

CORPORATE ASSET MANAGEMENT PLAN

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



PLYMOUTH
CITY COUNCIL



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

Plymouth City Council

February 2011 Update

CONTENTS

Page

Corporate Asset Management Plan for 2005-2015 (February 2011 update)

1.0	Service Overview	4
2.0	Corporate Property	7
3.0	Schools Estate	22
4.0	Commercial Property Strategy	26
5.0	Organisational Arrangements and Consultation	27
6.0	Capital Strategy	30

APPENDICES

1	Capital Programme 2011-2015	34
2	Asset Transfer Policy and Process	39
3	Service Asset Strategy Framework	46

Corporate Asset Management Plan for 2005-2015 (February 2011 Update)

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1.0 Service Overview

This year's Asset Management Plan provides an update to our previous plan together with information on plans and process for modernising the asset base in line with recent central Government initiatives.

The current economic conditions, a reduction in resources and re-prioritisation against the Corporate Plan has meant that we are adjusting some of our outcomes in order to recognise changes in time and current circumstances.

This plan formalises intentions around Asset Transfer and Carbon Management as well as updating Asset and Capital strategies to support the growth agenda and current Capital Programme Commitments.

Council Priorities

Following the Plymouth Report the priorities for the city, the council and our key partners have been reduced to four: deliver growth, raise aspirations, reduce inequalities and provide value for communities.

The Council has recommitted to our growth agenda and recognised that it needs to focus on it much more strongly if we are to achieve the step change required to achieve our vision for the city. This is the agenda that makes Plymouth distinct.

Closely tied to that is the need to raise aspirations. We not only want our children and young people to set their sights higher, but for those in contact with them to have higher expectations; for people to want to come to Plymouth as a place where they can develop and prosper. We do not want the local population to be held back by deprivation and inequalities, but to contribute to and share in the city's growth.

The Asset Management Plan contributes to these four priorities in a variety of ways and this is expressed in the figure below.

Figure 1: City and Council top level priorities

Plymouth 2020 priority descriptors			
Deliver growth	Raise aspiration	Reduce inequality	Provide value for communities
Develop Plymouth as a thriving growth centre by creating the conditions for investment in quality homes, jobs and infrastructure	Promote Plymouth and encourage people to aim higher and take pride in the city	Reduce the inequality gap, particularly in health, between communities	Work together to maximise resources to benefit customers and make internal efficiencies

Asset Management Outcomes			
Increase the number of jobs in Plymouth by providing surplus sites for inward investment purposes	Increase in the number of visitors coming to the city and overall / general satisfaction with local area with general improvement in condition and accessibility of council properties	Reduce the gap in life expectancy by at least 10% between the fifth of areas with the lowest life expectancy and the population as a whole by 2020 by ensuring appropriate facilities are provided with health partners in all areas of the city and in particular those with high levels of deprivation	Increase the value of commissioned goods and services by the third sector by the asset transfer process
Offering a good range of housing in safe, inclusive and sustainable communities again by providing surplus site to the housing market			Increase in customer contacts resolved at the first point of contact across the public sector bodies by jointly rationalizing our estate with other public sector bodies to ensure joint facilities are provided where appropriate
			Per Capita CO2 emission reduction in the LA area via the Carbon Management Plan
<i>Some slight refinement of outcomes still in progress</i>			

In addition to the above the Capital Programme will be aligned to these priorities and any new initiatives / projects will be prioritised against these outcomes

2.0 Corporate Property

The Council owns and utilises a large and diverse portfolio of property from which it provides its many services. The continued suitability of the property it utilises is a key factor in maintaining and enhancing the quality of the services it can provide to its customers. It is essential that Asset Management is coordinated and delivered on a corporate basis, with appropriate resources and processes in place to enable the continued adaptation of the portfolio, as the demands of the public, service providers and legislation change.

Corporate Asset Management is delivered for the Council by the Corporate Property Service which provides a suite of services aimed at supporting the whole life cycle of property through feasibility, acquisition, construction, occupation and disposal.

2.1 Council Assets

The Council operational portfolio comprises of 744 assets (including schools) with a value in the region of £560 million and a commercial portfolio of approximately 1,900 interests with a value in the region of £125 million. Made up in the categories detailed below

Figure 2: Plymouth City Council Estate – 2011

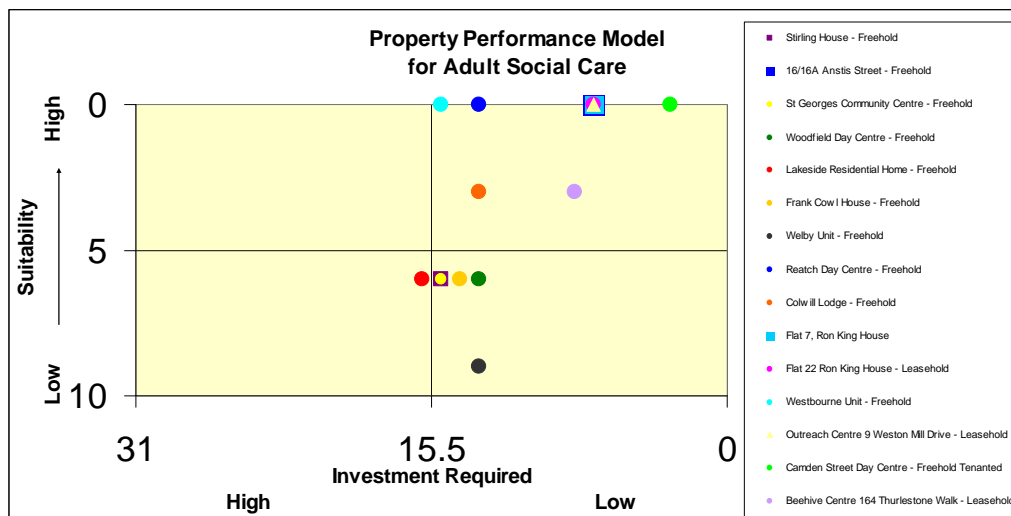
Properties	Number of Assets	Value (£m)
Admin, Offices	30	38.1
Schools/Colleges	86	337.0
Youth & Community Centres	22	8.9
Libraries	18	7.3
Social Services Centres	19	15.3
Parks, Playgrounds & Open Spaces	372	-
Playing Fields	26	3.8
Allotments	30	-
Museums	5	17.4
Sports Complexes and Swimming Pools	8	17.7
Car Parks	87	62.3
Public Conveniences	34	2.5
Theatres	2	£44.0
Cemeteries/burial grounds	3	£1.3
Waste Management Centre	2	£4.6
Commercial Property Interests	1,900	£125.0

Shaping the Portfolio

The pressure to rationalise and yet provide the most suitable portfolio possible within available resources has been with the authority for many years. But recent announcements as part of the Government's Austerity measures mean it is now critical that the whole portfolio is robustly reviewed to identify opportunities to generate revenue savings to support the retention of front line services.

2.3 Property Review

Corporate Property has now established a property review and performance model designed to measure performance of individual properties against a range of service and property performance criteria. This enables the best and poorest performing properties to be identified and thus providing a consistent and streamlined approach to support decision making by the services and the Authority as a whole. Results can be presented graphically on either a locality, category or portfolio wide basis facilitating decisions to retain or release assets at each of these levels.



**Figure 3:
Example
Property
Performance
Model**

The results of the above can then be used to support individual services develop their service asset strategies as well as those on an Authority wide basis.

A framework has been developed to guide services and the Corporate Property team to provide consistency in the development of Service Asset Strategies Appendix 4 Service Asset Strategy Framework

Accommodation Strategy – delivering flexibility and efficiencies

The Business Case for the first phase of the Council's Accommodation Strategy was approved by Cabinet on 10th August 2010, which sets out the case for implementation of the move from nine to three principal office buildings, set around the principles of improved space utilisation and flexible working practices. Requiring up front investment of approximately £7 million in ICT and building reconfiguration costs the resultant ongoing savings of £1.5m per annum accords with the Council's standards for 'invest to save' initiatives needed to address the revenue budgetary pressures that it faces.

The ultimate direction of the strategy continues to have a high dependency on the results of the ongoing review of the future of the Civic Centre due to its Listed Status and results in a wide range of options requiring consideration at this time subject to the decisions to be made.

A business case is now under development for a further phase of the accommodation strategy aimed at supporting the consolidation of a range of services enabling the delivery of portfolio rationalisation in outlying areas of the city. This will be brought forward for approval to both enhance the revenue savings of the first phase and deliver capital receipts from surplus properties.

2.5 Community Asset Transfer

The Council has a leading role in the delivery of the Local Strategic Partnerships Vision for the City including close partnership working with the voluntary sector.

Also through other strategies and plans such as the, Sustainable Community Strategy the Council sets out how it intends to support the development of the voluntary sector and empower local communities to develop and deliver solutions to increase sustainability in turn making them stronger and more cohesive.

The Council recognises that the way its assets are managed and owned can have a positive impact on the long term strength of the voluntary sector and local communities more generally. Also that the transfer of assets to other organisations can secure access to resources otherwise not available which can be used to develop assets and services which might otherwise be unachievable.

The Council's aim is to ensure that the way assets are managed strongly underpins delivery of its corporate vision, and where appropriate, will use asset transfer as a means of

enabling Communities to become sustainable on a long term basis. To be successful asset transfer requires a long term partnership approach involving all relevant stakeholders.

Central Government provided clear policy direction by accepting, in full, the recommendations of the Quirk review, therefore it is not an option to fail to give serious consideration and support the transfer of assets to the community. The Governments stance has developed via a range of reviews and publications and its intention are made clear in its proposed Decentralisation and Localism Bill where Communities will have the opportunity to take over the running of services.

Plymouth already has an established track record in the delivery of asset transfer to Third Sector organisations such as with the transfer of the Devonport Guildhall.

Figure 4:



However in order to develop a consistent, proactive and progressive approach to this agenda, in partnership with the Asset Transfer Unit the Council has developed a Community Asset Transfer Policy and Process (Appendix 3). The process sets out the principles and provides a framework for supporting the successful delivery of asset transfer to the community and the decision making process for applications.

2.6 Partnership working and co- location opportunities

Officers from the Council, including those from Corporate Property, sit on a number of working groups alongside Public Sector Partner Organisations, to review service delivery including developing opportunities for joint working and co-location opportunities. To some extent progression has slowed due to the need for organisations such as the PCT to develop solutions to deliver services aligned to the Governments changing agenda for their service delivery. However the Council's Accommodation Strategy is considered to be flexible enough to accommodate opportunities as they arise.

There is demonstrable success in establishing co-located services including:

- 4 Plymouth Council premises where the police have teams located and working jointly with the council and over 20 occupied by joint PCT and PCC teams.
- The successful transfer of Devonport Guildhall and relocation of the library to St Aubyn's Church demonstrates success in working with a number of groups including Devonport Regeneration Community Partnership.
- Further proposals are in development including a proposal to relocate one of the Council's ICT data centres within the Plymouth University campus.
- Corporate Property and the Council's Planning Department are currently working with English Heritage, private sector specialists, local businesses and the community in the development of a long term strategy and business case to protect the future of the Plymouth Palmerston Forts. This includes detailed action plans to inform the future use and viability of the sections of this historic defensive chain which are owned by the Council.

2.7 Managing the Asset

Due to the limitation on resources and constantly changing Local Government agenda the Corporate Property Service is continually challenged to ensure it provides the best fit service for the demands the Council has placed upon it. To this end a range of improvements have been implemented and plans in place to provide the systems and tools required to do this:

2.8 Data Management

In order to deliver the dual benefits of delivering a single view of the asset and to provide appropriate accounting capability to deliver the demands of the IFRS regulations, the service is in the process of transferring its current property information management systems to one system provided by a market leading software provider.

2.9 Maintenance Strategy - Condition, backlog maintenance and legislative compliance

The Corporate Maintenance Strategy, instigated in April 2008, aims to provide effective building maintenance and premises legislative compliance within the resources available.

The strategy provides a framework for prioritising planned and reactive maintenance of corporate buildings where maintenance budgets were centralised in 2007/08 (excludes schools and other buildings where budgets have remained under the direct control of building managers) and facilitates a fit for purpose built environment capable of supporting corporate and service level objectives such as:

- Improved customer satisfaction and service image
- Maximise income generation and minimise revenue expenditure
- Improve staff productivity
- Risk management (e.g. statutory compliance) and business continuity

Recent improvements and actual performance:-

- The current predicted planned/reactive building maintenance spend for 2010/11 is 65% planned and 35% reactive. This is now approaching the industry best practice benchmark of 70:30 and recommended by the Audit Commission compared to a generally unknown position previously.
- A full suite of contracts for cyclical inspection and maintenance of plant, equipment water systems has been reviewed and let during 2010 reducing risk of statutory compliance failure. Now available to all Council premises managers and responsible persons.
- Completion of a legislative compliance gap analysis indicating the links between the corporate maintenance strategy, Capital and Assets Business plan, person in control initiative and the Plymouth Association of Primary Heads school legislation compliance initiative.
- Establishment of a statutory compliance joint working and monitoring group with the corporate Health & Safety Team
- Development of departmental Quality Assurance system.

The updated condition survey data indicates the following status related to condition and backlog building maintenance in the corporate portfolio:-

Table 1: Percentage of Gross Internal Floor Area (GIA) in Condition A – D

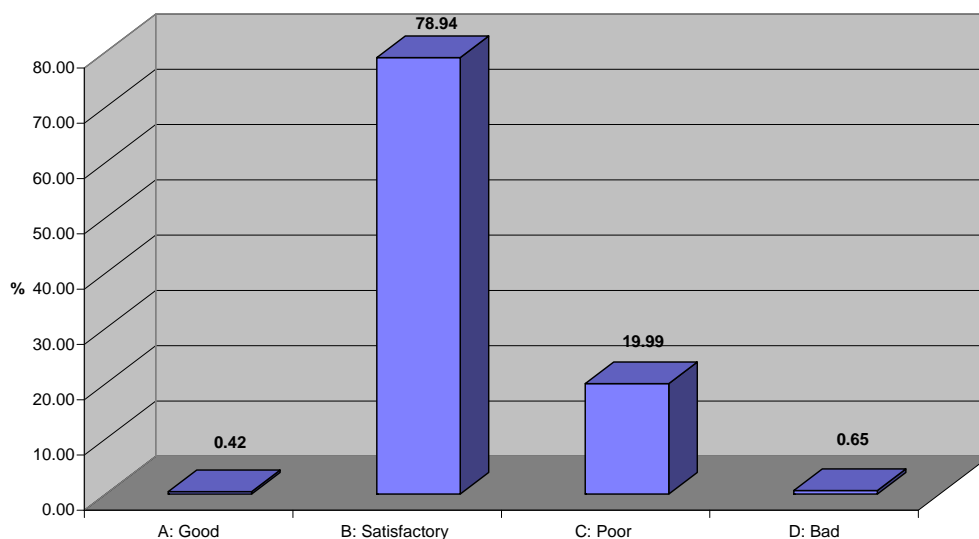
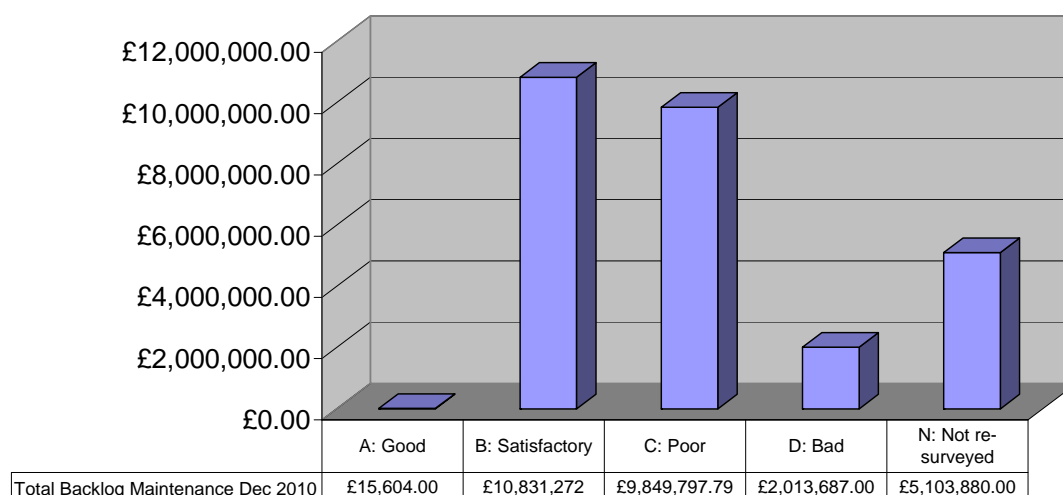


Table 1 indicates that 79% of the corporate property portfolio surveyed is condition B (satisfactory), 20% is in condition C (poor), Condition D (bad) at 0.65%. Condition A (good) increased to 0.42% which is broadly similar to the levels reported in the 2010 AMP update

The backlog building maintenance figures related to condition A (good), Condition C (poor) have increased to £15.6k and £9.84 million from £12k and £8.49 million respectively 2010. The backlog building maintenance figures for condition B (satisfactory) and condition D (bad) have decreased to £10.8 million and £2.0million from £13.7 million and £2.7 million respectively. However, the N condition rating relates to low priority properties that need to be resurveyed to bring them in line with the current performance benchmarking methodology.

Table 2: Total Backlog Maintenance Costs of Properties in Condition A, B, C, D and N



Overall the backlog building maintenance figure is £27.8 million, which is a decrease from the £28.8 million reported in February 2010's AMP update. Progress on reduction of backlog building maintenance has been slowed by the inclusion within the corporate estate of newly introduced sites, formerly HRA, with substantial levels of backlog maintenance. Additionally, the method of prioritising budget allocation for 2010/11 has ensured the facilitation of corporate objectives and planned works to negate operational risks, at the expense of reducing current levels of backlog maintenance. The on-going condition survey review programme has also lead to increased backlog maintenance costs due to cost uplifts to allow for inflation and additional building component condition deterioration since the 2004 baseline condition surveys.

To mitigate these issues and to obtain the condition B targets identified in this Asset Management Plan enhanced targeting of available maintenance resources will be undertaken during 2011/12 and 2012/13 by linking the maintenance programme into the retained portfolio identified from the Property Review and the Accommodation Strategy programmes. This measure is expected to deliver improvements to the backlog figure as it is expected that the disposal programme will reduce the total number of properties retained within the corporate portfolio.

Additionally, reported in the 2010 AMP update key projects such as Central Park's leisure facility and others delivered by the capital programme, as well as expected disposals and the asset rationalisation will provide a backlog reduction by 2014 of an expected £11.3

million. This will help reduce the backlog to £17.5 million over the next 3 years, with further minor reductions achieved through implementation of the Corporate Maintenance Strategy.

Proposed Future Improvements:-

- Improved targeting of available maintenance resources by linking the maintenance programme to the Property Review and Accommodation Strategy programmes.
- Review and tender of building maintenance work to allow a corporately complaint process, as well as enhancing the contract administrator function within Corporate Property by improved contractual management and monitoring.
- Summary review and update of existing condition surveys to enhance the interrogation and prioritisation of data needed to provide the future planned maintenance programme and revised benchmarking.
- Implementation of new asset management software.
- Providing the Corporate Health & Safety team access to the legislation compliance contracts across the portfolio to allow auditing and resultant action where required.
- Review performance indicators and budgetary review to support appropriate benchmarking initiatives.

2.10 Building Accessibility

Despite the wider economic pressures, locally restricted resources and the abandonment of formal indicators for measuring performance against the accessibility requirements of the Disability Discrimination and Equality Acts, the Council continues with its endeavours to increase the accessibility of its publicly accessible buildings. Indeed throughout the past year has been able to increase its expectations, however this as much through organisational change as adaptations.

Percentage of Council buildings open to the public providing 'reasonable' levels of accessibility to disabled persons

Figure 7

Year	2009 Position	Revised Position
2008/9	14%	
2009/10	16% actual	17% actual
2010/11	18% target	25% actual
2011/12	20% target	27% target
2012/13		29% target
2013/14		31% target

International Financial Reporting Standards (IFRS)

Implementation of IFRS regulations have significantly impacted on the methodology for delivering the rolling programme of asset valuations. Working as part of the wider corporate project group the Strategic Property Team have established and implemented a range of

protocols and methodologies to address requirements of same, including; reclassification of assets, lease classification and componentisation requirements.

2.12 Assets and Carbon Management

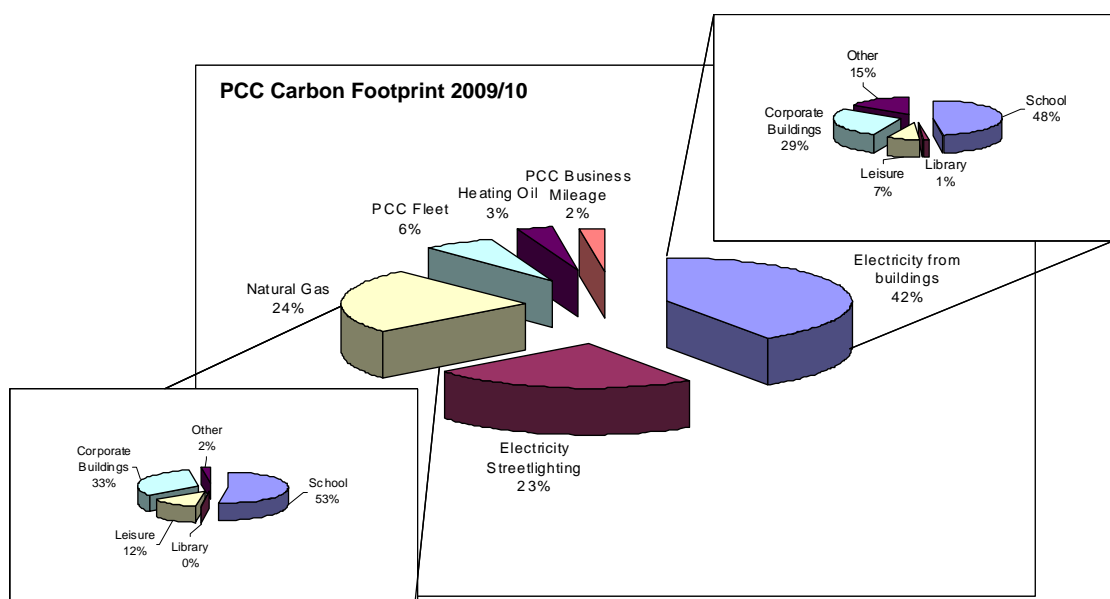
Our Corporate Property department is responsible for maintaining nearly 300 corporate and school buildings. We recognise that the way these buildings are managed and maintained has an important impact on the council's carbon footprint and costs. It is with this in mind that we have made the carbon management function an integral part of our Corporate Property department.

A carbon management plan (CMP) has been formulated to tackle emissions and cost reductions head on. The CMP details the sources of Plymouth City Council's (PCC) carbon emissions and establishes a baseline against which the effects of actions can be measured. It sets out the council's approach towards energy and carbon management and identifies key actions we are taking to reduce our carbon emissions. Our carbon reduction programme covers a five-year timeframe (2010/11 – 2014/15) and will include regular monitoring and annual reviews to assess and report on our progress.

We are aiming to reduce PCC's carbon footprint by 20% from a 2009/10 baseline by 2014/15. This is equivalent to a total carbon dioxide (CO₂) saving of 8,100 tonnes and will yield annual savings of £1.5 million from March 2015. In the first instance we will focus our efforts on two key areas where we believe real step change can be achieved. These are energy from buildings and transport.

We have already identified invest to save projects and actions for improved energy management, which will save the authority and schools £950,000 per year by March 2015. Actions to reduce emissions from waste, water, hydro-fluorocarbon and contractors are underway, and will be added to the plan when a baseline for them has been established.

Figure 8



Alongside invest to save projects and better energy management, we are committed to take systematic action for embedding carbon management practices across the council. Here are some key actions we have committed to or are proposing:

- Make carbon management a corporate priority by April 2011
- Create a carbon communications strategy by April 2011
- Include a carbon management section with meaningful and measurable outcomes in new departmental management plans by April 2012
- Make carbon and the wider sustainability agenda part of staff induction by April 2012
- Introduce carbon management objectives for Directors by April 2012
- Change the carbon manager's role towards an advisory service to Directorates on carbon reduction projects, with projects being driven by Directorates themselves from April 2012.

Strong leadership and a defined delivery structure are crucial to the success of the CMP. Our dedicated carbon manager will be driving the CMP on a day to day basis, backed by key individuals across council departments, which form the carbon management team. The ultimate responsibility for the delivery of the CMP rests with the Sustainability Programme Board chaired by our Director for Development and Regeneration. The function of the board is to embed sustainability across the council, of which carbon management is an important aspect. The board consists of key individuals from our Sustainable development, Home energy, Finance, Waste, Capital and Assets departments as well as the Cabinet Member for Street Scene, Waste and Sustainability.

Corporate Property Service

Corporate Property provides a range of services to support the Council and its services in the provision and management of its property portfolio. The service is divided into 4 key areas:

Strategic Property and Property Records providing:

- Property strategy development and implementation, disposal, acquisition and Landlord & Tenant Services
- Collation and management of the Councils property ownership and management records
- Street Naming and Numbering and Land Registration services

Building Surveying Design & Maintenance providing:

- Planned preventative and reactive maintenance services
- Statutory compliance and Health & Safety Services including 'Person in Control' (PIC) Training and support, contract procurement and management
- Building Design and contract procurement and management, including mechanical and electrical engineering services

Facilities Management Providing:

- Management of the Council's central Office Accommodation and Public Buildings including security, fire safety training and advice
- Cleaning and Caretaking Services to the operational and schools estates

Carbon Management providing:

- Development and implementation of the Carbon Management Plan
- Energy management, including guidance and advice

Service Improvement Plan

Primary Improvement Area	Detail	Responsibility
Data Management, Single View of the Asset	Implementation of Technology Forge Database Property ownership risk management review (Trees/footpaths/amenity land)	Kerry Birrell Barry Foster
Portfolio Review	Accommodation Strategy Ph 1 & 2 Whole Portfolio Performance Review Community Asset Transfer Strategy/policy	Graham Potter/Kerry Birrell Kerry Birrell Graham Potter
FM delivery	Management of flexible space, alternative service plan Cleaning & Caretaking efficiency review	Ian Banfield Ian Banfield
Maintenance Strategy	Review of statutory compliance & maintenance strategy Key contractor review	Dave Pollock Dave Pollock
Carbon Management/Sustainability	Production of Carbon Management Plan Preparation for CRC Energy Management plan Corporate Property Waste & Water Management	Alex Hurth Alex Hurth Alex Hurth Ian Banfield
Service Quality	Implement and integrate Quality Assurance across Corporate Property & Project Management Implement Corporate Project Management procedures	All team managers Joan Chilcott/Dave Pollock
IFRS	Implement IFRS for Asset Valuations	Kerry Birrell
Structure	Review of roles and structural realignment Corporate Support Single Point of Contact initiative	Graham Potter Graham Potter
Asset Management Forum	Re establishment of group	Graham Potter
Business as usual	Efficiency review	All Team managers

Approach to Customer Service

In as much as the Council focuses on ensuring its services are customer centric the Corporate Property Service continues to improve the way it supports and provides services to the occupiers and users of the portfolio it manages. This is delivered through existing successful and further proposed development and implementation of improvement activities aimed at ensuring consistent quality of service including:

- The final team within Corporate Property has now achieved ISO: 9001 Quality Assurance accreditation. The next step is to amalgamate these into a single accreditation for the wider Capital and Assets Service in which Corporate Property sits.
- Service Level Agreements, rolling out to additional customers SLA's based upon a similar model currently used with the schools portfolio.
- Corporate Support Initiatives; fully embracing the Corporate Support Directorates wider initiatives.
 - Service helpdesk (SPOC), aimed at ensuring customer enquiries are dealt with more quickly, by the right people, enabling services to concentrate on their own priorities and to consolidate and rationalise a range of back office 'helpdesk' based services. Including, public building booking, ID pass allocation, meeting room booking, front line land ownership enquiries.
 - Corporate Buyer/P2P, improving the way we procure our large range of building and FM related services through embracing these initiatives and delivering both cost and service efficiencies through central procurement. It is proposed, as part of our structural realignment, we provide contract management services for a range of corporate contracts.
- Compilation of annual customer satisfaction questionnaires. In recent results of the 'Strategic Property Survey' all but one of 13 respondents gave the team the highest rating for overall satisfaction.
- Risk Management – Service risks are reviewed monthly by the Capital and Assets Management team via a Risk Management Action Plan.

Asset Management Forum

It is recognised that a key to sound Asset Management, within an organisation as large and complex as Plymouth City Council, is to have in place an appropriate forum to facilitate cross departmental thinking, consultation and planning to ensure a corporate approach to maximising use of the asset. Until the recent past this was provided by the Property Forum, which has lapsed as a result of the wider pressures on service delivery created by the current financial climate and the effects this has had the structure and culture of Plymouth. It is therefore considered necessary that an Asset Management Forum re-established in a form which suits the organisation going forward. As such it is within the Corporate Property Service improvement plan to re-establish the group prior to the beginning of 2011/12.

3.0 The Schools Estate

3.1 Academies

Plymouth City Council's policy direction for all schools is to develop autonomy, either through the formation of a Trust or Academy status. The strategy for change, known as *Investment for Children*, which set out the Council's plans for maintaining the school estate was adopted by the Full Council in December 2008 and remains its policy for schools to develop independence. However, the landscape for investment in the education infrastructure in the city is transforming dramatically following the change of Government in May 2010. The new coalition government has set out an ambitious programme for schools to become, Academy, which transfers the asset liability and all capital investment to the Young Persons Funding Agency (YPLA) and established schools as independent non fee paying schools.

In September 2010, Plymouth opened two academies, which had been set up under the "old style" academy route. Further to the Academies Act becoming law in July 2010 and the "new start academies" procedure, a further primary school has transferred status. Most of the remaining secondary schools in Plymouth are also preparing to change status in this calendar year. This will have a dramatic change to the asset value of the city. The asset value transferring is in the order of 25% of the councils stock. Whilst the asset value will reduce it should also be born in mind that the asset liability also reduces as the backlog condition issues also transfer.

3.2 Government settlements;

On the 5th July the Secretary of State announced the scrapping of all education investment programmes and set out to review to how education capital is allocated and delivered. This review, chaired by Sebastian James was due to conclude in January 2011 but is now expected in February.

On the 13 December 2010 the Government announced all capital grant allocations for councils across the country. Plymouth City Councils (PCC) grants for all maintained schools amounted to £9.3m for the year 2011/12. This is a reduction on the previous years grants allocations of 51%.

In the emergency budget in June 2010, it was announced that capital spending would be protected in the Comprehensive Spending Review (CSR) because cuts to capital infrastructure would slow the recovery. However, the CSR announcement in October revealed that the capital settlement for the Department for Education (DfE)

would be reduced by just over 60% for the spending review period, which was the highest cut across all Government.

The most significant change to the Government's allocations will be the very considerable reduction in Devolved Formula Capital (DfC). This reduced from £4.4m in 2010/11 down to just £774k represents an 80% reduction.

All schools have had budgetary control of capital funding since the introduction of Fair Funding in late 1990's. This has recently been at levels that has allowed Governors to prioritise capitalised maintenance to ensure that schools do not fall into disrepair and that health and safety works are always completed.

In the past 10 years £38m has been allocated to schools through DfC and a further £10-15m has been allocated by the LA to condition related projects that support schools DfC projects. It is true however that not all schools have exercised this responsibility to the same degree, and the condition of school buildings remains therefore patchy. It is also noted that there remains a significant amount of the major elements, boilers, roofs, and M&E plant etc. that have not been tackled. As a result, the cosmetic appearance of school buildings, often hide underlying issues.

In addition to the issues of DfC, schools in Plymouth have continued to under resource the revenue R&M necessary to halt the decline of the asset and this continues to stretch the need for DfC.

It is possible that with the significant reduction in DfC, schools will take the view that it can now only meet ICT spend in schools, implying that the capital repair liability should revert back to the Council to be achieved from the Capital Maintenance Grant. Significant to this will be the Health and Safety liability to the condition of school buildings. In law the Health and Safety Executive (HSE) usually take the view that the line of responsibility rests with the budgetary control. In recent years it has become established that because schools have both revenue and capital control it is reasonable that school exercise a responsible role for health and safety. This could become unclear again if schools feel unable to use revenue budgets to meet H&S liability.

The reduction of DfC could also result in old style political lobbying to get funds for school repairs. It should be noted that the number of letters from schools has already increased significantly.

3.3 Children's Centres

Phase 3 programme is now mostly complete. This programme was co-ordinated with Extended School and Early Years funding giving a total investment of £1.3m. Under the new Government Settlement it is indicated that capital liability for Children's Centres is to be managed by the LA from non ring fenced investment programmes available to them.

3.4 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, Two further Primary schools, Beechwood and High View, have been delivered this year and Tor bridge (previously Estover Primary School) is in contract and will be completed in July 2012, These nine primary schools replace fifteen old 1950 and 60's buildings and represent a considerable improvement in the asset base. Over the period of the last 5 years the council will have replaced 12% of the school 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 revised forecast for 2010 is £35.8m.

3.5 Secondary Schools

The Buildings Schools for the Future (BSF) One School Pathfinder project at Tor Bridge (previously Estover Community College) completed the bulk of the Secondary element which opened in September 2010 including the public library and museum. The demolition of most of the existing school and the construction of the remaining part of the secondary school is on schedule to complete by September 2011.

As discussed above the New collocation Government scrapped the Building Schools for the Future Programme in July 2010, however lobbying to Government has ensured that there is funding of £19.2m which will be allocated directly to the two Academies in the programme which will ensure that the bulk of the condition liability in these schools will be resolved in the next couple of years.

3.5 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 Tor Bridge Campus. There has also 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.

Whilst over the past 10 years there has been a substantial investment in special schools with three being completely replaced and one substantially refurbished. There remains 3 that have had little investment, 2 of these three are in considerable need or remodelling to deal with the very complex needs for children that attend these buildings.

3.6 Basic Need Growth; In October a cabinet paper was taken that set out the building pressure of Reception School Places 2010 and the need for additional capacity for 2011 and beyond. A Basic Need programme is being developed that will result in a number of projects that will seek to increase capacity in specific pockets across the city. Due to the tough economic climate it is possible that the number of temporary classrooms will increase across the asset base. This will reverse the long term trend that the council has achieved to replace poor quality temporary classrooms

The proportion of teaching work spaces undertaken in temporary accommodation in 2000 was 17%, by 2005 this had dropped to 11% and by 2010 had fallen further to 6.6%

4.0 Commercial Property Strategy

4.1 Commercial Property Investment Portfolio

The Commercial Property Investment Portfolio delivers annual income of £8.6m from almost 2000 individual tenancies and interests in land. 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 Commercial Property Investment Portfolio, to achieve improved financial performance and best value, will be determined by a comprehensive review of the assets culminating in an approved strategy. This review is due to take place in 2011

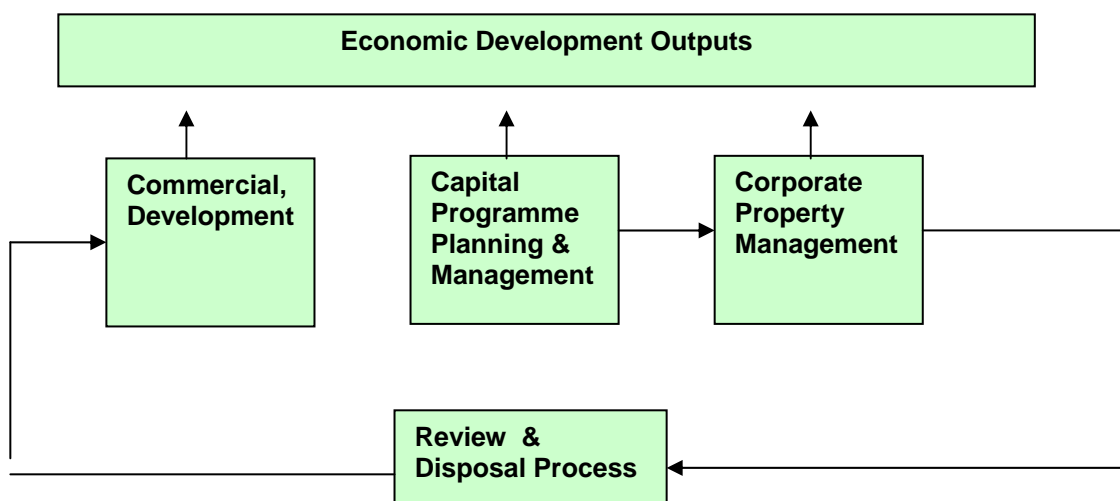
5.0 Organisational Arrangements and Consultation

5.1 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 remained in the Department for Development.

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.

Figure 10



5.2 Capital and Assets includes:

5.2.1 Corporate Property Service

Corporate Property provides a range of services to support the Council and its services in the provision and management of its property portfolio. The service is divided into 4 key areas:

Strategic Property and Property Records providing:

- Property strategy development and implementation, disposal, acquisition and Landlord & Tenant Services
- Collation and management of the Councils property ownership and management records
- Street Naming and Numbering and Land Registration services

Building Surveying Design & Maintenance providing:

- Planned preventative and reactive maintenance services
- Statutory compliance and Health & Safety Services including 'Person in Control' (PIC) Training and support, contract procurement and management
- Building Design and contract procurement and management, including mechanical and electrical engineering services

Facilities Management Providing:

- Management of the Council's central Office Accommodation and Public Buildings including security, fire safety training and advice
- Cleaning and Caretaking Services to the operational and schools estates

Carbon Management providing:

- Development and implementation of the Carbon Management Plan
- Energy management, including guidance and advice

5.2.2 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

Economic Development includes:-

- Commercial & Development – managing industrial, retail and leisure premises, rent reviews, lease renewals, general disposals, Mount Edgcumbe 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.

6.0 Capital Strategy

- 6.1** Our financial strategy for capital has been to fully utilise the supported capital borrowing allocation available to us in tandem with maximising the availability of grant and third party payments. From 2011/12 onwards the government has replaced supported borrowing with cash grants, so maximising the use of these will now be the focus
- 6.2** We maintain the principle that capital schemes are only approved into the programme where specific funding has been clearly identified and supported by business cases. Thereby, the capital investment programme, at any set point in time, will evidence 100% funding allocation against approved schemes. Capital investment is prioritised to ensure that outcomes are maximised against the council's Priorities.
- 6.3** The council continues to challenge the affordability of its five year capital programme for the period 2010/11 to 2014/15. There remains significant volatility around future capital grant funding and income generation through capital receipts.
- 6.4** The BSF programme was suspended by the Government in June 2010. However Plymouth has now been awarded £19.134m BSF funding split between Marine Academy Plymouth £8.561m and All Saints Church of England Academy £10.573m. This will be received sometime after March 2011 once plans are agreed with Department of Education. At this stage it is not clear whether the grants will be paid direct to the Academies or through the City Council, but at this stage the funding has been added to the proposed Childrens' Services programme in 2011/12 until the process is clarified.

6.5 The proposed programme following central government funding changes is as follows:

Figure 11: Five year Departmental Capital Programme

	2010/11 £000s	2011/12 £000s	2012/13 £000s	2013/14 £000s	2014/15 £000s	Total £000s
Children's Services	30,759	33,412	10,211	-	-	74,382
Community Services	20,212	24,007	2,331	-	-	46,550
Development & Regeneration	23,828	20,795	5,386	5,160	5,829	60,998
Corporate Support/items	2,658	6,987	560	500	-	10,705
	77,457	85,201	18,488	5,660	5,829	192,635

This expenditure will be funded by:

	<u>£000</u>
* Capital Grants/Contributions/S106	126,943
* Supported Borrowing	8,167
* Unsupported Borrowing	29,956
* Capital Receipts	25,728
* Revenue / Funds	<u>1,841</u>
	192,635

6.6 We remain committed to a significant capital investment programme despite the current economic climate. The Council, engaging with partners in major regeneration of the City, will not only contribute towards delivering improvement priorities, but will also help to sustain much needed work opportunities in the local area (for example, the construction industry).

Significant schemes that will be delivered by 2014 include:

- £46.5m on The Plymouth Life Centre;
- £37.5m on the state of the art new college, Tor Bridge;
- £14.2m on improving Schools in the Southern Way Federation;
- £8.6m for a new School at Efford;
- £8.0 Completion of Chelson Meadow reinstatement;
- £22m on improving transportation Plymouth (Local Transport Plan);
- £20m on improving transport access in Eastern side of the City Centre;

- £3.88m on bringing Devonport People's Park 'back to life';
- £0.5m on a new Library for Plympton
- £1.0m electrical refurbishment of City Market

Note 1: total project costs, some of which were incurred prior to 2010/11

6.7 In addition, we are continuing with our long term waste disposal solution with Torbay and Devon County Councils, building a multi million pound Waste to Energy plant, with the Waste Partnership looking to announce a preferred delivery partner in 2011.

6.8 We will continue to regularly review the assets that we own to ensure that they are fit for purpose and optimise the use of capital receipts, where deemed beneficial, in order to support our overall capital investment programme. However, our ability to generate capital receipts has been severely impacted in the last couple of years due to significantly falling land and property prices.

In reviewing the capital programme as part of 2011/12 budget setting we have continued to **reduce our reliance on capital receipt funding, now £25.7m over the five year period**. This funding is based on a schedule of specific assets, with current estimated valuations and proposed timing for disposals. Our view is that we will dispose of very few assets over the next three years, with disposals increasing towards the end of the five year programme on the assumption that market conditions will improve.

6.10 The council has built in the requirement for **additional temporary borrowing** to cover the shortfall in capital receipt income for the 2010/11 and 2011/12 financial years. It is planned that this borrowing will be repaid in future years to coincide with our forecasted capital receipt income. Capital receipt generation will be kept under constant review by the Capital Delivery Board as part of regular monitoring. Any variations to the forecasted position will be reported to Corporate Management Team and Cabinet at the earliest possible opportunity.

6.11 Programme Governance

During the past year the procedures for the control of the Capital Programme have been reviewed.

Whilst overall responsibility for the programme still rests with full Council there are clear delegated responsibilities to Cabinet, CMT and the newly formed Capital Delivery Board.

The Capital Delivery Board is chaired by the Director of Development and Regeneration with representatives from each directorate at Assistant Director level together with the Director for Corporate Support and senior officers from the Finance and Capital and Assets Services.

The Delivery Board and capital process is managed by the Head of Capital and Assets and all new projects are reported to the board for approval in accordance with Council priorities and governance procedures. Monitoring of projects and overall spend in the programme is also undertaken by the board.

The revised Capital Programme governance procedures have been subject to Audit Committee, Cabinet and full Council approval.

The current capital programme process has also been subject to an audit by the Devon Audit Partnership and has been awarded an overall good standard.

The Risk Management process within the Project Management procedures have also been subject to external review and again achieved a high standard.

The Council will continue its policy of investing both revenue and capital resources in projects which deliver ongoing sustainable reductions to the revenue budget. Officers have been asked to come forward with proposals that can be evaluated by the Capital Delivery Board and Corporate Management before recommendation to Cabinet. They will be assessed against deliverability, payback period, the level of savings achieved and how they fit with the Council priorities.

All proposals will be assessed on their own merits and will be subject to the capital governance procedures approved in January at Audit Committee.

APPENDIX 1 CAPITAL PROGRAMME 2011 - 2015

Plymouth City Council Capital Programme
 Medium Term Financial Programme 2010/2011 - 2014/2015
 5 Year Sub Programme

Service	Latest Forecast 2010/11 £000	Latest Forecast 2011/12 £000	Latest Forecast 2012/13 £000	Latest Forecast 2013/14 £000	Latest Forecast 2014/15 £000	Total Programme 10/11 - 14/15 £000
Childrens Services	30,759	33,412	10,211	-	-	74,382
Community Services	20,212	24,007	2,331	-	-	46,550
Corporate Support	2,658	6,987	560	500	-	10,705
Development	23,828	20,795	5,386	5,160	5,829	60,998
Total Capital Programme	77,457	85,201	18,488	5,660	5,829	192,635

Plymouth City Council Capital Programme
Medium Term Financial Programme 2010/2011 - 2014/2015
5 Year Sub Programme

Childrens Services

Service	Sub-Programme	Latest Forecast 2010/11 £000	Latest Forecast 2011/12 £000	Latest Forecast 2012/13 £000	Latest Forecast 2013/14 £000	Latest Forecast 2014/15 £000	Total Programme 10/11 - 14/15 £000
Strategic Programmes	BSF	10,580	7,580	2,917	-	-	21,077
	Basic Need	-	500	5,300	-	-	5,800
	Indicative Future Allocations	-	-	-	-	-	-
	Primary Capital Programme	6,263	1,245	-	-	-	7,508
	Special Education and Inclusion	360	363	-	-	-	723
	Childrens Social Care	-	-	-	-	-	-
	Localities	-	-	-	-	-	-
	PFI	700	-	-	-	-	700
School Development Works	Primary Development	11	-	-	-	-	11
	Secondary Development	209	-	-	-	-	209
	Special School Development	9	-	-	-	-	9
School Condition Works	School Condition Works	2,128	239	1,200	-	-	3,567
Surestart, Early Years and Childcare	Children's Centres	853	-	-	-	-	853
	Early Years	935	-	-	-	-	935
Focused Work	Extended Schools	352	-	-	-	-	352
	14-19 Diplomas and International Baccalaureate	549	-	-	-	-	549
	ICT in schools	612	-	-	-	-	612
	School Meals	2,421	720	-	-	-	3,141
	Section 106 projects	172	-	-	-	-	172
	Access	18	100	-	-	-	118
	Safeguarding	105	-	-	-	-	105
	Sustainability, carbon reduction and spend to save	737	-	-	-	-	737
	Tuition service	-	-	-	-	-	-
	Youth service	69	-	-	-	-	69
	Adult and community Learning	-	-	-	-	-	-
	SEN and Inclusion	418	154	20	-	-	592
Children's Social Care	Children's Social Care	350	-	-	-	-	350
Devolved Formula Capital	Primary	1,518	1,039	-	-	-	2,557
	Secondary	532	795	-	-	-	1,327
	Special	120	200	-	-	-	320
	Nursery	37	65	-	-	-	102
	Other	71	1,278	774	-	-	2,123
Other Items	Play and Sport	515	-	-	-	-	515
	Other Items	115	-	-	-	-	115
Academies - Capital Allocation post BSF	Marine Academy	-	8,561	-	-	-	8,561
	All Saints Church of England Academy	-	10,573	-	-	-	10,573
Childrens Services Total		30,759	33,412	10,211	-	-	74,382

Plymouth City Council Capital Programme
Medium Term Financial Programme 2010/2011 - 2014/2015
5 Year Sub Programme

Community Services

Service	Sub-Programme	Latest Forecast 2010/11 £000	Latest Forecast 2011/12 £000	Latest Forecast 2012/13 £000	Latest Forecast 2013/14 £000	Latest Forecast 2014/15 £000	Total Programme 10/11 - 14/15 £000
Environmental Services	Environmental & Regulatory	-	1,093	-	-	-	1,093
	Parks	589	93	-	-	-	682
	Vehicle Purchases	53	-	-	-	-	53
Culture, Sport & Leisure	Plymouth Leisure	742	-	-	-	-	742
	Plymouth Life Centre	17,475	21,252	1,640	-	-	40,367
	Mount Edgcumbe	-	1	-	-	-	1
	Libraries & Museums	902	468	-	-	-	1,370
Adult Health & Social Care	Community Care	452	1,101	691	-	-	2,244
Community Services Total		20,212	24,007	2,331	-	-	46,550

Corporate Support

Service	Sub-Programme	Latest Forecast 2010/11 £000	Latest Forecast 2011/12 £000	Latest Forecast 2012/13 £000	Latest Forecast 2013/14 £000	Latest Forecast 2014/15 £000	Total Programme 10/11 - 14/15 £000
Information Systems	Information Systems	778	500	500	500	-	2,278
Economic Development	Corporate Property	1,880	6,487	60	-	-	8,427
Corporate Support Total		2,658	6,987	560	500	-	10,705

Plymouth City Council Capital Programme
Medium Term Financial Programme 2010/2011 - 2014/2015
5 Year Sub Programme
Development

Service	Sub-Programme	Latest Forecast 2010/11 £000	Latest Forecast 2011/12 £000	Latest Forecast 2012/13 £000	Latest Forecast 2013/14 £000	Latest Forecast 2014/15 £000	Total Programme 10/11 - 14/15 £000
Local Transport Plan	Demand Management	21	56	-	-	-	77
	Public Transport	556	117	11	-	-	684
	Walking & Cycling	363	222	-	-	-	585
	Road Safety	24	120	-	-	-	144
	Regeneration & Urban Renewal	174	-	-	-	-	174
	Dft settlement not yet allocated	-	2	3,590	4,218	4,155	16,790
	A386 special project	170	382	-	-	-	552
	Safety Camera Partnership	38	-	-	-	-	38
	Capital Maintenance	2,065	-	-	-	-	2,065
Transport - Non LTP	Eastern Corridor (excluding East End element - shown line below)	-	-	-	-	1,000	1,000
	East End Community Transport Improvement scheme	12,537	6,930	-	-	-	19,467
	West End	186	-	-	-	-	186
	A38 Junction improvements	448	-	-	-	-	448
	Flood Defence	-	-	-	-	-	-
	Other (incl.Transport Asset Management Plan Works & CCTV projects)	-	-	-	-	-	-
Economic Development	City Market electrical refurbishment	25	925	50	-	-	1,000
	Barbican Landing Stage	-	-	-	-	-	-
	Granby Green	-	-	-	-	-	-
	Cumberland Gardens	26	-	-	-	-	26
	North Stonehouse	-	-	-	-	-	-
	Devonport Park	1,575	1,300	-	-	-	2,875
	Devonport Heritage Trail	21	-	-	-	-	21
	Other (incl. Alleygates, Devonport St. Lights)	-	-	-	-	-	-
	Commercial Developments (Royal William Yard - noise compensation)	241	20	-	-	-	261
Planning	Housing & Planning Delivery Grant -planning services expenditure	26	-	-	-	-	26
	Stepping Stones to Nature	88	71	5	5	-	169
Retained Waste Projects	Material Recycling Facility	-	852	-	-	-	852
	Chelson Meadow restoration (Capping & Leachate)	3,034	4,826	102	-	-	7,962
Strategic Housing	Devonport Development Team	-	-	-	-	-	-
	East End Renewal Area	-	-	-	-	-	-
	Home Energy	355	241	-	-	-	596
	Energy Conservation	-	-	-	-	-	-
	Minor Works	-	-	-	-	-	-
	Disabled Facilities Grants	1,308	700	700	700	-	3,408
	Decent home Loans	236	94	150	150	-	630
	Empty Homes / Enabling	-	151	-	-	-	151
	Living Over the Shops (LOTS)	-	-	-	-	-	-
	Empty Homes	-	-	-	-	-	-
	Disabled Adaptations	-	-	-	-	-	-
	Housing Capital Salaries GF (Neighbourhood Regen & Renewals)	277	183	135	135	-	730
	Private Sector Other Works (stock condition)	36	15	15	15	-	81
	Decency Standards	-	-	-	-	-	-
	Eford Building Communities	-	-	-	-	-	-
Development Total		23,828	20,795	5,386	5,160	5,829	60,998

APPENDIX 2 ASSET TRANSFER POLICY AND PROCESS



Plymouth City Council Community Asset Transfer Strategy (Draft)

Scope

This strategy aims to provide a framework, for decision making and ongoing governance, to assist the Council in maximising opportunities to support Local Community service development, through the transfer of ownership and management of appropriate property assets.

In turn this will provide consistency, fairness and transparency in dealing with applications for asset transfer from community groups and ensure robust risk management and ongoing monitoring and support for successful schemes.

Ultimately the strategy aims to ensure that appropriate applications are progressed and result in successful and sustainable projects

Policy Context

The Council has a leading role in the delivery of the Local Strategic Partnerships Vision for the City including close partnership working with the voluntary sector.

Also through other strategies and plans such as the Sustainable Community Strategy and Asset Management Plan the Council sets out how it is going to support the development of the voluntary sector and empower local communities to develop and deliver solutions to increase sustainability and make them stronger and more cohesive.

The Council recognises that the way its assets are managed and owned can have a positive impact on the long-term strength of the voluntary sector and local communities more generally. Also that the transfer of assets to other organisations can secure access to resources otherwise not available which can be used to develop assets and services which might otherwise be unachievable.

The Council's aim is to ensure that the way assets are managed strongly underpins delivery of its corporate vision, and where appropriate, will use asset transfer as a means of enabling Communities to become sustainable on a long term basis. To be successful asset transfer requires a long term partnership approach involving all relevant stakeholders.

Background and Drivers to Support Community Asset Transfer



Central Government provided clear policy direction by accepting, in full, the recommendations of the Quirk review, therefore it is not an option to fail to give serious consideration and support the transfer of assets to the community. The Governments stance has developed not least via the following reviews and publications:

- 2006 Government White Paper demonstrated the Governments intention to increase opportunities to transfer the ownership and management of Public Sector assets to the Community. Later resulting in the £30 million community assets fund managed by the Big Lottery Fund
- Quirk Review (2007) Making Assets Work. An independent review, which looked at Community Management and Ownership of Assets, concludes that “Community organisations can realise tremendous potential by taking on the management and ownership of community assets.”
- The Government’s Empowerment Action Plan published in 2007 includes actions relating to the transfer of assets and to a programme of support for community anchors, including the availability of further funding to support the development of anchors.
- 2008 Communities & Local Government White Paper “Communities in Control; Real People Real Power” confirmed ongoing support for the Quirk Review, announced the establishment of a national Asset Transfer Unit, extended the advancing assets programme by a further year and announced a £70m community builders fund. The origins of this agenda go back to the ODPM’s 2003 Communities Plan. This acknowledged that sustainability is only possible where local communities play a leading role in determining their own future development.
- Asset Management Best practice, a plethora of best practice guidance and advice has been provided by Central Government, RICS et al directing Local Authorities to both rationalise their estate and facilitate more effective and efficient use of its asset base, where the focus is on service and community solutions not property solutions.
- Decentralisation and Localism Bill clearly demonstrates the coalition government’s ongoing positive view of the transfer of assets to the community. Including powers giving the community a right to ‘buy’ surplus assets, ‘build’ new assets and ‘challenge’ proposals for change.

Local Successes to Date

The Council already has achieved significant success in the transfer of assets to the Community such as:

Scott Business Park transfer to the Wolseley Trust (Cited in the Quirk Review)



Here the Council acquired the former hospital site at below market value, with a subsequent transfer to the Wolseley Trust on a 25 year lease, for the establishment of a business park and community facilities. The development now provides space to stimulate jobs and new business in an area of significant need and uses its trading surplus to provide a range of community facilities. The trust is an independent development trust, a community run limited company, where the community elects the board of Directors.

Devonport Guildhall

The Council has been successful in transferring the property on a 25 year lease to a community arts group. The project, funded from both a successful £1million bid from the Community Asset Transfer Fund and Devonport Community Partnership (£500,000) has resulted in an immensely important building having a secure future and removal from the Buildings at Risk Register.

However these have been progressed on a project by project basis but with an anticipated increase in interest and applications from community groups a consistent approach is now required.

Aims and Objectives

All Council strategies need to be aligned to the support and delivery of its overarching vision and key aims and objectives.

The Council's property portfolio includes a diverse range of land and buildings utilised for a variety of different business, social and community purposes. Community management and ownership of appropriate assets can deliver a range of benefits contributing to the overall vision such as through:

Community Benefits:

- Supporting the localism agenda, empowering communities as the most appropriate people to decide what is required
- Attracting and securing investment
- Securing stronger more cohesive and sustainable communities
- Increase capacity and confidence in the community

Council and Public Sector Partner Benefits:

- Enhanced ability to engage with the local community
- Establishment of a new partner with capability to access alternative and additional resources
- Creation of new services or facilities which complement existing provision
- Increases value for money and reduces management related revenue costs



- Opportunity to redirect and maximise use of scarce resources (e.g. Maintenance budgets and operational revenue expenditure)
- By coupling transfer to the wider property review and rationalisation process may allow a greater clustering of services thus freeing up additional assets for disposal.

Benefits to the Community Organisation

- Opportunity to develop capacity and capability through security provided (financial and physical).
- Creates independence and flexibility to expand and flourish
- Empowers the organisation and increases recognition and influence in the community

Principles of Transfer

As previously noted applications need to be considered in a consistent and structured manner in order to ensure decisions are made that support the success of appropriate and viable applications in order to make them happen. However strong and robust procedures and a decision making process needs to be followed in order to ensure protection of the Council and communities position and that of the public purse.

In order to support this it is advised that a number of fundamental principles be followed to create the framework for such a governance process including:

Corporate Priorities

All proposals and transfers must make a clear and unambiguous contribution to the City and Council’s 4 revised Corporate Priorities:

City & Council Priorities (from April '11)

Delivering Growth	Attract jobs, encourage enterprise, improve skills and make Plymouth a thriving regional centre
Raising Aspiration	Promote Plymouth and encourage people to aim higher and take pride in the City
Reducing inequalities	Reducing the inequalities gap, particularly in health, between Communities
Providing Value for Communities	Work together to maximise resources to benefit customers and make internal efficiencies



Indeed appropriate Community Asset transfers could be seen to contribute to any or all of these priorities.

Tenure and Contractual Relationship

There will be a general presumption that transfers should be based upon a lease of 20 to 25 years on Full Repairing and Insuring Terms at rental levels consistent with the benefits and business case of the proposal, subject to all other reasonable terms and conditions considered appropriate by the Council's Solicitor. This will include alienation clauses appropriate to the circumstances. However, in appropriate circumstances, longer lease or even Freehold transfers may be considered. However it is recognised that as services and organisation mature new opportunities arise opening up new funding sources which may require extended security of tenure, with this in mind the Council will follow a flexible approach to the surrender and renewal of appropriate leases upon the merits of each application.

This will protect all stakeholders in the following ways:

- Continuous monitoring of the use and condition of the premises, protecting the Council's interest and value of the asset
- The tenant will fully understand its liabilities and responsibilities
- Supports the Community Group in demonstrating sufficient tenure in funding applications
- Enables a succession strategy to be developed and implemented as necessary
- Best enables the Council to be in a position to provide ongoing support to the tenant organisation

Other agreements

Dependent upon the nature of the organisation and service it will deliver, the Council may require the applicant to enter into formal Service Level agreements or other such agreements as may be required to ensure delivery of the function proposed in the application. This may include proportionate claw back provisions to safe guard and prevent the potential for misappropriation of public funds or formal agreements whereby any surpluses produced are used for investment in community initiatives. This may also include details of any support, if any, the organisation might expect from the Council throughout the life of the project.

Should proposals involve the undertaking of works, or alterations to property, applicants would be expected to enter into appropriate building licence agreement to ensure delivery of schemes or protect the Council through default provisions.

Process

In order to ensure fairness and transparency in the treatment of proposals and there is a clear rationale, supported by a robust business case demonstrating the organisations capacity and capability to deliver, behind any decision to transfer an asset a consistent and agreed process is required which includes:

- Single Point of Contact; having a first point of contact to which all requests and applications are made it is proposed this be the Head of Capital and Assets.
- Steering Group; applications considered and progressed via a cross departmental steering/working group made up of appropriate Council officers and project champions
- Standard application process and requirements; including completion of Pre Qualification Questionnaire, Business Case requirements and opportunity for presentation of proposals to be made to key stakeholders.
- Facilitate opportunity for open dialogue and negotiation with the applicant to develop a formal understanding of expectations and any Service Level requirements the Council may have to inform formal agreement
- Consultation; appropriate consultation is undertaken with appropriate stakeholders including, elected members, service departments, public sector partners and not least the Community.
- Option appraisal; standard option appraisal with agreed scoring methodology for assessing benefits particularly where supporting the delivery of Corporate Priorities
- Decision Making; via the Councils current governance framework

Proactive Approach

In order to maximise opportunities the Council needs to take a proactive approach to raising awareness and seeking opportunities for the transfer of assets to the Community and can do this via:

- Undertaking consultation and collaboration with existing and new partners, internal stakeholders and the community to identify and facilitate the progress of opportunities
- Consider the potential for transfer of assets to the community through its ongoing Asset Management and Portfolio review programmes and activities
- Communicate to the Community the assets which are or maybe available for Community transfer

APPENDIX 3 SERVICE ASSET STRATEGY FRAMEWORK

Plymouth City Council
XXXXXXXXXX Services
Service Asset Strategy

INDEX

Executive Summary

1. Introduction
2. Service Objectives
3. Service Vision
4. Service Strategy
5. Current Property
6. Service Improvement Plans
7. Suitability, Sufficiency & Condition
8. Sustainability
9. Wider Corporate issues
10. Portfolio Opportunities
11. Conclusions & Recommendations
12. Implementation & Improvement Plan

APPENDIX 1 Running Costs per Sq.m.

APPENDIX 2 Backlog Maintenance Costs per Sq.m.

APPENDIX 3 Utility Audit Recommendations

Plymouth City Council

(Service) Service Asset Strategy

1. Introduction

Introduction to service, structure, management, relevant legislation service works under, subject inspection regime (e.g. OFSTED etc)

2. Service Objectives

Objectives, link to Council vision and objectives

3. Service Vision

Where the service is going (5/10 year vision)

4. Service Strategy

Drivers for change, government policy, funding, challenges, spatial strategy, link to other service strategies

5. Property

Overview of current portfolio, description, size, location, challenges (fit for purpose!?)

6. Service Improvement Plans

Improvement plans (linked to inspection regime, changes in legislation) property implications, funding challenges/opportunities

7. Suitability, Sufficiency and Condition

Running costs, portfolio performance, condition data, DDA, size, location, bespoke requirements

8. Sustainability

Energy Audit (performance), potential issues/challenges/opportunities re CRC etc, contribution of service to sustainable communities agenda

9. Wider Corporate Issues

Link to AMP, other service asset strategies, existing development/rationalisation proposals, funding opportunities

10. Summary – Property Performance Model

Corporate Property: Service Asset Strategy Framework

11. Portfolio Opportunities/Proposals

12. Conclusions and Recommendations

13. Implementation & improvement Plan

Proposal for each property

Property	Comments	Performance	Future Action

APPENDIX 1 Running Costs per Sq.m.
(graphical comparison of all properties/benchmarks)

APPENDIX 2 Backlog Maintenance Costs per Sq.m.
(graphical comparison of all properties/benchmarks)

APPENDIX 3 Utility Audit Recommendations
(CRC plan actions)