

ASSET STRATEGY and MANAGEMENT PLAN

2006-2009

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INTRODUCTION

Background

West Wiltshire is a district that covers 517 square kilometres and is based around five historic market towns that each benefit from a distinctive character and commercial vitality.

These towns - Bradford on Avon, Melksham, Trowbridge, Warminster and Westbury - are surrounded by rolling countryside, which includes a green belt, two areas of outstanding natural beauty, the River Avon and the Kennet & Avon canal.

West Wiltshire is located at the gateway to the West Country and benefits from good transport links. As well as being just off the M4, the district is crossed by both the A350 and the A36, both of which are important communication and development corridors. Each of the five towns has its own railway station, and there are direct rail links to London, Bristol, Bath, Swindon and Southampton.

The current population estimate for West Wiltshire stands at 123,500, making it the most densely populated district in Wiltshire.

The purpose of asset management planning at West Wiltshire District Council is to optimise the utilisation of assets in terms of service benefits and financial return. The Asset Management Plan (AMP) is the Council's corporate document based on the Royal Institute of Chartered Surveyors (RICS) guidance and best practice operating in other authorities. It sets out the strategic and operational arrangements in place and planned action for improved corporate asset use.

Assets are not just property, but include land, vehicles and computers.

The Council's asset base was significantly reduced by the transfers that took place in 2001. In particular:

- Large scale voluntary transfer of remaining housing stock to a local registered social landlord (2001).
- Transfer of all of the public halls back to the respective Town Councils (2001).

The total value of all assets managed by the Council is £23.5 million as at 31 March 2006.

It is recognised that asset management will evolve as asset management becomes embedded within the organisation. This plan provides the framework and gives direction for asset management over the next 3 years

Definition

Asset Management is defined as 'making the best use of assets in terms of service benefit and financial return'. Put another way it is about providing 'the right space, at the right time, in the right place and at the right cost'.

Asset management needs to keep pace with the rapidly changing demand for services and the increasing level of customer expectation. This requires the accurate determination of future requirements and provision and procurement in a cost-effective way.

Corporate aims and priorities

The Corporate aims of the Council are set out in the Corporate Plan 2005-2010. These are identified as 'Spotlight areas', supported by a number of guiding principles for 'getting the job done'. The Corporate Plan is currently being refreshed; any updates will be applied in Autumn 2006.

'Spotlight Areas'

1. Improving development control
 - Improve development control performance to meet Government targets
 - Ensure high quality planning decisions based on up to date planning policy
 - Achieve a high standard of customer service for users of the planning system
 - Support and contribute to corporate and service objectives, particularly in relation to affordable housing, market town regeneration, sustainability and community safety
2. Recycling more waste
 - Hit the recycling targets
 - Increase individual awareness of waste and the different ways to recycle it
 - Achieve a high level of customer satisfaction with the recycling services
 - Work with the Wiltshire Waste Partnership to limit the growth of waste produced in the first place
3. Meeting housing need
 - Understand housing need and the effect of the housing market
 - Provide additional rented housing for people on low incomes
 - Prevent homelessness, reduce the number of people who are homeless, stop use of bed & breakfast and reduce use of other temporary accommodation
 - Meet or exceed Government targets for decent homes and make the most of existing housing stock to meet housing need
4. Better access to recreation
 - Understand and address the leisure and recreational needs of the district
 - Increase the number of people who are regularly physically active

- Maintain high levels of customer satisfaction with our sports/leisure facilities and parks/open spaces and improve satisfaction levels for cultural activities, theatres and concert halls
5. Improving market towns
 - Work in partnership to improve the environmental quality and cleanliness of all five towns
 - Improve the vitality of all five market towns
 - Help to improve the sustainability of communities in each of the five market towns
 - Reduce anti social behaviour in town centres
 6. Putting customers first
 - Enable easy access to the Council, recognising the needs of different customers
 - Provide consistent and fair treatment to all customers
 - Deal with customers as an integrated organisation, rather than as a series of disjointed departments
 - Deal with the majority of customers at the first point of contact

'Getting the job done'

1. Sound financial management
2. Valued and well supported staff
3. Focus on priorities
4. Well planned approach
5. Strong community leadership
6. Accessible decision making
7. Efficient and effective services
8. High quality communication with the public

The Council operates a comprehensive 'service and resource planning process, which ensures resources are targeted at delivering the corporate aims. Asset management has formed part of this process and will be fully integrated to deliver the 2007/2008 budget.

In particular asset management is fundamental to the following corporate aims:

Better access to recreation

Maintaining and developing existing sites to agreed standards and identifying surplus sites for disposal. The leisure and recreational needs assessment will inform this work.

Improving market towns.

Working with the local towns and partners. Current projects include Transforming Trowbridge, which is a major town redevelopment working with the private sector, regional development agency, county and town councils.

Meeting housing need

A project to build 400 affordable houses within the district. This requires the council to contribute land for 200 of the houses. Around 85% of the operational cost will be met by central government subsidy.

Putting customers first

The development of a Customer Services unit to provide an improved customer experience at the first point of contact with the Council.

ASSET STRATEGY

Objectives

The purpose of the asset strategy is to define:

- the principles which guide asset management planning
- the role of assets in support of service delivery
- the rationale for the possession, occupation and management of the Council's assets
- the policies, procedures and working arrangements relating to assets

The key objective of the asset strategy is to ensure that the most economic, effective and efficient use is made of all assets and resources. In support of this the asset strategy aims to:

- align the use of assets to the corporate aims and priorities in the Corporate Plan
- achieve best value for money from asset management activities
- ensure that short-term considerations do not compromise long-term
- contribute to a built environment which is safe, accessible and statutory compliant
- develop joint working arrangements to pursue common objectives
- ensure the service is responsive to community and user needs

Principles

- the Council has a preference for the freehold title of long-term strategic property assets and leasehold for short-term, temporary or transient property assets
- a strategic headquarters site is required to accommodate the democratic core of the Council and the senior management of its principal functions.
- the Council may provide premises for other service providers or may use premises provided by others.
- the shared use of existing property with organisations fulfilling similar functions is encouraged in order to provide as seamless a service to the end user as possible
- where property is required, consideration of its location will reflect the demand for the service and the potential for co-location with other services
- the Council has a policy of letting owned property on market value terms with grant support when appropriate, rather than granting concessionary rentals
- Vehicles, plant, equipment and computer software will be acquired where there is significant benefit in the delivery of services. The 'whole life' cost of the asset will be considered.

Where we are now

- Asset Management Group operational
- Asset Management Plan revised and implemented
- Asset Register maintained and updated
- Backlog and future maintenance requirements assessed
- Member with Portfolio responsibility
- Corporate asset management framework defined and operational
- Capital Strategy approved and implemented

Where we want to be

- Asset Management embedded across the Council
- Asset Management driven by corporate priorities demonstrating strong links to Leisure and Recreational Needs, Transforming Trowbridge, Housing Private Finance Initiative and Customer Services
- challenging existing use of assets through the Asset Management Group, retaining those essential for service delivery and disposing of unsuitable or poor performing assets
- generating quality, accurate, reliable and timely property data to measure performance
- improving customer satisfaction for property and property-related services
- balancing property portfolio priorities with requirements of tenants
- monitoring and reviewing policies, practices, arrangements on an ongoing basis
- providing input to the local planning framework via the Asset Management Group
- managing and developing properties meeting requirements for accessibility, sustainability, management of energy/water and health and safety hazards.

CORPORATE ASSET MANAGEMENT - How we manage our assets

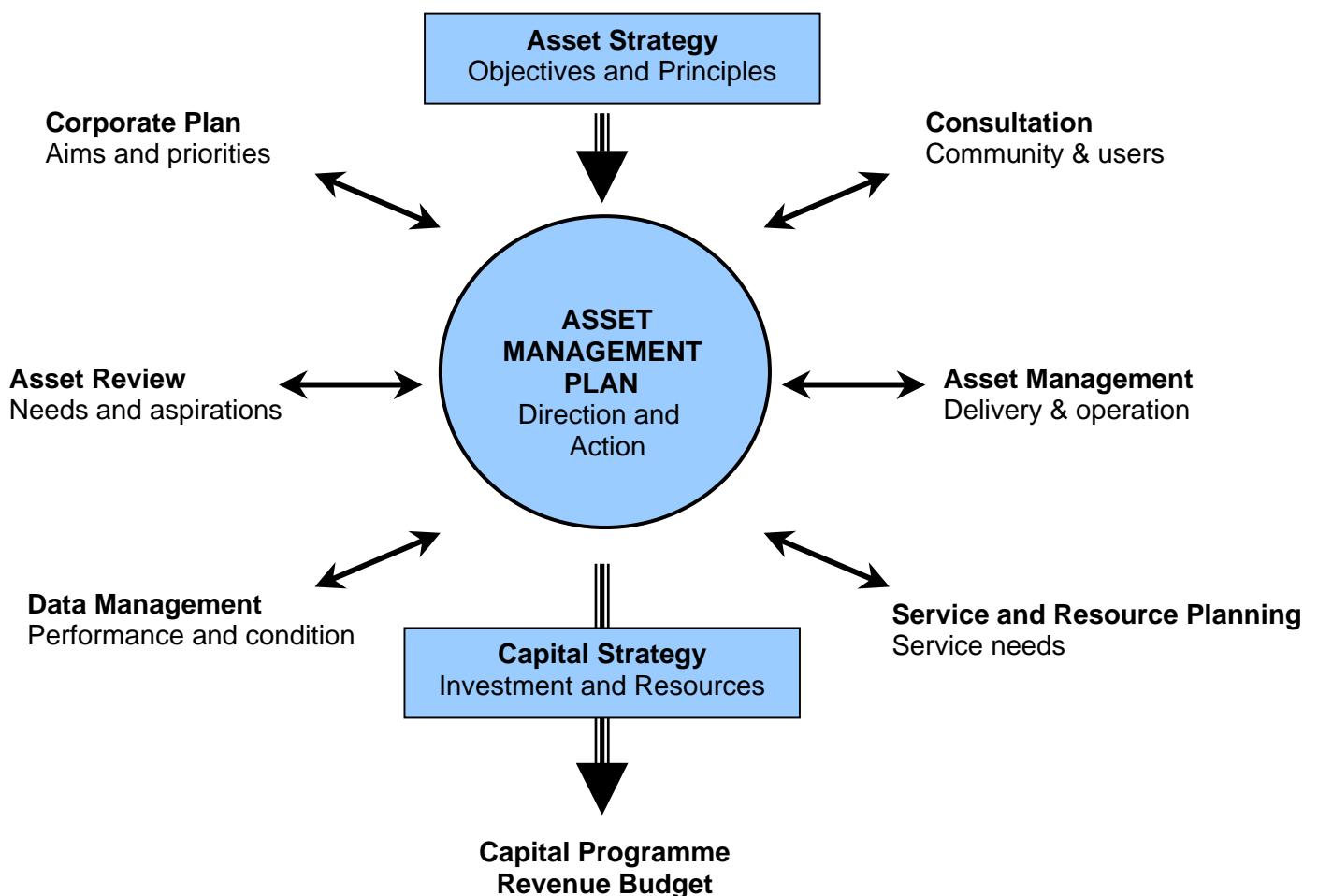
Approach

The Asset Management Plan provides a single document for all asset related activity. It sets out best practice and provides a framework for all staff, members, partners and suppliers to support the delivery of the Corporate Plan.

The Asset Management Plan aims to provide a clear, practical, relevant and useful framework for asset management at all levels throughout the Council. This is linked to the Council's priorities and underlying principles, integrating these within established practices to ensure value for money is achieved.

The Asset Management Plan also provides guidance regarding asset management and an action plan for future development. The document is a statement of intention and conveys the action to be taken over the next three years.

The Council has developed a strategic integrated approach to corporate asset management, which is illustrated below:



Consultation

A comprehensive process is being introduced involving local residents, property users, stakeholders, staff at all levels and Members and is achieved as follows:

- Local residents - through 'Peoples Voice', a countywide citizens' panel for local residents.
- Property users - through a user survey.
- Members - through Cabinet, Scrutiny, Audit Committee and Council.
- Officers - through the Asset Management Group and Corporate Management Team.
- Staff - through the Service and Resource Planning process.

Data management

Management of property data is the responsibility of the Head of Property and Estates who reports to a corporate director (the council's quality data champion) and includes the property asset portfolio, condition and performance information. This feeds into the financial records required for the completion of the Statement of Accounts.

Corporate plan and service and resource planning

The corporate plan sets out the council priorities, which are embedded in the service and resource planning process. Asset requirements are considered as part of this process and feed into the Asset Management Plan, Medium Term Financial Plan and Capital Strategy.

Organisation structure and delivery

Responsibility for asset management rests with the Head of Finance who is the Corporate Property Officer. Professional property services are provided by the Corporate Director with the Head of the Property Estates carrying out the day to day management of the property portfolio.

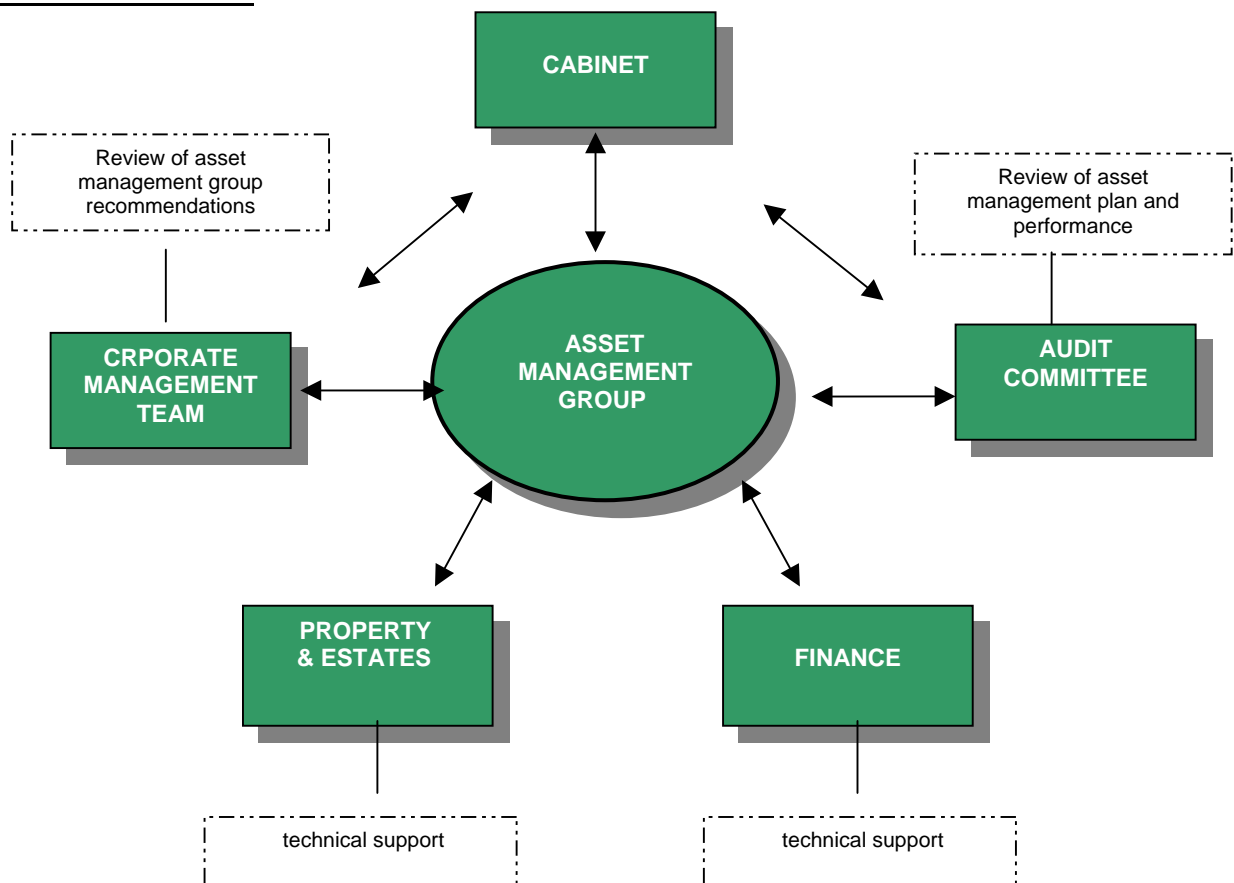
The Head of Finance chairs the Council's Asset Management Group, whose membership is as follows:

Portfolio holder for finance - Cllr Trevor Carbin
Shadow portfolio holder for finance – Cllr Roy While
Head of Finance - Ian Jamieson
Corporate director - Ian Gallin
Head of Property and Estates - John Follows
Management Accountant - Steve Harding
Legal - to be nominated
Other officers are invited to the group as required.

Role of the Asset Management Group

1. To produce and monitor a corporate Asset Management Plan in accordance with 'best practice'. Reporting the Asset Management Plan to Cabinet for approval and the Audit Committee for review.
2. To consider, and as appropriate, make recommendations about:
 - (a) Corporate asset strategy
 - (b) Service review plans and their asset implications
 - (c) Asset performance
 - (d) Review and challenge of asset use, provision and management
 - (e) Property acquisition opportunity involving promotion of shared use or co-location
 - (f) Property disposal opportunity and rationalisation of surplus property
 - (g) Planned maintenance programmes and priorities
 - (h) Vehicles plant and equipment disposal opportunity and rationalisation
3. To consider, and make recommendations about allocation of property related capital and revenue resources for repairs, renewals, alterations, improvements, acquisitions and disposals.
4. To monitor asset related capital and revenue budgets and assess asset related capital projects.

Structure and Roles



Operational arrangements and review

These are governed by the Council's Constitution and specific disposal and acquisition policy guidance.

The Asset Management Group will consider and make recommendations to Corporate Management Team on the following:

- The acquisition or sale of land worth more than £5,000
- The acquisition or disposal of land by lease of either 3 years duration (or more) or worth more than £5,000.
- The grant of any licence, easement or other right which is worth £5,000 or more, or the grant of which may have a significant detrimental effect on the value or use of the Councils property.

Corporate Management Team will make recommendations to Cabinet on the above transactions.

The Head of Property and Estates manages the following in consultation with the Portfolio Holder for Finance and the Legal and Democratic services manager.

- the acquisition or disposal of land by lease for less than 3 years,
- the grant of any licence, easement or right over any land worth less than £5,000, which has no significant detrimental effect on the value or use of the Councils land

Transactions entered into in respect of the above will be reported to the Asset Management group at the earliest opportunity.

(See appendices 1 and 2 for details of the disposal policy and acquisition policy).

The Head of Property and Estates manages all commercial property. Performance of the commercial lettings is reported regularly to the Asset Management Group.

The operational arrangements are currently being reviewed. Any changes will feed into the Constitution update.

ASSET BASE - What we manage

Portfolio

The Council's asset portfolio consists of the fixed assets listed below. Whilst the value shown has been calculated in accordance with the required accounting convention, the total value of the portfolio for insurance purposes is currently estimated at approximately £28.8 million.

Property is the major asset within the portfolio and as such a review of management information has been carried out by the Head of Property and Estates supported by external consultants King Sturge.

Portfolio	31 March 2006	
	Number	£k
Operational buildings		
Offices	1	2,586
Sports centres/pools	6	5,544
Depots	1	510
Car parks	25	2,421
Cemeteries/closed churchyards	20	965
Public conveniences	9	642
Hostels	2	1,074
Recycling site	1	228
Operational equipment		
Computing	415	1,089
Vehicles	22	300
Green bins		779
Community assets		
Parks and open spaces	211 (hect)	2,229
Non operational assets		
Commercial property	11 sites	4,845
Total		23,212

Property Portfolio and Management

The Council's property portfolio comprises a diverse range of assets. Where it has been possible to group properties in definite categories the management has been contracted out in order to improve standards of utilisation, maintenance and service provision through the

use of specialists. This includes the management of leisure centres by D C Leisure, public conveniences by Interpublic Urban Systems and the investment properties by Kavanaghs of Melksham.

The maintenance of these properties is covered by the respective contracts and leases. Costs for these properties have therefore only been reported as those attributable to the Council for common areas and other foreseeable refurbishments to current standards. asset Condition Surveys.

Condition

Asset Condition Survey 1998 Backlog

In 1998 a condition survey was carried out on the Council's parks and cemeteries assets. These were resurveyed in 2006, along with newly added properties to increase the coverage of the report. Uncompleted work from the earlier report was identified separately to new defects. This indicates the maintenance backlog stands at £484,150.

Asset Condition Survey 2006

The Asset Condition Survey was repeated in 2006 and was extended to include buildings that had not previously been inspected. The deterioration since 1998 was considered in the later survey and this has enabled projections to be made based on this. Generally deterioration has not been as great as predicted in 1998 and this is reflected in lower projected repairs going forward.

The table below shows the current projects and includes repair projections for car parks, public conveniences outside the Interpublic contract, repairs to common areas of commercial units and ten year capital plan estimates for play areas.

It excludes public conveniences maintained by Interpublic, commercial lettings on full repairing leases and maintenance and upgrades to green space such as landscaping, planting and pitches.

Revised fire risk assessments and asbestos related works are also excluded from the projections and these will be updated, as the information becomes available.

Property Maintenance Projections	Expenditure				
	2006 £k	2007 £k	2008 £k	2009 £k	2010 £k
Portfolio					
Operational buildings					
Offices	247.49	470.41	674.91	432.11	421.86
Sports centres/pools					
Depots	30.6	48	12.7	34.2	150.50
Car parks	65	60	50	20	30
Cemeteries	80.1	34.9	57.4	18.05	0.10
Public conveniences	-	70	-	5	-
Community assets					
Parks and open spaces	287.45	29.20	50.45	19.9	4.9
Plus play area 10 year plan	94.5	96.75	58.2	73	44
Non operational assets					
Commercial property	20	20	20	20	20
Total	825.14	829.26	923.66	622.26	671.36

Future property developments

All future developments will need to make stepped changes and link to the 'Reputation Project'. The 2006 to 2009 asset plan will include reviews of two of the Council's main property assets involved in service delivery:

- **Bradley Road office**
The Council's Headquarters and main property asset is subject to review. The table above includes £2,246,780 of cost approximately £1,962,000 of which for a thorough refurbishment. This allows a specific appraisal of the available options to remain in the current accommodation or move to new premises to be made.
- **Riverway Depot**
It is intended that the Council's Riverway Depot will close some time between 2009 and 2012. A new depot will be provided elsewhere in the District. The repair projections may therefore not materialise but a significant capital investment will be made. A specific appraisal of alternatives to a central Trowbridge depot will be made.

Performance

The Council has adopted the national property performance indicators (PPI'S) in areas relating to asset management planning. The national indicators are, broadly speaking, measures of the condition of the property, return from let property, cost of management, running costs and performance against the capital programme.

These are supported by local indicators, which link performance to the Council's priorities and service objectives.

The allocation of resources is monitored through Prudential Indicators in accordance with the Chartered Institute of Public Finance (CIPFA) Prudential Code.

The Council has a structure in place for monitoring performance of its assets.

- The Audit Committee reviews performance on a quarterly basis.
- There is also a quarterly report to Scrutiny measuring actual performance against the target performance indicators. Areas of concern are recommended to Cabinet and/or request for further detailed report to Scrutiny.
- The prudential indicators are set annually by Council and reviewed every 6 months by the Audit Committee.

National Property Performance Indicators (PPI's)

The Department for Communities and Local Government (DCLG) is currently reviewing these indicators. However, it is considered best practice to continue to collect and calculate this information where practical.

2A & 2B – To demonstrate the justification in financial terms for maintaining an investment portfolio.

The value of the principal commercial property (industrial and office) has been set at £4,705,000. Rental income from the property 2005/6 amounted to £523,220, giving a gross return of 11.12%. After allowing for management costs the average net rate of return across the portfolio was 9.54%. In comparison, the Investment Fund produced a return of 4.46% for 2005/06.

All commercial properties is held for investment purposes, a schedule of the main properties is set out below:

Sandown centre
Ascot Court
Sutton Veny
Bowerhill Plots
Warminster Citizens Advice Bureau
Manvers House
Semington Turnpike
Wiltshire Drive
Bradley Road
Trowbridge TIC
Warminster TIC

The Council have no retail or agricultural investment properties.

The average internal rate of return (IRR) for the Council's industrial property investments has been calculated as 9.81%.

3: Total annual management costs per square metre (Gross Internal Area) - £2.56

4A: Repair and Maintenance costs per square metre (Gross Internal Area) - £19.89

The following are unavailable:

4B: Energy costs per square metre (Gross Internal Area)

4C: Water costs per square metre (Gross Internal Area)

4D: Carbon Dioxide emissions in tonnes per square metre

5A (i): % of projects over £50,000 where outturn falls within +5% of the estimated out-turns, expressed as a % of the total number of projects completed in the financial year There were no relevant projects in 2005/06

5A (ii): % of projects over £250,000 where outturn falls within +5% of the estimated out-turns, expressed as a % of the total number of projects completed in the financial year There were no relevant projects in 2005/06

5B (i): % of projects over £50,000 falling within +5% of the estimated timescale, expressed as a % of the total number of projects completed in that financial year There were no relevant projects in 2005/06

5B (ii): % of projects over £250,000 falling within +5% of the estimated timescale, expressed as a % of the total number of projects completed in that financial year There were no relevant projects in 2005/06

Building Accessibility

Disabled access compliance is measured using BVPI 156. At present 92.31% of the Council's public accessible buildings comply with Part M of the Building Regulations. Investment in this area has increased over the past 5 years.

	2001	2002	2003	2004	2005	2006 (target)	2007 (target)
% Accessibility	50	50	62	62	92	90	90

Local Indicators

Ref.	Description of indicator		03-04	04-05	05-06	06-07	07-08	08-09
PR30/5	Energy consumed (kWh) Bradley Road office	Electricity	651,741	687,532	737,754			
		Gas	408,368	490,045	481,690			
SY00/4	% reduction in CO ₂ emissions per m ² from Council offices. Target of 20% below 01/02 benchmark by 2010	Tonnes m ²	0.055	0.052	0.049	0.046	0.046	0.046
		Target	-5%	-10%	-15%	-20%	-20%	-20%
		Actual	0.021	0.013	0.020			
		Benchmark	-36%	-78%	-60%			
SY00/7	Water usage (m ³ per FTE) at Bradley Road office	m ³	1770	1679	1568			
		m ³ per FTE	6.39	6.06	5.66			
PR09/11	Return on capital employed on commercial properties	Target	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%
		Actual	7.7%	10.2%	10.4%			

Prudential Indicators

These are calculated in accordance with the CIPFA Prudential Code and apply to forthcoming financial year and following two financial years.

1. Estimate of the total of capital expenditure planned

Capital Programme	2005/06	2006/07	2007/08	2008/09
Gross (adjusted for slippage)	£5,661,000	£4,133,000	£2,260,000	£1,779,000
Net of Grants/Contributions	£3,972,000	£3,332,000	£1,943,000	£1,491,000

2. Estimate of the total capital financing requirement. The capital financing requirement is a measure of the Council's underlying need to borrow money long term. There is no requirement to borrow when the figures above are negative.

	2005/06	2006/07	2007/08	2008/09
Capital financing requirement	(£784,000)	(£784,000)	£676,000	£2,114,000

Local authorities have available to them a number of ways of financing capital investment. The term "financing" does not refer to the payment of cash but the resources that are used to pay for schemes. A number of financing options are available to local authorities, these include;

- The application of useable capital receipts
- A direct charge to revenue

- Application of a capital grant
 - Contributions received from another party
3. A prudential limit for external debt known as the Authorised Limit. This represents the maximum amount the Council may borrow at any point in time in the year and set at a level the Council considers “prudent”.

	2005/06	2006/07	2007/08	2008/09
Authorised limit	£6,000,000	£6,000,000	£6,000,000	£6,000,000

4. An Operational boundary for total external debt is the most money the Council would expect to borrow at any time during the year.

	2005/06	2006/07	2007/08	2008/09
Operational limit	£4,000,000	£4,000,000	£4,000,000	£4,000,000

CAPITAL STRATEGY

Investment

The purpose of the Capital Strategy is to set out an approach to capital investment based on corporate priorities, prioritising service need and optimising resource availability. The principal aim of the capital strategy is to ensure that resources are applied in accordance with the identified corporate priorities and in support of this aim the capital strategy will:

- demonstrate close and clear links to Corporate Plan aims and priorities
- link with the Council's Medium Term Financial Plan
- identify corporate investment priorities to assist service planning
- reflect consultation feedback including from community partners
- provide flexibility to take full advantage of all potential funding sources

Process

- Forecast is made of available resources as part of the medium term financial plan.
- Zero based approach taken with service managers invited to submit bids (see appendix 4).
- Bids prioritised and considered by Asset Management Group.
- Bids considered by Corporate Management Team.
- Bids considered by Cabinet.
- Bids approved by Council as part of the overall council tax and budget setting meeting.

Principles

The Council takes account of the following principles in determining its capital investment priorities:

- ensuring that **statutory obligations** are met;
- achieving **optimum asset management**, i.e. making the best use of assets in terms of service benefit and financial return, including maximising external funding;
- reflecting **corporate aims and priorities** as set out in the Corporate Plan

In adhering to these principles, capital projects are prioritised in the following categories:

Priority 1: Statutory Obligations - 'Must Do'

- meet legal requirements, e.g. health and safety, fire prevention, disabled access;
- keep essential operational assets in use and maintain essential business continuity;

Priority 2: Optimum Asset Management

- rationalise service delivery;
- reduce building-related costs and/or the need for replacement;

- generate net income;
- maximise the availability and application of external funding.

Priority 3: Corporate Aims and Priorities

- contribution to achieving priorities;
- track record on implementation
- level of risk
- revenue consequences

The current service capital investment priorities are listed below:

Customer First - deliver customer services project

Five Towns Initiative - support projects working in partnership

Disabled Facilities Grants - deliver grants

Housing PFI - set up and support costs to deliver projects

Bradley Road offices - maintain central office site

Information Technology - develop and support

Resources

The council currently has capital receipts arising from the Large Scale Voluntary Transfer of its housing stock and other asset sales. The Council has no external borrowing but is likely to make use of the borrowing powers under the prudential regime when the supply of receipts has been exhausted.

The table on the following page shows a summary 3-year programme, financing statement and on-going revenue contributions. This is followed by the 2006/2007 programme allocated for the year. The actual transactions may take place at a different time because of circumstances outside of the council's control.

The Council operates in accordance with the Chartered Institute of Public Finance Prudential Code. This requires the calculation of indicators and monitoring in respect of all capital expenditure.

**Summary Capital Financial Plan
2006-2009**

Area	06-07 £k	07-08 £k	08-09 £k
Customer First	280	0	0
Five Towns	100	100	100
Parish Partnerships	35	0	0
Disabled Facilities Grant	850	850	850
Housing renewal	110	110	110
Empty Homes Grant	100	0	0
Affordable Housing	200	56	0
Hostels	29	0	0
Housing PFI	120	7	0
Cemeteries	283	160	0
Sewerage	110	110	110
Leisure DC	200	0	0
IT	275	366	200
Bradley Road	147	53	0
Property	15	0	0
Play areas	17	118	79
Election Management System	18	0	0
Committee Management System	18	0	0
Vehicles & Plant	364	50	50
Car Parks	0	30	30
Recreational Needs	0	250	250
	3,271	2,260	1,779
less contributions:			
Housing renewal	-240	-240	-240
Waste Performance Grant	-51	0	0
Play areas	0	-21	-48
LSP	-35	0	0
Developer Contributions	-300	-56	0
	2,645	1,943	1,491
Financing:			
Vehicle Replacement Fund	176	0	0
Capital Receipts	2469	483	0
Borrowing	0	1460	1491
	2,645	1,943	1,491
Ongoing revenue costs	90	45	0

Approved capital projects

CAPITAL PROGRAMME 2006-2007	
PROJECT	Gross Expenditure £
COMMUNITY	
Community Development Play Area Grants	17,000
Parish Partnerships	35,000
Total Community & Leisure	52,000
FINANCE	
Housing PFI	119,667
Bradley Road Offices	50,000
Bradley Road Offices - Roofing	97,000
Total Finance	266,667
HOUSING	
Affordable Housing [S106 Commuted Sums]	200,000
Disabled Facilities Grant	850,000
Housing Renewal Grant	110,000
Empty Homes Grant	100,000
Refurbishment of Kingsbury Square	29,200
Total Housing	1,289,200
LEISURE	
Leisure Joint Venture	200,000
Total Policy Co-ordination	200,000
PLANNING & ECONOMIC DEVELOPMENT	
Five Towns Initiative	100,000
Total Planning & Economic Development	100,000
STRATEGY & PUBLICITY	
Microsoft 2003 Rollout	50,000
Elections Management System	18,000
Income Collection System	50,000
Corporate ICT Infrastructure	175,000
Committee Management System	18,000
Customer Contact Centre	55,000
Contact Centre and Telephony System	225,000
Total Strategy & Publicity	591,000
ENVIRONMENT	
Sewerage Schemes	110,000
Cemeteries	283,000
Warminster LPG Boathouse Roof	15,000
Grounds Maintenance Vehicles	214,550
Street Sweepers	150,000
Total Environmental Services	772,550
CAPITAL PROGRAMME 2006-2007	3,271,417
LESS GRANTS & CONTRIBUTIONS	
Local Partnership Service Agreements	35,000
Disabled Facilities Grant	253,000
S.106 Contributions	300,000
DEFRA Recycling Grant	51,686
Total Grants & Contributions	639,686
TOTAL NET EXPENDITURE	2,631,731
FINANCING	
Vehicle Replacement Reserve	176,025
Borrowing	0
Capital Receipts	2,455,706
Total Financing	2,631,731

ACTION PLAN

Tasks

The Asset Management Group has overall responsibility for the action plan. The plan is approved annually by Cabinet and monitored and reviewed on a quarterly basis by the Audit Committee. The actions required are listed below:

Ref	Task	By Who	Date
1	Procedure to monitor capital projects	Management Accountant/Head of Property and Estates	Sep 06
2	Commission asset valuation for portfolio and financial statements	Head of Property and Estates	Oct 06
3	Bradley Road evaluation	Head of Finance/ Head of Property and Estates	Oct 06
4	Riverway Depot evaluation	Management Accountant/Head of Property and Estates	Mar 07
5	Private Finance Initiative - excess sites reviewed	Asset Management Group	On-going
6	Leisure and Recreational Needs		
	• review/classify play areas sites	Asset Management Group	May 07
	• leisure centre review	Asset Management Group	Jul 07
7	Planned maintenance update	Head of Property and Estates	Mar 07
8	Other asset review/replacement e.g. IT, vehicles	Management Accountant	Mar 07
9	S106 assets reviewed and procedure developed	Asset Management Group	On-going
10	Determination of asset disposal	Asset Management Group	Dec 06
11	Consultation with residents, users and stakeholders	Asset Management Group	Mar 07
12	Management of operational property procedure developed	Head of Property and Estates	Sep 06

APPENDIX 1

DISPOSAL POLICY STATEMENT/PROCEDURE NOTE METHOD OF DISPOSAL OF SURPLUS/UNDER-USED COUNCIL OWNED PROPERTY

Introduction

This part of the statement sets out the procedure to be adopted in connection with the disposal of surplus/under-used property and complies with current Department for Communities and Local Government Guidelines on Asset Management and Best Value.

1. Definition of Surplus/Under-used property

A site is deemed to be surplus to the Council's requirements if:

- (a) it makes no contribution to the delivery of the Council's services nor generates any income, and it has no potential for future service delivery or strategic or regeneration/redevelopment purposes, or
- (b) an alternative site has been identified which would achieve a more cost effective service delivery and the existing site has no potential for future alternative service delivery or strategic or regeneration/redevelopment purposes.

A site is deemed to be under-used if either:

- (a) the income being generated from the site is below that which could be achieved from:
 - (i) an alternative use
 - (ii) disposing of the site and investing the income
 - (iii) intensifying the existing use, or
- (b) part of the site is vacant and is likely to remain vacant for the foreseeable future.

2. Site Identification

Sites for possible disposal may be identified in the following ways:

- (a) Through Local Plan designation
- (b) Through the Asset Realisation work being undertaken by Head of Property and Estates
- (c) Through Service Managers declaring specific sites as being surplus to requirements*
- (d) Through identifying previously unidentified surplus land from the Asset Register

(*where an **under-used** asset is generating an income, a Cost/Benefit analysis should be carried out, in consultation with the Head of Finance to establish whether it is in the Council's best interests to dispose of the site)

3. Site investigations

Once a potential site has been identified, Property and Estates will consult with the Statutory Authorities, as well as Legal Services/Planning Policy/Development Control/Sustainable Communities/Leisure Services and Housing Services, to establish whether there are any development constraints on the site.

Ground investigation works, and desk studies into previous land use history, will also be carried out where appropriate.

4. Land Use

Unless a site is already designated for a specific use in the Local Plan, the above consultations will indicate the preferred type of development for the site. This will be either:

- (a) Housing - Social
- (b) Housing - Private
- (c) Industrial/Commercial
- (d) Leisure/Community

If a site is identified for (a), then it will be referred to the Housing Services Manager for further consideration. If a site is identified for (d), then further consultations should be undertaken with the Sustainable Communities Manager. If any other use is identified, the possibility of development by the Council is to be considered first. If development by the Council is not required for investment purposes or social provision, then the site maybe brought forward for disposal. At this point the relevant Ward Member will be advised of any proposals.

5. Independent Valuation

Where the disposal of a major or complex site is being considered, independent valuation advice will be sought, either from the District Valuer or from a suitably qualified surveyor.

6. Method of Disposal

The Head of Property and Estates will recommend a method of disposal e.g. Auction, Private Treaty etc., for acceptance by the Asset Management Group.

Unless a “special purchaser” has been identified i.e. one who is prepared to pay a premium for the site (over and above market value), all potential purchasers are to be given an opportunity to tender/submit an offer.

Where the disposal is to be by way of a long lease, the Head of Finance will be consulted to assess the implications regarding VAT, Capital Controls and Treasury Management.

7. Marketing Strategy

The Head of Property and Estates will recommend a marketing strategy, either in-house or through the Council’s retained agents, for acceptance by the Asset Management Group. All staff costs, legal costs, marketing costs, consultants costs etc. associated with any potential disposal of an asset (even where such costs do not lead to an actual disposal) are to be re-charged to the cost centre where the Capital Receipt is, or would be, placed.

8. Timing

The timing of any marketing/disposals will need to be considered against the background of the Council's budgetary requirements, together with the current state of the market. Before recommending that a disposal is to proceed, the following factors are to be taken into consideration:

- Has Corporate Management Team advised of an immediate need to raise capital receipts?
- Current market conditions
- Potential for the site value to increase in the future
- Regional Planning Guidance and the Local Plan process - this will influence decisions on the disposal (and acquisition) of land, as well as the future use of individual sites.

9. Asset Management Group

A full report on the disposal of any sites is then to be presented to the Asset Management Group (AMG) for recommendation to Corporate Management Team

10. Executive approval

If the AMG approves a disposal, the Head of Property and Estates and/or other relevant Service Manager will prepare a report for the next Cabinet cycle unless the disposal can be dealt with under delegated authority. If the disposal falls within the delegations, and it is deemed appropriate **not** to refer the matter to Cabinet, the relevant consultations will be carried out, as set out in the delegations.

11. Marketing

If no objections are received, the marketing strategy is to be commenced, with a view to identifying a purchaser.

12. Negotiations

The return from any disposal is to be maximised unless there are over-riding factors identified in the Corporate Plan which take precedence over the receipt of capital.

Where the Asset Management Group has recommended that a site be sold at a price below open market value, the matter is to be reported to Cabinet for approval, prior to the disposal. A sale of land at a price below open market value may require the consent of the Secretary of State under the provisions of the Local Government Act 1972.

13. Instructions

Once a purchaser has been identified and all the terms of the disposal have been agreed (or earlier if appropriate), the Legal and Democratic Services Manager will be instructed to prepare a draft contract for sale.

14. Completion

Once the disposal has been completed, Members will be informed as appropriate.

APPENDIX 2

ACQUISITION POLICY STATEMENT/PROCEDURE NOTE METHOD OF ACQUISITION OF LAND AND PROPERTY

Introduction

This part of the statement sets out the procedure to be adopted in connection with the acquisition of land and property.

1. Reasons for the Purchase of Land or Property

Unless there are exceptional circumstances, the Council will only acquire land or property for the following reasons:

- 1.1. Contribution towards the provision of the Council's services
- 1.2. Economic Development
- 1.3. revenue income generation
- 1.4. strategic acquisition for redevelopment purposes

2. Market Research

Once a need to acquire property has been identified, market research will be carried out by the relevant Service to establish whether suitable land or property is available on the market to fulfil this need.

Where a number of potentially suitable properties exist in the marketplace, robust comparisons will be made to establish which is the most suitable for the Council's needs. Criteria against which such decisions will be made include:-

- (a) price
- (b) condition of property
- (c) availability (in terms of timing)
- (d) nature of tenure being offered (freehold or leasehold)
- (e) locational advantages (where a strategic acquisition is under consideration)
- (f) return on investment (where a revenue generating asset is being considered)

3. Financial Appraisal

When a suitable property has been identified, a financial appraisal will be carried out to establish the financial/budgetary implications of acquiring the property at the quoted asking price. The advice of the Head of Finance will be sought regarding current rates of interest on capital invested, to enable the opportunity cost of the acquisition to be fully assessed. The financial appraisal will take into account the following matters:

- 3.1 the capital cost of acquisition
- 3.2. any revenue, or potential revenue, generated from the property, both short and long term
- 3.3. availability of external funding sources

- 3.4. possibility of joint ventures
- 3.5. the cost, in Asset Management terms, of owning the property, including:-
 - 3.5.1. immediate maintenance/refurbishment requirements
 - 3.5.2. demolition costs, if appropriate
 - 3.5.3. ongoing maintenance/life cycle costings
 - 3.5.4. national non-domestic rates
 - 3.5.5. insurance
- 3.6. the overall effect of the expenditure on the Council's budgetary position.

4. Independent Valuation

Independent valuation advice will then be sought, either from the District Valuer or from a suitably qualified surveyor. Where such advice suggests that the true Open Market Value of the property is below the asking price, (or where the amount of expenditure is likely to exceed that set aside in the Medium Term Financial Plan for strategic land acquisition), and there are overriding factors which justify the purchase, a report shall be prepared for the Cabinet seeking approval to continue with the proposed acquisition.

Where the acquisition is to be by way of a long lease, the Head of Finance will be consulted to assess the implications regarding VAT, Capital Controls and Treasury Management.

5. Asset & Project Management Group

Once the financial appraisal has been undertaken, a report will be prepared for consideration by the AMG who will make a recommendation to the Corporate Management Team, in consultation with the Leader and Portfolio Holder for Finance.

6. Negotiation

Once the principle of the acquisition has been agreed, negotiations will be commenced with the vendor. Where the sale is by auction or tender, bids will need to be formulated as appropriate.

7. Cabinet Approval

Any offer to the vendor will be made "subject to contract, Cabinet approval and, where appropriate, survey" and a report will be prepared for the next Cabinet, recommending acceptance of the acquisition.

Where circumstances dictate that an urgent decision is required (and where resources have not been set aside and the principle of the acquisition has not already been agreed) the Leader and the Chief Executive will be consulted as to whether the use of the Chief Executive's delegated powers is possible/appropriate after taking advice on the financial and any legal implications arising. Any decisions made in accordance with this condition will be 'Key Decisions' and must be reported in accordance with the relevant procedures.

8. Instructions

Once Cabinet approval has been received, and any surveys satisfactorily carried out (or earlier if appropriate), the Legal and Democratic Services Manager will be instructed to complete the documentation associated with the acquisition.

9. Completion

Once the acquisition has been completed, Members will be informed as appropriate.

Summary Asset Register 2005-06

Appendix 4

Property Description and Balance Sheet Code	Initial Value £	Residual Value £	Balance Sheet Value @ 1.04.05 £	Disposals	Revalue / Restatement £	Capital Expenditure 2005-06 £	Depreciation 2005-06 £	Balance Sheet Value @ 31.03.06 £	Asset Rental 2005-06 £
Council Hostels	1,799,476	491,291	1,672,676	(568,500)	(35,383)	35,383	(30,500)	1,073,676	38,100
Land and Buildings									
Sports Centres	1,335,000	110,500	2,041,998	-	(33,903)	157,379	(195,668)	1,969,806	81,700
Pools	3,875,000	340,000	3,662,850	-	-	76,524	(164,783)	3,574,591	129,700
Public Halls	735,000	150,000	396,000	(396,000)	-	-	-	-	-
Car Parks	2,449,500	100,000	2,428,200	-	-	-	(7,100)	2,421,100	85,000
Public Conveniences	732,000	66,500	664,200	-	-	-	(22,600)	641,600	22,900
Cemetery Buildings	1,032,000	32,000	951,400	-	-	-	(26,700)	924,700	32,900
Parks/Playing Fields Buildings	1,457,738	93,500	1,408,207	-	(52,254)	140,726	(65,539)	1,431,140	56,300
Allotments	15,000	-	10,500	-	-	-	(1,500)	9,000	300
Riverway Depot	550,000	200,000	520,000	-	-	-	(10,000)	510,000	18,000
Trowbridge Recycling Site	227,625	227,625	227,625	-	-	-	-	227,625	8,000
Bradley Road Offices	2,750,000	825,000	2,626,700	-	(98,701)	98,701	(41,100)	2,585,600	91,200
	<u>15,158,863</u>	<u>2,145,125</u>	<u>14,937,680</u>	<u>(396,000)</u>	<u>(184,859)</u>	<u>473,331</u>	<u>(534,990)</u>	<u>14,295,162</u>	<u>526,000</u>
Vehicles Plant and Equipment									
Council Hostels	85,713	-	39,805	-	-	-	(39,805)	-	1,000
Vehicles and plant	75,981	-	127,257	-	-	273,458	(90,027)	310,688	17,607
Wheeled Compost Bins 135FS01	-	-	332,612	-	-	661,350	(215,412)	778,550	27,500
Office equipment	25,909	-	16,625	-	-	-	(9,772)	6,853	600
Car Park Machines	-	-	38,364	-	-	-	(9,600)	28,764	1,700
Computer Equipment and Software	586,903	-	1,154,777	-	-	358,735	(413,101)	1,100,412	55,500
	<u>774,506</u>	<u>-</u>	<u>1,709,441</u>	<u>-</u>	<u>-</u>	<u>1,293,543</u>	<u>(777,717)</u>	<u>2,225,267</u>	<u>103,907</u>
Non-Operational assets									
Commercial Property	5,980,000	2,277,000	5,018,900	(85,200)	(4,951)	18,951	(102,500)	4,845,200	171,000
Other Land	290,262	-	200,262	-	-	-	-	200,262	7,100
	<u>6,270,262</u>	<u>2,277,000</u>	<u>5,219,162</u>	<u>(85,200)</u>	<u>(4,951)</u>	<u>18,951</u>	<u>(102,500)</u>	<u>5,045,462</u>	<u>178,100</u>
Community Assets									
Parks/Playing Fields	797,432	-	797,432	-	(1,088)	1,088	-	797,432	39,500
Cemeteries	40,339	-	40,339	-	(34,925)	34,925	-	40,339	1,900
	<u>837,771</u>	<u>-</u>	<u>837,771</u>	<u>-</u>	<u>(36,013)</u>	<u>36,013</u>	<u>-</u>	<u>837,771</u>	<u>41,400</u>
Total Assets	<u>24,840,879</u>	<u>4,913,416</u>	<u>24,376,731</u>	<u>(1,049,700)</u>	<u>(261,205)</u>	<u>1,857,220</u>	<u>(1,445,707)</u>	<u>23,477,339</u>	<u>887,507</u>

APPENDIX 4

Capital Project Appraisal Form

Form 1

Service development bid

Business case for capital and major ICT projects

Please use this form for capital bids and major ICT projects. When completed, submit this to Ian Jamieson by 9 Nov 2005.

Service area	
Service Manager	
Name of project	

Project description

The project should be described in sufficient detail for it to be understood by the uninitiated reader

--

Objectives and purpose

State the objectives, purpose and reasons why the project should be undertaken. Please state:

- If this is a statutory or non statutory requirement
- If it contributes to the achievement of CPA requirements or key CPA performance indicators (listed in the notes)

--

Contribution to the Corporate Plan

Describe how the project will contribute to the achievement of the Corporate Plan spotlight areas or getting the job done principles

--

Options

The various options for achieving the required outcome should be outlined. The reasons for selecting the proposed option should be explained.

--

Benefits

This section should identify each benefit that would be achieved from the outcome of the project. Each benefit should be described clearly and in measurable terms. The quantification of benefits is important so that competing projects can be compared and that the success of a project can be established

--

Risks

A summary of the key risks which could seriously affect the outcome of the project should be given. How these risks will be managed should also be described.

Also, please rate the risk according to its impact and its likelihood on the following scale:

a) Impact

- 4 Severe
- 3 Significant
- 2 Disruptive
- 1 Minimal

b) Likelihood

- 4 Certain
- 3 Very Likely
- 2 Likely
- 1 Unlikely

Timescales and contract periods

The timescale for implementing the project, from the point of approval and funds being made available, should be set out. Finance need to know soon after approval the contract will be let/payments start and how long the contract will run for, when do you think you will have this information available?

Appraisal

This section should show the balance between the benefits to be gained from the project against the costs of carrying it out. The base line for appraisal is the “do nothing” option, i.e. what will be the picture of costs and benefits if the project is not undertaken. This should be compared with the picture expected from completing the project.

Wherever possible, benefits should be expressed in tangible, measurable ways. If the outcome of a project cannot predicted with certainty, best case and worst case scenarios may be described.

Costs

Full details of the costs of the project should be given. These should cover both one off and ongoing costs

	Year 1 (state yr)	Year 2 (??)	Year 3 (??)
Capital			
Capital expenditure			
Total			
Capital contributions			
Total			
Revenue implications	Year 1 (state yr)	Year 2 (??)	Year 3 (??)
Annual expenditure			
Total			
Annual income			

Total			
Annual savings			
Total			
Net Revenue			
Funding			
If there is any external funding available for this project, please give details			

Notes

Rules on capital: The rules on capital changed on 1 April 2004 and that what we capitalised in the past might not be able to be capitalised in future. In particular repairs cannot be capitalised unless the value of the asset has been reduced to reflect the lack of repair and the work will add value to the asset. Computer software can be capitalised but the first year maintenance cannot. We also need a split between computer hardware and software. The Auditors are likely to become much more interested in our capital programme and will expect that proper option appraisal has been carried out and that optimism bias (see www.hm-treasury.gov.uk/media/885/68/GreenBook_optimism_bias.pdf) has been addressed as part of the appraisal. For more information, or specific queries, please contact Steve Harding.

Key CPA performance indicators: A small number of national performance indicators have been identified for CPA purposes and they are grouped under the three CPA areas, culture, environment and housing.

Under culture, there are no performance indicators relating to districts (at present the PIs listed only relate to libraries)

Under environment, four performance indicators are listed,

- BV109a-c processing of planning applications
- BV205 planning quality of services checklist
- BV199a-d cleanliness
- BV82a-b household waste recycling

Under housing, two key performance indicators are listed:

- 183a-b time in bed and breakfast and hostel accommodation
- Private houses vacant for more than 6 months (not a BVPI but reported via HIP)
- (A number of other housing PIs are included but these relate only to councils that still retain and manage their own stock)

APPENDIX 5

West Wiltshire district and our neighbours

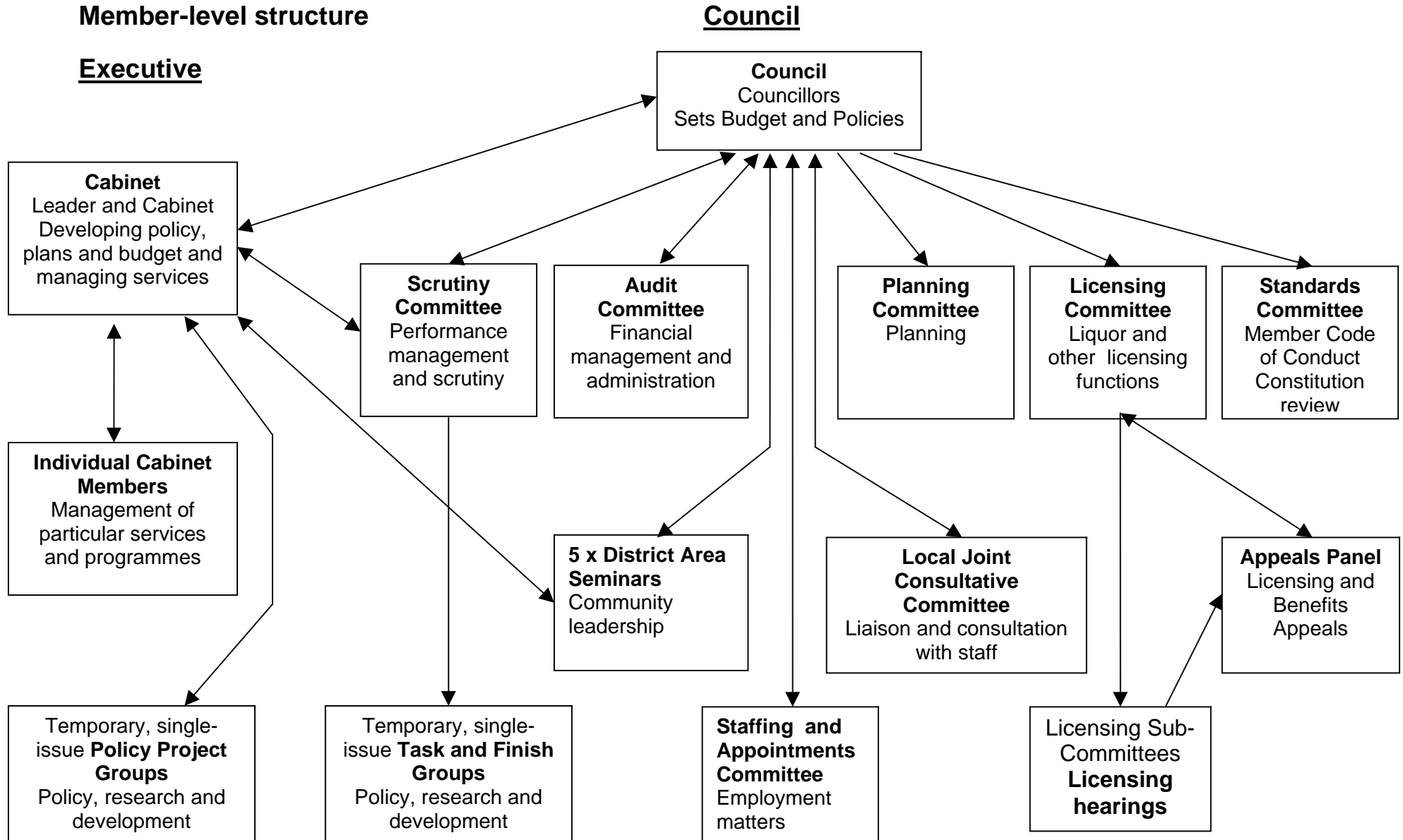


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APPENDIX 6

Member-level structure

Executive



APPENDIX 7

Officer level structure

