

Capital Strategy and Asset Management Plan

2008/09

Teesdale District Council

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1.0 BACKGROUND INFORMATION

1.1 Expenditure Information

Gross Revenue Expenditure 2008/09	£12.9m
Net Revenue Expenditure 2008/09	£4.4m

1.2 Statistical and Financial Context

- 1.2.1 Following the successful transfer of the housing stock to Teesdale Housing Association in July 2006, the Council has a very small asset base. A summary of the type, number and value of the Council's main assets is contained in the table below. A more detailed analysis is included in the Asset Management Plan.
- 1.2.2 Detailed condition surveys have recently been completed, and it is planned to undertake suitability and access reviews on the properties in due course.

Type	Number	Value (£ 000)	GIA	Assessed Backlog of Maintenance		
				£000 Category 2	£000 Category 3	£000 Category 4
Operational						
Offices/Depots	4	621	4,012	603	55	12
Industrial Estates	1	271	1449	117	35	0
Cemeteries	8	N/A	0	N/A	N/A	N/A
Sports Centres	1	2,353	2,621	37	72	41
Car Parks	2	352	0	7	5	0
Public Conveniences	7	233	164	13	3	0
Market Tolls	1	9	0	5	20	0
Non-Operational						
Depots/Garages	4	67	890	108	176	16
Public Conveniences	1	25	31	0	0	0
Caravan Site	1	60	356			
Total				890	366	69

1.3 Summary Capital Programme

- 1.3.1 A summary of the Council's capital investment plans for the next three years (2008/09 to 2010/11) together with the likely sources of finance is provided below. This takes into account capital receipts from the disposal of any identified surplus assets.

	2008/09 £000	2009/10 £000	2010/11 £000
Expenditure			
Housing	145	150	95
Economic Development	185	100	100
Planning	38	28	-
Environment	63	-	-
Arts & Leisure	42	15	-
Information Technology	121	136	101
Other	138	40	41
Total	732	469	337
Financing			
Borrowing	663	433	301
Grants	40	36	36
Capital Receipts	29	-	-
Total	732	469	337

1.4 Unsupported Borrowing

- 1.4.1 The Council takes into account the requirements of the Prudential Code in the budget setting process for each financial year. All borrowing is unsupported, but is balanced with the consequent revenue implications, and capital investment proceeds only within prudent limits.

1.5 Area and Population

- 1.5.1 Teesdale is a rural area covering some 836 sq km and is characterised by its individual pockets of populated village settlements. The historic market town of Barnard Castle is the key commercial and business centre located in the south west of the District and is recognised as one of the most historical and architecturally important towns in Great Britain.
- 1.5.2 The population of the District currently stands at 24,800. The population density however is just 29 people per square kilometre. There is an ageing population (the fastest ageing in the North East), Teesdale being a popular place for retirement. The overwhelming majority of the population are white British. Black Minority Ethnic groups form only 0.8% of the population, the largest ethnic minority group being Chinese at 0.2%. The ageing population and the retention of young people are key issues, and are directly affected by and related to the housing and employment opportunities that exist within the District.
- 1.5.3 Economic activity within Teesdale is significantly higher than elsewhere in County Durham and the North East and is in line with the national average. Unemployment levels are also low in Teesdale at just 1.2% compared to 2.9% for the region and 2.1% for Great Britain. There are however pockets of unemployment in the former coalfield area. Teesdale is the least deprived district in the North East.

CAPITAL STRATEGY AND ASSET MANAGEMENT PLAN

- 1.5.4 Despite the ageing population, the health of the residents in Teesdale is marginally better than the rest of the region and life expectancy is higher than the national average currently standing at 76.6 for males and 81.9 for females. According to Department of Health figures, Teesdale has the lowest level of childhood obesity in the country. Just 5% of children in the area are obese when they start school, compared to a national average of 10%.

- 1.5.5 Teesdale is a predominantly rural district characterised by its unique areas of natural and historic character. Over half of the district is designated as an Area of Outstanding Natural Beauty the majority of the remainder is designated as being of High Landscape Value. The District is also rich in bio and geo-diversity, containing 3 internationally recognised Nature Reserves.

2.0 CAPITAL STRATEGY

2.1 Corporate Context

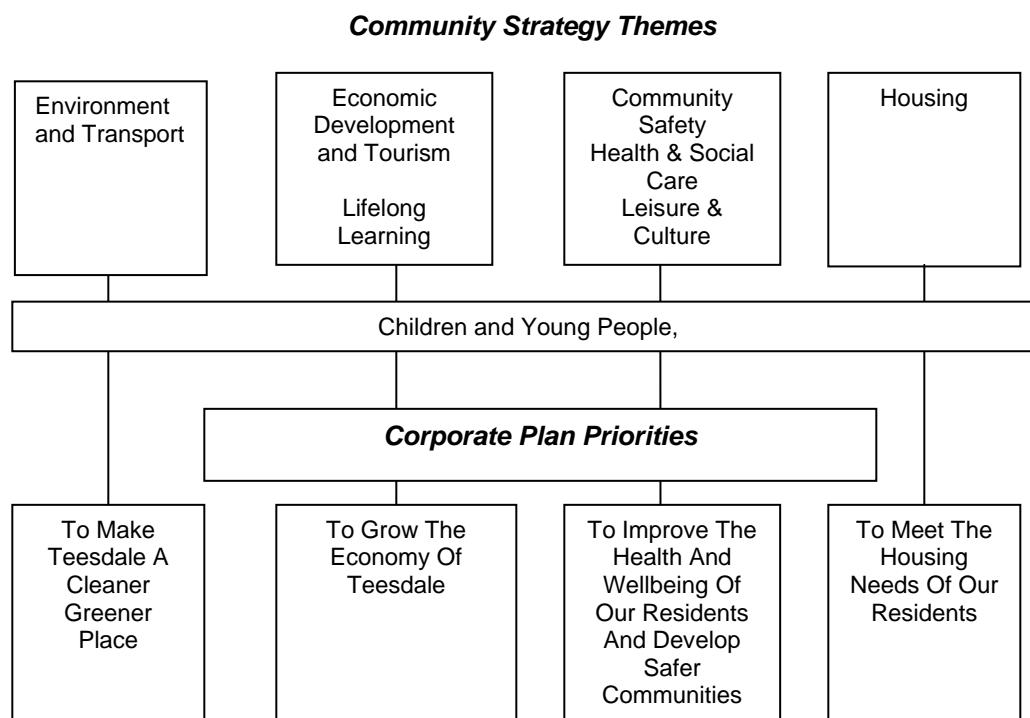
2.1.1 The Council's vision is jointly agreed with the Local Strategic Partnership:

'Teesdale will be a place where people will want to live, work and visit while we protect and enhance our valuable environment; where we use opportunities to strengthen our economy; where our communities are vibrant and prosperous; and where our people are safe and healthy, and able to realise their full potential.'

2.1.2 In order to take this vision forward, the Council has recently established four outward-looking priorities as follows:

- To make Teesdale a cleaner, greener place
- To grow Teesdale's economy
- To improve the health and wellbeing of our residents and develop safer communities
- To meet the housing needs of our residents

2.1.3 The Council's priorities are determined by a number of internal and external influences. The Local Strategic Partnership (LSP) is a key external influence, and the Council's corporate priorities are aligned to the community strategy themes as shown below.



2.1.4 Currently the main service areas requiring capital investment to achieve the priorities are:

- **Economic Development and Tourism**

The Council believes that it is necessary to encourage the provision of quality employment opportunities through a sustainable infrastructure which is compatible with the social, employment and environmental needs of residents.

- **Housing**

The Council has a key role in influencing and shaping Teesdale's housing provision as well as encouraging improvement in the standard of private-sector accommodation through the provision of improvement grants and a proactive approach to planning and building control. The Council ceased to provide a housing management service when the housing stock was transferred to Teesdale Housing Association in July 2006.

- **Leisure**

The leisure centre provides a diverse, stimulating and proactive range of activities, facilities and services that aim to improve the quality of life of users. Regular capital investment is important to achieving this, directly and through partnership working.

- **Environmental Issues**

Waste management and recycling require capital investment to enable the Council to achieve performance targets. Recycling is being undertaken in partnership as detailed below.

- **Car Parking**

Transport and parking were issues that were raised repeatedly during the consultation process for the Council's priorities. The parking concerns are being addressed through investment in current and new facilities.

2.2 Partnership Working

2.2.1 Due to its limited capacity, Teesdale has long since recognised the need to work in partnership with others to deliver its key priorities and wider community aspirations. Its key partnerships are all aligned to deliver the Council and Community priorities:

Partnerships	Corporate Plan Priority
Groundwork West Durham; County Durham Waste Management Partnership; Local Transport Forum, Teesdale Conservation Volunteers	To make Teesdale a cleaner, greener place
Teesdale Development Company; Teesdale Marketing Ltd; Teesdale and Weardale Enterprise Agency; Teesdale Market Towns Partnership; County Durham Economic Partnership	To grow Teesdale's economy
Teesdale Village Halls Consortium; 2D CVS; Durham Rural Community Council; County Durham Strategic Partnership; Teesdale and Wear Valley Community Safety Partnership; Competition Line; Wear Valley District Council	To improve the health and wellbeing of our residents and develop safer communities
Home Improvement Agency; Teesdale Housing Association; County Durham	To meet the housing needs of our residents

Homelessness Action Partnership; Supporting People Core Strategy Group	
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2.2.2 The Council is constantly developing new partnerships in order to deliver its priorities.

2.3 Consultation

2.3.1 The Council consults its citizens and stakeholders through a range of forums. In 2007/08, the Council worked with the Local Strategic Partnership to undertake detailed consultation for the development of the Teesdale Sustainable Community Strategy 2021, followed by consultation with members through workshops and a public meeting.

2.3.2 In the last six months, the key areas of consultation included the development of the corporate plan and the budget proposals for 2008/09.

2.3.3 Examples where consultation has influenced the current capital plans are the investment in Barnard Castle through the vision project and improvements to Teesdale Sports Centre.

2.4 Links to Other Plans and Strategies

2.4.1 The Council is responsible for approving the policy framework and the budget. The policy framework comprises the plans and strategies set out in paragraph 4.2a of Article 4 of Part 2 of the constitution and includes the following key plans and strategies:

- Corporate Plan
- Sustainable Community Strategy
- Medium Term Financial Strategy
- Procurement Strategy
- Capital Strategy and Asset Management Plan
- IT Strategy
- HR Strategy
- Housing Strategy
- Risk Management Strategy
- Local Development Framework

2.4.3 The Capital Strategy and Asset Management Plan (AMP) is aligned to each of the other plans above, and all plans and strategies are aligned to the Council's priorities. Other strategies are developed on a wider scale such as the Durham County Waste Management Strategy, County Durham Economic Strategy, County Durham ICT and Access Strategy, County Durham Cultural Strategy, Local Transport Plan and County Durham Structure Plan.

2.5 Revenue Implications

2.5.1 The budget process considers revenue and capital equally and concurrently to ensure that they are fully aligned. Revenue implications are required as part of the proposal process for capital expenditure and all financing options are considered in relation to their revenue impact. Whole life costing and invest to save are encouraged through the scoring methodology. Teesdale District Council has very limited capital and revenue resources; detailed justification is therefore required on both expenditure proposals and funding options available.

2.5.2 As a part of addressing the projected future revenue deficit position, it is ensured that proposals of a capital nature undergo rigorous appraisal and testing before they are included in the capital programme. The Council will only borrow to fund capital expenditure when:

- Borrowing is ‘supported’ – that is, Government support borrowing by increasing formula grant on an ongoing basis
- There is sufficient revenue budget to pay for the borrowing
- The borrowing will result in improvements that will reduce the Council’s costs
- The expenditure is essential to meeting the Council’s priorities.

2.5.3 The Council uses multi-year budgeting for both revenue and capital incorporating medium term financial planning and the development of a Medium Term Financial Strategy for 2007-10. The MTFS contains further details of the Council’s overall financial position.

2.5.4 Most of the capital projects developed by or involving the Council are unsuitable for Private Finance Initiative (PFI) funding because of their size. The Council has however always been open to this approach should the opportunity arise.

2.6 Managing and Monitoring the Capital Programme

2.6.1 The Council has an Asset Management Group (AMG) that includes representatives from all service areas and is led by the Chief Finance Officer. Set out in Appendix A is the membership and terms of reference for the group. The AMG collects key information to develop and progress the Asset Management Plan and Capital Strategy.

2.6.2 The capital programme is developed by initial budget proposals, which satisfy the criteria established by members, being submitted by budget managers as set out in Appendix C (an electronic form is used). They must be approved by the relevant Director and require links to corporate priorities and improvements.

2.6.3 Bids are prioritised in accordance with the scoring methodology (Appendix D) taking into account the nature of the proposal, corporate priorities, evidence of need and any funding options. The assessment of bids is initially undertaken by the AMG; they are then considered and scored by the Corporate Management Team, considered by the Executive Committee, and if successful, recommended for approval to the Council.

2.6.4 Monitoring of expenditure and income takes place on a monthly basis. Budget managers are issued with monitoring information within 5 days of the end of each month and they are required to return projections for the year. The projections are aggregated and reported to Departmental Management Teams and Corporate Management Team each month, and the Improvement and Performance Board each quarter.

2.6.5 The procurement board oversees all procurement and particularly high cost purchases and contracts to ensure that the agreed procedures are followed and value for money is achieved.

2.7 Performance Management

2.7.1 The Council has a robust Performance Management framework and has implemented a system for recording and monitoring performance information. This includes a formal monthly, quarterly, half yearly and annual process. The process at each stage involves members in different ways but ensures that the responsibility of lead members, the Executive Committee and Overview and Scrutiny are clearly defined.

- 2.7.2 Performance information is considered monthly at Departmental Management Teams and Corporate Management Team. Exception reports are required from the accountable officer for indicators that are giving cause for concern; these must include reasons for the trend, any action that may be taken to improve the indicator and any potential resource implications.
- 2.7.3 The Improvement and Performance Board is responsible for ensuring that the Council delivers its priorities and achieves value for money. This is done by:
- monitoring performance, particularly those indicators which demonstrate that the Council is meeting its corporate objectives
 - looking at the budget position of the Council, and, where appropriate, reallocating resources to ensure the Council achieves its priorities
 - tracking the progress of all major projects through highlight and exception reporting, ensuring that these projects deliver the Council's priorities and the desired outcomes
 - monitoring the corporate risk register
 - monitoring the performance of key partnerships
- 2.7.4 The Improvement and Performance Board contains all Executive Committee members and representatives from the Overview and Scrutiny Committee as well as Corporate Management Team, so this board ensures that all relevant members have access to all performance information.
- 2.7.5 The Improvement and Performance Board can establish Performance Action Teams to help specific services to improve where there is a major cause for concern. Performance Action Teams are lead by an independent service manager or head of service and are officer only teams, made up of specialists relevant to the service's issues to ensure the appropriate results.
- 2.7.6 The Council's Corporate Plan, incorporating the Best Value Performance Plan, and Service Plans all include asset related objectives and key targets. They are monitored as part of the Council's performance management process.
- 2.7.7 The Council has adopted the ODPM National Performance Indicators for property management and has supplemented these by a number of local indicators which reflect the nature of the Council, its assets and resources. The Council will also consider the adoption of the 'Egan' indicators for construction as appropriate in the future.
- 2.7.6 The Council's AMG is responsible for reviewing, monitoring and reporting performance information relating to asset management to the Corporate Management Team for inclusion in the Council's performance management process.
- 2.7.7 Information regarding performance targets and outcomes are communicated to members, staff, partners and stakeholders through reports to Council, Executive Committee, the Improvement and Performance Board and Overview and Scrutiny Committee, internal meetings, staff and member bulletins and the Council's website.
- 2.7.8 The Council is further developing a number of benchmarking processes, both locally and nationally in order to assess its performance and adopt best practice for capital investment and property management.

2.8 Cross-Cutting Activity

- 2.8.1 As stated earlier the Council uses a corporate and objective approach to assess the need for and to prioritise capital schemes, and to evaluate and monitor outcomes. The AMG agrees

which proposals will be considered by Corporate Management Team, Executive Committee and Council. This process ensures that cross-cutting corporate projects are also considered and progressed where appropriate.

2.9 Future Priorities

- 2.9.1 In prioritising proposals for the capital programme the Council has ensured that the priorities, which have been widely consulted in the community, have been the key consideration.
- 2.9.2 Economic development through partnership working continues to be a priority. The Council is working closely with the business sector to stimulate and support business growth and business start-ups, creating new opportunities for employment in order to diversify the economy, improve skills for employment and reduce worklessness.
- 2.9.3 The Council was a key partner in the 2003-06 Market Towns Initiative which was particularly successful in Barnard Castle. Future investment is being prioritised through the Barnard Castle Vision and new Economic Strategy for Teesdale. These two pieces of work were subject to extensive consultation, and will be used to inform the Local Development Framework particularly in terms of future employment land which is in short supply in Teesdale.
- 2.9.4 The Council is a key partner and a funder of a major capital project due for construction in 2008. Six new industrial units at the Council's Stainton Grove Industrial Estate will make considerable improvements to the estate and will increase the industrial floor space by 920 sq m.
- 2.9.5 In 2002, the Council commissioned an external report on a strategic options appraisal on Teesdale Training and Teesdale Sports Centre. The purpose of this appraisal was to ensure the service provision continued in the most advantageous and cost effective way for the community. As a result, Teesdale Training was transferred to Bishop Auckland College in early 2003 while the Teesdale Sports Centre remained as a Council owned and managed facility. This service was the subject of a further options appraisal in 2007/08, which recommended again that the service is retained in-house. As a result, the existing partnership with Competition Line has been extended for a further 2 years, and investment in to maintaining this excellent facility will be progressed.

3.0 ASSET MANAGEMENT PLAN

3.1 Corporate Management Arrangements

- 3.1.1 An Asset Management Group (AMG) has been established for a number of years to co-ordinate and develop asset management and capital expenditure in the Council. This group consists of representatives from each service area; it meets quarterly and reports to Corporate Management Team.
- 3.1.2 The Asset Management Group reviews all land and property to ensure that it is suitable for supporting the delivery of the Council's priorities. The group also considers alternative and potential partnership uses.
- 3.1.3 The terms of reference, agreed by Council, are as follows:-
- To set up and maintain a complete, accurate and up to date asset register including management and maintenance arrangements
 - To provide strategic management of assets
 - To identify surplus assets with regard to the Council's priorities and prepare reports to members
 - To regularly review the asset register to ensure only assets consistent with the Council's priorities are retained.
 - To identify and measure appropriate performance indicators and set appropriate targets
 - To monitor performance against targets
 - To report on performance to Corporate Management Team twice a year
 - To facilitate consultation with the community as appropriate
- 3.1.4 The Council has designated the Chief Finance Officer as the Corporate Property Officer (CPO) whose primary role is to lead the asset management group in order to develop the capital strategy and asset management process. The key issues are the application of the recently received condition information and the development of an asset register. This information will then be integrated into future corporate planning and financial planning processes. The CPO is a member of the Corporate Management Team and attends Executive Committee and Council meetings.
- 3.1.5 Corporate Management Team will receive bi-annual reports on the progress of the Asset Management Group. In addition, the Asset Management Group may supply recommendations on relevant corporate and strategic issues for discussion at Executive Committee and Council. Asset management is also championed by the Lead Member for Resources whose role includes responsibility for the Council's asset management.
- 3.1.7 Communication with the staff on asset management is achieved through staff and team meetings and employee bulletins where appropriate.
- 3.1.8 Reports on potentially surplus assets are produced as and when all necessary information becomes available. Disposals are still underway arising from the last suitability review.
- 3.1.9 The asset management process is integrated into the fundamental service review process, budget process, performance management, risk management and service planning process to ensure continued best use of assets.

3.2 Planning and Consultation

3.2.1 Consultation is undertaken on a corporate basis with the following groups:

- Residents Panel
- Parish Forum
- Business Community
- Local Strategic Partnership Thematic Groups
- Registered Social Landlords
- Key Partners and Stakeholders
- Staff and Unions

3.2.2 In addition, informal and formal consultation takes place on specific issues with groups such as parishes, staff (e.g. surveys on office accommodation), young people, customers (through satisfaction surveys), and occupiers of non-housing properties.

3.2.3 Survey work has also been undertaken as a part of best value reviews/fundamental service reviews; these have and will continue to incorporate property related questions regarding utilisation and requirements.

3.2.4 The recently completed condition surveys have resulted in the identification of backlog maintenance requirements for the majority of properties, as required by performance indicators PPI 1a and 1b. These are included at Appendix B to this plan.

3.3 Data Management

3.3.1 The Council is working towards linking its assets to a centralised property database. This is based on the GIS system, which retains plans, photographs and data on each property using a UPRN (unique property reference number). The LLPG (local land and property gazeteer) is continuously being updated following reconciliation with local and national databases.

3.3.2 The database has been compiled using existing data from the following sources:

- Land and Property Gazeteer
- Former housing database incorporating stock condition survey information
- Capital asset register (used for accounting purposes)

These were discussed and verified by members and officers and with Parish Councils as appropriate.

3.3.3 A summary of the assets held in each category is shown below.

Operational Assets

Industrial Estates	1	Industrial Estates	1
Offices	2	Car Parks	2
Depots & Workshops	2	Public Conveniences	7
Markets	1	Sports Centres	1

Non Operational Assets		Community Assets	
Community Centre	1	Cemeteries	8
Caravan Sites	1	Parks	2
Depots & Workshops	4	Picnic Sites	1
Public Conveniences	1	Market Cross	1

- 3.3.4 Surveys have been undertaken of all properties in relation to condition. This information will enable investment to be targeted where it is most needed, and allow decisions on surplus assets to be better informed.
- 3.3.5 Backlog maintenance requirements are primarily in respect of the depot. This is mainly attributable to the outdated construction methods used when it was built. The Council is reviewing the depot provision and considering whether the facility is required; options for replacement will be identified if appropriate.

3.4 Performance Management, Measurement and Monitoring

- 3.4.1 The performance management process is set out in the capital strategy. The process used ensures that property related targets and performance indicators are included in the corporate plan and service plans.
- 3.4.2 The AMG is responsible for collecting performance information, both the national property performance indicators and those local indicators that have been established.
- 3.4.3 Informal benchmarking has been used to date because of the overall lack of performance information available, although initial comparisons show that Teesdale is reasonably in line with other authorities. The national property performance indicators will be monitored with the Council's key PI's and benchmarked with similar and high performing authorities.
- 3.4.4 The CPO reports performance information to Corporate Management Team bi-annually, and updates on the capital plan are considered monthly. These are then reported to the Improvement and Performance Board quarterly.
- 3.4.6 Performance information and benchmarking are used to inform future priorities and targets. The Corporate Property Officer through the AMG has responsibility for performance against targets and proposals for future improvement.
- 3.4.7 Detailed performance information is set out at Appendix B. This covers both the national property and local performance indicators established. Set out below are details of the national indicators that are now adopted as local indicators:

- Maintenance Backlog and GIA PPI 1**

The maintenance backlog has been established using full condition surveys. Action to address the identified maintenance backlog is included in revenue or capital proposals where appropriate, although replacement rather than remedial action is being pursued for some properties. The estimated cost of repair has been included in the backlog maintenance until the most appropriate course of action for the Council in relation to these properties is established. Certain industrial sites and depot buildings are examples where this is the case. Full details of the calculations are included at Appendix B.

- **Internal rate of return – PPI2**

Teesdale District Council holds very few investment properties. Assets categorised as non-operational but not surplus include small areas of land and assets held for economic development purposes. The former are retained for environmental purposes and have minimal, if any, value. PPI2 has therefore not been calculated. It is not envisaged that the number of properties held for investment will increase in the future.

- **Management Costs per m² – PPI3**

Full details of this calculation are included at Appendix B. A target has been established of ensuring that management costs remain stable over the next year by improving overall efficiency.

- **Energy Efficiency PPI4**

The Council has prioritised the effective use of energy for a number of years and initiatives have been in place to reduce CO₂ emissions and water consumption. Details are set out in Appendix B.

- **Delivering of Capital Projects – PPI5**

The Council did not have any individual capital projects completed in 2007/8 with a value more than £50,000 although there were a number of projects that started in the year but are not yet complete. No calculation for PPI5 has therefore been undertaken although this will be completed for 2008/09.

- 3.4.8 Set out below are the national and local performance indicators that relate to assets, and that have been established by the Council in line with its priorities. These will in future be reviewed and extended to all areas of asset use, then weighted to provide an overall judgement on improvement in performance with regard to assets.

Category	Performance Indicator
Corporate Health	Buildings accessible to people with a disability
Cultural and Related Services	Tourism: number of visitors per month
	Number of visitors to sports and recreational facilities

- 3.4.9 The local performance indicators and targets have already been built into service plans as appropriate and related to corporate priorities.

3.5 Programme and Plan Development

- 3.5.1 Following discussions with all stakeholders, members approved a set of criteria on which to prioritise capital bids. The criteria and weightings applied are as set out in Appendices C and D.
- 3.5.2 Capital bidding forms (see Appendix C) have been designed around these criteria to ensure officers justify proposed capital spend. Directors approve submissions before the prioritisation process is undertaken. Initial assessment and quantification of the bids is undertaken by the Corporate Management Team through the star chamber process, following which the supported proposals are consolidated by the finance team who collate the capital plan and consider funding options.

- 3.5.3 Officers of the Asset Management Group are aware of requirements in relation to capital proposals from discussions within the group, and bids are therefore submitted as appropriate. This will develop further as the Community Plan is completed.
- 3.5.4 The initial assessment of bids and likely funding available is considered by the Asset Management Group. Where the AMG supports proposed capital plans they are submitted to the Corporate Management Team and Executive Committee working group. The draft capital programme with details of the funding arrangements is then formally submitted to the Executive Committee and finally the Council for approval. This process is undertaken annually to link with corporate priority setting, the development of service plans and the revenue budget setting process. Because of the prioritisation process amendments can be made to the programme during the year if funding is available.
- 3.5.5 The capital plan generally covers the current year plus 3 further years as does the revenue medium term financial plan, although capital proposals are expected to indicate whole life costs, beyond the three year timescale if applicable. For the 2008/09 financial year the revenue plans have been limited to the current year, and new capital proposals have not been considered beyond the current year, due to local government reorganisation in April 2009.
- 3.5.6 The prioritisation and evaluation process considers all schemes over the £10,000 capital deminimis level and the associated revenue costs in relation to operation and maintenance, and any income generated.
- 3.5.7 The AMG continuously assesses the performance of the capital plan using the performance indicators and processes described in this document.

3.6 Review of Assets

- 3.6.1 The Council's asset base is very small and there is therefore very limited under utilisation or opportunity for disposal of existing assets.
- 3.6.2 During 2007/08 resources were allocated for the review of all properties and for the establishment of an asset management system. The first part of this project has now been completed in partnership with Durham County Council and the second part is expected to be underway in the near future.
- 3.6.3 A separate accommodation options appraisal and accommodation strategy was also planned for 2007/08 to establish whether or not the administrative buildings are fit for purpose; this has not progressed due to local government reorganisation.

3.7 Transfer of Assets to Community Organisations

- 3.7.1 Local authorities are given discretionary powers under the Local Government Act 1972: General Disposal Consent 2003 to dispose of land in any manner they wish, normally for the best consideration reasonably obtainable, but in certain circumstances disposal can be at a lower value or less than best consideration. This is subject to the condition that the undervalue does not exceed £2 million and that land is held under powers which permit disposal under the 1972 Act.
- 3.7.2 The specified circumstances for disposal under the Act are where the Authority considers the land is likely to contribute to the achievement of any one or more of the following objects in respect of the whole or any part of its area, or of all or any persons resident or present in its area:

1. The promotion or improvement of economic well being
 2. The promotion or improvement of social well being
 3. The promotion or improvement of environmental well being.
- 3.7.3 Asset transfer refers to local communities' ability to acquire land and buildings from the local authority property portfolio, either at market value or at a discount, in order to deliver local services that meet local needs. For the authority to choose to forego the financial benefits of market disposal it is necessary for the community group to demonstrate added value and benefits by contributing to sustainable community objectives.
- 3.7.4 Community benefits include the ability to plan, create wealth, accumulate income and generate a surplus for the community as well as restore buildings and deliver social, economic and environmental benefits. Redevelopment or refurbishment of a building can attract other investment as well as provide local employment and purchasing opportunities. Transfer of an asset can provide the opportunity to lever more resources into a community and provide a more accessible and responsive base from which to deliver local services. It should strengthen the local community and provide a channel for user and community communication and advance neighborhood regeneration plans.
- 3.7.5 The community organisation can benefit from greater financial stability and build confidence through having ownership (or long term security through a lease) of a physical asset. This financial sustainability can help the organisation become less dependent on grants, provide collateral for further borrowing and opportunities for further growth.
- 3.7.6 Typically, organisations that would be considered appropriate are Voluntary and Community Groups/Associations, Trusts or Charities, Social Enterprise or Regeneration Groups. Transfers to Town or Parish Councils are considered in a separate policy.
- 3.7.7 Not every building or piece of land will be an asset for the community, in fact some will represent liabilities (e.g. poor condition, wrong size/location/configuration, listed and expensive to maintain, etc.), creating a drain on resources, generate too little income and potentially set the group up for failure. To mitigate this risk the community group will need to provide a robust business plan that is deemed to be achievable. Equally the authority should be forthright in its assessment of the building's condition and future maintenance liabilities.
- 3.7.8 This is also recognised by the community assets fund and applications for grant requires there to be "robust business plans that aim for long term financial sustainability" and "eligible assets will be those where the partnerships can show that they are appropriate for transfer and fulfill the fund principles".
- 3.7.9 Community access to assets should not be restricted through the process of transfer and legal agreements should be in place to ensure they are not sold on or privately appropriated, except with the authority's consent and relevant financial clawback provisions.
- 3.7.10 There is also a risk that the Government's initiative will create expectation with community groups of a host of property being available to them. The Council's property portfolio is subject to regular review and any surplus property disposed of through normal procedures.
- 3.7.11 The Council will look through its ownership of land and property at ways of achieving community objectives, recognising that 'best consideration' in terms of asset use and disposal is not necessarily always measured simply in monetary terms.

3.7.12 Using discretionary powers the Council will where appropriate and compatible with the General Disposal Consent 2003 include the option of community management or ownership within the options appraisal process for surplus, underused or other suitable assets where an approach has been made by a community body or group, and such disposal is likely to contribute to the promotion or improvement of the economic, social or environmental well being of it's area where:

- A community partnership can be entered into based on public access to and use of an asset
- The promoting local body, group or association is properly constituted and managed and is prepared to enter into an appropriate agreement with the Council
- The body provides a business plan that is acceptable to the Chief Finance Officer.

3.7.13 The asset transfer will be by the method most appropriate to the individual case and maybe by way of a lease, freehold transfer or such other mechanism as agreed with the Council's legal services provider to protect the body and the Council's interests.

3.7.14 Where land or buildings may have future development value the Council will covenant with the Group to safeguard its, or its successor authority's, long-term interests.

3.7.15 The Executive Committee will have absolute discretion in determining those assets that can be considered for transfer.

3.7.16 Each party will bear their own legal costs.

3.8 Transfer of Assets to Parish and Town Councils

3.8.1 In the first instance the Council will invite expressions of interest from all the town and parish councils in respect of specific assets they would in principle wish to acquire. It may be that the parish and town councils will require some guidance at this stage as to which assets the Council might transfer.

3.8.2 The guidance will state that:

1. only assets which are important locally for the social, environmental or economic wellbeing of the particular parish or town council will be considered and
2. only assets that do not generate a significant income flow will be considered and
3. where assets do generate an income flow this is, over the medium to long-term, likely to be exceeded by the cost of maintaining the asset and
4. the value of the asset does not exceed £2 million, the value to be determined by reference to its unrestricted value.

3.8.3 Upon receipt of any formal expressions of interest, the Council's officers will then research the actual annual cost of providing the asset, and give an estimate of the likely future maintenance or replacement costs of the asset over a ten year period following the transfer. In addition any other matters should be brought to the attention of the relevant town or parish council which might reasonably be expected to have a bearing on the decision as to whether or not to accept a transfer of an asset. This information will then be communicated to the relevant parish and town councils to ensure that they are aware of the financial consequences of taking a transfer of the asset.

- 3.8.4 If, in the light of the information concerning costs and any other relevant matters, parish and town councils wish to continue with a transfer, then individual assets will be subject to the following process:
- A. The Development Control Manager or equivalent will issue an opinion on what uses might receive planning permission having regard to the existing planning policies of the Council that affect the asset under consideration.
 - B. The Council's external valuer will give a formal opinion of the value of the asset based on the most valuable acceptable use of the subject asset in accordance with the opinion at (A) above, to ensure that the value does not exceed £2m, and in order that the Council is aware of the value of the asset that it is considering transferring.
 - C. A report on any possible asset transfers will be prepared for consideration by the Council's Executive Committee that provides the information at (A) and (B) and gives an assessment as to whether, in the opinion of officers, the transfer of the asset would be in the social, environmental or economic interests of the community, and any other relevant matters. Such reports will also contain a recommendation on whether or not to carry out the transfer.
- 3.8.5 Because of issues of conflict of interest both parties to the transfer shall instruct their own solicitors.
- 3.8.6 Transfers shall be made without covenants as to their future use so that the relevant parish and town councils have all the benefits of owning the asset as well as all the liabilities.
- 3.9 Spending and Outputs/Outcomes**
- 3.9.1 The Council has operated a multi year capital plan for a number of years that is updated monthly. The estimated programme for 2008/9 to 2010/11 is set out on page 4 of this document.
- 3.9.2 Teesdale, being the smallest district council, does not have the capacity to generate significant capital receipts to contribute to financing the capital programme since the disposal of its housing stock in July 2006.
- 3.9.3 The Council has been able to access substantial external funding from European and SRB sources in recent years. In order to maximise this, Teesdale will continue to operate in partnership with other authorities and other public bodies, the voluntary sector and the private sector as appropriate. This also enables the achievement of Durham County Council priorities in the Teesdale area.
- 3.9.4 Due to absence of available revenue resources the Council has been and will continue to be unable to allocate revenue contributions to capital from the General Fund.
- 3.9.5 The key non-housing capital investments in the future are in relation to economic development and particularly the emerging vision for Barnard Castle, and the continued improvement of the leisure centre. This is included in the context of this document. Substantial investment in vehicles and partnerships has taken place in recent years and will continue in 2008/09 where possible to ensure the delivery of the waste management strategy.
- 3.9.6 The backlog of maintenance has been updated now that the survey information is available, and revenue and capital budgets that have been identified to address this area will be allocated as appropriate and dependant upon the particular circumstances and the need for redevelopment rather than repair.

CAPITAL STRATEGY AND ASSET MANAGEMENT PLAN

- 3.9.7 The Council is utilising unsupported borrowing to achieve its priorities and invest in services as required. The use of this funding method is always dependant upon affordability and balancing all of the needs of the Council.
- 3.9.8 A substantial number of the outcomes from capital schemes are dependant upon continued partnership arrangements.
- 3.9.9 As stated above reporting and capital monitoring is done on a monthly basis at departmental and Corporate Management Team level and quarterly at Asset Management Group and Improvement and Performance Board level.

Terms of Reference of the Asset Management Group**Aim**

To ensure that the assets required by the community and by the Council are properly managed and maintained and provide value for money.

Scope

All capital assets are included

Clients

The community and the Council

Objectives

1. To set up and maintain a complete, accurate and up to date asset register including management and maintenance arrangements
2. To provide strategic management of assets
3. To identify surplus assets with regard to the Council's priorities and prepare reports to members
4. To regularly review the asset register to ensure only assets consistent with the Council's priorities are retained.
5. To identify and measure appropriate performance indicators and set appropriate targets
6. To monitor performance against targets
7. To report on performance to Corporate Management Team twice a year
8. To facilitate consultation with the community as appropriate

Roles and Responsibilities

Team Member	Responsibilities
Chief Finance Officer	Chair of AMG. Provide strategic direction and link to Corporate Management Team and Executive Committee. Review of assets and budget holder responsibility. Provide financial advice to the group.
Principal Finance & Development Officer	Energy efficiency and related performance indicators. Financing advice.
Accountancy Manager (Technical)	Compilation and maintenance of asset register. Monitor budget position and report on status.
Chief Governance Officer	Provide strategic direction and link to Corporate Management Team and Executive Committee. Legal aspects of asset management.
Director of Regeneration	Provide strategic direction and link to Corporate Management Team and Executive Committee. Responsible for regeneration, housing and development control.
Director of Customer Services	Provide strategic direction and link to Corporate Management Team and Executive Committee. Responsible for administrative buildings and ICT.
Representatives from each relevant service area of the Council	Budget holders responsible for areas of capital investment and asset management.

Performance Indicators

National Property Performance Indicators

- **Best Value Performance Indicators 1a & 1b**

Maintenance Backlog and Gross Internal floor Area (GIA): a summary of the GIA by condition category as defined in the guidance notes by the DTLR

PPI1a gross internal floor space	TOTAL	A-%	B-%	C-%	D-%	Total %
% GIA BY CAT OP OTHER LAND/BLDGS	8,246	58.16	11.57	8.00	22.27	100.00
% GIA BY CAT NON-OP GENERAL	921	38.65	14.22	47.13	0.00	100.00
TOTAL SQM	9,167					

PPI1b backlog maintenance (£)	1-£	2-£	3-£	4£	Total £
TOTAL CAT OP OTHER LAND/BLDGS	0	782,255	190,491	52,325	1,025,071
TOTAL CAT NON-OP GENERAL	0	107,624	176,156	16,225	300,005
BACKLOG MAINTENANCE TOTAL	0	889,879	366,647	68,550	1,325,076

PPI1b backlog maintenance (%)	1-%	2-%	3-%	4-%	Total %
TOTAL CAT OP OTHER LAND/BLDGS	0	76.32	18.58	5.10	100.00
TOTAL CAT NON-OP GENERAL	0	35.87	58.72	5.41	100.00

- **Property Performance Indicators 3a and 3b**

These indicators have not been calculated previously due to the absence of accurate data. Relevant indicators will now be developed that will inform the Council on the cost of managing its assets and will be comparable to other authorities.

Proposals to improve the condition of, demolish or dispose of properties categorised as C or D in addition to the backlog maintenance needs will also be prioritised into capital and revenue plans as appropriate once the survey information has been fully analysed.

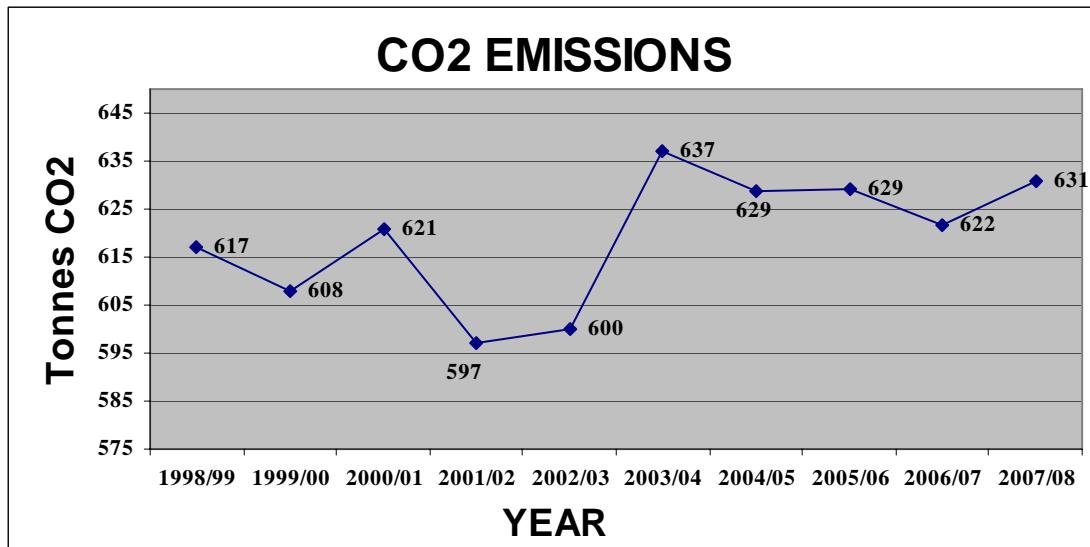
Best Value Performance Indicators 4a, 4b, 4c and 4d

- **Energy and Sustainability**

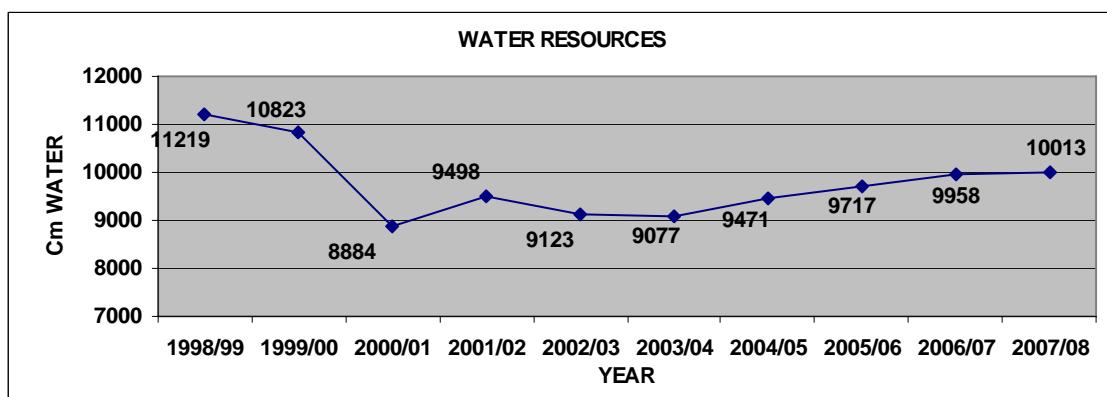
Teesdale District Council has an environmental policy, part of which contains an energy management statement that is 'to continuously monitor the Council's use of energy, transport, water and other natural resources with the aim of reducing consumption and minimising the impact on the environment'.

The Council has now been monitoring its energy consumption since 1997 and originally set targets for the authority and each individual building. In addition in 2000 it set

targets to reduce the amount of consumption on all utilities and Co2 emissions by 5% by 2004 and 10% by 2010. The results of the monitoring are reported annually to Members with property sub-divided into operational and non-operational property. The graph below illustrates total emissions for this period and it reflects a small increase of 1.6% over this period. Given the Council's target to reduce emissions by 10% by 2010 there is a long way to go to achieve the target, however it is currently implementing a wood pellet boiler and a new air handling unit at the Leisure Centre and this is expected to reduce CO2 by at least 25%.



Water resources are also monitored, with the Leisure Centre being the major user (54%). In the period the Sports Centre has reduced water consumption by 36%, however since monitoring commenced consumption that reduced initially has now reversed and the trend line is now upwards. The graph below illustrates this trend.



The authority has continued to implement energy saving measures that include a high efficiency boiler replacement, a window replacement programme and energy efficient lighting. In conjunction with the government's 'Clear Skies' initiative a solar panel heating and hot water project was completed in September 2004 at the Leisure Centre which has resulted in a substantial reduction in consumption. We are also currently installing a biomass (wood pellet) boiler as the main source of heat production, again in

CAPITAL STRATEGY AND ASSET MANAGEMENT PLAN

APPENDIX B

the Sports Centre and in conjunction with the Low Carbon Building Programme and we expect this to be a major factor in achieving our energy targets in consumption and especially CO2 emissions.

The following baseline performance indicators are submitted with regard to operational property and energy efficiency for the years 2006/07 and 2007/08.

2006/07

BUILDING CATEGORY	NO OF PROPERTIES	GIA sqm	REPAIRS & MAINT per sqm £	ENERGY COSTS per sqm £	WATER COSTS per sqm £	CO2 EMISSIONS tonnes
OFFICES	3	1776.37	4.09	12.90	1.22	0.0800
SPORTS CENTRE	1	2548.70	3.89	24.50	4.70	0.1711
DEPOTS	2	2535.12	1.83	2.80	1.52	0.0155
WCS	7	201.30	25.33	5.60	15.09	0.0221
Portfolio per sqm	13	7061.49	3.810	13.255	2.977	0.2887

2007/08

BUILDING CATEGORY	NO OF PROPERTIES	GIA sqm	REPAIRS & MAINT per sqm £	ENERGY COSTS per sqm £	WATER COSTS per sqm £	CO2 EMISSIONS tonnes
OFFICES	3	1499.1	8.07	16.70	1.54	0.1052
SPORTS CENTRE	1	2621.0	25.81	23.33	4.36	0.1618
DEPOTS	2	2512.8	9.11	3.02	2.00	0.0180
WCS	7	195.0	138.70	5.22	20.02	0.0188
Portfolio per sqm	13	6827.9	19.319	13.881	3.320	0.3038

Note: Revised GIA Sqm used in 2007/08 as per property surveys.

Other Performance Indicators

- Corporate Health**

In response to the Disability Discrimination Act the Council prioritised ensuring that its buildings were accessible to people with a disability. This indicator has now been maintained at 100% for a number of years.

- Economic Regeneration**

- Teesdale has an excellent relationship with its current partners and continues to develop and manage partnership working. In 2007/08 The Council levered in £207,546 of grant from other sources using £30,000 from the Council's Capital Programme. This 1:13 leverage rate may not be sustainable in the long term, but the Council continues to maximise grant income in this area.
- There are no void industrial units at this time. Where units become void, there is always competition for re-letting.

- The Council is seeking to employ currently under used Council Depot land at Stainton Grove Industrial Estate in order to re-locate a major business from the centre of Barnard Castle. This will safeguard 70 jobs, and will release town centre land for car parking and new housing development.

- **Cultural and Related Services**

The Sports Centre is a key asset in terms of leisure provision. Its main aim is to improve access to its facilities for the community. As such the key local indicator is the number of visitors per annum and the intention is to continuously increase this. For 2007/08, the actual number of visitors was 215,096 against a target of 208,500 (2006/07 actual was 204,686).

- **Customer Services**

The Council has prioritised access to services for some time and has achieved 98% for e-enabled transactions. This is particularly important for a rural authority such as Teesdale with limited public transport availability.

Budget Proposal Form (Replaced with electronic form)**TEESDALE DISTRICT COUNCIL**

BUDGET PROPOSAL	For office use				
	Score 1-5	Weighting	Total		
Title					
Revenue/Capital					
Statutory/ Discretionary		5	0		
Description					
Link to Corporate Priorities/Service Plans/ Performance Indicators		5	0		
		4			
Evidence of need		3	0		
External funding leverage		1	0		
Economic and environmental impact of the bid		1	0		
Sustainability		2	0		
Evidence of value for money		2	0		
Quality of life impact		2	0		
Total Score			0		
	2008/09	2009/10	2010/11	2011/12	Post 2011/12
	£	£	£	£	£
Gross amounts required:					
Capital					
Revenue					
(including revenue implications if capital)					
Income generated:					
Capital					
Revenue					
Net budget requirement					
Electronic Access					
HR Implications					
Health and Safety implications					

How will this project/scheme be managed and monitored?

Funding/financing available

Partners in proposal

Year:	2008/09	2009/10	2010/11	2011/12	Post 2011/12
	£	£	£	£	£

Efficiency gains resulting from bid:

Cashable

Non-cashable

(please provide further details below)

Please highlight known VAT implications

Any other comments / continuation from overleaf

Risk Assessment

Identify the risks of the proposal not being implemented/ the budget not being allocated (both negative and positive):

Submitted by _____ Budget Holder Date _____

Authorised by _____ Director Date _____

Amount agreed:	2008/09	2009/10	2010/11	2011/12	Post 2011/12
	£	£	£	£	£

AMG
CMT
Executive Committee

Amount approved

Scoring Methodology

Category	1	3	5	Weighting
Statutory/discretionary	Discretionary	Discretionary but essential to the delivery of statutory services	Statutory	5
Links to corporate priorities	No links	Partially meets a corporate priority	Clearly delivers a corporate priority	5
Performance Improvement	No links	Performance improvement (non-scorecard)	Scorecard or KLOE or Improvement Programme	4
Evidence of need	Minimal evidence	Some evidence	Strong evidence	3
External funding leverage	< £10,000 and up to 50% of gross cost	>£10,000 and more than 50% of gross cost	>/= £100,000	1
Economic and environmental impact	Minimal impact	Reasonable impact	Strong impact	1
Sustainability	Large revenue requirement or replacement required within 2 years	Minimal revenue requirement or replacement required within 5 years	Self financing or replacement required beyond 10 years	2
Evidence of value for money	Weak	Reasonable	Strong	2
Quality of life impact	Single ward or group impact	More than one ward or group effected	All wards or many groups effected	2
Risk Score				1

