

Contents

<u>Section</u>	<u>Page</u>
Executive Summary	2
Introduction	3
Asset Vision & Objectives	3
Organisational Arrangements	5
Investment Planning	6
Programme Development and Funding	9
Programme Implementation and Monitoring	11
Performance Measurement and Review	12
Summary / Conclusions	13
Glossary of Terms	14

Appendices

- A. Corporate Property Strategy
- B. Capital & Assets Board Structure Chart & Terms of Reference
- C. Corporate Planning Framework
- D. Corporate Capital Monitoring Procedures
- E. Property Performance Indicators Matrix

EXECUTIVE SUMMARY

1. This document sets out the strategic context in which property assets are managed while its sister document, the Corporate Asset Investment Plan, is the annual programme and performance report
2. In the context of its Corporate Objectives and planning processes, this meets the County Council commitment to establish an integrated asset management and investment planning system which defines its corporate property and capital objectives that support service delivery and the achievement of targets.
3. The Council works in partnership with many organisations both for direct service provision and for complementary services. There is wide consultation with the communities in the county on the services and facilities and a major commitment to improve the customers' experience of the authority. The premises that services are delivered from are a major visible contact and affect people's view of the council.
4. A Capital and Assets Board (CAB) has been established to oversee the development, progression and implementation of a corporate vision and strategy for its assets and capital planning.
5. Service Plans are prepared annually to establish a medium and longer-term plan for the direction of services. The plans explain investment proposals and show how the investment will have a positive impact on service standards and improve performance. The Director of Environmental Services and the County Treasurer have an essential role in this process of providing property information (Asset Management Plans (AMPs)) and financial advice.
6. The County Council's property database is well developed and contains information on the attributes, condition, suitability, sufficiency and running costs of its property assets. It links to CAD plans and site photographs and our GIS database. The system's Unique Property Reference Numbers (UPRNs), link the accounting and works ordering system, the asbestos management system and the disabled access audit module. Progress is being made to make the systems available electronically to stakeholders.
7. The County Council has a well defined matrix of statutory and local property performance measures which are used to inform property decision making. Key property performance indicators are reported to Members via the Corporate Asset Investment Plan and other reports. The indicators are used with service managers as part of their AMPs.
8. The corporate capital framework has been developed to ensure capital resources contribute to the Council's strategic goals and targets. The framework aims to ensure that capital schemes are identified, prioritised, appraised, commissioned, managed and resourced, in an economic, efficient and effective manner. The Corporate Capital Guidance notes are issued annually by Corporate Finance.
9. The Capital Programmes is implemented and monitored in accordance with estates, procurement and other strategies. The strategies are designed to ensure continuous improvements to the process.
10. This Corporate Asset Investment Strategy (CAIS) captures the investment and asset planning processes within the Authority. Its overall objective is to state the framework for producing the capital investment strategies while providing a source of reference for service managers who are considering capital investment proposals.

INTRODUCTION

11. Asset Management Planning in Wiltshire has evolved since the Audit Commissions "Hot Property" to a point where strategic asset management, service and financial planning are aligned in both corporate policy and process terms.
12. The Capital & Assets Board has strong Member and Service Department representation as well as clear terms of reference for its operation. It therefore provides a solid forum for all property and investment decisions to be made.
13. Formal processes in place for capital and revenue prioritisation have been refined so that option appraisal and Whole Life Costing are an intrinsic part of the property review and budget planning cycle. This business planning discipline generates more opportunities for prudential borrowing and the ability to measure improvements in service delivery on the back of capital investment.
14. The information in this document provides the strategic context in which property assets and the Councils investment in them is managed. It provides links to asset and performance data, organisational structures, investment bidding forms and guidance, and detailed programmes of work.
15. The CAIS highlights the structure for close working relationships with partners, such as Wiltshire Health Authority, Primary Care Trusts and District Councils, as well as the needs arising from community planning. Overall, the strategy contributes to the continual improvement of service provision to the people of Wiltshire.
16. As the Council is committed to this progressive approach to asset investment and management, the CAIS represents one of the key strategy documents describing the Authority's approach to the provision of services in the community.

ASSET VISION & OBJECTIVES

17. Wiltshire County Council adopted its corporate plan 'Wiltshire 2009' in October 2005. It sets out what we plan to do over the next 4 years - what we want to be like in 2009; what we want to achieve; how we will pay for it; how we will do it, and what the risks are. The plan was updated in July 2006, and now includes an appendix with information about targets, performance in 2005/6, risk management and the Council's initiatives. The plan sets out the challenges facing Wiltshire and the goals the County Council aims to achieve and may be found on the Council's Website at www.wiltshire.gov.uk
18. In setting its priorities and targets, the County Council has to consider not only to current performance, the result of external inspections, but also:
 - The strategic analysis and key targets adopted by the Wiltshire Strategic Board, including 8 themes for partnership and interagency working in the county (see 'Partnerships & Consultation' below)
 - The analysis in previous performance plans of special factors and circumstances in the county that should be reflected in the council's goals
 - Evidence of preferences and priorities expressed by local people in various consultations (see 'Partnerships & Consultation' below)
 - The statement of Shared Priorities between central and local Government.

19. Investment in and the management of land and property assets that support service delivery must be attuned to and support the requirements of these objectives and targets – this is the primary purpose of the Corporate Property Strategy. See appendix A.

Partnerships & Consultation

20. The County Council is committed to contributing to the objectives of other organisations within its area, and to reinforce those that might complement its own. These include Health Authorities and Health Care Trusts, Registered Social Landlords, District, Parish and Town Councils, the Police Authority, Fire Authority, companies, voluntary organisations and the Rural Development Agency.
21. Partnership working is consistent with the Council's approach to Best Value, the Modernising Local Government agenda and with the white paper 'Strong & Prosperous Communities'. It has changed the focus from the traditional provider role of local authorities to a strategic enabling role. It also provides opportunities to achieve reviews of service provision across organisations and to focus on the service recipient. Thus, the Council is able to influence, and be influenced by others through the use of its resources in a joined-up way that benefits the whole community.
22. Wiltshire has well developed consultation processes and strives to improve these to maximise benefits in planning for residents, businesses and other service providers. Information is currently flowing in from the Citizens Panels and other groups established by the County Council.
23. Wiltshire has achieved Beacon status for its continuing innovative approach to community planning and consultation. The Wiltshire Strategic Board is developing a distinct countywide community strategy. It has five levels (region, county, district, community area and neighbourhood) and issues are dealt with at the most appropriate level. Wiltshire's Community Strategy is the outcome of partnerships operating at these five levels as a chord, not a pyramid. Partnership issues are grouped together under 8 interconnected primary themes (e.g. education and lifelong learning). Local Strategic Partnerships (LSP) are being formed as the core partnership at district level, offering opportunities to further develop the Council's collaborative style of working with the County's public, private, voluntary and community sectors.
24. Consultation and continuous dialogue with service providers, customers and potential partners are at the centre of property and investment planning. It happens particularly in the context of:
 - Corporate Co-ordination of property and investment matters via CAB
 - Service Planning regimes
 - Monthly progress meetings on specific programmes
 - Daily working with service managers and potential partners
 - Business Process Re-engineering, Best Value (and other) Service Reviews
 - Annual reviews with service providers and potential partners
 - Satisfaction surveys and performance measures

ORGANISATIONAL ARRANGEMENTS

Member Arrangements

25. The County Council's decision-making arrangements are based on a separation of the executive and non-executive functions of the Council. It has a Leader and Cabinet, and an Overview and Scrutiny Committee supports the work of the Cabinet and the Council as a whole; it also initiates inquiries into matters of local concern, and monitors the decisions made by the Cabinet. The Cabinet has also established Advisory Panels of members and stakeholders to assist it in policy making and policy formulation.
26. The setting of the budget and policy framework matters are the responsibility of the full Council, the Cabinet is responsible for the formulation and implementation of the capital programme and the management of the budget. It considers the bids for capital investment put forward by individual Portfolio Holders.

Corporate Arrangements

27. The Capital and Assets Board (CAB) is chaired by the Director of Environmental Services in his role as the Corporate Property Officer (CPO). Membership of the Board includes the Portfolio Holder responsible for Asset Management, the Chief Financial Officer, senior managers responsible for strategic property management and senior service representatives. There are a number of specialist working parties that report to the Board. These support particularly its work on strategies, policies, programmes, and standards. The CAB management structure and specific terms of reference are shown at **appendix B**.
28. The Board has responsibility for the preparation, periodic review and implementation of the CAIS, overseeing the preparation of the CAIP, property aspects of Service Reviews and Community Planning, BPR initiatives, capital programme preparation and monitoring, major projects etc. It informs and seeks approvals from, as appropriate, the Corporate Management Team (Chief Executive and Chief Officers) and Council members.
29. The CAB, through its Corporate Property Officer, includes within the CAIP an annual report to members on the performance of the property estate and on performance as a result of investment in (or disposals from) the estate. The performance report includes the Corporate Property Strategy targets and an indicator on the achievement of capital receipts targets. The CAB also receives information on all local PI's which include client and user satisfaction indicators. See Performance Measurement & Review on page 12.

Departmental Arrangements

30. All Departments have responsibility for preparing Service Plans that set out how the service will contribute to the achievement of the council's priorities. Service Plans form the basis of service delivery through departmental financial planning and all investment decisions. Service Plans also demonstrate how investment will impact on performance improvement. Cross cutting issues such as Finance and Property are discussed and agreed annually with representatives from those departments so that the corporate context is considered alongside service needs. A schematic representation of how Service, Financial and Property planning is linked is at **appendix C**.
31. Guidance is available for service managers on the standards, policies, support and processes involved in property management. This is primarily aimed at informing the service planning process but it is also designed to help increase the corporate capacity of service managers.

WCC Corporate Asset Investment Strategy

32. The Environmental Services Department, specifically the Strategic Property Services Group, is responsible for the procurement, construction, maintenance, management and disposal of the council's property assets. The Group acts as the 'Corporate Landlord' and works with occupiers to ensure that, with regard to matters which are landlord responsibilities, all building occupiers work in a healthy and safe environment which meets appropriate building standards and that premises are fit for purpose. Most of the required professional services are procured from the private sector under partnership contracts. The Group is responsible for the development of Asset Management Plans (AMP's) and for delivering or supporting all property aspects of Service Planning.
33. The County Treasurer has primary responsibility for the capital planning framework which has the following objectives:

<ul style="list-style-type: none"> • To ensure that a longer term integrated planning process is in place which identifies the needs of people in Wiltshire • To contribute to the key priorities for the Council as set out in the Corporate Plan • To promote joint working and a partnership approach and achieve cross-cutting outcomes • To assess all capital investment schemes and maximise the use of funding sources available • To determine how schemes are prioritised to ensure resources are effectively utilised, including the assessment of implications on the revenue budget • To set parameters for procurement and delivery of capital schemes, and procedures for monitoring and evaluating progress 	CORPORATE CAPITAL FRAMEWORK OBJECTIVES
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34. The processes in place to achieve these objectives include:
- Preparation of the capital programme - issuing guidance, co-ordinating bidding, facilitating the corporate prioritisation process, estimating capital resources, operation of the Prudential Code capital controls and presenting the draft programme to Cabinet/County Council for approval. The process includes the linking of the Medium Term Financial Plan and treasury management functions in respect of affordability and sustainability of capital spending and borrowing plans, as well as encouraging full option appraisals.
 - The option appraisal is not just limited to the cost of providing an asset in both capital and revenue term, but extends this into the wider procurement considerations to test which provides the best value for money (i.e. how best to procure/finance the required project – will it affect revenue or capital?). This links very closely with service planning.
 - Managing and monitoring the capital programme during the year – including advising the Capital Officer's Working Group (COWG), reviewing resource levels, approving in-year changes to the programme as recommended by the COWG , reporting to the Cabinet on progress with the programme and advising departments on capital projects.
 - Working with all departments to assist in the integration of the capital planning within, the Medium Term Financial Strategy, service plans, and asset management plans.

INVESTMENT PLANNING

35. The Capital Investment Proposals considered for the Corporate Capital Programme are derived from the departmental service plans. To services identify the investment requirements, consideration will need to be given to a number of reference sources.

Property Asset Management Plans (PAMPS)

36. The Strategic Property Services Group compiles individual property asset management plans (PAMPs) for all non-school premises. The PAMPs contain all the core data about that property – its location, size, value, tenure, condition, accessibility for the disabled, running costs, suitability, space utilisation, energy efficiency, etc. PAMPs are updated annually and are distributed to location and service managers.
37. For Schools the asset management plan is a reflection of the needs of all schools in the authority based upon an assessment of the condition of the buildings, the sufficiency of the accommodation and its suitability for purpose. The property group, schools and the education team gather this data and it is held within Asset Manager, the county's property management system.
38. On the basis of information collected and received, the Group ensures that the property information is valid, up to date and accurate on a day-to-day basis. Quality Assurance systems exist for the updating of data (e.g. condition surveys) and for the importing of new information (e.g. running costs).

Longer Term Property Information

39. A longer-term strategic goal for property information is to fully integrate all appropriate data with/within one corporate system. Despite the success of the Asset Management database there are still numerous discrete systems in operation, including the accounts payable system, works ordering system and some of the Performance Indicator calculating spreadsheets although these systems do make use of the unique property reference numbering system which enables interrogation and reporting. The County Council will procure and implement a new, comprehensive Business Management system by October 2008.
40. As part of the service planning process, PAMP data is aggregated to service (or department) area level and this information is graphically presented to service managers. A comparison of performance is possible with other buildings within the service and across the entire portfolio. This activity also shows performance trends which can highlight where urgent investment is needed to prevent further deterioration of the estate.
41. The data that constitutes the Schools AMP is returned to the DfES every three years. Property investment priorities are determined from that data and through forward planning, particularly for 'basic need' places that will be required as a result of house building.

Capital Investment Proposals (CIP)

42. Using the reference sources above, managers need to consider the asset requirements against the service provisions that they need to deliver. Once identified, a CIP is considered.
43. Each CIP consists of the following:
- Project Report
 - Capital Scoring Matrix

- Option Appraisal
44. The Project Report outlines the development objectives and outputs, including consultations undertaken and details of the implications from the scheme not proceeding at all. Any earmarked funding for a scheme is also presented along with details of its status.
45. The Capital Scoring Matrix aims to provide each scheme with a priority score based on the following criteria:
- Corporate objectives – Assessment of schemes' contributions to corporate objectives
 - Service Standards – Unavoidable legal commitments; statutory responsibilities (inc H&S); minimum authority standards, essential maintenance to ensure service provision; results of best value and other reviews; other VFM initiatives; and other initiatives
 - Planning & Performance – Links with Service Plans (e.g. LTP); option appraisals; and effect on Best Value and PSA PIs and targets.
 - Risk – Quantification of risk of cost variation, time over-run and scheme collapse
 - Impact on Revenue and Running Costs – Assessment of revenue costs & savings.
46. This scoring mechanism is then used to compare schemes to enables those to be prioritised by both the departments and corporately by CAB.
47. Option Appraisals are essential to demonstrate a robust review of a number of procurement options to ensure and evidence that the preferred solution pursued represents the best overall value for money, both in terms of service delivery and the way that the project is financed (i.e. a capital investment approach as opposed to a revenue approach such as outsourcing or leasing).
48. The use of whole life costing (Net Present Values) in option appraisal ensures options are considered on a like-for-like basis as both capital and associated revenue costs and savings are compared over a 25 year time frame. This ensures that schemes are designed in such a way as to maximise value for money over the whole life of the project, rather than just to minimise initial capital costs.
49. Option appraisals for schemes over £0.5 million are mandatory. Under the Prudential Code, capital investment decisions will become much more driven by revenue affordability. This approach is now essential as genuine choices can be made between revenue and capital intensive options.
50. Option appraisal is the responsibility of the Service Chief Officer with input from the strategic property group. The priorities are determined according to revenue and capital guidance set out by the CAB which it issues annually.

Planning Process

51. The planning process identifies schemes for the three-year rolling capital programme, as follows:
- August Issue any updates to the corporate capital programme guidance notes, including criteria for prioritisation, format for CIP, timetable and details of the process for bidding for capital resources
 - September / October Service departments prepare prioritised capital bids for consideration by Portfolio Holders
 - November Capital Officer's Working Group (COWG) meet to draft prioritised

corporate list

- December CAB meets to agree a prioritised corporate listing for presentation to CPG, Cabinet and County Council based on resource allocations.
- January The Cabinet receive recommendations from the CAB and CPG along with an indication of available resources
- February In light of confirmed resources the County Council approves the capital programme

52. The three-year programme ultimately contains all capital schemes regardless of funding. The programme separately identifies schemes 100% funded from earmarked resources (e.g. developer contributions, government grants and scheme-specific supplementary supported borrowing) from those where the County Council uses discretionary capital resources (supported borrowing, capital receipts, revenue contributions).
53. Schemes that are supported by 100% funding are evaluated using the same criteria as those funded by discretionary resources to ensure they fit with the corporate and service objectives. Similarly, as new 100% funded schemes are identified during the year they are evaluated (i.e. using project reports/prioritisation) to ensure they accord with corporate priorities.
54. Currently changes to the planning process are being proposed to align it more closely to the requirements of the Medium Term Financial Strategy. The changes being considered are in line with the Cabinet paper dated 20 March 2007 titled the *Framework Policy on the Management of Resources, Performance and Risk*.

PROGRAMME DEVELOPMENT AND FUNDING

Programme Development

55. The County Council's Corporate Plan, supported by individual service plans and Business Process Re-engineering/Best Value reviews, including particularly their implementation plans, and are the principal source of direction in programme development. These reflect corporate objectives and, as far as can be assessed, the major changes which the authority faces over the short, medium and long term. These sources form the basis of the CIP.
56. The Corporate Capital Programme results from the prioritisation of these CIPS. In terms of capital project prioritisation, each Service Chief Officer applies a scoring matrix to each CIP, the details of which are included in annual Corporate Capital Programme guidance notes issued by Corporate Finance.
57. The Investment Proposals require service managers to list service development objectives/outputs, consultations undertaken, the implications of the scheme not proceeding, and any associated funding available. Similarly, the Capital Scoring Matrix requires the project to demonstrate links to the Corporate Objectives, evaluate the current service standards, show the links to departmental service plans, the potential contribution to performance, a assessment of the associated risks and the overall revenue impact of the scheme,
58. As revenue Budgets are used to address the expenses associated with the occupation and operation of buildings. Effective use of property performance data contained in the PAMPs highlights areas requiring revenue investment such as energy conservation/management, maintenance backlog, etc. This information should also be included within the CIP

59. This exercise results in an objectively prioritised list of works being submitted to the appropriate Portfolio Holder for consideration. It is the role of the CAB to test this scoring mechanism. The CAB considers issues of corporate criteria for priority setting, inter-service priority and funding options, (including sales) in order to recommend a programme to the Corporate Management Team and Council Members.

Funding

60. The ability to deliver the required programme largely depends on the availability of resources. The value of new schemes starting in any year has usually been below 50% of the costed priorities. The majority of funding is received from the Government in the form of revenue support on borrowing costs or through the allocation of grants. However, the bulk of this funding is earmarked for specific projects while our discretionary resources remain relatively low.

61. Capital receipts are an important funding stream. There is a robust approach to the sale of surplus property through the Estates Management Team.

62. The major policies in securing resources to meet the revenue cost of capital investment are:

- The Council applies 50% of its capital receipts to support the capital programme and 50% to repaying debt.
- Resources for financing debt repayments and the capital programme are given a high priority in the revenue budget process.
- The County Council's ability to fund the revenue contribution to the capital programme is dependable on a number of factors which including prevailing interest rates. However, the County Council policy is to maintain the contribution within a range of £0.6 to £1 million per annum.

63. The Council is consistently and actively striving to maximise the amount of capital funding available to it from all appropriate sources. The creation of the Corporate Bidding Unit and the work with external partners (in particular developers) ensures that this occurs. The County Council is also committed to considering all appropriate schemes to identify those that might be suitable for provision through Private Public Partnerships and Private Finance Initiatives.

64. When developers submit plans for housing developments, the County Council negotiates with them for provision of new infrastructure required as a result of their development. This has already resulted in new schools as well as several road schemes being built at little or no cost to the Council.

65. The revenue costs of using new assets are also considered as part of the full option appraisal when assessing schemes. These are shown in the revenue costs of the preferred option and should be built into the revenue budget process and Medium Term Financial Strategy by Chief Officers.

66. Maintenance programmes are largely financed through the revenue budget for which service bids are made annually and are included within the Medium Term Financial Strategy. The bids, and subsequent work programmes, are based on the priorities highlighted by building condition surveys.

67. Schools receive most of their funding for maintenance (and some capital) investment direct from the council via delegation (Local Management of Schools). They have access to their condition surveys and to property advice which enables them to prioritise the spending of this money. They also receive a percentage of New Deal money from central Government which, in line with the council's Statement of Priorities, is directed at backlog maintenance. Programmes of work are devised to make the best use of the various

funding sources, often by combining several projects into one contract and on-site operation.

The Prudential Code

68. Since the 1st April 2004 the Local Authority Act 2003 replaced Part IV of the Local Government and Housing Act 1989 with the Prudential Code for Capital Finance. The key objectives of the new code are to ensure that the capital investment plans of local authorities are **affordable, prudent, sustainable** and follow **good practice**. The measurements of these objectives is undertaken through an increased emphasis on Treasury Management, which is consistent with and supports local strategic planning, local asset management and proper option appraisals.
69. Wiltshire County Council demonstrates that it fulfils the objectives of the Code by setting and monitoring a number of indicators and factors that must be considered. Using these indicators, Wiltshire County Council has set borrowing limits, although Central Government will retain a reserve power to limit borrowing.
70. Fundamental to the operation of the Prudential Code and the new power to extend borrowing is that all schemes are subject to a full option appraisal. The appraisal is not just limited to the cost of providing an asset, but extends this into long term revenue costs / savings and the wider procurement considerations. With this wider test of value for money, the strength of the option appraisals needs to be greater to demonstrate that the service solution is the most appropriate.

PROGRAMME IMPLEMENTATION AND MONITORING

Estates management & Procurement Strategy

71. Property policies and processes are an integral part of the implementation of investment programmes.
72. The Estates Management Team manage all policies and processes in connection with property acquisition and disposal, space utilisation and shared use. This supports the delivery of the capital programme by ensuring optimum use of premises and identifying opportunities for capital receipts.
73. The Procurement Strategy has been established in conjunction with advice on the implementation of the Egan Report "Rethinking Construction". Regular reviews against the implementation toolkit ensure that continuous improvement in the capital project process is maintained.
74. A wholesale review of the council's approved list of contractors and consultants is underway to assure the quality of externally procured services. A framework arrangement is being considered for the appointment of consultants for major schemes to maximise value of service through greater certainty of workload. Contractors continue to be selected on a Best Value basis, ensuring that the appointed contractor offers the most favourable scheme to the end user.
75. A Capital Projects Manual has been produced, which ensures that all projects are managed in a rigorous and auditable fashion. The key principles of this process are management of projects by defined stages with clear review and approval points, and clearly defined project deliverables. The manual also defines the roles and responsibilities of those involved in the process, the council's standpoint on procurement through design and build methods, and approach to management of risk.

76. Post project reviews largely concentrate on the delivery of the project against pre-defined cost and time objectives. Involvement of the end users in this process alongside the design and construction team ensures that lessons learned during the course of each project are fed back into future and ongoing projects. As part of the Performance Indicators project a formal procedure to obtain client/customer satisfaction for all projects over £50,000 in value has also been introduced. A recent exercise to benchmark construction costs against national cost data reflects favourably on the value for money of the council's projects and the exercise will be continued to enable performance to be monitored.

Monitoring

77. The management, measurement and monitoring of the capital programme once schemes are under-way is overseen by the Capital Programme Management Working Party (of CAB), which meets monthly to review progress and consider management actions to ensure that available resources are used most effectively, for example, by bringing forward where possible other approved schemes to compensate for ones that are underspending through slippage. There are monthly progress reports to the Cabinet, focusing mainly on areas where members' intervention is required, rather than where the Chief Financial Officer has appropriate delegated powers.
78. Cabinet Members are apprised of the progress of the capital programme on a monthly basis. Details of the capital monitoring and management procedures are attached at **appendix D**.

PERFORMANCE MEASUREMENT AND REVIEW

Performance

79. To support the Corporate Property Strategy targets, a matrix of property performance indicators has been established. The result of each indicator is published annually in the PAMPs together with an analysis of trends and targets set/met. The matrix of indicators is at **appendix E**.
80. This information is valuable at all levels to support decision-making. The council has made property information available to all stakeholders, primarily via the PAMP and service planning documents. The performance data is also key to the assessment of investment priorities as detailed in the CAIP.
81. Condition surveys of all County Council properties are carried out on a 3 year rolling programme basis enabling the assessment of the maintenance backlog of the estate. The level of backlog (including schools) is reported annually to Cabinet together with the current strategy to reduce it. Revenue budgets are used to address maintenance (and other running cost) issues but capital bids are made corporately and prioritised alongside other capital bids.
82. The Council has a well established system for recording and analysing suitability indicators. All premises have been assessed in terms of their fitness for purpose (PI reference 1D in **appendix E**) by location managers/building occupiers. These assessments are moderated/verified by the Strategic Property Group and service managers. Re-surveys are undertaken every three years in line with the condition surveys. Suitability issues are mainly addressed through capital improvements and bids are made accordingly.
83. Similarly, a series of 4 local PI's have been developed for space utilisation (PI ref 4F in **appendix E**). The findings of this PI and various pilot studies have supported a report on space standards (for office accommodation) which was presented to and adopted by the

Corporate Management Team in May 2002. This, and other indicators also form the basis of property, service and area accommodation reviews.

Review

84. All major building projects are also procured externally and the appraisal of this service by the client, occupiers and service users is essential to highlight areas for improvements. All projects over £50,000 are the subject of a formal post project review where clients and customers are interviewed about their experience, the success of the contract and the contributions the work has made to improved service delivery. Whilst the recent developments have emphasised the importance of post-project reviews, for many years clients (service/location managers and end users) have been involved in pre-project activities such as options appraisal and design development. Formalised meetings are held regularly and an 'open book' approach is adopted to promote shared ownership of scheme objectives, decision-making and budget allocation.
85. The CAIP annually reviews the successes and failures in the delivery of the capital and revenue programmes. It includes the outcomes of post project reviews and progress towards improvement targets.
86. With regard to national benchmarking, the council takes part in the property utilisation and running costs exercises facilitated by CIPFA on behalf of COPROP. The council also belongs to the Asset Management Network which is run by IPF on behalf of the Government Offices. IPF support a PI database providing feedback to all member local authorities on performance data so that national benchmarking can be undertaken.

SUMMARY / CONCLUSIONS

87. The CAIS provides the framework for the investment and asset planning processes within the Authority. The overall objective of the CAIS is to enable the capital investment strategies to be formulated in line with the Corporate Objectives while providing a source of reference for service managers who are considering capital investment proposals.

Glossary of Terms

AMP – Asset Management Plan
BPR – Business Process Re-engineering
CAB – Capital & Assets Board
CAD – Computer Aided Design
CAIP – Corporate Asset Investment Plan
CAIS – Corporate Asset Investment Strategy
CAMP – Corporate Asset Management Plan
CCS – Corporate Capital Strategy
CIPs – Capital Investment Proposals
COPROP – Society of County Property Officers
COWG – Capital Officer's Working Group
CPA – Comprehensive Performance Assessment
CPG – Corporate Planning Group
CPMWP – Capital Programme Management Working Party
CPO – Corporate Property Officer
DfES – Department for Education and Skills
GIS – Geographical Information System
LAs – Local Authorities
LSP – Local Strategic Partnerships
LTP – Local Transport Plan
PAMPs – Property Asset Management Plans
PIs – Performance Indicators
PSA – Public Service Agreements
SAMP – Service Asset Management Plan
SCP – Single Capital Pot
UPRNs – Unique Property Reference Numbers
VFM – Value for Money

APPENDIX A



What we want to achieve (Purpose)

Investment in and management of the council's land and property assets supports service delivery

- Accommodation meets service needs
- Assets are efficiently managed and maintained
- Portfolio is constantly under review
- Investment contributes to all property objectives
- Focus on sustainability in decision making

What we are responsible for (estate)

The estate is a corporate resource and must be managed accordingly

- Asset value £300m
- Maintenance backlog £76m
- Non schools cost £5.75m pa to run
- Capital spend averages £7/8m pa
- Property services cost £1.6m pa

What we are responding to (context)

Change Drivers affecting the Council

- Corporate Plan (next 5 years)
- The Change Programme
- CPA Use of Resources
- Gershon Efficiency Targets
- RICS guidance on AMP's
- Gov led service modernisation
- Reducing capital
- Lyons Review of Public Assets
- Legislative changes
- Rethinking Construction
- Community Planning/needs
- Carbon Management Programme

Implications for WCC property

- Need for a corporate view
- Cross cutting with ICT
- Closer links to financial plans
- Get closer to services
- More/different demands on space
- Release for capital receipts
- Emphasis on whole life costs

What we will do (objectives and actions)

To ensure service needs have property solutions

- Develop CAB and whole property strategy
- Service and Finance Team relationships
- Write SAMPs

Retained property is well managed

- Establish landlord/tenant agreements/protocols
- Strategy to address maintenance backlog
- Projects to drive down running costs
- Secure VFM through procurement
- Current health, safety, risk & access assessments

Challenge and review property holdings

- Programme of area reviews
- Complete suitability surveys
- Implement office space standards
- Co-locate and mixed use where possible
- Support new ways of working initiatives

Investment contributes to Property Strategy

- Collaborate on Options appraisals
- Deliver build programmes on time/budget
- Incorporate WLC and PPR in all projects

Sustainable development and decisions

- Pilot study with Carbon Trust
- Upgrade energy monitoring system
- Green choices during construction

Who will do it (resources)

Cabinet – decides on capital programme and manages council budgets
Scrutiny – enquires into matters of local concern, monitors Cabinet decisions
Portfolio Holder – provide strategic direction
CAB/CPMWP – multi-disciplined board and working parties, provides corporate context for property, manages the asset management process, performance, policies and resources
Strategic Property Management Group

- Strategic Project Leads – manage corporate & general improvement projects
- Operational Teams – routine management of the estate

Partners

- Service/Ops Managers – SAMPs, capital bids, revenue budgets
- Change Programme
- External Providers
- Other Public Bodies

What will improve and how we will increase value (outcomes)

Potential efficiencies/savings (net of inflation)

- Reduce maintenance backlog by 20% in 5 years
- Reduce key running costs by 20% in 4 years
- Reduce procurement costs by 10% in 3 years
- 100% of buildings accessible in 10 years
- Improve office space efficiency by 20% in 4 yrs

Annual Efficiency Statement (Gershon)

The Council's planning framework describes how each of its services will contribute to the corporate objectives. Investment in and the management of our land and property assets must directly support the delivery of those services. This Property Strategy sets out our plans to improve property management, the buildings where our staff work and the public satisfaction in the facilities we provide.

Keith Robinson
Chief Executive

The Cabinet is committed to an integrated asset, financial and service planning system that ensures investment is targeted where it is most needed. The Property Strategy sets objectives and stretching targets that provide a focus for this investment.

Toby Sturgis
Portfolio Holder

What does success look like (critical success factors)

Having a portfolio which is fit for service use

- Client and public satisfaction ratings (improved service delivery)

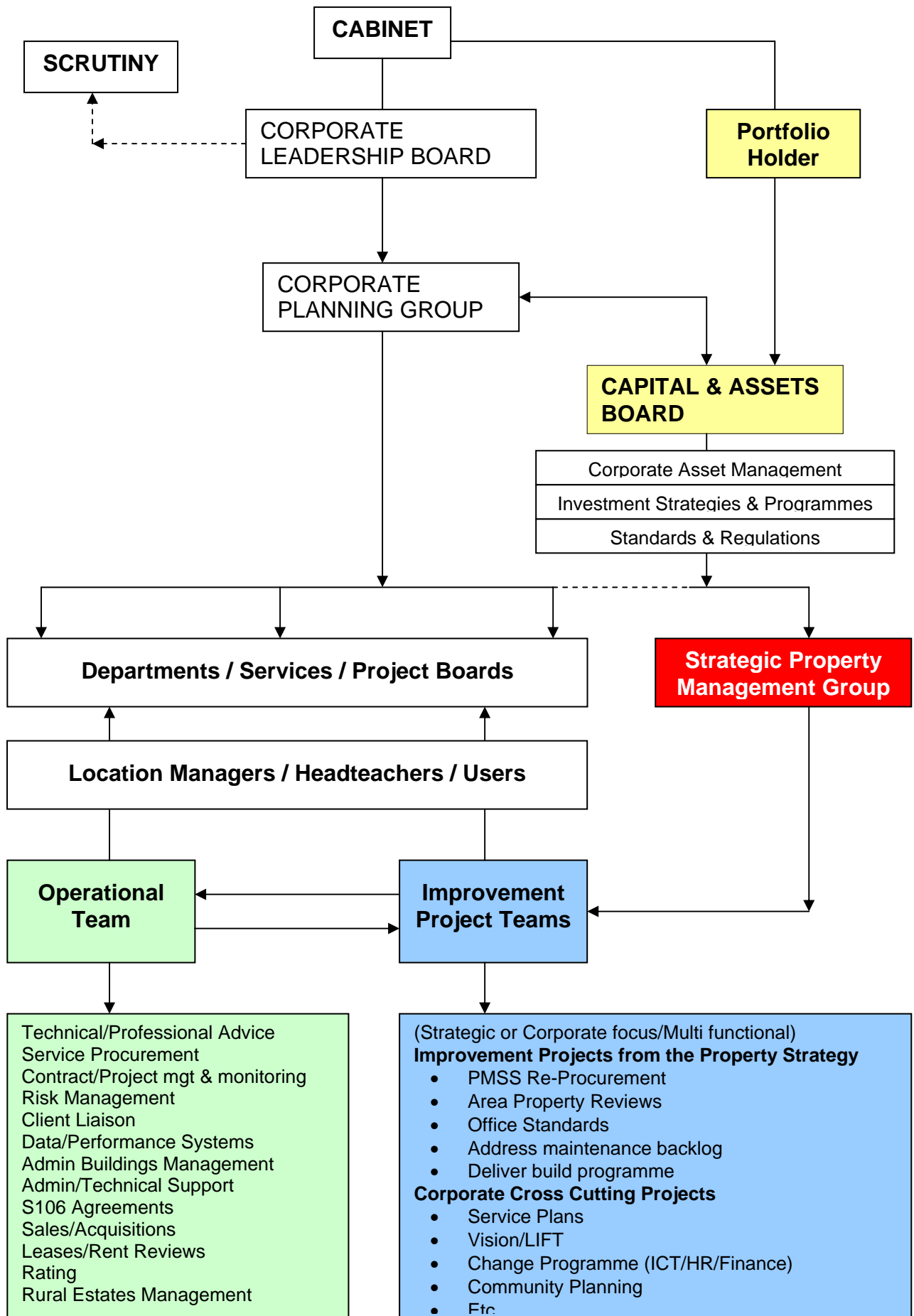
Having an effective property service

- Client satisfaction ratings (better VFM)

If you want to find out more about the Property Strategy please contact:
 John Shorto – Strategic Property Manager
 Sarah Ward – Corporate Assets Manager

CAPITAL & ASSET BOARD MANAGEMENT STRUCTURE:

APPENDIX B



Capital & Assets Board - Terms of Reference

Key Outcome:

- *Strategic Investment in and Management of the Property Estate* – ensuring that the council's land and property assets are managed in a sustainable way and that they support service delivery.

Responsibilities:

- Co-ordinate Property, Service, Financial & Corporate Planning to deliver the property strategy
- Responsible for Capital & Revenue investment & disposal programmes
- Work within the delegations scheme to agree items from CAB project teams
- Implement Property Standards & Policies
- Establish & monitor PI's & targets
- Delivering Property Efficiencies
- Champion asset and investment management within departments

Outputs (potentially to Cabinet and/or CPG):

- Annual 3 year Capital Investment Plan
- Direction to MTFS for Revenue implications
- Up to date Capital Investment Procedures
- Annual Property Performance Report – including progress against key strategic targets
- Policy and Strategy documents

Meeting and Reporting Structure

- Board meets quarterly (with additional meetings when required) timed to coincide with key financial, corporate and service planning deadlines.
- Agenda items are driven by current business demands and needs of the CAB project teams.
- Each agenda item will have a required 'action' point for CAB to consider.
- Documents relating to agenda items will be circulated at least 7 working days before each meeting.

CAB PROJECT TEAMS – TERMS OF REFERENCE

➤ **Corporate Asset Management Project Team**

Key Outcome:

- *Strategic Asset Management* – linking corporate and service goals to effective asset management.

Areas of Responsibility:

- Overview of Strategic Improvement Programme
- Property strategy development
- Analysis of property performance
- Property Review programmes
- Link property management plans to Corporate & Service goals
- Develop business processes for assets
- Establish asset management roles and responsibilities
- Consider resource deployment and capabilities

Outputs:

- Core Strategic documents (currently CAIS)
- Overall Property Strategy
- Strategic Improvement Programme progress and reports
- Property Performance targets & monitoring reports

Meeting and Reporting Structure

- Not a formal project team. Programmes of work will be driven by the strategic property group using input and resources from CAB when required.
- Overview by the Strategic Property Group (SW). Membership by corporate/service representatives dependent on nature of project/consultation.
- Report key policy developments/documents, overview of improvement programme, property performance reports, proposed changes to management arrangements to CAB.

➤ **Investment Strategies & Programmes Project Team**

Key Outcomes:

- *Affordability* - clear processes for assessing prudence, affordability and sustainability including the effective use of capital for new projects and consideration of future revenue requirements.
- *Customer & Stakeholder Satisfaction* – improved service delivery from ensuring the right investment decisions are made.

Areas of Responsibility:

- Link spending plans to Corporate & Service goals
- Evaluate capital deployment & ensure consistency and transparency of approach
- Develop prioritisation mechanisms
- Develop Options Appraisal and Whole Life Costing systems
- Engage with stakeholders
- Secure value for money
- Monitor Build Project Management and Post Project reviews
- Securing Developer contributions (former Land & Development Co-ordination Group)

Outputs:

- Annual 3 year asset spending (forward) plan (currently CAIP)
- Capital/Revenue Bid Guidance and prioritisation methodology
- Capital Programme Management Working Party outputs

Meeting and Reporting Structure

- Meetings held regularly and timed to link in with existing budget planning cycles and other corporate/national drivers.
- Chaired by the Treasurer (SS/DB)
- Membership to include John Shorto, Phil Schulkins and representatives from DCE (whole service), DACS, CLS, Highways.
- Report key policy developments/documents, agreed investment programmes, progress reports to CAB.

➤ **Office Accommodation Project Team**

Key Outcome:

- *Optimum location and utilisation of offices* – accommodation reviewed, standards applied, running costs reduced and management responsibilities improved.

Areas of Responsibility:

- Managing programme of office reviews
- Implementing office standards
- Optimising occupancy arrangements
- Achieving best fit and value for money
- Establishing office management responsibilities
- Agreeing office charging mechanisms and developing incentives
- Identification of capital receipts and self funding opportunities

Outputs:

- Detailed 5 year Area Office Review Programme and action plan
- PIDs and Bids for project implementation

Meeting and Reporting Structure

- Not a formal project team. Programmes of work will be driven by the strategic property group using input and resources from CAB when required.
- Overview by the Strategic Property Group (SW). Membership consisting of corporate/service representatives.
- Report key policy developments/documents to CAB.

➤ **Standards & Regulations Project Team**

Key Outcome:

- *Compliance with standards & regulations* – e.g. health & safety, asbestos, legionella, accommodation standards, etc.

Areas of Responsibility:

- Develop frameworks for compliance with statutory codes
- Assess response required to non-statutory codes
- Set maintenance, accommodation and other standards for WCC
- Input to Whole Life Costing, option appraisal and post project review agendas
- Assess resources/funding streams required to ensure compliance
- Corporate Landlord role, raising awareness
- Develop property occupancy agreements

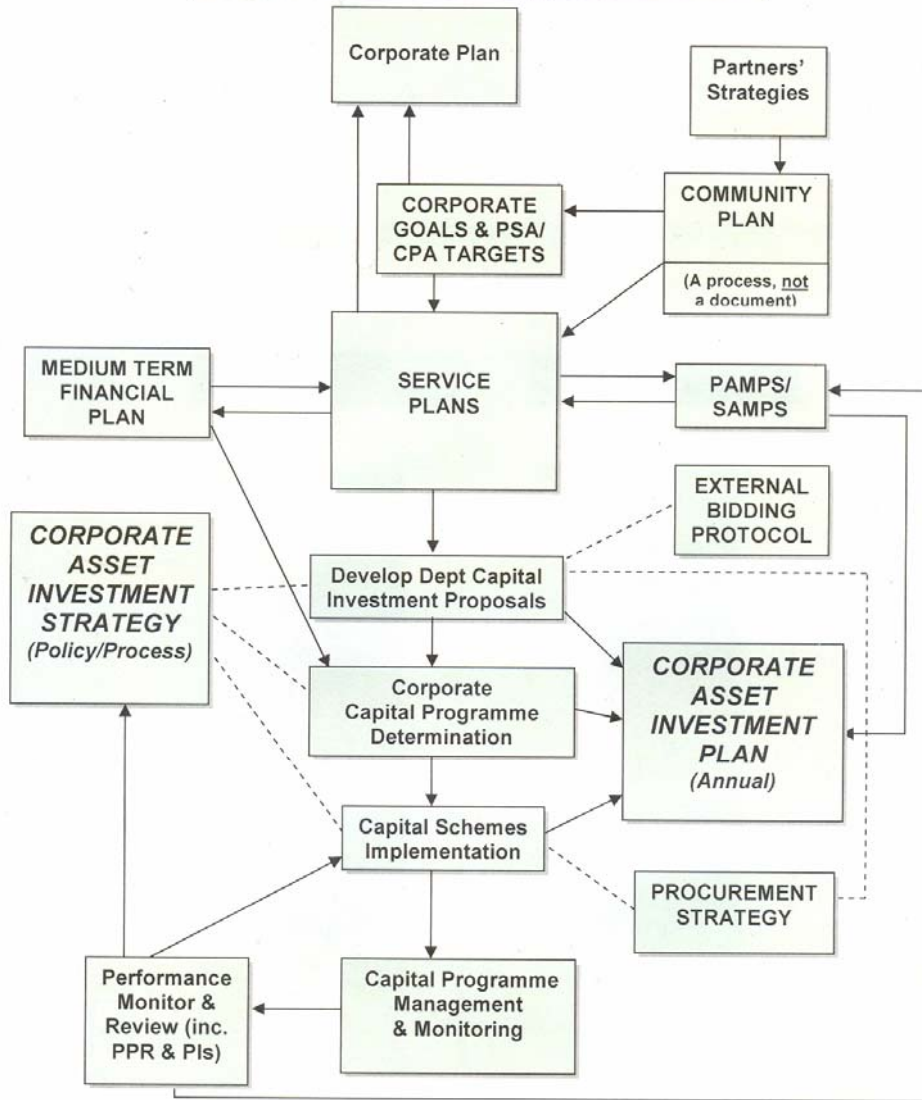
Outputs:

- WCC Policy Documents
- Corporate Landlord guidance
- Occupancy agreements

Meeting and Reporting Structure

- Not a formal project team. Programmes of work will be driven by the strategic property group using input and resources from CAB when required.
- Overview by the Strategic Property Group (JS). Membership (or project lead) by corporate/service representatives dependent on nature of project/consultation.
- Report key policy developments/documents, risk management arrangements, to CAB.

**Wiltshire County Council
Corporate Planning Framework**



KEY	
—————>	Information Flows
-----	Document Referral
CAIP - Corporate Asset Investment Plan	PPR - Post-Project Review
CPA - Corporate Performance Assessment	PSA - Public Service Agreement
PAMP - Property Asset Management Plan	SAMP - Service Asset Management Plan
PI - Performance Indicator	

APPENDIX D

CORPORATE CAPITAL MONITORING & MANAGEMENT PROCEDURES

Background

1. This guidance note pulls together various procedures agreed by the County Council, the Cabinet, CAB and the CPMWP for use in managing and monitoring the capital programme during the year.
2. Financial Procedure Rule (FPR) 129 states that a key control for the Capital Programme is "monitoring of progress in conjunction with expenditure and comparison with approved budget." FPR 131 requires the County Treasurer "to prepare and submit reports to the Cabinet on the projected income, expenditure and resources compared with the approved estimates". Also, FPR 137 requires chief officers "to prepare regular reports reviewing the capital programme provisions for their services. They should also prepare a quarterly return of estimated final costs of schemes in the approved capital programme for submission to the County Treasurer". These procedures are intended, amongst other things, to fulfil these responsibilities.

The Procedures

3. Departments have authority to spend money on capital schemes only to the extent that they are included within the Approved Capital Budget (ACB). This control document is issued monthly by Corporate Finance. Schemes can be added to the ACB either as part of the official Capital Programme approved by the County Council in February, or later in the year, by using the procedure described in Addendum I.
4. Once included in the ACB, schemes automatically become part of this management and monitoring regime. For major projects in particular, Addendum II (Major New Build Project Stages – Summary) shows the responsibilities of service departments and Environmental Services respectively at each stage of the project. Section 4 of the document (Implementation) is the main relevant section in terms of management and monitoring.
5. Environmental Services' staff will meet with each client department on a monthly basis to review the position on individual schemes, and where necessary, to propose revised cashflows. This will update the "Corporate Capital Control Document" (CCCD) which becomes the key capital programme management tool.
6. Following these meetings, the Capital Programme Management Working Group (CPMWG) will meet monthly to review the financial position for the programme as a whole, using the CCCD, and to consider the proposals coming from the departmental meetings. It may decide that changes need to be made to cashflows in the programme, or that schemes should be brought forward to utilise free resources, for example.
7. Following its meeting, the CPMWG may request the County Treasurer, through its Finance representative, to exercise his delegated powers (see Addendum III) to achieve the required changes to the programme. This would result in an update to the ACB and hence the CCCD.
8. A corporate capital monitoring statement (see Addendum IV) will be pulled together by the County Treasurer for the Cabinet on a *monthly* basis and reported to Cabinet in conjunction with the Consolidated Revenue Budget position, using the approved capital budget and CCCD as the controls. A report will be presented to Cabinet on a monthly basis. The types of issue that might be dealt with in the Capital Monitoring Report. *The aim would be to only concern members with real issues – where the scheme cannot be delivered "on the correct day at the correct figure".*
9. Individual departments should agree with their cabinet members how often they require departmental capital monitoring statements and the basis of such reporting, but it must be at least quarterly. These statements should also be submitted to the County Treasurer.

WCC Corporate Asset Investment Strategy

The control document for these statements would be the ACB and the CCCD, to ensure consistency with the corporate monitoring statement.

Addendum I

PROTOCOL FOR ADDING SCHEMES TO THE APPROVED 3 YEAR CAPITAL PROGRAMME DURING THE YEAR

Such schemes should typically be raised via the monthly Capital Programme Management Working Party meetings.

Any new schemes require a Corporate Investment Proposal (CIP) to be submitted to Corporate Finance. The CIP comprises of 7 sections:

- Section 1: Project Details
- Section 2: Option Appraisal (3 options to be considered for schemes over £0.5m)
- Section 3: Details of preferred solution
- Section 4: Contribution to corporate objectives & Service Standards
- Section 5: Planning & Performance
- Section 6: Risk
- Section 7: Revenue / Running Costs

All CIPs must be presented to Corporate Finance for 'due diligence' (where details may be subject to challenge) and will be presented to the next monthly Capital Programme Management Working Party meeting.

Then:

A) SCHEMES THAT ARE 100% FUNDED BY EXTERNAL SOURCES

1. If the scheme meets a Corporate Objective and will not remove capacity to undertake any higher priority schemes then a request will be made to the Chief Finance Officer to use their delegated authority to add the scheme to the current Capital Programme.

B) ALL OTHER SCHEMES (including Earmarked Capital Receipts Schemes)

1. If scheme is not immediately urgent, then hold it until the next capital programme bidding / update round (September / October).
2. If the scheme is urgent, then prepare a report that outlines the business case to support the scheme and forward to the Chief Financial Officer for approval.
3. Once approved by the Chief Financial Officer, a Cabinet report will be required to be written in consultation with the Corporate Finance. The Chief Financial Officer will advise Cabinet in relation to:
 - a) the level of capital resources available at the time; and
 - b) the priority of the scheme relative to other schemes in the current year's programme.

NB. Scores may be subject to challenge at this point. Typically, if a scheme scores at least as highly as the lowest scored scheme in the current year's programme, and scores at least 10 in Section 4, then there would be unlikely to be cause for concern in recommending the Cabinet to approve it on the basis of priority.

Addendum II

MAJOR NEW BUILD PROJECT STAGES: SUMMARY

PROJECT STAGE		RESPONSIBILITY Lead/Support
1.	<p>CONCEPTION</p> <ul style="list-style-type: none"> • Preliminary consideration/consultation/source of funding (eg., land sale, developer, capital part or whole etc) • Outline description/specification 	<p>SD/ESD</p> <p>SD/ESD</p>
2.	<p>EVALUATION</p> <ul style="list-style-type: none"> • Instruct ESD re feasibility • Feasibility commissioned • Consider results/project scope/costs 	<p>SD</p> <p>ESD</p> <p>SD/ESD</p>
3.	<p>APPROVAL</p> <ul style="list-style-type: none"> • Prepare Project Report • Prioritise within Service • Seek and secure budget <ul style="list-style-type: none"> - Report to Advisory Panel - Represent in corporate prioritisation processes 	<p>SD/ESD</p> <p>SD</p> <p>SD</p> <p>SD</p> <p>SD/ESD</p>
4.	<p>IMPLEMENTATION</p> <ul style="list-style-type: none"> • Instruct ESD to proceed • Secure planning approval • Invite tenders • Approve consultant/contractor appointment • Award contracts • Oversee construction/handover • Manage budget • Report to Members (<i>if required</i>): <ul style="list-style-type: none"> - re technical/related funding problems - re specification changes/related funding problems • Oversee maintenance period 	<p>SD</p> <p>ESD/SD</p> <p>ESD/SD</p> <p>SD</p> <p>ESD</p> <p>ESD</p> <p>ESD</p> <p>ESD</p> <p>ESD</p> <p>ESD</p> <p>ESD</p>
5.	<p>REVIEW</p> <ul style="list-style-type: none"> • Post project review - to involve all parties to project. • Improvements in light of review. • Performance Indicators. • Inform Property Policy. 	<p>ESD/ALL</p> <p>ALL</p>
KEY:	<p>SD = Service Department</p> <p>ESD = Environmental Services Department</p>	

Addendum III

**DELEGATIONS TO COUNTY TREASURER IN RELATION TO CAPITAL PROGRAMME
MANAGEMENT**

Delegations to County Treasurer

- ❑ To vary cashflows within individual schemes, in consultation with the Director of Environmental Services and the appropriate service chief officer, subject to the overall financing constraints of the capital programme.
- ❑ Where additional capital resources become available during the year (due to the effect of slippage, re-cashflowing of existing projects or for other reasons), to bring forward achievable schemes scheduled for future years of the approved three year capital programme, in time and priority order, in consultation with the Director of Environmental Services, the appropriate service chief officer and the relevant Cabinet Member.
- ❑ To approve supplementary capital estimates for schemes that are funded from earmarked sources such as specific government grants, developer contributions and supplementary credit approval, as well as for projects that are partially funded from matched funding provisions within the existing capital programme, to the extent that such schemes demonstrably fit within the Policy and Budget Framework set by the County Council.
- ❑ In cases of emergency, to approve supplementary capital and revenue estimates which would normally require the approval of the Policy & Resources Committee (*ie. the Cabinet*), subject to the decision being reported to the next following meeting of the Committee (*ie. the Cabinet*) for information.

Financial Procedure Rules (FPR) – Responsibilities of the County Treasurer

FPR134:

- ❑ To obtain authorisation from the Cabinet for individual schemes where the estimated expenditure exceeds the capital programme provision, unless it can be met from savings elsewhere in the programme, other than savings from schemes unable to proceed.

Note: *These powers specifically do not extend to the variation of overall scheme costs or objectives. Nor do they allow the addition or deletion of schemes from the part of the capital programme that is funded from discretionary resources, apart from in emergency situations (see above).*

Addendum IV

WILTSHIRE COUNTY COUNCIL

SUMMARY

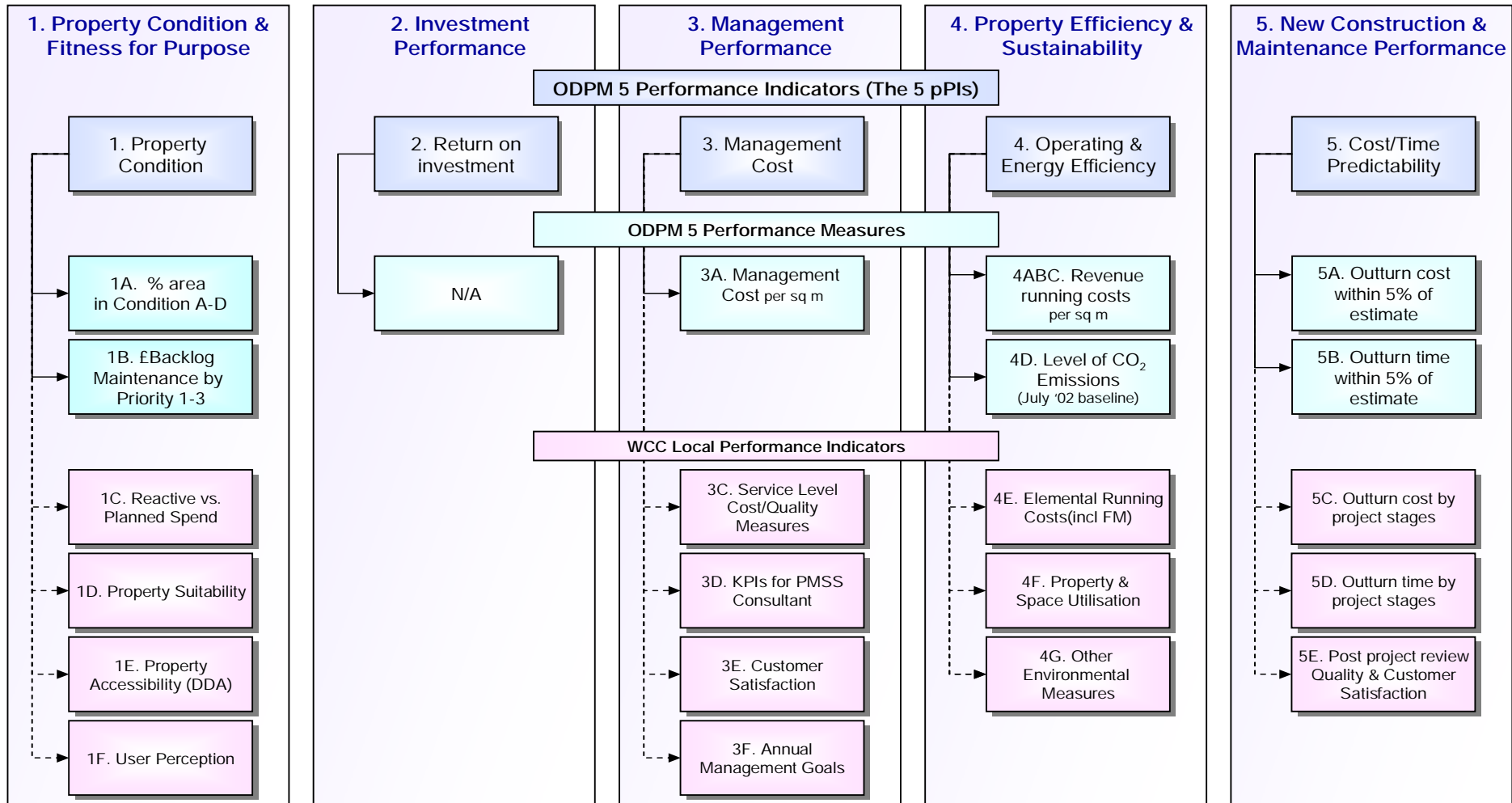
CAPITAL MONITORING STATEMENT FOR JANUARY 2007
Position after exercise of County Treasurer's Delegated Powers

Budget	Approved Capital Budget 2006-07 £m	Slippage from 2005-06 £m	Total Capital 2006-07 £m	Actual Spending to 31/1/07* £m	Projection for the Year				
					Projected Cashflow £m	Additional Budget Required £m	Schemes Unable to Proceed £m	Slippage of Schemes £m	Real Under/Over Spending £m
<u>SCHEMES MANAGED WITHIN AGREED PROCEDURES</u>									
Children & Education Services	22.229	2.705	24.934	13.765	18.954			5.975	0.005
Environmental Services	20.196	1.390	21.586	17.769	21.472			0.139	-0.025
Central & Libraries Services	5.410	1.732	7.142	5.101	6.122			0.523	0.497
Adult & Community Services	1.513	0.145	1.658	0.685	1.179			0.437	0.042
Sub-Total - Managed Schemes	49.348	5.972	55.320	37.320	47.727	0.000	0.000	7.074	0.519
<u>SCHEMES REQUIRING MEMBERS' INTERVENTION</u>									
Children & Education Services									
Environmental Services									
Central & Libraries Services									
Adult & Community Services									
								There are no schemes requiring members' intervention in this period	
Sub-Total - Members' Intervention	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
GRAND TOTAL - ALL SCHEMES	49.348	5.972	55.320	37.320	47.727	0.000	0.000	7.074	0.519
TOTAL VARIATION BETWEEN CAPITAL BUDGET AND CASHFLOW							7.593		

**ISSUES TO BE TYPICALLY DEALT WITH IN CORPORATE CAPITAL MONITORING
REPORTS TO CABINET**

1. Use of delegations by County Treasurer
2. Details of schemes that cannot be delivered on time (ie. service/property implications)
3. Where a scheme needs to be funded from discretionary resources that is not in the extant 3 year capital programme, or one that needs to be brought forward "out of time and priority order".
4. Deletion of schemes from "discretionary" programme (ie. unable to proceed)
5. Change in scheme objectives compared to original project report
6. Use of Financial Procedure Rule 141 – Where individual scheme overspendings cannot be met from existing "real underspendings" elsewhere within the overall capital programme (ie. under FPR 134), the Cabinet can "create" savings of up to 5% to rebalance the programme. This requires a joint report from County Treasurer and the relevant service chief officer.

Note: *These reports are not intended to deal with issues that officers cannot deal with under delegated powers and agreed procedures. For example, slippage would not typically need to be raised as an issue in these reports, if the scheme is still expected to be delivered on time.*



Matrix of Performance Measures Draft Ver 4, 24th April 2002