

Asset Management Plan 2002

1.	Organisational arrangements for	Corporate Asset Management.
	<p>Summary of achievements to date:</p> <ul style="list-style-type: none"> · A Corporate Property Officer and Corporate Asset Management Team are in place with links to the Corporate Management Team and Cabinet · Corporate approaches to determining property priorities have been developed · There is evidence of joint working between Council services and with other organisations on property issues 	
1.1	Corporate Property Officer (CPO)	
	<p>The Council's Estates Manager is designated Corporate Property Officer and is responsible for all developments in asset management. The Estates Manager is supported by four staff: Senior Architect, Architectural Assistant, Architectural Technician and Personal Assistant. The property management role of the team is developing following the best value reviews of Corporate Property Management and Architectural Services. However, the team is currently being managed on an interim basis and the future structure needs to be settled.</p>	
1.2	The role of the CPO	
	<p>The roles and responsibilities of the CPO have been communicated to Members through the cabinet and best value review process and to officers by training sessions held on the AMP process. These roles were agreed by Cabinet to include:</p>	
	a.	<p>To ensure a fair and consistent approach is applied to all properties when assessing condition and suitability and making proposals within the AMP.</p>
	b.	<p>To update the AMP annually in conjunction with relevant officers.</p>

	c.	To maintain the asset register and disseminate information as appropriate to staff etc.
	d.	To report annually on the asset holdings and develop/review arrangements for determining repairs and maintenance priorities, including capital and revenue requirements.
	e.	To organise/undertake, as appropriate, property reviews.
	f.	To ensure that the link between investment and output is understood by stakeholders such that priorities for future proposed investments are identified against output criteria.
	g.	To integrate AMP initiatives with those of other providers wherever possible.
	h.	In conjunction with Financial Management, to explore the potential for alternative funding mechanism e.g. Private Finance Initiative, Trusts, Arms-length Companies etc.
	i.	To offer advice on corporate property matters generally.
		The CPO and his team are involved in the appraisal of options and business planning for property related issues within service areas and input to the development of the Capital Strategy. It is planned to strengthen this during the coming year by more formal estate management input to best value and other service reviews.
1.3	CPO reporting lines	
		<p>The CPO reports directly to the Director of Finance and Corporate Services. He provides update reports on asset disposals to the Council's Cabinet and on progress against the action plan for the development of asset management arrangements to the Council's Best Value Management Committee.</p> <p>The Council's Deputy Leader has Cabinet responsibility for property issues.</p>

1.4	Corporate Asset Management Team (CAMT)	
	The Council's Corporate Management Team on 8 th October 2001 agreed that a CAMT should be established. The CAMT is chaired by the Director of Finance and Corporate Services and the other members are the Estates Manager (CPO), Head of Housing Management, Head of Arts and Heritage, Head of Sports, Recreation and Leisure, Head of Amenities. Thus, the CAMT includes the Head of each of the major property using services for the Council.	
	The CAMT reports to the Council's Corporate Management Team and Lead Member for Property via the Director of Finance and Corporate Services.	
1.5	The terms of reference of the CAMT are to: "Review the progress of the Capital strategy and Asset Management Plan and report to Members. Make recommendations on the continued improvement of the Council's property strategy by considering Council objectives, stakeholder satisfaction, investment needs and operational requirements.	
	This includes monitoring and reviewing: <ul style="list-style-type: none"> · The Capital Strategy and AMP progress. · The disposals programme. · The collation of property data. · Progress on the property PIs required in the AMP. · Condition survey progress. · Progress of repairs/improvement works. · Management of the "investment portfolio". · Rationalisation of property holding between services. · Stakeholder surveys. · Accommodation plans. · Office facilities management." 	

1.6	The CAMT has now met twice. The members also deal with asset management issues by e-mail between meetings. The CAMT has agreed this Asset Management Plan prior to submission to Cabinet and Council for approval. The CAMT membership has ensured that the Plan reflects corporate and service plans and objectives.	
	<p>The CAMT took a lead role in developing the Council's 2002/03 capital programme. For example:</p> <ul style="list-style-type: none"> · The CAMT recommended to Corporate Management Team a change in the previously agreed capital strategy to increase the amount for major repairs, funded from a reduction in the allocation for support to external initiatives. This recommendation was subsequently agreed by full Council. 	
	<ul style="list-style-type: none"> · The CAMT reviewed all proposed service programmes and agreed the approach to prioritising spend between programmes depending on the availability of capital receipts funding. 	
	<ul style="list-style-type: none"> · The CAMT has developed priorities for funding from the Major Works Fund for submission to Corporate Management Team and Cabinet. 	
	<ul style="list-style-type: none"> · The CAMT is active in identifying surplus property for disposal. 	
	The CAMT has also reviewed the performance of the 2001/02 capital programme against service and financial objectives and submitted a report to the Council's Cabinet identifying key issues and proposals for improvement.	
1.7	The CPO notifies the CAMT and other interested parties of property which he has identified as available for re-use or potentially surplus to requirements. Different proposals for these assets are then evaluated. The aim is to achieve consensus where possible on the optimum future use, which may be an alternative use within the Council or disposal to achieve a capital receipt. The future use of former police boxes has recently been determined in this way.	
1.8	The CPO maintains an overview of property requirements and developments across the Council. He is then able to match opportunities with requirements and identify opportunities for joint working between different services and organisations. An example of this is the proposed new one stop shop reception facility at 1 Grove Road where facilities for a range of council services and other users such as Homechoice and Eastbourne Community Credit Union are being considered.	

2.	Consultation	
	<p>Summary of achievements to date:</p> <ul style="list-style-type: none"> · Wide consultation with staff and the public has informed proposals for accommodation being project managed by CPO including a new one stop reception facility · Staff and the public have been involved in consultation on best value reviews of major council facilities and recommendations are being implemented through this AMP · Service strategies in place following wide consultation and property issues being implemented through this AMP · Eastbourne Access Group invited to submit priorities for disabled access programme 	
2.1	Consultation processes and impact on	property improvements
	<p>The action plans for improvements to Council property generally derive from reviews and the development of strategies for the related services. These reviews have involved consultation with the public and users. For example:</p> <ul style="list-style-type: none"> · The Office Accommodation Strategy began with an in-depth consultancy review of existing accommodation which lead to recommendations on the overall strategy. This work included consultation with staff, chief officers, members and the public. Key findings from this consultation included support for: improved public access, a single point of access, facilities for disabled users, open plan and flexible working, facilities for meetings, use of IT to improve delivery. These findings have been incorporated into the strategy. This was then developed by an internal Task Group. Over the past year all staff have been consulted on proposals for changes to existing accommodation. An interactive web site where staff can find information about the changes and question the project manager has been set up. A representative of Eastbourne disabled groups has attended a Project Board to advise on access issues. · Best value reviews of theatres, museums and art galleries, leisure and recreation, public conveniences and cemeteries and crematoria have all resulted in action plans relating to property. In line with statutory requirements the reviews have included wide ranging consultation with users and their views have informed the agreed action plans. · The Seafront Strategy was the subject of wide public consultation. · The Cultural Hub project is supported by public consultation showing the requirement for the various components and support for the proposals. The design process will involve public consultation. · Work on disabled access has included undertaking detailed surveys of 35 Council owned premises which are open to the public. These reports are now complete, and Eastbourne Access Group has been invited to prioritise the work schedule. 	

3.	Data Management	
	<p>Summary of achievements to date:</p> <ul style="list-style-type: none"> · Property performance information requirements defined through best value review · Council terrier now working and content being updated · Strategy for implementation of NLPG close to completion · GIS installed and being rolled out · Condition surveys being undertaken · Information on maintenance backlogs updated 	
3.1	Property records	
	<p>The best value review of corporate land and buildings defined the data requirements for the effective management of council property. An action plan sets out the targets for developing comprehensive information and progress is reported to the Best Value Management Committee.</p> <p>The Council Terrier has now been successfully transferred to MVM Terrier Wizard software, provided in conjunction with the Land Charges/Searches software. Work is continuing to bring it fully up to date. A members of staff within the property team has been trained on the new system and training of one of the accountants in the Financial Management team is planned.</p> <p>A data system for property values, rentals and reviews is being developed.</p>	
	<p>The Council's strategy for the implementation of the National Land and Property Gazetteer (NLPG) requirements is close to completion. A working group is to be set up a to co-ordinate the process of allocating Unique Property Reference Numbers (UPRNs). GGP GIS related software has been installed which will match existing data sets and identify anomalies in the UPRN allocation. This process will commence with the Land Charges Data set as MVM have already registered Eastbourne with the NLPG. It will then be extended to include all the Councils Data sets involving addresses.</p>	
	<p>The Council has installed GGP GIS software and is in the process of unifying related databases to eliminate duplication and make them accessible.</p>	

3.2	Condition surveys	
	<p>Condition Survey information is being used to update and inform the utilisation, privatisation and disposals programmes. Whereas “broad brush” internally produced reports have previously been used to detail the condition of buildings, the Council has embarked upon a programme of commissioning full and costed building condition surveys.</p> <p>The first building completely surveyed in this way has been the Hippodrome Theatre, and this enabled the CAMT to work through prioritisation of repair and improvement works.</p> <p>Other surveys relating to the roofs of the Congress Theatre and Devonshire Park Theatre, have been used to good purpose. The Congress has now had the benefit of a roof overhaul, while total re-roofing of the Devonshire Park Theatre is nearing completion.</p> <p>The Best Value Revue of Leisure Services has led to the decision to outsource the management of The Sovereign Centre, Motcombe Swimming Baths, Princes Park Café & Boating Lake and The Devonshire Park Fitness Suite. As part of the negotiating process costed Condition Surveys have been commissioned and are due to be received by mid August 2002. The same consultants have also successfully bid to undertake a similar survey of The Redoubt Fortress.</p> <p>It is intended that in the next phase of such surveys the following buildings will be included:</p> <p>Town Hall, 1 Grove Road, 68 Grove Road, College Road Offices, The Winter Garden and the Congress and Devonshire Park Theatres. 61 Seaside will not be included due to the impending sale.</p>	

4.	Performance Management, Monitoring and Information	
	<p>Summary of achievements to date:</p> <ul style="list-style-type: none"> · Office accommodation availability and requirements mapped · Capital programme performance reported to Cabinet and improvement actions agreed · Performance information produced in relation to the five national pPIs 	
4.1	Accommodation Strategy	
	<p>Information on staff occupancy of buildings, specific requirements and areas occupied has been compiled. Size of all available areas on current configuration and on an open plan basis has also been established. Space standards for efficient allocation of space have been agreed. This is being used to fine tune relocation proposals.</p>	
4.2	Capital outturn	
	<p>There was significant slippage on the housing programme, which was forecast and reported to cabinet in year.</p>	
	<p>The performance of the non-housing capital programme was very much dependent upon the generation of capital receipts through the sale of assets identified in the AMP. Disposals were delayed, primarily due to lack of dedicated resources to progress sales, and as a consequence, some expenditure has had to be deferred to 2002-2003.</p>	

	<p>Housing programmes for each financial year are identified as part of the Housing Strategy and Housing Investment Programme bids, which are submitted to Government each July.</p> <p>Once announcements on capital funding are received, all areas of capital spend are subject to a process of profiling and risk assessment analysis for the forthcoming year. This facilitates the ongoing monitoring which occurs. This profiling allows the identification of slippage on specific programmes and allows for contingencies to be planned.</p> <p>Key officers from Housing, Environmental Health and Financial Management meet monthly to discuss programmes. This is in addition to regular meetings with teams, updates to Members and liaison with our Joint Commission Partnership, which includes representatives from GOSE and the Housing Corporation. Progress in relation to HRA capital schemes is also reported regularly to Tenants' Advisory Group.</p>	
	<p>Despite the extensive monitoring arrangements which are in place, the nature and risks associated with major improvement and re-development schemes mean that we must continue to develop our management and planning arrangements. Specifically, we will seek to target the following areas for improvement:</p> <ul style="list-style-type: none"> · Contract letting – earlier letting of contracts wherever possible – as soon as the resource position for the following year is known. In practice, contracts funded through the Major Repairs Allowance can be planned on a ‘rolling’ programme basis or, at least, progressed from December onwards once the allocation is announced. Contracts funded from credit approvals could be progressed from February onwards once the budget is set. The establishment of a working group to progress major contracts and general fund developments involving housing, planning, architects, legal services and finance could be established. · Project planning – for major schemes effective planning of works is essential to ensure all preparations are complete prior to start date. · Expenditure profiling – this needs to be as realistic as possible taking account of issues such as tenant/resident consultation. · Contract supervision – to ensure agreed timescales are achieved. · Contingency planning – including bringing forward alternative schemes where slippage is forecast. <p>Such areas for improvements will be explored for all Council capital expenditure projects.</p>	

	<p>Commitments for HRA expenditure totalling £801,952 had been placed at 31 March 2002 in addition to the expenditure actually incurred.</p>
	<p>Funding for the 2001-2002 programme was sourced through credit approvals and capital grants, Major Repairs Allowance, capital receipts and s.106 monies, delivered through planning gain. The 2001-2002 investment in the council's own stock was also supplemented through the release of reserves from the Housing Revenue Account.</p> <p>Underspends were forecast in year and officers ensured that there are no adverse financial implications associated with rolling over funding into the new financial year.</p>
	<p>The appointment of a commercial Estates Manager early in 2002 is intended to improve the management of the disposals programme so that schemes dependent on capital receipts funding are not unnecessarily delayed in future.</p>
4.4	<p>Property performance indicators</p>
	<p>The non-operational property portfolio of Eastbourne Borough Council contains only a very small number of properties which are held for investment purposes, and generally these are of low value, though producing a reasonable return.</p> <p>On appointment of a new CPO in February 2002, the list of assets scheduled for disposal was reviewed through Cabinet, and a number of rack-rented properties were withdrawn. The assets scheduled for disposal on which attention is currently being focused, are non-income producing development sites and some industrial and hotel ground leases where marriage value can be released.</p> <p>Eastbourne BC owns only a handful of non-operational investment properties providing a significant income and which could reasonably be sold. The CPO had been tasked to prioritise asset disposals and implementation of the Accommodation Strategy and hence for this year has undertaken IRR calculations in respect of only those producing an income in excess of £10,000pa, and where there would be a realistic opportunity to sell.</p> <p>PPI 2 (a) - Industrial</p> <p>Eastbourne BC has no rack rented industrial property and only owns industrial units which are on long ground leases. EBC has already entered into sales of such sites. It is intended that all such leases will be sold, taking advantage of marriage values as and when tenants are in a position to purchase.</p> <p>PPI 2 (b) - Retail</p> <p>All the Council owned retail properties are HRA owned, and hence any sale would be subject to 50% HRA clawback. For this reason the retail properties will not be sold, though the CPO will undertake IRR calculations as described below.</p> <p>PPI 2 (c) – Agricultural</p> <p>Eastbourne sits at the foot of the eastern extremity of the South Downs – soon to become a National Park. The Downland was purchased by the</p>

specified, being largely leisure properties:

As a tourist resort one of the most important assets of Eastbourne is the seafront, and with one small exception, the Council owns all the land between the seashore, and the main seafront road known sequentially as King Edwards Parade, Grand Parade, Marine Parade, Royal Parade & Prince William Parade.

The Council has let some of these properties in this area, but it is essential for the future of the town and the implementation of the 2001 Seafront Strategy that the seafront is tightly controlled.

The principle seafront let properties include:

Wish Tower Café & Restaurant producing an income of £36,100pa plus profit share

Holywell Tea Chalet, producing £10,000pa plus profit share

Treasure Island, producing £30,000pa plus profit share

Fort Fun, producing £25,581pa plus profit share

As an example of asset maximisation, Treasure Island was a Council operated attraction producing a profit in the region of £30,000 pa, though in need of modernisation. In 2001 the Council let the attraction at £30,000pa, plus profit share, to a private operator who has just finished the first of two phases in a £1m modernisation programme. The town is now provided with an important enhanced attraction at no cost to the Council, a base rent equivalent to the previous annual profit, and a profit share arrangement which should at least double the previous income when the site becomes fully operational.

The remaining leisure property producing a significant income is the David Lloyd Centre at Hampden Park. This property is presently subject to a rent review, which should result in an income of about £85,000pa. An IRR calculation has been undertaken, producing a yield of 10.47%.

Offices

At the Town Hall site there are two Edwardian office buildings, both let on commercial terms and subject to current rent reviews. Assuming new rents totalling £70,000pa the average IRR for these investments is 11%.

Summary

Eastbourne Borough Council owns approximately 80 properties which are let to “not for profit” organisations, mostly paying concessionary rents. The CPO has instituted a review to determine the level of support being provided to these organisations.

Once all the true open market rental values of these properties have been ascertained then the CPO will undertake IRR calculations in respect of the whole of the Council’s non-operational property portfolio. This information will then be compared with similar resort locations to guide the CPO in making recommendations to Cabinet concerning the retention

or disposal of property on a fully informed basis. It will also assist in establishing if any other properties which cannot be sold for overriding reasons, are performing to an acceptable level.

5.	Programme and Plan Development and Implementation	
	<p>Summary of achievements to date:</p> <ul style="list-style-type: none"> · Property requirements arising from Corporate Plan agreed · Accommodation strategy being progressed · Best value improvement plans for theatres, leisure facilities, cultural services being implemented · Cultural and Seafront strategies being implemented · Programme of disabled access works being developed 	
5.1	The Council's property related requirements	
	<p>The Council's Corporate Plan sets out six overall aims:</p> <ul style="list-style-type: none"> · To make Eastbourne a safe place to live, work and visit · To develop a strong and sustainable local economy, encouraging business and investment · To protect and improve health and reduce health inequalities · To enhance the opportunities for enjoyment through active pursuits and simple relaxation · To encourage a fair and socially inclusive society · To protect and enhance the Borough's environment, sympathetically developing it for future generations. <p>The key property related requirements arising from these aims and supporting objectives are:</p> <ul style="list-style-type: none"> · Office accommodation for Council staff which is customer focussed, business-like and cost effective · Safe and accessible public buildings · High quality conference facilities · Attractive and well maintained leisure, parks and play facilities · Cultural facilities which encourage participation from all sections of the community and visitors to the town · Seafront services which encourage tourism · Sympathetically managed Downland areas 	

5.2	Office accommodation	
	<p>Since the submission of the 2001/2 AMP the Council has been progressing the implementation of the Office accommodation Strategy.</p> <p>Details of the overall proposals were explained to staff at two briefings held in January 2002. The following represents the principal objectives of the Strategy:</p> <ul style="list-style-type: none"> · To provide access to the services of EBC through modern accessible office facilities, with the main building at 1 Grove Road, offering a “one stop shop” reception facility. · To provide office accommodation and working conditions for staff designed to modern standards and criteria · To further develop the use of e-government facilities · To reduce the Council’s accommodation costs through: <ul style="list-style-type: none"> · More efficient use of office space and the subsequent release of a freehold property at 61 Seaside making it available for disposal. · The provision of more efficient heating systems, and eventually the installation of replacement windows. <p>At the briefings staff were requested to provide feedback on the proposals and further suggestions. Such responses have been received through line management, personal representation, meetings, e-mail and a specially created intranet site. The views of Eastbourne Access Group have been sought, and they now sit on the Accommodation Strategy Project Board. This board, led by the CPO, also has two Unison representatives and is tasked with implementation of the Strategy.</p> <p>Plans for re-modelling the ground floor of 68 Grove Road have been developed, and following tender, negotiations are in hand to reduce the lowest tender price to an acceptable level.</p> <p>At 1 Grove Road, terms are agreed to purchase the minor user rights enjoyed by East Sussex County Council in respect of the third floor offices, and possession should become available in August 2002. In the same building the main project is to remodel the ground floor reception, and a special working group has been in discussions concerning the requirements. This project has reached the stage where consultants will be invited to tender to undertake the detailed design work.</p> <p>Throughout these processes existing decisions and proposals have been challenged both by staff, and members of the Project Board, resulting in an evolution of the proposals.</p> <p>The 2002/03 budget includes £100,000 for capital works to start to implement the strategy.</p>	

5.3	Safe and accessible public buildings	
	<p>Access audits of all principle Council buildings have recently been completed and works are currently being prioritised to achieve the requirements of the Disability Discrimination Act by 2004. The Council's capital strategy includes £285,000 funding for these works. Audits of the public conveniences and some of the retirement courts have still to be completed.</p> <p>During 2001/02 works to improve disabled access were carried out at the Town Hall and Winter Garden.</p> <p>The 2002/03 budget includes £50,000 for capital works to public conveniences, which will be used for providing facilities for disabled persons and £10,000 for an access ramp between promenade levels.</p> <p>The 2002/03 budget includes £175,000 for urgent works needed to make buildings safe.</p>	
5.4	Conference facilities	
	<p>The Council's capital programme for 2001/02 and 2002/03 includes £1.2 million for repair and replacement of roofs to the Theatres / Conference Centre complex at Devonshire Park.</p> <p>Improvements to conference exhibition facilities are key to securing future business. The Council is close to securing agreement with funding partners for a new Cultural Hub in the town. The Cultural Hub is a community cultural centre based at Devonshire Park and immediately adjacent to the Council's other main conference and cultural buildings. It will contain the relocated Towner Collection, space for temporary art exhibitions, community spaces and a conference exhibition hall. Funding for the project will come from SEEDA, Arts Council, Heritage Lottery Fund and Eastbourne Borough Council. The Council's contribution to the project comprises capital from the disposal of the existing Towner Art Gallery, revenue contributions to the project management costs and an ongoing increase in running costs. The Council has a fundraising target still to achieve for this project of £1.5 million.</p> <p>The capital strategy also includes restoration of the Winter Garden frontage and air conditioning at the Congress. The Council's ability to progress these projects will be related directly to the fundraising target for the Cultural Hub being met.</p> <p>The Council recognises that the theatre/conference facilities require a level of investment which is beyond its resources to provide. Therefore funding has been provided in the current year budget to commission consultants to consider ways of achieving the investment through other means. Tenders for this work are currently being invited.</p>	

5.5	Leisure facilities, parks and playgrounds	
	<p>The Council has recently completed the best value review of Leisure Services. The Council has agreed to implement the following proposals to secure investment in facilities:</p> <ul style="list-style-type: none"> · Transfer management of the Sovereign Centre, Motcombe Pool, Devonshire Park Fitness Centre and Princes Park Café and Boating Lake to a Trust on a contract which requires the Trust to invest in improvements over the contract period. Procurement is now underway with a target transfer date of April 2003. · Transfer management of Treasure Island to a private sector partner to secure investment in improvements to the attraction. The transfer is now complete and the refurbished facility has just re-opened for the summer season. · Refurbishment of sports pavilions, development of a new skate park and other works funded from the capital programme · Work with partners to draw down funding for a sports hall at the Sports Park. <p>£1.3 million has been earmarked in the capital strategy over 5 years to fund those works which the Council will be providing directly.</p> <p>The capital programme also includes £100,000 per year for improvements to parks and playgrounds. Priorities for the use of these funds have been determined through the best value review of leisure services. The Council has also agreed to close some poor quality playgrounds.</p>	

5.6	Cultural services	
	<p>Following best value reviews of theatres, museums and art galleries, the following approach to management of these assets is being pursued:</p> <ul style="list-style-type: none"> · The Hippodrome Theatre requires £1.5 million of repairs and maintenance. The Council wishes to find a purchaser for the theatre who will provide the investment required. · The Congress, Devonshire Park and Winter Garden theatres also require major investment for which third party investment is to be sought (see section 5.4) · The Local History Collections, currently housed at the Towner Art Gallery, will be relocated alongside the Military Collections currently housed at the Redoubt to a single location. A report with relocation recommendations is due to be presented to Cabinet in November. 	
5.7	Seafront services	
	<p>The following property related actions are being pursued in support of the Council's Seafront Strategy:</p> <ul style="list-style-type: none"> · Bandstand - £100,000 has been spent over the past year to carry out repairs to the bandstand. The Council wishes to identify a partner to develop catering facilities within the site and officers will pursue this over the coming year. · Wish Tower Restaurant – discussion are ongoing with the lessees to secure improvements to this facility. · Redoubt – officers will evaluate options for the future of this facility over the coming year. · Fisherman's Green – the Amazon Jungle has been repossessed. Officers will continue discussions with other lessees in this area over the coming year. · Investment in Treasure Island has been secured. · Coach and lorry parking – officers are pursuing options for the relocation of the current coach and lorry park and redevelopment of the existing site for housing. 	
5.8	Downland	

	<p>The main project proposed for 2002, is the construction of a new barn at Cornish Farm. Depending upon the level of quotations, then a further twelve small repair projects are proposed to be undertaken.</p> <p>The condition of the Downland water supply is an ongoing concern and prices are being sought for an overall survey of the reservoirs and ten miles of pipework. It is anticipated that the report recommend substantial replacement, and a capital bid will be made in due course.</p>	
5.9	Commercial holdings	
	<p>The interim appointment of a CPO, who is a Chartered Surveyor specialising in commercial property, has provided an opportunity to quickly analyse the commercial portfolio and deal with matters arising from the estate.</p> <p>There is a back-log of small rent reviews and lease renewals which are now being worked through. There are also various housekeeping matters such as dealing with licences for alterations, assignments and name changes now in hand.</p> <p>Most of the Commercial Holdings have not been inspected for many years and a programme of such inspections is in development. Ad hoc inspections have already provided opportunities to seek improvements to leased buildings.</p> <p>The Council has some 80 properties which are occupied by “not for profit” organisations. A policy is being developed where, the true subsidy afforded these organisations can be identified, by charging market rents and dealing with support through grant aid. These properties are often in poor repair and negotiations will be held with relevant organisations to improve that situation.</p>	
5.10	5 year capital programme	
	The Council has agreed the following 5 year capital programme, subject to the availability of resources:	

	2002/03	2003/04	2004/05	2005/06	2006/07
	£000	£000	£000	£000	£000
Housing Revenue Account	3114	4610	3110	3110	3110

Other housing	2175	2147	2147	2147	2147
Leisure and recreation	200	100	100	300	300
Disabled access	100	50	50		
Coast protection	30	100	1100	100	100
Hub fundraising reserve	430	530	200	200	
Parks	100	100	100	100	100
Other major works	300	100	100	100	100
E government	200	200			
External initiatives					200
Architects	30	30	30	30	30
TOTAL	6679	7967	6937	6087	6087
Capital receipts required	2514	2292	1962	2112	2112

5.11	Capital receipts

	<p>One of the first tasks of the CPO was to review the Asset Disposal programme and report findings and recommendations to Cabinet. This resulted in a number of investment properties, providing an attractive return being removed from the disposal list, and the inclusion of others where marriage value or development value could be released.</p> <p>Negotiations are now in hand in connection with the marriage value opportunities, while the sale of three development opportunities is presently delayed by the Public Inquiry into the Local Plan. The delay is being put to good use as a period in which to package the sites ready for sale when the Inspectors Report is released in late 2002/early 2003.</p> <p>The capital programme calls for disposals of more than £2m p.a. over the next five years. The CPO is of the opinion that all the valuable properties which can easily be exploited have already been sold, and that the majority of the balance all have infrastructure or planning problems. The successful progress of the disposal strategy is almost completely dependent on the outcome of the Local Plan Inquiry.</p> <p>The following table shows disposals identified to date against the targets for each year:</p>

	2002/03 £000	2003/04 £000	2004/05 £000	2005/06 £000	2006/07 £000
TOTAL	1467	2400	5575	600	1800

5.11	Corporate option appraisal/ prioritisation
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	<p>The programme was originally developed by Corporate Management Team and agreed by Cabinet during 2001. This took account of an assessment of the agreed strategies for each type of asset and the investment required, together with the funding sources available including the level of capital receipts to be generated from disposal of surplus assets. The programme was amended by fully Council in April 2002 to add the Hub fundraising reserve. It was not considered prudent to increase the target for capital receipts, so it was agreed that expenditure on the Winter Garden frontage, Congress Theatre air conditioning and external initiatives should be deferred and removed from the programme until the progress of fundraising for the Hub is clearer. The decision on which items to defer was made following discussions by Corporate Management Team.</p>
5.12	Output/outcome targets
	<p>Cabinet received a report in July 2002 detailing the outcome of the 2001/02 capital programme, including the links between programmes and corporate and service plans, outputs achieved and financial performance.</p>