



Building a Better Bournemouth

Capital Strategy &
Corporate Asset
Management Plan
2015-2018
Handbook

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1.0 Foreword by Councillor John Beesley, Leader of the Council and Portfolio Holder for Resources



“Bournemouth Council has established an enviable record for the management of its assets. It has done this by taking a long-term strategic approach to ensure that its land and property provide the best possible value for local taxpayers, as well as acting as a driver for change in the delivery of the Council’s objectives.

It has done this by maintaining an up-to-date Capital Strategy and Corporate Asset Management Plan. This is a rolling three-year commitment to action that ensures that the Council’s property assets are proactively managed to fully meet both its existing and future requirements, with an increasing focus on long-term affordability.

Over recent years the Council has demonstrated its willingness to use its assets innovatively to make a real difference in terms of large scale regeneration in the town. With a strong framework in place, our vision for Bournemouth is becoming a reality and this is set to continue in the years ahead.”

2.0 Executive Summary

This *Handbook* catalogues the systems, procedures and controls that underpin strategic asset management and capital planning in Bournemouth Borough Council.

The *Handbook* is complimented by the *Performance Review* which monitors the performance of the Council’s asset base annually. This information then informs the strategic planning process and helps to identify key priorities that will be delivered through the *Action Plan*.

The *Action Plan* identifies measurable objectives for the three-year timeframe of the Plan. Together the 3 documents form the Capital Strategy and Corporate Asset Management Plan (CS CAMP).

The *Handbook* will generally require less frequent revision than the annual updates for the other parts of the CS CAMP.

The Property Strategy (see section 3.0) establishes a strategic direction for the Council’s assets. The CS CAMP translates this into action.

The CS CAMP applies to all of the Council’s assets at a strategic level, although detailed proposals for Council housing, highways and schools are contained in separate Council plans such as the HRA (Housing Revenue Account) Business Plan, the Local Transport Plan and the Transport Asset Management Plan.

The CS CAMP establishes a *Golden Thread* linking the Council’s priorities with investment in its assets.

3.0 Property Strategy

The Vision

“Property is not an end in itself, but a means to an end. We are judged on the quality of our services and on the economic, social and environmental wellbeing of the town. Therefore, the only reason for holding land and property assets is to support the delivery of these services and for the wider benefit of the local community.

They need on-going investment to ensure they remain fit for purpose. When properties become an impediment to delivering quality services, then they will be improved, re-used or sold.

We want to demonstrate real innovation and excellence in the management of our land and property assets.”

Councillor John Beesley the Leader of the Council and Cabinet Member for Resources.

Suitability

The Council is committed to understanding how the performance of its assets contributes to satisfaction levels amongst service users. It will use this information to ensure that its buildings remain fit for purpose and continue to deliver accessible services that meet the needs of the community. This is against a background of changing service requirements and rising levels of public expectation.

Value for money and asset challenge

The Council will ensure that its land and property delivers value for money in terms of service benefit, operating costs and financial return from its assets. The Council will continually challenge whether its assets are required, fit for purpose, and contribute to the delivery the Council’s and community priorities.

Property Acquisitions

Property can be a burden as well as an asset and the cost/benefits of freehold or leasehold ownership will need to be addressed in any option appraisal. The availability of prudential borrowing and preferential interest rates tends to make freehold purchase more cost-effective for long-term property requirements but different solutions may be required for short-term uses. Any newly acquired or constructed buildings for the provision of Council services should fully comply with current access and environmental standards.

Property disposals

The disposal of surplus property provides the funding for much of the Council’s discretionary capital spending that will help deliver its priorities. Therefore, the identification, marketing and disposal of surplus or under-utilised property is a priority for the Council. Timing of disposals will have regard to prevailing market conditions to ensure that any benefits are maximised.

Using assets to promote regeneration

The redevelopment of under-used and surplus Council land can be an important driver for regeneration. The economic benefits derived from construction contracts and new commercial activity will be an active consideration in determining future options for surplus land. In most instances, the practice of land-banking, where land is sold to developers only to remain undeveloped for many years, will be controlled through the use of long-leasehold interests with performance clauses.

Data management

To make informed decisions, it is vital that information on assets is up-to-date, accurate and accessible. This will allow the performance of assets to be proactively managed, benchmarked and monitored against targets for improvement. The Council will publish all mandatory property attribute data in accordance with the Transparency Agenda initiative and aspires to publish much of the discretionary data.

Maintenance and maintenance standards

The Council will prioritise maintenance spending to deliver, within available budgets, property maintenance to a standard appropriate to the service provided from each building and its un-expired functional life.

In most cases, the minimum standard will be to a satisfactory condition (category B), but there will be circumstances where a different standard is appropriate, e.g. a short-life building used for a temporary purpose where a poor condition (category C) may be acceptable.

It is recognised that in difficult economic times it will be difficult to adequately fund the Council's maintenance programme. At such times, spending will be directed to urgent repairs that will prevent building closure and on meeting statutory and contractual obligations.

Compliance with statutory requirements

The Council will ensure that all Council buildings are safe and they fully comply with all statutory obligations, e.g. health and safety (including asbestos and water safety), disabled access, food hygiene, etc.

Compliance with contractual obligations

The Council will endeavour to ensure that it complies with its leasehold obligations, including building repairs. However, it will be pragmatic in its approach and will be mindful, when making investment decisions, of the legal consequences of non-compliance.

Working with partners

The Council fully embraces the opportunities that partnership working can deliver. Wider community benefits can be derived from shared use of assets and from community ownership and management of assets.

Third sector and community aspirations will be evaluated alongside potential Council uses for surplus assets in order to identify the option that delivers the best outcome for people in Bournemouth. Potential solutions could involve freehold transfer, the grant of leases or the completion of management agreements, with or without financial support.

The Environment

The Council is keen to minimise the adverse impact that its activities may have on the environment. It is committed to reducing energy consumption and carbon emissions from Council buildings and to adopting sustainable forms of construction.

Extending this commitment further, the Council aspires to build all new property to high levels of environmental performance and to undertake cost-effective improvements to existing low performing buildings. The Council recognises that as a result of climate change, its assets will need to be capable of performing well in the face of more severe weather conditions.

Utility infrastructure, mainly electricity and gas, could become less reliable as the UK relies more on imports of fossil fuels and UK power stations coming to the end of their operating life. The Council sees the benefits of on-site renewable technologies to protect it from these potential issues in the future.

Innovation

The creative use of council assets can act as an effective driver for change. The Council has an excellent track record of delivering joint ventures and continues to seek new opportunities for collaboration with the private sector.

By attracting private sector financing and sharing some of the risks, these innovative ways of working may allow the Council to progress ambitious, large scale regeneration plans that were previously considered unaffordable or too long-term.

4.0 A picture of Bournemouth

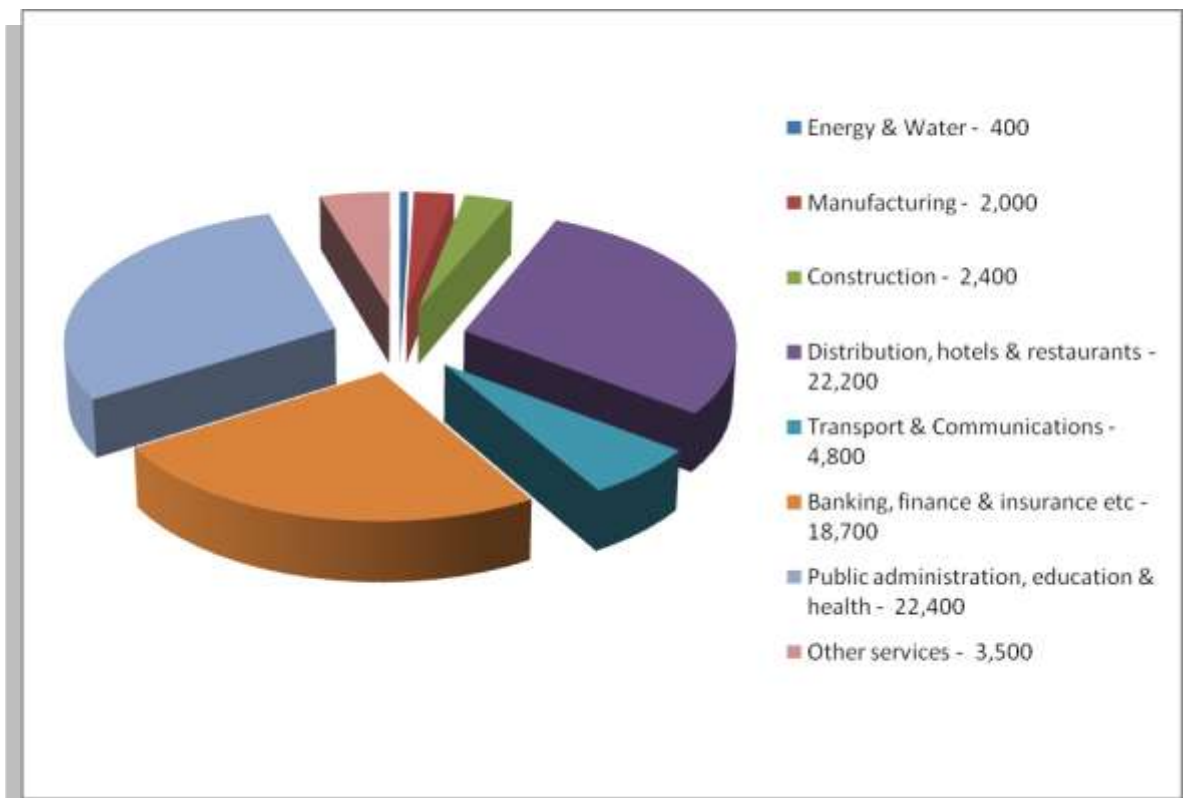
Bournemouth is a unitary authority that measures less than 14 km east to west and 7km north to south, with a total area of 46.5 square kilometres. Its character is predominantly urban, although it has 800 hectares of parks and gardens and 11km of sandy beaches.

Approximately 183,500 people live in the town, at an overall density of 3,863 people per km². Bournemouth has approximately 85,000 dwellings.

23% of the population is over the age of 60. However it also has a large student population, with circa 19,000 pupils in Bournemouth schools and 19,000 students attending Bournemouth University and the Arts University Bournemouth. In addition, there are a large number of foreign students attending language courses each year.

Tourism is important to Bournemouth, generating an estimated 1.06 million staying visitor trips and 5.08 million day visits. This brings around £495 million into the local economy per year.

The town's principle sources of employment are retail/ wholesale distribution, hotels, restaurants, financial services, public administration, education and health:



Source: *Business Register & Employment Survey 2011*

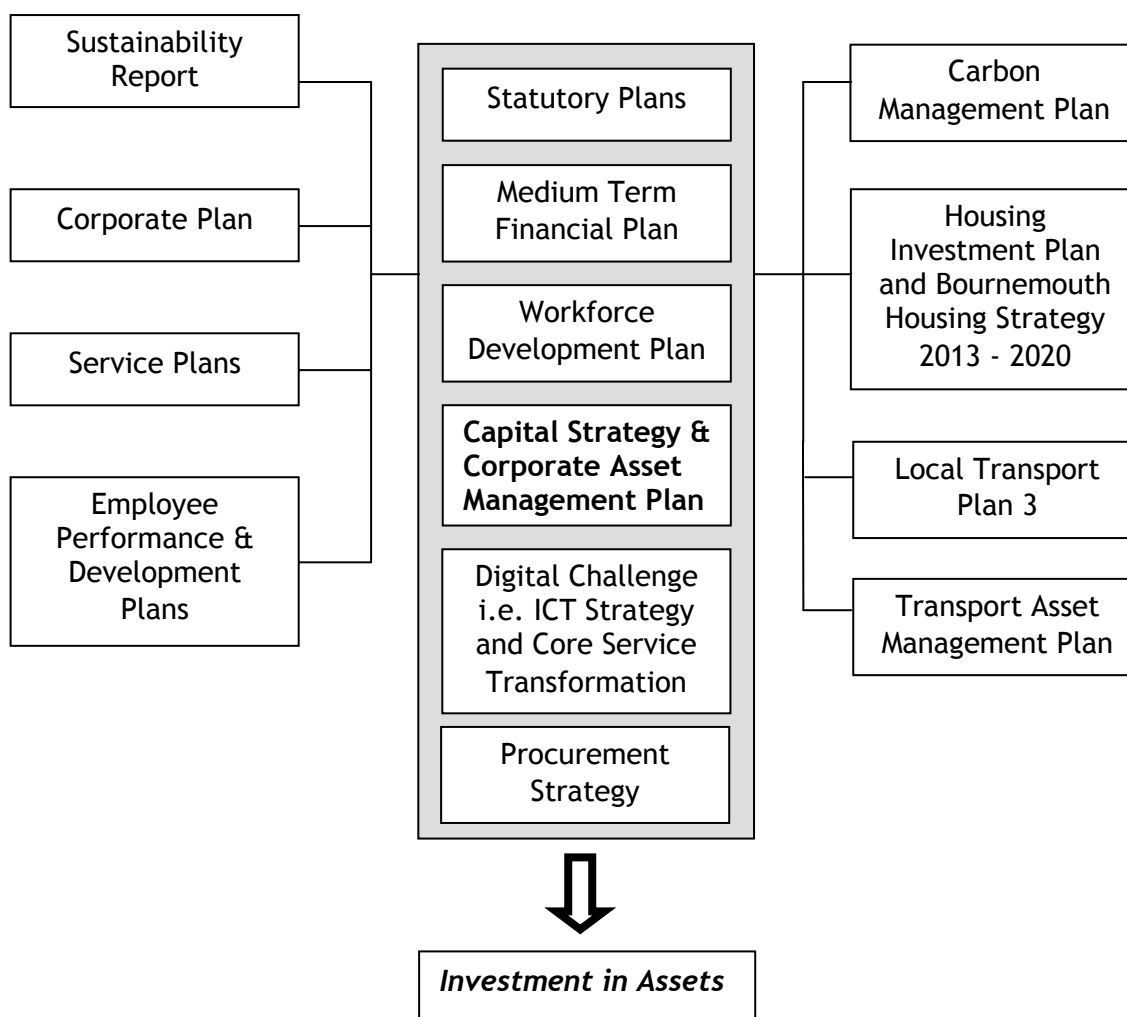
The Council employs some 3,100 staff and is responsible for providing all local authority services within the town, including education, highways, housing, leisure, and social services. The Council housing stock of around 5,000 dwellings is still owned by the Council.

5.0 Structure and scope of the plan

The CS CAMP applies to all of the Council's assets at a strategic level, although detailed proposals for council housing, highways and schools are managed separately in Plans such as the HRA (Housing Revenue Account) Business Plan, the Local Transport Plan and the Transport Asset Management Plan.

As a result, most of the detailed systems and procedures contained in the Capital Strategy and Corporate Asset Management Plan concentrate on those assets that are not covered by the separate planning processes noted above. This Plan applies to land, buildings, furniture, fittings, ICT, machinery, vehicles and other equipment at a strategic level.

Check chart below:

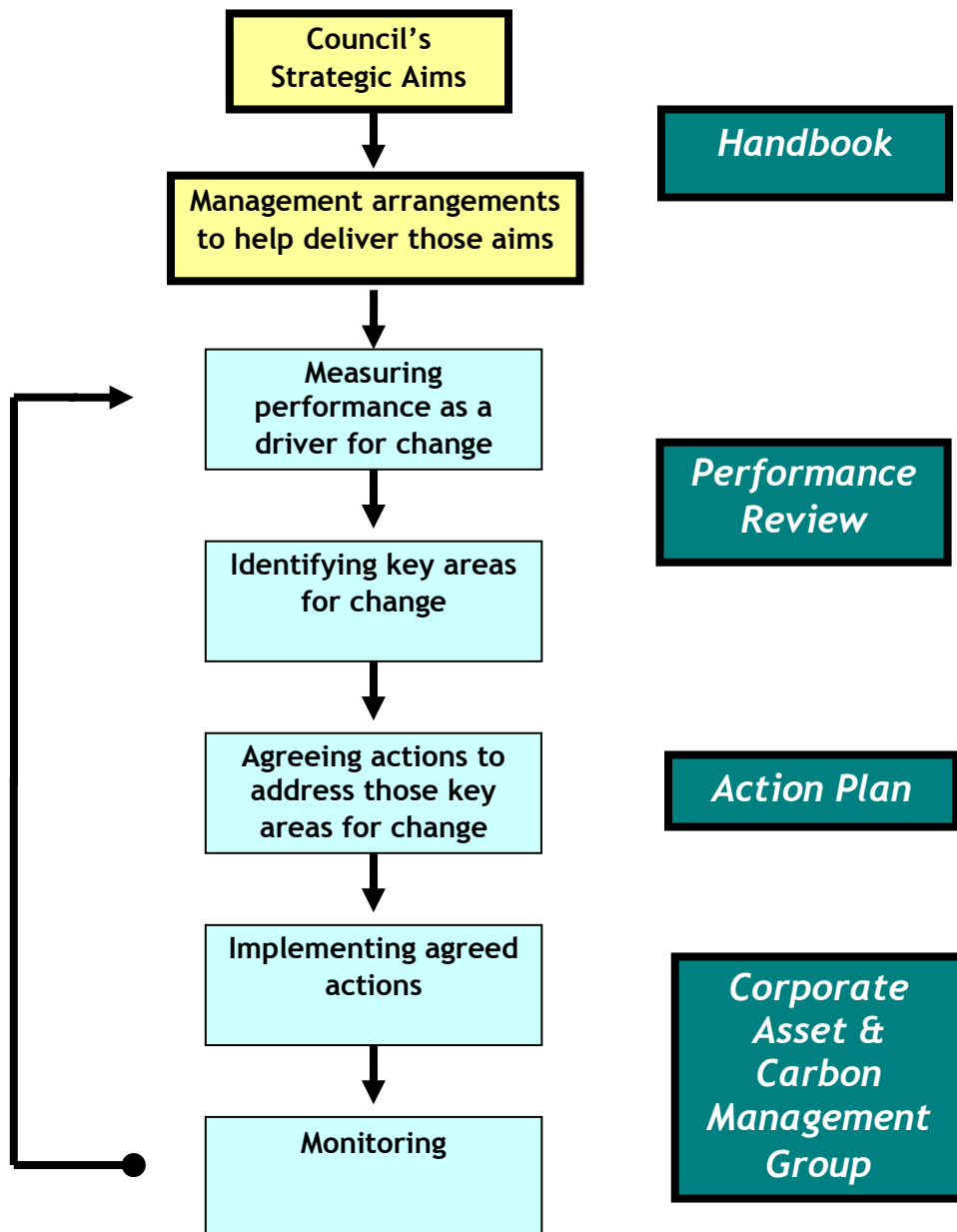


Bournemouth Borough Council has adopted an integrated approach to resource planning by combining capital and asset management into a single cohesive strategy. This document, the *Handbook*, catalogues the systems, procedures and controls that underpin this strategic planning process.

The *Performance Review* considers the state of the Council's assets and capital resources reporting on changes over the previous year. Using performance as a driver for change, and monitoring external and internal factors influencing the Council's assets, it identifies preferred options for key areas for change.

The *Action Plan* takes forward actions to address those key areas by identifying measurable objectives for the three-year timeframe of the Plan.

Together these documents form the Capital Strategy and Corporate Asset Management Plan. The Corporate Asset & Carbon Management Group (CA&CMG) will be involved in delivering these activities and monitor progress on a regular basis.



6.0 Good practice in asset management

This *Handbook* “flags” *Indicators of Good Practice* in text boxes. The following text then details how the Council’s processes comply with this best practice.

The Council is a member of the Chartered Institute of Public Finance and Accountancy (CIPFA) Asset Management Network. The Council contributes to CIPFA led initiatives to review and improve asset management in local authorities.

For example, Bournemouth Council has:

- Taken part in the recent CIPFA Asset Management Maturity Matrix;
- Contributes to the CIPFA performance benchmarking group;
- Contributed to the CIPFA national review of asset management plans.

The 2014 CIPFA Publication ‘Capital Strategies and Programming’ guides public sector organisations on the development of effective capital strategies. Bournemouth is recognised as an example of good practice by establishing clear links between capital planning and asset planning.

7.0 Decision-making structures and roles

Indicator of Good Practice - Policies, decision-making structures and roles should underpin the management of assets as a corporate resource

7.1 Organisational overview

The Council has adopted a structure based on the “Leader & Cabinet” model, which has been operating since 2002. Details can be found on the Council’s website at:

<http://www.bournemouth.gov.uk/Council/>

The Cabinet is made up of 10 members including the Leader who also holds the portfolio for Resources. The Council’s Constitution allocates the management of assets to the Resources Portfolio. The Section 151 Officer is responsible to the portfolio holder although some responsibilities are delegated to the Council’s Corporate Property Officer as detailed below in sections 7.2 and 7.3.

Although strategic asset management and estates management remain in-house, Facilities Management (FM) is included within a partnership arrangement with private sector service provider, Mouchel. The split of functions between the in-house client role and the services provided by the FM service provider are detailed below.

7.2 The Section 151 Officer

The updated *Financial Regulations and Procurement Rules* form part of the Council’s Constitution. This came into effect on 1 April 2013. It explains the responsibilities of the Section 151 Officer and the Corporate Property Officer in respect of asset management.

Role of the Section 151 Officer

Ensuring that the Council’s Asset Register, maintained by the Corporate Property Officer (CPO), is kept in accordance with good practice standards and the relevant capital accounting requirements.

Arranging for all insurances and requiring Service Directors and Executive Directors to ensure all assets are kept securely and used efficiently and effectively.

Ensuring compliance with the rules in relation to contractual commitments for the acquisition and disposal of assets set out in these Regulations.

Ensuring advice on the VAT implications of proposed land & building acquisitions and sales is sought at the planning stage.

Ensuring that all asset acquisitions and disposals are properly recorded within asset records by the CPO for the purposes of the financial statements of the Council.

The preparation and rolling re-fresh of the Council’s Asset Management Strategy in consultation with the CPO.

7.3 The Corporate Property Officer (CPO)

In addition to the overall responsibilities of the S151 Officer, the CPO acts on behalf of the Council in managing the Council’s corporate property portfolio in respect of General Fund property assets. Likewise the Service Director, Housing, Parks & Bereavement Services fulfils a similar function for all Council housing property.

The role and functions of the CPO are assigned to the Service Director for Environment & Regeneration Services. The CPO’s staff provide professional, technical and administrative support for the process.

The CPO is responsible for the deployment of the Council’s Asset Management Strategy

and Senior Responsible Officer's in each service (SRO's) must consult the CPO in respect of any matter relating to the proper management, acquisition or disposal of Council owned land and buildings that may be being used by them or that they wish to use in discharging their service responsibilities.

Role of the Corporate Property Officer
<i>The proper management of all corporate land and buildings owned by the Council taking account of the different needs and interests of Service Units and the Council as a corporate body.</i>
<i>Maintaining up to date records of all land and buildings, including valuations in the form of a corporate asset register for the Council. These records must as a minimum be reviewed on an annual basis.</i>
<i>Ensuring all rents, charges, fees etc due in respect of properties and land are raised and all income is collected and accounted for in the Council's accounting systems.</i>
<i>Ensuring that all land and buildings are maintained and insured so as to best protect and safeguard the Council's interests.</i>
<i>Ensuring all lessees and other prospective occupiers of Council land and buildings are not allowed to take possession or enter the property until a lease or agreement in a form approved by the Monitoring Officer has been made.</i>
<i>The disposal of surplus assets, land and buildings up to the value of £250,000 in consultation with the S151 Officer, the relevant SROs and the Leader of the Council & Resources, except where the disposal is not to the highest bidder or there is a significant discrepancy between the estimated sales value and the actual sales figure, when the disposal must be referred to Cabinet or Full Council subject to the value of the disposal and the discrepancy. All disposals must comply within the Financial Framework. All disposals valued in excess of £250,000 must be referred to Cabinet for decision and disposals valued in excess of £1m must be reported to Full Council.</i>
<i>The acquisition of all land and buildings on behalf of the Council and its Service Units up to the value of £250,000 in consultation with the S151 Officer and having due regard to the provisions of the Asset Management Strategy, Capital Programme and Medium Term Financial Plan. All acquisitions in excess of £250,000 must be referred to Cabinet for decision and acquisitions in excess of £1m must be reported to Full Council.</i>
<i>Ensuring all title deeds are passed to Legal & Democratic Services who act as custodian for all title deeds for Council properties and land.</i>
<i>Arranging for the valuation of all land and buildings as necessary to meet the accounting requirements of the S151 Officer.</i>
<i>To ensure that the Capital Strategy & Corporate Asset Management Plan is progressed and updated annually in line with best practice guidance and Council policy.</i>
<i>To report to Cabinet seeking approval for the Capital Strategy & Corporate Asset Management Plan.</i>
<i>To carry out an ongoing programme of property reviews.</i>
<i>To measure and monitor the performance of the Council's assets.</i>
<i>When appropriate, to escalate relevant asset management issues.</i>
<i>To update the Portfolio Holder for Resources on all asset management issues at the fortnightly property briefing.</i>
<i>To organise and chair the Corporate Asset & Carbon Management Group.</i>
<i>To review the outcome of service reviews and ensure that the asset management implications are reflected in Appendix A to the Performance Review - Key Areas for Change.</i>
<i>To ensure that the asset management information on the Council's website is kept up-to-date.</i>

To be responsible for the allocation of office accommodation across the Council (see appendix E of this Handbook - Policy for allocation of office accommodation)

7.4 The Corporate Asset & Carbon Management Group (CA&CMG)

At the beginning of 2014 the Council merged the Corporate Asset Management Group and the Carbon Reduction Team into the Corporate Asset & Carbon Management Group. Both groups had similar representation and there are strong links between managing our assets and reducing carbon. The merging of the two groups also led to LEAN savings in terms of officer time.

The CA&CMG is a cross-service senior management / member forum, which meets on a bi-monthly basis and is chaired by the Corporate Property Officer. The Chair is responsible for the administrative support arrangements.

The Group's representatives comprise the Corporate Property Officer, the Cabinet Member with the Resources Portfolio, senior managers from each of the Council's service directorates with responsibility for the management of Council assets and delivering carbon reduction. The group also receives professional support (finance, building surveying, valuation, energy and water management).

Role of the Corporate Asset & Carbon Management Group

The strategic management of the Council's assets.

To support the Council in achieving its carbon reduction target (34% by 2020).

To encourage implementation of energy and water efficiency schemes including opportunities from Salix funding within their service.

To promote energy and water conservation as a means to save money and contribute positively to the environment.

To ensure that the Capital Strategy & Corporate Asset Management Plan is progressed and updated annually in line with best practice and with Council policy.

To develop corporate asset-related strategies for consideration by Members.

Contribute to the development and outcomes of property reviews.

To assist the CPO in developing policies to address any recommendations resulting from Local Authority Inspections.

To approve the annual maintenance programme produced by the Council's FM Client Manager.

To compile and review the acquisition & disposal programmes, the asset monitoring schedule, summary of consultation and key areas for change.

To recommend the distribution of required maintenance and disability access budgets via the Corporate Asset & Carbon Management Group.

For each member to promote the Asset Management processes and Carbon Reduction initiatives in his or her own service area and to ensure a consistent approach across the Council.

Contribute to the Project Review Group to ensure that a strategic asset and carbon management overview is applied to the Gateway Process.

7.5 Occupying services

Although facilities management budgets and staff were centralised in 2010, occupying services continue to provide much of the day to day management of these assets. Their responsibilities are listed below.

Role of the occupying services
<i>To act as the responsible custodian of the premises that they utilise in the provision of their services.</i>
<i>To review the use assets to ensure that they are appropriate for the delivery of council services and meet the Council's over-arching priorities.</i>
<i>To challenge, in all service reviews, the use of existing assets in the provision of Council services.</i>
<i>To improve value for money by maximising utility (in terms of service benefit and financial remuneration) and minimising cost in use.</i>
<i>To responsibility manage the consumption of energy and water by the building they occupy.</i>
<i>To support and assist with the identification of energy and water saving opportunities and the necessary changes required to achieve these benefits.</i>
<i>To promote community safety, reflecting the Council's obligations under Section 17 of the Crime and Disorder Act 1998.</i>
<i>To promote social inclusion (making buildings and services accessible to all sections of the community).</i>
<i>To identify changing asset requirements resulting from national strategies, new legislation and guidance, demographic changes (e.g. an ageing population), raised levels of expectation amongst our stakeholders, etc.</i>
<i>To ensure that all changing asset requirements are recorded in the Key Areas for Change (Appendix A to the Performance Review).</i>
<i>To identify preferred options for these Key Areas.</i>
<i>To ensure that all capital investment and asset rationalisation proposals are recorded in their service plans.</i>
<i>To co-operate with the project evaluation process by providing evidence of the benefit that will be achieved in meeting service priorities against pre-determined project evaluation criteria.</i>
<i>To plan, budget and manage projects for which they are responsible, including those in partnership with other bodies and those that are self-financed.</i>
<i>To contribute to the development of Authority-wide, crosscutting priorities.</i>
<i>To meet on site Health & Safety requirements e.g. access to the asbestos register.</i>

7.6 **The Facilities Management Client Manager**

The FM Client Manager is the client for the externalised centralised facilities management service provided by the link Council's FM contractor, Mouchel.

Roles of the FM Client Manager will include:
<i>To utilise maintenance budgets to ensure that the Council's buildings are maintained in accordance with the Council's Property Strategy, detailed at Section 3 above.</i>
<i>To draw up a 3-year maintenance programme with the Council's FM partner for approval by the CA&CMG and CPO, and to refresh the plan each year.</i>
<i>To monitor and manage the delivery of the maintenance plan.</i>
<i>To report the performance of the delivery of the maintenance plan to CA&CMG.</i>
<i>To manage the performance of the FM contract against the performance criteria in the partnering contract.</i>
<i>To be the contact between occupying services and the FM service provider.</i>
<i>To promote the provision of sustainable and energy-efficient buildings.</i>
<i>To monitor and manage the FM service provider who ensures compliance with statutory obligations, e.g. compliance with Asbestos Regulations, management of Legionella, health and safety legislation, disability discrimination, etc.</i>

7.7 **Facilities Management service provider**

The centralised facilities management function will provide full support to occupying services with regards to soft FM which covers services such as security, post room, courier and office support services, and hard FM which includes repairs and maintenance.

Roles of the FM Service Provider include but are not limited:
<i>To deliver the 3-year maintenance programme.</i>
<i>To manage compliance with health and safety legislation including Asbestos regulations and the management of Legionella by the development of appropriate policies and practices with clear demarcation of responsibilities, and by providing occupying services with the necessary support documentation and training so that they can effectively discharge their role.</i>
<i>To prepare and distribute occupiers' log books for Council buildings.</i>
<i>To report annually on the utilisation of assets in terms of condition, suitability, sufficiency and cost in use.</i>
<i>To put in place a smart assets programme that will improve maintenance and lifecycle of assets and generate smart management information data to enable strategic decision making on appropriate investment maintenance programmes.</i>

8.0 Data management

Indicator of Good Practice - The Council should have comprehensive information on assets which support its strategies, and decision-making on investment and disinvestment.

8.1 Comprehensive information on assets

The Council is currently running the following systems for the management of Council assets:

Atrium - facilities management help desk, works ordering system, project management and contract administration functions, budget information (maintenance and capital projects), a time-costing system for fee recharges, and building survey information.

Northgate - for managing the Council's housing stock with some links to Atrium to allow some common functionality.

GITARS, Geographical Integrated Terrier and Asset Register System, which is a bespoke, Oracle database with digital mapping capabilities. It contains the Land Terrier, with land-ownership details, and the Asset Register, with information on all council buildings, valuation data, digital photographs, computer-generated maps and a drawings register.

STARK - a system to monitor water consumption, energy usage and CO₂ emissions from council buildings.

Oracle Financials - this holds information against financial codes in a database, which is linked to reporting functions.

8.2 Data audits

Internal Audit regularly reviews the controls in place for the Property Terrier element of GITARS, the most recent audits taking place in 2009 and 2012. Although the 2009 review concluded that the controls were effective within a good administrative framework, the 2012 review identified concerns regarding backup and resilience of GITARS that would need to be addressed when the system was replaced.

An audit of the letting of properties and land held for other purposes, such as future road improvement schemes, was carried out in 2009. The scope was to ensure that these assets were used to generate income. The conclusion of this audit was that controls were effective within a very good administrative framework.

An audit of Property Purchases and Sales was completed in 2012. This concluded that controls were effective within a very good administrative framework.

8.3 Unique Property Reference Number (UPRN)

Each land and property asset has an asset number that facilitates the cross-referencing of data between the GITARS and Atrium systems. The designation of sub-assets allows individual parts of a property asset to be separately identified, e.g. main block, annexe and grounds.

The Council is in the process of generating National Land & Property Gazetteer UPRN's for each of its assets as part of the Transparency Agenda.

8.4 Using asset data for decision making and supporting strategies

The *Performance Review* part of the CS CAMP uses asset data to measure and benchmark performance. This then acts as a driver for change, prompting consideration of options to address priority issues. The *Action Plan* then translates these into commitments and establishes measurable targets by which success is measured.

8.5 The Transparency Agenda

The Government has introduced the Transparency Agenda which is a requirement for all local authorities to publish certain information by 2 February 2015. This includes mandatory and recommended property attribute data.

The data will include the asset name, address, current use of the property along with UPRN data and some performance information e.g. condition, suitability.

The Council will be publishing this data on its website and is also working in partnership with Dorset and Poole Councils and other public services to deliver the Dorset Pan Terrier. This aspires to provide a comprehensive, map-based view of all publically-owned properties within Dorset.

9.0 Consultation

9.1 Consultation processes

The Council has a strong track record of fully consulting with stakeholders when planning and designing new provision, change of use or closure.

Examples:

- *Proposals for expanding schools to meet the growing demand for school places.*
- *Holding a 'Festival of Design 2014' to encourage the people of West Howe to get involved in creating better outside spaces by improving parks, streets and buildings in the area;*
- *Developing the Seafront Strategy;*
- *The Council asks disabled groups how it should spend DDA budgets to improve access to buildings;*
- *Defining the vision of the Town Centre Vision;*
- *Proposals for developing the Waterfront Building (IMAX) site.*

9.2 How consultation influences asset management

Indicator of Good Practice - Strategies and plans for assets must show how assets will be developed to meet priorities, operational and service needs and outcomes for local communities.

Stakeholder consultation is recorded in the summary of “*Key Areas for Change*”, appended to the *Performance Review*, which in turn influences the objectives for the three-year timeframe identified in the *Action Plan*.

More specific consultation, e.g. regarding specific development proposals, is reported to the Council’s Cabinet as part of the decision-making process. The outcome is, again, reflected in the summary of “*Key Areas for Change*”.

These explicit procedures allow the Council to demonstrate a direct link between the results of stakeholder consultation and decisions on investment in Council land and property assets.

10.0 Asset review and challenge

10.1 Asset Challenge

The Council has introduced regular *Asset Challenge* sessions involving the Council's Executive Gateway Board. The Executive Gateway Board (EGB) consists of the Chief Executive, 3 Executive Directors (including the Section 151 Officer) and the Leader and Deputy Leader of the Council. Professional advice is also provided from Property and Finance.

This process ensures asset challenge is carried out at a strategic level, with EGB is fully apprised of relevant performance information such as asset backlog maintenance, running costs and suitability issues.

The *Asset Challenge* aims to:

- identify additional surplus assets to generate capital receipts;
- progress opportunities to co-locate and the sharing of premises to reduce operating costs and free-up underused assets for the possibility of disposal;
- transfer suitable assets to community control;
- identify suitable sites for the Council's own construction programme; and
- reduce the size of the estate to ensure that the property portfolio is sustainable in the long-term, i.e. that there are sufficient resources for its long-term maintenance.
- improve the accessibility of information and services, particularly through the use of digital technology which will enable access to certain services 24/7.

10.2 Meeting current and future needs

Indicator of Good Practice - the Council should challenge whether all its assets meet current and future needs.

The service-planning framework in Bournemouth encourages a systematic approach to asset planning. Changing asset requirements can result from a number of factors including national strategies, new legislation and guidance, budgets and grant funding, demographic changes, raised levels of expectation amongst our stakeholders, etc.

These are identified in each Directorate's service plan, which also detail the service response to the **outcome** of these reviews. In this way, stakeholder satisfaction directly influences the asset planning process.

The Council's Corporate Plan highlights a number of priority areas under each of the 4 key corporate priorities, and service activities for the oncoming year that will support the delivery of these priorities.

The latest Corporate Plan can be viewed at:

<http://www.bournemouth.gov.uk/CouncilDemocracy/CouncilPerformance/CorporatePlan.aspx>

Land and property implications are reflected in the summary of the *Key Areas for Change*. The latter identifies gaps in existing and anticipated future provision and details the services' preferred options that will address these issues.

10.3 Ensuring assets are fit for purpose

Indicator of Good Practice - The Council should challenge whether all its assets are required, fit for purpose and provide value for money to meet current and future needs. The Council should be improving the performance of its assets to provide buildings that are fit for purpose.

The Council monitors the suitability of all its operational buildings. This process involves building managers completing a survey to identify whether each property is in the right place, the right size, is accessible to all sections of the community and is in an appropriate condition for the delivery of the service provided from that building.

This process continues as a rolling programme, with of 20% of all operational properties being surveyed each year. Action plans are developed for all buildings that are not fit for purpose.

Overall suitability of the operational estate is monitored through reporting CIPFA's Property Performance Indicator for Suitability. Details of this can be found in the *Performance Review*. This will allow the Council to demonstrate, over time, how investment in assets is driving through improvements in service delivery.

In addition, in conjunction with the asset revaluation process, the Council's valuation staff will undertake a high level property review of 20% of the Council's assets each year to identify low-value uses occupying high value sites, under-use, opportunities for rationalisation, and opportunities for shared used.

This will then act as a catalyst for further investigations via a programme of area-based and service based property reviews. Opportunities for cross cutting and shared services will also be explored as part of these reviews.

10.4 Identifying under-used assets

Paragraph 10.2 identifies how changing asset needs are identified, potentially rendering them surplus to service requirements. The Council has adopted explicit arrangements for identifying under-used and surplus assets, which are detailed in *Appendix A*.

The *Asset Monitoring Schedule* identifies all under-used and surplus assets as well as those with a poor or worse suitability. It should be noted that this is subject to regular monitoring by the Corporate Asset & Carbon Management Group.

This feeds into the *Disposal Programme*, which is the main funding source of funding for some of the major capital projects in the town, and thus the identification of surplus assets continues to be a priority.

10.5 Working with partners

Indicator of Good Practice - The Council should develop a strategic approach to working with others, for example, the third sector, local public agencies and community groups, to identify opportunities for shared use of assets, and alternative options for the management and ownership of its assets, to derive wider community benefits.

The Council has actively engaged with the private sector to develop partnership working in many areas of asset management.

The partnership contract with Mouchel means that the Council now shares its Town Hall offices with a private company that provides a range of outsourced services, including revenues and benefits, accountancy, IT, and facilities management. The contract facilitates the creation of a shared services hub and a carbon centre of excellence, both operating from Council accommodation, which will enable Mouchel to offer its services to other public and private sector organisations.

In order to promote the regeneration of the Town Centre, the Council has entered into a limited liability partnership with Morgan Sindall Investments Ltd to form the Bournemouth Development Company (BDC), which will develop up to 17 Council-owned sites. By this means, the Council will be able to facilitate regeneration, even when these developments are of marginally viability. The Council is actively engaging with the Homes & Communities Agency, which is investigating ways in which it can support these developments.

The Council also has a good track record of shared use amongst Council services and of joint provision with other public sector service providers. These schemes are promoted by the services that have close contacts with other public, private and voluntary sector providers, and co-ordinated by the Corporate Asset & Carbon Management Group.

Bournemouth Borough Council is a member of the Dorset Joint Asset Management Board (JAMB). This comprises senior officers from County, District and Unitary councils of Dorset, Police, Fire and the Health Sector. This group promotes a shared approach to asset management and is the strategic lead for Principal Town Reviews, which consider opportunities for joint service provision in the main Dorset towns. One of the most visible deliverables to emerge will be Public Asset Register, which is currently in development, which will enable members of the public, via the DorsetForYou website, to obtain information on public assets anywhere in the County.

This builds on other pan-Dorset initiatives such as the Property Pilot, which is a database of available commercial land and property to lease or to buy in Dorset.

10.6 The Localism Act

The Quirk Review of Community Management and Ownership of Public Assets in 2007 concluded that community ownership and management of public assets can bring substantial benefits.

The Localism Act 2011 gives community organisations the chance to nominate a local asset of community value for inclusion on the List of Community Assets maintained by the Council and to bid for that asset if it comes up for sale.

The Council recognises that on occasions there will be real social and community benefits from community ownership of assets. The Under-Used Asset Policy ensures proper consideration of community aspirations alongside Council plans for individual sites, so that community transfer can be considered as an integral part of this process. The revised policy can be found at *Appendix A*.

It is acknowledged that asset transfer may not always be the best way forward. Due consideration will be given to the risks involved and opportunities to minimise and manage these risks will always be fully explored.

Good practice already exists within Bournemouth with leases and management agreements for community centres, sports clubs and bowls clubs. These arrangements have generally proved successful and the Council will explore opportunities to build on this.

The Council also transferred a number of high profile assets to BH LIVE, a charitable trust, on the 1 May 2010. These assets include the Pavilion Theatre, Bournemouth Internal Centre and a number of leisure centres across the town. The Council works in partnership with BH LIVE to develop these assets and the services they offer.

10.7 Accessible buildings

The Council's Equality & Diversity policy contains two objectives that are particularly relevant to asset management:

- To make all our services accessible by removing physical and communication barriers and
- To involve sections of "hard to reach" groups, including disabled people, in our planning of services.

The Council has determined access standards for all of its public buildings and is working with user groups representing disabled people to improve access to services. The access standards are detailed at *Appendix B*.

11.0 Measuring performance

Indicator of Good Practice - The performance of assets should be managed, benchmarked and monitored against targets for improvement.

11.1 Performance management indicators

The Council reports on a number of performance indicators that relate to the suite of indicators endorsed by the Department for Communities and Local Government (DCLG). These include required maintenance, suitability, and energy and water consumption.

This suite of indicators is now run by the Chartered Institute of Public Finance and Accountancy (formerly National Property Performance Management Initiative indicators). It is now known as the CIPFA Property Performance Indicators.

Details of all the Council's property performance indicators can be found in the *Performance Review*, including trend analysis.

11.2 Benchmarking

The Council will continue to benchmark the performance of its property estate against other public-sector organisations utilising national and nearest neighbour comparator groups where it is cost-effective to do so. The results will be recorded in the *Performance Review* and reported annually to the appropriate Overview and Scrutiny Panel.

11.3 Providing assets that deliver better access and outcomes

Indicator of Good Practice - To improve performance of Council assets to provide buildings that deliver better access and outcomes for the community.

The Council's Performance Management Framework utilises a three-phase business process model: plan, do and review. This approach is mirrored in the Capital Strategy & Corporate Asset Management Plan, with the *Performance Review* identifying preferred options and key areas for change, and the *Action Plan* containing specific and measurable targets, which are monitored by the Corporate Asset & Carbon Management Group on a regular basis.

11.4 Reporting arrangements and monitoring against targets for improvement

The *Performance Review* provides a high level summary of the performance of the Council's land and property estate and a review of the delivery of improvement targets over the previous year.

As part of the approval process for the Capital Strategy and Corporate Asset Management Plan, this performance data is reported to the Executive Board, Cabinet and Full Council. The *Performance Review* is also presented to the relevant Overview and Scrutiny Panel.

The Corporate Asset & Carbon Management Group (CA&CMG) reviews CS CAMP *Action Plan* targets at regular intervals and uses RAG (red, amber, green) indicators to monitor progress. The CA&CMG will scrutinise any Red indicators and may escalate to Executive Board on an exception basis. The CA&CMG also monitors the development of action plans for properties that are currently unsuitable for service delivery and identified on the Asset Monitoring Schedule.

The Portfolio Holder for Resources is briefed on all asset management matters by the Corporate Property Officer every two weeks.

11.5 Innovation and excellence in performance

Indicator of Good Practice -the Council should demonstrate it is exhibiting innovation and excellence to achieve the best use of its assets.

The Council's Property Strategy states:

"We want to demonstrate real innovation and excellence in the management of our land and property assets".

The creative use of Council assets can act as an effective driver for change. The Council has an excellent track record of delivering joint ventures and continues to seek new opportunities for collaboration with the private sector. The Council has also taken advantage of economic conditions to help deliver council priorities.

Examples

- *The establishment of a Local Asset-Backed Vehicle, the Bournemouth Development Company, with Morgan Sindall Investment Ltd to drive the regeneration of up to 17 council-owned town centre sites;*
- *Establishing a Community Land Trust in Boscombe to support regeneration and the building of affordable housing for local people and families;*
- *Acquisition of the Waterfront building as part of a strategic site assembly to assist with the delivery of the Town Centre Vision;*
- *Acquisition and improvement of a private health club in the north of the Borough to provide the Pelhams Park Leisure Centre;*
- *The Establishment of BH Live, a not-for-profit company, to operate the Bournemouth International Centre, the Pavilion, and run three leisure centres.*

With innovation comes risk, as was demonstrated by the installation at Boscombe of the first artificial surf reef in the northern hemisphere. Whilst this was a success in terms of putting Boscombe on the map, it never performed to specification and was largely destroyed by a boat propeller.

11.6 Addressing backlog maintenance

Indicator of Good Practice - The Council should be managing a reduction of high levels of backlog maintenance.

The Council produces a 3 year Planned Maintenance Programme which prioritises maintenance spending to deliver, within available budgets, property maintenance to a standard appropriate to the service provided from each building and its un-expired functional life. The *Performance Review* contains year-on-year performance figures on the condition of the Council's assets.

The centralisation of facilities management staff, budgets and management information systems under the Council's Facilities Management partner Mouchel gives an opportunity to more effectively manage the maintenance backlog.

12.0 Delivering value for money from the Council's assets

Indicator of Good Practice - The Council should improve the performance of its assets to provide buildings that improve value for money. The Council challenges whether all its assets provide value for money.

12.1 Value for money principles

The Capital Strategy and Corporate Asset Management Plan adopts the following principles to drive value from its land and property assets:

- *Deliver outcomes (a new process is not an outcome in itself)* - outcome descriptions and indicators are identified for each target activity reported in the Capital Strategy and Corporate Asset Management Plan *Action Plan*.
- *Be able to show that services and functions flow through from the Council's priorities* - the Gateway Process (detailed at 15.4 below) prioritises capital investment in line with the Council's priorities
- *Be able to show that the Council has compared its value for money with others* - Section 11.2 details the benchmarking processes for the Council's asset management.
- *Have a consistent corporate approach* - this *Handbook* ensures a consistent, corporate approach to capital investment and asset management. The Corporate Asset Management Group ensures that best practice is consistently delivered across the whole council.
- *Challenge what it does and take decisions about what it can stop doing, based on value for money* - property review and asset disposal is an inherent part of the asset management process. The Gateway Process allows the Council to challenge investment decisions at key stages before releasing funding. If a project is no longer demonstrating value for money or meeting corporate priorities it can be stopped.
- *Show that the risks of such decisions have been assessed* - risk assessments are at the core of the Council's project management processes and Gateway Process.
- *Set standards for service delivery* - standards are set for council buildings in terms of condition, suitability for service delivery and accessibility.
- *Show that Members are leading the value for money agenda* - the Portfolio Holder for Resources has overall responsibility for delivering VFM through effective asset management; Councillors challenge VFM via the Executive Gateway Board, Scrutiny Panels, and member workshops.

13.0 Mitigating adverse impacts on the environment and preparing for climate change

Indicator of Good Practice - The Council should improve the performance of its assets to provide buildings that mitigate adverse impacts on the environment and prepare for climate change.

13.1 Strategic Approach

Bournemouth's Council and local strategic partnership became the first in the UK to sign up to the principles in the United Nation's endorsed 'Earth Charter'. Then, in September 2009, the Council adopted the Climate Change & Sustainable Bournemouth Community Action Plan. This document can be found on the Council's website via the following link: www.bournemouth.gov.uk/gogreen

The Council's strategic approach to improving the carbon management of its operations will give the credibility to effectively lead the community in reducing the town's overall CO₂ emissions.

13.2 Carbon Reduction Plan

The Council's Carbon Management Programme was approved by Cabinet in March 2010. It sets out how the Council will reduce its CO₂ emissions by 2020 from its buildings, street lighting and business transport. This sets an ambitious target of reducing its CO₂ emissions from its operations by 34% by March 2020 in comparison with 2008/09 levels. This equates to a 6,078 tonnes CO₂.

The Carbon Management Plan can be accessed on the Council's website via the following link:

http://www.bournemouth.gov.uk/Library/Committee_Meetings/CAB/Agenda/100324%20Agenda%20and%20Reports%20Package.pdf

13.3 Display Energy Certificates

Display Energy Certificates (DECs) are now required for all public buildings with a useful floor area exceeding 1,000m². This became a statutory requirement from January 2009. All Council buildings requiring a DEC have been assessed and Action Plans are being developed for under-performing buildings. More recently the requirements for DECs have been extended to buildings with floor areas of 500m² and above which will drive further improvements in these assets.

13.4 Sustainability Report

The Council is currently developing a Sustainability Report which will be published later in 2015.

13.5 Merging of the Corporate Asset & Carbon Management Group

At the beginning of 2014 the Council's Corporate Asset Management Group and the Council's Carbon Management Group merged into the Corporate Asset & Carbon Management Group.

This ensures a more cohesive approach to carbon reduction as an integral element of the Council's strategic asset management arrangements.

14.0 How capital investment is funded

14.1 Introduction

There are various forms of funding for capital investment. This section will explain the main sources of finance. Further detail about Unsupported / Prudential Borrowing is also included.

14.2 The main sources of funding

Capital investment is funded from a number of sources:

a) Revenue - when setting the Council Tax limit, the Budget includes an element for capital expenditure. Some revenue may be set aside into a reserve/fund in one financial year to be used against a capital scheme in a future year. Capital reserves/funds may not be used for revenue purposes.

b) Grants - some capital schemes attract specific grant funding from a Government body, the European Union, etc. These can be scheme specific or in the form of more general support, e.g. funding for the Local Transport Plan or schools expansion. In some instance, there may be a match-funding requirement, which is common with EU grants.

c) Developer contributions under highway and planning agreements. Under planning policy, developers may be required to contribute towards the cost of specific infrastructure improvements, necessary to facilitate their development, or be obliged to make more general contributions to mitigate some of the adverse effects of their schemes, e.g. heath lands mitigation. This will be replaced by the Community Infrastructure Levy from April 2015 which will give more freedom on what the funds can be spent on and will remove the conditions of repayment.

d) Capital receipts - this source of finance arises from disposal of assets e.g. under utilised assets.

e) Supported borrowing - Government approved borrowing with funding support for loan repayments provided through additional Revenue Support Grant. It is issued in the form of Supported Capital Expenditure.

f) Unsupported Borrowing - This is introduced by the Prudential Code. This allows councils flexibility and freedom to borrow, but the Council must be able to prove it can afford the additional borrowing as set within the Prudential Indicators as set by Full Council.

14.3 The Prudential Code

This framework came into effect on 1st April 2004 and allows Local Authorities freedom and flexibility to increase their Capital Programmes by using Unsupported Borrowing under the mandatory Prudential Code.

The Prudential Code involves mandatory prudential indicators, which are monitored and reported annually to Cabinet. The indicators ensure that the external borrowing is maintained at a prudent and sustainable level, in accordance with the Council's Treasury Management Policy.

14.4 When will unsupported borrowing be considered?

Bournemouth Borough Council has established strict guidelines to determine whether a scheme can utilise unsupported borrowing. In order to be considered for this source of funding it must meet all of the following criteria:

- Borrowing can only be for a capital purpose;
- It must be supported by a robust business case;
- It does not compromise the Prudential Indicators set by Full Council;

- It must pass a series of financial health checks;
- There must be no net cost to the Council Tax payer/Housing tenant.

The Council has determined that any unplanned net cost of the scheme will be a first call on the sponsoring service budget.

In determining which schemes will be progressed, the authority is required to have regard to the following factors:

- Affordability
 - What is the impact on the Council Tax/Housing Rents?
 - Will this impact on the future spending plans of the Council?
 - Are there other resources that could be utilised?
- Prudence
 - Is the extra debt kept within prudent limits?
 - Are the costs sustainable over the medium and long-term?
- Value for money
 - Has the scheme been subject to formal option appraisal procedures?

14.5 The role of the Section 151 Officer

No Unsupported Borrowing can be incurred without the authority of the Section 151 Officer, who will need to confirm that the scheme satisfies all of the above criteria, whilst having regard to the ongoing impact on the Medium Term Financial Plan.

The Executive Director, Finance is the Section 151 Officer for Bournemouth Borough Council.

14.6 The Prudential Indicators

The Prudential Indicators detail the authorised limit, the operational boundary, and affordability criteria for prudential borrowing. They are reviewed annually in the Treasury Management Strategy Statement, which is considered by Cabinet and Council in February each year as part of the budget-setting process. Details can be found in the report to the Special Cabinet which is available on the Council's website:

<http://www.bournemouth.gov.uk/CouncilDemocracy/AgendasMinutes/AgendaandMinutes.aspx>

14.7 Monitoring and revision of Prudential Indicators

Prudential Indicators are set annually for the forthcoming financial year as part of the Council's budget, but may be revised at any time, following due process.

Procedures are in place to monitor against the forward-looking indicators, in order to take action where there are significant deviations from expectations. However, there are differing requirements for each indicator e.g. the authorised limit will be monitored on a daily basis to ensure that it is not being breached. Regular monitoring will therefore be undertaken and will be reported to Cabinet during the course of the coming year.

15.0 Capital investment framework

15.1 Capital expenditure

The Council's capital programme is based around the following expenditure blocks. These blocks reflect the way capital funding is allocated, either through the Government's allocation process or the Council's own capital management arrangements:

- Other Services (discretionary General Fund capital spending)
- Education (Education Asset Plan)
- Transport (Local Transport Plan)
- Housing (Housing Investment Programme)
- DDA and Required Maintenance funding managed by the CA&CMG
- Feasibility Funding/Gateway Board

Whilst the Council has the ability through the Single Capital Pot to re-allocate specific government funding for other purposes, e.g. highway support grant, it has chosen not to do so. Therefore, capital receipts from the sale of land and property assets fund much of the Council's discretionary general fund capital spending which supports the delivery of its priorities.

15.2 Financial plans supporting the delivery of asset strategies

Indicator of good practice - financial plans should support the delivery of asset strategies, either through investment, disposals, transfers, and rationalisation or by more efficient asset use.

In February each year Cabinet approves the Budget, the Medium Term Financial Plan (MTFP), and the Capital Strategy and Corporate Asset Management Plan. The MTFP includes the Capital Programme. This ensures that these financial plans fully support the delivery of asset strategies and vice-versa. This is demonstrated by the following examples:

- the MTFP makes revenue provision for loan repayments arising from the use of prudential borrowing to fund capital projects;
- the budget setting process identified revenue support for capital schemes; and
- receipts received from the disposal of assets allows further investment in capital schemes to deliver Council priorities.

A summary of the capital programme can be found appended to the *Performance Review*.

15.3 Targeting capital investment to deliver priorities

Indicator of good practice - The Council should target capital investment to achieve best value and maximum effect on priorities, needs and outcomes for local communities.

The Council sets out its corporate and investment priorities in the Corporate Plan which also details the outcomes that will be delivered against these priorities. The latest Corporate Plan is available on the Council's website:

<http://www.bournemouth.gov.uk/CouncilDemocracy/CouncilPerformance/CorporatePlan.aspx>

The Council has adopted strategic programme, programme and project management methodologies to govern its change activities, verify progress, and to ensure responsibility and accountability. *Appendix F* demonstrates the governance model for

how Strategic Programme Boards will help deliver the Council's corporate priorities.

Responsibility for individual projects is specifically assigned and incorporated into the appropriate service plan. All asset-related activities are then collated through the CS CAMP *Action Plan*, translating aspirations into actions and outcomes.

15.4 The Gateway Process

The Council's capital prioritisation procedures reinforce the link between the planned allocation of resources and achievement of the Council's corporate priorities.

The Executive Gateway Board manages the Gateway Process and considers all projects that utilise capital funding. The Board examines schemes at key decision points in their lifecycle to ensure that investment is worthwhile, deliverable and affordable.

The Executive Gateway Board (EGB) consists of the Chief Executive, 3 Executive Directors (including the Section 151 Officer) and the Leader and Deputy Leader of the Council. The Monitoring Officer, Corporate Communications Manager and Senior Project Management Advisor provide technical input.

The Gateway Process adopts a risk-based approach. Reporting and approval routes for low risk projects are less onerous and time consuming. High-risk projects are, however, placed under increased scrutiny.

There are four Gateways:

Gateway 1 - Should we do it? Does the project support council priorities and key objectives? Approval at Gateway 1 authorises the development of a business case.

Gateway 2 - Can we do it? Is the project viable? Do the benefits outweigh the costs and risks? Approval at Gateway 2 gives approval to implement the project, subject to confirmation of any required capital funding by Cabinet.

Gateway 3 - Doing it. The Executive Gateway Board is only involved in the implementation of projects on an exception basis, e.g. where high risk schemes exceed project tolerance due to cost overruns, delays, or due to concerns over the deliverability of project outcomes.

Gateway 4 - Reviewing it. The Executive Gateway Board will receive a project closure report for all high risk projects, ensuring that the organisation captures and shares lessons learned.

The Corporate Asset & Carbon Management Group has a key role to play in the Executive Gateway Process. This includes:

- Contributing to the Project Review Group to ensure that a strategic asset management and carbon reduction overview is applied to the Gateway Process;
- Identify any cross cutting implications for projects;
- Where necessary to monitor and review projects during their lifecycle that have specific asset management implications;
- Request Project Managers to attend CA&CMG meetings to provide briefs on forthcoming projects in order to consult/resolve potential asset management and carbon reduction issues as part of business case development;
- To directly raise issues with the Executive Gateway Board if sufficient reassurance hasn't been given to the CA&CMG on strategic asset management and carbon reduction matters.

15.5 Option appraisal and whole life costing

Indicator of good practice - The Council should evaluate the best option for significant investment decisions in property developments using option appraisal and whole life costing techniques.

Option appraisals are mandatory for all projects. The “do nothing” option is included to provide a benchmark against which benefits can be assessed. Each option is assessed on cost, quality and deliverability. All Cabinet reports and Cabinet Member Decision Notices detail the alternative options considered and the reasons for their rejection.

Whole life appraisals are mandatory for high-risk schemes and are encouraged for all investment decisions. The Council’s appraisal process has been developed with the Chartered Institute of Public Finance and Accountancy. This information is considered at Gateway 2.

15.6 Monitoring the capital programme and budgets

The Council operates a 3 - 5 year rolling capital programme that can react to changes in available funding opportunities and changing demands for resources. The key financial monitoring mechanisms are:

- Monthly capital monitoring statements produced by Financial Services for project managers. Variations are escalated to Executive Board on an exceptions basis.
- Amendments to the capital programme, including new capital schemes and amendments to existing ones, are considered by Cabinet as part of the Revenue and Capital Budget Monitoring report on a monthly basis.
- Annual financial outturn capital report is presented to Cabinet and Council.

Individual schemes are monitored and any exceptions reported through the project reporting process. In exceptional cases this may include escalation to strategic programme boards.

15.7 Monitoring the acquisition and disposal programmes

The Corporate Asset & Carbon Management Group (CA&CMG) monitors the Acquisition and Disposal Programmes on a regular basis. They are also monitored as part of the fortnightly briefing with the Cabinet Member holding the Resources Portfolio.

15.8 Project management

The Council has adopted a corporate project management methodology, based on the industry recognised PRINCE2 project management methodology.

A RouteMap tool has been designed to guide project managers through the Project Management Methodology and Gateway Process adopted by Bournemouth Borough Council. It is an Interactive Tool which provides templates and advice for each stage of the process and is available on the Council’s Intranet.

The latest status of all of the Council’s projects is available via the Project Hub, a web-based monitoring tool.

The Programme and Project Management Team have also developed a handbook which provides the necessary framework, tools, guidance, and templates to ensure that all the Council’s programmes and projects have the best chance of success in terms of time, cost and quality.

15.9 Procurement

The Strategic Procurement Team plays a crucial role in helping the organisation to optimise its strategic procurement potential, drive change and deliver substantial savings across all parts of the organisation ensuring we seek value for money.

The Strategic Procurement Team supports Service Units, helping them with innovative procurement solutions whilst ensuring compliance with Financial Regulations, UK Legislation and EU Procurement Law.

16.0 Asset Investment Strategy

16.1 Maximising returns by investing in new assets

Low interest rates, readily available finance through the Public Works Loan Board, and an AAA credit rating means that in many cases the Council is able to generate a surplus from new investment in property assets where the returns from that investment exceeds the cost of borrowing.

The Council will take full advantage of available borrowing and other funding opportunities in order to investment in assets.

16.2 Responsibilities

Who will identify these investment opportunities? Who will work up the business case? Who will decide which ones to pursue?

In each case the Section 151 Officer will be required to sign-off a financial appraisal to confirm that the investment is affordable over the whole term of the loan and that a risk assessment shows the level of risk to be acceptable for the level of financial return generated.

Where appropriate to do so, investment opportunities may be “pooled” in order to spread the risk and to allow riskier investments to be made as part of a portfolio approach. Whilst the Council is not averse to risk, it aims to achieve a balanced portfolio in terms of exposure to risk.

Where financially viable, it is anticipated that Prudential Borrowing will be used to fund asset investment in the following circumstances:

- Site assembly - in order to facilitate the comprehensive development of Council assets, it may be necessary to buy adjoining land or to acquire subsidiary interests, such as leaseholds. This can lead to enhanced land values (marriage values) or higher development profits when these sites are developed, for example by the Bournemouth Development Company in support of the Town Centre Vision.

In these circumstances, the investment appraisal will need to specifically consider the revenue implications of any land holding costs, including the cost of borrowing, until such time as the site is developed and sold. It will also need to consider the economic cycle to assess the likelihood of a down-turn in the economy that could threaten scheme viability.

- Opportune purchases - the Council’s excellent covenant means that it is able to access funding at short notice and therefore is able to act quickly to secure assets on a forced-sale basis, for example where there is a mortgagee in possession, or the owner needs to raise money urgently. It is often possible to re-sell such assets at a profit after a relatively short period of ownership.

The Council intends to develop a reputation for swift action and delivery in order to fully exploit the potential of this market. For avoidance of doubt, the Council will only acquire assets on a going concern basis where the business provided from that asset supports Council services or objectives.

- Commercial property investments - the Council intends to raise additional revenue from the acquisition and proactive management of commercial investment assets. It will consider the purchase of tenanted and vacant investment properties where the returns from the investment exceed the cost of borrowing.

This will be assessed on a portfolio approach, so that new assets with low returns

initially, but with good growth potential, may be considered.

The initial focus will be on the purchase of assets within the Bournemouth/Poole conurbation, where there may be wider social and economic benefits from property ownership. However, it is a relatively small market and acquisitions over a wider area will be considered. Overseas investments will not be pursued.

- Building new assets to generate a financial return - the Council will undertake development on its own sites in order to develop investment assets. Whilst these may be commercial buildings, they will predominantly be new homes that may be held within a wholly-owned trading subsidiary of the Council.

These new homes will not be subject to Right to Buy legislation and will enable open market rents to be charged in order to maximise the financial returns. It will have the added benefits of improving the quality of the offer in the private rented sector and improving the range of housing choices of people who would not qualify for traditional Council housing.

- Building new assets to support service delivery - the Council will develop new assets in support of service delivery where it is financially viable to do so. The financial justification will capture savings in the cost of procuring services.

For example, the Council will consider the construction of new dementia care homes on its land, which may be run by a wholly-owned subsidiary company of the Council. It is hoped this will lead to long-term savings in the cost of residential care beds as well as an improvement in the quality of care.

These savings will be used to repay the prudential borrowing. In such circumstances, it is expected that the financial benefits will accrue to the service and not be captured as an additional income stream by the Council.

Another example where prudential borrowing will be considered is to construct new Council housing within the General Fund. This would be necessary only if the Council had reached its borrowing limit on the Housing Revenue Account set by central government.

Where economically viable, these properties would be let at affordable rents, although it is recognised that this may not be possible in the first years following construction. Any homes built would be subject to the Right to Buy.

Appendix A - The Identification of Under-Used Property Assets and Procedures for their Re-Use or Disposal

1. Property Ownership

All assets are a corporate resource and, whilst each property continues in its current use, the occupying Service is the custodian of that asset, with a fiduciary duty to safeguard and preserve its value.

2. Under-Use Defined

A property will be considered under-used if any of points below apply:

- It makes little or no contribution to Council objectives.
- The return from the site (either in terms of its contribution towards Council objectives or financially) is significantly below that which could be achieved from:
 - an alternative use,
 - disposing of the site and investing the income, or
 - intensifying the existing use
- Part of the site is vacant and is likely to remain vacant for the foreseeable future and it has no potential for future strategic development purposes, e.g. land held for a future road improvement scheme.
- The service is to move to an alternative site that will provide a more effective service.

3. Incentivises Promoting the Better Use of Assets

The Council is committed to ensuring the maximum utilisation of assets by adopting appropriate financial controls. Apart from hard and soft facilities management, the ongoing revenue costs of assets are accounted for in service expenditure in accordance with the provisions of the Local Authority Best Value Accounting Code of Practice. These costs impact on statutory and local performance indicators and the devolved responsibility for budgetary control that the Council operates ensures that it is in the Service's financial interest to dispose of surplus property at the earliest opportunity.

4. Identification of Under-Used Assets

Assets may become under-used for a number of reasons including new legislation; demographic changes; a shift to other service providers; technological innovation; budget cuts; etc.

These changing usage patterns are anticipated/ identified in occupancy audits, service reviews, service/business plans, and other strategic reviews, e.g. Office Accommodation Strategy. These documents, in turn, inform the *Key Areas for Change* within the *Performance Review*, which forms part of the Capital Strategy & Corporate Asset Management Plan.

The occupying services are primarily responsible for identifying assets that will become underused in the short-medium term, as well as those assets that are currently under-used, and for advising the Corporate Asset & Carbon Management Group of all such properties under their control at the earliest opportunity.

The Service Director, Environment & Regeneration Services, as Corporate Property Officer is responsible for maintaining a Register of under-used properties (the Asset Monitoring Schedule) and for ensuring that the justification for their continued retention is periodically reviewed.

5. Consultation Procedure

This process involves consultation with other business units, occupiers, Corporate Asset & Carbon Management Group and Ward Members and will also include community partners where appropriate.

6. Appropriation to an Alternative Use

These procedures apply when it is proposed that an asset is to be re-used by the Council for a different purpose, even within the same Service Directorate.

This is a two-stage process:

Stage 1: Approval of the business case by the Executive Gateway Board (EGB)

The Business case needs to include a full option appraisal and consideration of the impact of any transfer of assets between or within Service Directorates on Corporate Plan and Service Plan objectives. It will detail the benefits together with an indication of any capital costs, e.g. for conversion, and revenue implications. It will also identify the opportunity cost, which will usually be the value of the asset in terms of the rent/capital receipt achievable on the open market.

Stage 2: Cabinet Approval

If the asset is valued at £25,000 or over, Cabinet approval for the appropriation to the new use will be required.

If capital expenditure and or funding is required to deliver the new use, the project will be required to follow the Council's Gateway process for inclusion in the Council's Capital Programme. Any revenue growth will need to be specifically identified and managed as part of this process.

If the appropriation is approved then management responsibility will pass to the "acquiring" Service on an agreed date, which will be responsible for all ongoing revenue costs. The "acquiring" Service is also responsible for sending details to the Property Records Officer so that this change can be recorded in the Property Terrier and Asset Register.

The property will continue to be recorded on the *Asset Monitoring Schedule* as 'under-used' until such time as the new use commences.

Special rules apply for property transfers to/from the General Fund and Housing Revenue Account. Advice is to be sought from the Service Director, Strategic Finance as to the proper accounting treatment of the transfer.

7. Use by Community Partners

The Council is committed to working in partnership with external organisations in line with the Quirk Review of Community Management and Ownership of Public Assets. The Council recognises that there will be occasions when requests for the transfer of ownership, management or control will be able to deliver real social and community benefits without risking wider public interest concerns.

Requests for the use of under-used assets will be subject to the same evaluation criteria as noted above, to ensure that the return from the site (either in terms of its contribution towards the community and Council objectives or financially) is maximised.

In making any decision relating to transfer of ownership or management of assets, the following factors may need to be taken into consideration:

- Alternative Council uses for the site
- The need to generate capital receipts to fund the Capital Programme
- A community needs analysis and business plan, to determine the real need for the proposed community use and the capacity of the community groups to manage the asset on a sustainable basis.
- Possible funding opportunities available - particularly where assets need repairs and improvements to bring them up to reasonable conditions.

The benefits of community management and ownership of assets can outweigh the risks, but there needs to be a thorough consideration of these risks, to ensure they can be minimised.

Requests for concessionary rents or sales at less than full market value will be addressed as part of this process, subject to the statutory controls noted below.

8. Assets Surplus to Council Requirements

If no alternative use is approved, then the Cabinet may declare the asset surplus to Council requirements and instruct the Service Director, Environment & Regeneration Services to proceed with its disposal.

9. On-going Revenue Costs

The relinquishing Service is responsible for all property-related revenue costs, such as rates, standing charges for services, security, etc. until the asset is sold or appropriated to another use. The asset will be in-scope, in terms of the facilities management contract with Mouchel, until sold but all expenditure will be minimised.

10. Statutory Constraints

Section 123, Local Government Act 1972 provides that a local authority may not, without the consent of the Secretary of State, dispose of land for less than the best consideration that could reasonably be obtained.

However, the Local Government Act 1972: General Disposal Consent (England) 2003 and the General Consent for the Disposal of Houses and Land 1999 specifically grant the Secretary of State's consent for disposals and leases at less than market value under certain specified circumstances, e.g. disposals to housing associations, the provision of recreational facilities, etc. where the difference between the unrestricted value of the interest to be disposed of and the consideration accepted ("the undervalue") is £2,000,000 (two million pounds) or less. It therefore offers authorities greater freedom than previously to exercise discretion in the disposal of their land.

However, these consents do not apply in all circumstances and, therefore, whenever a disposal or lease at less than best consideration is being considered, the advice of the Service Director, Legal & Democratic should be sought at an early stage.

The Secretary of State commends adoption of the "Crichel Down Rules" to all local authorities (although they have no statutory force). Subject to certain conditions, the Rules apply to all land acquired by, or under the threat of, compulsory acquisition and requires that, in the event of disposal the land, it is first offered for sale to the original owners.

Due to the complexity of the Rules, the advice of the Service Director, Legal & Democratic should be requested and instructions sought from Cabinet, if appropriate.

11. Development Potential of Surplus Assets

The identification of alternative uses, and resolution of the planning issues, is critical if the Council is to maximise the value of its surplus land and property assets.

The Service Director, Environment & Regeneration Services is responsible for investigating the development potential of all surplus properties and for resolving the planning issues. This may take the form of submitting a planning application for small redevelopment schemes, or the progression of a planning brief for large, high profile sites.

This will involve consultation with the Service Director, Planning, Transport & Regulation (re: planning, highways, rights of way, transport and sustainability issues), Law & Corporate Governance, Seafront Services, Parks Services, and Adult & Community Support to identify development constraints and to clarify established policy.

It is Council Policy to consider all surplus land and property for affordable housing needs.

12. Site Investigation

The Service Director, Environment & Regeneration Services is responsible for considering whether site investigation works need to be commissioned. This will depend on past uses of the site, ground conditions and other factors such as the presence of landfill and pollutants.

He will also be responsible for contacting the utility companies to establish whether the presence of any public utilities will affect the development potential of the site.

13. Marketing of Surplus Assets

Methods of disposal will be at the discretion of the Service Director, Environment & Regeneration Services, and whilst auction or tender will normally be the preferred basis, private treaty may be considered appropriate, particularly when dealing with a special purchaser, i.e. one who is willing to pay a premium for the site over and above the general market level.

Unless a special purchaser has been identified, all potential purchasers are to be given an opportunity to submit a bid.

The Service Director, Environment & Regeneration Services will determine the marketing strategy in accordance with the scheme of delegation using either in-house staff or external agents. Where appropriate, project management tools will be used to identify target dates for the various stages of the disposal process.

The timing of any marketing for disposal will need to be considered having regard to the Council's targets, budgetary requirements, and the state of the market (including the potential for the site value to increase in the future).

The Service Director, Environment & Regeneration Services will be responsible for overseeing the implementation of the approved marketing strategy.

In all instances where a property is sold on the open market, it should be a specific condition of sale that the purchaser will be responsible for the Council's legal costs at a rate of 0.5% of the purchase price. In all other cases, the Council's actual cost should be recovered if this is considered reasonable.

14. Imposition of Restrictive Covenants

Restrictive covenants serve three main purposes:

- They ensure that the use of land sold for a particular purpose can only be changed with the consent of the Council. This is particularly important where land is sold for less than its full market value.
- They support the Council's statutory development control powers, facilitating greater control over the future development of land previously owned by the Authority.
- They allow the Council to share in the future development value.

In all cases restrictive covenants will be imposed in contracts for the sale of land and buildings unless there are clear arguments to the contrary, e.g. the land is specifically sold for its unrestricted development value or the presence of covenants would make the property un-mortgageable.

15. Approval of Terms and Conditions for Disposal/Letting

The Scheme of Delegation will apply to disposals at open market value under specified financial limits and the Service Director, Environment & Regeneration Services may approve terms and conditions in accordance with these delegated powers.

In all other instances Cabinet approval must be sought as soon as practicable (usually at the next available meeting). The report should include the proposed Heads of Terms for the sale/letting, a summary of the marketing exercise and details of compliance with Section 123, Local Government Act 1972, specifically identifying whether the transaction is subject to the approval of the Secretary of State.

16. Legal Documentation

The Service Director, Environment & Regeneration Services is to instruct the Service Director, Legal & Democratic to complete the legal formalities. He or she may, in turn, appoint external consultant Solicitors where appropriate.

Part of the funding for the Capital Programme is provided by the disposal of surplus property. If timing of receipts is critical then the Service Director, Legal & Democratic should be notified in order to ensure compliance with the required timescale.

17. Disposal at Less than Market Value

The financial return from any disposal is to be maximised unless there are over-riding factors approved by Cabinet e.g. land to be used for affordable housing. In all such cases it will be necessary to consider the financial and other implications arising from a disposal at less than full market value.

The Service Director, Legal & Democratic is responsible for ensuring that the Council complies with Section 123, Local Government Act 1972 and for pursuing any necessary consents for a disposal at less than market value.

Sales of Council Housing at a discount under the Right to Buy provisions of the Housing Act 1985 are not subject to these procedures.

18. Target Timescale

It is the Council's aim to ensure that appropriate action is taken within 12 months of the initial identification of an asset as under-used. In this context, appropriate action constitutes the re-use of the property for an alternative purpose (having first

completed any works of conversion); the intensification of its use following occupation by additional staff or services; or the receipt of proceeds from the sale/leasing of surplus property.

If an asset is considered under-used because the return from the site could be significant if it were sold for development, this target timescale is unlikely to be achievable and it is recognised that these assets could remain on the Under-Used Property Register for extended periods. This is because the needs of the occupying service need to be fully considered; options evaluated; the financial viability proven; and staff and unions consulted.

The Asset Monitoring Schedule which includes under-used property is monitored regularly by the Corporate Asset & Carbon Management Group.

19. Treatment of Capital Receipts/Rental Income

The capital receipt/rental income shall be credited to the Council's General Fund or in accordance with the Cabinet's instruction following advice from the Service Director for Resources. (Except for Housing Revenue Account Assets which will be credited to the HRA capital receipts fund.)

It is not permitted under the capital accounting rules to charge disposal costs against the capital receipt. This means that separate budgetary provision must be made in respect of planning fees, consultants' costs, site investigation costs and marketing expenses.

Special Treasury rules apply to the application of capital receipts generated from the sale of Council Housing held within the Housing Revenue Account. Early advice should be sought from the Service Director, Strategic Finance in all such cases.

20. Amendments to Council Records

The Service Director, Legal & Democratic is to provide the Property Records Officer with a copy of the Completion Statement and a copy of the Transfer Deed or Lease. The Property Records Officer will then be responsible for amending the Land Terrier and Asset Register.

A copy of the Completion Statement will also be provided to the FM Client Manager so that maintenance plans can be amended and the backlog maintenance totals adjusted accordingly.

Details of any payment schedules will be provided to the Service Director, Strategic Finance to facilitate proper treasury management, cash flow forecasting and usable capital receipts reporting.

Note: This document must be read in conjunction with the Council's Financial Regulations & Procurement Rules.

Appendix B - Access Standards for Council-Operated Public Buildings

Council Policy:

That the minimum access standard for all newly procured buildings and building works is the current Building Regulations.

The minimum access standard for the Council's existing public buildings is Part M of the Building Regulations 1991. This is the standard that was required under Best Value Performance Indicator (BVPI) 156, which measured the proportion of a local authority's public buildings that were accessible to people with a disability.

Where an existing building does not meet this standard, then any remedial works will be undertaken in accordance with the current requirements of the Building Regulations.

Where it is impractical or uneconomic for an existing building to meet this standard, then it will be the subject of a separate Cabinet report to explore the viability of relocation to alternative premises.

Public Buildings Defined:

Public buildings are defined within the former Best Value Performance Indicator (BVPI) 156. For a building or part of a building to be 'open to the public' individual residents must be able to choose on a day-to-day basis whether to use the services provided within the building.

Implementing This Policy - A Commitment to Consultation:

Whilst most of the Council's buildings are now accessible, a limited budget is available for improvement works. In order that expenditure is directed to areas where it will make the most difference, an investment programme is developed each year in consultation with groups representing disabled users in Bournemouth. These groups include DOTS Disability and Bournemouth People First.

Appendix C - Sustainable Construction

Council Policy:

This policy applies to all building related construction and refurbishment projects:

A. Non-domestic building projects

- Projects valued at or above £500,000:
 - A Building Research Establishment Environmental Assessment Method (BREEAM) assessment is to be carried out resulting in at least a 'very good' rating.
 - Within 3 months of the practical completion of a project a BREEAM Post Construction Review will be carried out to confirm the expected BREEAM rating.
- Projects valued at £25,000 to £500,000:
 - A BREEAM prediction checklist to be completed resulting in at least a 'very good rating'.
- Projects valued at below £25,000:
 - Whilst there will be no requirements in respect of minor projects, it is hoped that projects will follow best practice wherever practicable - the Council's Senior Energy Engineer will be able to provide advice in this regard.

B. Domestic building projects

- New Homes
 - All homes are to be constructed to The Code for Sustainable Homes Level 3 as a minimum standard, although the Council aspires to achieve Level 4 or higher.

Implementation of this Policy:

- Schemes that do not meet the required standard will not be eligible for funding and will not be implemented without an express Cabinet authority permitting departure from the Council's sustainable construction policy.
- The policy applies even when the scheme is 100% externally grant funded or carried out by others on the Council's behalf or on land owned or controlled by the Council.

Policy Review

- This policy will be reviewed during 2015 and any changes consulted on via the Corporate Asset & Carbon Management Group prior to inclusion in the next update of the CS CAMP *Handbook*. Any significant changes will be noted in the report to Cabinet.

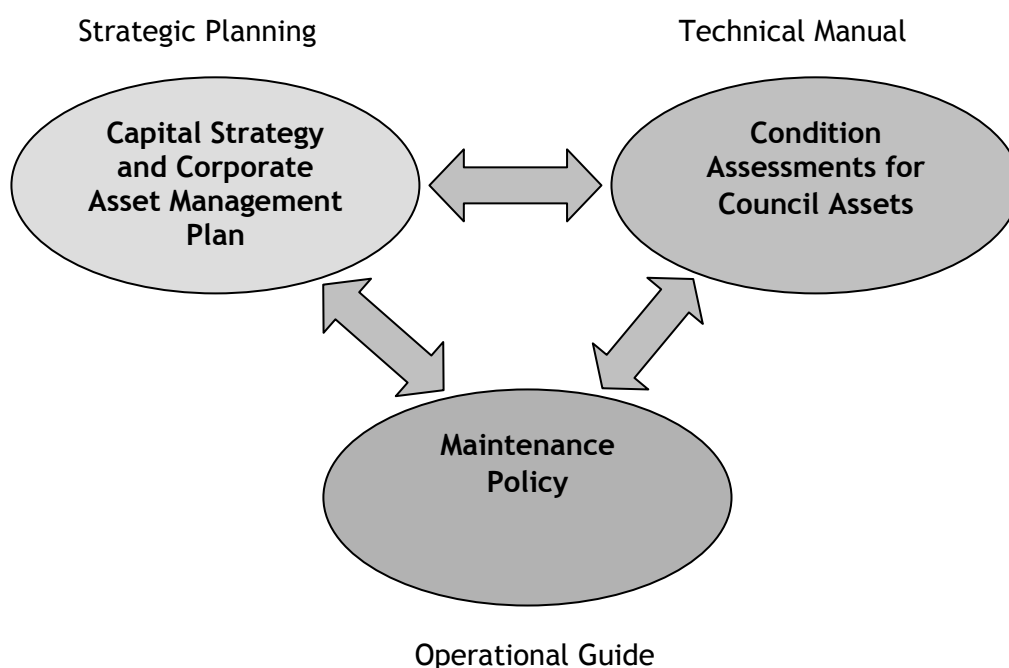
Appendix D - Maintenance Policy for General Building Stock

1.0 Foreword

- 1.1 Land and property assets are a valuable corporate resource. It is important that they are safeguarded for the future. This includes managing building maintenance to a standard appropriate to the service that each building delivers and its un-expired functional life.

2.0 Introduction

- 2.1 The Capital Strategy and Corporate Asset Management Plan details the Council's strategic aims for the maintenance of its assets. This includes reducing maintenance requirements and reporting the performance indicators associated with these targets.
- 2.2 The 'Manual for Condition Assessment for Asset Management Plans' provides a technical guide for the production of condition surveys by Building Services. These surveys enable the Council to identify, cost and prioritise building repairs against a programmed timescale.
- 2.3 The Maintenance Policy sits alongside these two documents, providing an operational guide to establishing maintenance standards for individual Council buildings, thereby ensuring that limited repair and maintenance budgets are put to best use.



3.0 Purpose of the maintenance standards

- 3.1 The Council's built estate comprises a wide range of building types, from large complexes such as schools to small individual structures, such as grounds maintenance huts within the town's parks. With such a diverse range of buildings it is not appropriate to maintain them all to the same standard.
- 3.2 This is important because the Council in recent years has been unable to allocate sufficient repair and maintenance budgets to meet all of its 5 year maintenance requirements. Therefore, the Council must direct its limited resources to where they are most needed.
- 3.3 Major new capital investment in Council assets, such as new build and major refurbishments, support revenue expenditure on maintenance but there is still a gap in matching resources to requirements.
- 3.4 This means that the Council cannot fund every repair for every property. This maintenance policy details how the Council identifies the maintenance standard for each building, which will help guide the allocation of resources and deliver value for money.
- 3.5 The standards seek to ensure that Council buildings are safe, secure and substantially fit for the purpose for which they are used. They will also ensure that contractual liabilities are met on rented buildings and that the capital value of freehold buildings is preserved.
- 3.6 If an individual building fails to meet its agreed standard, an action plan will be developed to improve its condition, prevent its further deterioration, or work towards a managed closure.
- 3.7 Within limited budgets, it is recognised that it will not always be possible to meet the expectations of the Council's customers. However, wherever possible a building should project a positive image for the Council.

4.0 The Scope of Maintenance

- 4.1 The maintenance policy applies to the Council's general building stock. This excludes schools and council housing which are subject to separate management processes.
- 4.2 Maintenance includes the combination of all technical and administrative actions including supervision, intended to retain an item or restore it to a state in which it can perform a required function and preserve its value.
- 4.3 A 'building asset' is defined as: "any roofed structure enclosing space and intended for use as a shelter (for people, animals or property) or for recreational, educational, industrial, commercial or other functions and includes services and external infrastructure within the curtilage of the site".

4.4	<p>Building maintenance is defined as activities to:</p> <ul style="list-style-type: none"> ➤ Retain the asset in a condition in which it can perform its required function; ➤ Prevent deterioration and failure or extend the life of the asset; ➤ Restore to correct operation within specified parameters; ➤ Restore physical condition to a specified standard; ➤ Recover from structural and service failure; ➤ Obtain accurate and objective knowledge of physical and operating condition including risk and financial impact for the purpose of maintenance.
4.5	<p>Work excluded from building maintenance includes:</p> <ul style="list-style-type: none"> ➤ Improvements and upgrading to meet <u>new</u> service capacity, function or statutory requirement; ➤ Soft facilities management, for example cleaning, security, waste removal; ➤ Supply of utilities, for example energy, water and telecommunications; ➤ Major restoration as a result of an insurable risk; ➤ Demolition of redundant buildings.
4.6	<p>For leased, rented and joint use buildings, responsibility for maintenance is subject to the terms and conditions of each agreement. Advice on maintenance liability in respect of these categories of building should be obtained from the Council's Property Records Officer.</p>
5.0	<p>Categories of maintenance</p>
5.1	<p>Annual maintenance regimes fall into one of two categories:</p> <ul style="list-style-type: none"> ➤ Responsive maintenance ➤ Planned maintenance
5.2	<p>Responsive maintenance is the repair of components upon failure. Repair may have to take place immediately (emergency) or almost immediately (urgent) in order that the premises may continue to function effectively or safely. Some repairs may be able to be deferred for a limited period but may result in the partial closedown of premises or other significant impact on the operation of the premises.</p>
5.3	<p>Planned maintenance is carried out to reduce the level of responsive maintenance by replacing component elements before they deteriorate to a critical level. Planned maintenance falls into two main categories:</p> <ul style="list-style-type: none"> ➤ Routine - regular servicing of equipment and inspection and testing required by regulations. ➤ Other planned maintenance - the planned repair or replacement of deteriorated components, elements or systems. This can be maintenance carried out according to planned recurrent cycles, for example redecoration, or according to the lifecycle of the component/element, for example re-roofing.

- 5.4 Effective planned maintenance should reduce the level of responsive maintenance that has to be carried out. A ratio of planned to responsive maintenance of 70/30 is considered good practice and recognises that some responsive repairs are unavoidable, for example due to vandalism. Spending on responsive repairs above this level diverts resources away from tackling backlog maintenance, further exacerbating shortfalls in maintenance budgets.
- 6.0 Responsibilities for maintenance**
- 6.1 The Capital Strategy & Corporate Asset Management Plan allocates responsibility for the maintenance of Council buildings.
- 6.2 Following the centralisation of maintenance budgets and the externalisation of facilities management, responsibility is split between the FM Client Manager and the FM Service Provider - see 7.5 and 7.6 above.
- 7.0 Identification and prioritisation of repairs and maintenance**
- 7.1 Condition assessments for each of the Council's buildings are updated annually. Each year 20% of the assets receive a full inspection and a desk-top review is carried out for the remainder. This includes updating condition data for any work that has been carried out during the preceding period and to account for any building inflation. Full details of how these surveys are carried out are in the 'Manual - Condition Assessment for Asset Management Plans'.
- 7.2 For each property the condition of each element is assessed, using the following recommended categories:
- Condition Category A - Good
Performing as intended and operating efficiently.
- Condition Category B - Satisfactory
Performing as intended; but exhibiting minor deterioration.
- Condition Category C - Poor
Exhibiting major defects and/or not operating as intended.
- Condition Category D - Bad
Life expired and/or serious risk of imminent failure.
- 7.3 An overall condition grade is then agreed for the asset or sub asset, taking into account levels of identified disrepair of the building overall.
- 7.4 Normally, the minimum standard will be to ensure that each building is put into or kept in satisfactory condition (category B).
- Services may identify buildings where circumstances mean a different standard is appropriate, for example a short-life building used for a temporary purpose where a poor condition (category C) may be acceptable.
- However, it would not normally be appropriate to agree a Bad (category D) maintenance standard unless the building is closed and secure.
- 7.5 In all cases assets must comply with all statutory obligations, for example health and safety, disabled access, food hygiene.

- 7.6 Once the condition of a building has been assessed, priorities should be allocated according to the seriousness of the condition revealed and the urgency associated with any breaches of legislation. This should have particular regard to the possible consequences of deferment.

The following priority categories are recommended in the context of a five year planning period:

- Priority 1** Urgent work that will prevent immediate closure of premises and/or address an immediate high risk to the health and safety of occupants and/or remedy a serious breach of legislation
- Priority 2** Essential work required within two years that will prevent serious deterioration of the fabric or services and/or address a medium risk to the health and safety of occupants and/or remedy a less serious breach of legislation
- Priority 3** Desirable work required within three to five years that will prevent deterioration of the fabric or services and/or address a low risk to the health and safety of occupants and/or remedy a minor breach of legislation
- Priority 4** Long-term work required outside the five year planning period that will prevent deterioration of the fabric or services

This prioritisation is important as it facilitates the targeting of limited budgets to the most urgent repair and maintenance requirements. The Council needs to ensure that Priority 1 maintenance requirements are kept to a minimum.

8.0 Monitoring and reporting on levels of maintenance

- 8.1 Maintenance levels are measured as at 31st March each year providing an annual performance assessment of the latest maintenance requirement the Council is responsible for.

This performance is collated and reported in the annual update of the *Performance Review* part of the Capital Strategy and Corporate Asset Management Plan. The *Performance Review* will be presented to the Overview and Scrutiny Administration & Resources Panel for comment and also requires Cabinet and Council approval.

Maintenance Policy - Version 4

Date: 31st December 2014

Appendix E - Policy for allocation of office accommodation

Council Policy:

The Council's Office Accommodation Strategy strives to make the best use of office space. In certain buildings such as the Town Hall Complex it has undertaken standard work space design and maximum occupation. Therefore, it is important that demands for and changes to office accommodation are managed accordingly.

The Service Director, Environment & Regeneration Services in his role as Corporate Property Officer (CPO), is responsible for the allocation of office accommodation across the Council. The CPO may discharge his responsibilities through the Policy & Support Manager (Property).

Authorisation is required from the Corporate Property Officer by occupying services with regard to the following activities:

- any changes resulting in either vacant accommodation;
- or the need to acquire additional office space;
- changes to the building fabric e.g. partitions;
- changing office layouts;
- changing the use of a meeting room, cellular office.

Any reduction or increase in office space requirements by a service should be brought to the attention of the CPO at the earliest opportunity. Office space is finite and cannot be guaranteed therefore it is advisable that early discussions take place with the CPO before recruitment starts. Cellular offices will only be provided to service directors or higher, unless in exceptional circumstances, and authorised by the CPO. Specific office accommodation requirements will need to be funded by the occupying service. The following activities can be undertaken without recourse to the Corporate Property Officer including:

- Moving staff between desks within the same allocated area;
- Desk sharing;
- Rationalising and/or archiving paper records.

The Policy & Support Manager (Property) should be apprised of these changes and can assist where appropriate.

If a Service does not agree with the decision of the Corporate Property Officer then an appeal can be logged with the Corporate Asset & Carbon Management Group and recommended to the Executive Director for Environment and Economic Services. This policy is required to ensure that:

- The use of office accommodation across the Town Hall Complex is effectively managed in line with corporate objectives;
- The physical constraints of the buildings are always considered e.g. fire safety, evacuation procedures, building regulations;

Office utilisation indicators and occupancy levels are up to date and can inform future phases of the office accommodation strategy.

Appendix F - Governance Model

The Council has adopted strategic programme, programme and project management methodologies to govern its change activities, verify progress, and to ensure responsibility and accountability. The following diagram demonstrates the governance model for how strategic programmes and programmes will help deliver the Council's corporate priorities.

