

Priorities and Resources 2013/2014 Review Panel

Members

Councillors Barnby, Bent, Darling (Deputy Chair), Hill, Kingscote, Pentney, Pountney, Stockman and Thomas (J) (Chairman)

(Contact Kate Spencer on t: 01803 207014 or e: scrutiny@torbay.gov.uk)

Friday, 23 November 2012 at 9.30 am
to be held in the **Meadfoot Room, Town Hall, Castle Circus,**
Torquay, TQ1 3DR

Agenda

1. **Apologies**
To receive apologies for absence.
2. **Corporate Asset Management Plan and Summary Capital Strategy 2013/14** (Pages 1 - 60)
To consider the:
 - Corporate Asset Management Plan 2013/14
 - Corporate Repairs and Maintenance Programme; and
 - Summary Capital Strategy 2013/14

and to make comments and/or recommendations to the Council as part of the budget setting process for 2013/2014.

Agenda Item 2



Title: **Corporate Asset Management Plan 2013/14 (incorporating the Corporate Repairs and Maintenance Programme) and the Summary Capital Strategy 2013/14.**

Wards Affected: **All Wards in Torbay**
To: **Priorities & Resources Review Panel** On: **30 November 2012**

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1. What we are trying to achieve and the impact on our customers

1.1 The Council uses both capital funding and assets on behalf of the public to improve the lives of communities who live and work in the bay, as well as improving and regenerating Torbay as a place. The resources are used to achieve the plans and aspirations for the Bay as expressed in the community and corporate plans and related strategies.

2. Recommendations

That the Review Panel consider the Asset Management Plan 2013/14 including the Corporate Repair & Maintenance Plan (attached as Appendix 1 & 2) and the Summary Capital Strategy 2013/14(attached as Appendix 3) and make recommendations as appropriate to Council.

3. Key points and reasons for recommendations

- 3.1 The report includes the capital and asset related “sister” reports of the Summary Capital Strategy 2013/14 and the Asset Management Plan 2013/14 incorporating the Corporate Repair and Maintenance Plan which support the 2013/14 budget process. These are required to be approved by Council as per Article four of the constitution on the Budget and Policy Framework.
- 3.2 As part of the 2013/14 budget process, the Priorities and Resources Board are invited to review these documents and make recommendations to Council as appropriate.
- 3.3 It will be recommended that Council approve these two documents for 2013/14 and subsequent years. These reports will then be updated on an annual basis and will be available on the Council’s website. If there are any significant changes to either document these will be presented to Council for (re) approval.
- 3.4 The detailed Capital Strategy that supports the Summary Capital Strategy is available on the Council’s website.

For more detailed information on the plans being presented please refer to the supporting information attached.

Paul Looby
Chief Finance Officer

Gordon Oliver
Mayor of Torbay



CORPORATE
ASSET MANAGEMENT PLAN
2013 to 2017

2012 REVISION

FOREWORD

The effective use of assets is a key factor in delivering to the community of Torbay the objectives and priorities they have set for the Council. This plan sets the agenda for us to achieve that by adopting the following guiding aim:

“The principle aim of an Asset Management Plan should be to ensure that the opportunity cost of financial resources tied up in land and buildings is minimised, and that capital and revenue expenditure on the portfolio is directed efficiently and effectively to provide value for money.”

The Council is fully committed to the principle of the most efficient use of assets and this document establishes the objectives, processes and actions that all Council Members and Officers will follow to achieve that aim.

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Mayor & Leader of Torbay Council
Gordon Oliver

.....
Torbay Council Chief Operating Officer
Caroline Taylor

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Appendices

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- AM-B SAMP Template
- AM-C Key Asset Management Performance Indicator Analysis
- AM-D Torbay Online Asset Database Extracts
- AM-E Property Strategy Action Plan (PSAP)
- AM-F Repairs and Maintenance Programme

EXECUTIVE SUMMARY

This Plan defines Torbay Council's Corporate Asset Management Strategy for the five-year period commencing April 2012 to 2016 and is reviewed annually. Torbay Council has commissioned the Torbay Economic Development Company trading as Torbay Development Agency (TDA) to deliver the Corporate Asset Management Plan (CAMP)

Torbay Council has a considerable number of assets, which are not only essential to service delivery but underpin much of the Bay's economy. Unfortunately many of these assets are in poor condition and not fit for purpose. This plan sets out strategies to rationalise the number of assets, replace them where appropriate and improve the condition of those remaining.

The overarching objectives of the CAMP are to:

- Identify and explain the importance of effective Asset Management
- Identify and explain the best practice processes that need to be followed in order to deliver effective Corporate Asset Management with regard to best practice:
 - Audit Commission recommendations in their national publication "Room for Improvement"
 - The Governments Operational Efficiency Programme (Asset Management and Sales & Property)
 - RICS Public Sector (CLG) Asset Management Guidelines
 - RICS Local Authority Asset Management Best Practice Guidelines
- Identify the specific issues that currently affect Torbay Council's land and building assets and the ability of those assets to deliver the current Community and Corporate Plan objectives
- Identify strategies to address and resolve systemic backlog maintenance to reduce Category D and Priority 1 (Health and Safety) maintenance items by 2015.
- Integrate the objectives of the adopted Local Plan and the Torbay Economic Strategy with the Council's regeneration property objectives
- Link previously separate policies relating to Strategic Asset Management, Energy Efficiency, Carbon Reduction and the centrally funded Corporate Repairs and Maintenance programme
- Establish a Property Strategy Action Plan summarising the required actions arising from those recommendations
- To incorporate the Heritage Strategy and in particular the Action Plan

The plan is set out in six sections briefly summarised as follows.

| | |
|--|--|
| 1.0 Plan Context | Sets the CAMP within context of delivering the Council's vision and priorities |
| 2.0 Asset Management Practice, Objectives & Principles | Defines the good practice aims, objectives and principles for the Council's use of assets |
| 3.0 Organisation | Outlines the processes adopted by the Council |
| 4.0 Consultation | Describes the processes adopted to ensure corporate asset management planning is correctly aligned to Community priorities |
| 5.0 Performance Monitoring | Describes the processes for monitoring and reporting progress to the Council and Community |
| 6.0 Challenges & Opportunities | Identifies the challenges and opportunities for Torbay Council's assets |

1.0 PLAN CONTEXT

Torbay Council's vision is:

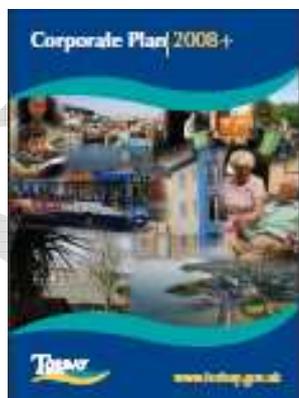
“Working for a healthy, prosperous and happy Bay”

The means of delivering this vision for the built environment has been developed by Torbay Council in consultation with the community and is defined within the Council's key strategic documents:

Torbay Community Plan 2007+ - “Turning the Tide”
Torbay Council Corporate Plan 2008+
Torbay Economic Strategy 2010-2015
Torbay Local Plan
Torbay Heritage Strategy
Geopark Management Plan
Torbay Biodiversity and Geodiversity Action Plan
Service Strategies

A relatively small number of major assets are in very poor condition but there is little prospect of funding the repair or renewal without accompanying enabling redevelopment e.g. Oldway Mansion. This plan outlines a generic approach to tackle the repair of these assets through engagement with the private sector.

The effective use of council owned assets can also help stimulate the economy and act as the catalyst for regeneration and house building. This Plan will encourage and facilitate partnerships between private developers and Torbay Council to help regenerate and develop key assets owned by the Local Authority.



All actions recommended within the Corporate Asset Management Plan strive to promote the use of assets in a way that positively assists the Council deliver the current Community and Corporate Plans and the following pledges:

- Sympathetic regeneration
- Boosting local employment
- A cleaner, greener, healthier Bay
- Expansion of our tourism and heritage offer
- A safer Bay
- Value for money
- Protecting vulnerable children and adults

The management of transport infrastructure assets is not held within this plan. In 2014-15, the Council will have to comply with transport infrastructure accounting regulations.

2.0 ASSET MANAGEMENT PRACTICE, OBJECTIVES & PRINCIPLES

Best Practice in Asset Management

The efficient use of resources by Local Authorities is a specific Government requirement embodied in NI179 where Asset Management efficiencies can be measured.

The government have sponsored various reports which have been published in 2008/9 regarding best practise in asset management.

National Government has developed a Public Sector Operation Efficiency Programme (OEP) which has work strands on Property and Asset Management and Sales. This was developed by the Audit Commission In their "Room for Improvement" document reviewing Asset Management practice in Local Government. The culmination of this work is the publication by the RICS on behalf of CLG of Public Sector Asset Management Guidelines and Best Practice Guides for Local Government Asset Management.

It is pleasing to note that this Asset Management Plan reflects many of the key steps advised in those documents - although there is always room to strive for continuous improvement.

Service Objective

The Council's Best Value Performance Plan historically stated the overriding property objective applicable to all the Council's Services is:

"To hold property needed for service delivery that is fit for purpose in terms of condition, sufficiency, suitability and cost."

Regeneration Objectives

The Economic Strategy has been developed as a response to the challenging economic conditions within Torbay and looks to create the environment for investment from businesses and others to take the Bay forward. A number of physical regeneration opportunities are projects which sit on Council land. Torbay is therefore well placed to combine the economic prosperity ambitions of the Bay with its own corporate service property objectives. The new Torbay Economic Development Company will be well placed to deliver this Commission.

Heritage

The Council commissioned the Torbay Economic Development Company to update the 2004 Heritage Strategy building on the foundations within the 2004 version to produce the 2011 version. The Heritage Strategy has been put in place to protect and enhance the heritage assets of Torbay for future generations, both those of local and national significance. Also it aspires to use this 2011 Strategy to ensure that Torbay's heritage assets are used as a key driver for the regeneration of the Bay and to focus resources on our most valued heritage assets. The Council has a large number of Heritage Buildings within its portfolio and therefore there is appropriate regard to and priority given in planning asset management to those Council properties within the Built Heritage Action Plan.

Asset Management Principles

To achieve these objectives, it is proposed that the Council manage the use of assets in a manner that adheres to the following guiding principles:

To manage assets strategically:

- To provide effective property solutions for service delivery using assets in a way that promotes not constrains service delivery
- Establish five year Service Asset Management Plans for all services, which address the property needs of the service
- Establish a Regeneration Plan that best utilises the council's assets to realise the combination of corporate and regenerative objectives
- Where possible utilise surplus land for Housing purposes, whereby a higher than planning policy level of affordable housing could be delivered in a range of formats to preserve as far as is possible the land value
- Provide a clear Corporate process for the Council to prioritise and endorse specific plans and initiatives
- Ensure appropriate technical resources are available to support the development and implementation of Council endorsed initiatives
- Ensure buildings are suitable, accessible and fit for the purpose they are used

To continuously maintain and improve assets:

- Maintain accurate records of elements in need of repair
- To consider the optimum utilisation of all assets whether operational or non operational
- Establish clear responsibilities for rectifying items of disrepair
- Establish clear responsibilities for addressing major replacement items
- Ensure appropriate technical resources are available to manage repair works
- Ensure major repair projects are procured to provide best value for money and in a manner that complies with Government regulations
- Ensure statutory obligations such as DDA, Asbestos and Water Hygiene are complied with

To release value and minimise cost:

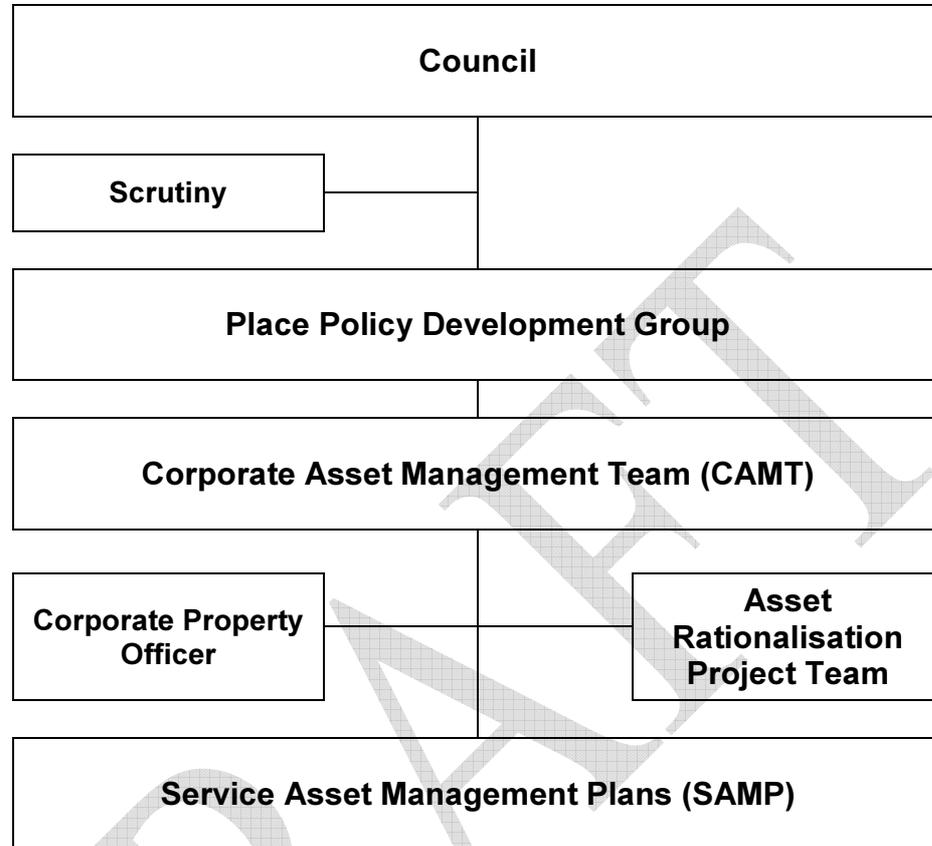
- Challenge and review the manner of use of assets
- Periodically review all assets to identify appropriate assets for alternative use or disposal
- Ensure the Council's disposal list is effectively implemented
- Ensure that non operational investment properties are performing
- Monitor running costs to target potential savings and implement more cost alternative solution
- Provide effective facilities management to assets, including energy efficiency and carbon reduction programmes

To provide accurate data for informed decision-making

- Develop improved information databases
- Ensure data is actively managed to remain accurate
- Establish protocols for the responsibility of updating data
- Ensure appropriate technical resources are available to carry out surveys to update data

3.0 ORGANISATION

Torbay Council has adopted the following processes and procedures for the delivery of Corporate Asset Management Planning.



Service Asset Management Plans (SAMP)

Formal SAMP's for all services for a five-year period have been developed and were completed by services in 2010-11. These will be reviewed after March 2013. A key action point for the Strategic Action Plan will be to use the outcomes to drive the current Corporate Asset Management Plan. This will provide a fully integrated line of asset management planning and consultation from front line service delivery to corporate planning.

An example template of the formal SAMP's layout is attached at Appendix AM-B.

Corporate Property Officer (CPO)

The Chief Executive of Torbay Economic Development Company is responsible for advising CAMT and managing the Council's overall Corporate Asset Management process. Professionally trained property officers within the Council's Asset Management Team provide support and expertise on Asset Management.

Corporate Asset Management Team (CAMT)

The team's prime function is to provide a forum to ensure that accommodation and asset issues are considered and dealt with in a manner that reflects the Council's corporate priorities.

CAMT comprises of Senior Council Officers from each Business Unit and Partner Public Sector Organisations, including Devon & Cornwall Constabulary, Devon and Somerset Fire and Rescue Service and Torbay Care Trust. This should assist with Local Strategic Partnership targets and our Comprehensive Area Assessment.

The current organisation, membership and terms of reference are attached at Appendix AM-A. Tasks undertaken by CAMT include:

- To develop and evaluate proposals for change of use, alteration, development, acquisition or disposal of service delivery assets
- To prioritise and manage the maintenance of assets and compliance with statutory obligations such as DDA, asbestos and water hygiene
- To implement the Council's prioritisation process for Capital Expenditure
- To carry out yearly reviews of the Corporate Asset Management Plan and Capital Strategy

Council Members or the appropriate Senior Council Officers will ratify all recommendations prior to implementation.

Capital Strategy and Plan

The Council's Capital Strategy is dealt with in detail in a separate strategic plan. However, as the Capital Strategy and Asset Management Plan have such strong fundamental links both are dealt with together to ensure a common approach.

The Corporate Capital Strategy is the policy framework document that sets out the principles to be used as guidance in the allocation of capital investment in property across all the Council's services and informs decisions on capital spending priorities within the Council's 4-year Capital Plan Budget.

The 2012/13 Capital Investment Plan, approved by Council in February 2012, changed the management of its capital plan for 2012/13 onwards.

The key stages in the revised process are as follows:

- a) Officers and Members identify and submit capital schemes, on an ongoing basis, to the Chief Executive in consultation with the Mayor, Executive Lead for Finance and Chief Finance Officer for inclusion in the capital reserve list in a specified format (an outline business case). If the initial business case is supported the scheme will be included for potential inclusion in the Capital Plan.
- b) Estimate of capital funding available for four years is made
- c) Capital schemes are prioritised in line with Capital Strategy and corporate priorities
- d) Council allocates un ring fenced capital grant funding to schemes in line with its priorities. Service intentions of the identified government body awarding the grant will be considered in determining allocations.

- e) Initial four year allocations of funding to schemes/services for planning purposes approved by Council as part of annual Capital Budget.
- f) Council delegates the approval of specific capital schemes within the approved capital plan in (e) above to the Chief Executive in consultation with the Mayor, Executive Lead for Finance and Chief Finance Officer.
- g) If a scheme is to progress further and be approved/funded there will be a requirement for a detailed business plan. This will apply to both new schemes and schemes identified for funding within the initial four year allocation of funding. Detailed business plan to be submitted to the Chief Executive in consultation with the Mayor, Executive Lead for Finance and Chief Finance Officer:
- If scheme is to be funded from initial four year (approved) allocations the scheme will be approved by Chief Executive in consultation with the Mayor, Executive Lead for Finance and Chief Finance Officer and progressed when funding confirmed or,
- if new funding, in addition to the approved four year allocation in (e) above, is to be used and if scheme is supported by Chief Executive in consultation with the Mayor, Executive Lead for Finance and Chief Finance Officer it will be recommended to Council for approval.
- h) Proposals for invest to save or self financing schemes, (usually financed from prudential borrowing), will also require a detailed business case to be submitted to the Chief Executive in consultation with the Mayor, Executive Lead for Finance and Chief Finance Officer. If scheme is supported it will be recommended to Council for approval.
- i) The capital plan will be updated and any recommendations for schemes to be approved by Council included in the next quarterly Capital Monitoring Report.
- j) Previous Council approvals for capital schemes to be funded from prudential borrowing will be considered for funding from future capital funding to avoid ongoing increased revenue costs.
- k) Other schemes that do not require financial support but include the use of Council assets as a Council contribution to a scheme will also be subject to the capital scheme approval process.

The Capital Strategy (Appendix B) should be referred to for further detail.

4.0 CONSULTATION

Consultation with the Community

The Corporate Asset Management Plan is set specifically in context of the Community Plan and Corporate Plan to ensure that all of the extensive consultation carried out by Torbay Council with the community of Torbay is reflected within it.

Consultation with Stakeholders and Services

Effective consultation with Stakeholders and Services is ensured in a number of ways.

CAMT Membership

All service Business Units are represented at CAMT through service representatives. The representatives have a clear mandate and role as follows:

- Highlight the role and aims of CAMT to all Business Units and Services within the service area
- Establish asset issues as a standing item on all management meetings within the services
- Collate any issues via the Business Unit Representative and present them to CAMT for consideration
- Feedback to all relevant Business Units or Services information from CAMT
- Provide any information on funding bid applications

Business Unit Business Plans

Each Business Unit sets yearly Business Plan that feeds into the Best Value Performance Plan. Guidelines on the preparation of business plans require the use of assets to be considered within the plan. Asset issues can then be identified by CAMT by a review of the plans and by referral by the CAMT representative. It is recognised that the Torbay Economic Development Company and Housing through the Employment & Regeneration programme along with other regeneration initiatives will require use of assets to deliver their objectives.

Best Value Reviews

The guidelines for each Business Unit include a requirement to address the extent to which land and property can be used to improve service delivery.

Stakeholders

The CPO meets when appropriate with major Stakeholders to consult on asset issues, potential disposals and specific project delivery. This includes consultation with the relevant Community Partnership. Community Partnerships provide an opportunity for people who live or work in the different parts of Torbay to discuss issues of common concern, influence the way in which services are provided and improve their local area. Any relevant issues are included on subsequent CAMT agendas.

5.0 PERFORMANCE MONITORING

Corporate Asset Management Monitoring

The overall progress and performance of the Corporate Asset Management Plan aims and objectives are monitored in one of the following ways:

- CAMT will review progress of major action points at each meeting
- The Corporate Asset Management Plan will be reviewed by Council each year

Key Asset Management Performance Indicators

The following performance indicators have been adopted by the Council for use in asset management performance monitoring. These indicators have been developed by the property industry and approved by Government as follows:

| | |
|-----|---|
| PI1 | Condition and Maintenance Indicators |
| PI2 | Energy, Water Consumption and CO2 emissions |
| PI3 | Suitability |
| PI4 | Building Accessibility |

The PI out-turns are reported to Council within the yearly review of the Corporate Asset Management Plan. The outcomes for 2011 to 2012 with comparison to previous years and comments on trends and specific issues is included attached at Appendix AM-C

Benchmarking

The Council is a member of the Institute of Public Finance (IPF) Asset Management Forum and regularly attends and participates in events. The Council is also a member of the National Best Value Benchmarking Scheme (NBVBS).

6.0 CHALLENGES AND OPPORTUNITIES

The asset portfolio is large, diverse in nature, includes large numbers of very low value assets and includes 65 listed buildings with restrictions on use.

There are a number of specific challenges listed below for Torbay Council's assets that arise from a combination of the Council's history, Community Plan and Corporate Plan objectives, proposed changes to service delivery and the nature & condition of the asset portfolio.

- 6.1 Regeneration and Housing
- 6.2 Suitability of Assets
- 6.3 Asset Rationalisation Project
- 6.4 Economic Development of Council Assets
- 6.5 Repair and Maintenance
- 6.6 Asbestos and Water Hygiene
- 6.7 Energy Management
- 6.8 Office Rationalisation
- 6.9 Data Management
- 6.10 Community and Shared Use
- 6.11 Tenanted Non Residential Properties

6.1 Regeneration and Housing

Where we are now

Torbay Council and the Torbay Economic Development Company is working together reviewing the most appropriate delivery methods for Torbay's major regeneration projects focusing on the Town Centres and other sites that will benefit from the completion of the South Devon Link Road in 2015. Work continues to provide development schemes for each of the Town Centres.

The prime emphasis going forward will be to focus on an Employment & Regeneration programme that brings employment, new homes, offices, retail opportunities, business development, improved tourist facilities and public realm improvements to Torbay.

Working in partnership with our planning colleagues on the local neighbourhood plans.

Actions to date

- Work continues with key projects within the Employment & Regeneration programme to produce suitable development schemes i.e A 3rd innovation centre at Whiterock, Paignton; better sports facilities at Clennon Valley, Paignton; Palm Court redevelopment, Oldway and facilitating a new supermarket into Brixham Town Centre and producing suitable development schemes for the Town Centres/ harbour areas
- Formulation of a Strategic Land Task group looking at the regeneration opportunities surrounding the new South Devon Link Road
- Progression of the 'Planning for a successful Torbay' Strategy & the adoption of the Affordable Housing and Planning Contributions Supplementary Planning Document
- Preparation of Strategic Housing Land Availability Assessment (Baker Associates)

Where we need to be

- Joined up and able to promote inward investment / regeneration projects
- Working together including with the private sector to deliver the Employment & Regeneration programme which will include Council assets
- Ensuring all investment in the Bay has regenerative benefits
- Ensure all projects are consistent with the Council's planning policy framework (Torbay Local Plan)
- Ensuring maximum funding is secured from all possible public sector forms
- Promoting the new South Devon link road between Torquay and Penn Inn

Issues

- Considerable resources may continue to be required to deliver the stepped changes required
- Current state of the property market will delay progress on projects
- Public sector investment will be required to stimulate the market
- Public sector investment, particularly grant, is shrinking given the national financial picture, innovative solutions are required

Action Plan

| Action | Target Date | Responsibility | Current Status |
|--|-------------|---|----------------|
| <ul style="list-style-type: none"> Deliver an inward investment programme | Ongoing | TEDC | Ongoing |
| <ul style="list-style-type: none"> Working with the private sector to deliver the regeneration programme | Ongoing | TEDC | Ongoing |
| <ul style="list-style-type: none"> Maintain rolling Employment & Regeneration programme to monitor progress | Ongoing | TEDC | Ongoing |
| <ul style="list-style-type: none"> Working with the Council/ local neighbourhoods and colleagues to complete the South Devon link road implementation | Ongoing | TEDC / Teign-bridge Council/ Torbay Council | Ongoing |

Risks

- The Property Market
- Public Sector funding sources
- Human Resources – the right people for the right job
- Political support may waiver

Benefits

- A joined up regenerated Bay
- Private sector involvement to help facilitate regeneration of Torbay
- Improved economic prosperity for the Bay circa 2000+ jobs
- To increase supply of affordable homes for rent and shared ownership to meet the needs of local people
- Improved Corporate property values by raising and improving the economic profile of the Bay

6.2 Suitability of Assets

Where we are now

Torbay is a geographically diverse area with a highly transient population and limited economic resources. A wide variety of public services need to be provided requiring a wide variety of assets. The current asset portfolio was inherited from a number of sources when the authority gained unitary status in 1998. Under these circumstances maintaining suitable assets is extremely challenging and will remain a constantly ongoing task.

Actions to date

The Council has raised the importance of the need to change the use of assets through the CAMT process and the following actions have been implemented:

- Service Asset Management Plans have been developed for all services
- Opportunities for change of use are specifically considered cross service at CAMT
- A number of surplus assets have been disposed of or identified for disposal
- A review of assets with potential for affordable housing use has been carried out
- A comprehensive review of Cultural Services assets has been instigated
- Development of a five year rolling programme of condition surveys and a five year maintenance plan
- Suitability survey template established and completed by most services which then feeds into the Suitability Performance Indicator

Where we need to be

Torbay Council needs to develop the review of assets in a way that ensures:

- All assets are suited to the purpose for which they are used
- An effective means to constantly review and challenge the use of assets
- A review of the council's substantial portfolio of Tenanted Non Residential Property (TNRP) principally around the reasons for holding the assets. See Section 6.11 for further details
- Disposal of assets that are surplus to the Council's requirements

Issues

- Continuation of the Service Asset Management Plans and Suitability Surveys are essential to provide the background information required to develop a 5 year property plan and investment strategy. These will form the basis of a property review. The plans will be subject to a challenge process by CAMT
- The Disposal Programme is being progressed
- The Action Plan particularly in regard to service asset management plans is a comprehensive project which will require resources if it is to be delivered

Action Plan

| Action | Target Date | Responsibility | Current Status |
|--|-------------|------------------------|----------------------|
| • Completion of all Service Asset Management Plans | Ongoing | CPO with service heads | 100% Achieved |
| • Complete Suitability Surveys | Ongoing | Service users / CPO | Achieved |
| • Maintain 5-year rolling Maintenance Programme | Achieved | CPO / TEDC | Achieved and Ongoing |
| • Maintain rolling programme of Condition Surveys | Achieved | CPO / TEDC | Achieved and Ongoing |
| • Continue programme for asset disposal | Ongoing | CPO / Heads of Service | Ongoing |

Risk

There is a high risk that without these actions to deliver a more structured and comprehensive approach opportunities for improvement and reduction in costs will be missed.

Benefits

The proposed strategy will deliver:

- A coordinated planning process from front line service delivery to corporate decision making
- Clear identification of areas requiring priority action
- Improved data and information to enable informed decision making
- A clear plan for the improved use of assets for all services linked to Council and Community priorities
- Better identification of surplus assets and potential capital receipts for funding priority schemes
- A direct benefit to all the Community and Corporate Plan Key Objectives

6.3 Asset Rationalisation Project

Where we are now

The further development of Torbay Online Asset Database (TOAD) has produced significant levels of data that has assisted in a comprehensive review of the Council's Assets. This initially identified circa 100 potential assets for disposal. These were all scored and reviewed for planning, ownership and valuation issues in order to produce a matrix and disposal programme and community consultation took place. In May 2008, a report went to Cabinet agreed that 36 were declared surplus, 5 will be retained and the Council will invite community interest for the possible transfer of 2 assets. A further 5 Assets were approved for disposal in July 2009 and another 5 in October 2010. Agents have been appointed to deliver the disposal programme and work is progressing. This process needs to be ongoing to ensure an annual review of further assets that can be sensibly disposed of where they are proven to have no operational or financial justification to be retained.

Actions to date

The Council has developed a working group to deliver the objectives and the following actions have been completed:

- The first Community Asset Transfer was completed in February 2012 and the second in September 2012
- Nineteen assets have been sold (September 2012) and a further 3 are under offer
- There have been total receipts of £3,235,550, an aggregate saving on repairs and outgoings of £596,250 and further yearly savings of £44,720
- The sale of vacant sites has enabled the provision of 63 new residential units
- A Comprehensive Matrix Based Assessment of each asset including legal, planning and valuation matters
- Consultation on the possible disposal list to all elected Members, Community Partnerships, Brixham Town Council and Members of Public
- Community interest currently for the possible transfer of 5 assets
- The development and Member approval of a Community Asset Transfer Policy
- The appointment of an agent and auctioneer to assist in the disposal programme
- Press advertisements and notices erected on sites inviting Community organisations to confirm/make an initial expression of interest in any of the confirmed disposal list of properties
- Generic Disposal Assessment procedure prepared and flowcharted

Where we need to be

Torbay Council needs to dispose of more non essential and poorly utilised assets to:

- Maintain efficiency
- To service the capital programme by bringing forward assets for disposal as the programme dictates
- To achieve wider regeneration objectives as appropriate
- Priority to disposal of assets that no longer have valid use or are not cost effective

Issues

- The number of potential assets for disposal present some considerable challenges to ready them for disposal - this is an intensive and time consuming project
- The current state of the property market may delay progress on sales
- If it is seen appropriate to obtain planning permissions prior to selling assets this will cause a delay
- Demand from services for assets which have been declared potentially surplus
- Future Government Legislation and Local Policies such as Local Development Orders to create enterprise areas

Action Plan

| Action | Target Date | Responsibility | Current Status |
|--|-------------|---|--------------------------------|
| • Regular review of assets for disposal | Ongoing | CPO with service heads | Ongoing |
| • Provide Interface with Internal Stakeholders | Ongoing | CPO with service heads | Ongoing |
| • Prepare Generic Disposal Assessment procedure | Achieved | CPO with service heads | Ongoing as requirements change |
| • Progress Community Asset Transfer Requests through Stage 2 | Ongoing | CPO, Community Partnership Officer, Asset Panel Members | Ongoing |
| • Progress the Disposal Programme | Ongoing | Agents, Disposal Officer, CPO | Ongoing |

Risks

- There is a high risk that without these actions and more resource, opportunities for driving value or delivering regeneration may be missed
- The Property Market
- There is a high risk that demand from services for assets will have an effect on receipts

Benefits

The proposed strategy will deliver:

- A coordinated process of disposals and asset rationalisation
- Assets from which to drive capital receipts
- Assets that can help the economic and social regeneration of the Bay

6.4 Economic Development of Council Assets

Where we are now

Torbay has limited economic resources and is heavily reliant on a narrow economic base with dominant sectors including hospitality and retail being primarily low pay and other large sectors facing challenges.

To rebalance the economy attracting new investment is essential and creating the physical environment for growth is important. Council assets therefore have a direct role in developing growth and should be developed in a way that supports that aim.

Further focus is required on how assets can stimulate wider economic activity for instance by using underused assets to support work and enterprise clubs, ensuring appropriate assets are transferred to the local community and that employment land is brought forward.

Actions to Date

The Council has recognised the impact of assets on developing the economy and the following actions have been implemented:

- The establishment of the Torbay Economic Development Company (TEDC) with a specific commission to create economic initiatives and develop and implement strategies including inward investment, the physical regeneration programme and the tourism strategy
- Development schemes to further improve Torquay harbour area and Torquay town centre
- A regeneration scheme for Brixham harbour area
- A regeneration scheme for Paignton town centre including Oldway redevelopment
- A new Innovations Centre providing business incubator units has been constructed in Torquay and further locations are also being considered
- A new Paignton and Community library/advice centre

Where we need to be

Torbay Council needs to develop the use of assets in a way that delivers:

- A high quality holiday / tourism environment
- Attractive growth and relocation opportunities for new and existing businesses that supports delivery of the inward investment programme, new business and an increase in the business rate base for Torbay
- Business and employment opportunities for young local people to remain in Torbay
- Economic diversity
- Good working partnerships with community, voluntary and private sectors
- Improved retail environment
- Realistic opportunities for asset transfer
- The right infrastructure for growth in the marine and maritime sectors
- To bring forward service and employment land for future development
- To continue to work on key projects within the Employment & Regeneration programme to produce suitable development schemes i.e. A third innovation centre at Whiterock, Paignton; better sports facilities at Clennon Valley, Paignton; Palm Court redevelopment; a new supermarket into Brixham Town Centre and producing suitable development schemes for the Town Centres/harbour areas

Issues

- There is a need to continue linkages and communication through the commissioned services to ensure a coordinated approach to development opportunities
- Disposal process needs to be co-ordinated with the economic development strategy
- The ongoing financial pressures facing the Council

Action Plan

| Action | Target Date | Responsibility | Current Status |
|--|---------------------------------|------------------------|-----------------|
| <ul style="list-style-type: none">• Establish regular dialogue between services and TEDC | Immediate | CPO / TEDC | Ongoing process |
| <ul style="list-style-type: none">• Progress Employment & Regeneration Programme through various delivery routes for the portfolio of projects | 15 – 20 year delivery programme | TEDC Programme Manager | Ongoing |
| <ul style="list-style-type: none">• Develop planning application for Claylands site in Paignton for commercial use | Winter 2012/13 | Council / TEDC | Ongoing |

Risk

There is a high risk that without these actions, the economy of Torbay will stagnate and hinder delivery of the Council's Strategy.

That employment land designated elsewhere will be land banked or not developed quickly enough to respond to growth needs within the local economy.

Benefits

The proposed strategy will deliver:

- Assets that benefit economic growth wherever possible
- Partnership approaches to regeneration and development schemes
- Additional receipts to fund Corporate objectives
- Increased business rate income for the Council
- A direct benefit to the Community and Corporate Plan

6.5 Repair and Maintenance

Where we are now

Torbay Council has a significant and serious issue regarding the disrepair of assets in common with many other local authorities. Backlog repairs totalling £31.8 million (excluding schools) have currently been identified of which almost £13.4 million (excluding schools) are categorised as urgent (Priority 1). Expenditure on repairs totalled almost £1.4 million during 2011 to 2012 and the backlog will not be eradicated without additional activity. In excess of £10 million of additional areas of capital expenditure have been identified over the last 3 years. This is as a result of the improved data collected and as a result of TOAD becoming more comprehensive and areas such as piers and multi storey car parks amongst others being further investigated. This is not necessarily new repairs but repairs that have been outstanding for a long period of time and have now been formally identified and assessed.

Estimated backlog value presently excludes costs relating to major repairs at Torre Abbey (Phase 2), Sea Defences, some promenades and decorative lighting.

Actions to date

The Council continues to implement a repair programme to address disrepair that has succeeded in sustaining assets in a condition that has enabled continued service delivery. The following actions have been implemented:

- Expenditure is prioritised through an assessment system managed by CAMT
- Delivery of the repair programme is monitored at CAMT meetings
- A rolling record of outstanding repairs is updated by condition surveys carried out by the TEDC technical team. The data is kept within TOAD and is managed by CAMT
- The repair and maintenance budget and responsibility for expenditure has been centralised within the role of the Executive Head of Regeneration
- A five year rolling Condition Survey programme is underway
- A Repair and Maintenance programme has been developed. This is attached at Appendix AM-F. This programme prioritises works by condition grading and priority level
- A move to a 70:30 split between planned and reactive maintenance
- Agreed at CAMT that all works under the de-minimus level of £500 are the responsibility of building asset managers

Where we need to be

Torbay Council needs to continue implementing repair programmes and developing strategies to deliver:

- Year on year reduction in backlog repairs that will ultimately remedy the backlog
- A reduction in Category D /Priority 1 repairs by 2015
- Comprehensive and accurate data defining the current condition of all assets and data management to track all works
- Integration of schools maintenance programme
- A move to life cycle costing and the development of a long term planned maintenance programme
- Keep risk registers up to date
- In some instances there is no prospect of sufficient funding being made available to repair an asset. Solutions need to be developed linking to regeneration or asset rationalisation or private sector investment need to be considered, including the use of Prudential borrowing
- When condition surveys have been completed, notification needs to be sent to the building asset manager

Issues

- Based on current levels of R&M expenditure the overall backlog is increasing to such an extent that the Council's planned expenditure is not currently keeping pace with inflation and whilst the overall backlog continues to deteriorate, some individual assets are deteriorating beyond repair
- The Council's total central Repairs and Maintenance expenditure (including schools) represents 1.1% of the Council's gross budget
- A budget increase is required if there is to be any meaningful progress in reducing backlog repairs
- Significant issues have been identified with areas such as Multi Storey Car Parks and piers amongst others
- In some instances other services are unilaterally commissioning repairs and maintenance e.g. Children's Services. Further service consolidation should improve efficiency and reduce overheads
- Data management has been significantly improved and is a very useful and integral management tool in the effective management of R&M

Action Plan

| Action | Target Date | Responsibility | Current Status |
|--|-------------|----------------|----------------------|
| • Develop and fully Utilise Planned Maintenance Data | Ongoing | CPO / TEDC | Ongoing |
| • Maintain rolling programme for Condition Surveys | Achieved | CPO / TEDC | Achieved and Ongoing |
| • Maintain the rolling programme of prioritised R&M | Ongoing | CPO / TEDC | Achieved and Ongoing |

Risk

Whilst there is no immediate risk of failure of any particular asset there is a high risk that without these additional actions the current poor condition of assets will continue to deteriorate.

Benefits

The proposed strategy will deliver:

- A continual improvement in the condition of assets and service delivery
- Improved data and understanding regarding the condition of assets
- Best value for money procurement of remedial works complying with procurement regulations
- Effective project management of major works
- A reduction in the fall in value of assets due to deterioration in condition
- A direct benefit to all the Community and Corporate Plan Key Objectives

6.6 Asbestos/Water Hygiene

Where we are now

Torbay Council has many assets of an age, use and type of construction that results in the presence of asbestos within their construction. A Corporate Policy for Asbestos has been put in place in recognition of that and the need for effective data and control to avoid health risks. The aim of providing up to date and maintainable asbestos registers for all assets has been set and an implementation plan put in place. A Corporate Policy on water hygiene has been prepared. A Water Hygiene monitoring programme has been implemented. A Water Hygiene Risk Assessment of each asset has been completed and remedial works are in progress.

Actions to date

The Council has nominated a specific service team to take responsibility for asbestos and the following actions have been implemented:

- A formal Asbestos Policy outlining roles, responsibilities and action plans has been ratified by the Council
- A specific contact point for asbestos has been established
- An external partnership asbestos consultant has been appointed to provide the required level of technical expertise for fully detailed survey work
- A survey programme has been commissioned
- All corporate assets have now received a Type 2 asbestos survey and the reports are available on TOAD
- Assets which have incidences of asbestos containing materials are re-inspected upon an annual basis to check for possible deterioration of the asbestos which may be harmful to occupants and visitors
- Water Hygiene Draft Corporate Policy has been completed
- A Water Hygiene contract commenced 2008 ensuring that all corporate assets are monitored and maintained to help reduce the risk of an outbreak of Legionnaires disease in line with current legislation
- Bi-annual Water Hygiene risk assessments are in place
- Asbestos Report and Water Hygiene Reports have been integrated and made available from TOAD
- Asbestos reports have been made available to Service Heads and explained to building managers

Where we need to be

Torbay Council needs to continue implementing the structured action plan to deliver:

- Awareness of and compliance with the Council's Asbestos and Water Hygiene Policies

Issues

- Continuing the ongoing annual Asbestos inspections are required together with weekly and monthly water hygiene monitoring of assets.

Action Plan

| Action | Target Date | Responsibility | Current Status |
|--|-------------|----------------|----------------------|
| <ul style="list-style-type: none"> Introduce enhanced control and monitoring to ensure Contractors are aware of Asbestos issues | Immediate | CPO / TEDC | Achieved and Ongoing |
| <ul style="list-style-type: none"> Maintain rolling programme of re-inspection | Achieved | CPO / TEDC | Achieved and Ongoing |
| <ul style="list-style-type: none"> Introduce a Water Hygiene Monitoring process with an approved contractor | Achieved | CPO / TEDC | Achieved and Ongoing |
| <ul style="list-style-type: none"> Introduce a bi-annual Risk Assessment of water systems | Achieved | CPO / TEDC | Achieved and Ongoing |

Risk

There is a high risk that without these actions health and safety regulations will be breached resulting in health risks and the closure of assets.

Benefits

The proposed strategy will deliver:

- Improved data and understanding of assets
- Compliance with statutory requirements and duties of care
- Safe working environments for contractors carrying out works
- A direct benefit to the Community and Corporate Plan

6.7 Energy Management

Where we are now

Torbay Council spend on energy in the financial year 2011/2012 has risen to £1.43 million (excluding schools) due to spiralling energy costs, £0.20 million more than the previous year. This is despite a 10% reduction in energy consumption down to 14,800MWh. The Council spend on water fell by £32,500 to £280,000 with a corresponding fall of 9% in consumption.

Effective energy management will continue to reduce consumptions and lower emissions across Torbay Council's Corporate Estate, reducing costs to the tax payer. Torbay Council's Corporate Energy Management Strategy strives to promote the use of energy and water in a way that positively assists Torbay Council in delivering the priorities from the Corporate Plan.

Actions to date

- Torbay Council has recognised the matters of carbon management and associated topics with the production of the Corporate Energy Management Strategy
- Short listed carbon reducing projects being implemented and further projects being identified
- Salix fund of £280,000 50% spent, but being re-plenished by loan repayments. This is managed by the Corporate Energy Manager
- The Carbon Trust Standard was achieved which forms part of the early action metrics for the Carbon Reduction Commitment (CRC) Energy Efficiency Scheme. In addition automated meter reading has been rolled out across the major energy using sites of Torbay Council
- A position in the top 12% was achieved for Torbay Council in the league table of the CRC Energy Efficiency Scheme
- Voltage optimisation has been installed in Torquay Town Hall. BMS (Building Management System) has been installed into Tor Hill House to manage the working environment of the re-furbished offices
- Part night street lighting has been introduced across Torbay producing a significant reduction in energy consumption

Where we need to be

Torbay Council needs to continue with the implementation of the structured action plan to deliver:

- Consumption reduction of 5% per annum
- Efficiency savings of £1,750,000 over 5 years
- Carbon emissions reduction of 20% over 5 years
- Identify and explain the objectives, importance and best practice processes of effective corporate energy management
- Identify the specific issues that currently affect Torbay Council's energy usage in buildings, street lighting and decorative lighting

Action Plan

| Action | Target Date | Responsibility | Current Status |
|--|---------------|--------------------------|------------------------|
| <ul style="list-style-type: none"> Reduce consumption by 5% per annum | Ongoing | Corporate Energy Manager | Ongoing |
| <ul style="list-style-type: none"> Reduce carbon emissions by 20% over 5 years | March 2013 | Corporate Energy Manager | Ongoing |
| <ul style="list-style-type: none"> Identify and explain the objectives, importance and best practice processes of effective energy management | Review Yearly | Corporate Energy Manager | Ongoing |
| <ul style="list-style-type: none"> Identify the specific issues that currently affect Torbay Council's energy usage in buildings, street lighting and decorative lighting | Review Yearly | Corporate Energy Manager | Ongoing |
| <ul style="list-style-type: none"> Develop partnership with South West Water to trial and install water saving devices throughout public conveniences and office toilets | March 2014 | Corporate Energy Manager | Trials being initiated |

Risk

The activities that will deliver the year on year targets for the reduction of utilities costs and carbon emissions are set out in the Carbon Management Plan and the Climate Change Strategy. These can only be delivered with the cooperation of all the Council staff, together with top down support and 'buy in' from the Council management structure.

The Carbon Reduction Officer post which was created to implement the Carbon Management Plan has been lapsed.

Benefits

The strategy will deliver:

- Reduced energy consumption
- Lower emissions
- Reduced costs

6.8 Office Rationalisation

Where we are now

The Office Rationalisation Project (ORP) emerged from the previously much larger Castle Circus Regeneration Project (CCRP). Due to the changed financial circumstances that the public sector now finds itself in, the project has been scaled back from its original objectives.

ORP is now essentially about relocating staff to reduce the number of buildings that we operate out of and thus lower our ongoing costs e.g. rents, maintenance, heating and energy, etc.

As part of the project, planning and implementation has taken place for the next set of office moves along with some limited aspects of refurbishment. This will support the overall project objective to rationalise the number of buildings the council operates in.

Actions to date

- Political direction obtained to pursue revised business case
- Phase 2 refurbishment of Tor Hill House has been completed, which has enabled Children's Services staff to relocate to here from various sites e.g. Oldway and Union House
- Ongoing work is being undertaken to reduce the council's paper and other storage issues e.g. the 'Tidy Friday' approach. This includes identifying short and medium-term information and storage management solutions
- Safer Communities Team has been relocated from Paignton Police Station
- Union House has been vacated by Torbay Council staff (the Care Trust still occupies part of the building). A dilapidation agreement has been reached with the landlord, as part of our termination of the lease with this non-council owned building

Where we need to be

- Completion of minor works sub-project to enable more staff to be relocated to the Town Hall Site and support the Green Travel initiative e.g. provision of extra showers
- All staff, records and equipment need to be relocated from Oldway Mansion to enable the sale of this site to the developers Akkeron
- All staff, records and equipment need to be relocated from Roebuck House, in order to give vacant possession to this non-council owned building
- Further review of project business case in light of the potential change in the council's office space requirements, as a result of any outcomes from the ongoing council 2013/14 and 2014/15 budget setting process

Action Plan

| Action | Target Date | Responsibility | Current Status |
|--|--------------------|-----------------------|-----------------------|
| • Political decision required on business case to be taken forward | September 2011 | ORP Project Manager | Complete |
| • Refurbishment of Tor Hill House (THH) | October 2011 | ORP Project Manager | Complete |
| • Vacation of Union House by council staff | August 2012 | ORP Project Manager | Complete |
| • Completion of minor refurbishments (THH Children's Reception, showers, Lower Ground Floor Library) | August 2012 | ORP Project Manager | Ongoing |
| • Vacation of Oldway Mansion by council staff | December 2012 | ORP Project Manager | Ongoing |
| • Vacation of Roebuck House by council staff | March 2013 | ORP Project Manager | Ongoing |

Risk

If rigorous action is not pursued on the ORP then the Authority risks continued inefficient use of office space in its buildings and therefore significant savings are not being harvested. This risk is all the more serious when one considers that the costs of refurbishing Tor Hill House need to be met from savings made from ORP.

Benefits

- Efficient use of office accommodation
- Savings generated through the efficient use of office accommodation
- Authority possesses an office building in Tor Hill House which is an improved asset
- By undertaking some office moves, service transformations can take place to improve service delivery e.g. Children's Services

6.9 Data Management

Where we are now

Torbay Council has inherited assets from several sources during development to unitary status in 1998 and has a large and diverse portfolio. Gathering consolidated and maintainable data has therefore proved challenging and underpins progress in many other areas. An option appraisal resulted in the development of the Torbay Online Asset Database (TOAD) being chosen as the best solution. This is a long-term and staged project addressing processes and IT development.

Actions to date

The Council has achieved significant progress in improving asset data systems and the following actions have been implemented:

- The central register of assets has been reviewed and fully reclassified to reflect the Council's existing structures
- Modules providing valuation, condition, lettings and DDA data have been developed and linked to the TOAD central register
- Facilities for attaching CAD plans, Asbestos Reports, Water Hygiene Reports, location plans and photographs have been developed and linked to the TOAD central register
- Formal protocols have been established for the entry and update of existing categories of data
- An operators manual and training programme has been completed
- The reporting module has been further developed
- Significant changes to the TOAD system have been completed to enable the system to manage the International Financial Reporting Standards (IFRS) reporting requirements

Examples of TOAD data information screens are attached at Appendix AM-D.

Where we need to be

Torbay Council needs to continue implementing the structured action plan to deliver:

- Asset data that is comprehensive, accurate, maintainable and easily accessible
- Integration of data on Infrastructure Assets including Harbours, Highways and Bridges
- Asset data that can be readily realigned to changes in service delivery and partnering
- A comprehensive Health and Safety module on TOAD

Issues

- IT to agree priority additions to fields on TOAD to accommodate the above

Action Plan

| Action | Target Date | Responsibility | Current Status |
|---|--------------------|-----------------------|--|
| <ul style="list-style-type: none"> • Complete Training manual and establish training programme | Ongoing | TOAD Administrator | Achieved and training is ongoing as required |
| <ul style="list-style-type: none"> • Continue to update and maintain the asset data | Ongoing | TOAD Administrator | Ongoing |
| <ul style="list-style-type: none"> • Continue to update the linkage between MapInfo & TOAD | Ongoing | TOAD Administrator | Ongoing |
| <ul style="list-style-type: none"> • Develop a Health and Safety Module | Ongoing | TOAD Administrator | Ongoing |

Risk

There is a risk that without continuing these actions and without support from Commissioned Services asset data will become inaccurate and hard to access hindering effective analysis and decision making. The asset database is an in house system and so there is a risk that staff changes could impact on the system.

Benefits

The proposed strategy will deliver:

- Comprehensive asset data held at one source
- Ease of access to data for all relevant persons
- Asset data in a form that can be updated and maintained as a live and current record
- An enhanced ability to identify specific issues, excessive costs and inefficient use
- An enhanced ability to monitor and report performance
- A direct benefit to all the Community and Corporate Plan Key Objectives

6.10 Community and Shared Use

Where we are now

Torbay Council operates in partnership with many other organisations in delivering services to Torbay. The need for providing integrated services to the community results in shared use providing many advantages. Shared use also enhances the opportunity to use diverse assets in more suitable ways. The need and desire to use assets in a shared way will increase and provide opportunities for resolving other asset issues.

The Quirk Review looked at the clear benefits to local groups owning or managing community assets – such as community centres etc. The review is focused on how to optimise the community benefit to publicly owned assets by considering options for transfer of asset ownership and management to community groups. In response to the Quirk Review the Cabinet approved the Community Asset Transfer Policy on 27 May 2008 and the policy was enacted from August 2008.

Actions to date

The Council is pursuing a number of specific shared use initiatives and has implemented a number of actions as follows:

- The development of a joint community library and advice centre in Paignton in partnership with the Police, Age Concern and South Devon College who run the Adult and Community Learning Service
- Shared occupation of administrative buildings with the Torbay Care Trust
- Multi health and care teams located within Council and Health Trust properties
- Invitation and engagement of other Agencies to participate in the accommodation review
- Police and Fire Authorities & Primary Care Trust representation on CAMT
- Torbay has already been leasing assets to community based organisations for many years
- Invitations continue to be invited from Community Organisations to confirm/make an initial expression of interest in any of the confirmed disposal list of properties
- Torbay worked with the Development Trusts Association (DTA) through their Advancing Assets Programme to ensure best practise is adhered to in the new Community Asset Transfer process
- DTA identified a case study community asset transfer in Torbay which they assessed for submission to the Department for Communities and Local Government (DCLG)
- Torbay is one of two national pilots working with Community Matters to deliver multiple asset transfers in Paignton Town Centre and Clifton with Maidenway
- Transfer of the Babbacombe Cliff Railway to friends of the Cliff Railway
- A Lease of land at Hollicombe for use as a community garden was granted following the successful stage 2 application under the Community Asset Transfer Policy process.
- The transfer of Brixham Town Hall (excluding the library and museum) to Brixham Town Council has been completed
- The Communities Team is working with 4 groups on stage 1 applications.
- Stage 2 applications have been approved with negotiations continuing with trustees regarding the leases for 2 community gardens (land adj 23 Raleigh Road, Torquay and land r/o 41/43 Hartop Road, Torquay) and one community orchard (land at Grange Road / Goodrington Road).

Where we need to be / Issues

Torbay Council needs to develop and implement strategies that deliver:

- Increased numbers of shared facilities both in Council and other ownership by working with other public sector partners
- Uses for existing Council assets that are better suited to purpose
- Closer partnership working relationships
- The identification of assets that can be offered to the community
- Sustainable transfer of assets to interested community groups
- To continue discussions regarding the possible transfer of assets in Brixham to the Brixham Town Council
- To review the Community Asset Transfer Policy in light of the Localism Act
- To develop a policy relating to the community 'right to bid' for assets of community value contained in the Localism Act when this becomes law (probably in Autumn 2012)

Action Plan

| Action | Target Date | Responsibility | Current Status |
|---|--------------------|---|-----------------------|
| <ul style="list-style-type: none"> • Identify new opportunities from Service Asset Management Plans | Ongoing | Service heads / CAMT | Achieved and Ongoing |
| <ul style="list-style-type: none"> • CAMT to continue to monitor all partnership initiatives | Ongoing | CAMT / Service heads | Achieved and Ongoing |
| <ul style="list-style-type: none"> • Review all stage two applications for Community Asset Transfer requests received as a result of the Asset Rationalisation Project | End December 2012 | CPO, Community Asset Support Officer, Asset Panel Members | Ongoing |
| <ul style="list-style-type: none"> • Continue to work with all community groups at stages one and two of the asset transfer process | Ongoing | CPO, Community Asset Support Officer, Asset Panel Members | Ongoing |
| <ul style="list-style-type: none"> • To continue the work of the Partnership Asset Management Steering Group with other Public Sector Partners on the Torbay Strategic Partnership to work together on a joint way forward to maximise the value of partnership assets and streamline related operational activities | Ongoing | CPO / TEDC | Project is ongoing |
| <ul style="list-style-type: none"> • To work with Brixham Town Council concerning their request for the transfer of assets within Brixham | April 2013 | CPO, Community Asset Support Officer | Ongoing |
| <ul style="list-style-type: none"> • To complete the leases to three community groups on agreed community transfers | March 2013 | Community Team / TEDC / Legal Team | Ongoing |
| <ul style="list-style-type: none"> • To bring forward two stage 1 applications | December 2012 | Community Team | Ongoing |
| <ul style="list-style-type: none"> • To develop a policy relating to the 'Community Right to Bid' | April 2013 | Community Team / TEDC / Legal Team | Ongoing |

Risk

There is a risk that without these continuing actions opportunities to maximise the potential for shared use will not be delivered. There has to be balance between the sale of assets for profit and transfer for social gain to benefit the community.

There is a risk that the other Public Sector Partners may not be committed to working together to look at the use of assets.

Benefits

The proposed strategy will deliver:

- Enhanced opportunities to identify and deliver shared use facilities
- Development of initiatives in line with Community and Corporate Objectives
- Additional resource to support local charities and organisations to effectively develop initiatives
- The transfer of assets to community organisations could see a reduction in the maintenance backlog
- In the cases where there are restrictive covenants on land or building it would be beneficial to transfer these to communities as the value of the land or buildings on the open market could be reduced due to the covenants

6.11 Tenanted Non Residential Properties

Torbay Council holds a variety of Tenanted Non-Residential Properties (TNRP) on which it has granted either leases or licences to third parties. These assets range from golf clubs, industrial sites, Quaywest Water Park to leases to sports clubs and other voluntary sector groups and licences to run donkey ride and ice cream concessions.

There are currently 771 leased assets and licences, which generate income of circa £2.6M per annum. The amount of income per agreement varies greatly with 47 assets generating an annual income in excess of £10,000 each and 63 generating an annual income between £5,000 & £9,999 each. The rest of the agreements are below these figures.

These assets are held either as investments or for service delivery / socio-economic purposes. The definition of investment assets is narrow (Cipfa regulations) with them being defined as assets which are used solely to earn rentals or for capital appreciation or both. For Torbay Council the Chief Accountant has taken the view that, unless there is strong evidence to the contrary, the assumption is that all council property is linked to a service objective e.g. regeneration, tourism etc. Examples of TNRP held as investment assets include Torquay Golf Club and Unit 3 Riviera Park, Torquay.

Actions to date

- The TEDC continues to manage the TNRP to maximise revenue and to minimise costs
- The Council has commissioned condition, asbestos and water hygiene surveys on the TNRP with the tenants having been informed of the outcome
- Work has started on benchmarking with other Authorities regarding the TNRP strategy and disposal policy

Where we need to be

Torbay Council needs to continue to develop and implement strategies to ensure that:

- The justification for holding the TNRP is linked to the corporate goals and objectives
- The performance of the TNRP is reviewed to determine whether they should be retained or disposed of
- A disposals policy is set up for the TNRP

Issues

- To review the performance of TNRP it is useful to consider 3 fundamental questions:
 - Why are TNRP assets held?
 - How well are they performing in meeting the purposes for which they are held?
 - Are there better ways in which these purposes could be fulfilled?
- Need to determine criteria for measuring performance
- Where held for socio-economic purposes the measurement of performance becomes more challenging as we are dealing with subjective judgements and because there is a need to link these purposes to the corporate goals and objectives
- Need to consider other policies such as the Shoreline Management Plan to determine the long term options arising from climate change
- Consideration needs to be given to the Council's revenue position. The yield of particular properties to be challenged within the policy

Risks

- Currently each TNRP asset is allocated to a particular service department, which assists with management issues and they receive the income. However this may give rise to a couple of risks when assessing the performance of the TNRP.
 - Depending upon the criteria set for measuring performance the perception from the service departments could be that their properties are performing well to protect their asset base.
 - The service department may be reluctant to agree that an under performing TNRP should be disposed of since they would lose the rental income from their revenue budget. Any capital receipt goes into the 'corporate pot' to fund the capital programme and may not necessarily be re-invested in the service department's assets.
- As part of the disposal policy there will be a need to consider the long term aspirations of the Council for the larger assets. For example, it may not be appropriate to dispose of an under-performing café within a park if it may be needed for a comprehensive re-development in the future
- There may be public resistance to the disposal of TNRP

Action Plan

| Action | Target Date | Responsibility | Current Status |
|--|-------------|-----------------------------|------------------------------------|
| <ul style="list-style-type: none"> • Continue to develop a strategy to review the performance of the TNRP | March 2013 | CPO / TEDC | Currently benchmarking with others |
| <ul style="list-style-type: none"> • To continue to develop a TNRP Disposal Policy | March 2013 | CPO / TEDC | Currently benchmarking with others |
| <ul style="list-style-type: none"> • To consider whether it is appropriate for a proportion of the proceeds from the sale of a TNRP to be re-invested in the service department | March 2013 | CPO / Chief Finance Officer | Yet to start |

Risk

There is a risk that there are insufficient resources within the Asset Management Service of the TEDC to take this forward in the timescale

Benefits

The strategy will bring clarity about why Torbay Council holds Tenanted Non-Residential Properties, which is essential to drive good performance and value for money in terms of investment and/or socio-economic outcome

Into The Future

The Strategy detailed above will be delivered and monitored by implementing the specific action points detailed. Delivery will be by the Torbay Economic Development Company (TEDC)

It is accepted that the period of delivery may in some instances be long term and will inevitably be influenced by an ongoing and realistic assessment of available resources. However, the plan firmly defines the vision of how the Council will achieve a more effective use of assets and sets a firm commitment to retain the goals and actions until all are complete.

A number of significant achievements have already been secured and into the future there are many issues that are relevant to a successful Corporate Asset Management Plan. There are at this review 4 areas of particular importance:

- Improved and more effective data collection and analysis through TOAD will lead to a better understanding of the Council's Assets and it is most likely that this will identify further areas of prospective capital expenditure
- The continuing work of the TEDC will continue to create opportunities to make regenerative changes to the built environment and help stimulate the market.
- There will be increasing Government scrutiny of the Asset Management Function and a need to follow closely the asset management guidance that has been issued.
- When the regulations relating to the Localism Act come into effect (possibly Autumn 2012) it may impact upon the resources within both the TEDC and the Council. The intention is that the Community Right to Buy will give the community the right to bid for assets when they come onto the market if they are deemed to be of community interest, such as local post offices or pubs. The Local Authority may be required to hold a register of such available assets, which will have been nominated by the community. The Local Authority will be responsible for setting the criteria under which a 'community asset' will be defined.

Appendix AM-A

Corporate Asset Management Team (CAMT) Terms of Reference

Role and Responsibilities

The remit and terms of reference for the Corporate Asset Management Team were defined within a Report to the Directors titled "Roles and Responsibilities for Corporate Asset Management and Property Issues" dated 27th March 2001.

- Provide the strategic focus for dealing with accommodation and property issues within the Council and provide the route through which property issues are considered corporately
- Develop and refine the Council's Asset Management Plan, as required by Central Government, to "optimise the utilisation of assets in terms of service benefits and financial return"
- Develop the Council's Capital Strategy
- Consider and recommend courses of action to Heads of Service or Directors as appropriate
- Identify and make recommendations on proposed priorities for action/programme development
- Identify resources required to enable schemes or actions to be undertaken
- Identify and map property resources in Torbay and record suitability for function

Meeting Programme

Corporate Asset Management Team will meet periodically with a joint agenda "Strategic Issues" and "Property Issues"

The subject matter and composition of the meeting is defined below

Aim of Meeting

- To support / inform Capital Planning
- To share information between Council Services on Council assets
- To make decisions about property issues if within Officer Delegated Powers

Meeting Composition

The composition of the meeting combines representatives from all Directorates and Officers responsible for Corporate Policy and is currently as follows:

Corporate Representatives:

Corporate Property Officer (Chairman)
Executive Head Finance
Heads of Service as required

Directorate Representatives:

People
Environment
Operational Support

Partnership Organisation Representatives:

Torbay Care Trust
Devon & Cornwall Constabulary
Devon & Somerset Fire & Rescue

The composition of the meeting may be varied dependent upon specific agenda items

Meeting Dates

Yearly meeting schedules will be circulated at the beginning of each calendar year and reminders will be sent by way of circulation of the agenda

Minutes

Minutes distributed to Group Members and Director's Management Team

Strategic Agenda

An agenda will be circulated one week prior to each meeting.

The standard agenda headings are defined below.

- 1 Asset Rationalisation / Disposals Update
- 2 Capital Budget Update (Monitoring, Setting, Strategy)
- 3 Asset Management Update (AMP, Asset Register/TOAD)
- 4 Update on new external funding bids/projects
- 5 Update from Chief Executive of TEDC on strategic issues

Property Agenda

An agenda will be circulated one week prior to each meeting.

The standard agenda headings are defined below.

- 1 Office moves and Office Rationalisation Project update
- 2 Matters arising from Asset Rationalisation Team, SLT and SLB
- 3 Maintenance Programme / Asbestos Register / Legionella update
- 4 Property Performance Indicators update
- 5 Specific Asset / Property issues

Appendix AM-B

Service Asset Management Plan Template

1.0 Service Background and Outcomes

Brief bullet point summary outlining scope of services and key outcomes expected along with relevant comments from your service strategy.

2.0 Predicted Service Delivery Changes

Brief bullet point summary confirming possible future changes to service delivery, which are likely to have implications for service assets (acquisition, adaptation or disposal), together with likely timescales.

3.0 Scope of Service AMP

Does this SAMP cover all assets under your Business Unit / Service? If not, please confirm which ones and why not.

4.0 Identification of Current Property Portfolio

Provide a comprehensive list of current assets, responsible officers and asset functions and users.

5.0 Identification of Property Surveys

Identify (where relevant) dates for the following surveys:

- *Date of Condition Survey*
- *Date of DDA Survey (Public Access)*
- *Date of Water Hygiene Risk Assessment*
- *Date of Asbestos Survey*

6.0 Preferred Options & Action Plan

For each of the assets identified comment on the current position and what action if any is required to implement any required changes.

7.0 Implement Audit and Review

Table of specific actions required to improve service delivery, the priority rating and the date for review.

Appendix AM-C

Key Asset Management Performance Indicator Analysis (Including Schools)

| Indicator | Description | Category | 2010/11 | 2011/12 | 2012/13 | 2013/14 | National Average (2009/10) | Comments |
|------------------|--|--|--|--|----------------|----------------|---|--|
| | | | Out-turn | Out-turn | Targets | | | |
| PI1- 1A | % GIA that falls in each of the Condition Categories (A = Good, D = Bad) | A | 2% | 2% | 7% | 12% | 18% | Targets calculated as improvements of 5%. Further data has been captured and assets have been resurveyed. This has impacted on the 11/12 figures |
| | | B | 52% | 45% | 50% | 55% | 60% | |
| | | C | 32% | 35% | 30% | 25% | 19% | |
| | | D | 14% | 18% | 13% | 8% | 3% | |
| PI2- 1Bi | Total Value of Backlog of Work (1 = Urgent, 3 = Desirable) | Priority 1 Priority 2 Priority 3 | £13,260,646 £10,194,109 £9,629,691 | £14,208,743 £9,801,200 £11,692,285 | 5% reduction | | Not recorded | Further data has been captured and assets have been resurveyed. This has impacted on the 11/12 figures |
| PI3- 1Bii | Required Maintenance Cost as a % in Levels 1-3 (1 = Urgent, 3 = Desirable) | Operational 1 | 40% | 40% | 35% | 30% | 11% | Targets calculated as improvements of 5%. Further data has been captured and assets have been resurveyed. This has impacted on the 11/12 figures |
| | | Operational 2 | 31% | 27% | 22% | 17% | 45% | |
| | | Operational 3 | 29% | 33% | 43% | 53% | 44% | |
| Indicator | Description | | 2010/11 | 2011/12 | 2012/13 | 2013/14 | National Average (2009/10) | Comments |
| | | | Out-turn | Out-turn | Targets | | | |
| PI4A- 1Dii | Repair & Maintenance spend per m2 | | £6.03 | £7.40 | £7.77 | £8.16 | Not recorded | Targets based on 5% increase. Academy Schools have been removed which has impacted on the m2 |
| PI4B- 2A | Energy cost per m2 | | £7.26 | £10.23 | £9.72 | £9.23 | £12.30 | Targets based on 5% reduction. Energy prices have risen by approximately 20-25% |
| PI4C- 2B | Water costs per m2 | | £3.27 | £2.37 | £2.25 | £2.14 | £2.01 | Targets based on 5% reduction. Water spend has reduced significantly as a result of Tor Hill House being put on a water meter. Consumption has also been reduced |
| PI4D- 2C | CO2 emissions per m2 in tonnes | | 0.044 | 0.045 | 0.043 | 0.041 | 0.07 | Targets based on 5% reduction |
| PI5 – 3Ci | % of properties where a suitability survey has been carried out within the last 5 years that are graded good or satisfactory | | 94% | 94% | 95% | 96% | 77% | |
| PI6- 4 BV156 | % of public buildings which are DDA compliant | | 54% | 54% | 54% | 54% | Not recorded | There is little prospect of exceeding the 54% out-turn given the nature of some of our buildings and the removal of the central DDA budget |

Appendix AM-D Extracts

Torbay Online Asset Database (TOAD)

Core Asset Data Tab

Torbay Online Assets Database - Version 2

Billingham, Emma - Asset Registrar

Version: 2.0-1885.17918

Asset: T3037 - Pearl Assurance House

| | | | |
|----------------------------|---|-------------------------------|--|
| Address | 101-107 Union Street | Asset Type | Operational |
| | | Property Category | Other Land and Buildings |
| | | Sub Category | Offices,Admin. Bldg & Land associated with |
| | | Type | Building |
| | | Year Built | 0 |
| Eastings | 291438 | Subject to a Condition Survey | Yes |
| Northings | 64232 | | |
| Map Ref | 26SW | Building manager | |
| OS Ref | | Contact Number | |
| Terrier Ref | 0 | | |
| Deeds Ref. | | | |
| Land Registry Title Number | | | |
| TC Ownership | Leased | Holding Service Code | E1711 |
| Directorate | Environment Commissioner | | |
| Business Unit | Chief Executive Torbay Development Agency | | |
| Service Area | Property ... Please see Area Tab | Manager Service Code | |
| Status | NOT ENTERED | UPRN | 10002986652 |
| Listed Building | No | NDR Value | 0.0000 |
| | | Council Tax Band | |
| | | Current Use | Council Office Accommodation |
| Acquired Date | 07/02/2005 | Disposal Date | |
| Acquired Cost | 0.00 | Disposal Price | 0.00 |
| Acquired Powers | | Disposal Powers | |
| Vendor | | Purchaser | |
| Buildings in Acq. | Yes | Buildings in Disp. | No |
| Purchasing Committee | Environment Services | Archive Date | |

Floors Tab

Torbay Online Assets Database - Version 2

Billingham, Emma - Asset Registrar

Version: 2.0-1885.17918

Asset: T3037 - Pearl Assurance House

If any of this data needs updating, please contact ... toad@torbay.gov.uk

- 01 Ground Floor
 - Lobby & Stairs
- 02 First Floor
 - Communications
 - Disabled Toilet
 - Gents Toilets
 - Interview Room A
 - Interview Room B
 - Interview Room C
 - Kitchenette
 - Office
 - Reception
 - Stairs & Landing
 - Stairs & Landing
 - Store
- 03 Second Floor
 - Corridor
 - Kitchen
 - Ladies Toilets
 - Meeting Room
 - Office
 - Office
 - Office
 - Office
 - Stairs & Landing
 - Stairs & Landing
- 04 Third Floor
 - Store

T3037 - Pearl Assurance House

Floor: 02

Room: Office

Name: Office

Reference: 006

Description: Office

TOTAL NIA m²: 8.10 TOTAL NIA Sq Ft: 87.19

Notes:

Valuations Module

Torbay Online Assets Database - Version 2

Billingham, Emma - Asset Registrar

Version 2.0.3885.17918

Name: Pearl Assurance House
Reference: T3037

| Unallocated | Land | Buildings | Plant and Machinery | Furniture and Equipment | External Works |
|-------------|------------|------------|---------------------|-------------------------|----------------|
| T3037-UNALL | T3037-LAND | T3037-BULD | T3037-PLNT | T3037-FRNT | T3037-EXTW |
| [Table] | [Table] | [Table] | [Table] | [Table] | [Table] |

TOTAL Values for Pearl Assurance House

| | Historical Cost | Current Value |
|---------------------------|-----------------|---------------|
| Gross Value: | 0.00 | 0.00 |
| Enhancements in Year: | 0.00 | 0.00 |
| Enhancements to Date: | 0.00 | 0.00 |
| Gross Cost: | 0.00 | 0.00 |
| Residual Value: | 0.00 | 0.00 |
| Depreciation this Year: | 0.00 | 0.00 |
| Depreciation to Date: | 0.00 | 0.00 |
| Impairment (LEB): | 0.00 | 0.00 |
| Impairment (LEB) to Date: | 0.00 | 0.00 |
| Impairment (PR): | 0.00 | 0.00 |
| Impairment (PR) to Date: | 0.00 | 0.00 |
| Disposal of Asset: | 0.00 | 0.00 |
| Net Value: | 0.00 | 0.00 |

Instructions: To enter a specific components valuation click on the relevant screen above. If a screen is highlighted, it means data has been entered. The Summary Table opposite is a total of the 4 values calculated from it's component. When you place your mouse cursor over the figure, the totals for each component appear above.

Condition Survey Module

Torbay Online Assets Database - Version 2

Billingham, Emma - Asset Registrar

Version 2.0.3885.17918

T3037- Pearl Assurance House

Standard Asset

Block Details | Elements | SubElements | Lines | Details

Block Name: Pearl Assurance House

Condition Data: True

Pricing Base Date: 17/05/2007

Surveyed by: Kendall Kingscott

Ref. Internal Area: T3037

Notes: Pearl Assurance House is a post war 3-storey building constructed of a concrete frame with brick cavity wall envelope and metal windows with stone/pre-cast concrete surrounds. The roof construction is flat off a concrete deck with felt coverings and lead detailing. The ground floor consists of retail outlets. Torbay Council occupy the upper floors on a leasehold basis.

Reports: View this Block, View ALL Blocks for this Asset, View Header, View Sub Elements, View Details, Update Form

APPENDIX AM-E

Summary Property Strategy Action Plan (PSAP)

| Ref | Objective | Key Action | Key Change/Goal | Benefit/Outcome for Stakeholders | Lead Officers | Key Resources | Target | Target Deadline | Performance Monitoring |
|---------|---|---|--|--|---|--|--|-----------------------------------|--|
| | Description of the strategic objective that is sought | Description of each specific action that will deliver the objective | Description of the specific change or goal that each action should produce | Description of the benefits that each action will deliver to service delivery groups and residents of Torbay | Description of the Officers taking ownership of delivery of each action | Description of the key teams upon which delivery of each action is dependent | Description of the hard and measurable outputs that each action must produce | Date deadline for target delivery | Description of how progress and performance will be assessed for each action |
| Page 45 | Suitable Assets Aligned to Service Delivery | Service Asset Management Plans | All Business Units or Services to have five year plans for continued use of assets | Planned and more efficient use of assets producing improved service delivery | CPO | CAMT, CPO, Asset Registrar, Service Asset Representatives | Completion of all SAMPs and development of 5 year corporate plan. To be reviewed yearly. | Ongoing | Reviewed in CAMP yearly update |
| | | Implementation of Service Asset Suitability Reviews | Asset use reviews completed for all services as part of SAMP process | Planned and more efficient use of assets producing improved service delivery | CPO | CAMT, CPO, Asset Registrar, Service Asset Representatives | Completion of all surveys and development of 5 year plan | Ongoing | Reviewed in CAMP yearly update |
| | | Implementation of specific DDA improvement works arising from survey work | Completion of identified physical improvement projects | Improved accessibility to the public | CPO | CAMT, Property Services Group | Completion of projects within agreed timescales | Annual | Reviewed in CAMP yearly update – currently on hold because the budget for DDA works has been removed |

| Ref | Objective | Key Action | Key Change/Goal | Benefit/Outcome for Stakeholders | Lead Officers | Key Resources | Target | Target Deadline | Performance Monitoring |
|---------|---|--|--|--|---|--|---|-----------------------------------|--|
| | Description of the strategic objective that is sought | Description of each specific action that will deliver the objective | Description of the specific change or goal that each action should produce | Description of the benefits that each action will deliver to service delivery groups and residents of Torbay | Description of the Officers taking ownership of delivery of each action | Description of the key teams upon which delivery of each action is dependent | Description of the hard and measurable outputs that each action must produce | Date deadline for target delivery | Description of how progress and performance will be assessed for each action |
| | Effective Repair and Maintenance | Implementation of reorganised R&M delivery process | Reduction of backlog maintenance | Improved service delivery from assets that are fit for use and publicly acceptable | CPO | CAMT, CPO, Finance, Service Asset Representatives | Delivery of 4+ year rolling programme and elimination of category D and C1 works within 5 years | Ongoing | Delivery report included in CAMP yearly update |
| Page 46 | | Implementation of five yearly rolling programme of condition surveys | All properties to have a condition survey within last five years | Improved understanding of condition and improved targeting of repair resources | CPO | CAMT, CPO, Finance, Property Services Group | 100% completion rate | Ongoing | Delivery report included in CAMP yearly update |
| | | Completion of Asbestos Surveys | Complete asbestos register in place | Healthy and safe working environment and easy delivery of improvement & development works | CPO | CAMT, Property Services Group | Completion of Asbestos Surveys & re-inspections | Ongoing | Monitoring at CAMT. Delivery report included in CAMP yearly update |
| | | Rolling review of non service & investment assets | Establish a clear policy for non service & investment assets | Planned development of these assets will maximise returns to fund Council Priorities | CPO, TEDC Business Manager, Head of Asset Management | CAMT, Service Asset Representatives | To be undertaken annually | Ongoing | Review by CAMT. Report included in CAMP yearly update |

| Ref | Objective | Key Action | Key Change/Goal | Benefit/Outcome for Stakeholders | Lead Officers | Key Resources | Target | Target Deadline | Performance Monitoring |
|---------|---|---|---|---|---|--|--|-----------------------------------|---|
| | Description of the strategic objective that is sought | Description of each specific action that will deliver the objective | Description of the specific change or goal that each action should produce | Description of the benefits that each action will deliver to service delivery groups and residents of Torbay | Description of the Officers taking ownership of delivery of each action | Description of the key teams upon which delivery of each action is dependent | Description of the hard and measurable outputs that each action must produce | Date deadline for target delivery | Description of how progress and performance will be assessed for each action |
| | Economic Regeneration | Managed workspace and business incubation | Enhanced support for local Business with particular emphasis on the needs of start up companies | Improved economic performance and increased survival rate for start up businesses | TEDC commission | Regeneration | Funding Bids prepared project due for completion subject | Ongoing | Place Policy Development Group |
| Page 47 | | Employment and Regeneration programme | Circa £300m of regeneration development with circa 2000 jobs | Improve economic performance and GVA | TEDC commission (TEDC Programme Manager) | Regeneration, Asset Management, Planning, Legal advisors, Procurement | Completion of various projects within the programme | Ongoing 20 year programme | Place Policy Development Group |
| | | Brixham Town Centre | New supermarket and other commercial and residential accommodation | Improved economic performance | TEDC commission | Regeneration, Legal advisors | New facilities | | Place Policy Development Group |
| | Integrated Disposals Programme | Implementation of an accelerated disposal programme | The disposal of appropriate Council owned sites for developments including affordable housing | Rationalisation of Property portfolio Reduced maintenance costs Increased capital programme Increased access to affordable housing | CPO, Service Heads | CAMT, CPO, Disposals Officer, Planning Service, Finance | Identified sites sold | Ongoing | Monitoring at CAMT and Place Policy Development Group. Delivery report included in CAMP yearly update |

| Ref | Objective | Key Action | Key Change/Goal | Benefit/Outcome for Stakeholders | Lead Officers | Key Resources | Target | Target Deadline | Performance Monitoring |
|---------|---|---|--|---|---|--|--|--|--|
| | Description of the strategic objective that is sought | Description of each specific action that will deliver the objective | Description of the specific change or goal that each action should produce | Description of the benefits that each action will deliver to service delivery groups and residents of Torbay | Description of the Officers taking ownership of delivery of each action | Description of the key teams upon which delivery of each action is dependent | Description of the hard and measurable outputs that each action must produce | Date deadline for target delivery | Description of how progress and performance will be assessed for each action |
| | Effective Use and Rationalisation of Administrative Buildings | Office Rationalisation Project | Consolidation of Office Accommodation as part of project | Improved efficiency and service delivery and cost savings | Project Manager | | Refurbished Offices | March 2013 | Project Team |
| Page 48 | Improved Data Management | Development of update protocols for live data modules | Defined operating processes in place that can be monitored and audited | Accurate information available to enable informed and transparent decision making, improved prioritisation and more effective action planning | CPO, Asset Registrar | CAMT, IT, Finance, Service Asset Representatives | Data fields in TOAD completed and verified | Ongoing | Review by CAMT. Delivery report included in CAMP yearly update |
| | | Development of user manual | Defined operating and user instructions in place and available to all officers | Accurate information available to enable informed and transparent decision making, improved prioritisation and more effective action planning | CPO, Asset Registrar | CAMT, IT, Finance, Service Asset Representatives | User Manual complete | Completed and updated as new modules are developed | Review by CAMT. Delivery report included in CAMP yearly update |

APPENDIX AM-F - REPAIRS AND MAINTENANCE PROGRAMME

TORBAY COUNCIL

YEAR 2013/14

Indicative budget pending budget proposals - £800,000

| Asset Reference | Asset Name | Budget estimated costs |
|-----------------|---|------------------------|
| Various Assets | Cyclical programme of condition surveys | £90,000 |
| Various Assets | Asbestos re-inspection surveys | £15,000 |
| Various Assets | Legionella Water Hygiene | £50,000 |
| Various Assets | Cyclical programme of external redecorations | £100,000 |
| Various Assets | Contingency fund (10%) | £80,000 |
| Various Assets | Identified R&M Works (detailed below) | £418,635 |
| Various Assets | Provision for Condition D Works identified from the 2012-13 condition surveys | £46,365 |
| | TOTAL | £800,000 |

| Asset Reference | Asset Name | Element | Condition | Priority 1 | Priority 2 | Priority 3 | Priority 4 |
|-----------------|-------------------------------------|-----------------------------------|-----------|------------|------------|------------|------------|
| B0006AA01 | St Marys Gardeners Shed | Redecorations | C | 0 | 750 | 0 | 0 |
| B0063AF | Shoalstone Public Toilets | Mechanical Services | D | 0 | 1500 | 0 | 0 |
| B0063AG | Shoalstone Swimming Pool | Mechanical Services | D | 1000 | 0 | 0 | 0 |
| B0068AC | Breakwater Quarry Former Fuel Tank | Fixed Furniture and Fittings | D | 0 | 2000 | 0 | 0 |
| B0070BJ | Inner Harbour Ramp | External Areas | C | 0 | 1000 | 0 | 0 |
| B0328AA | Brixham Community Centre | Electrical Services | D | 1500 | 0 | 0 | 0 |
| B0328AA | Brixham Community Centre | Electrical Services | D | 1000 | 0 | 0 | 0 |
| B0328AA | Brixham Community Centre | Electrical Services | D | 1000 | 0 | 0 | 0 |
| B0328AA | Brixham Community Centre | Floors and Stairs | D | 0 | 550 | 0 | 0 |
| B0328AA | Brixham Community Centre | Mechanical Services | C | 1000 | 0 | 0 | 0 |
| B0333AA | The Bathing House | External Walls, Windows and Doors | D | 10000 | 0 | 0 | 0 |
| B0333AA | The Bathing House | External Areas | D | 4500 | 0 | 0 | 0 |
| B0333AA | The Bathing House | External Areas | D | 4000 | 0 | 0 | 0 |
| B0333AA | The Bathing House | External Walls, Windows and Doors | D | 750 | 0 | 0 | 0 |
| B0333AA | The Bathing House | External Walls, Windows and Doors | D | 0 | 20000 | 0 | 0 |
| B0333AA | The Bathing House | External Walls, Windows and Doors | D | 0 | 15000 | 0 | 0 |
| B0333AA | The Bathing House | External Walls, Windows and Doors | D | 0 | 4000 | 0 | 0 |
| B0333AA | The Bathing House | External Areas | D | 0 | 1000 | 0 | 0 |
| B0333AA | The Bathing House | Fixed Furniture and Fittings | D | 0 | 0 | 15000 | 0 |
| B0333AA | The Bathing House | External Walls, Windows and Doors | D | 0 | 0 | 750 | 0 |
| B0333AA | The Bathing House | External Walls, Windows and Doors | D | 0 | 0 | 0 | 0 |
| B0335AD | Broadsands Beach Public Toilets | Electrical Services | C | 1500 | 0 | 0 | 0 |
| B0370AA | Breakwater Car Park | Electrical Services | C | 0 | 800 | 0 | 0 |
| B0370AE | Fishermans Store | External Walls, Windows and Doors | D | 0 | 1500 | 0 | 0 |
| P0036AC01A | Waterside PRU Block A | Mechanical Services | D | 3000 | 0 | 0 | 0 |
| P0119AC | Youngs Park Public Toilets | Sanitary Services | D | 0 | 5500 | 0 | 0 |
| P0119AG01 | Youngs Park Open Shelters | Roofs | C | 0 | 800 | 0 | 0 |
| P0119AV | Youngs Park Gardeners Store | External Areas | D | 0 | 800 | 0 | 0 |
| P0119AW | Youngs Park Promenade Store | External Walls, Windows and Doors | D | 910 | 0 | 0 | 0 |
| P0119AW | Youngs Park Promenade Store | Roofs | C | 0 | 2400 | 0 | 0 |
| P0122AC | Clennon Valley Changing Rooms | Sanitary Services | C | 0 | 950 | 0 | 0 |
| P0246 | Roundham Car Park(ex Wickham Lodge) | Electrical Services | D | 7000 | 0 | 0 | 0 |
| P0246 | Roundham Car Park(ex Wickham Lodge) | Electrical Services | D | 1000 | 0 | 0 | 0 |
| P0246 | Roundham Car Park(ex Wickham Lodge) | Electrical Services | D | 0 | 10000 | 0 | 0 |
| P0246 | Roundham Car Park(ex Wickham Lodge) | Roofs | C | 0 | 2000 | 0 | 0 |
| P0248AA | Paignton Harbour Unit -Old Aquarium | Electrical Services | C | 2000 | 0 | 0 | 0 |
| P0255AA | Multi-storey car/coach park | Electrical Services | C | 5000 | 0 | 0 | 0 |
| P0344AA | Victoria Park Tennis Courts (2) | External Areas | C | 0 | 1500 | 0 | 0 |
| P0421AA01 | Palace Theatre Auditorium | Mechanical Services | C | 0 | 1000 | 0 | 0 |

| | | | | | | | | | |
|-----------|--------------------------------------|-----------------------------------|---|------|-------|------|---|---|---|
| P0421AA02 | Palace Theatre Badminton Hall | Mechanical Services | D | 0 | 2000 | 0 | 0 | 0 | 0 |
| P0635AC | Preston South Public Toilets | Electrical Services | C | 0 | 3000 | 0 | 0 | 0 | 0 |
| P0649 | Brookfield Control Centre | Electrical Services | D | 600 | 0 | 0 | 0 | 0 | 0 |
| P0649 | Brookfield Control Centre | Electrical Services | D | 0 | 1000 | 0 | 0 | 0 | 0 |
| P0649 | Brookfield Control Centre | Electrical Services | C | 900 | 0 | 0 | 0 | 0 | 0 |
| P0649 | Brookfield Control Centre | Electrical Services | C | 800 | 0 | 0 | 0 | 0 | 0 |
| P1072 | Dwelling 286 Totnes Road | Roofs | C | 0 | 1350 | 0 | 0 | 0 | 0 |
| P1073 | Dwelling 288 Totnes Road | Floors and Stairs | C | 0 | 1875 | 0 | 0 | 0 | 0 |
| P3007 | Churston Library | Mechanical Services | C | 600 | 0 | 0 | 0 | 0 | 0 |
| P3015 | Polsham Centre | External Areas | C | 0 | 3000 | 0 | 0 | 0 | 0 |
| T0004AJ | Inner Harbour Slipway | Floors and Stairs | C | 0 | 5000 | 0 | 0 | 0 | 0 |
| T0004AJ | Inner Harbour Slipway | External Walls, Windows and Doors | C | 0 | 4000 | 0 | 0 | 0 | 0 |
| T0004AJ | Inner Harbour Slipway | External Areas | C | 0 | 2000 | 0 | 0 | 0 | 0 |
| T0006AA | Beacon Quay Car Park | External Areas | C | 0 | 10000 | 0 | 0 | 0 | 0 |
| T0006AA01 | Unit 1(GF & FF)Beacon Quay Car Park | Roofs | C | 0 | 1250 | 0 | 0 | 0 | 0 |
| T0006AA05 | Unit 5 Beacon Quay Car Park | Roofs | C | 0 | 1500 | 0 | 0 | 0 | 0 |
| T0006AA07 | Unit 7 Beacon Quay Car Park | External Walls, Windows and Doors | C | 0 | 750 | 0 | 0 | 0 | 0 |
| T0006AA09 | Store 9 Beacon Quay Car Park | Roofs | C | 0 | 1000 | 0 | 0 | 0 | 0 |
| T0006AB | Beacon Quay Public Toilets | Mechanical Services | D | 3000 | 0 | 0 | 0 | 0 | 0 |
| T0006AB | Beacon Quay Public Toilets | Mechanical Services | D | 1000 | 0 | 0 | 0 | 0 | 0 |
| T0006AF | Town Dock | Electrical Services | D | 600 | 0 | 0 | 0 | 0 | 0 |
| T0008AB | Meadfoot Public Toilets | Mechanical Services | C | 1000 | 0 | 0 | 0 | 0 | 0 |
| T0008AB | Meadfoot Public Toilets | Electrical Services | C | 1500 | 0 | 0 | 0 | 0 | 0 |
| T0026AF | Cockington Lodge | Roofs | C | 0 | 15000 | 0 | 0 | 0 | 0 |
| T0026AF | Cockington Lodge | Redecorations | C | 0 | 3500 | 0 | 0 | 0 | 0 |
| T0026AF | Cockington Lodge | External Walls, Windows and Doors | C | 0 | 2500 | 0 | 0 | 0 | 0 |
| T0091 | Vaughan Road Public Toilets | Internal Walls and Doors | C | 0 | 20000 | 0 | 0 | 0 | 0 |
| T0117AB | Cary Parade Ornamental Fountain Site | External Areas | C | 0 | 3000 | 0 | 0 | 0 | 0 |
| T0245AE | Corbyn Head Beach Managers Hut | External Walls, Windows and Doors | C | 0 | 2000 | 0 | 0 | 0 | 0 |
| T0262AA | Torre Valley South Car Park | External Areas | C | 0 | 1500 | 0 | 0 | 0 | 0 |
| T0262AA | Torre Valley South Car Park | External Areas | C | 0 | 1000 | 0 | 0 | 0 | 0 |
| T0263AA | The Cottage | Roofs | C | 0 | 25000 | 0 | 0 | 0 | 0 |
| T0263AB | The Lodge | Mechanical Services | C | 800 | 0 | 0 | 0 | 0 | 0 |
| T0263AF | Torre Abbey Gatehouse | Electrical Services | D | 0 | 1000 | 0 | 0 | 0 | 0 |
| T0263AF | Torre Abbey Gatehouse | Roofs | D | 0 | 0 | 3500 | 0 | 0 | 0 |
| T0263AF | Torre Abbey Gatehouse | Electrical Services | C | 0 | 1000 | 0 | 0 | 0 | 0 |
| T0263AH | Torre Abbey Palm House | Electrical Services | D | 800 | 0 | 0 | 0 | 0 | 0 |
| T0263AH | Torre Abbey Palm House | Mechanical Services | C | 1000 | 0 | 0 | 0 | 0 | 0 |
| T0263AJ | Torre Abbey Greenhouse | Electrical Services | D | 1500 | 0 | 0 | 0 | 0 | 0 |
| T0263AP | Torre Abbey Upper Plant Room | Mechanical Services | D | 8000 | 0 | 0 | 0 | 0 | 0 |
| T0263AP | Torre Abbey Upper Plant Room | Mechanical Services | C | 0 | 1000 | 0 | 0 | 0 | 0 |
| T0263AP | Torre Abbey Upper Plant Room | External Walls, Windows and Doors | C | 0 | 600 | 0 | 0 | 0 | 0 |
| T0263AQ | Torre Abbey Gardeners Storage Build | External Walls, Windows and Doors | C | 0 | 4000 | 0 | 0 | 0 | 0 |
| T0263AQ | Torre Abbey Gardeners Storage Build | Electrical Services | C | 0 | 3000 | 0 | 0 | 0 | 0 |
| T0263AQ | Torre Abbey Gardeners Storage Build | Electrical Services | C | 0 | 1000 | 0 | 0 | 0 | 0 |
| T0263AQ | Torre Abbey Gardeners Storage Build | Mechanical Services | C | 0 | 1000 | 0 | 0 | 0 | 0 |
| T0263AQ | Torre Abbey Gardeners Storage Build | Redecorations | C | 0 | 600 | 0 | 0 | 0 | 0 |
| T0263AQ | Torre Abbey Gardeners Storage Build | External Walls, Windows and Doors | C | 0 | 550 | 0 | 0 | 0 | 0 |
| T0263AR | Torre Abbey W.C. Outbuilding | Mechanical Services | D | 3000 | 0 | 0 | 0 | 0 | 0 |
| T0263ZZ | Torre Abbey & Gardens - Remainder | Electrical Services | D | 1000 | 0 | 0 | 0 | 0 | 0 |
| T0263ZZ | Torre Abbey & Gardens - Remainder | External Areas | C | 0 | 2500 | 0 | 0 | 0 | 0 |
| T0389AB | Elacombe Sports Pavilion | Roofs | C | 0 | 8000 | 0 | 0 | 0 | 0 |
| T0389AB | Elacombe Sports Pavilion | Redecorations | C | 0 | 3000 | 0 | 0 | 0 | 0 |
| T0389AB | Elacombe Sports Pavilion | Floors and Stairs | C | 0 | 2500 | 0 | 0 | 0 | 0 |
| T0389AB | Elacombe Sports Pavilion | Ceilings | C | 0 | 2000 | 0 | 0 | 0 | 0 |
| T0389AB | Elacombe Sports Pavilion | Redecorations | C | 0 | 2000 | 0 | 0 | 0 | 0 |
| T0389AB | Elacombe Sports Pavilion | Fixed Furniture and Fittings | C | 0 | 1800 | 0 | 0 | 0 | 0 |
| T0389AB | Elacombe Sports Pavilion | Electrical Services | C | 0 | 1500 | 0 | 0 | 0 | 0 |
| T0389AB | Elacombe Sports Pavilion | Internal Walls and Doors | C | 0 | 1500 | 0 | 0 | 0 | 0 |

| | | | | | | | | | | |
|-----------|--------------------------------------|-----------------------------------|---|------|------|-------|---|---|---|---|
| T0389AB | Eilacombe Sports Pavilion | Roofs | C | 0 | 1500 | 0 | 0 | 0 | 0 | 0 |
| T0439AD01 | Upton Bowls Pavilion | Electrical Services | C | 0 | 1000 | 0 | 0 | 0 | 0 | 0 |
| T0439AD01 | Upton Bowls Pavilion | Electrical Services | C | 0 | 1000 | 0 | 0 | 0 | 0 | 0 |
| T0439AD01 | Upton Bowls Pavilion | Mechanical Services | C | 0 | 550 | 0 | 0 | 0 | 0 | 0 |
| T0470 | Torquay Town Hall Site-COs Complex | External Walls, Windows and Doors | D | 5000 | 0 | 25000 | 0 | 0 | 0 | 0 |
| T0470 | Torquay Town Hall Site-COs Complex | Electrical Services | C | 1000 | 0 | 0 | 0 | 0 | 0 | 0 |
| T0470 | Torquay Town Hall Site-COs Complex | Electrical Services | C | 1000 | 0 | 0 | 0 | 0 | 0 | 0 |
| T0470 | Torquay Town Hall Site-COs Complex | Electrical Services | C | 1000 | 0 | 0 | 0 | 0 | 0 | 0 |
| T0470 | Torquay Town Hall Site-COs Complex | Electrical Services | C | 1000 | 0 | 0 | 0 | 0 | 0 | 0 |
| T0470 | Torquay Town Hall Site-COs Complex | Electrical Services | C | 3000 | 0 | 0 | 0 | 0 | 0 | 0 |
| T0470 | Torquay Town Hall Site-COs Complex | Mechanical Services | C | 0 | 1500 | 0 | 0 | 0 | 0 | 0 |
| T0470 | Torquay Town Hall Site-COs Complex | Mechanical Services | C | 0 | 1500 | 0 | 0 | 0 | 0 | 0 |
| T0470 | Torquay Town Hall Site-COs Complex | Electrical Services | C | 0 | 1000 | 0 | 0 | 0 | 0 | 0 |
| T0470 | Torquay Town Hall Site-COs Complex | Electrical Services | C | 0 | 1000 | 0 | 0 | 0 | 0 | 0 |
| T0470 | Torquay Town Hall Site-COs Complex | Mechanical Services | C | 0 | 1000 | 0 | 0 | 0 | 0 | 0 |
| T0470 | Torquay Town Hall Site-COs Complex | Mechanical Services | C | 0 | 1000 | 0 | 0 | 0 | 0 | 0 |
| T0470 | Torquay Town Hall Site-COs Complex | Mechanical Services | C | 1000 | 0 | 0 | 0 | 0 | 0 | 0 |
| T0470AE | Upton Valley Offices | Internal Walls and Doors | D | 0 | 1500 | 0 | 0 | 0 | 0 | 0 |
| T0470AE | Upton Valley Offices | Internal Walls and Doors | C | 0 | 1500 | 0 | 0 | 0 | 0 | 0 |
| T0470AE | Upton Valley Offices | Redecorations | C | 0 | 1500 | 0 | 0 | 0 | 0 | 0 |
| T0470AE | Upton Valley Offices | Electrical Services | C | 0 | 1000 | 0 | 0 | 0 | 0 | 0 |
| T0470AF | Torquay Central Library | Electrical Services | D | 1000 | 0 | 0 | 0 | 0 | 0 | 0 |
| T0470AF | Torquay Central Library | Electrical Services | C | 1000 | 0 | 0 | 0 | 0 | 0 | 0 |
| T0470AF | Torquay Central Library | Mechanical Services | C | 3000 | 0 | 15000 | 0 | 0 | 0 | 0 |
| T0470AF | Torquay Central Library | Electrical Services | C | 1000 | 0 | 0 | 0 | 0 | 0 | 0 |
| T0470AF | Torquay Central Library | Mechanical Services | C | 0 | 6000 | 0 | 0 | 0 | 0 | 0 |
| T0470AF | Torquay Central Library | Electrical Services | C | 0 | 1000 | 0 | 0 | 0 | 0 | 0 |
| T0470AF | Torquay Central Library | Electrical Services | C | 0 | 1000 | 0 | 0 | 0 | 0 | 0 |
| T0488AA | Temperance St Warehouse-Ground Floor | Roofs (Lean to) | C | 0 | 1500 | 0 | 0 | 0 | 0 | 0 |
| T0504AB | Princess Shop | Floors and Stairs | C | 450 | 0 | 1000 | 0 | 0 | 0 | 0 |
| T0681AC01 | Oddicombe Ladies & Disabled Toilets | Sanitary Services | C | 0 | 950 | 0 | 0 | 0 | 0 | 0 |
| T0681AC01 | Oddicombe Ladies & Disabled Toilets | Sanitary Services | C | 0 | 750 | 0 | 0 | 0 | 0 | 0 |
| T0685AB | Babbacombe Downs Toilets & Shelter | Electrical Services | C | 700 | 0 | 0 | 0 | 0 | 0 | 0 |
| T0685AB | Babbacombe Downs Toilets & Shelter | Electrical Services | C | 1500 | 0 | 0 | 0 | 0 | 0 | 0 |
| T0685AB | Babbacombe Downs Toilets & Shelter | Mechanical Services | C | 0 | 5000 | 0 | 0 | 0 | 0 | 0 |
| T0740 | Chilcote Close Car Park Site | External Areas | C | 0 | 1000 | 0 | 0 | 0 | 0 | 0 |
| T0749AA | Hampton Avenue Public Toilets | Electrical Services | D | 1000 | 0 | 0 | 0 | 0 | 0 | 0 |
| T0970AC | King George V Barn | Electrical Services | C | 2500 | 0 | 0 | 0 | 0 | 0 | 0 |
| T1153 | Watcombe Beach Car Park | External Areas | C | 0 | 1300 | 0 | 0 | 0 | 0 | 0 |
| T1328 | Haldon Centre MS Car Park | Electrical Services | C | 1100 | 0 | 0 | 0 | 0 | 0 | 0 |
| T1328 | Haldon Centre MS Car Park | Electrical Services | C | 1000 | 0 | 0 | 0 | 0 | 0 | 0 |
| T1343 | Dwelling 386 Teignmouth Road | Roofs | D | 2000 | 0 | 0 | 0 | 0 | 0 | 0 |
| T1343 | Dwelling 386 Teignmouth Road | Roofs | D | 1500 | 0 | 0 | 0 | 0 | 0 | 0 |



CORPORATE CAPITAL STRATEGY

SUMMARY VERSION

OCTOBER 2012 REVISION

DRAFT FOR CONSULTATION v 1.0

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Appendix 1 - Definition of Capital Expenditure

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1. Introduction

The Corporate Capital Strategy is the policy framework document that sets out the principles to be used as guidance in the allocation of capital investment across all the Council's services and informs decisions on capital spending priorities within the Council's 4-year Capital Investment Plan.

Capital investment is technically described as: ***Expenditure on the acquisition, creation, or enhancement of 'non current assets' i.e. items of land, property and plant which have a useful life of more than 1 year.***

Most non current assets are properties that are used in service delivery. The Council's land, buildings and infrastructure asset base of some 1,500 properties has a current use Balance Sheet value of £340 million. (In addition the Council has an interest in assets held by Diocese and Foundation schools and assets of companies the Council have a financial interest such as TOR2 and the Economic Development Company).

Although the Strategy focuses on the Council's management of its own investment in assets, a wider view of capital investment throughout the bay by both the public and private sectors will have a major influence on meeting Council aims and objectives.

This Strategy was revised in 2011 in the light of the significant reductions in central government support for capital investment over the period of the Comprehensive Spending Review where there will be a 60% reduction in total capital spending in the public sector and the unringfencing of capital allocations. The Capital Strategy is presented to Council as a Policy Framework document, and links with the Treasury Management Strategy and the Corporate Asset Management Plan. Both documents are available from Council offices and on the Council's Website:

<http://www.torbay.gov.uk/index/yourcouncil/financialservices/amp.htm>

The Capital Strategy sets out the guiding principles on the following elements:

- Approach to borrowing
- Grant allocation
- Capital Receipts
- Revenue Resources
- Prioritisation
- Alternative Funding and Delivery Options

In considering the principles, the Council needs a balance between guidance and prescription to allow a flexible and dynamic approach to be taken but reflective of times of uncertainty.

This document is a summary Strategy focusing on the key policies for the allocation of capital resources to schemes in line with Council priorities and statutory responsibilities. There is a more detailed Capital Strategy which both outlines the Council's policies in relation to the allocation and prioritisation of capital funds and, in addition, an overview of the Council's arrangements for the management of its capital programme. This document is available on the Council's intranet site:

<http://www.torbay.gov.uk/index/yourcouncil/financialservices/capitalstrategy.htm>

2. Guiding Principles

2.1 Approach to Borrowing

The Council is able to borrow money on the money market or from the Public Works Loan Board to fund capital schemes, however all schemes will have to be funded by the Council as there is no longer revenue support from government for “supported borrowing”. The Council is only able to borrow under the guidance under the Prudential Code.

The Mayor wants to reduce the ongoing costs of its borrowing on its revenue budget which is likely to result in fewer schemes funded from borrowing.

The Council has traditionally taken a cautious approach to new borrowing, paying particular regard to the robustness of forward predictions of affordability, with the aim that projects should be self-funding (i.e. create a revenue stream so that the cost of borrowing is cost neutral on Council Tax). It is essential that any new proposals for a self funding or invest to save scheme supported by borrowing has a robust business case that is presented to senior members and officers prior to approval by Council.

In recent years, there has been the need for borrowing that has no identifiable future revenue stream, for example, to repair assets such as Princess Promenade. Here a broader view has been taken of the value of repairing the asset to the overall economy of the Bay. The cost of such borrowing falls on the tax payer through payments of debt interest on the Council’s revenue account and repayment of debt over a specified period of time. There may still be a need for such borrowing but each proposal should be reviewed on a case by case basis with the project evaluation clearly stating how the borrowing is to be afforded. Given the financial challenges facing this Council over the next few years it is likely that such schemes will be an “exception”.

Recommendations

- (i) *The Council continue to consider prudential borrowing as an option to fund capital projects. Each project will be considered on its merit taking into account:*
- *The requirements of the “Prudential Code” – including Authorised Borrowing Limits*
 - *Ability to repay both debt interest and loan principal (minimum revenue provision)*
 - *Ability to generate future income streams or cost savings*
 - *Where there is an economic value to the community that is wider than the Council (this should have a strong business case).*
 - *A robust business case*

2.2 Grants

The Council receives capital grant funding from government and is able to bid for grant funding directed to particular government priorities or from other grant awarding bodies.

The Council now has greater flexibility in allocating capital grant funding which allows the Council to direct funding to local priorities which may not be in line with government allocations which are, to some extent, based on local need.

Recommendations

- (i) *The Council initially pools all unringfenced capital grant funding prior to allocation to projects and takes a four year view of the estimated levels of grant funding.*
- (ii) *The Council allocates capital grant funding, estimated value over the four years of the capital investment plan, to service areas in line with agreed priorities. Service intentions of the identified government body awarding the grant may be taken into account in determining allocations.*
- (iii) *In line with the approved Capital Investment Plan, the Chief Operating Officer in consultation with the Mayor, Executive Lead for Finance and the Chief Finance Officer approves individual schemes subject to a business case being presented.*
- (iii) *The Council continues to bid for additional external grant funding but restricts schemes to those which support corporate priorities or statutory service objectives and where it can be proved that the project is sustainable, and requirements for match-funding and future revenue consequences have been considered and approved. All bids are to be agreed with the Mayor and Chief Operating Officer prior to submission.*

2.3 Capital Receipts

The Council receives capital receipts and capital contributions from:

- Asset Disposals
- Right to Buy Clawback
- S106 Monies and Community Infrastructure Levy (CIL)

Asset Disposals

The current policy is to pool all receipts from the sale of all assets sold to support the Capital Investment Plan in line with funding the Council's priorities. The 2012/13 Capital Investment Plan had a capital receipts target to support the approved Plan of £5m. All capital receipts received should be allocated to support this target and not allocated to new schemes.

The Council will consider exceptions to this policy where rationalisation of assets used for service delivery is undertaken and in respect of school sites where the Secretary of State has approved the disposal.

In considering asset disposals, the Council also needs to take into account the policy on Community Asset Transfers where the Council will consider, on a case by case basis, the potential transfer of land to an alternative provider after a full assessment of the long term (full life) risks and rewards of the transfer, including the achievement of best value including potential market value, linked to the Council's aims and objectives. It is expected that in 13/14 the policy will be reviewed to include a review of the process and any new demands such as Community Right to Buy.

Right-to-Buy Clawback

The Council's policy of recycling 100% of these receipts into new affordable housing acknowledges the Council's role as strategic housing enabler by providing some direct re-investment to replace the properties lost from the public sector through the Right-to-Buy system.

S106 monies and Community Infrastructure Levy

S106 monies come from developer contributions through the planning system. The current policy is to allocate monies to services in line with the planning agreements.

Any S106 monies received without a service allocation within the planning agreement will be allocated in line with Council capital scheme priorities. Any monies received for infrastructure from the Community Infrastructure Levy (when introduced) will not be allocated to a specific service but will be allocated under the CIL arrangements in line with Council capital scheme priorities.

Recommendation

- (i) *No change to current policy on capital receipts and contributions.*
- (ii) *That any Community Infrastructure Levy for infrastructure works will be allocated under the CIL arrangements in line with Council capital scheme priorities. **

** Subject to any specific funding requirements such as the South Devon Link Road*

2.4 Revenue & Reserves

The Council is able to use revenue funding for capital schemes. However, as a result of competing budget pressures, the Council's policy is generally not to use Revenue money to directly fund capital projects.

Recommendation

- (i) *No change to current policy on revenue & reserves.*

2.5 Prioritisation

It is always difficult to make choices between competing priorities within a top tier Council that delivers so many varied services. It will also be important to ensure sufficient flexibility to take advantage of any funding opportunities that may occur mid year or fill any gaps where slippage occurs.

The 2012/13 Capital Investment Plan, approved by Council in February 2012, changed the management of its capital plan for 2012/13 onwards.

The key stages in the revised process are as follows:

- a) Officers and Members identify and submit capital schemes, on an ongoing basis, to the Chief Operating Officer in consultation with the Mayor, Executive Lead for Finance and Chief Finance Officer for inclusion in the capital reserve list in a specified format (an outline business case). If the initial business case is supported the scheme will be included for potential inclusion in the Capital Investment Plan.
- b) Estimate of capital funding available for four years is made
- c) Capital schemes are prioritised in line with Capital Strategy and corporate priorities
- d) Council allocates un ring fenced capital grant funding to schemes in line with its priorities. Service intentions of the identified government body awarding the grant will be considered in determining allocations.

e) Initial four year allocations of funding to schemes/services for planning purposes approved by Council as part of annual Capital Budget.

f) Council delegates the approval of specific capital schemes within the approved capital plan in (e) above to the Chief Operating Officer in consultation with the Mayor, Executive Lead for Finance and Chief Finance Officer.

g) If a scheme is to progress further and be approved/funded there will be a requirement for a detailed business plan. This will apply to both new schemes and schemes identified for funding within the initial four year allocation of funding. Detailed business plan to be submitted to the Chief Operating Officer in consultation with the Mayor, Executive Lead for Finance and Chief Finance Officer:

If scheme is to be funded from initial four year (approved) allocations the scheme will be approved by Chief Operating Officer in consultation with the Mayor, Executive Lead for Finance and Chief Finance Officer and progressed when funding confirmed or,

if new funding, in addition to the approved four year allocation in (e) above, is to be used and if scheme is supported by Chief Operating Officer in consultation with the Mayor, Executive Lead for Finance and Chief Finance Officer it will be recommended to Council for approval.

h) Proposals for invest to save or self financing schemes, (usually financed from prudential borrowing), will also require a detailed business case to be submitted to the Chief Operating Officer in consultation with the Mayor, Executive Lead for Finance and Chief Finance Officer. If scheme is supported it will be recommended to Council for approval.

i) The capital plan will be updated and any recommendations for schemes to be approved by Council included in the next quarterly Capital Monitoring Report.

j) Previous Council approvals for capital schemes to be funded from prudential borrowing will be considered for funding from future capital funding to avoid ongoing increased revenue costs.

k) Other schemes that do not require financial support but include the use of Council assets as a Council contribution to a scheme will also be subject to the capital scheme approval process.

Recommendation

(i) *No change to current policy on prioritisation approved by Council in February 2012.*

2.6 Alternative Funding and Delivery Opportunities

As Council capital funding is reduced the Council will consider alternative methods of supporting capital expenditure within the Bay, using alternative funding, such as social investment, private sector finance and third sector funding or by other bodies delivering capital schemes instead of the Council.

The Council could aim to use its assets to support schemes or aim to maximise funding from any source possible, such as European Funding etc.

Recommendation

The Council continues to bid for additional external funding and/or work with other bodies to secure capital investment or consider use of its own assets in a development, but restricts schemes to those which support corporate priorities or statutory service objectives and where it can be proved that the project is sustainable, and requirements for match-funding and future revenue consequences have been considered and approved along with an assessment of the opportunity costs of alternative options. All schemes are to be agreed with the Mayor and Chief Operating Officer prior to submission and/or contractual commitment.

Appendix 1 - Definition of Capital Expenditure

Capital investment is simply described as:

Expenditure on the acquisition, creation or enhancement of “non current

assets”
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(non current assets are items of land & property which have a useful life of more than 1 year)

This definition of capital expenditure that the Council has to comply with for the classification and, therefore, the funding of capital expenditure is linked to International Financial Reporting Standards. "Qualifying Capital Expenditure" under s25 of Local Government Act 2003 is defined when:

"The expenditure results in the acquisition, construction or enhancement of fixed assets (tangible and intangible) in accordance with "proper practices""

"Proper Practice" (from 01/04/10) is under International Financial Reporting Standards (IFRS) rules. The relevant standard is IAS16 which has the following definition of capital expenditure:

"Expenses that are directly attributable to bringing an asset to the location and condition necessary for it to be capable of operating in the manner intended by management".

"Directly attributable". i.e if building a school – costs linked to the actual construction of the building, not temporary accommodation, moving people around etc. – i.e "What helps you build the building?".

Subsequent Capital Expenditure on an asset is defined as:

"Expenses that make it probable that future economic benefits will flow to the authority and whose cost can be measured reliably" Subject to..... "if the expenditure is to replace a component, the old component must be capable of being written out of the balance sheet".

Future economic benefits i.e it is not necessary for the expenditure to improve the condition of the asset beyond its previously assessed standard of performance – the measurement is against the actual standard of performance at the date of expenditure.