



BLACKBURN WITH DARWEN BOROUGH COUNCIL

ASSET MANAGEMENT PLAN 2015/16



EXECUTIVE SUMMARY

WHY HAVE AN ASSET MANAGEMENT PLAN

A documented, approved and implemented Asset Management Plan supports the corporate objectives of the Council, helps to improve service delivery and productivity, achieves beneficial and efficient use of land and property assets, reduces waste and surplus property and promotes customer and user satisfaction, comfort and health.

WHAT HAS BEEN ACHIEVED

Since the last Asset Management Plan of 2010/11, the Council has made progress in a number of areas of good practice and delivery. Some of these have been generated by the Action Plan, brought to the Asset Management Group for regular review and monitoring and some in response to external factors and pressures. Key areas are:

Corporate Asset Review Programme

- Closure of a number of operational assets following service review
- Disposal of surplus assets
- Transfer to new service providers

Property Review Programme

- Disposal of surplus/development land
- Restructuring of industrial/commercial leases linked to investment
- Costs savings from Residential Ground Rents review

Accommodation Strategy

- Move away from expensive rented accommodation
- Opening of 10 Duke St
- Improvement in space utilisation

Community Asset Transfers

- Transfer of all Community Centres
- Implementation of other asset transfers such as football pitches

Investment Portfolio

- Improvement in occupation rates across all sectors

- Targeted planned maintenance resulting in new lettings
- Ongoing turnover of income producing assets.

Capital Receipts

- Fettered by economic conditions
- Some successful and productive transactions
- Sites readied for upturn in the economy.

HORIZON SCANNING - KEY THEMES

Circumstances are ever changing and pressures mounting in key areas of asset management particularly as efforts continue towards achieving full economic recovery combined with innovative ways of maintaining desired public services and improving customer care. Key themes and actions emerging in this context are:

- Prospect of economic recovery and increase in confidence – we need to be ready to benefit from this.
- Identification, assembly and release of Employment Land
- Major Regeneration Projects and Strategic Acquisitions
- Housing Growth Delivery
- One Public Estate – Public Sector Corporate Working
- Community Engagement – Assets of Community Value
- Further implementation of the Corporate Landlord Approach
- Increased Provision for Extra Care facilities reflecting changing demographics
- Refresh of Corporate Asset Review Programme
- Review of the Investment Portfolio and Options: maintain; reduce; expand
- Further development of Accommodation Strategy – Agile Working
- Transparency Agenda regarding Property data
- Performance Management – revival of Benchmarking with other LA's as well as development of internal property performance data

WHAT NEEDS TO BE IN PLACE TO MEET THE CHALLENGES

- A vision aligned to Corporate Objectives
- Raise the profile of Asset Management Planning

- A robust, realistic and deliverable Action Plan
- Adequate Resources: Staff; Finance
- Commitment from all service departments
- Elected Member support and engagement.

1. CONTEXT AND SCENE SETTING

Introduction

The corporate Asset Management Plan assists the Council in using its property assets to improve the delivery of key services, ensure optimum accessibility to services and generally drive down corporate costs. Its potential benefits if applied corporately and consistently include:

- deliver excellent services for citizens, aligned with locally agreed priorities, whilst focusing investment clearly on need;
- empower communities;
- improve the economic well-being of an area;
- ensure that, once built, assets are correctly maintained;
- Efficient management and use of energy and reduced carbon emissions;
- increase co-location, partnership working and sharing of knowledge;
- improve the accessibility of services;
- generate efficiency gains, capital receipts, or an income stream; and
- improve the quality of the public realm.

The table below presents a brief summary of the land and property assets held by the Council.

Summary of Land and Property Assets			
Category	Description	Number of Assets	Asset Value
INVESTMENT PORTFOLIO			
01A	Markets	2	£2,910,500
01B	Blackburn Shopping Centre Equity (Est.)	1	£16,000,000
01C	Sundry Shops	39	£3,000,000
02A	Industrial Estates (Sites)	82	£6,447,250
02C	Sundry Commercial Property	108	£7,721,850
02D	Industrial Estates (Units)	94	£5,656,300
03A	Agricultural Tenancy	23	£3,364,900
03B	Grazing Licence	3	£136,500
05A	Industrial Dev Sites	8	£2,487,500
05B	Commercial Dev Sites	8	£4,375,000
05C	Residential Dev Sites	26	£9,768,290
06A	Open Space/Amenity Land	156	£603,500

06B	Vacant Land	154	£3,144,000
07A	Domestic Garage Sites	768	£213,000
07B	Garden Plots	438	
07C	Miscellaneous land agreements	37	
07E	Statutory Allotments	10	
08AB&C	Freehold Reversions	67	
OPERATIONAL PORTFOLIO			
09B	Sports Centres	6	£22,056,057
09C	Museum/Public Halls	4	£18,245,415
09D	Public Parks & Facilities	33	£1,427,501
09E	Outdoor Sports Amenity	19	£2,424,500
09F	Cemetery/Crematoria	4	£2,100,000
09H	Libraries	5	£3,810,257
09J	Youth Centres	5	£2,876,725
10F	Itinerant Sites	1	£150,000
10H	Community Centres	9	£1,480,000
11B	Business Centre	3	£2,375,000
11C	Access Points	2	£775,000
12A	Formal Car Park	29	£1,754,502
12B	Informal Car Park	37	£8,000
12E	Infrastructure	31	£435,000
13A	Depot/Store	15	£3,600,639
14A	Town Hall Office	4	£11,530,000
15A	Schools	43	£113,027,205
15B	Playing Fields	26	£1,978,000
15C	Miscellaneous Childrens Services	15	£7,939,314
15D	Childrens Centres	9	£11,357,397
16A	Adult Social Care	17	£6,530,000
90P	Private Leases	22	£1,970,000
	TOTAL ASSETS	2296	£284,000,000

Based on quinquennial rolling valuations to April 2014

Not all assets are valued where de minimus

The Asset Management Plan for 2015/16 will:

- Set out the context for corporate asset management across all services and assets within Blackburn with Darwen Borough Council.
- Describe the Council's asset Objectives to be achieved in the next few years.
- Identify the current position and carry out a gap analysis.
- Show how the asset stock will be developed.

- Describe the performance indicators to be applied and how progress will be monitored.
- Assist the Council in adapting to the current economic situation.

1. Purpose and Expectation of the AMP

1.1. Why have an Asset Strategy?

An asset strategy:

- Is a key tool in achieving corporate objectives and improving service delivery.
- Ensures that land and property assets support the aims and objectives of the Council and its key services.
- Enables the Council to understand the scope of its property assets portfolio and in particular where it is located, its suitability and sufficiency, condition and value.
- Assists in maximising the beneficial use of property assets.
- Promotes service benefits such as accessibility, user satisfaction and comfort.
- Generates efficiencies and cost savings.
- Encourages continuous review and challenge of the use and ownership of property assets.
- Ensures that buildings are appropriately maintained.

1.2. How does the AMP fit in with other Planning Documents and the Business Process?

The Asset Management Plan is a key part of the Council's Corporate Business Planning Framework and is inextricably linked to the Capital Strategy. Effective business planning helps the Council to:

- Deliver its main aims and priority themes
- Match resources to priorities
- Effectively plan at all levels throughout the Council

The Council's framework for business planning and performance management has a number of key features:

- It is an integrated framework for financial and service planning at corporate, departmental and service level.
- There is a simple, annual cycle of activity, which has been embedded for a number of years.

- It is a process that starts early in the year to ensure decision-making around resources and priorities are inclusive.

The AMP specifically supports and interacts with other policies, strategies and programmes including:

- Departmental (Education etc.) Asset Management Plans
- Land and Property Disposal Policy
- Accommodation Strategy
- Blackburn Town Centre 12 Point Plan
- Planned Maintenance Programme
- Energy Policy
- Highways Asset Management Plan
- Housing Growth Delivery Programme
- Primary Capital Strategy for Change
- Health and Safety Policy

2. CORPORATE OBJECTIVES

2. The Council's Objectives and Corporate Priorities

2.1. What is the Council seeking to do

The Council's corporate vision, objectives and corporate priorities are set out in the Corporate Plan Diagram attached as Appendix 1.

The following is taken from the Corporate Plan 2013-15:

The Corporate Plan sets out six priority objectives. These are informed by public consultation, focusing on what the Council needs to achieve locally over the period of the plan. The priorities are:

- Creating more jobs and supporting business growth
- Improving housing quality and building more houses
- Improving health and well-being
- Improving outcomes for our young people – education and skills
- Safeguarding the most vulnerable people
- Making your money go further - supporting households in difficult financial times through efficient and effective use of council tax

The Council is confident that, despite the difficult challenges it faces, it can continue to work with staff, residents and partners to deliver excellent services for and with the people of Blackburn with Darwen. In delivering the priorities The Council is committed to:

- Working together with residents; businesses and our partners - developing local solutions via local problem solving
- Managing the impact of national reforms on residents and the Council – particularly around the welfare system, health services and educational provision
- Delivering high quality services – a well-managed authority which is fit for the future; efficient and effective; and continuing to use the best possible business models to deliver excellent services.

In summary, the ambition for a brighter future for the people of Blackburn with Darwen is based on making sure the Council is fit for the challenge ahead, building

on its strengths and always remembering that what's important to our communities is important to the Council.

3. OVERVIEW OF COUNCIL'S FINANCIAL HEALTH AND FUTURE FINANCIAL CHALLENGES

3. The Council's Financial Context

3.1. Overall Financial Position of the Council

The Council is a unitary authority that carries out the whole range of functions required of a statutory authority, delivers major services including education, social care, leisure culture and sport, regeneration and housing. As a result of this, the Council holds a diverse portfolio of land and building assets.

As at the 31st March 2014 the Council has property, plant and equipment assets of £458m as scheduled in Table 1 below:

Property, plant & equipment assets	2013/14 £m
Operational Assets	
Land and Buildings	322
Infrastructure Assets	81
Vehicles Plant & Equipment	21
Community Assets	7
Assets under construction	27
TOTAL	£458

Table 1 - Schedule of Property, plant and equipment assets at 31/03/14

At the same date the Council had reserves and balances of £61m of which:

£19m were earmarked for non-discretionary purposes mainly in relation to schools.

£29m were earmarked for specific purposes

£13m were General Fund balances

3.2. Financial Outlook

The Council's Medium Term Financial Strategy currently covers 2014 to 2017 and is refreshed annually. The latest MTFs is being prepared against the backdrop of continuing restrictions on financial resources. The general economic difficulties

already bring additional demands on the Council's resources exacerbated by falling income levels and lower proceeds from asset sales.

3.3. Financial Context for Asset Decision Making

The Council has a track record of robust financial management and a strong finance function. The Council operates a three year business planning process of which the Medium Term Financial Strategy is an integral part.

The Council's budget, which should be viewed in conjunction with the AMP, includes details of revenue estimates and the capital programme. The following financial resources are committed to asset management priorities.

Table 2	2014/15 £000s	2015/16 £000s	2016/17 £000s
Revenue			
Corporate repairs & maintenance	1,868	1,965	TBC
Corporate Resources			
Corporate property investment			
Carbon management plan	19	204	0
Town Hall stonework	219	1,986	0
Accommodation strategy	26	614	0
Corporate DDA improvements work	49	200	0
Velvet lounge	777	0	0
Tower block air conditioning	285	71	0
Baroque	179	0	0
Griffin lodge	0	300	0
Town centre property regeneration	0	500	3,000
Total Corporate Resources	1,554	3,875	3,000
Leisure, Culture & Young People			
Leisure strategy	0	325	2,121
Schools & Education			
Intack	875	0	0
Roe Lee	400	350	0
Lower Darwen	1,321	300	0
Other schools	1,737	6,344	5,333
Total Schools & Education	4,333	7,094	5,333
<i>Note: all Schools & Education schemes are funded entirely by government grants</i>			

In addition to mainstream capital and revenue funds the Council has access to other resources via for example, external funding. Alternative delivery mechanisms including partnerships with other public sector bodies and the private sector are also used as a means of achieving strategic objectives.

In summary the Council seeks to:

- Continue to maximise revenue income and control costs.
- Continue to manage the maintenance backlog subject to available funding.
- Continue to develop and implement a programme of asset release to realise capital receipts to support the capital programme where it is in the Council's best interest to do so.
- Promote development through asset release in the Borough to provide wider benefits to residents through construction in terms of local employment and training opportunities
- Implement a property rationalisation programme that aligns with outcomes of the operational service review and supports co-location opportunities.
- Promote energy efficiency measures in order to reduce carbon emissions and costs concentrating on those assets that the Council is clear will be retained for the long term.

4. OVERVIEW OF CURRENT PORTFOLIO

4. The Current Position and Asset Gap Analysis

4.1. What the Business Drivers mean for the Asset Base

Education/Children's Services

BSF – The programme completed in November 2014 with a significant improvement in the quality of the Asset Base. A total of 8 schools received investment, (3 PFI new builds, 3 D&B new builds and 2 significant remodels).

The Extended Schools agenda, e.g. promoting more community use of assets, is now embedded in schools and funding has been removed but shared use of assets will continue to be expanded under the community use agreements in place.

Basic Need Funding – the Council is in receipt of significant funding starting in 2014 and continuing through to 2017 to ensure there is adequate provision of pupil places within the Borough. This will result in the expansion of existing schools, and or the development of new schools in the areas of need within the Borough.

Academies Programme – The national programme of converting under performing schools into Academies continues with schools in both the community and voluntary aided sector converting. This has resulted in a number of assets being transferred under either 125 year leases or by freehold to external educational providers.

Social Care

The Adult Services department is seeking to review its current assets in order to take a view on which establishments it would seek to retain and which may no longer be suitable linked to the business plan for the department.

The planned closure of the council's four in-house residential homes is due for completion in March 2015; the sites at Greenways and Feniscliffe Bank are no longer in use and future plans are documented in 6.1 below. Longshaw House is no longer in use and has been declared surplus, and is being offered internally to the council and its partners before a decision is made on its future. Blakewater Lodge has also now been declared surplus along with Swallow Drive Resource Centre.

In terms of day service resources, extensive investment has been made in the remaining establishments, Stansfeld Centre and Hopwood Court which remain part of the department's portfolio along with St Aidens.

Work is underway to develop a management partnership with Age UK to co-locate third sector and local authority day services at Hopwood Court to expand the range and scope of services and ensure the most effective use of the asset base at this facility.

The independent living centre is now closed and will be vacated shortly.

Culture Leisure, Sport & Young People Department

Priorities for Leisure and Culture facilities/assets aim to:

- Improve health & wellbeing
- Increase engagement and participation in wider cultural opportunities
- Improve outcomes for young people

Review of leisure facilities will be required in 2015/16; the priority will be to retain major services in the two town centres. For example in Blackburn the new Sports-Leisure scheme on the College Campus will be completed, releasing the old Waves site for redevelopment.

Libraries as a statutory service will continue to operate within Council assets with the focus on implementing a community-led management approach of the three branch libraries.

Review of the community assets is complete with nine assets no longer under Council operational control, although buildings remain Council assets.

Other assets with the department include: Blackburn Museum, Turton Tower, King Georges Hall, Darwen Library Theatre, Witton Park Pavilion Café, and youth provision.

The Play and Pitch Strategy is now complete, with a recommendation to improve the quality of existing grass pitches and increase new junior pitches to meet demand. The strategy identifies that there are sufficient 'all weather pitches' in the borough, however too many sand pitches and not enough 3G pitches.

Regeneration Portfolio

A strategic acquisitions programme has built up opportunities over the years but this needs continuing resource input and funding.

Current preference is to continue to hold onto land and property assets in strategic locations in order to support and facilitate the future regeneration and employment growth agenda, although there are cost implications of holding property assets in this way. They tend to be assets ripe for development and therefore usually not readily let so holding costs such as insurance, empty rates and security often follow.

Key regeneration projects include the Blackburn Markets site redevelopment; Cathedral Quarter; Pennine Reach/New Bus Station.

Accommodation Strategy

In October 2013 the Council successfully relocated 450 staff to the refurbished number 10 Duke Street in the town centre, that allowed the Council to vacate 3 leased properties. This strategy has allowed the Council to make ongoing revenue savings from rental payments ceasing.

The staff office accommodation strategy aims to deliver the following objectives:-

- Consolidation of office based staff in Blackburn and Darwen Town Centres wherever practicable
- To maximise space utilisation and work towards a best practice space standard of 6 square metres per person per full time equivalent, where the physical nature of the accommodation permits
- This target space standard will be reviewed against changes in future working patterns which enables more flexible, mobile and remote office working arrangements and how information technology supports this
- Reviewing existing office furniture and replacing with modern office furniture where there is an agreed business case and occupancy levels can be improved
- Further implementation of open plan working and reviewing how more traditionally constructed buildings can be modified to improve space utilisation
- Implementing fit for purpose office accommodation that contributes to the Council's carbon reduction targets.

- Ongoing review of space occupancy to ensure buildings/rooms are used to their full potential.

Shared Services with Strategic Partners

Notably, this has been happening in small measures with the local NHS (CCG) where there is co-location taking place on some office sites.

In line with the government's "One Public Estate" initiative, the Council needs to have in place a more strategic and coherent plan for delivery.

4.2. Gap Analysis

Examination of the key drivers and priorities have explored potential gaps between the current asset portfolio base and what is needed in the future to maintain high quality service delivery. Areas to be addressed are:

Education facilities – The provision of fit for purpose and high quality schools in the Borough will continue to be comprehensively addressed. The BSF programme met the requirements for high schools. This will help address the risk of the condition of high schools falling below standard and consequently affecting teaching services. Primary Schools were partially addressed by the Primary Capital initiative; further investment via the Basic Need Funding and the annual capital programme will assist in maintaining the quality of the assets.

Education and Children's Services function has historically benefitted from significant external funding. This enabled investment in new assets, extensions and improvements, subsequent reductions in revenue funding have resulted in a number of Children's Services assets becoming surplus, while there is a need to add capacity in the education sector.

Adult Social Care – The delivery of this service for older people and adults with disabilities is increasingly provided through commissioning and partnerships including Residential Homes and Day Centres. The portfolio has reduced over the years through greater efficiencies, disposal of unsuitable assets, greater use of home adaptations and continuation of the reablement agenda.

Further commissioned development modern residential homes, intermediate and extra care housing will be required to meet demographic pressures and priorities to sustain independent living for older people.

Some of the Day Centres are no longer fit for purpose as standards improve and will still require significant refurbishment or relocation and disposal. At the same time, there is further scope to develop and improve services in the areas of mobility, dementia services and respite care, and suitable assets will need to be retained and improved to accommodate these growth areas.

Culture Leisure, Sport & Young People Facilities

2015-18 will see a review of all assets as part of budget efficiencies with particular emphasis on major assets such as Shadsworth and Daisyfield Pools. Although increasing the number of assets is unlikely in the future.

There is generally still a high maintenance backlog because of the age and poor condition of much of the stock.

New facilities added to the portfolio since 2014:

- Witton Park Arena
- Change of use for BRSA at Darwen Vale – to Junction 4 Skatepark
- Blackburn Sports & Leisure Centre (Opens March 2015)

There are currently sufficient statutory allotments but garden areas have a waiting list with majority waiting for plots in Darwen.

Joint Service delivery – current stock inadequate in some areas to support development of this.

Maintenance backlog – whilst a lot of improvement has been achieved following the centralisation of corporate planned maintenance and establishment of a dedicated resource, current levels are still below what is acceptable and further investment in major assets to be retained for the long term is required.

4.3. Approach to Closing/Eradicating the Gap

Operational Property Service Review Process – A refresh of the Corporate Asset Review Programme will be undertaken and reported to Members. This will run

alongside service transformation and cost saving initiatives arising from budget pressures. The aim is to review all operational property assets as opposed to a “wish list”. A more detailed performance measurement process will be introduced to assist scoring and decision making.

Property Review Programme (PRP) – There will continue to be a challenge of the rationale for owning property assets. The aim will be to reduce the number of assets held by identifying surplus and under used assets and disposing of them. The PRP will identify opportunities for release of assets for disposal either now or in the future when market conditions improve. The PRP will also explore measures for performance improvement of retained assets through, for example, change of use or development, as well as measures for improved income generation.

Realisation of Capital Receipts Programme – This naturally follows the Property Review Programme where disposal options are recommended and approved. The programme is well established as a medium term capital receipts forecast which informs its contribution to the Capital Programme. Monitoring and reporting of capital receipts forecasts will continue to be developed and improved and realistic targets set reflecting the state of the portfolio and market conditions.

External Funding – We will continue to put appropriate resources into identifying and securing external funding, albeit declining, for property projects and more creative ways of resourcing new provision exploring, for example:-

- Joint Ventures
- Pension funds (Eg Greater Manchester Pension Venture Fund)
- BPRA (Business Premises Renovation Allowance) ?
- Development Company Approach ?
- Heritage and grant funding eg ERDF

Growth - We will continue to identify land and property assets that can be used as a driver/enabler of regeneration or development projects. Our emphasis will be on key strategic town centre/gateway sites, potential employment land and housing sites. We will take a flexible and creative approach to drive change and ensure delivery of new buildings and areas for a variety of uses. Assets do not have to be looked at in isolation but as part of the Council’s wider aspirations and corporate objectives. Highways, infrastructure and opportunistic acquisitions will all be considered if they will enable delivery.

Employment Strategy - Employment sites in the Borough vary in quality and in the roles they play. Existing employment sites need investment to enable them to adapt to the changing needs of new business.

In 2012 the Council commissioned consultants Jones Lang LaSalle to review the site allocations and development management policies of the Council in the context of the emerging Local Plan Part 2. In terms of employment land it identified Whitebirk Strategic site which is outside the borough as one of the best employment sites available to serve the needs of the borough.

The report identified a healthy demand for small and medium sized businesses however, the supply was not being met due in part to high cost of remediation of sites, banks being unwilling to lend to developers without pre-lets being in place and lack of available land.

There is an expected requirement of at least 66 hectares of employment land between 2011 and 2026, which needs to be brought forward for development (Use Classes B1, B2 and B8). Of this approximately 28 ha are under the Council's ownership with sites becoming available through land acquisition and infrastructure improvements. A large number of these sites are brownfield and prove to be challenging to bring to the market in view of associated costs of development, many requiring significant investment in transport links and infrastructure before they can be classed as readily available for business development. This may not be cost-effective for some of the poorer quality sites so it is unlikely without gap funding these will be improved and redeveloped.

The Council holds several large parcels of land which it intends to bring to the market once access and infrastructure issues have been resolved and is currently working on those issues. For example, in terms of meeting the gap, the report noted that the Council were already looking to promote sites around the new Freckleton St link road close to the centre of Blackburn on the town's inner orbital route and whilst there was a Masterplan in place this needed simplifying to factor in changes in the market. In addition to this area further land will be made available along the line of the new Pennine Reach funded road at Furthergate, which links that area directly to Junction 6 of the M65 (close to the Whitebirk Strategic Site). The majority of employment land in these areas is constrained currently due to the road building programme and is not necessarily ready for occupation.

Where the Council and developers have been tied into development agreements linked to land values at the height of the last economic property boom and these have resulted in stagnated development of the site, the agreements have been terminated in order to bring land back to the market at current day values.

The Council will need to look for ways of: -

- stimulating development including considering alternative ways of structuring disposals and the financing of schemes in particular where marginal returns are expected.
- maximising the availability of this land by ensuring the gaps identified in the employment land review are acknowledged and filled to ensure the targets for employment land are met.

The goals for the Council and its partners are:

- to facilitate the development of high quality strategic employment sites at Whitebirk Strategic Site, complete the final phase of Whitebirk Industrial Estate and the sale of the final plot at Shadsworth Business Park.
- that these sites will provide the great majority of employment opportunities in the Borough over the next few years;
- to re-engineer sites to maximise their attractiveness as business locations;
- to encourage the development of sustainable alternative uses for vacant brown field sites and derelict properties;
- to provide a greater level of co-ordination, business support and networking on employment sites;
- to support environmental improvements by businesses and encourage the adoption of environmental good practice including the development of sustainable travel planning; and
- to manage BwDBC property assets to support wider regeneration.

A new Development Sites Board is to be developed with particular focus on the efficient co-ordination of employment support programmes and regeneration of employment sites.

Partnership Working - Deliver services wherever possible from assets that are shared by services and with our partners. A combination of horizon scanning, the accommodation strategy, use of the property dashboard, Corporate Landlord

approach and more pro-active engagement with all partners will be used to ensure aspirations for a true One Public Estate approach are pursued.

Housing Strategy – Housing growth is recognised as being a key priority for the Council and delivery will be through a number of existing and new approaches:-

- Housing Growth Board
- Housing Growth Delivery Meetings
- Housing Tool Kit
- Housing Zone application
- Development Board
- Project Team approach to priority sites

As with other key strategic sites opportunities to use infrastructure, external funding and land swaps to encourage development will be actively investigated. A more challenging and scientific approach is required particularly when considering developer's viability assessments. This will allow a detailed negotiation and ensure an objective assessment and recommendation can be made where the Council is being asked to consider a reduced capital receipt, but where the objective of housing delivery is still a possible positive outcome. Whilst the focus will be on those sites where the Council can most directly influence delivery i.e. Council owned, there is also a clear need to be proactive in engaging with the owners of private sites to encourage delivery and be creative in providing potential enabling solutions e.g. infrastructure improvements.

Implementation of true Corporate Landlord approach to asset management -

The corporate landlord role involves a corporate overview of the acquisition, management, maintenance, improvement, review and rationalisation of property assets. The concept involves holding all property in a single central support service which becomes a notional landlord. Occupying departments no longer "own" their assets and become notional tenants. The role of the corporate landlord is to provide occupying services with the right accommodation for their needs in the right location. Property decisions are taken away from service providers and handled by professionals with the skills and abilities to drive out efficiencies and cost savings from assets but in consultation with service providers to ensure key services are not compromised. This concept which is now the preferred model in a number of local authorities is not fully implemented in the Council and will be developed to assist and accelerate the overall process of any gap eradication.

Getting the best from the Investment Property Portfolio - The model Strategy Review and Action Plan (attached as appendix 3) will be used as a basis for further development of a policy for the Council on this area of work.

As there are signs of improvement in the market and strong demand for accommodation types and sizes which cannot be satisfied by the existing portfolio it is an appropriate time to review the strategy and direction.

There needs to be an assessment of fitness for purpose of the existing properties and the capacity of the portfolio to be maintained and reshaped to satisfy current and future requirements whilst maintaining a reliable revenue stream. A radical approach may be required if the portfolio is not to risk increasing obsolescence.

This strategy will of course need to be considered in tandem with other corporate property objectives including regeneration schemes

Community Asset Transfers – The Community Centres transfer programme was successfully completed in 2013/14. The concept is now being extended into other areas community playing fields. Further development of asset transfer initiatives across all portfolios will take place.

Planned Maintenance Programme - The key requirements and aims of the Planned Maintenance Programme will continue to comprise:

- Ensuring that maintenance solutions will be cost effective in whole-life terms, and reflect the Council's sustainability policies.
- Achieving a 30% reactive and 70% planned split in revenue expenditure.
- A reduction in backlog maintenance.
- Undertaking planned preventative maintenance where performance or service could be seriously affected if repair work is not carried out.
- Reducing the running costs of facilities.
- Compliance with Statutory Legislation.

Management of Increased Statutory Regulations - Additional pressures for statutory compliance have been introduced over the last few years around asbestos, legionella, DDA and Fire Risk Assessments. The Council will need to maintain investment in its property assets to minimise risks.

Energy and Carbon Management – The objectives of the Council's energy policy and carbon management programme are to reduce energy consumption and use energy as economically as possible to save money and reduce carbon emissions. The Corporate Plan emissions reduction target is 10% year on year.

There are no longer any dedicated resources for energy efficiency or carbon reduction measures.

5. Asset Goals and Objectives and Vision for Asset Base

5.1. Asset Goals and Objectives

The Council's vision for its asset base is set out in Section 2.1. The priority goals and objectives over the next few years, subject to funding, together with performance measures and targets are set out in APPENDIX 1a.

5.2. The Overall Approach to the Use of Assets

- Develop a more robust and transparent **Corporate Landlord** preferred model approach to the management of assets and strengthen the central control of funding and budgets.
- Continuously review the suitability and sufficiency of assets and explore alternative means of accommodating key services including shared occupation.
- Ensure the asset base remains flexible in terms of the type, location, tenure etc., in order to quickly respond to service changes in the next 2-5 years.
- Utilise land and property assets as a key facilitator of Regeneration programmes and projects and as a driver for transformational change in service delivery and culture.
- Maintain and develop centralisation of planned maintenance to ensure efficiencies in the procurement and maintenance of buildings; improved compliance with statutory requirements; improved financial planning; Capital Investment targeted to approved Service Departmental priorities; and managing assets in a more sustainable way.

5.3. Key Themes

- Rationalisation of property assets and cost savings combined with a Structured Property Review Programme.
- Asset Release Strategy and Asset Transfer/Community Engagement.
- Regeneration and Development including Acquisition Strategy
- Accommodation Strategy to improve efficiency of space utilisation and the working environment; Co-location of Services
- Housing Growth
- Planned Maintenance Programme
- Value for Money
- Compliance with statutory requirements

5.4. How the Asset Base will help Delivery of Objectives

- Buildings in the right location being accessible to all users
- Assets that are suitable and sufficient e.g. size, functionality, condition etc, for the services being delivered from them.
- Compliant with all relevant legislation to ensure occupier and visitor health and safety (DDA, Fire, Asbestos, Legionella etc.).
- Effectively maintained assets to put and keep them in good and sound condition internally and externally both structural and fabric.
- Better physical accessibility to public buildings, improving customer experience and satisfaction levels.
- Environmentally sound to achieve sustainability and carbon reduction targets.
- Capable of multiple uses by better integration of services and use of technology with minimal need for adaptation.
- Working with key partners to provide a joined-up approach to service delivery including the sharing of buildings and facilities.

6. The Approach to Each Category of the Asset Base

This section builds on the gap analysis and the way the gap will be closed or narrowed – in effect, this charts out the strategy behind the AMP itself. It describes the way in which the organisation will approach and decide upon the future of each part of the asset base by category.

6.1 Operational Portfolio

Education and Children's Services

The continued provision of high quality schools in the Borough is a corporate priority and the principal aim will be to continue to seek additional funding to support the Capital Investment Strategies.

All assets need to be maintained and whilst future budget cuts are inevitable in the next few years, good planned maintenance must not be compromised.

There is scope for improvements to the training of building managers and occupiers particularly to enhance awareness of building management issues including health and safety.

Adult Social Care

A framework has been established to procure new modern residential home provision and extra care housing. The first mini-competition drawn from the framework has been run for the Greenways site and a provider selected to develop a new residential home. The Fenniscliffe Bank site is being retained by the Portfolio and a mini-competition will be run as and when planning issues are resolved as part of the new Local Plan. Beyond programmed developments including Greenways further sites will be required for new residential places and extra care housing. However the scale of this further requirement will depend on availability of Fenniscliffe Bank and viability of a proposed extra care development at Albion Mill.

It is anticipated that day services delivered from Day Centres will continue to shrink. This arises from improved technological developments such as "Telecare", and further investment in aids and adaptations to sustain people at home. As a result of this, a number of the current Day Centres have already been identified for release where they are no longer fit for purpose. However, those to be retained will benefit from further investment particularly where there is currently an under provision of personal care facilities. An extensive asset management capital programme has been completed for the two remaining Council day centres at Hopwood Court and Stansfeld Centre, providing modern facilities adaptable to the changing needs and

aspirations of the public. There is clear scope to extend the range and quality of services from these facilities and a number of emerging partnerships are being developed.

Shared use of assets is also an area that works well within the care services and a number of the Council's assets are used in this way. This helps to ensure that occupation levels of assets are maximised and the overall running costs across the whole portfolio are minimised. Proposals will be developed to further push forward this agenda both in terms of enabling multi use of the retained Day Centres and relocation of services into other assets such as Community Centres.

Culture Leisure, Sport & Young People Department

The health and well being of the community remains high priority and key services will continue to be provided with emphasis on town centre locations.

For retained properties, the greater use of effective business planning will play a pivotal role in reducing costs and maximising income generation opportunities. In view of the typically high consumption levels in many leisure premises, energy costs will continue to be high profile and effective energy management will continue to be a priority.

The department will be working closely with voluntary organisations and local community groups to attract external funding to manage and improve current assets. To increase outdoor pitches, external funding is being sought to fulfil demand in the borough.

6.2 Office Accommodation Portfolio

Further consideration will be given to implementing a more formal Corporate Landlord approach to asset management but in particular to the Accommodation Strategy, to ensure, inter alia, that departments are fully aware of the true costs of occupying valuable office space.

6.3 Investment Portfolio

- Continue to implement the Property Review Programme to build on work carried out on the Industrial Estates Portfolio and develop a better understanding of the financial implications of releasing tenanted estate and options for re-investment.

- Preparation and implementation of a new strategy in line with the strategies and guidance developed by ACES/RICS.
- Review of funding for repair and maintenance of buildings.

6.4 Non-Tenanted/Vacant Land

- Simplify dealing with maintenance issues particularly through central pooling of budgets.
- Review of funding for maintenance of land
- Capital Receipts/Asset Release Programme.

6.5 Growth Agenda

Key Major Projects will continue as high priority to further improve the economy of the Borough and reduce deprivation. However, this will be influenced largely by the level of internal and external capital funding. We are also exploring new ways of working with the private sector to release alternative forms of investment funding. Key major projects include:

- Blackburn Town Centre:
 - Blackburn former Market Redevelopment site
 - Waves redevelopment site and Northgate THI
 - Simmons Street/Duke St redevelopment site
 - Tontine Street
- Strategic Sites:
 - Freckleton St Development Area
 - Furthergate Link Road
 - Whitebirk Strip
 - Ewood
 - Shadsworth Industrial Park
 - Pennine Reach
- Major Housing Sites:
 - Roe Lee
 - Griffin
 - Whinney Heights
 - Blackamoor Road
 - Moorland High School

7. Resources Implications of the AMP

7.1. Capital implications

Where it aligns with corporate asset objectives, capital provision has been made in the Council's 3 year Capital Programme for approved programmes and projects (subject to detailed business cases) to deliver asset change identified in the Capital Programme and AMP.

7.2. Recurring (resource/revenue/current) expenditure implications

Revenue funding necessary to enable delivery of asset management plan objectives is identified in directorate business plans and provided through the Medium Term Financial Strategy.

7.3. ICT implications

The purpose of both the Asset Management Plan and the ITC Strategy is to support the Council's corporate objectives and priorities and there are strong corporate links between the two.

7.4. Broad investment and divestment strategy for assets

The Council carries out reviews on an asset category basis and individual reviews carried out inform policy decisions on how services wish to base staff for service delivery. Progressing investments and disposals will be based on robust business cases assessed through the Council's agreed Property Review Programme.

7.5. The overall approach to sourcing and procurement

The Council adopts the commissioning of projects by the most suitable method using partnership support from Capita, individual Consultants, regional and national frameworks of consultants and public sector organisations (RICS, OGC). It has actively pursued the adoption of framework arrangements for larger construction projects by the appointment of key contractors for example in the BSF Programme. Use of these will ensure that best practice is adopted in design and construction, considering issues of sustainability, energy efficiency and innovative design to provide suitable and flexible designs for future use.

8. Performance Management for Assets

8.1. Performance measures to be used

- More effective procurement
- Cost Savings
- Improved Income Return
- Reduced office floorspace
- Reduced responsive maintenance
- Reduced carbon emissions
- Customer satisfaction

8.2. The performance management system

The Council is a member of the Investment Property Forum Asset Management Planning Forum and the Association of Chief Estates Surveyors Benchmarking Club which assist in the production and comparison of national and local indicators. It is proposed that the Council continues its membership of such organisations and collects relevant property information to enable continued best value comparison, particularly with similar local authorities in the North West. This club will also be tasked with developing better measurement and assessment techniques and there will be a review of local indicators to ensure more meaningful comparisons are developed.

9. Organisational Arrangements for Asset Management

Governance, Responsibilities and Decision Making

Delivery of the Council's asset management process fully embodies good practice principles:

- Link between corporate and property objectives/priorities.
- Clear asset related performance measures
- Full involvement of all key service areas.
- Working towards One Public Estate, and collaboration and sharing good practice with public sector partners
- Clear distinction between strategic and operational decision making.
- Clear reporting lines to the corporate centre.
- Integration of capital strategy and Asset Management plan.

The governance structure to facilitate good asset management is identified on the attached document (Appendix 4) entitled "Asset Management Governance":

The Executive Board: This is the executive decision making body responsible for key decisions made by the Authority. This includes any delegated decisions taken by officers following considerations by the AMG.

Asset Management Group: The Council's Asset Management Group acts as a strategic steering group to ensure the Council reviews all of its land and property holdings, and supports the aims and objectives set down in its Terms of Reference. The group is chaired by the Head of Property & Development reporting to the Director of Regeneration. The AMG's detailed Terms of Reference are described in Appendix 5.

Property and Construction SOG

The group reviews the current Capita workplans for both Property Management & Building Services, which provides the opportunity for work volumes to be adjusted to reflect current operational priorities. The group also discusses routine service delivery matters, resourcing, performance management, KPI's, Health & Safety/ statutory compliance matters, service improvement and partnership working.

Development Growth Board

In line with the Council's Corporate Objectives and emerging growth agenda, a Development Growth Board has been developed to run alongside and support the Asset Management Plan.

This has been set up to promote major regeneration and property development projects throughout the Borough with a view to contributing to economic growth, employment generation and enhanced income from business rates, Council Tax etc. The Board comprises elected Members, Chief Officers from the Council and Capita Directors. The Board receives reports from an Officer led Pre-Development Board, which gives direction to three themed development groups on development priorities and implementation of projects:

- Industry and Gateways task group
- Housing Growth task group, and
- Town Centres development group

10. Strategic Action and Milestones

The main actions that will be taken over the next few years to deliver the AMP are described in the Action Plan attached as appendix 2. Some of these will further develop the strategy behind the AMP, some will implement asset change and some will implement organisational change.