conditions, a reduction in resources and re-prioritisation against the Corporate Plan has meant that similarly to last year we are adjusting some of our key outcomes in order to recognise changes in time and current circumstances, whilst still aiming for the original overall outcome.

As 2010 is the mid-point of the 10 year plan issued in 2005, it is intended to carry out a wider review of the original aims, and objectives of the 2005 plan during the coming year with the intention to issue a revised plan at the end of the calendar year.

This review will take account of changing Council priorities and economic conditions and propose revised initiatives for the Councils property in response.

## 1. Introduction

The Plymouth 2020 local strategic partnership has a shared vision of making Plymouth “One of Europe’s finest, most vibrant waterfront cities, where an outstanding quality of life is enjoyed by everyone” by 2020.

To achieve this shared vision the partners have agreed to focus their priorities around four themed areas aimed at making the city healthy, wealthy, safe and wise. The diagram below shows how the vision for the city is being delivered through theme groups and supported by the partnership.

Partners have their own visions and strategies that ultimately aim to deliver that shared vision for the city. Plymouth City Council’s vision is to deliver excellent local services to Plymouth residents and has set itself the goal of becoming an “excellent” authority by 2012.



## **Priorities for achieving excellence**

The Council has identified 14 key priorities to help achieve excellence and the shared vision for the city. These are organised under the three themes of improving our customers' experience, improving our city and improving our Council. The priorities are:

### **Improving our Customers' experience**

- Improving customer service
- Involving and informing customers

### **Improving our City**

- Helping people to live independently
- Reducing inequalities between communities
- Providing better and more affordable housing
- Providing more culture and leisure activities
- Keeping children safe
- Improving skills and educational achievement
- Developing high quality places to learn in
- Disposing of waste and increasing recycling
- Improving ease of travel across the city
- Attracting jobs and investment

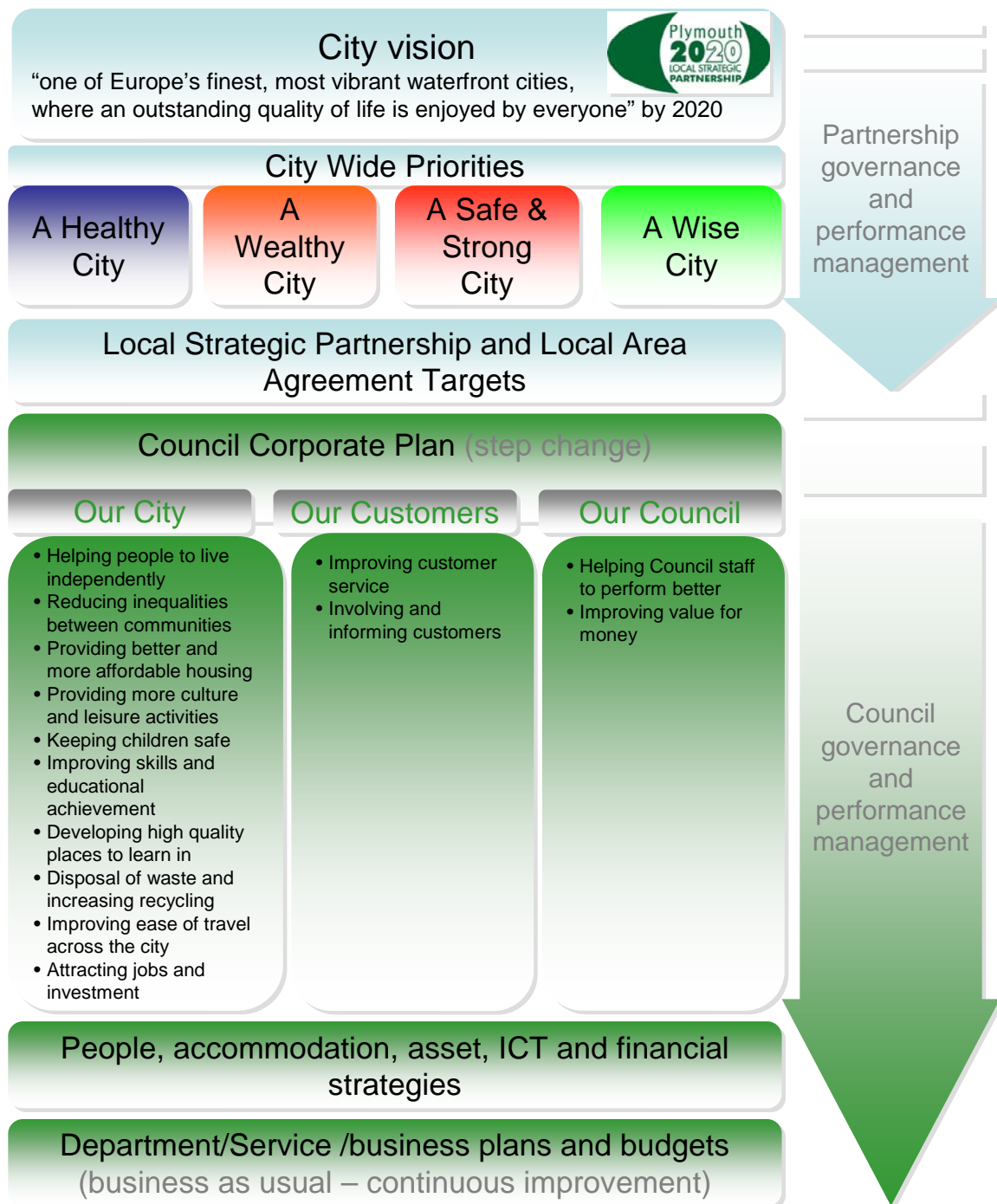
### **Improving our Council**

- Helping Council staff to perform better
- Providing better value for money.

Focusing on achieving these priorities will enable the Council to achieve high levels of customer satisfaction and reach – and retain – a Comprehensive Area Assessment rating

of “excellent”. The Council’s planning and budget setting for financial year 2009/2010 and beyond has been developed on the basis of focusing on these priorities.

The diagram below illustrates the relationship between the city’s goals, the Council’s Corporate Improvement Priorities and the support required from the Asset Management Plan & Capital Strategy:





## **2.0 Vision for the Service**

### **2.1 Corporate Asset Policy – Mission Statement**

The key drivers for establishing a corporate asset policy are:

- Responsiveness to community needs and local development
- Realising surplus assets and maximising the value of those assets
- Alignment with Government efficiency programmes
- Relieving pressure on Council Tax

After salaries, the cost of occupying property is the next highest cost for the Council. Release of surplus assets not only generates a capital receipt to build reserves but also provides revenue savings through reduced energy, maintenance and facilities management costs.

### **2.2 Scope of this Plan - Objectives**

This Corporate Asset Management Plan seeks to set out the broader strategy for the estate, in tackling the need to grasp the underlying issues and then manage the Estate to enhance its value by:

- Maximising capital value
- Maximising income from the Property Portfolio
- Releasing latent value in surplus property for reinvestment
- Rationalising poor performing assets and those which are a liability by targeting areas of high backlog maintenance and high management costs with no value added in achieving corporate objectives.
- Adhering to the maintenance strategy for prioritisation and expenditure of centralised revenue maintenance budgets.
- Ensuring cross - service opportunities are not missed.

- Ensuring facilities are in a condition appropriate to use and need, safe and compliant with legislation, suitable and sufficient for the services delivered.
- Gathering, maintaining and updating information on the size, value, condition, suitability and sufficiency of property holdings
- Emphasising the importance of facilities management in estate management

### 3.0 Current Property Portfolio

In 2008 we outlined the scope and state of our property holdings.

The tables below summarise our current position:

#### 3.1 Table 1 – Plymouth City Council Estate – 2010

Properties	Number
Admin, Offices	17
Schools/Colleges	86
Youth & Community Centres	15
Libraries	16
Social Services Centres	18
Parks & Open Spaces (including playgrounds)	254
Playing Fields	26
Allotments	31
Museums	3
Sports Complexes and Swimming Pools	7
Car Parks	74
Public Conveniences	34
Theatres	2
Cemeteries/burial grounds	3
Waste Management Centre	2
	<b>Tenancies</b>
Commercial Property Interests	Circa 1,800

There are a mixture of management arrangements in place for the estate, with delegated maintenance budgets still in place for schools / colleges, parks and open spaces, allotments, car parks, public conveniences and waste management facilities.

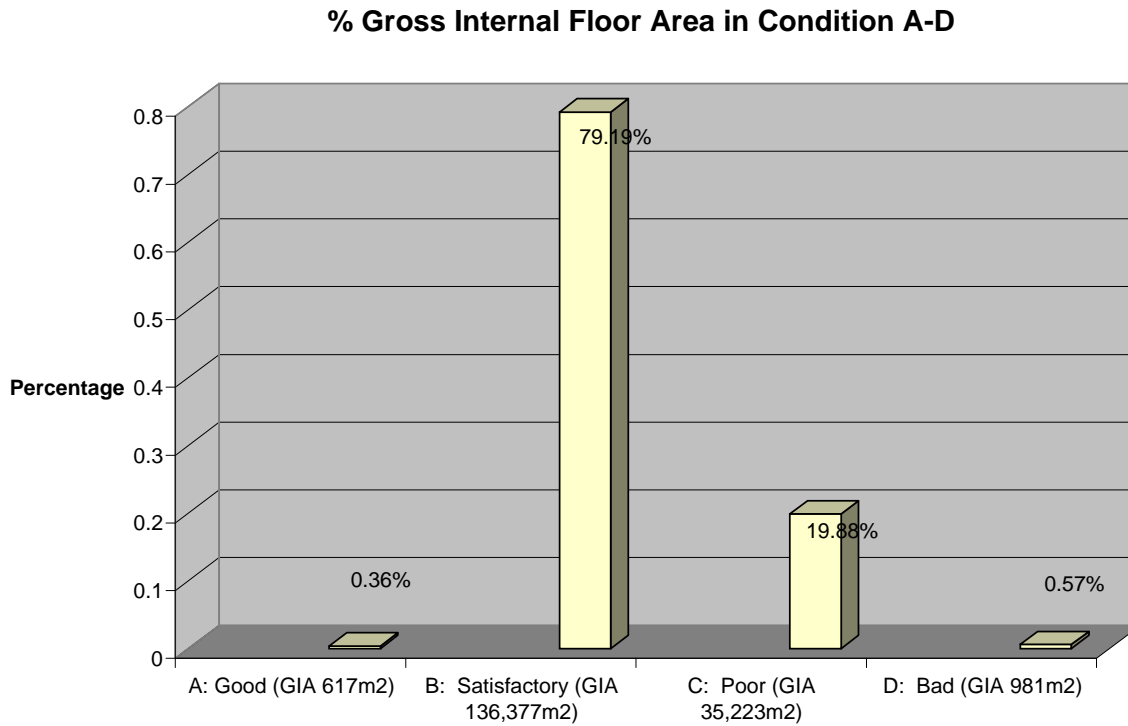
### **3.2 Condition & Backlog Maintenance.**

Maintenance of much of the estate is now managed in accordance with the Council's Maintenance Strategy, issued in 2007 and via centralised revenue maintenance budgets adopted since April 2008.

Detail of the overall condition and backlog maintenance levels are given below:

Condition A: Good	Condition B: Satisfactory
Condition C: Poor	Condition D: Bad
GIA = Gross Internal Area	

Table 2:- Percentage of Gross internal floor area in condition A – D



As can be seen from the table above, 79.19% of our property is in a satisfactory condition a decrease from 79.92% last year. 19.88% is in a poor condition an increase from 18.98%. 0.57% is in a bad condition an improvement from 0.70% last year and 0.36% that is in a good condition a decrease from 0.41% last year.

Table 3:- Total backlog maintenance of properties in condition grade A to D



The total figure of £28.78million above represents the current backlog maintenance of the estate at the time of publication and excludes schools. School backlog maintenance information is given in section 5.2. This figure is up from £24.82million at this point last year. There are a number of reasons for this. Progress on reduction of backlog maintenance has been low due to centralised maintenance budgets being insufficient to implement fully the planned maintenance programme, the state of the property market frustrating the disposals programme and original condition surveys first carried out in 2004 being re-surveyed. The five yearly review revises, due to inflation, provides condition issues not dealt with and also picks up any further deterioration since the last survey. As a result allowance has been made in the revenue budgets increased maintenance budgets for the next three years. This should enable inroads to be made into the backlog figure, together with improvements in the property market and implementation of the accommodation strategy which will reduce office requirements.

Key projects such as the others within new leisure facilities in Central Park along with the capital programme, disposals and further asset rationalisation will see a reduction in the backlog maintenance by approximately £11.32 million by 2014. This will help to reduce the backlog to £17.46 million over the next 4 years to 2014 with further reductions being achieved through the implementation of the maintenance strategy as described above.

## 4.0 Where we intend to be and the link with Corporate Priorities

### 4.1 Corporate Planning Framework

A clear hierarchy of plans exists in Plymouth, all resourced by the Medium Term Financial Plan (MTFP). Plymouth's Performance Plan exists within a framework and hierarchy of plans and strategies which are aligned to provide ever greater levels of detail, from, at the top, a shared strategic direction, followed by a corporate contribution and perspective, down to individual goals and targets so that the sum of the whole contribute to the shared vision for the area.

At the highest level, the Sustainable Communities Strategy, developed by the Local Strategic Partnership (LSP), articulates the vision and sets out the shared aspirations of all partners in securing outcomes for Plymouth's communities.

The **Corporate Plan** provides the link between the Sustainable Communities Strategy and how the Council, as a service provider, contributes to the longer-term social, economic and environmental well being of the area. It provides an annual assessment of our performance against our aims, priorities and targets at a corporate level and our contribution to the Sustainable Communities Strategy.

**Statutory Plans and Strategies** reflect the breadth of services the Council provides or has an involvement in, and which are developed to translate aims into specific spending programmes, targets and actions. This is where the Asset Management Plan sits.

## 4.2 Corporate Improvement Priorities

The Council is setting a target date of 2012 for becoming an excellent authority. In order to achieve this, a number of key priorities have been set. They are:

**Table 4:- Improvement Priorities**

<b>Corporate Improvement Priorities 2009-2012</b>		
<b>Improving our Customers' experience</b>		
CIP1	Improving customer service	Contribution via development of locality bases (See KO7)
CIP2	Informing and involving residents	Ongoing programme of community asset transfers (See 5.1.7)
<b>Improving our City</b>		
CIP3	Helping people to live independently	Supporting Adult Social Care joint commissioning with Primary Care Trust (See 5.1.9)
CIP4	Reducing inequalities between communities	Providing comparable facilities via localities based shared service centres (See 5.1.9) and enhanced youth service provision together with support for the Health Strategy
CIP5	Providing better and more affordable housing	Supporting Housing Stock Transfer (See 5.1.12)
CIP6	Providing more and better culture and leisure activities	Supporting development of the Life Centre and Leisure Management Project (See 5.1.5)
CIP7	Keeping children safe	Continuing work with Primary Care Trust (See 5.1.9)
CIP8	Improving skills and educational achievement	Delivery of schools capital programme and enhanced library provision (See 5.1.1 and 5.1.6)
CIP9	Developing high quality places to learn in	Supporting development of school estate (see 5.1.1)
CIP10	Disposing of waste and increasing recycling	Support for the waste project (See 5..2.11)
CIP11	Improving access across the city	Provision of accommodation for the AMEY/Plymouth City Council Transport partnership and ongoing work on Disability Discrimination Act improvements
CIP12	Delivering sustainable growth	Development and implementation of a Strategic Investment Framework to encourage higher levels of



		enterprise in Plymouth, including creating workspace
<b>Improving our Council</b>		
CIP13	Helping Council staff to perform better	Working to provide improved Accommodation
CIP14	Providing better value for money	Delivery of Asset Management Plan together with sustainability agenda (See 5.1.10)

### 4.3 Key Outcomes for Plymouth City Council's Asset Management Planning

Back in 2005 we listed the key outcomes of our plan. Last year a review of the key outcomes was undertaken and the remaining outcomes are listed below.

**Table 5**

Key Outcome	Description	Current Status	Plan	Who (Lead Officer)	Timescale
KO2	Disposal of all current surplus property generating capital receipts (for investment in frontline services) – by end 2010	This work has been progressing but is now seriously delayed due to the collapse of the property market.	Asset Review – additional resources required to maintain surplus property disposals	Andrew Jarrold	2004-2015
KO3	Disposal of poor performing investment property and re-investment in better performing assets – by end 2010	For the same reasons as KO 2 above, the timescale for delivery has been revised	Asset Review – additional resources required to maintain surplus property disposals	Andrew Jarrold	2004-2015
KO4	Leasehold disposal or contracting out the running of key Council public buildings that are currently loss making – by end 2008	This has been managed well with respect to the Guildhalls and Harewood House. Losses have been managed in house and a transfer has been effected with respect to Devonport Guildhall. Work will continue to	Implementation of charges increase and soft testing of market interest to generate options followed by hard market testing	Chris Trevitt	2004-2010

Key Outcome	Description	Current Status	Plan	Who (Lead Officer)	Timescale
		improve the commercialisation of Plymouth Guildhall.			
KO7	Achievement of Customer and Stakeholder satisfaction in the use of our buildings (e.g. The rationalisation and improvement of the corporate administrative estate) – by end 2010	Work here is still being progressed. Accommodation Strategy approval in June 2009. First phase of implementation to be complete March 2011. However due to the listing of the Civic Centre, overall delivery is now forecast for 2015	Delivery of Accommodation Strategy	Chris Trevitt	2006-2015
KO9	Leasehold transfer of community assets to structured community bodies by end of 2010.	Successfully achieved for Devonport Guildhall. Other opportunities, including Plympton Guildhall, to be investigated during 2010.	Option Appraisals to be undertaken for presentation to Members	Chris Trevitt	2005-2010
KO12	Improving our use of energy thereby reducing costs and CO <sub>2</sub> omissions and increasing sustainable	Work is progressing. Energy monitoring arrangements are now in place. Targets for carbon management are included in	Energy Saving Initiatives in support of the Local Authority Carbon Management Programme	Alex Hurth	2005-2011

Key Outcome	Description	Current Status	Plan	Who (Lead Officer)	Timescale
	operations – by end 2008	Council Environmental Policy. These activities support CIP 14.			
KO13	Property that is compliant with current legislative standards – by end 2010	Ongoing work through to end of 2010.	Condition surveys and asset review	Chris Trevitt	2006-2015
KO14	Effective capital project -delivery, on time, on budget and to required specification – by end 2008	Project management procedures were implemented in November 2009.	Now complete	Capital Programme Manager / Tony Hopwood	2006-2009

#### 4.4 How Key Outcomes link to our Corporate Improvement Priorities

Table 6

Corporate Improvement Priorities 2009/10	
<b>Note – the key outcomes identified in table 5 are now shown linked to each corporate improvement priority</b>	
<b>Improving access to high quality services</b>	
• Improving customer service	KO7, KO13
• Informing and involving residents	KO2, KO7
<b>Improving our city</b> (supported by KO7 & KO8)	
• Helping people to live independently	KO7
• Reducing inequalities between communities	KO2
• Providing better and more affordable housing	KO2
• Providing more and better culture and leisure activities	KO14
• Keeping children safe	
• Improving skills and educational achievement	
• Developing high quality places to learn in	
• Disposing of waste and increasing recycling	
• Improving access across the city	KO7
• Delivering sustainable growth	City Business Park & new East End Business Park
<b>Improving our Council</b> (supported by KO7 & KO8)	
• Helping Council staff to perform better	KO7
• Providing better value for money	KO2, KO3, KO9, KO12, KO13 & KO14

## **5.0 How We Will Achieve our Objectives**

### **5.1 Strategic Projects for 2010 to achieve Key Outcomes**

Below are listed specific projects, which form part of those Key Outcomes that deserve highlighting due to their strategic importance to the City.

#### **5.1.1 The Schools Estate**

##### **Investment for Children**

The Authority consulted upon and adopted a Strategy for Change for Services for Children and Young People in December 2008. This document indicates how national and local Investment would be aligned to the raising of attainment across the city. The document known as Investment for Children sets out a new relationship between schools and the authority reflecting the changes in the role of the authority under The Education and Inspections Act 2006. Investment for Children also sets out the demographic changes in pupil populations up to 2016 and the proposed framework for governance changes in schools.

Trust and Academy schools: Where schools move out of Local Authority control there is a land and Property transfer of the freehold or long lease of the land and property. The table below outlines the progress of schools on the path and sets out the date of the assets that have been transferred.

<b>School</b>	<b>Status</b>	<b>Date</b>
Widewell Primary	Trust	September 2007
Stoke Damerel CC	Trust	December 2008
Lipson CC	Trust	September 2009
PL9 Trust Plymstock Elburton Primary	Trust	September 2009
Tamarside Community College	Academy	September 2010
John Kitto Community College	Academy	September 2010
Hooe Primary	Trust	expressed an interest
Oreston Primary	Trust	expressed an interest
Old Priory Junior	Trust	expressed an interest
Mount Street Primary	Trust	expressed an interest
Mayflower Community Primary	Trust	expressed an interest
Ernesettle Community	Trust	expressed an interest
St Budeaux Foundation C of E Primary (Aided)	Trust	expressed an interest
Victoria Road Primary	Trust	expressed an interest
Coombe Dean School	Trust	expressed an interest

**Children's Centres;** Phase 3 programme is now underway and the investment programme will be complete by March 2011. This programme is being co-ordinated with Extended School and Early Years funding giving a total investment of £1.3m.

**Primary Schools;** Significant progress has been made in transforming the quality of the asset base of primary schools in the city. In September 2009 three new primary schools, Oakwood , Mayflower and Shakespeare, opened to children. This follows on from the success of opening Riverside, Ernesettle and Whitleigh primary in 2008, There are two further Primary schools, Beechwood and High View, in construction which will open in 2010 and one in contract, Estover, that will open in 2011. These nine primary schools replace fifteen old 1950 and 60's buildings and represent a considerable improvement in the asset base.

This investment is having a significant impact in reducing the backlog maintenance for Primary Schools. In 2006 the estimate was £52.7m. Whereas our revise forecast for 2010 is £35.8m. The authority submitted a Strategy for Change (SfC) that outlines the authority's priorities aligned with the National Drivers for Change in the Primary sector. This strategy was submitted in July 2008, and approval has been given by the Department for Children Schools and Families to the release of capital allocations for 2009/10.

**Secondary Schools;** The Buildings Schools for the Future ( BSF) One School Pathfinder project at Estover campus is in construction with phased completions throughout 2010 to 2012. The bulk of the Secondary element will be opened in September 2010 including the public library and museum.

The authority has been announced to be included the Building Schools for the Future (BSF) investment programme in Wave 7. This will allow the authority to construct a new secondary school replacing Stoke Damerall Community College and also substantially refurbish John Kitto, Tamarside and Lipson Community College, This initial wave of investment through BSF represents approximately £80m..

**Inclusion and Special Education needs:** The Authority has followed an inclusion policy for 9 years, and in this time assets have been gradually



adapted to include a mixture of facilities. These include simple access adaptations, the building of inclusion units within a school and the integration of special schools with mainstream schools in campuses such as Wood View campus and Estover Campus. There has been an increasing number of children with special educational needs placed in mainstream education, leading to a continued need for special school buildings. This is also due to the need to reduce the overcrowding that exists in special schools and the building area standards that have risen to reflect the changing nature of supporting children with complex needs.

### **5.1.2 Accommodation Strategy**

The Council's accommodation strategy was approved in June 2009 and the first pilot was introduced in November 2009 on the fifth floor within the Civic Centre.

The strategy, which applies to the Corporate office estate, aims to use current space more efficiently. By allocating a maximum of 8 desks per 10 staff, the one desk one person culture is removed. This will lead to savings in excess of 20% in accommodation requirements and costs.

The first phase of full implementation will take place in 2010/11 and will result in the reduction in the number of office buildings required.

This will enable the Council to make revenue savings from 2011/12 onwards prior to the resolution of the future of the Civic Centre site, which will continue to be reviewed given the listed status of the site.

### **5.1.3 Commercial Property Investment Portfolio**

The Commercial Property Investment Portfolio ("CPIP") delivers annual income of approximately £5.7m. The estate comprises a mixture of commercial properties including industrial estates, business centres, leisure and retail properties. The rental income is derived from commercial property

leases and from various freehold ground rents.

The future management of the CPIP, to achieve improved financial performance and best value will be determined by the completion of an asset strategy.

#### **5.1.4 Public Buildings**

KO4 made it quite clear in 2006 that our plan is to examine the leasehold disposal or contracting out the management of key Council public buildings that are a financial burden and / or a maintenance liability. Such buildings include the three Guildhalls.

To date work is ongoing with Plymouth Guildhall to find potential public and private users. Devonport Guildhall secured a grant from the Community Assets Transfer Fund for full refurbishment and has been subsequently transferred, via a lease, to the cultural sector. Plympton Guildhall was subject to a feasibility study for its long-term use, and development of a management trust is the preferred option. This is to be pursued in 2010.

#### **5.1.5 Life Centre, Pavilions & Millbay**

Since the publication of the 2009 Asset Management Plan, the Life Centre project has progressed with the selection of the main contractor and commencement on site in February 2010. The target completion date is the end of 2011.

The link of the Life Centre to the overall success of Millbay remains, with the need to relocate leisure facilities from the existing Pavilions site to enable the re-development of highways infrastructure. This re-development will see the creation of the new boulevard into Millbay, improving access and enabling the regeneration of this area.

#### **5.1.6 Libraries & Museums**

With options for a new Central Library linked to new Civic accommodation and an expansion of the Museum and Art Gallery, the Capital and Assets service will continue to work with Community Services to establish modern fit-for-purpose facilities. Plymstock Library has been replaced as part of a joint housing scheme. Devonport Library will be relocated to St Aubyn's Church in partnership with the Devonport Regeneration Community Partnership and Plympton Library is to be re-provided following a fire in the Autumn of 2008.

### **5.1.7 Community Assets**

Community centres and other similar buildings/ sites were the subject of an internal study (as part of KO7) as to what could effectively be transferred to properly constituted community groups utilising the Community Land Trust model. Advantage has also been taken of the Community Assets Transfer Fund and two separate bids for almost £2million were made. One of these for Devonport Guildhall (See 5.1.4) was successful. The service will continue to seek opportunities for potential viable and sustainable transfers of Assets to the third sector.

### **5.1.8 City Centre Assets**

The City Centre continues to be a prime source of commercial property income for the Council and a key asset in the Local Development Framework and future economic plans for the growth and development of the City.

Future income growth will be limited whilst the commercial and in particular the retail markets are adversely affected by the weak economy. Longer term income and capital value growth will be derived from new development.

The future plans for the development of the City Centre are set out in the City Centre Area Action Plan.

### **5.1.9 Partnership Working**

Integral to the delivery of key outcomes is the partnership between the Council and other public sector agencies and increasingly the private sector.

Active initiatives include:

#### Plymouth City Development Company (“CDC”)

Re-development options for a number of sites including North Cross are to be worked through in partnership with the City Development Company (CDC). The CDC will, through their Development Director, build on the work carried out to date on both of these sites. Options for both sites include the creation of a Central Business District at North Cross and a mixed use retail and leisure led scheme at Colin Campbell Court.

Both schemes will involve working with existing adjacent freehold land owners and existing leaseholders to bring these regenerative schemes to fruition. The Council will also work with the CDC to identify opportunities along the Hoe Waterfront; in particular the Hoe Foreshore to improve the vibrancy of this “Jewel in the Crown” asset.

#### Primary Care Trust and Hospitals Trust NHS LIFT

The principal piece of partnership working to date concerns the delivery of the new health facility at the East End Community Village. This project completed and the building opened in 2008. The Capital and Assets Service is also working closely with the Primary Care Trust Capital Planning Team with respect to joint working around service delivery points. This will build upon the current co-location with the Primary Care Trust, which currently numbers 20 buildings where Plymouth City Council and Primary Care Trust jointly occupy, and deliver joint locality based service centres together with a shared HQ as part of the Civic Centre re-development.

### Police Authority

There are currently 4 Plymouth City Council buildings that have Police Authority staff working alongside Plymouth City Council teams. We will look to extend this as opportunities arise in the future with the aim to ultimately share main HQ facilities in the City.

### Tamar Science Park

Stage 1 of Phase 4 was completed in October 2008 and is now 56% occupied. There has been some movement of occupiers within the Park but occupancy on Phase 1 is currently 76%, Phase 2 – 70% and Phase 3 – 93%. In 2010, work will be commencing on part of the Phase 6 site with the development of the Peninsula Dental School.

### Plymouth University

Opportunities for joint working and delivery of strategic sites will continue to be pursued with the University. In particular, but not limited to, sites around the existing campus to the North of the City Centre.

The University has also reaffirmed its support for the Life Centre development and has confirmed commitment to a major capital contribution of £2.5 million.

### Devonport Regeneration Community Partnership (DRCP)

DRCP contributed £500,000 to the Devonport Guildhall project alongside a £1m of grant funding from the Community Assets transfer fund. The project was completed in February 2010 and the transfer of the property to a community arts group funded by the Arts Council has taken place. This will result in this immensely important building having a secure future and also being removed from the Buildings At Risk Register.

The Capital and Assets Service is also working with DRCP to relocate the Library from the Devonport Guildhall to St Aubyn's Church which will open in mid 2010 as a result of close to £2million funding from DRCP.

#### **5.1.10 Sustainability**

In support of CIP14 and Key Outcome 12, the section has been heavily involved in the development of the Plymouth City Council Carbon Management programme, contributing five projects to the Implementation Plan. One of these was the appointment of a Carbon Manager for the Authority in 2009 who sits within the Corporate Property Section.

The Capital and Assets Service has been successful in obtaining an interest free loan from the SALIX funding initiative specifically for carbon reduction projects. A number of initiatives are being delivered as a result of this funding which will enable the Council to achieve its target reduction in carbon emissions as required by the CRC energy efficiency scheme for 2010/11.

#### **5.1.11 Waste Project**

The service continues to support the Waste Project by previous site acquisition and will complete the necessary property related activities following the completion of the procurement exercise for the new waste facility in 2010/11.

#### **5.1.12 Housing Stock Transfer**

The Corporate Property Section contributed heavily to the successful transfer of 15,000 homes and numerous other Community assets to Plymouth Community Houses (PCH), in November 2009.

The Section will now take on the responsibility for those previous Housing Assets that did not transfer

## **5.2 Performance Management**

### Project Governance

Significant steps have been made to improve the control and monitoring of projects procured by Plymouth City Council. This work has resulted in the production of a bespoke Project Management System that will be mandatory for all capital projects starting in the financial year 2010-11. The system was introduced in November 2009. The system put in place a suite of documentation that must be used to secure sign-offs at particular key stages and Gateways, such that projects are developed in a controlled manner.

In addition to the Project Management System, the governance surrounding the acceptance of capital projects into the capital programme and the monitoring thereafter, has also been reviewed and tested with full deployment in the financial year 2009-2010. This will lead to increased control and reporting of the programme such that it can be closely monitored and driven by the Capital Delivery Board with ultimate reporting to the CMT.

## **5.3 Key Challenges/Risks**

The downturn of the Property Market since 2008 has already and will continue to have a negative effect on the delivery of the Asset Management Plan. This has restricted the disposals programme and subsequent receipt generation flowing from the property review process. This is currently slowing the reduction of backlog maintenance via the review process.

Indirectly, reduction in income via the property searches, as part of the property transaction process, and commercial rental income via commercial property will continue to put pressure on the revenue budget for the service which in turn puts at risk the recruitment and expansion of the service required to deliver this plan and has resulted in service cutbacks during

2009/10.

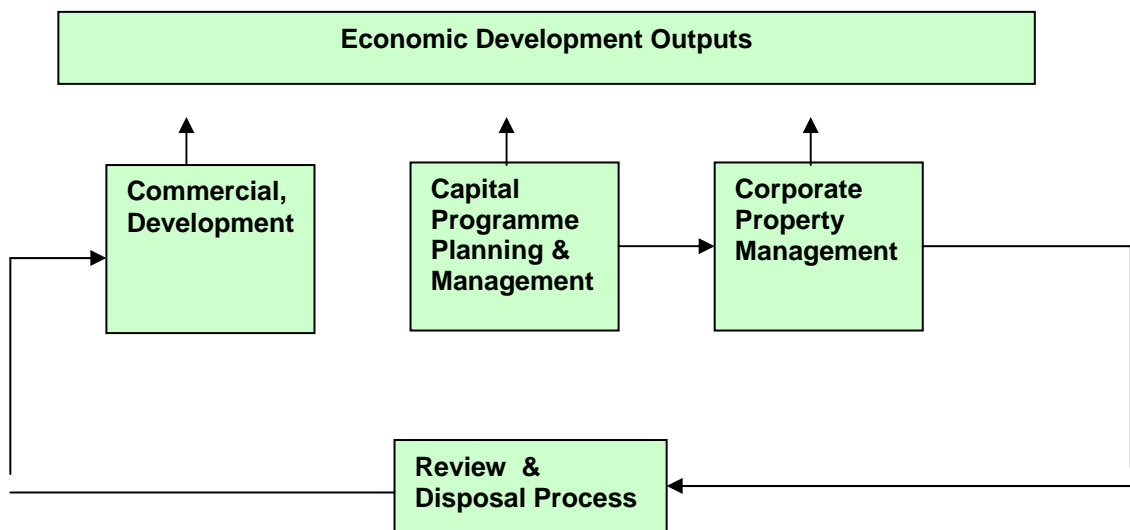


## 6.0 Organisational Arrangements and Consultation

### 6.1 Capital and Assets Service

A realignment exercise of the Property & Economic Development division was completed in April 2009 which resulted in a transfer into the Department of Corporate Support for the Corporate Property and Capital Projects sections. These sections have now been combined into the Capital and Assets Service. The Economic Development Section remained in the Department for Development and Regeneration.

The Capital and Assets Service will continue to work closely with the Economic Development Section to deliver the whole life cycle of property assets and the delivery of economic outputs, as shown below.



### 6.2 Capital and Assets includes:

#### 6.2.1 Corporate Property:-

This section comprises four areas:

- Corporate Real Estate Surveying Team - Asset Registrar, Property Review,
- Property Records, Land Terrier, Local Land Charges, Street Naming and Numbering

- Building Surveying Team incorporating design and maintenance works
- Facilities Management Team - Premises Management, Public Buildings, Corporate Reception, Security, Utilities, Porters, Cleaning and Caretaking

### **6.2.2 Capital Programme & Project Services including:-**

- Portfolio Management – commissioning and management of projects and programmes on behalf of client directorates
- Project Management and other professional services
- Capital Programme monitoring and delivery

### **6.3 Economic Development includes:-**

- Commercial & Development – managing industrial, retail and leisure premises, rent reviews, lease renewals, general disposals, Mount Edgumbe Country Park
- Business Space – providing flexible business space at City Business Park
- Plymouth City Market – management of principal indoor City Market
- Plymouth City Airport – management of landlord and tenant issues
- Key Strategic Projects – including Civic Centre

### **6.4 Property Forum**

The Property Forum was re-established in 2008 and is chaired by the Head of Corporate Property Manager.

The role of the Property Forum, as expressed in its previously agreed terms of reference, is as follows:-

- Assist with:
  - (a) Property Review Programme
  - (b) Acquisition/Disposal Programme
  - (c) Linkages with the Capital Programme
  - (d) Cross Service Working
  - (e) Maintenance Programme
  - (f) Survey Programme
  
- Forum for cross cutting property issues and to test disposals and acquisitions against delivery of the Council's corporate strategy.
- Assist the Corporate Property service with drafting the Asset Management Plan and any other property plans, strategies and policies that may be required.
- Assist the Corporate Property service with asset reviews.
- Progress and periodically review the approved Asset Management Plan and to review and improve policies and procedures.
- Ensure that consideration of the promotion of shared use of accommodation or co-location of users is afforded a high priority.
- Consider and determine recommendations to formally declare properties surplus to requirements.
- Ensure the Asset Management Plan is informed by and supports other key Corporate and Service Plans and objectives.
- Make recommendations to the responsible portfolio over strategic asset issues including acquisitions and disposals and to consider recommendations from
- Review Groups.

## **6.5 Member Involvement**

The Portfolio Holder for Budget and Asset Management, Revenues and Benefits, and People and Governance is consulted regularly by the service. The importance of the service is recognised such that there are regular consultation and briefing sessions with the Chief Executive and Cabinet.

Continuing member involvement and consultation will be by way of the Surplus Property Declaration procedure, Cabinet Reports and Delegated Decisions with regard to particular work streams together with progress monitoring through the *e-perform* Performance Management system.

In addition, the Scrutiny Committee for Support Services is engaged with the development of this Asset Management Plan, and the review of progress of the key outcomes.

The City Council recognises the importance of consultation prior to strategic decision taking. In pursuance of this objective, consultation with both Ward Members and Service Portfolio Holders is incorporated into appropriate property procedures so as to facilitate informed decision taking.

## **6.6 Consultation**

Consultation on the management of Corporate Property has been carried out with frontline and support services through the Property Forum, the Senior Management Team, the Corporate Management Team, Cabinet and the Council.

Regular staff consultation, through the Building User Group undertaken by Facilities Management results in changes and continuous improvement to the way the service is delivered.

In addition, staff from the Capital and Assets Service are actively involved with the capital planning and asset working groups of front line service departments.

In some instances, consultation is not possible on a wide basis due to commercial confidentiality with particular schemes. Where this is the case the relevant portfolio holder and the Cabinet are briefed under “part 2” conditions and private briefing sessions are made available to non-executive members as requested.

## 6.7 Developing Service Asset Strategies

Given the timing of the business planning process across the Council, the Capital and Assets Service will review all requirements from service departments and produce amendments to this plan where necessary. This is an ongoing process and will be:

- Facilitated by the Corporate Property Manager
- Focussed on seminars with Senior Managers in each service

## 6.8 Staff Development

The Capital & Assets Service is committed to staff development, not only from the perspective of developing its own staff but as a provider of training in relation to fire, health and safety etc.

The Corporate Competency Framework Appraisal process allows management to identify training needs for its workforce and the grid below illustrates current activities in relation to workforce development. However the flexibility of this process allows the service to adapt to changing requirements as corporate and service priorities alter.

Developing Leadership	Target Dates	Anticipated Outcomes
Encourage attendance at Experienced Manager Programme	Ongoing	A systemic approach that links leadership development with key business strategies and develops goals. Implementation of success factors in development through a model of assessment, challenge and support
Ensure all Managers achieve the IOSH Managing Safety standard, a corporate requirement.	All managers in the original Asset Management Service have now received this training. Managers of	To raise awareness of Health and Safety issues within the work environment and provide managers with the tools to deal with these issues.

	teams that are now part of the new Capital & Assets Services have been identified and recommended for training.	
--	---	--

<b>Developing Skills &amp; Capacity of the Workforce</b>	<b>Target Dates</b>	<b>Anticipated Outcomes</b>
Assessment of skills and knowledge (competence) against future requirements to ensure workforce is fit for purpose and able to work safely.	On going	As part of the service planning process identification of the specific skills needed for each role in the service is necessary.  Not only will this allow forward planning of all training but enable business continuity in all areas across the service.
Induction programme for all staff (including staff who move from other service areas in the Council)	Ongoing	Improve recruitment, retention, knowledge and understanding for all staff.
Basic Health and Safety training for all staff	Ongoing	To improve individual awareness of health and safety issues allowing continued improvement to safe working conditions.
<b>Developing Skills &amp; Capacity of the Workforce</b>	<b>Target Dates</b>	<b>Anticipated Outcomes</b>
Raise awareness of equality issues and best practice for staff across the service	Ongoing	Better understanding of equalities practice

<b>Developing the Organisation</b>	<b>Target Dates</b>	<b>Anticipated Outcomes</b>
Individual objectives clearly linked to service and corporate priorities	Ongoing	The new Competency Appraisal process will be used to set individual targets aimed at achieving Service Key Outcomes
Commitment to securing Quality Assurance across	July 2010	Service improvement

service teams e.g. BVQI, Customer Service Excellence		
Regular CPD to retrain professional status/standards with attendance at key Local Authority professional seminars and conferences	Ongoing	Ensure appropriate professional standards are maintained to achieve Best Value and Service Delivery

## 6.9 Equalities Commitments

### Equalities

The Capital & Assets service is committed to delivering on equality issues in keeping with the Corporate Improvement Priority 4 (CIP 4). Items of particular relevance to the service within the CIP are included in the table below:

Issue	Driver	Action	When	Outcome/Target
<b>CIP 4.1</b> To promote equality in a way that address needs across age, disability, faith/belief/religion Gender, race and sexual orientation so that people have similar life opportunities.	(1) DDA 2005, DES	Improve access to Council buildings offering a public service	Ongoing	Improved disability equality
	(2) Workforce development strategy	Identify appropriate staff members who require this training	Ongoing	Awareness of good practice and improved customer service
<b>CIP 4.4</b> To deliver improved quality of life for our residents through increase engagement in neighbourhoods leading to improved service delivery.	Development of Co-Located centres within communities.	Work with our partners to identify and develop co-located centres within communities to improve access to services.	July 2011	Improved access to services provided by the Council and its partners.

**CIP 4.1** – (1) Work is ongoing to ensure that corporate property is compliant with current legislative standards (KO13) and has continually increased its target for the percentage of public buildings that are suitable for and accessible to people with disabilities, see progress report below.

Area	Dept/Service	Indicator	Reporting	Base -line	Target	Progress – June 2008
The % of LA public buildings that are suitable for and accessible to people with disabilities	Capital & Assets	EMS 9	Building accessibility programme	2009/2010 14.4 %	2010/11 16%	EMS 9 was introduced in October 2009 using a different set of criteria to measure building accessibility. This required a review of baseline and target figures for this measure

(2) Staff who will benefit most from equalities training have been identified and a rolling programme of training has been agreed.

Equalities issues are a normal service requirement for the project services team who carry out customer consultation for all projects. All business cases, delegated decisions, cabinet reports etc contain an equality section which confirms an impact assessment has been completed.

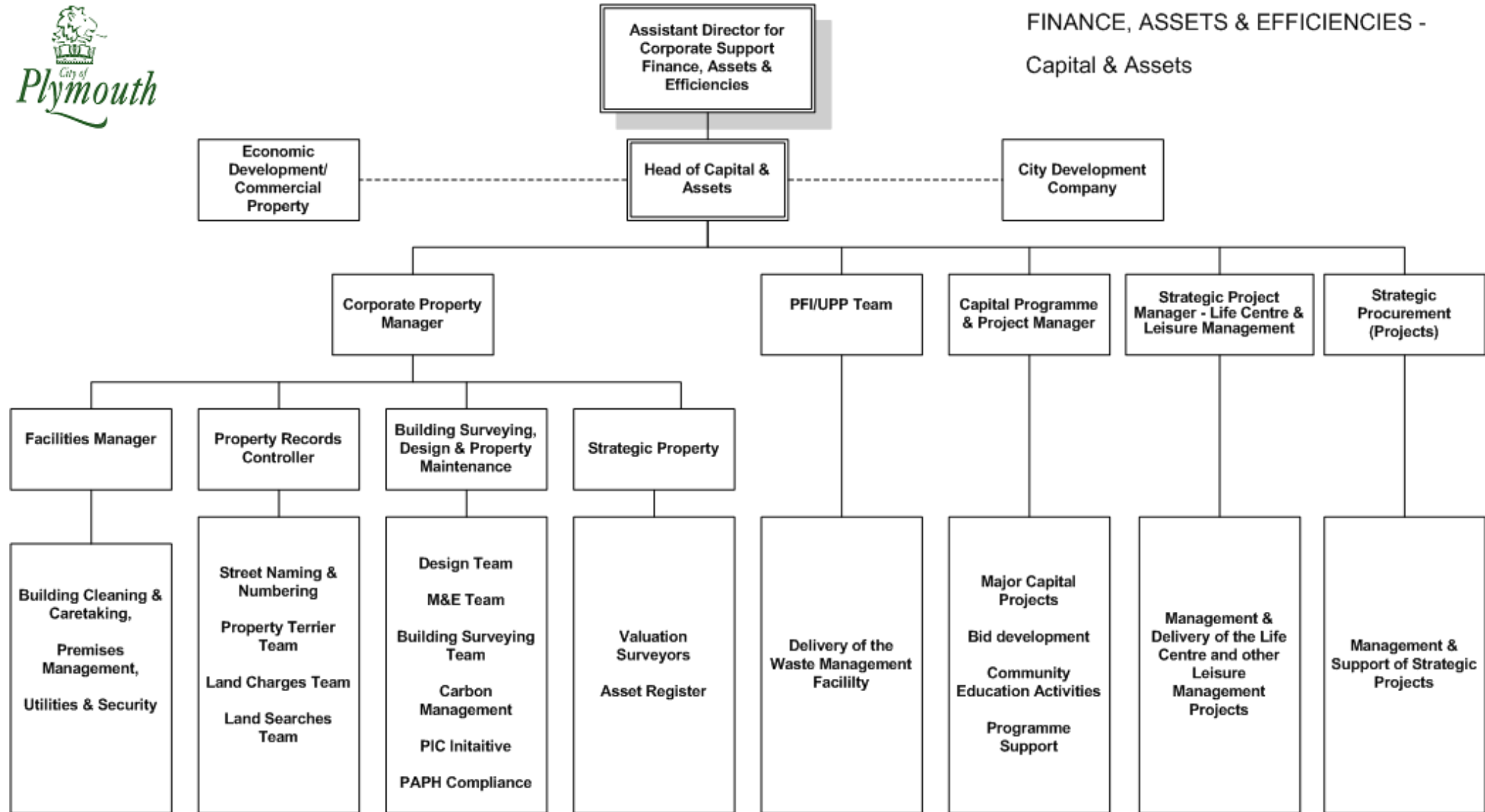
The service also works closely with the City College Plymouth and the Prince's Trust, as well as other internal projects such as 'Future Jobs Fund' and 16+ Care Leavers scheme, providing work placements for people who will benefit from work experience. These on going partnerships provide a springboard for marginalised people who wish to integrate better with society.



**CIP 4.4** Key Outcome 8 (KO8) – Work on co-located service centres (housing, social services libraries and health centres etc.) will take our services into communities in keeping with Corporate Improvement Priority 4, ‘reduce inequalities between communities’. This will allow easier access for all customers, reducing their need to travel and allow them to access numerous services through one point of contact with the authority.



FINANCE, ASSETS & EFFICIENCIES -  
Capital & Assets



Appendices:-

## A. Capital Programme

We have an ambitious agenda as we seek to meet the requirements of the community whilst at the same time moving towards our internal goal to be an excellent Council by 2012. We anticipate that central Government will reduce Capital Grant funding whilst Regional Development Agency (RDA) and other grants are also reducing. Together with continuing uncertainty surrounding our ability to generate capital receipts, we must be more specific with our capital spend and target fewer, more strategic schemes.

We have adopted the principle that capital schemes are only approved into the programme where specific funding has been clearly identified with a supporting business case. The proposed capital programme for 2010/11 to 2014/15 is £267m. The Capital Programme is still substantial and includes headline strategic projects such as the Life Centre, capital investment in Schools and major transport improvements.

A summary of capital spend by department, based on known resources at this point in time, is shown in the following table:

Directorate	09/10 £m	10/11 £m	11/12 £m	12/13 £m	13/14 £m	14/15 £m	Total £m
Children's Services	53.8	34.6	17.4	15.0	-	-	120.8
Community Services	6.6	29.3	13.2	0.3	-	-	49.4
Development & Regeneration	21.2	28.9	13.6	6.2	6.5	7.7	84.1
Corporate Support	2.4	0.5	1.0	0.5	0.5	-	4.9
HRA	8.0	0	0	0	0	0	8.0
<b>Total</b>	<b>92.0</b>	<b>93.3</b>	<b>45.2</b>	<b>22.0</b>	<b>7.0</b>	<b>7.7</b>	<b>267.2</b>

A more detailed analysis of capital spend projects is shown in Appendix B.

Funding of our capital investment programme is risk assessed and monitored on a regular basis with schemes carefully prioritised against resources available. Our summary funding profile for the five year programme is as follows:

Directorate	Capital Receipts £000	Unsupp Borrowing £000	Supported Borrowing £000	Total Grants £000	Sum of Contribs £000	Section 106 £000	Revenue & Funds £000	<b>Total Financing £000</b>
Children's Services	4,807	8,840	16,978	89,221	479	391	138	<b>120,854</b>
Corporate Support	1,831	71		2,840		26	173	<b>4,941</b>
Development & Regeneration	7,115	3,766	29,063	33,871	1,708	8,143	423	<b>84,089</b>
Community & Neighbourhood	14,606	20,367	4,650	6,964	2,253	431	109	<b>49,380</b>
HRA Total			2,076				5,915	<b>7,991</b>
<b>Grand Total</b>	<b>28,359</b>	<b>33,044</b>	<b>52,767</b>	<b>132,896</b>	<b>4,440</b>	<b>8,991</b>	<b>6,758</b>	<b>267,255</b>

There is considerable uncertainty around potential capital receipts, particularly around the timing of when they will be received, due to falling property values. There is also uncertainty around how a future government might impact on existing capital allocations and match funding opportunities. The Council needs to be re-shaped and modernised and to do this, needs to adopt an invest to save principle for capital investment whereby projects will be considered for capital funding based upon submitted business cases with the initial capital repaid from savings made. To this end plans will be brought forward over the next 18 months as the national picture and economy becomes clear.

To further address the potential shortfall in capital receipts, it is recommended to transfer the previously negotiated capital receipt from the re-gearing of the City Centre Prudential commercial leases, £4.4 million, into the capital receipts fund. This money was previously invested to produce a revenue income, and the impact of this proposal has been addressed in the revenue budget.

The Capital programme cannot be considered in isolation from the revenue budget. The current programme has to be partly funded by borrowings. The current projections assume Supported borrowings standing at £52.8m, with unsupported borrowings of £33.1m. The Council has to be aware that with current interest rates around 4.5%, each £1m of borrowings impacts the revenue budget with an annual cost of approx £85k. For financial year 2010/11 we are aiming to minimise borrowing costs by using short-term borrowing and/or cashflow and reserves. However, investment for future years will require long term borrowing.

The current capital programme figures do not include the allocation for Building Schools for the Future (BSF) of an estimated £80m. At this stage Department for Communities and Local Government has approved the Council's entry into the BSF programme and the Council are awaiting a 'remit' meeting imminently. When the Council is awarded its final funding allocation, which is likely to be a mixture of revenue PFI credits and capital grant, BSF will be incorporated in the Council's capital programme.

The Citybus receipt of £19.6m is, at this stage, not included in the financing for any of the capital programme and is being invested in line with our Treasury Management Strategy. Its potential use will be considered in the future in line with the need to invest in strategic priorities and 'invest to save' business cases.

The capital programme needs to retain some flexibility to incorporate any priority "invest to save" business cases, and emergency items not known at this stage, for example health and safety issues.

Further options for capital funding may arise through the VAT shelter monies from the transfer of housing stock though this is subject to further negotiations with DCLG.

## B. Capital spend projects

Service	Sub Programme	Latest Forecast 2009/2010 £000	Latest Forecast 2010/2011 £000	Latest Forecast 2011/2012 £000	Latest Forecast 2012/2013 £000	Latest Forecast 2013/2014 £000	Latest Forecast 2014/15 £000	Sum of Full Programme Cost £000
<b>Children's Services</b>								
Strategic Programmes	PFI	2,733	700					3,433
	Multi-Agency Working	100		2,100				2,200
	Secondary Development / BSF	13,919	10,866	7,580	2,918			35,283
	Primary Capital Programme	18,277	5,347					23,624
	Special Education Needs and Inclusion	711	1,001	500	5,500			7,712
	City Development (Section 106 Projects)	9	133					142
	Expanding Popular Schools	100	950					1,050
	Youth / Adult Learning	235	138					373
	School Development: Secondary	938						938
	Removal of Temporary Classrooms: Secondary	65						65
	Condition Works: Primary	59						59
	Removal of Temporary Classrooms: Primary	1,020	1,239					2,259
	School Development: Special Schools	135						135
	Sustainability / Carbon Reduction / Spend to Save	753	428	350	350			1,881
	Surestart / Extended Schools / Children's Centres / Families	523	585	90	90			1,288
	Condition Works: School Development: Primary	425	671	1,000	1,000			3,096
			2,156					
Focused Work	Surestart / Extended Schools / Children's Centres / Families	1,141	1,681					2,822
	14-19 Diploma Gateways & International Baccalaureate	2,184	473	587				3,244
	ICT Projects	702	849	900	900			3,351
	School Meals	788	2,661					3,449
School Led Projects	Children's Social Care	177	310					487
	Other Items	776	560	210	220			1,766
	Condition Bid Programme (formerly Seed)	1,219	615	200	200			2,234
	DDA / Access Bid Programme	75	100	100	100			375
	SEN Placement Commitments in Schools	200	20	20	20			260
Devolved Formula Capital	Other	231	1,226	61	61			1,579
	Special	170	243	155	155			723
	Primary	1,212	2,415	1,799	1,799			7,225
	Secondary	829	1,297	1,697	1,697			5,520
	Nursery	92	25	42	42			201
Devolved Formula Capital Projects	Other	2						2
	Special	45						45
	Primary	1,168						1,168
	Secondary	588						588
	Nursery	1						1
Completed Programmes: Outstanding Payments	Planned Modernisation	2	8					10
	New Opportunities Fund/Big Lottert (P.E. In Sport)	10	100					110
<b>Children's Services Total</b>		<b>53,770</b>	<b>34,641</b>	<b>17,391</b>	<b>15,052</b>			<b>120,854</b>
<b>Community &amp; Neighbourhood</b>								
Environmental Services	Environmental & Regulatory			1,093				1,093
	Parks	151	223					374
Leisure Culture & Sport	Vehicle Purchases	584						584
	Life Centre Programme/Central Park	3,096	28,262	12,149	271			43,778
	Libraries	829	17					846
	Mount Edgcumbe	307						307
	Museums	60						60
Adult Health & Social Care	Leisure Pools	1,027	600					1,627
	Community Care	576	135					711
<b>Community &amp; Neighbourhood Total</b>		<b>6,630</b>	<b>29,237</b>	<b>13,242</b>	<b>271</b>			<b>49,380</b>
<b>Development &amp; Regeneration</b>								
Local Transport Plan	Capital Maintenance	1,356						1,356
	Demand Management	793						793
	Public Transport	2,112						2,112
	Road Safety	203						203
	Safety Camera Partnership	98	78					176
	Walking & Cycling	795						795
	Dft settlement not yet allocated	83	4,802	5,600	6,085	6,525	6,656	29,751
	Northern Corridor - A386	736	6	249				991
Transport - Non LTP	Eastern Corridor	2,524	13,008	4,860			1,000	21,392
	West End	2,928						2,928
	A38 Junction Improvements	50	350					400
Transport - Development Projects	Barbican Landing Stage	12						12
	Stonehouse Regeneration	182						182
	Granby Green	54						54
	Cumberland Gardens	370	18					388
	Alleygates	22						22
	Devonport Street Lighting	373						373
	North Stonehouse		80					80
Devonport Heritage Trail	91						91	
Planning	Planning	164	80	52	34	10		340
Strategic Waste Projects	Recycling		852					852
	Waste	3,024	4,811	2,588	102			10,525
Economic Development	Commercial Developments	1,036	227					1,263
Strategic Housing	Disabled Adaptations		588					588
	HECA Programme Private Sector	418	150					568
	Misc Schemes	100						100
	Partnership & Affordable Housing	294						294
	Private Sector Grants	2,180	1,574					3,754
Private Sector Regeneration	316						316	
Development Projects	Devonport Park	875	2,315	200				3,390
<b>Development &amp; Regeneration Total</b>		<b>21,189</b>	<b>28,939</b>	<b>13,549</b>	<b>6,221</b>	<b>6,535</b>	<b>7,656</b>	<b>84,089</b>
Information Systems	Information Systems	1,087	500	500	500	500		3,087
Legal Services	Legal Services	2						2
Property & Economic Dev	Corporate Real Estate	1,352		500				1,852
<b>Corporate Support Total</b>		<b>2,441</b>	<b>500</b>	<b>1,000</b>	<b>500</b>	<b>500</b>		<b>4,941</b>
<b>HRA</b>								
Housing Revenue Account	Decency Standards	4,751						4,751
	Devonport	1,323						1,323
	Disabled Adaptations	401						401
	HRA Capitalised Salaries	520						520
	Major Repairs	996						996
<b>HRA Total</b>		<b>7,991</b>						<b>7,991</b>
<b>Grand Total</b>		<b>92,021</b>	<b>93,317</b>	<b>45,182</b>	<b>22,044</b>	<b>7,035</b>	<b>7,656</b>	<b>267,255</b>