



CABINET - 7th AUGUST 2002

PORTFOLIO : FINANCE AND SUPPORT

**ASSET MANAGEMENT PLAN AND CAPITAL STRATEGY
SUBMISSION OF PLANS FOR 2002/03**

1. INTRODUCTION

- 1.1 As part of the comprehensive review of local government finance, the Government implemented a new approach to the allocation of resources (borrowing approvals) in the form of 'the single capital pot'. The intention behind this approach is to permit local authorities to make some decisions about their own priorities for the allocation of capital resource, whilst still allowing the Government to achieve national priorities.
- 1.2 In the first year of the single capital pot (ie 2002/03) the amount distributed by the Government through this mechanism represented just under half of the resources available. The Government intend to increase this share in the next round of allocations
- 1.3 Single Capital Pot allocations for 2003/04 will be made in December 2002. It is proposed that 95% of the allocation will be made on a 'needs' basis and 5% at the discretion of the Government, based on a local authority's Capital Strategy and Asset Management Plan. These percentages are likely to be varied in future years.
- 1.4 The Council is required to submit its Asset Management Plan and Capital Strategy to the Government for the South-East (GOSE) by 31st July 2002. The assessment will take place over the summer and ratings announced in December.
- 1.5 The documents will be assessed against pre-set criteria, split into primary and secondary categories, and graded as 'good', 'satisfactory' or 'poor'. A score of less than 100% in the primary category will attain a 'poor' rating; to attain a 'good' rating a score of 100% in the primary category and at least 75% of the secondary criteria is required.

- 1.6 Additional Credit Approvals will be awarded for satisfactory or good assessments; the indication is that the approvals will be £25,000 and £50,000 respectively. It is also likely that this will be the last year in which the Government will reward local authorities for satisfactory or good performance.
- 1.7 The Council's Capital Strategy will also be taken into account in the impending Comprehensive Performance Assessment of this Council next year.
- 1.8 As an incentive for local authorities to achieve a 'good' rating this year, it is proposed that for authorities achieving that rating, the rules are relaxed and further plans will not be required next year.
- 1.9 Once the new prudential system for capital finance is introduced, the capital strategy will need to become an integral part of the annual expenditure planning process
- 1.10 The Asset Management Plan requires the approval of the Cabinet and the Council, and will also be considered by Corporate and Finance Portfolio Review Panel.

2. CAPITAL STRATEGY AND ASSET MANAGEMENT PLANS FOR 2003/04

- 2.1 There have been a number of changes in the criteria which has to be met within the Council's Plans:
 - Information is required for 5 property performance indicators
 - Significant changes between primary and secondary criteria
 - No discretionary award of resources for plans submitted after 31st July
 - Stronger focus on performance and out-comes of asset management and capital planning processes
 - More emphasis on cross-cutting issues and working with communities and partner bodies
 - Reflection of the adoption and use of a Corporate Procurement Strategy for contracts
- 2.2 For the first time, the Council will be required to identify whether it intends to take on, and the extent of, any 'unsupported'

borrowing following the introduction of the new capital finance system in 2004.

- 2.3 The Capital Strategy and Asset Management Plan for 2003/04 are attached as Appendix 1 and 2 to this report.
- 2.4 A meeting has recently been held with representatives of GOSE, prior to the submission of these documents for assessment, to try and ensure all requirements have been met to achieve a 'good' assessment.

3. CRIME AND DISORDER AND ENVIRONMENTAL IMPLICATIONS

- 3.1 Future available capital resources may be utilised to undertake projects of a cross cutting nature, as part of partnership working within the wider community. Part of the consideration of any such projects will include the assessment of crime and disorder and environmental implications.

4. FINANCIAL IMPLICATIONS

- 4.1 The 5% discretionary element of the potential settlement will be dependent upon the decision of ministers based upon the assessment of the Asset Management Plan and Capital Strategy submitted by the Council. For 2002/03 this element amounted to £9,500; a further £50,000 of borrowing approvals were awarded for achievement of a 'good' assessment for the Asset Management Plan
- 4.2 A good assessment and rating by GOSE of the Plan and Strategy could earn the Council an additional £100,000 of borrowing approvals.

5. RECOMMENDATION:

The Cabinet is asked to recommend to the Council that the Capital Strategy and Asset Management Plan be approved.

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NEW FOREST DISTRICT COUNCIL Statistical and Financial Information – 2002/3

	£M
• Gross Revenue Budget (including Housing Revenue A/c)	76.7
• Net Revenue Budget (including Housing Revenue A/c)	19.4
• Housing Revenue Account expenditure	24.8

Fixed Assets per Consolidated Balance Sheet as at 31 March 2001

1. TYPE - Operational Assets		
(a) Council Dwellings		229.3
(b) Other Land & Buildings		27.3
(c) Vehicles Plant & Equipment		0.2
(d) Infrastructure Assets (Coast Prot'n., Land Drain'ge & Public Lighting)		12.1
(e) Community Assets (Open space at New Milton & Bartley)		0.4
2. TYPE - Non-Operational Assets		
(a) Investment Assets		1.9
(b) Other (Open Space)		3.5

Service Area	Type <small>See Type above</small>	Number	Gross Internal Area	Value £M
Environment	1 (b)	34	1372.19m ²	1.817
Corporate & Finance	1(b)	8	13122m ²	4.323
Corporate & Finance	2 (a)	2	N/A	1.856
Leisure	1 (b)	8	16711.15m ²	16.033
Housing	1 (a)	5322	N/A	229.324

Maintenance Backlog – Housing £25m, but no backlog exists on other services.

	2002/3	2003/4	2004/5	2005/6
Capital Programme	£'000	£'000	£'000	£'000
Corp. & Finance	1020	275	45	10
Crime & Disorder	358	20	-	-
Environment	1548	1238	1042	3747
Econ. & Planning	768	2	200	-
Leisure	1019	319	410	-
TOTAL	4713	1854	1697	3757
Proposed Financing				
BCA/SCA (Loan)	502	384	333	941
Grants & Other Contrs	1523	841	729	2826
Electronic Governance	200	200	-	-
Developers' Contribs	316	-	-	-
Revenue Provision	250	250	300	250
Usable Capital Receipts	-	-	-	-
Capital Reserve	1922	179	335	-260
TOTAL	4713	1854	1697	3757

It is not possible to forecast whether the Authority will be taking on “unsupported borrowing” as this is dependent on a number of other factors.

District Profile

New Forest District lies in the southwestern corner of Hampshire between the conurbations of Southampton and Bournemouth. With a population of 172,700 (mid 2002) it is the second largest District Council in the country and covers an area of 75,000 hectares. Two features dominate the District; they are the New Forest itself (which has been recommended for National Park status) and its 64 km of coastline, much of it undeveloped and of special scientific interest.

The majority of the District's residents live in good quality housing in towns and villages on the periphery of the forest. The large population growth seen in the District since the Second World War has been concentrated on the eastern margin (Totton, Hythe, Dibden, Marchwood and Fawley) and the south (Lymington, Barton, Milford and New Milton). This has been as a result of regional growth policies although the south coast towns have been particularly attractive for the retired. Compared nationally, the District has a relatively elderly population with 22% over pensionable age and only 18% under the age of 16. The only other towns of significance in the District are Ringwood to the west and Fordingbridge in the north-west.

The District has a robust local economy, which is not dependent upon any particular employment sector. This has tended to shelter the District's economy from the worst effects of periods of recession. The Esso oil refinery at Fawley, the largest in the United Kingdom, is the biggest employer in the District. The refinery has attracted a number of ancillary petro-chemical industries to the area. However, the District has also lost some large industrial employers and the local economy has moved increasingly towards the service sector. The District Council is the second largest employer in the area with some 1600 full and part-time employees. The forest is well used by the local population as a recreational area. Local residents are estimated to account for up to 12 million days visited to the forest each year. Tourism accounts for 6.5 million days visited and is a major component of the local economy with the tourist trade directly accounting for some 7% of jobs in the District.

With the high proportion of pensioners in the District, only 46% of the population are economically active which is the lowest rate in Hampshire. The unemployment rate for the District is similarly lower than that of Hampshire and about half that nationally. There are a few small pockets of socially disadvantaged people within the District but there is a fairly low incidence of crime and social disorder.

The District is wholly parished and the Council has established a good working relationship with the 37 Town and Parish Councils within its area. The New Forest is currently represented by two Members of Parliament.

Asset Management Planning

The Authority has an Asset Management Group, chaired by the Corporate Property Officer, and including the portfolio holder, which represents all internal stakeholders and acts as the strategic review body for all property and land transactions. Each asset has been given a unique property reference number and details are maintained on the Authority's computerised Asset Register. The Authority has a relatively small asset base of approximately 150 assets, more detail of which can be found in the Asset Management Plan.

Condition surveys have been conducted on the majority of the Authority's assets. Where a full condition survey has not been completed, a simple check has been undertaken to establish the broad condition category the asset falls into when compared to the Building Maintenance Information Service categories. There are currently no maintenance backlogs relating to assets used on Other Services, although there is a fairly large backlog on Housing.

Systems have been put in place to ensure that all relevant data is captured and retained, but information on sufficiency and suitability is being ascertained by Service Heads during their consultation and review process for Best Value.

CAPITAL STRATEGY ASSESSMENT CRITERIA CHECK LIST

Primary Requirements

Item	Requirement	Evidence
1.	Provides clear strategic guidance about the Council's capital objectives, priorities and spending plans and demonstrates that these are directly linked to and consistent with key corporate and service objectives as outlined in the authority's corporate documents. Identifies Council wide cross-cutting activity and initiatives.	Section 2 3.1, 3.2, 3.3, 3.8 6.1, 6.3 Section 5
2.	Describes the framework that the authority has put in place to ensure that the capital strategy is a corporate document	2.4
3.	Identifies all key aspects of capital expenditure within the authority and those areas where the authority is able to apply significant influence on others through the use of its capital resources.	3.2, 3.3 4.8 Section 6
4.	Explains the approach implemented in the prioritisation of capital project proposals	6.7, 6.8
5.	Explains how the revenue implications of capital investment are taken into account.	6.5
6.	Is informed by the outcomes of Best Value reviews, and of other relevant reviews and improvement/ development plans.	3.9 5.1 6.5
7.	Identifies how relevant stakeholders' and partners' views are sought and inform the working and development of the capital strategy.	2.1, 2.4, 3.1, 3.6 4.1, 4.9 6.5 (Appendix B)
8.	Identifies key partners and describes partnership working.	3.4, Section 4

Secondary Requirements

	General Content	
1.	The Strategy sets out sufficient information to inform all bidding for capital resources.	3.2, 3.3, 3.8 Section 6
2.	The Strategy outlines the Council's approach to PPP/PFI and to other means of alternative capital funding.	6.11, 4.2, 3.7, 4.8
3.	The Strategy addresses corporate policies on procurement strategies as envisaged in Best Value guidance.	6.12, 6.13
4.	The Strategy identifies how partnership working is being further progressed by steps being taken to work with other councils and relevant organisations.	Section 4

	Performance Measuring and Monitoring	
5.	There is evidence that performance measures and benchmarking are being used to describe and evaluate how the deployment of capital resources contributes to the achievement of corporate and service objectives.	6.7 6.10
6.	There is evidence that the results of performance measurement and benchmarking are being communicated to Stakeholders where relevant.	3.9 4.9 5.2
7.	There is evidence that the results of performance	

	measurement and benchmarking are being used to seek service improvements and target service delivery.	4.9
8.	There is evidence that performance measurement activities relate to capital projects and to the influence of grants and partnerships.	3.8, 3.9 4.9, 6.10
9.	There is evidence that there is a corporately agreed 3-year strategy explaining the council's approach regarding the effective management, measurement and monitoring of the council's capital programme.	3.3 Section 6

	Cross-cutting activity	
10.	There is evidence of the development and/or delivery of key priorities and targets to achieve cross-cutting objectives such as regeneration and sustainable development.	Section 5
11.	There is evidence of cross-cutting activity leading to improved outcomes, including consideration of and, where appropriate, adoption of innovative solutions.	4.8

CAPITAL STRATEGY 2002-2007

1. EXECUTIVE SUMMARY

- 1.1 The Council's aims and key targets are currently set out in its corporate plan "The Heart of the Forest" and supported by its Best Value Performance Plan "Performance Matters".
- 1.2 The Authority is producing a Community Strategy in consultation with its stakeholders and its Local Strategic Partnership. It is developing Community Action Networks (CAN) to tackle significant cross cutting issues as well as continuing to address them both corporately and in partnership with others.
- 1.3 The development of partnerships and consultation with existing partners is now embedded in the Council's culture and is a fundamental part of any scheme or initiative undertaken by the Council. The Council is able to exert some influence on others through the use of its capital resources.
- 1.4 The Council's Capital Strategy consists of a number of service related strategies, which underpin service provision and contribute to the achievement of the Council's corporate aims. The overarching aim is to maintain, improve and seek to fully utilise the existing asset base.
- 1.5 A framework for the consideration, approval and monitoring of capital schemes exists and operates successfully and a formal process of post project evaluation has been implemented.
- 1.6 Funding for the capital programme is sought from the source most beneficial to the Council and the Community.
- 1.7 The Council seeks to obtain value for money through all its procurement arrangements.

2. INTRODUCTION

- 2.1 The Council's Corporate Plan sets out its statement of intent for the future of the New Forest District. "The Heart of the Forest", (copy attached) identifies how the Council intends to work with the public and partners to place itself at the heart of community life within the Forest. This document formed the basis of consultation with key stakeholders over recent months and the results are currently being analysed with a view to developing the direction the Council should be taking. Initial observations from the exercise indicate that the majority of stakeholders are happy with the Council's proposals.
- 2.2 The plan is divided into sections, which refer to significant issues for the Council, and outlines its aims for improvement in those areas. The sections are:
 - An Organisation of Excellence
 - Working with Public and Partners
 - Economic Well-being
 - Social Well-being
 - Environmental Well-being
- 2.3 The challenge for the Council is how best to achieve the right balance between the three areas of well being through working with others and being an organisation of excellence. The Capital Strategy is designed to support and help achieve progressively the aims of the Authority by developing a capital programme that addresses these issues where appropriate.
- 2.4 This strategy has not been produced in isolation from other policy areas but has been drawn up after consultation with all service providers within the Authority and its Members, ensuring a cross-service, corporate approach to its production. Some Issues have also been out to public consultation or have been considered by the Citizens' Panel (1000 local residents).

3. LOOKING FORWARD – TARGETS

- 3.1 Over the past 2 years the Council has been working with its partners in developing a process that will result in the production of the District's first Community Strategy in April 2003. A key part of that process was the establishment of a Local Strategic Partnership (LSP) to oversee the development of the strategy. This is supported by a Community Action Team which is a multi-agency group meeting more frequently than the LSP. This group is developing a number of CAN's, each one of which will tackle a specific emerging issue for the community such as Transport, Health, Crime and Disorder etc.
- 3.2 The Council has set itself a number of key targets that relate to the priority areas mentioned in the introduction. Some of these targets will require capital investment in order to achieve them. Others may well result in new schemes being identified as a result of consultation with partners.
- 3.3 The Council's capital programme (Appendix A) is based on bids put forward by individual services and does not currently exceed the limited resources available to complete it.
- 3.4 The District has quite a large coastline, 85% of which is included within areas of Special Scientific Interest requiring constant monitoring and protection. The Council is the lead Authority for strategic regional monitoring of the South East, covering all coastal authorities from Portland to the north Kent coast including the Isle of Wight.
- 3.5 For local housing, grants are available for Disabled Facilities, Home Repairs Assistance and Private Sector Renewal. The Social Housing Grant is allocated to Housing Associations to enable the provision of more affordable accommodation within the District as the New Forest has a growing homelessness problem and 2700 households registered as in need of affordable housing.
- 3.6 The Council has been deemed a high performing Housing Authority over recent successive years. It will continue to maintain a high quality of stock and provide new homes for people in greatest need. The development of a Tenants' Compact, launched in January 2002 demonstrates levels of tenant involvement in ways that go further than ever before, it seeks to address effectively tenants' issues and representation. For more information about these issues reference should be made to the Council's Housing Strategy and Housing Business Plan.
- 3.7 A large-scale voluntary transfer (LSVT) of the Council's housing stock was considered in depth 2 years ago. Although the Council's current policy is to retain its housing stock, the Housing Strategy and Housing Revenue Account Business Plan have identified a number of issues in the future provision of social housing which require the Council to reconsider all options. In the short term, it is anticipated that the housing stock can be maintained using existing resources and the major repairs allowance.
- 3.8 Some of the Council's key targets which are, or may require to be, supported by the Capital Strategy have been shown below. Because of the nature of some of the targets they might easily apply to more than one of the areas of strategic importance:-

Organisation of excellence

- To further develop the provision of access to services by electronic means.
- Publish a strategy to cover work on recreation, tourism and the arts.
- Completion of the phase 2 extension at Lymington Recreation Centre which has stage 1 approval for £1.3m Lottery funding and is also being funded by Hampshire County Council and Lymington Town Council.
- Successfully complete re-assessment under the Investors in People standard

Working with Public and Partners

- Work with Town and Parish Councils to provide a seamless quality service from all Information Offices
- Develop a reactive maintenance partnership between the Council and its suppliers
- Work with the Local Strategic Partnership to develop Participatory Needs Assessment and prepare and implement a Social Inclusion Strategy
- Produce an integrated health strategy with the New Forest Primary Care Trust

Economic Well-being

- Agree an approach to meeting the housing needs of key workers in the District
- Continue to work positively with the business community in supporting the development of the business forum
- Establish a revised initiative to ensure the vitality and viability of the District Town Centres and progress the District Local Plan to public enquiry

Social Well-being

- With partners provide 140 new homes and bring 50 empty properties back into use.
- Produce and implement the 2002/03 action plan for the Council's Health Strategy
- Implement the Cardiac Rehabilitation Schemes at the Recreation Centres with contributory funding from partners
- Build on the successful Youth Projects at Ringwood and Applemore Recreation Centres and extend the initiative to Lymington. Hampshire County Council and other partners are helping to fund this initiative
- Continue to develop family friendly and work life balance policies

Environmental Well-being

- Judge the effectiveness of the Agenda 21 Tourism Kit through benchmarking
- Implement the Fawley Square environmental improvement scheme
- Pilot 3 schemes for evaluation of locality based service delivery of Street Cleaning
- Investigate options for increasing recycling to 40% by 2005
- Implement the Regional Coastal Monitoring programme for the South East
- Assessments for noise, air quality and contaminated land from the proposed port development at Dibden Bay

3.9 Performance against these and other targets will be published next June in the Council's Best Value Performance Plan "Performance Matters", this will include new targets set for the following financial year. Performance against last year's targets can be checked in this year's Performance Plan, a summary version of which is delivered to every household in the District.

4. KEY PARTNERS IN THE PROCESS

4.1 The Council actively encourages input from the community and the following are the main consultation groups:

- Citizens Panel and Community Focus Groups
- Employees and Members
- Key Employers/Business/ Industry/Local Interest Groups/NF Business Partnership
- Hampshire County Council (incl. Social Services and Education)
- Town & Parish Councils/Other District Councils
- English Nature/Local Landowners/Countryside Agency/Forestry Commission
- Police, Fire & Health Services/Voluntary Sector
- Housing Corporation/Regional Housing Forum/Housing Associations/Private Landlords
- Regional Government (GOSE)/Environment & Transport Agencies

- South East Economic and Development Agency (SEEDA)
 - District Audit
 - Local Media
 - Primary Care Trusts
- 4.2 Other key partners to be considered are Developers and other funding agencies e.g. The National Lottery:
- Developers often make significant contributions towards schemes within the District, which enables the Authority to achieve some targets which it might not otherwise be able to.
 - Where funding is applied for from other sources, the scheme is likely to be rigorously vetted and therefore consideration has to be given to the requirements of the funding agency if the application is to be successful.
- 4.3 The District Council will soon be meeting again with town and parishes having had some success in encouraging them to explore the opportunities provided by such initiatives as Vital Villages, the Countryside Agency scheme that will help advance better understanding of our communities and provide a basis for delivery against their needs. There are also regular meetings between the Association of Town & Parish Councils, the Corporate Management Team and the Cabinet.
- 4.4 Mention has already been made of partnership working with other coastal authorities on aspects of coastal protection in the South East. This Authority is also well advanced in developing partnership working with a neighbouring Authority to help provide frontline services with its Direct Service Organisation.
- 4.5 Much is achieved in housing through partnership (Housing Associations, Social Services etc.) and the Authority prides itself in the Housing Service making its own contribution towards the Council developing as an organisation of excellence.
- 4.6 Leisure Services works very closely with the Education Authority and Schools in the management and utilization of its recreation centres. All recreation centres are dual use and therefore working in partnership is a daily issue.
- 4.7 Consultation is a key element in the development of any strategy and has become part of the Council's culture. The extent of the Council's commitment to consultation is set out in its corporate plan.
- 4.8 There is scope for improving existing partnerships and for creating new ones where they are needed. There is also a need to make better use of resources across agencies, to avoid duplication of effort and to use knowledge and expertise to the advantage of all parties. The development of the CAN's with their multi-agency format will eventually produce these benefits. The Council is also able to influence its partners in some instances by the use of its capital resources. An example of this is the building of a local information office at New Milton. Here the Council has succeeded in delivering joined-up Government by involving the local Town Council, County Council and other agencies as well as involving a Housing Association to provide funding for several flats. Another example is the Closed Circuit Television project that has prompted local businesses to help support financially and has attracted significant Home Office funding.
- 4.9 The expertise of other local authorities and the private sector is being utilised to help improve service delivery through a number of benchmarking exercises. This networking confirms that, in many cases, the Authority has already developed best practice. However, it does enable a thorough review of alternative methodologies, an opportunity to challenge the status quo and also assist partners to improve their service provision.

5. ACHIEVING KEY CROSS CUTTING OUTCOMES

5.1 The Council is already working both corporately and with other stakeholders to tackle many cross cutting issues. Examples of these are Community Safety, Health and Sustainability that have formed the basis of the Council's Best Value cross cutting reviews in years 1, 2 and 3. Improvements are being implemented and reviewed as a result of the action plans produced so far and outcomes are being assessed.

5.2 The following list is indicative of some of the bigger issues considered by the Authority in conjunction with its partners in the LSP. From 2003/04 all themed (cross cutting) reviews will be driven by key community issues raised by the LSP.

- Families
- Community Planning
- Older People
- Poverty
- Life Long Learning
- Voluntary Sector
- Communications
- Young People
- Economic Regeneration and Development
- Customer Interface/Electronic Governance
- Community Involvement

More information regarding these cross-cutting activities, outcomes and performance measurement can be found in the Council's Best Value Performance Plan.

5.3 A cross-service approach is taken to producing and implementing the Housing Strategy in order to ensure that it underpins the over-arching objective of promoting and improving the economic, social and environmental well-being of the area.

5.4 In 2000 the Council published its Social Exclusion Issues Paper following consultation with stakeholders, which identified how it linked with cross cutting issues. As a result of the responses and a subsequent Strategy Development Day held with LSP partners and others, the development of a Social Inclusion CAN is targeted for the next few months.

6. STRATEGIC DEVELOPMENT OF THE CAPITAL PROGRAMME

6.1 Each Service area has developed policies that underpin the service delivery and supports the need for any capital expenditure bids. These policies are identified in a number of documents approved by the Council. All policies either implicitly or explicitly contribute to achieving the Council's strategic aims although they may need revising following the production of the new corporate plan.

6.2 Prioritisation of the Council's limited resources for Capital investment is carefully undertaken to achieve optimisation as far as possible. Specific funding is identified through the competitive bidding process for Housing. The remaining general resources are supplemented by any capital receipts and revenue contributions to capital (RCC). More information on the Council's financial position can be found on page 2 at the beginning of this document.

6.3 Because of planning and environmental constraints, demographic issues and a number of other factors, the Authority has developed a strategy of maintaining or improving its existing asset base with some funding available for new build.

6.4 The importance that is placed on strategic development of the capital programme is such that it is enshrined in the Authority's Financial Regulations. These state that 'The strategic objectives and priorities for capital expenditure and asset utilisation will be identified annually in the Council's Capital Strategy and Asset Management Plans.'

6.5 New Capital schemes are put forward in the Council's Expenditure Plan process with a covering report that considers all options (including a 'do-nothing' option). Some of these may arise from Best Value Reviews and the resultant continuous improvement action plans. An example of this is the Catering Best Value Review that identified better utilization

of space and income generation within the Recreation Centres. A proforma (Appendix B) is utilised to ensure standardisation and avoid omissions. As part of the business case supporting the schemes, the likely ongoing revenue implications of each option are also identified to ensure that any decision is based on a comprehensive financial evaluation.

- 6.6 This is also supported by Financial Regulations that state that each scheme bid must be supported by a business case. This must include a proper project appraisal, all options considered, forecast of revenue implications for each year during implementation, and for future years and, where appropriate, the incidence of expenditure.
- 6.7 Officers submit schemes for prioritisation using the Council's own system. Each scheme is evaluated by establishing whether the scheme is for a mandatory or discretionary service then taking the following factors into consideration:
- Need for level of service/benefit
 - Financial Issues
 - Service Issues
 - Working with others
 - Achievement of Corporate Aims

Schemes are then ranked into High, Medium or Low priority. This process is due for review in the near future as it is quite resource intensive and the role of the AMG in this process will also be looked at.

- 6.8 The prioritised list of schemes is then considered by the Corporate Management Team (CMT) where some schemes may subsequently be removed. The amended schedule is then sent to the Cabinet for approval. Having been approved by Cabinet the schemes are then sent to the relevant Review Panels. Should the Review Panel be unhappy with any capital bid they will return it for further consideration to the Cabinet/Portfolio Holder.
- 6.9 Once schemes are approved and commenced they are monitored on a regular basis both for progress with construction and expenditure against budget. Monitoring is conducted by the Project Officer responsible for the scheme and also by the Service Accountants who report to the Cabinet/Portfolio Holder and to Senior Management
- 6.10 A new post of Contract Monitoring Officer has recently been introduced to ensure consistency of contract protocols across the organisation. This officer also selects schemes for inspection a) during construction to ensure compliance with good practice guidelines and b) post completion to establish that the Authority has acquired the asset that it specified and that it meets user requirements. In addition a number of corporate measures are in place to establish performance against key targets and also to provide data for the Asset Management Plan.
- 6.11 Funding of schemes has always been a significant factor and when considering sources of finance each scheme is looked at individually. Lottery funding has been successfully applied for in the past and, if a suitable scheme occurs, will be applied for again. If the opportunity for a public/private partnership occurs it will be considered on its merits and Private Finance Initiatives will similarly be considered in appropriate circumstances.
- 6.12 The Authority's procurement strategy is designed to ensure the achievement of value for money. Where capital schemes are concerned, the specification used in the tendering process and the selection of contractors is critical to ensure that quality is not sacrificed for cost.
- 6.13 The Authority operates a central purchasing unit, which negotiates the Council's major supply contracts and utilizes local consortia linked to the Southern Region Central Buying Consortium.

CORPORATE AND FINANCE PORTFOLIO CAPITAL EXPENDITURE PLANS 2002/2003 TO 2005/2006										
PROJECT	Note	Pri'ty	Est	Actual	Forecast Capital Expenditure				Future	G F Rev Exp
			Total	Est to	2002/03	2003/04	2004/05	2005/06	Years	Full Year
			Cost	31.3.02	£'000	£'000	£'000	£'000	£'000	£
Appletree Court										
Refurbishment of Heating System	N	4	597	317	270	10				
Surface Lower Car Park		10	30		30					
Electrical Testing Remedial Works				27	17	10				
TOTAL - Appletree Court			654	334	310	10	0	0	0	0
Town Hall										
Photovoltaic Scheme	N	15	10			10				
Electrical Testing Remedial Works				25		25				
TOTAL - Town Hall			35	0	25	10	0	0	0	0
NEW MILTON OFFICES										
Provision of New Offices	C	1	565	16	500	35	14			
TOTAL - New Milton Offices				565	16	500	35	14	0	0
INFORMATION OFFICES										
Refurbishments	C	6;7;8;9	60	20	10	10	10	10		
TOTAL - Information Offices				60	20	10	10	10	10	0
OFFICES & DEPOTS										
Disabled Discrimination Act Legislation		2;3	61	21	20	20				
TOTAL - Offices & Depots				61	21	20	20	0	0	0
CATERING										
Lymington Rec. Centre Ph. 2 - Catering Area	N	11	85		25	25	35			
Dibden Kitchen Enlargement		12	35		35					
Applemore Rec. Centre - Kitchen Ventilation				4		4				
Appletree Pantry - Kitchen Extension				15		15				
Appletree Pantry - Kitchen Ventilation				5		5				
New Milton Rec. Centre - Bar Servery				7		7				
Totton Rec. Centre - Café/Bar Conversion				20		20				
TOTAL - Catering				171		111	25	35	0	0
INFORMATION TECHNOLOGY										
	C	5	312		112	200				
SUB TOTAL			1,858	391	1,088	310	59	10	0	0

TOTAL			1,858	391	1,088	310	59	10	0	0
CORPORATE AND FINANCE PORTFOLIO CAPITAL EXPENDITURE PLANS 2002/2003 TO 2005/2006										
PROJECT	Note	Pri'ty	Est Total Cost	Actual Est to 31.3.02	Forecast Capital Expenditure				Future Years	G F Rev Exp Full Year
					2002/03	2003/04	2004/05	2005/06		
MEMORANDUM ITEMS										
Reprographics			30			30				
Information Technology			2,979		787	865	432	895		
Equipment Machinery			58		18	28	9	3		
Vehicles			3,251		665	956	714	916		
Corporate and Finance Portfolio Memorandum Items			6,318	0	1,470	1,879	1,155	1,814	0	0

Key

New Bid "N" denotes NEW BID; BLANK denotes existing scheme.

Reinstate "R" denotes a REINSTATED BID - originally a new bid in the 2000/01 capital expenditure estimates, these were deleted from the final list.

Change item 'C' denotes a change (i.e. revised costs/scheme variation/spend b/f) to an existing scheme. The will be shown in Bold on the list.

**CRIME & DISORDER PORTFOLIO CAPITAL EXPENDITURE ESTIMATES 2000/01
AND EXPENDITURE PLANS 2002/2003 TO 2005/2006**

PROJECT	Note	Pri'ty	Est Total Cost	Actual Est to 31.3.02	Forecast Capital Expenditure				Future Years	G F Rev Exp Full Year
					2002/03	2003/04	2004/05	2005/06		
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£
CRIME & DISORDER PORTFOLIO										
CCTV										
CCTV Programme	C		1,139	761	358	20				
TOTAL CCTV			1,139	761	358	20	0	0	0	0
GROSS TOTAL			1,139	761	358	20	0	0	0	0
LESS : Grants & Other Contributions			-975	-654	-304	-17				
NET TOTAL			164	107	54	3	0	0	0	0

Key

New Bid "N" denotes NEW BID; BLANK denotes existing scheme.

Reinstate "R" denotes a REINSTATED BID - originally a new bid in the 2000/01 capital expenditure estimates, these were deleted from the final list.

Change 'C' denotes a change (i.e. revised costs/scheme variation/spend b/f) to an existing scheme. The item will be shown in Bold on the list.

ECONOMY & PLANNING PORTFOLIO CAPITAL EXPENDITURE PLANS 2002/2003 TO 2005/2006										
	Note	Pri'ty	Est Total Cost	Actual Est to 31.3.02	Forecast Capital Expenditure				Future Years	G F Rev Exp Full Year
					2002/03	2003/04	2004/05	2005/06		
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£
CAR PARKS										
St JohnsCar Park, Hythe#		*	130		130					
TOTAL CAR PARKS			130		130					
ENVIRONMENTAL INITIATIVES										
Totton Town Council		1	110	13	97					
Fawley Village Centre			112	12	100					
Milford Sea Front	R	2	200			200				
TOTAL ENVIRONMENTAL INITIATIVES			422	25	197	0	200	0	0	0
HIGHWAYS AGENCY										
Highways Agency Works			796	398	398					
TOTAL HIGHWAYS AGENCY			796	398	398	0	0	0	0	0
MEASURES TO ENCOURAGE CYCLING										
Cycle route, Stopples Lane, Hordle		*	48	3	43	2				
TOTALMEASURES TO ENCOURAGE CYCLING			48	3	43	2	0	0	0	0
GROSS TOTAL			1,396	426	768	2	200	0	0	0
LESS : Developer's Contributions #			-14		-14					
Grants & Other Contributions			-150				-150			
Reimbursement from HCC			-796	-398	-398					
NET TOTAL			436	28	356	2	50	0	0	0

St John's Car Park Hythe - This scheme was approved last financial year. The start date of the project is dependant on the new St John's Road link being constructed by the County Council. Originally the link road was scheduled for completion this financial year, unfortunately there has been a delay in construction works which will not now take place until 2002/03. Given that the rebuilding of the car park is dependant on the link road, it is necessary to reschedule the rebuilding of the car park into 2002/03. Narrative in support of this bid has been extracted from the Revenue and Capital Estimates 2000/01 Revised and 2001/02 report - 11 January 2001 (report C). "The Car park was purchased in 1987. At that time, it was known that a link road would be constructed by Hampshire County Council (HCC) through the northern end of the site and that the District Council would assign the land required for the link road to HCC free of charge. A temporary surface was constructed pending the establishment of the road link. HCC have indicated that they now have sufficient developers contributions to build the link road. The cost of rebuilding the Car Park is estimated to be in the region of £100,000. Developers contributions held by the Council total £14,000 and can be used to effect this cost."

ENVIRONMENT PORTFOLIO CAPITAL EXPENDITURE PLANS 2002/2003 TO 2005/2006										
PROJECT	Note	Pri'ty	Est Total Cost	Actual Est to 31.3.02	Forecast Capital Expenditure				Future Years	G F Rev Exp Full Year
					2002/03	2003/04	2004/05	2005/06		
COAST PROTECTION			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£
Hurst Spit Beach Management*		*	4,836	428	84	68	47	47	4,162	
Milford-on-Sea*	C	*	3,029	98	0	91	60	2,760	20	
Coastal Strategy Plans* Christchurch Bay		*	243	156	87					
Western Solent	C	*	93	13	53	27				
Calshot	C		80		0	25	25	30		
Saltmarshes	C		55		30	25				
Lymington Quay Wall & Surfaces*			509	501	8					
Barton on Sea*	C		5,125		0	65	60	60	4,940	
Regional Monitoring*			2,840	40	700	700	700	700		
TOTAL COAST PROTECTION			16,810	1,236	962	1,001	892	3,597	9,122	0
LAND DRAINAGE										
S.E. Ringwood Investigations and Flood Relief**			116	14	102					
Watercourse Imp Friars Walk to Farm Lane*		*	42	8	32	2				
Fordingbridge Preliminary Study*	N		25		25					
Lyndhurst Flood Relief*	N		62		58	4				
Portmore Flood Relief*			50		47	3				
Normandy Ln/Gore Rd Preliminary Studies*	N		28			28				
TOTAL LAND DRAINAGE			323	22	264	37	0	0	0	0
LYMINGTON QUAY PROJECT										
Public Conveniences			150	135	15					
Principal Environmental Enhancements			371	356	15					
Fees and Contingencies			150	145	5					
TOTAL LYMINGTON QUAY PROJECT			671	636	35	0	0	0	0	0
PUBLIC CONVENIENCES										
Rebuilding		1	967	30	287	200	150	150	150	
TOTAL PUBLIC CONVENIENCES			967	30	287	200	150	150	150	0
GROSS TOTAL			18,771	1,924	1,548	1,238	1,042	3,747	9,272	0

LESS : Grant (Coast Protection)*			-13,418	-951	-781	-814	-729	-2,826	-7,317	
Grant (Land Drainage)*			-52	-2	-40	-10				
Developers Contrib (Land Drainage)**			-116	-14	-102					
NET TOTAL			5,185	957	625	414	313	921	1,950	
LEISURE PORTFOLIO CAPITAL EXPENDITURE PLANS 2002/2003 TO 2005/2006										
PROJECT	Note	Pri'ty	Est Total Cost	Actual Est to 31.3.02	Forecast Capital Expenditure				Future Years	G F Rev Exp Full Year
					2002/03	2003/04	2004/05	2005/06		
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£
ALL CENTRES										
Replacement of Covers to Swimming Pool Bi-Flow Channel	N	1	13	0	13					
Underwater Repairs	N	26	13	0	13					
TOTAL ALL CENTRES			26	0	26	0	0	0	0	0
APPLEMORE										
Ultra Violet Pool Disinfectant Installation	N	5	44	22		22				1
Extension to Health and Fitness Suite			167	162	5					
Reflections Sauna Refurbishment			25	24	1					
TOTAL APPLEMORE			236	208	6	22	0	0	0	1
NEW MILTON										
Extension to Contours		18	120	0	120					
Pool Hall Roof			33	32	1					
Squash Court Refurbishment			5	0	5					
TOTAL NEW MILTON			158	32	126	0	0	0	0	0
RINGWOOD										
Replace Emergency Lighting		2	22	0	22					
Dry Change Refurbishment		11	90	0	90					
Refurbish Main Reception	C	12	30	0		30				
Replacement of Lift	C	16	50	0			50			
Pool Water Recycling Scheme	R	31	12	0			12			
Replacement of Pool Ozone Generator		3	80	0			80			1
Replace Main Hall Lighting	R	14	13	0			13			
Installation of Automatic Doors			15	0	15					
TOTAL RINGWOOD			312	0	127	30	155	0	0	1

LEISURE PORTFOLIO CAPITAL EXPENDITURE PLANS 2002/2003 TO 2005/2006										
PROJECT	Note	Pri'ty	Est Total Cost	Actual Est to 31.3.02	Forecast Capital Expenditure				Future Years	G F Rev Exp Full Year
					2002/03	2003/04	2004/05	2005/06		
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£
<u>LYMINGTON</u>										
Phase 2	C	22	420	0		200	220			60
Netball Court – Replace Fencing & Resurface	N	20	11	0	11					
Replacement of STPCarpet		23	100	0				100		
Ultra Violet Pool Disinfectant Installation	N	4	11	0	11					6
Extension to Sports Hall Store			23	0	23					
TOTAL LYMINGTON			565	0	45	200	220	0	100	66
<u>TOTTON</u>										
Car Park Barrier	N	29	12	0	12					
Wet Change Refurbishment	N	9	82	2	80					
Fitness Suite Extension			191	185	6					
TOTAL TOTTON			285	187	98	0	0	0	0	0
<u>DIBDEN GOLF CENTRE</u>										
Replacement of Electrics in Irrigation System		7	53	0		53				
Pipework to 9-hole Irrigation System		8	35	0			35			
Course Drainage	N	27	14	0		14				
Resurface 9-hole Car Park	R	21	20	0	20					
TOTAL DIBDEN GOLF CENTRE			122	0	20	67	35	0	0	0
<u>DUAL USE/JOINT PROVISION</u>										
Marchwood Youth Centre		24	85	0	85					
Hanger Farm	N	25	170	0	170					
Eling Tide Mill	N	10	116	0	116					
TOTAL DUAL USE/JOINT PROVISION			371	0	371	0	0	0	0	0
SUB TOTAL – Excl Developers Contributions Schemes										
			2,075	427	819	319	410	0	100	68

LEISURE PORTFOLIO CAPITAL EXPENDITURE PLANS 2002/2003 TO 2005/2006										
PROJECT	Note	Pri'ty	Est	Actual	Forecast Capital Expenditure				Future	G F Rev
			Total	Est to	2002/03	2003/04	2004/05	2005/06	Years	Exp Full
			Cost	31.3.02					Year	
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£
<u>DEVELOPER'S CONTRIBUTION SCHEMES</u>										
Fernhill Lane			711	511	200					
TOTAL DEVELOPER'S CONTRIB SCHEMES			711	511	200	0	0	0	0	0
GROSS TOTAL			2,786	938	1,019	319	410	0	100	68
Less : Developers Contributions			-711	-511	-200	0	0	0	0	0
Grants and Other Contributions			0	0						
NET TOTAL			2,075	427	819	319	410	0	100	68
<u>MEMORANDUM ITEMS</u>										
Applemore Recreation Centre			166	0	67	17	53	29		
New Milton Recreation Centre			130	0	101	8	14	7		
Ringwood Recreation Centre			149	0	34	57	46	12		
Lymington Recreation Centre			16	0	7	2	4	3		
Totton Recreation Centre			58	0	41	4		13		
All Centres			6	0	6					
Dibden Golf Course			60	0	10	28	22			
LEISURE PORTFOLIO MEMORANDUM ITEMS			585	0	266	116	139	64	0	0

Key

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Change 'C' denotes a change (i.e. revised costs/scheme variation/spend b/f) to an existing scheme. The item will be shown in Bold on the list.

LEISURE PORTFOLIO CAPITAL EXPENDITURE PLANS 2002/2003 TO 2005/2006										
PROJECT	Note	Pri'ty	Est Total Cost	Actual Est to 31.3.02	Forecast Capital Expenditure				Future Years	G F Rev Exp Full Year
					2002/03	2003/04	2004/05	2005/06		
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£
<u>MEMORANDUM ITEMS - ADDENDUM</u>										
<u>DIBDEN GOLF CTR – PLANT EQUIPMENT</u>										
Ride-on 72" Rotary Mower			11	0	11					
John Deere Pro Gator			16	0	16					
Top Dresser			5	0	5					
Slitter			2	0	2					
Fair Way Unit			36	0	36					
955 Tractor			16	0	16					
Hardi Sprayer			7	0	7					
Iseki Coremaster			7	0		7				
Lloyds Pallidin Mower (x2)			5	0		5				
John Deere Tripple Mower			36	0			18	18		
Tipping Trailer			2	0			2			
Sisis Aerator			2	0			2			
3.5T Tipping Trailer			3	0			3			
Rotary Slit Seeder			6	0			6			
Greens King Mower			24	0				24		
Hydraulic Gang Mower			20	0				20		
Ball Collector			4	0				4		
All Minor Plant			8	0	2	2	2	2		
TOTAL DIBDEN GOLF CENTRE – PLANT EQUIPMENT			210	0	95	14	33	68	0	0
TOTAL MEMORANDUM ITEMS INCLUDING PLANT			795	0	361	130	172	132	0	0

NOTE: The Plant Equipment items highlighted above are considered by the Corporate & Finance Portfolio and are included for Members' information only.

**EXPENDITURE PLANS 2003/04 – 2006/07
CAPITAL PROJECT ASSESSMENT**

PROJECT TITLE

Estimated Year for start of Project (incl. Feasibility)

1. **Description of Project**

.....

2. **Project Rationale**

2.1 Legislative Requirement (Mandatory)

.....

2.2 Identified Need (Discretionary)

.....

2.3 Replacement/Renewal

.....

3. **Project Objectives**

3.1 Service

.....

3.2 Business

.....

3.3 Community

.....

3.4 Environment

.....

3.5 Other

.....

4. **Which Corporate Objectives does this Project link to?**

.....

5. **What are the implications of NOT proceeding with the project?**

.....

6. **Who are the main stakeholders?**
-
7. **What consultation has been conducted?**
-
8. **What Partners have been identified to provide this project?**
-
9. **What other options (including costings) have been considered?**
-
10. **Is the project dependant on other factors?** (eg. Land assembly, external financing, permissions required etc)
-
-

11. Project Appraisal for next 4 years

11.1 Project Costs (and basis of calculation)

Gross cost per year	2003/04 £000	2004/05 £000	2005/06 £000	2006/07 £000
Land				
Works				
Fees				
Equipment				
Less any				
Capital Income				
External Funding				
(Source)			

11.2 Projected Net Revenue Costs

Gross cost per year	2003/04 £000	2004/05 £000	2005/06 £000	2006/07 £000
Income				
(Part or Full Year)				
Expenditure				
(Part or Full Year)				
Net Position				

12. **Performance/Output Measures and Targets**
-

DETR AMP CHECK LIST

Primary Requirements

Item	Primary Requirement	Evidence
1.	<i>Organisational arrangements for corporate asset management</i>	
1.1	Corporate Property Officer (CPO) has been identified with authority to undertake all required developments in asset management.	3.2 3.3, 3.7 3.4
1.2	Roles and responsibilities for CPO clearly set out, explicit and have been communicated to all those concerned, in property management and use, throughout the authority.	3.3, 3.4, 3.5 3.7, 3.10, 3.11, 6.6, 6.9
1.3	The CPO reports and is accountable to a strategic, decision-making group both at officer and member levels	3.3
1.4	Clear evidence has been provided that a cross-service, senior management forum has been set up which includes the CPO and representatives from major services and the finance directorate, and officers involved in the development of the Capital Strategy and the Community Plan.	3.2 3.8 3.9 3.10
1.5	The forum has formal terms of reference, which includes the strategic management of the council's assets.	3.7
1.6	Evidence that the forum: <ul style="list-style-type: none"> a. Progresses the corporate Asset Management Plan and ensures that it is approved by senior officers and the Council; b. Ensures that the AMP is informed by and supports other key corporate and service plans and objectives; c. Meets regularly. 	3.10 2.8 3.7, 2.3, 2.4 3.8 3.9
2.	<i>Data Management</i>	
2.1	CPO has ensured that a record is held and maintained of basic, core data on all the Council's property	6.6 3.5
2.2	The validity of this information has been tested	6.6
2.3	CPO can demonstrate a clear understanding of the data required to manage the performance of the property portfolio	6.6
2.4	Statistical information on the overall condition of the portfolio (condition categories: A-D/1-4) and the maintenance backlogs are included in the AMP.	7.15 Appendix 2
4.	<i>Programme and Plan Development and Implementation</i>	
4.1	The AMP outlines the council's property related requirements and outlines the proposed programme, which is intended to meet these requirements. <ul style="list-style-type: none"> a. Acquisition, disposal, investment, development; b. Maintenance; c. Programmes related to surplus and/or under-performing assets; d. Plans enabling shared use and/or co-location. 	5.1, 5.2, 7.3, 7.11, 7.14, 9.6, Section 10 5.5, 5.8, 7.8, 7.15,9.6 10.1, 10.2 7.7, 7.10, 4.3
4.2	CPO has demonstrated that there is a methodology for option appraisal and corporate prioritising between projects.	9.10
4.3	A 3-year capital programme is developed including a forecast of the planned capital receipts.	9.7, 9.8, 11.1
4.4	Output/outcome targets are set for programmes and plans	9.8, 9.9

	requiring capital investment.	
--	-------------------------------	--

Secondary Requirements

1.	Organisational arrangements for corporate asset management	
1.1	Evidence that the CPO/Asset Management Forum routinely challenges and reviews the use, provision and performance of the council's assets and its related property services, in order to achieve the most effective management, planning and use of these assets and reports. Key findings and outcomes to Chief Officers and the Council. For example: <ul style="list-style-type: none"> a. The identification and rationalisation of surplus or under performing property; b. The promotion of shared use or co-location; c. The systematic review and challenge of property use, provision and management; and d. Identification of the property implications arising from relevant plans, audits and reviews. 	2.7 3.9 4.1 Section 10 5.7, 5.8, 7.3, 7.11, 7.14 4.3, 5.7, 7.7, 7.10, 7.12 5.7, 5.4, 4.1 2.4, 3.9, 5.4, 7.3, 7.12
1.2	Evidence that the CPO/Asset Management Forum takes into account stakeholder satisfaction information relating to property and property services.	3.3 3.12 3.14, 8.10, 8.11
1.3	A cabinet member (or lead committee member) holds explicit responsibilities for the authorities property resource on behalf of the council.	3.3 3.9
1.4	The CPO is involved in the preparation of the Capital Strategy and is a member of other key corporate and business planning groups.	3.4 3.10
1.5	There are explicit references to the property asset implications in corporate policies and strategies such as the Best Value Performance Plan, Best Value Reviews, the Capital Strategy, the Community Plan and LPSAs	2.4 3.9 9.3 5.8, 5.9
1.6	There is evidence of cross service use, shared use and/or co-location of property resources within the authority and with other organisations.	5.7 7.7 7.10, 7.12
2.	Consultation	
2.1	Evidence that processes and procedures are being developed to obtain feedback from service users and occupiers.	3.3 3.12, 3.14, 4.10, 8.10, 8.11
2.2	Evidence that consultation findings are used to influence the continuous improvement of property and property service performance.	3.12, 3.14 4.5, 7.1, 7.2, 7.3 7.5, 7.7, 8.10, 8.11
3.	Data Management	
3.1	CPO has undertaken a full survey of future data requirements for the property portfolio.	3.5
3.2	CPO has identified a programme of necessary improvements.	3.5, 6.3, 6.4
3.3	CPO has commenced development of a data system for "intermediate" data (i.e. property data which requires updating from time to time such as condition, rents and user details).	6.7
3.4	CPO has implemented Unique Property Reference number (UPRN) system.	6.5, 6.3

Secondary Requirements continued

3.5	CPO has developed an approach for the centralised co-ordination of property management information and its integration with relevant council financial information.	3.5 Section 6 8.1, 8.2, 8.3
3.6	CPO has undertaken a review of training needs for users of the data and set in place a system for satisfying those needs.	6.9

4.	<i>Performance Management, Monitoring and Information</i>	
4.1	Clear evidence that the CPO is using a set of local performance measures in relation to assets that link asset use to corporate objectives.	8.1 8.3, 8.4, 5.5
4.2	Clear evidence that the CPO is developing a process to enable the comparison of the performance and competitiveness of property and property services with other similar organisations and other providers.	3.3, 5.5 8.2, 8.4 8.5
4.3	Clear evidence that the development of performance measures and monitoring takes into account stakeholder consultation and user satisfaction findings.	3.3 8.10 9.8
4.4	Clear evidence that performance measurement feeds into a process of continuous improvement.	8.2 8.4
4.5	Local Performance Indicators are in place and being used for measuring and monitoring the amount of surplus property and space utilisation.	10.2
4.6	A written report is produced for Member and Chief Officers on any maintenance backlog recommending appropriate action.	7.15
4.7	The CPO is collecting information on the 'suitability' of the various categories of the portfolio for their current and future use.	2.7, 5.1, 7.1 7.5, 7.7

5.	<i>Programme and Plan Development and Implementation</i>	
5.1	The AMP demonstrates that the Council has identified the implications for property, which arise from the Council's objectives.	2.3, 2.4 3.7, 3.8
5.2	The AMP demonstrates service wide understanding of corporate ownership of assets.	2.3, 2.4 3.3, 3.8
5.3	The AMP demonstrates the Council has undertaken a thorough investigation and analysis of the gaps between future requirements and the current provision and performance of the authority's present property assets.	2.7, Section 4 5.1, 5.4 5.5, 5.8, 7.1, 7.5 7.7, 7.10
5.4	The Council has identified and appraised the options for closing these gaps.	Ditto
5.5	The AMP outlines the Council's approved 3-5 year strategic action plan based on this analysis	Section 9

NEW FOREST DISTRICT COUNCIL ASSET MANAGEMENT PLAN

1. EXECUTIVE SUMMARY

- 1.1 The asset base of New Forest District Council is not substantial and primarily supports direct service provision with only a few assets being owned for investment purposes.
- 1.2 Because of the unique nature of the District some sites are strategically very sensitive and not open for further development or alternative use. A Corporate Property Officer has been designated and an Asset Management Group has been formed to act as a strategic review body for all land and property transactions.
- 1.3 The Council maintains an Asset Register, which holds core and intermediate data on all assets owned by the Authority. Each asset has been allocated a unique property reference number.
- 1.4 A review of the aims and objectives for holding property has been conducted.
- 1.5 The Authority's current strategy is to keep its existing asset base well maintained and to undertake major refurbishment when necessary to help support and improve service provision.
- 1.6 The Authority has an established performance management framework although performance indicators are not in place in all service areas.

2. INTRODUCTION

- 2.1 The New Forest District Council was created in 1974 by the amalgamation of three rural district and borough councils, inheriting their relatively few assets. Some assets have subsequently been disposed of to leave a base, the majority of which supports direct service provision.
- 2.2 The New Forest is a special place with a unique identity and a community with diverse needs. The Council has tried to recognise these aspects in the corporate plan, which sets out its statement of intent. The aims are summarised along with the Council's key targets in the Capital Strategy that forms the first part of this document.
- 2.3 The purpose of the Asset Management Plan is to show how the Council is using its assets (land and property) in order to help achieve the aims and targets that it has set itself. It also considers how assets might be better used to improve service delivery or increase financial return.
- 2.4 The Council has a specific aim relating to the management of its physical assets, which is set out in the Organisation of Excellence section of its corporate plan. This states "We will develop our Asset Management Plan to ensure that we get the most from the physical assets of the Council and do not hold property or land unnecessarily or wastefully. We will ensure that we apply environmentally sustainable practices, e.g. on energy and water use, to our own operation as well as seeking sustainability in the District as a whole."
- 2.5 The uniqueness of the Forest, however, does bring with it many constraints that also need to be considered in the Council's strategy; National Park status for planning purposes, sites of special scientific interest (SSSI's), heritage areas etc., all add to the complexity of developing a comprehensive plan.

- 2.6 The plan sets out in more detail those aims and objectives which underpin the Authority's asset base, the reasons why the Authority holds land and property. It also provides information about: -
- the current portfolio
 - the Council's strategy for the future
 - the areas where reviews may lead to change
 - the options to be considered
 - the means by which progress will be measured
- 2.7 The Authority does not have a significant asset base and, excluding its Housing stock, has just over 150 entries on its Asset Register. The majority of these are service specific e.g. Cemeteries, Public Conveniences, Car Parks, etc. However, this has not precluded the consideration of possible alternative uses for any of the land or buildings which the Council owns or leases.
- 2.8 The Asset Management Plan sets out the Authority's aspirations for the next five years and will be updated annually. The Capital Strategy supports the plan and should be read in conjunction with it.

3. PLANNING AND CONSULTATION

- 3.1 The Council has fully embraced the modernising agenda and, after a major consultation exercise, has moved to a cabinet and leader structure. Land and Property come under the Corporate and Finance portfolio.
- 3.2 The Authority has always been aware of the importance of its land and property assets and, prior to the White Paper in 1998 on Modern Local Government and the single capital pot, a corporate Property Management Team already existed, chaired by the Property Services Manager. However, it was felt that the criteria set down in the guidelines for Asset Management exceeded the remit of this team. A person with no operational ties to land and property was chosen as Corporate Property Officer to head up a new corporate Asset Management Group (AMG) representing all internal stakeholders.
- 3.3 The role of the Corporate Property Officer (CPO) is to ensure that requirements as set out in 'Asset Management of Local Authority Land & Buildings – Good Practice Guidelines' are complied with. The CPO chairs the Asset Management Group and reports to the Corporate Management Team (CMT), Corporate and Finance Portfolio Holder and Review Panel. The CPO also meets with Service Heads as necessary to discuss their property requirements, utilisation of their existing assets, consultation with users, performance measures and targets etc.
- 3.4 The Authority does not operate many corporate decision making groups, most direction coming from Directorate Management Teams (DMT), CMT and the Cabinet. Apart from DMT, the CPO is a member of a group working on a partnership project with another Authority and also a Housing Working Group looking at strategic issues for the stock. In addition the CPO advises the Corporate and Finance Review Panel and is a member of the group working with Councillors and Directors on the Authority's expenditure plan process and its financial strategy.
- 3.5 The CPO is also responsible for ensuring that all existing data on the property portfolio is drawn together and that the most appropriate and cost effective form of data management is used in relation to the relatively few assets to be managed. In this respect, the CPO together with the Head of Estates and Valuation, has considered a number of proprietary packages and the Asset Management software is in the process of being upgraded as a result of this

exercise.

- 3.6 Plans of the location of all the Authority's land and property are currently being digitised in preparation for the upgrade which links to the geographic information system (GIS).
- 3.7 The CPO has undertaken a review of the Council's corporate aims and objectives to ensure that its reasons for holding land and property are in line with, and help achieve, those objectives. The CPO is instrumental in ensuring that the necessary actions required to develop and maintain proper asset management within the Authority, are planned and implemented. The role of the CPO has been communicated to all officers and Members with an interest in the effective and efficient use of the Authority's property portfolio. Members and senior officers have had reports from the CPO on progress with asset management since the inception of the requirements for the single capital pot in 1998.
- 3.8 The AMG acts as the strategic review body for all property or land transactions ensuring an integrated approach between Directorates and the corporate aims and objectives of the Authority. Its remit is very broad and sets out to encompass all the requirements laid down in the good practice guidelines for Asset Management. The Terms of Reference of the Group are set out at Appendix 1.
- 3.9 The AMG comprises of the CPO (Assistant Director (Financial Services)), and Assistant Directors from Leisure Services, Housing and Environment Services. The Head of Estates & Valuation, the Property Services Manager, together with the Corporate Planning Co-ordinator make up the rest of the team, ensuring a mix of skills and cross-directorate representation. Involvement of the Corporate Planning Co-ordinator ensures not only a corporate overview linking all the Authority's plans, but a regular update on progress with the Community Plan and how that will influence the Council's corporate aims and objectives. Conversely the Co-ordinator is aware of, and can input to, the Community Plan, any issues relating to the Authority's assets. In addition, the Corporate and Finance Portfolio Holder attends the 4 to 6 annual meetings of the group.
- 3.10 Most AMG members sit on their respective Directorate Management Team (DMT). All asset management issues, together with options are discussed at this level prior to consideration by CMT and approval by Cabinet. DMT minutes are circulated via e-mail to all directorate staff and Cabinet decisions are available on the Intranet. The Group has successfully raised the profile of Land and Property issues since its inception although with such a small asset base, consideration of strategic issues is fairly infrequent. The group is responsible for compiling the Capital Strategy and Asset Management Plan with the CPO acting as the lead officer for its progress and development.
- 3.11 The Asset Management Plan and Capital Strategy are submitted to CMT for consideration and Cabinet for approval. The CPO reports on other strategic issues as they arise. Because of the relatively low number of assets, reporting by exception is seen as the most appropriate and efficient use of Members and Officers time. The Head of Estates and Valuation and the Property Services Manager also take reports on land and property issues to CMT and the Cabinet after they have been considered by the AMG.
- 3.12 Consultation on the use and suitability of assets has been undertaken with stakeholders e.g. customer surveys, client feedback, etc., independently of any Best Value reviews. Much of this consultation has been conducted utilising the Council's community newspaper which is delivered free of charge to every household in the district. As the Best Value programme "rolls out", then the views of a progressively larger cross section of stakeholders will be taken into account as they are more specifically targeted and improvement plans will reflect this.

- 3.13 The Council has also set up a “Citizen’s Panel” of over one thousand members of the public, which it regularly consults on a wide range of issues pertinent to the services of the Authority. Land and property have not been considered directly, as yet, but only where they might impact on service delivery.
- 3.14 Consultation with users is carried out prior to the implementation of any capital scheme which might impact on service delivery. This consultation is identified in the business case considered by Members before the scheme is approved. An example of the pro-forma used in preparing the business case can be seen at Appendix B to the Capital Strategy.

4. AIMS AND OBJECTIVES

- 4.1 The review conducted by the CPO established the aims and objectives of holding assets. Where the reasons have not been clear, the CPO has challenged the need to retain the land or property with a view to change of use or disposal.
- 4.2 The majority of properties and parcels of land have been acquired to support direct service provision. In some instances land has been obtained to provide a facility and a small plot remains after the scheme has been completed. All these plots have been reviewed in the last 2 years and, where of no strategic importance, have been disposed of if a purchaser has been found. Purchasers are still being sought for two plots which are not suitable for development
- 4.3 There are four properties in 'Operational – Other Land and Buildings' which are the administrative buildings owned by the Council, of which two are the main offices at Lyndhurst and Lymington. Because of the geographic spread of the Forest and the origins of the Council, no one centre supported the administration of the District. This situation is no longer so clear-cut and with the advances in communications and technology, the objective of keeping large administrative centres is under review. Work will commence shortly on providing a purpose built office at New Milton where the Town Council, District Council, Citizen’s Advice Bureau and other agencies such as the Police, Social Services etc, will all have a presence. In addition the Council is in partnership with a Housing Association to build the offices whilst incorporating a number of flats for social housing purposes.
- 4.4 The long-term viability of the Ringwood offices has been considered along with options for providing services from a location nearer the town centre. However, there are no plans to pursue this at present as there is a need for office space to hold a major planning enquiry later this year.
- 4.5 Following a review of service provision at the Public Information Office in Fordingbridge, negotiations have commenced to renew the lease of the existing offices. This has been coupled with a programme of alterations aimed at improving service delivery to the public in line with feedback from users.
- 4.6 A variety of options have been considered in relation to the Authority’s Depots with a view to reducing overheads or bringing about economies of scale. The Council has very recently formed a partnership with Test Valley Borough Council to merge the provision of direct services to their respective communities; this innovative scheme may provide an opportunity to rationalise the utilisation of existing assets, particularly the depots at Lymington and Totton. The main depot at Lymington is built on an old landfill site and might therefore be limited in its potential for redevelopment if it were to become surplus to requirements. The site at Claymeadow, Totton has been identified as suitable for social housing if the Council no longer needs to utilise it as a depot facility.

- 4.7 The Hurst Spit Depot is in an environmentally sensitive area and could not be redeveloped; alternative uses are also extremely limited because of its location.
- 4.8 For the most part, the properties that have been categorised as “Non-operational - investment” remain from those transferred to the Authority at its inception in 1974, the purchasing strategy of the predecessor Authority not always being clear. In some cases offers to purchase these assets have subsequently been made by tenants or other interested parties but have been refused to avoid potential confrontations with the purchaser over development applications. The properties tend to be in very desirable but environmentally or strategically sensitive areas, for example cliff-top cafes, and whilst the rate of return might be low, realistically it is the best that can be achieved from a site which the authority does not want developed. All the non-operational investment properties are let on long full repairing leases.
- 4.9 There are a few non-operational sites which the Authority has either developed itself or in partnership. Two such examples are the New Forest Enterprise Centre at Totton and Hythe Marina. Totton was originally developed in partnership with the New Forest Industrial Association providing low cost industrial starter units for new businesses and employment for the local community. To this extent the outcome is as anticipated and the Council has achieved its objective. In the case of Hythe Marina the Authority owned a substantial length of foreshore and development occurred at a time when it had the resources to assist in the regeneration of a particular area in conjunction with a local developer. Both these sites now provide a valuable income stream whilst also continuing to encourage economic activity and employment within the District.
- 4.10 A further industrial site at Hardley was originally purchased for economic development purposes prior to Local Government reorganisation in 1974. This site has achieved its original objective and also provides a valuable income stream to the Council. Consultants have been employed to undertake a thorough review of the estate, including consultation with all the tenants. The AMG will consider their findings and Members will be advised in August of the outcome.
- 4.11 There are currently only two pieces of land that have been identified as non-operational - surplus. The major site is Top Camp, Calshot that could represent a potentially substantial capital receipt. It is, however, subject to significant planning constraints and therefore its valuation and strategic importance are materially affected by these conditions. The other site at Beckley is very small with, again, significant planning constraints on its future use. The options for both these sites are being re-examined currently.

5. STRATEGIC DIRECTION

- 5.1 Because of funding limitations and few land purchase opportunities, the Authority is not looking for significant acquisitions. An exception would be made for strategic reasons where it might enable the disposal of an existing asset for a more suitable or sufficient one. With the advent of e-governance and the increasing impact of technology on all aspects of service provision, the Council may not need further acquisitions. The Authority is in the process of developing an e-governance strategy which recognises this and ensures the optimum utilisation of its existing land and property assets, making them fit for purpose and helping to promote the Council's image.
- 5.2 It is not the Council's policy to buy property for investment purposes, neither does it have the resources to do so. During 2001/02 no land or property was acquired and there are no schemes in the future capital programme, other than Housing, which will involve land purchase.

- 5.3 BV reviews are well underway and it is expected that these will highlight some issues for the Authority as more innovative means of service provision are adopted, for example hot-desking, home working and call centres. This will mean a fundamental review of the way the Authority delivers its services, the way it uses its assets, their suitability and sufficiency.
- 5.4 The BV reviews which have been completed so far have not, for the most part, suggested any significant changes in the use of the assets. The one exception to this has been the Catering BV Review where the option to replace the catering facilities in Recreation Centres, with vending machines, would free up valuable space for alternative uses. This and several other options are currently being considered by Members. The challenge process during future reviews may stimulate more ideas which will impact on the use of existing assets, although it is unlikely due to the small asset base and the service specific nature of many of them, e.g. public conveniences, cemeteries.
- 5.5 The Authority's five recreation centres were included in a fundamental review undertaken in the first year of the BV programme. This identified a number of points for action including the effectiveness of the refurbishment cycle, maintaining good performance in energy management and incorporating energy efficiency options into refurbishment and new build programmes. A recent national benchmarking exercise identified the recreation centers as being in the top quartile of performers for energy management. Compliance with the Disability Discrimination Act was also a key priority where some problems with access for the disabled had been discovered. These are now all incorporated into the current continuous improvement action programme.
- 5.6 The Authority continues to review the access arrangements for all its assets to ensure that they are suitable for use by customers who may have disabilities. This policy was instigated by the Council before the introduction of the Disability Discrimination Act, but the legislation has increased the priority of these schemes when bidding for the limited capital resources.
- 5.7 The emphasis on joined-up Government and seamless service provision means that the Council, in conjunction with its partners, may be able to identify assets which are no longer required and can subsequently be disposed of. This need not necessarily mean a reduction in the Council's assets but better utilisation of them, the savings perhaps accruing to its partners. A list of the Authority's key partners can be found in the Capital Strategy.
- 5.8 The Authority's current intention is to maintain and refurbish the existing asset base where necessary, to support improvements in service delivery as set out in the Capital Strategy and to fund new build where strategically important. All assets will be subject to continual review and disposed of if they become surplus to requirement and no better alternative use can be found.
- 5.9 The authority has developed a Contaminated Land Strategy and has initiated a desktop survey of all its land to establish any previous potentially contaminative use.
- 5.10 The Authority will monitor its small commercial portfolio with a view to maximising the rate of return on capital employed wherever possible. All its tenanted properties are subject to regular rent reviews.

6. ASSET REGISTER — DATA MANAGEMENT

- 6.1 The Authority maintains both a Property Terrier and an Asset Register.
- 6.2 The Property Terrier contains details of every land or property asset the Council has, or has ever had, an interest in.

- 6.3 The Asset Register is maintained on a proprietary software system which is currently undergoing a major upgrade to link with GIS. Location data has been digitised and this will link with core data on all land and property. This system is British Standard compliant opening the way to the adoption of the British Standard Unique Property Reference Number (BSUPRN) in the future.
- 6.4 Other core data is not currently being stored in a BSUPRN compatible format and will need to be amended to become compliant. This process will be quite resource intensive and the Authority will make provision for this requirement. The Authority is well advanced in its preparations for developing a Local Land & Property Gazetteer (LLPG) which would then link to the national gazetteer.
- 6.5 Each of the Authority's assets has been given its own unique property reference number (UPRN) and the Estates and Valuation Section are preparing to move over to the BSUPRN in a phased implementation. Existing address data for every property in the District will need to be verified by matching. The investigation of the anomalies thrown up will have significant resource implications in the short term, although efficiency savings should eventually accrue over time.
- 6.6 The Asset Register has been extracted from the Property Terrier which holds basic core data on all the assets currently owned by the Authority. This basic core data has been checked and verified by the CPO who has a clear understanding of the data required to manage the performance of the property portfolio.
- 6.7 The Asset Register holds core and intermediate data on each asset and is updated regularly by the Property Records Officer. Transient cost data is generally found on the Financial systems and is readily available to all Managers. Data relating to usage e.g. customers, energy meter readings, etc. is either held by, or available to, the manager utilising the particular asset for service provision.
- 6.8 Whilst the Asset Register does not make reference to the powers that a particular asset was acquired under, this information is available from the Property Terrier should it be required.
- 6.9 A review of training needs was conducted by the CPO in conjunction with the Head of Estates & Valuation. All staff having a need to access the Asset Register were found to be proficient in its use. Retraining will be necessary when installation of the upgrade is completed and a review will be undertaken to establish the desirability of making access available to partners and other users.

7. CURRENT PORTFOLIO

- 7.1 A condition survey has been carried out with Members on all 34 Public Conveniences. Parish and Town Councils were also contacted to seek their views on the sufficiency, suitability of location and standard of maintenance of the conveniences within their boundaries.
- 7.2 From this, 7 conveniences were identified for rebuilding. A further 18, whilst built in the last twenty or thirty years and therefore relatively new, need to have lightwells constructed and refurbishment to bring them up to the standards expected of a modern convenience. It has been subsequently decided that one of the toilets due for refurbishment is inadequate for current usage and is now to be rebuilt. The work is programmed to be achieved by 2008/09.
- 7.3 As part of the Expenditure Plans for 2002/03 the decision was made to close certain toilets. Currently two have been closed, Market Place, Ringwood and Marine Drive West, Barton-on-Sea, and are being disposed of. There are

proposals to close two more conveniences, one in Brockenhurst and one at Calshot, when two others have been rebuilt. However, consultations are still taking place with the local parish councils to see if this is the best option. Negotiations are taking place with Fawley Parish Council to share the running costs of a further two conveniences.

- 7.4 In addition to this, the whole service has been subject to a fundamental Best Value review and the self-assessment team have considered all aspects including the suitability, sufficiency and running costs of the assets.
- 7.5 A similar survey has been completed on the Authority's 50 car parks. This produced a schedule of maintenance work which will be carried out over the next five years. A major survey into the frequency of use of all the Council's Town & Village car parks was carried out six years ago as well as consultation with all stakeholder groups. This information was gathered for a different purpose but a useful by-product was the identification of any under-utilised car parks. As a result, alternative options for these locations have been considered and one has been earmarked as a potential site for social housing with some of the land being retained for community use.
- 7.6 Whilst the Car Parks represent significant capital investment and annual running costs to the Authority, the current Council policy to provide the majority of them free of charge to residents and visitors alike is being reviewed. This is part of a wider traffic management scheme and will involve extensive consultation with stakeholders.
- 7.7 A consultant was commissioned last year to look at the suitability and sufficiency of the Council's information service centres. The location of each centre has been considered in relation to the community it serves and the possibility of joint working with other partners sharing the same office. Consultation has been undertaken with stakeholders and partners to establish common criteria. Location and suitability of the offices has sometimes proved to be less than ideal but the opportunities and cost benefit of moving have proved significant constraints. For more information on partnership working and shared use please refer to Section 4 of the Capital Strategy.
- 7.8 All major assets (public offices and recreation centres) are inspected annually and a planned maintenance programme is drawn up to ensure that the fabric of the buildings is prevented from deteriorating. Opportunities for major refurbishment or improvements to the buildings are co-ordinated with this programme.
- 7.9 The remaining property has been checked by the Property Services Manager to establish a simple condition category as per the guidelines. A comprehensive condition survey of all remaining properties is being undertaken by the Property Services Section and about 35% were surveyed last year with the remainder due to be completed by March 2004. A summary of information on condition is shown at Appendix 2.1.
- 7.10 The future use of one of the Council's depots is currently being considered, its location is not ideal and a number of options are being investigated including shared facilities with neighbouring Authorities. The situation is further complicated as the depot is in condition category C and needs fairly significant refurbishment if it is to continue being used long term.
- 7.11 All minor land holdings have been the subject of review in the recent past and surplus plots with no strategic significance have been disposed of wherever possible.

- 7.12 The Authority owns 5 recreation centres, which are built on land leased from Hampshire County Council, located next to schools to enable dual use. The leases are restrictive and therefore use of the buildings is to be primarily for Leisure and Recreation. However, there may be scope to provide other services as well as leisure and because of the longer opening hours it could be possible to provide better access to a whole range of different customers. This is one of the key areas being used for implementation of the Council's information and communication strategies because of the large public interface and was identified during the Recreation Centre Best Value review. Public information kiosks using touch screen technology are being installed at various sites enabling the public to access the Council's web site and links to the Internet to access partners. One kiosk has been set up in a Health Centre and, if successful, installations could be placed on sites managed by other partners.
- 7.13 The Council's superb 18 hole golf course, 9 hole course and driving range provides first class leisure facilities for the public but options to develop the site for other uses are extremely limited for planning reasons. Situated in the New Forest Heritage Area and strategic gap, the land can be used for little else and provides a valuable income stream.
- 7.14 The opportunity to dispose of the "Stillwater" mobile home park at North Poulner is currently being considered. Consultations are being undertaken with the residents on the site as to the best way forward.
- 7.15 The Council's housing stock currently has a maintenance backlog of £25M which was last reported to Cabinet on 8 April 2002. More information about the housing stock can be found in the Housing Business Plan. Other services have no maintenance backlog.

8. PERFORMANCE MEASUREMENT

- 8.1 The Authority had a well-established performance management framework where services used to report on a regular basis to committees or performance review sub-committees. With the introduction of the cabinet system, services now report to the relevant portfolio holder and Review Panels. Members, senior officers and managers utilising the authority's assets in their service provision have all been made aware of the need to provide property performance indicators (PPI's) through the progress reports which have been produced on the Single Capital Pot and Asset Management.
- 8.2 To demonstrate continuous improvement it has been necessary to measure and compare performance against set targets or benchmarks. This is a requirement of Best Value and the performance of property assets is a fundamental part of any review, linking directly to the Asset Management Plan.
- 8.3 Evidence from early Best Value reviews indicates that some services are well advanced in the production and use of performance indicators. Work is currently underway to develop meaningful indicators and targets in all service areas for consideration by the Review Panels. Where possible these indicators will relate to the aims and objectives of the service being provided and in turn to the corporate aims and objectives, thus helping to show they are being achieved.
- 8.4 Where land or property is being used to assist in the provision of the service then indicators should be available to show the performance of the asset and whether changes or improvements to the asset help to improve service outcomes. In a number of cases these local performance indicators are in the early stages of development although they exist for the Council's major assets. Some members of the AMG are currently involved in benchmarking clubs through regional groups utilising these performance indicators

- 8.5 Indicators should not be created for their own sake but should provide information on performance with which Managers can take action to improve their service. They should be kept as simple and as few as possible and it is the responsibility of the Service Head to develop and monitor them. A number of managers are using their performance indicators in benchmarking exercises with similar service providers outside the Council. Those in the early stages of this process are still developing a common data set on which to base their performance indicators.
- 8.6 The legislation requires several national property performance indicators (pPi's) to be produced, these are shown at Appendix 2 (1-5). Gross internal areas (GIA) have been calculated for all operational assets with the exception of Housing. Non-operational property is let on ground leases with the tenants providing the buildings in many cases. Therefore information on GIA's is not available and of little benefit to the Authority.
- 8.7 pPi2A shows the average internal rate of return (IRR) for properties deemed as non-operational investment as being approximately 19%. An asset rental charge is made for these assets and all other land and property, based on 6% of the valuation and charged to the service revenue account. In addition, a depreciation charge is made to services where appropriate.
- 8.8 The Council has recently signed 'green' electricity contracts, that is to say they are climate charge levy (CCL) exempt (fuel tax). pPi4D in Appendix 2.4 shows CO² emissions in tonnes of carbon dioxide per sq m based on the GIA for all operational buildings. There is a further breakdown shown at Appendix 3.
- 8.9 The Review Panels will need to be aware of what are realistic but challenging targets for the services they are reviewing. This is an area where Members need to develop some expertise as the new political structures provide an opportunity for them to be involved through scrutiny and portfolio activity.
- 8.10 Measurement of user satisfaction with assets is carried out periodically, but primarily in conjunction with Best Value reviews. This evidence has been significant when looking at the location and suitability of Information Offices, Visitor Information Centres, Public Conveniences and Car Parks. The Asset Management Group will consider this feedback when looking at business cases for capital schemes or post project evaluation.
- 8.11 The more difficult information to gather is from potential customers, i.e. those who would use a service but currently do not because of inadequate facilities. For this reason, the civic newspaper, focus groups and the 'citizens panel' are useful tools and help to inform the development of capital schemes.

9. PROGRAMME DEVELOPMENT

- 9.1 The creation of a group of officers with the specific task of looking at strategic asset management has had the effect of raising the profile of land and property usage within the Authority. Day to day operational issues are still undertaken by the Property Services Section, but such things as sufficiency, suitability and performance are the responsibility of the service provider and are now monitored by the Asset Management Group.
- 9.2 The Asset Management Group reports through the CPO to CMT and the Cabinet on the management and performance of the property portfolio. All policy, policy documents, plans and strategic decisions regarding land or property are first of all considered by officers then approved by Members. Last years Capital Strategy and Asset Management Plan was approved by Cabinet, after consultation on 1 August and by full Council on 15 October. Approval of this document will follow a similar process and timetable.

- 9.3 As has been seen elsewhere in this document, the review of land and property assets is not neglected and neither is it restricted to Best Value reviews once every 5 years. Land and property is seen as a significant resource which, like any other, needs to be managed effectively if the service which it supports is to benefit.
- 9.4 Managers are aware of this and it is their responsibility to ensure that the assets being used by them are maintained to an acceptable standard. Significant refurbishment or improvements need to be identified and put forward for inclusion in the Portfolio Holder's Expenditure Plan proposals.
- 9.5 Currently, only expenditure bids over £10,000 are prioritised using the Council's corporate system, however, this limit can be changed if appropriate. A brief outline of the methodology is shown in the Capital Strategy.
- 9.6 Acquisition of land tends to be limited to opportunity purchases. The majority of capital schemes have been associated with maintenance or major refurbishment to ensure that facilities being used by customers and staff are of modern and satisfactory design. In future the financing of these schemes, if less than £10,000 each, will be funded from revenue.
- 9.7 The Authority has a rolling 5 year capital programme where bids for new schemes are considered through the annual expenditure plan process before inclusion, the Asset Management group will review any schemes which relate to land or property. More information on this process can be found in the Capital Strategy.
- 9.8 The Capital Programme is a compilation of all portfolios' capital plans. These are made up of the individual service related capital schemes approved by Council after going through the expenditure plan process in preceding years. Each capital bid in the process is required to complete a Capital Project Assessment. This assessment forms the basis for the business case which supports the bid (see appendix B, Capital Strategy).
- 9.9 Part of the assessment includes performance/output measures and targets and any bid is expected to show anticipated payback period, targets for energy reduction, improvements to service provision, benefits to the community, the environment, etc. Such outcomes/outputs are measurable and become assessment criteria at the post-project evaluation stage.
- 9.10 All capital schemes put forward for inclusion in the expenditure plan process must include options for appraisal and, if approved, be prioritised. Details of this process, monitoring and reporting on progress and links to corporate aims and objectives are found in Section 6 of the Capital Strategy.
- 9.11 Bids for financing of land or property capital schemes are in competition for the Authority's limited resources with other schemes such as environmental schemes, vehicles and plant, land drainage, coast protection and technology. The Government's targets for achieving e-governance and the ability to improve access to services make technology a priority currently.

10. UNDER-USE AND DISPOSAL

- 10.1 The relatively small asset base that the Authority has means there is very little land and property which could be under-utilised, in fact the reverse is probably the case. In view of this, the preparation of a programme of disposals is unlikely to be necessary or useful. Those assets that might be considered for disposal have all been identified in the "Current Portfolio" section.
- 10.2 Performance indicators have been used very effectively at some locations for a number of years to monitor utilisation. Similar indicators are being introduced into

other service areas to determine levels of utilisation for all properties. These will be monitored and compared on a regular basis and presented to the Review Panels for scrutiny.

- 10.3 The Authority has already identified Ringwood Offices and Stillwater Mobile Home Park as assets that may be potentially surplus to requirements. Options for some of the depots have also been considered but these would be on purely financial grounds (it is unlikely that there would be any service improvement) and the cost benefit is not significant enough to make implementation viable at the moment
- 10.4 The option to dispose of Ringwood Public Offices helped focus attention on the issue of storage space. Significant in-roads have been made into sorting and disposing of redundant files and this has helped reduce the demand for storage space across the Authority. More investment in Data Image Processing has also helped reduce the need to keep prime documents.
- 10.5 The review of minor land holdings identified a number of plots surplus to requirement, which have subsequently been disposed of. During 2001/02 enquiries from interested parties (adjoining owners) enabled the disposal of 12 very small pieces of land raising just under £48,000 and reducing the grounds maintenance burden for the Authority. One other plot was disposed of on a long lease (125 yrs) to a Housing Association for £20,000.

11. CAPITAL RECEIPTS

- 11.1 The main source of capital receipts for the Authority is the sale of its Council Houses with a fairly minor contribution coming from other services. A statement of the Authority's estimated General Reserve and Developers' contributions for the next five financial years can be found in the District Profile at the front of this document.

TERMS OF REFERENCE

ASSET MANAGEMENT GROUP

1. To act as a strategic review body for all property or land transactions ensuring an integrated approach between Directorates and the Corporate Strategy.
2. To identify and review corporate policy objectives relating to assets and set explicit objectives for holding property.
3. Monitor the progress and evaluate the results of the asset management review and produce a strategic asset management plan.
4. Identify performance Indicators linked to the objectives and specifically covering condition, sufficiency, suitability and cost
5. Assess the performance of all assets against the identified indicators and ensure optimum utilisation.
6. Compare the performance of assets with those of other public bodies or outside organisations.
7. Set targets for the performance of the various categories of assets.
8. Produce a capital strategy and provide a forum for the evaluation of capital projects and their place in achieving corporate objectives.
9. Identify opportunities for innovation.
10. Identifying strategic opportunities to increase income generation or reduce expenditure.
11. Identifying assets suitable for investment or disposal.
12. Providing a forum for developing public, private partnerships and helping to prioritise local decisions on spending.
13. Co-ordination of property security and health and safety.
14. Advising on strategic land and building maintenance priorities.

ASSET CONDITION SURVEY – SUMMARY

Asset Description	Number	Condition
Public Conveniences	4	A
Visitor Information Centre	1	A
Museum	1	A
Depots	3	B
Public Offices	4	B
Cemetery Chapels	2	B
Car Parks	46	B
Public Conveniences	14	B
Caravan Park	1	B
Golf Course Clubhouse	1	B
Golf Course Cottage	1	B
Investment Properties	4	B
Recreation Centres	5	B
Visitor Information Centres	1	B
Depots	1	C*
Car Parks	4	C*
Public Conveniences	14	C*

* No major repairs required but require upgrading

SERVICE RETURN PROPERTY PERFORMANCE INDICATOR

Gross Internal Areas (GIA) of Buildings in m² for categories A to D
(For Operational Assets only)

Category	GIA m ²	%
A	861.06	2.7
B	29802.21	93.5
C	1200.07	3.8
		100

Any Non-operational properties are leased. The Authority currently has no maintenance backlog except for Housing which amounts to £25M.

Key to Condition (BMIS Category 1981)

- A – As new
- B – Serviceable needing only minor repairs
- C – Operational needing major repairs or upgrading
- D – Inoperable, unsafe or at risk of immediate failure

Property Performance Indicators 2A, B & C

Required: - The overall average internal rate of return (IRR) for each of the following non-operational investment portfolios.

- A Industrial**
- B Retail**
- C Agricultural**

The Authority currently has no property falling in categories B and C.

<u>Property falling in category A</u>	Valuation £'000	Current Income £'000	Notional Interest 6% £'000
Hardley Ind. Estate - KN200	1,458	159.2	87.5
Rushington Business Park - KN100	398	50	23.9
*Hythe Marina - KM100	395	100	23.7
Total	2251	309.2	135.1

*NB. For Balance Sheet purposes Hythe Marina has been categorised as non-operational - other.

Rent reviews occur every 3 to 7 years. Some agreements use the RPI.

Assume 2% increase per annum for all.

Year	Capital £	Credits Revenue £	Debits Capital £	Net Cashflow £	PV of £1 19% £	NPV £
1		309,200	2,251,000	-1,941,800	84%	-1636905.3
2		315,384		315,384	71%	224119
3		321,692		321,692	60%	192707
4		328,126		328,126	50%	165698
5		334,688		334,688	43%	142474
6		341,382		341,382	36%	122505
7		348,209		348,209	30%	105335
8		355,174		355,174	26%	90572
9		362,277		362,277	21%	77878
10		369,523		369,523	18%	66962
11	2,937,000			2,937,000	15%	448656

Internal Rate of Return (IRR) using Excel function

19%

0

Property Performance Indicators 3A & 3B

Required:- The total annual management costs per m² (GIA) for operational and non-operational property.

Management Costs - 2001/02 Actual

EXPENDITURE	VALUERS PROPERTY SERVICES		TOTAL £
	SG710 £	SG730 £	
Employees			
Professional & Technical Staff	108,339	108,929	217,268
Direct Administration			0.00
Training	129	180	309
All Other Employee Costs	1,747	1,354	3,101
Sub Total	110,215	110,463	220,678
Other Costs			
Transport & Travel	4,306	4,973	9,279
Direct IT Costs	677	2,421	3,098
Direct Consultants			0.00
Marketing			0.00
Other	16,916	5,018	21,934
Sub Total	21,899	12,412	34,311
Departmental and Central Support			
Support Services	18,702	25,145	43,847
Accommodation	3,675	3,410	7,085
Sub Total	22,377	28,554	50,932
TOTAL EXPENDITURE	154,491	151,430	305,921
<i>Amount allocated to management of the non-operational assets</i>	0	5,670	5,670
			300,251

Indicator: A	
Sq. m (GIA) for Operational Property	31863
Management Cost per m ²	9.42

Indicator: B	
Sq. m (GIA) for Non-Operational Property	n/a
Management cost per m ²	n/a

Property Performance Indicators 4A, 4B, 4C & 4D

Required:- To establish repair & maintenance costs, energy costs, water costs and CO₂ emissions per m².

Actual costs 2001/02

	4A Repairs and Maintenance £	4B Energy Costs £	4C Water Costs £	4D CO ₂ Emissions Tonnes
P00				
2 Repairs and Maintenance	<u>396,931</u>			
	<u>396,931</u>			
P10				
5 Gas		179,210		
P10				
0 Electricity		<u>385,657</u>		
		<u>564,867</u>		
P15				
0 Water Charges Metered			108,660	
P15 Water Charges Un-				
2 metered			<u>14,613</u>	
			<u>123,273</u>	
CO ₂ from electricity				2,847
CO ₂ from gas				<u>2,434</u>
				<u>5,281</u>
Per Square meter GIA	31863	31863	31863	31863
Energy cost per m²	12.46	17.73	3.87	
CO₂ emissions in tonnes per m²				0.17

Property Performance Indicators 5A & B

Required:- To measure and monitor the delivery of new capital projects against set time and budget targets. To impact on the prioritising process for projects and the associated local performance measures and monitoring system put in place.

Schemes over £50,000 completed during 2001/2002

No new single capital projects relating to the Authority's Land or Property Assets and exceeding £50,000 in value, were completed to "end of defects liability period" during 2001/2.

ANNUAL FIGURES 2000/2001

SITES	CARBON DIOXIDE				
	From Elec (TONNES)	From Gas (TONNES)	Total (TONNES)	2000-2001 diff. (TONNES)	PROPtns. (%)
LEISURE					47.3
Dibden Golf Club	47.7	23.0	70.7	2.0	1.3
Applemore	89.3	416.3	505.6	-155.9	9.6
Lymington	302.5	166.6	469.2	-41.5	8.9
New Milton	227.4	246.9	474.3	-71.2	9.0
Ringwood	106.3	389.5	495.8	16.2	9.4
Totton	298.9	167.5	466.4	-80.1	8.8
Clayfields	8.9	6.7	15.6	10.9	0.3
ENV SERV					12.5
Public Lighting	516.4		516.4	37.4	9.8
Car Parks	119.3		119.3	8.8	2.3
Public Conveniences	25.2		25.2	-1.4	0.5
HOUSING					24.1
Sheltered Housing/Hostels	588.6	684.2	1,272.7	-83.5	24.1
Catering Contractor	93.1	21.5	114.6	-27.7	2.2
OFFICES					9.6
Appletree Court	174.8	82.0	256.8	-1.5	4.9
TH Lymington	131.7	62.1	193.9	-3.8	3.7
Ringwood PO	11.3	35.0	46.2	-2.5	0.9
Hythe PO					
New Milton	4.3	3.1	7.4	0.8	0.14
Fordingbridge	5.0		5.0	-0.9	0.09
Totton					
Fawley					
DEPOTS					3.9
Marsh Lane	46.7	127.3	174.0	17.2	3.3
Totton	8.6	13.0	21.6	2.1	0.4
Ringwood	7.3		7.3	5.5	0.14
Sturt Pond	1.2		1.2	-1.0	0.02
Miscellaneous	32.8	12.5	45.2	-11.0	0.9
TOTAL	2,847	2,434	5,281	-6.8%	100.0
GROSS EXPENDITURE (£) :			75,141,000	3.9%	
CO₂ Efficiency Ratio (tonnes/£M) :			70.3	-10.3%	