

FINAL DRAFT

Asset Management Plan 2005/06



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Mission Statement

“To enhance public services through effective asset management”



Section 1

Introduction

1. The property owned by local authorities is extremely valuable. Darlington Borough Councils assets are currently worth approximately £240M. With so much resource invested in land and buildings it is essential that they be managed efficiently. This is about much more than simply looking after our assets well. Asset management must take a long-term strategic view of the property required to deliver the services that people need now and in the future.
2. The planning process must link the use of property assets to the goals and outcomes that the Council, and the wider community, is seeking to achieve. It must deliver buildings that are fit for purpose. And it should ensure that resources that could be used for other essential purposes are not tied up in property that is no longer required. The asset portfolio should be managed as a flexible resource, responsive to service delivery requirements and future projections of need, and not as something that is held for its own sake.
3. The Government has established requirements for local authority asset management. Darlington Borough Council has developed its management practices and arrangements in line with the Government's programme, partly to meet those requirements, but more importantly to seek to make the best possible use of its assets.
4. The pace of change and ongoing improvement has been further extended with the publication of the Audit Commission's proposals for comprehensive performance assessment from 2005 onwards in 'CPA – the harder test', and with the 'Gershon Review' requirement for local authorities to achieve efficiencies of at least 7.5% over the next three years. The overall purpose is to release resources for re-investment in front line services, and asset management has a key contribution to make in achieving this purpose.
5. Asset management has also acquired a high profile within the new arrangements for Comprehensive Performance Assessment (CPA). The CPA is carried out annually, and in 2004 Darlington achieved the status of an 'Excellent' Council. From 2005 onwards CPA will be a much harder test, in order to promote continuous improvement, and the Council is working hard to seek to retain its 'excellent' status. Cost effectiveness in the use of resources is now a core test within the CPA, and one in which the Council must score well in order to remain 'Excellent', and the way in which assets are managed is a key component of the use of resources assessment.
6. The Royal Institution of Chartered Surveyors carried out research for the Office of the Deputy Prime Minister in 2004 on how local authorities carry out asset management planning. It sought to reflect the range of new requirements impacting on asset management, including Gershon and the CPA, and produced new guidance promoting a strategic approach that links effective property management to improved service delivery.
7. Darlington has made much progress in recent years in developing a strategic approach to asset management. This plan aims to continue the development and improvement of our approach to asset management to reflect best practice, support delivery of excellent services and community outcomes, and achieve value for money use.

The Council's response to Gershon is its 'Leading Edge' programme of 10 service reviews, designed to carry the Council forward into the next phase of its organisational development and consolidate and build on its 'excellent' status. Asset management has an important role in most of the 10 Leading Edge projects, and it must continue to be developed and improved in line with best practice to support the programme.

Section 2

Corporate Vision and Strategy

1. Darlington Borough Council has always sought to use its property assets to support front line service delivery and to advance corporate priorities. In recent years the corporate asset management process has formalised this practice, and structures and procedures have been put in place to ensure strong linkages between the Council's objectives and the way it uses, acquires and disposes of its property.

Darlington's Approach to Planning and Tackling Local Priorities

2. At the same time the strategic context within which the Council operates has been developed through the Darlington Partnership (the Local Strategic Partnership). The Council's objectives are shaped by the Community Strategy, which sets the overall direction for Darlington. The work of the Council and its partners is aimed towards four visionary goals and structured within eight interconnecting themes:

FOUR VISIONARY GOALS	EIGHT INTERCONNECTING THEMES	
An area creating and sharing prosperity	Improving the local economy	Promoting community safety
A location for learning, achievement and leisure	Promoting inclusive communities	Improving health and well-being
A place for living safely and well	Raising educational achievement	Enhancing the environment
A high quality environment with excellent communication links	Stimulating leisure activities	Developing an effective transport system

3. The strategy has been agreed and is owned by all partners. The Council has established planning systems at corporate, departmental and service levels linked to the delivery of the high level outcomes of the Community Strategy. Information Technology systems have been implemented to monitor and measure the Council's contribution to strategy outcomes. Aspects of asset management work are monitored within these systems. Our asset planning process also tests and prioritises property projects against the Community Strategy goals and themes.
4. The strategy pursues a sustainable future for Darlington through an integrated approach that balances economic, social and environmental well-

being. This is illustrated in the figure 1 below. The Asset Management Plan is not one of the thematic headline strategies identified in the diagram, but it plays a key role in the background, contributing to delivery against all the strategy themes.

5. Figure 2 overleaf illustrates the comprehensive structures that the Darlington Partnership has developed to facilitate delivery of the strategy and the integrated planning required across the eight strategy themes to deliver sustainable outcomes.

Figure 1

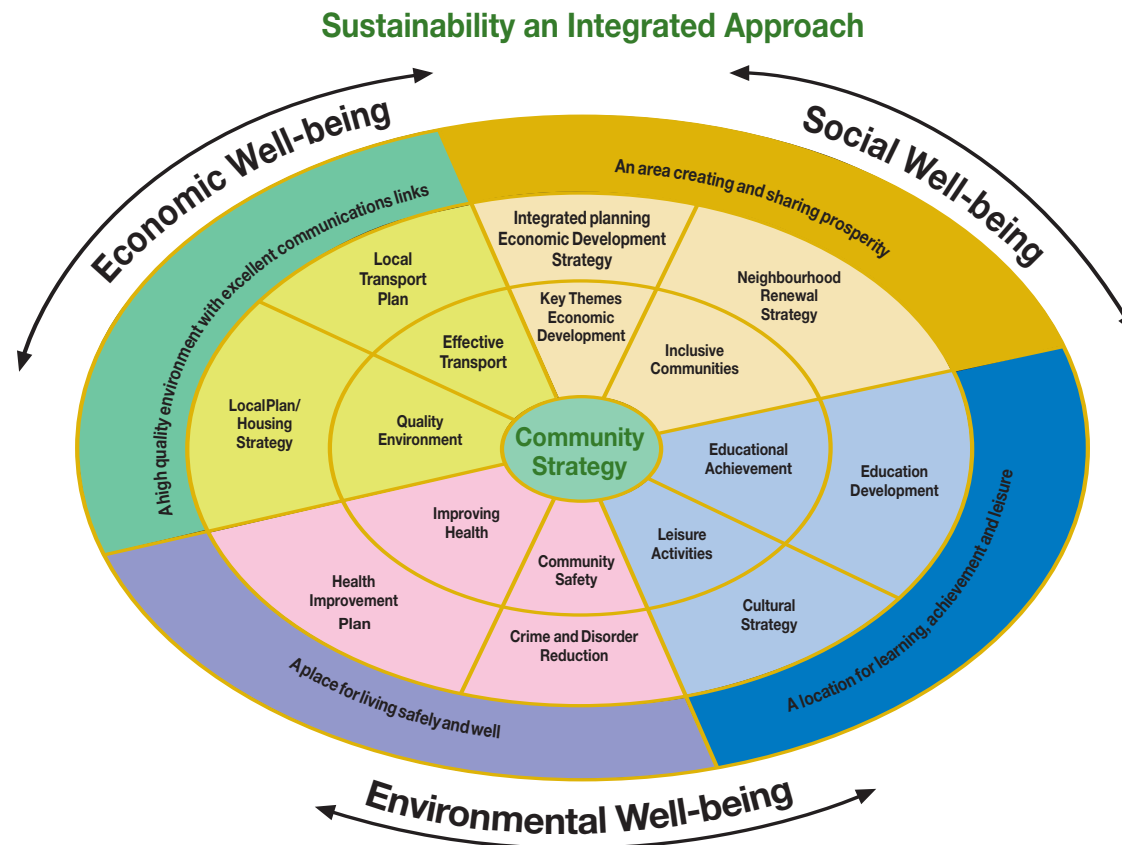


Figure 2

Older Persons Strategy • Children's & Young Peoples Plan Neighbourhood Renewal Strategy			
Economy & Environment Group	Community Safety Partnership	Health Improvement & Social Inclusion	Darlington Learning Partnership
Economy/Environment/Transport	Community Safety	Health/Social Inclusion	Education/Leisure
Darlington Gateway	Crime, Disorder and Drugs Strategy	Improving Health and Well-Being Strategy	Cultural Strategy
Economic Regeneration Strategy		Social Inclusion Strategy	Education Development Plan
Local Development Framework			
Local Transport Plan			

Partnerships, Sub-Groups and Networking

- The Darlington Partnership has agreed a set of priorities for improving quality of life in Darlington. These priorities are the result of detailed and extensive community consultation and analysis of the Borough's strengths and weaknesses. They are the basis of the shared ambition of the Council and all the partners working in Darlington.
- Whilst the partners are committed to making progress across all the above themes, all work progressed through the partnership is tested and refined

PRIORITY THEMES	PRIORITY GROUPS
Improving the local economy	Children and young people
Raising educational achievement	Older people
Promoting inclusive communities	People living in the most deprived wards

against these priorities. The Partnership has taken a further step in setting priorities by identifying five cross-cutting issues that all Partnership themed groups are expected to consider in their work. The use of the Council's property and highway assets can impact on all of these priorities. The crosscutting priorities are:

- ▲ Accessibility
- ▲ Choosing Health
- ▲ Alcohol and crime disorder
- ▲ Darlington: A Town on the Move
- ▲ Anti-Social Behaviour

- There are currently 39 plans and strategies in place or being developed within the Partnership framework. It is expected that they will address the cross-cutting priorities.

9. Darlington's approach to strategic planning has received national recognition and acknowledgement. The Corporate Assessment in October 2004, leading to 'Excellent' status in the Comprehensive Performance Assessment, recognised that partnership and effective planning and prioritisation is happening for real in Darlington. The Audit Commission, ODPM and LGA have all sought to learn from the Darlington approach.
10. Our asset planning arrangements sit within the Council's overall planning structures linked to the Community Strategy. These arrangements are illustrated below. Some key aspects include:
- ▲ The Asset Planning Group, chaired by the Corporate Property Officer (a Director and Corporate Management Team Member);
 - ▲ The group brings together corporate, education and highways asset management with capital planning and the Medium Term Financial Plan, and tests asset proposals against the Community Strategy;
 - ▲ A Corporate Landlord approach recognised across the Council with a corporate responsibility for work relating to Condition and Suitability, Disability Discrimination Act compliance, Legionella management, asbestos surveys and removal, implementation of the Fire Workplace Regulations, Property Risk Management and Energy Management. The Corporate Landlord model and role played by the Estates and Property section is explained further in Section 6 of this report.
 - ▲ There are clear Member responsibilities for property – the Corporate Property Officer, John Buxton, has regular briefings with the Cabinet Member for Regeneration and Planning Portfolio, Councillor David Lyonette, the Cabinet Member for Transportation Councillor Nick Wallis and the Resources Management Portfolio Member, Councillor Bristow, who maintains a close examination of property issues;
 - ▲ Involvement of 'back-bench' elected Members is through the Ward Member consultation process and which is fed through Cabinet reports. For example, Ward Member consultation was undertaken in respect of the Argos development and a major consultation exercise undertaken in respect of the Pedestrian Heart project;
 - ▲ As a member of the Corporate Management Team, the Corporate Property Officer routinely engages with his senior colleagues on strategic property issues. A strategic property review has recently been carried out by CMT (Corporate Management Team) to determine the Council's future property requirements and locations linked to a major town centre retail development proposal are currently under discussion.
11. Consultation with the public and stakeholders takes place through a range of mechanisms, including the Local Strategic Partnership, a Resident's Forum and eleven Community Partnerships, the Environmental Forum and the Town Crier magazine, which is delivered to every household in Darlington. There is also a Town Centre Forum, which is consulted on developments and projects within the town centre. The Council's website is used to publicise proposals and obtain feedback, and is also an interface for customer complaints and compliments. The annual Community Survey and regular Citizens' Panel surveys also provide feedback on proposals and issues, and monitor public satisfaction with services.
- ## Addressing Local Priorities
12. The overall direction for Darlington set by the Community Strategy centres on strengthening the local economy and securing sustainable gains in prosperity, whilst ensuring that all residents can share in and enjoy that prosperity, and that barriers to social inclusion are removed. At the same time it aims to create a high quality environment that supports prosperity and inclusion and enables people to enjoy a high quality of life.

13. Some examples of how this vision is being addressed by the Council across all the Community Strategy themes are outlined below, with particular reference to the utilisation of the Council's land and property assets to support progress:

Economic Regeneration

14. Within the Darlington Gateway Development Framework, investing in the infrastructure required to attract high quality, well-paid jobs to Darlington to counter the low wage local economy; reducing the unemployment gap between the most prosperous and most deprived wards; and enhancing the competitiveness and attractiveness of the town centre, with new shopping development and a major overhaul of the pedestrian environment.
15. Asset management plays a key role at the heart of the Gateway strategy in terms of the assembly, preparation and marketing of key investment sites; recent business park developments at Morton Palms and Faverdale East, and the Argos distribution depot development at Faverdale, are examples of the Council using its assets to enable major economy projects to progress.
16. The Council has used its property assets – town centre surface car parks – as components in the site assembly for the proposed town centre shopping development at Commercial Street; it also used its assets to control the marketing of the whole site when the original developer withdrew, to ensure that the development project was secured.

Neighbourhood Renewal

17. Major regeneration programmes for the Firthmoor and Skerne Park Estates have been completed; community partnerships have been created in each of the 11 most deprived wards; the Neighbourhood Renewal Strategy provides a focus for the Council and others to work with the partnerships to tackle the combination of factors – economic, social and environmental – that lead to deprivation.

18. The Council demolished nearly 400 houses on the Firthmoor Estate and sold the land to private housing developers to achieve tenure diversification as a contribution to the successful regeneration of the estate.

Environmental Improvement

19. The West Park project is creating a sustainable community on the site of the former Darchem Works. As well as reclaiming Darlington's last major area of industrial dereliction, the project which is private developer led will provide upwards of 700 new homes, a new mental health facility for South Durham, a new Alderman Leach primary school, a pub, shopping and other community facilities.
20. The Council, working closely with the developer Bussey & Armstrong Projects Ltd, used land in its ownership to strengthen the viability of the West Park project and help unlock planning issues that had to be addressed, through negotiation with Government Office, to enable the project to proceed and to secure outcomes that justified an exception to established planning policy.

Social Inclusion

21. Inclusion is a key theme cutting across much of the partnerships and the Council's work; the focus is a social inclusion strategy that aims to narrow the inequalities gap, build community confidence and improve access to services for groups of people specifically at risk of deprivation, discrimination and disadvantage.
22. Adaptation of the physical environment to improve accessibility for all, including people with physical and sensory impairments, is a key strand of our social inclusion strategy that impacts on our assets; the Council has a good record of adapting both highway infrastructure and buildings from which services to the public are provided to reduce disadvantage for disabled people.

23. Broadening the range of 'channels' through which services can be accessed is an important aspect of social inclusion; a new contact and call centre within the Town Hall is being developed.
24. Assets are used to support service development and improvement to address social inclusion objectives; the former caretaker's house at Darlington Arts Centre, Vane House has been transferred to Adult Services to provide a resource centre for people with sensory impairments.

Improving Health

25. Close partnership working between the Council and the PCT is focused on providing health services that are accessible to all; giving people choice about healthy lifestyles and about where and when they are treated; promoting a fitter and healthier population, increasing physical activity and reducing obesity, and reducing health inequalities by targeting those most at risk.
26. A town centre car park (Park Place) adjacent to an existing run down health centre has been made available to the PCT for the construction of a new, state-of-the-art, accessible primary care facility; in return, the PCT will provide an improved car park on the existing health centre site once the new facility is completed.
27. Highway asset management, linked to the accessibility strategy of the Local Transport Plan and the 'Town on the Move' sustainable travel programme, is seeking to support active and sustainable transport by improving facilities and routes for pedestrians and cyclists. For example, a pedestrian/cycleway and a bridleway have been constructed on the former Barnard Castle Branch Line, providing an extension to the Cycle Network and a 'safe route to school' for the new Alderman Leach school within the West Park development. A further section of the former branch line between Newton Lane and A1(M) made up of a 3m wide bridleway, has also extended the Cycle Route Network. Extending to 1 km of cycleway

and 1km of 3m wide bridleway and funded by a combination of LTP and Sustrans, the extended network is a significant boost for the local community.

Educational Attainment

28. The many factors being addressed in order to raise educational attainment and narrow the attainment gap include major investment in new educational buildings, and the reorganisation of school clusters to strengthen the linkages between schools and the communities they serve.
29. The Education Asset Management process is progressing a long-term review and renewal of primary school provision based on its condition, sufficiency and suitability – 8 primary schools are currently being provided with new buildings.
30. A £32M 'Education Village' is being provided on the site of an existing secondary school, in a PFI with Kajima that brings together primary, secondary and special provision from 3 existing schools into one integrated complex.
31. The Corporate Asset Management process is complementing these programmes to ensure that school premises are fit for purpose and support educational attainment, by carrying out asbestos removal and fire regulations works; it is also responsible for disposing of surplus sites resulting from the primary school renewal programme, with receipts earmarked for re-investment in education improvements.
32. The above examples provide an illustration of our response to local priorities, which can be summarised as building prosperity, enabling more people to share in that prosperity, and tackling the many barriers to social inclusion to enable people to fulfil their potential and enjoy a high quality of life.

National Factors

33. As well as supporting the delivery of local priorities, asset management must respond to national initiatives and priorities. The most important of these, in developing our asset strategy, are:

- ▲ Corporate Performance Assessment (CPA) 2005 – the Harder Test: continuing the development of our asset management arrangements to maintain good practice and make a strong contribution, measured against the Key Lines of Enquiry, to the ‘Use of Resources’ assessment in the new CPA methodology.
- ▲ The Gershon Efficiency Review: linked to the above, contribute as appropriate to the Council’s ‘Leading Edge’ programme of service reviews and projects designed to maintain and strengthen its ‘excellent’ status, achieve efficiency savings in accordance with the Gershon review, and demonstrate value for money.

Property Data

34. The Council has established systems to provide comprehensive property information to inform its asset strategy and detailed asset proposals:

- ▲ The Financial Asset Register is maintained to provide up to date information on asset values and costs.
- ▲ Property management information is maintained in the Asset Database – this is currently separate from the Financial Register
- ▲ IPF.net software is currently being implemented to provide a single comprehensive database incorporating financial and property

management information, Condition surveys are held on the database and the intention is for asbestos surveys, DDA audits and other property related information held on the one internet based system – as a result all property information will be available to all staff and, via the Council’s website, to external bodies. See Section 4 for further details.

- ▲ Condition surveys were carried out by IPF in 2000 – these are currently being updated by IPF and the property condition/backlog of maintenance information together with CAD drawings will be linked into IPF.net
- ▲ Service Property Reviews were last carried out in 2002 – the reviews have not been refreshed intentionally, pending:
 - The outcome of the strategic property review examining the Council’s future operational property requirements and preferred location arising from a proposal by Tesco to develop a major store in the town centre on a site including the existing Town Hall.
 - The Tesco proposal could include provision of replacement accommodation - new accommodation in the town centre, could optimise public access to services and maintain the viability of the town centre by retaining Town Hall staff spending.
 - The establishment and bedding-in of the new Children’s Services Department, so that future accommodation needs can be properly assessed on the basis of operational experience.
 - The relocation of the DLO Hundens Depot as part of the Central Park development, a major Gateway site for the relocation of Darlington College, provision of business accommodation, conference and hotel facilities and housing.
 - Implications of service reviews related to Gershon efficiency issues.

Strategic Issues

35. Local priorities and national factors, informed by our property information, raise the following issues for our asset management strategy:
- ▲ Making sure that the Council has access to the land and property assets that are required to deliver services and to facilitate the strategic developments that are required to sustain prosperity and a high quality of life.
 - ▲ Measuring the effectiveness of the property portfolio and property projects using performance indicators that link assets to the delivery of desired outcomes.
 - ▲ Making sure that our property assets are fit for purpose, suitable, sufficient and support the delivery of excellent services.
 - ▲ Having an effective approach to declaring property surplus to requirements and disposing of it, in order to minimise the opportunity costs sustained in holding property.
 - ▲ Whilst there is no urgent maintenance backlog, we need to ensure that our assets are maintained in optimum condition, and that planned maintenance work is scheduled to intervene at the point when maintenance works will achieve the best possible value for money.
 - ▲ Making investment and disposal decisions based on effective appraisal of the options available to meet requirements and on whole life costing.
 - ▲ Measuring the efficiency and cost effectiveness of our property portfolio using performance measures that can be benchmarked against other local authorities to support value for money decisions.
- ▲ Making the most of partnership opportunities to secure cost-effective provision of the assets needed to deliver services – examples range from the £32m Education Village PFI with Kajima to the relocation of the Building Control service into Darlington Fire Station, to optimise the working linkages with the Fire Service
 - ▲ Working with the voluntary sector to encourage the best possible use of the available accommodation in Darlington to reduce costs and duplication of accommodation provision, and enable the Council's grant aid to voluntary organisations to be utilised more effectively.
36. Every Local Authority is different with widely varying portfolios. However it is useful to compare practices and learning experiences of other Authorities, when lessons and processes are adapted, great benefits can be achieved. Significant savings in time and resources can be realised by not 'reinventing the wheel', each time a new problem is faced. Examples of sharing good practice at Darlington is the IPF forums and ACES, Association of Chief Estate Surveyors meetings. There is also Regional Excellence Board that has been set up by Central Government to generate and share information between Local Authorities.
37. Whilst recognising that every Local Authority is different, Darlington is proactive in learning from others and pursuing best practice, in order to secure the benefits and savings that can be achieved by not 'reinventing the wheel'. We participate in the IPF Forums and the meetings of ACES, the Association of Chief Estates Surveyors, and the Regional Excellence Board set up by Central Government to generate and share information between Local Authorities.

Section 3

Recent Developments and Achievements

1. It is important to note that what is happening in Darlington in terms of the major developments (Morton Palms, Faverdale East Business Park, Pedestrian Heart, Central Park) is not by chance, but they are the result of the Darlington Gateway Strategy created by the Council over five years ago.
2. In 2000 the Council and private sector partners recognised that accessibility and quality of life at Darlington were two unique factors.
3. Not only is Darlington a desirable place to live, it has a strong retail sector with over half a million catchment population. Housing is wide ranging with good schools and universities nearby at Durham (within the Tees Valley), Newcastle and York.
4. In 2001/2 the Council commissioned consultants to undertake primary research into the economic structure. The study showed that there was a latent demand for development, but shortage of supply of suitable development sites.
5. Consequently, joint ventures were entered into with ONE and the Council to facilitate infrastructure and road access with two sites, Morton Palms, a high quality office development and Faverdale Business Park. Without access into the sites, they would not be capable of immediate development. By ensuring that sites were available for development, the Council successfully attracted the Argos Direct Distribution warehouse development to Darlington at Faverdale, bringing with it 700 new jobs for the area.
6. The consultant's study also recommended that additional offices would need to be ready to come on stream after Morton Palms. The Council is currently working with Tees Valley Regeneration (TVR) on the Central Park

project at Haughton Road. The Council is one of five landowners and the development is seen as one of the best regeneration sites in the North of England.

7. This section of the plan summarises a selection of the gateway projects together with work priorities identified in last year's asset management plan which have progressed and developed into major developments for Darlington.

COMMERCIAL STREET

Key Facts	Opportunity to build and develop a new shopping centre, on Council owned land, to enhance the town's main retail area.
Location	Surface car parks on Commercial Street and Kendrew Street.
Total Size	1.4ha (3.5 acres).
Status	Discovery Properties have been selected by the Council as the preferred developer to bring forward the Commercial Street shopping centre. The London based developer was one of four shortlisted by the Council to put forward proposals for the £90m shopping complex.



Commercial Street Development

FAVERDALE EAST BUSINESS PARK

Key Facts	New commercial, industrial and warehousing business park owned by the Council.
Location	North western outskirts of the town opposite the well established Faverdale Industrial Estate.
Total Size	35 hectares (86 acres).
Phase 2: Argos Direct Regional Distribution Centre	<p>A £33m development project expected to create 700 new jobs for Darlington. Despite extensive archaeological investigations, completion of the building took place on 8 July and the building is due to be fully operational by the middle of August 2005.</p> <p>The Council's Estates and Property team dealt with the land and property transactions and the Council's Project Development team were responsible for the project management issues.</p>



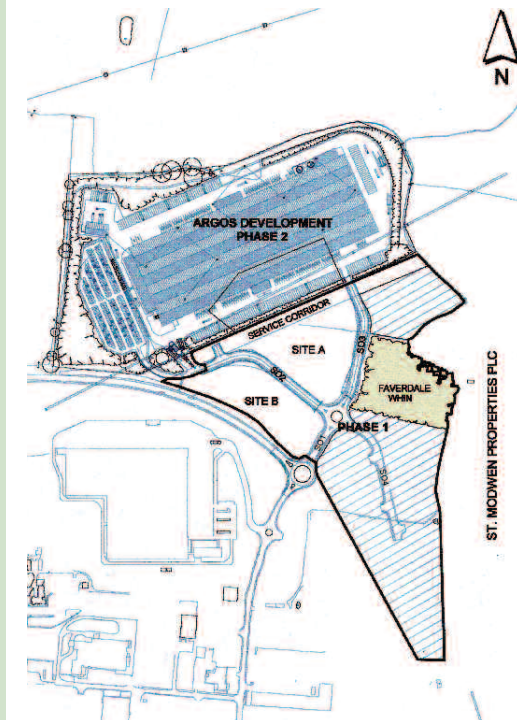
Argos Direct Regional Distribution Centre - nearing completion



Phase 1:
The Easter
Group Ltd

The Easter Group Ltd have been selected as the Council's preferred developer, to develop out an estimated 3.6ha (9 acres)

They propose developing a range of speculative industrial units comprising Site A 100,000 unit and site B smaller industrial units ranging from 15,000 – 40,000 sq ft unit. A start on site is expected late 2005 early 2006, subject to planning permission.



CENTRAL PARK – Flagship Development [previously known as Haughton Road Gateway Development]

Strategic site at the centre of Darlington. The site is in various ownerships (ONE NorthEast, English Partnerships) and is intended to be brought forward in a Joint Venture arrangement. The Council owns 12ha (31 acres) including Hundens Lane depot and allotments.

Key Facts

- High quality mixed use strategic development site.
- 600 new homes, hotel and conference facilities, green open space, sculpture park and high quality office accommodation.
- New site for Darlington College. (already under construction)
- Will create approximately 2,000 jobs.
- Impressive new link to the railway station adjacent to the site.

Location

Adjacent to Darlington East Coast Mainline Station, close to the A1, A66 and A19 and short drive from Durham Tees Valley Airport.

Total Size

30 hectares (75 acres) brownfield site.

Value

A combined investment of £170m with the majority from the private sector.

Status

Masterplan launched October 2004. College started on site 2005 ready for occupation of the new premises in 2006.

A planning application has been submitted.



Artist's impression of Central Park



Construction of new Darlington College at Central Park

MORTON PALMS

The Council entered into a Joint Venture with ONE NorthEast to facilitate the construction of an access road onto the site to pump prime development.

Key Facts	Developer City and Northern Ltd were selected by the Council as preferred developer.
Location	Eastern edge of Darlington conurbation.
Total Size	11.3 hectares (28 acres).
Phase 1	Two high specification 4 storey office buildings, Hackworth House and Stephenson House have been completed providing 71,000sq ft of quality accommodation. Whessoe Oil and Gas Ltd have recently announced they are to occupy Hackworth House.
Phase 2	60,000sq ft office development in smaller blocks has recently been granted planning permission and construction is scheduled to start in September 2005.
Future Phases	Offices, complementary leisure facilities, hotel and crèche.



Ariel view of Morton Palms Development area



Completed offices at Morton Palms

PARK PLACE HEALTH CENTRE

The Council has entered into an agreement with the PCT, Primary Care Trust to facilitate the development of a new £3.5m Health Centre on the Council's adjoining car park at Park Place.

Once the new Health Centre has been constructed, the old Health Centre will be demolished and the PCT will construct a new car park for the Council.

The construction works are currently under way and it is envisaged the Health Centre will be open to the public in early/Spring 2006. Whilst the construction works are underway, the Council is receiving revenue from the PCT to reflect loss of rental income from the car park.



Park Place Health Centre



Park Place Health Centre

TOWN CENTRE - PEDESTRIAN HEART

Key Facts

- Environmental enhancement of Darlington Town Centre.
- To design the 'Pedestrian Heart' as a high quality pedestrian-dominated space, creating a unique town centre experience. This will add to the existing pedestrian areas in and around the town centre, creating a quality and friendly space which is inviting, safe and accessible for all to use.
- Cost of scheme estimated to be £6.5 million over three years.
- Flow of all town centre traffic will be reorganised to achieve greater pedestrian priority.
- Artist has been commissioned to work on a proposed water feature, chronological lighting scheme and other lighting features.

Status

- Concept design consultation – summer 2004.
- Detailed design – autumn/winter 2004.
- Enabling works – spring 2005.
- Artist's impression of the Pedestrian Heart.
- Pedestrian Heart – plan of areas for environmental improvements.



Pedestrian Heart

DARLINGTON EASTERN CORRIDOR

Three kilometres of single carriageway connecting the A66 (T) to the east of Darlington with the B6279 Houghton Road to open up access to industrial land and relieve pressure on existing roads.

7.3m wide single carriageway between A66 (T) and Houghton Road.

New traffic signals between Lingfield Point and the A66 (T).

New access to key development sites.

Environmental benefits for residents and retail.

Improved cycling, equestrian and walking facilities and heritage features on the historic Stockton and Darlington Railway track bed.



Aerial view showing Eastern Transport Corridor

Section 4

Property Performance Data

1. Available data on the condition and performance of the Council's property portfolio and of property-related services is set out in Appendix 1. It describes how this data is being used to monitor the performance of our property portfolio and asset management services.
2. There are five Key Performance Indicators that the Government Office have previously required all Local Authorities to submit, which are detailed below:-
 - ▲ Property Condition and backlog of Maintenance
 - ▲ Investment Performance, Internal Rate of Return (IRR)
 - ▲ Managing Performance
 - ▲ Property Efficiency
 - ▲ New Construction.
3. It is no longer a requirement for Councils to submit data on the five Key Performance Indicators, but in line with good practice the data is being collected and utilised to monitor and analyse the performance of our assets.
4. Sitting behind the five Indicators are local performance indicators relevant specifically to the Council's performance. These are also set out in the Appendix. For example, percentage of void properties, rent arrears and response times for completing valuations and plan preparation for Council House Right-to-Buys.
5. The overall condition of the Council's portfolio is considered to be relatively good with buildings fit for purpose. Because Local Authorities do not now have to submit Key Performance Indicators we are unable to compare our overall performance with other Local Authorities.
6. Information on property condition, combined with information from services on their service delivery-based property requirements, forms the basis of an annual programme of maintenance and modernisation work. Maintenance proposals identified by the corporate property function, combined with adaptation and improvement requirements generated by services, are prioritised and programmed by the Asset Planning Group. A key consideration in this process is to programme maintenance work to achieve maximum value for money. The 2005 IPF Condition Survey will reassess the overall condition of the property portfolio, and enables the planning of the maintenance programme to be refreshed with up to date information.
7. The Council has a consistent strategy for reducing the backlog of maintenance focused on achieving value for money and fitness for purpose. The Asset Planning Group and Members review the full backlog annually through the Medium Term Financial Plan for Capital. Small-scale maintenance issues are prioritised in accordance with the available revenue resources. Major repair projects may be capitalised and prioritised within the capital programme – the current replacement of the Railway Museum roof is an example. In other cases a range of factors will be considered in determining if and when maintenance work is tackled. These include the current and future fitness for purpose of the property and whether the maintenance work will impact on the continuing use of the building, and longer-term strategic considerations.
8. For example, there is a backlog of maintenance work at the Town Hall, but this does not in any way impact on the current delivery of services from the building. In the medium to long term, there is a possibility that the building will be replaced with new accommodation as part of the Tesco retail proposal. Tackling the backlog maintenance work will not improve fitness for purpose or represent value for money. Similarly improvement/maintenance work at the Arts Centre has been deferred pending a bid for funding for future development work. The maintenance requirements can be dealt with more cost effectively as part of that development programme.

9. Historically the largest block of maintenance backlog inherited by the Council has related to school buildings. This has been tackled by a similar approach based on a strategic view of future school requirements and on ensuring that buildings are fit for educational purposes and to support pupils' attainment. Targeted capital funding has thus been used to replace schools that are no longer required or cannot be made fit for purpose, in an ambitious and ongoing replacement programme; or to carry out maintenance and improvement programmes to adapt and improve existing schools to meet future requirements. For example, urgent maintenance was required in part of Branksome Comprehensive School. At the same time, falling school rolls and future projections of need indicated that the school was larger than required in the future. The cost effective solution was, therefore, to demolish the part of the buildings with an expensive backlog of maintenance, and to reorganise the school in smaller premises.
10. The Council's strategy for tackling its maintenance backlog, reflected in its annual programme of works, is therefore pragmatically determined by current and future service delivery requirements, long-term plans and prospects, and obtaining the best value for money from its available resources, rather than being property-led. It is based on a thorough appraisal of the options available, informed by property performance information for ensuring that the property required to deliver services is provided and maintained in a cost effective manner.
11. Appraisal of options, focused on community and corporate objectives, also informs the Council's wider asset investment and disposal decisions. These decisions not only impact on the provision of accommodation for service delivery purposes. They affect the delivery of key programmes,



such as the Gateway Development Framework, that are vital to Darlington's future and to the well-being of local people. Whole life costing has been introduced to seek to ensure that options appraisal and decisions take account of the full cost effectiveness of options. A whole life costing methodology has been developed to be incorporated into the capital bid appraisal process. The Asset Planning Group now assesses, scores and prioritises proposals in terms of both their effectiveness in delivering community objectives and outcomes and a full appraisal of their immediate and long-term costs.

12. To date whole life costing has been applied to major projects, including the refurbishment of the Dolphin Centre, and the development of the Haughton Education Village. The methodology will be extended during 2005/06 to other capital projects and asset management decisions.
13. To enable improved data management new computer software systems have been developed and procedures established to better manage the assets information required.
14. A corporate approach between Corporate, Children's Services and Development and Environment Departments has recently updated the IPF Asset Manager software licence. It is an updated internet based product which will provide the capability for management data for each property, for example condition surveys, asbestos surveys, DDA audits, to be accessible to occupiers across the Council.
15. The Council's land ownership record 'the terrier' is now captured on GIS and through Development and Environment's department-wide embedded 'Uniform' system, the map based ownership records are linked to property management data held on Uniform, searchable by means of UPRNs (Unique Property Reference Numbers).
16. The Property Management element of the Uniform system went live in 2005 and verification of data through the Estates and Property Section is nearing completion. It is intended that the Council's land ownership GIS map based records will be accessible via the Council's website with search facility for additional property/ownership information.

Section 5

Asset Management Priorities

1. Details of the Council's assets are outlined below and later in this section, the Council's principal priorities for managing its assets are considered.

Council's Property Portfolio

2. The Council's asset portfolio has 4 distinct elements:

- ▲ **Operational** - This comprises land and buildings used in the direct delivery of those services for which the Authority has either a statutory or discretionary responsibility.
- ▲ **Non-operational** - The non operational portfolio comprises land and buildings held by the Authority but not directly occupied in the delivery of services for: land awaiting development; commercial property; investment property; surplus assets; golf courses/sports; pitches (where let to a third party); depots and workshops; tenanted farms/smallholdings; shops on housing estates (if held solely for investment rather than particular service objectives); markets.
- ▲ **Community Assets** - Assets that the Authority intends to hold in perpetuity. Many will have restrictions on their disposal as they have been dedicated or donated for public use. The Authority acts as custodian to provide care, maintenance and access for the public. Examples are: parks, historic buildings, works of art, cemeteries and crematoria (land only).
- ▲ **Infrastructure** - The definition of these are inalienable (retained for public benefit) assets, expenditure on which is recoverable only by continued use of the asset created for example: roads, bridges, permanent ways, water drainage, street furniture.

3. An analysis of Darlington's portfolio shows the following:

Operational Portfolio as at 31 March 2005	
Council dwellings (houses and flats)	5,680
Schools	
Nursery	3
Primary excluding Church Aided	26
Secondary excluding Church Aided	6
Beaumont Hill Special School (3 No. schools combined)	1
Pupil Referral Unit	1
Playing Fields at Church Aided Schools	8
Adult Day Centres	2
Other Social Services Properties	3
Town Hall	1
Other Administrative Buildings	4
Depots and Workshops	4
Off Street Car Parks	21
Leisure	
Arts Centre	
Dolphin Centre	
Eastbourne Sports Complex	
Railway Museum	
Civic Theatre	
Stressholme Golf Club	
Parks and Recreation Grounds	
Other	
Cemeteries	3
Crematorium	1
Covered Market	1
Open Market	1
Cattle Market	1
Libraries	2

Non operational Portfolio

4. This totals 170 properties, in capital valuation terms the top 10 properties represent 60% of the value and also account for half of the rent roll.
5. There are a wide range of different types of land and properties including: Morton Palms Business Park, 7 –13 Horsemarket, High Faverdale Farm, 29 Skinnergate, Blackwell Grange Hotel, East Street Car Park, Electricity Sub-Station (John Dixon Lane).

Community Assets

6. There are 188 separate entries ranging from South Park to small pieces of roadside open space. The primary component is the Parks but also includes the River Tees Walkway and Fishing Rights from Broken Scar to Blackwell, the Roman Remains at Piercebridge and a number of picnic sites of the outskirts of the town.

Infrastructure

7. Whilst essentially comprising roads and bridges, there is also land being acquired and held in advance of schemes such as the Eastern Transport Corridor.

Operational and Strategic Priorities for Managing Assets

8. As mentioned earlier in Section 2, Service Property Reviews undertaken during Spring 2002 highlighted a range of common issues. Now that a replacement Town Hall is proposed and Hundens Depot is due to be relocated uncertainty regarding how services are to be delivered is significantly reduced, but for the short term action on operational property will concentrate on the following areas:

- ▲ Ensuring operational property is provided at a cost and quality to enable services to be delivered effectively and within budget.
 - ▲ Some minor improvements to the quality of office space and meeting space.
 - ▲ Continuing to meet legislative and health and safety obligations (eg. Asbestos Management, Access issues).
9. The Council continues to enter into Partnership arrangements and Service Level Agreements with the voluntary and charity sectors. For example, First Stop, the Tubwell Row Project is occupying a Council owned property let to the Darlington Housing Action Group who provide a drop in centre for young people. The Council for Voluntary Services occupy Council premises at Church Row and provide short term lets to other voluntary organisations.
 10. The Council also continues to support other voluntary and charity sector organisations with its property assets, although through the recent introduction of the Council's 'Community Grant and Strategic Funding Scheme' which provides financial support to community and voluntary sector groups and individuals in Darlington there is an opportunity to evaluate the buildings and amount of space currently occupied.
 11. The Council already shares property for example Central House Annexe and at the Fire Station and will continue to work with partners to share whenever there are good service delivery reasons for doing so.

Priority 1: To undertake a fresh assessment of operational property requirements, through Service Property Reviews, having regard to the Council's overarching Property Review exercise.

Supporting Social and Economic Regeneration

12. Infrastructure works at Morton Palms were completed by ONE in a joint venture with Darlington Borough Council. The first phase of this site has now been developed as a first class business park by developer City and Northern Ltd. Also at the Council owned Faverdale East Business Park, Argos Ltd have completed a £33m warehouse development which is due to open in Summer 2005, creating approximately 700 new jobs for the area.
13. The Town Centre Development Strategy is dependant upon the Council releasing surface level car parks for redevelopment. The Commercial Street development is at an advanced stage of negotiations with Discovery Properties Ltd who have been selected as the Council's preferred developer.
14. As detailed earlier in this report, the Council has also entered into a joint venture with the Primary Care Trust, PCT at the beginning of 2005 to facilitate the development of a new £3.5m Health Centre for the residents of Darlington on council owned land. The PCT are constructing a new car park for the Council at Park Place to secured status standards.

Priority 2: To provide funding and property assets in support of the regeneration programme in partnership with other funding bodies and organisations.

Investment and Commercial Property

15. There is an ongoing review by the Estates and Property Section of the Council's Investment and Commercial property portfolio to ensure that the Council continues to hold property that performs and provides an acceptable return to the Council or is required for strategic purposes.

The 'Internal Rate of Return' performance indicator (see KPIs) is intended to provide a measure of the financial return to the Council and is used to identify those assets where the return needs to be improved, perhaps through active management or alternatively a decision made on the future of the asset, based on an options appraisal.

16. Through the Corporate Landlord role a 'Corporate Protocol for Asset Disposals' is being produced for introduction across all departments, with the intention of formalising the process whereby any assets considered surplus to requirements, whether they be commercial or operational, are identified, referred to the Asset Planning Group and following an evaluation of the options including, where appropriate, whole life costing the asset is then either re-allocated for Council use or declared surplus and sold. This requirement for a corporate approach to identifying and dealing with surplus assets was identified under the Asset Management Best Value Review and a copy of the draft protocol is attached at **Appendix A**.
17. The Asset Management Best Value review also recognised the need to develop effective project management and through CMT this has been taken up as a priority for the Council. All staff involved in project delivery attended a day's seminar, delivered by the Audit Commission, and project management methodology guidance has been rolled out. A paper has been submitted to the Council's Corporate Management Team to explain the Project Management Procedures. A Gateway system has been introduced with the intention of monitoring the project process from conception to completion and applying a sign-off by relevant parties at the end of each Gateway. Each Gateway must be signed off prior to commencing to the next Gateway. This will ensure tight project control and feedback to the relevant parties.
18. It is intended to roll out further training in the Autumn of 2005. All project management information will be available on the Intranet. Further, 'Micro P2' project software is being piloted by the Council's 'Streetscene' project and its potential benefits for other Council projects will be evaluated.

Priority 3: To continue to implement the outcome and recommendations of the Asset Management Best Value Review.

Surplus Property

19. Service Property Reviews will continue to be the catalyst for identifying assets considered surplus to a Department's requirements. As outlined above, the Corporate Protocol for Asset Disposals will clarify the process and procedure Departments will need to follow ensuring asset decisions are fully appraised and those declared surplus are dealt with corporately. This in turn will feed into the Council's programme for the generating capital receipts.
20. The Estates and Property Section, in conjunction with other sections within the Development and Environment Department, i.e. Planning, Highways and Transport Policy are undertaking a Land and Property evaluation of the Council's assets to identify the potential for bringing surplus land and property forward for development/disposal in the short, medium and long term.

Priority 4: To continue to update the review of land held by the Council and to dispose of any that is surplus for the best consideration.

Programme Development and Funding

21. The Council continues to develop shared use of property where there is a clear benefit for service delivery. The re-location of Mental Health teams at 4 Woodland Road and re-location of police, traffic wardens, community safety, the Youth Offending Team and community wardens in converted premises at Central House Annexe are good examples of what has been achieved.

22. The Council has identified disposals that are intended to meet the requirements for capital receipts in line with the Capital Medium Term Financial Plan. The Council has a relatively small property portfolio from which sales can be made and capital expenditure is restricted to what can be realistically achieved from land sales or provided from other sources.
23. Capital receipts are a small proportion of the total funds that the Council expends annually on capital works (Refer to Capital Strategy).
24. The Council has a small number of leased out properties but the rental income from these properties is important in supporting the revenue budget.

Priority 5: To continue to identify assets surplus to the Council's requirements and conduct a programme of disposals to meet capital expenditure requirements.

Section 6

Corporate Landlord

1. A corporate approach to the management of its assets is recognised within the Council and many of the building blocks are already in place. The Development and Environment Department through the Estates and Property Section are recognised as fulfilling the role of the Council's Corporate Landlord. A 'Corporate Landlord model' recommended in the Asset Management Best Value Review is to be embedded across the Authority during 2005/06.
2. Rather than individual Departments tackling property issues in isolation, the aim of the Corporate Landlord is to enable Departments to focus on their core activities and not be distracted into other areas of work which are the core responsibility of others. The following are a selection of the main areas covered by the Corporate Landlord:-
 - ▲ Assess Departments' property requirements, having regard to the suitability and sufficiency of operational assets and whether 'fit for purpose';
 - ▲ Implement a protocol for identifying surplus property and a procedure for their disposal;
 - ▲ Co-ordinate and appraise investment and expenditure proposals on operational and non operational assets;
 - ▲ Manage land and property transactions;
 - ▲ Manage the Council's land and property statutory obligations;
 - ▲ Energy Management.
3. Many of the above aspects of the Corporate Landlord role are already in place for example:-
 - ▲ A 'Corporate Protocol for Asset Disposal' has now been produced and endorsed by the Asset Planning Group and Corporate Management Team. Subject to approval by Members, the protocol is to be implemented across the Council. (See Appendix 2)
 - ▲ Decisions on capital investment and expenditure involving the Council's operational and non operational assets are co-ordinated through the Capital bidding process and monitored by the Asset Planning Group. Decisions on revenue expenditure, however, still rest largely with Departments and Development and Environment's role as Corporate Landlord is to enable Departments to become 'informed clients' and link proposed capital and revenue expenditure to strategic decisions on land and property.
 - ▲ As 'informed clients' Departments will be better placed to identify their requirements and instruct in respect of land and property transactions.
 - ▲ Measures to address statutory obligations affecting the Council's land and buildings. Significant progress has been made in these areas as outlined overleaf:-

<p>Disability Discrimination Act</p>	<ul style="list-style-type: none"> • Disabled Access Audits completed • Total capital spend to date £893k (including 05/06). • BVPI 156 – Percentage of Council Buildings open to the public in which all public areas are suitable for and accessible to disabled people. 04/05 – 75% compliant – 39 no. out of 52 qualifying buildings now compliant. • Programme of Works for remaining buildings identified • ‘Dropped Kerbs’ initiative being rolled out by Highways along principal roads throughout the town. • Pavements for People – guidance produced by Highways. • DAD – Darlington Association on Disability – consulted on all DDA issues and planning applications. • Commendations of good practice – Pendle District Council visited Darlington and found “an excellent example of co-ordinated working between service areas and DAD”. • ‘Access for All Award’ scheme introduced – open to businesses or organisations which have most demonstrated a commitment to DDA.
<p>Fire Workplace Regulations</p>	<ul style="list-style-type: none"> • Fire Audit/Risk Assessments completed. • Compliance works undertaken in conjunction with DDA works. • Fire Risk Awareness training rolled out across Council.
<p>Asbestos Management</p>	<ul style="list-style-type: none"> • Council has a ‘Duty to Manage’ asbestos under Regulation 4 of the Control of Asbestos at Work Regulations 2002. • Capital allocated to establish an asbestos register and to undertake Asbestos Surveys for the Council’s property portfolio. • 353 properties registered and x surveys completed. • Asbestos Containing Materials (ACMs) categorised into High, Medium and Low risk. • Asbestos Policy established –Safety Unit • Under ‘Duty to Manage’ Asbestos Management Plans are being produced for each property on completion of asbestos survey and a regime of re-inspection implemented. • Asbestos Awareness training being delivered to all Building Managers and occupiers. • Asbestos removal unit based within Community Services.

Legionella Management	<ul style="list-style-type: none"> • Regime of inspections undertaken through Community Services. • Programme of remedial work being identified.
Property Risk Management	<ul style="list-style-type: none"> • Property/Security/Fire risk Sub Group established as part of Corporate Risk Management Group, chaired by Estates and Property Manager • Cross departmental sub group tackling wide range of land and property issues:- <ul style="list-style-type: none"> - Introduction of Design Risk Assessment form for new build - Introduction of sprinklers in new schools (Highly Commended initiative at ALARM Awards 2005) - Launch of 'Smart Water' initiative across all schools in conjunction with Police and the Council's insurers Zurich. - CCTV and Alarm Monitoring – working with the CCTV Manager to develop a corporate policy on the installation and operation of CCTV and Alarms, Code of Practice, Registration and Data Protection. - A Risk Assessment and reporting procedure established for Land and Open Spaces. - Initiating a Risk Assessment of the condition of the Council's tree stock and identifying tree survey costs. - Introduction of 'Good Sign' guidance to standardise signage across the Council and be socially inclusive.
Health And Safety Files	<ul style="list-style-type: none"> • Introducing a corporate approach to Health and Safety files for the Council's property portfolio. • Establishing an electronic database accessible via the Council's Intranet. • Providing a record of Statutory Inspections, maintenance contracts and project specific planning supervisor documents.

Energy Management

4. Referring to the medium and long term objectives of the Council's Energy Policy, adopted July 2005, much is still to be done, but through a corporate approach to energy management, much has already been achieved.
5. At an operational level the Estates and Property Section continues to validate and process invoices from the main utility suppliers relating to all operational buildings and land and has entered into a Service Level Agreement with the majority of schools to provide them with a validation and processing service and advice on consumption/demand.
6. Working with Development and Environment Department's Sustainable Development Officer to help publicise and promote activities and initiatives within the Energy Policy.

Green Energy	<ul style="list-style-type: none"> • The Council, through its association with the North East Purchasing Organisation (NEPO) has subscribed to a Green energy contract (energy supplied from a renewable source) for 100% of its electricity consumption, including street lighting.
Energy Audits	<ul style="list-style-type: none"> • An energy audit of all the Council's schools is almost complete and will help identify areas where energy is being wasted or efficiencies can be made. • A similar audit of the operational buildings is to be rolled out 05/06.
Initiatives	<ul style="list-style-type: none"> • The provision of Building Management Systems for the Council's larger properties is being appraised. These systems would provide a central overview of heating systems and their controls to ensure correct temperatures and to identify plant failures before they have an impact.
Energy Performance of Buildings	<ul style="list-style-type: none"> • Introduce measures to meet the European Union's directive on the Energy Performance of buildings and to comply with the certification requirements.

Framework Partnership

7. To reinforce Development and Environment's ability to respond to the Council's corporate demands particularly the increasing number of projects, a framework partnership with four external companies has been established.
8. To help the Development and Environment Department deliver an estimated £8m worth of projects over the next 3 – 5 years the framework partnership has been established and is at the forefront of current thinking in achieving the Government's modernising and procurement agenda.
9. One of the drivers behind the creation of the partnership was the amount of time and expertise being spent selecting and appointing external consultants, with consequential delays on projects. The four areas covered by the Framework Partnership are:-
 - ▲ Architectural Services – Ferguson McIlveen
 - ▲ Highways and Transportation – Capita & Symonds
 - ▲ Planning Related Services – Building Design Partnership/King Sturge
 - ▲ Environmental and Ecological Services – Parsons Brinckerhoff
10. Some 25 commissions across the four framework partners have already taken place since the partnership started in January 2005 and the Estates and Property section are already working closely with BDP/King Sturge in respect of the Surplus Schools project, a good example of the benefits of the Council undertaking a strategic Corporate Landlord approach to a departmental service provision.

Section 7

Work Programme

1. A significant part of the Council's Capital expenditure as shown in the 2005/06 capital allocation below is related to its physical assets, operational buildings, housing, education and highways. Consequently, it is important that the Asset Management Plan and Capital Strategy sit side by side and are considered together. The Capital Strategy 2005 sets out capital spending priorities over the medium and long term and the Council's approach to how those spending priorities are funded. It also sets out how the Council will use Partnership working to help us achieve our objectives. Finally, it looks at how the Capital Programme will be set, managed and monitored.
2. The Council's Capital Allocation in respect of physical assets for 2005/06 is shown below:-

Children's Service Education Premises (including Voluntary Aided Schools) - £5.08m

Funding Area	£
Schools Access Initiative	170,324
Devolved Formula Capital (Non-VA Schools)	1,365,316
Devolved Formula Capital (VA Schools)	313,283
Corporate Funding	270,000
Targeted Capital Funding	1,130,200
Learning Skills Council – NLCD Capital Grant	38,000
Learning Skills Council – DDA Capital Grant	11,645
Modernisation – all schools need	498,316
Modernisation – primary need	728,813
New Pupil Places (Basic Need)	284,027
LCVAP	168,568
Sports College Grant	100,000
Total	5,078,492

Local Transport Programme - £6.29m

	£
Local Transport Plan	
Integrated Transport	1,867,000
Highways and Bridge Maintenance	1,195,000
Local Public Service Agreement (Approved and released 2004)	
Improvements to non principal classified [Class B & C]	240,000
Improvements to unclassified roads	360,000
Prudential Borrowing (£2,630,000) (Funded from Revenue)	
White light improvements	130,000
Highway maintenance	2,500,000
Total	6,292,000

Housing Management Programme - £10m

Resources	£
Major Repairs Allowance	3,414,000
Supported Capital Expenditure	1,213,000
Prudential Borrowing	3,400,000
Capital Receipts	1,700,000
Disabled Facilities Grant	176,000
GF (General Fund) Corporate Funding	100,000
Total	10,003,000

Other Corporately Funded Schemes

	£
Planned Maintenance – capital repairs to operational land and buildings	150,000
Asbestos management	40,000
Crown Street Library	95,000
DDA and Fire Regulations Compliance	100,000
Reconfiguration of Learning	400,000
Disability Day Service	100,000
Schemes already approved	
Darlington Railway Museum critical restoration works	490,000
Dolphin Centre Refurbishment	5,035,000
Pedestrian Heart	2,500,000
Highways maintenance	2,500,000

Capital Bids

- Through the Council's established Capital bidding process bids for the discretionary element of the Council's Capital allocation ie the Corporately Funded Schemes are submitted on a Capital bid form which provides a description of the project and considers option appraisal, corporate objectives, costs, performance indicators, whether the project is a statutory or legal obligation, risks, financial obligations and proposed timescales. Greater emphasis is being placed on the Option Appraisal element of the bids and this year the Council is introducing Whole Life Costing into the evaluation process for the larger Capital Projects.

- It is widely recognised throughout the construction industry, especially public sector that there is a tendency to concentrate on the initial capital cost of a development and not consider the costs of operating a building or facility for its lifetime.
- Through Whole Life Costing, the longer term revenue consequences can be evaluated.

Physical Works involving Council's Assets

- Translating the 2005/06 Capital allocation into physical work on the ground is a major task and this section of the plan summarises and rolls forward progress made across some of the key areas of the asset-related work programme, including those projects and initiatives highlighted in Section 2. The projects are linked to the eight Community Strategy themes to show how they are contributing to wider community priorities, except for those projects that are solely concerned with improving the Council's internal service arrangements – these are cross-referenced to the five corporate objectives.

Projects and Requirement	Current Stage	Stage completion
Care home sales Community theme: Improving Health & Well-Being	The one remaining unit at Westfields House, Cockerton is now under offer and contracts are due to be exchanged Sept 05	Planning application anticipated Oct 05. Start on site expected Spring 06.
Sure Start Wave 5 Community theme: Health & Well-Being; Promoting Inclusive Communities; Raising Educational Achievement	New unit linked to Mount Pleasant Primary School Sure Start to be an integral part to the Skerne Park School complex which is currently under construction	Completed Spring 05. Completion anticipated Feb 06.
Base for People with Learning Disabilities – Re-provision of Beck House Community theme: Including Health & Well-Being; Promoting Inclusive Communities	Capital allocation 2005/06 and several properties identified, subject to evaluation and costings.	
Central Library – Improvements to re-open East Street entrance and foyer Community theme: Promoting Inclusive Communities; Educational Achievement; Stimulating Leisure Activities	Detailed drawings produced and pricing completed.	Anticipated start Oct.
Development of Commercial Street and Kendrew Street car parks for mixed use retail and leisure development with multi-storey car park and residential Community Theme: Improving local Economy; Enhancing Environment	Negotiations with Discovery Properties Ltd at an advanced stage.	Exchange of contracts – expected October 2005. Planning Application due early 2006.
Development of Town Centre site – Feethams, Beaumont Street Car Parks and Houndgate Community Theme: Improving Local Economy; Enhancing Environment	Proposal by Tesco to develop a new store with parking and residential on site of existing Town Hall and Bus Station. A replacement Town Hall to be built on the Beaumont Street car park site. A new bus depot to be built at Chesnut Street.	Project at initial stages

Projects and Requirement	Current Stage	Stage completion
Development of Morton Palms business park Community Theme: Improving Local Economy	Developer City & Northorn Ltd have completed Phase 1 comprising 2 high spec 4 storey offices totalling 71,000sq ft and have recently announced the letting of Hackworth House to Whesoe Oil & Gas Ltd. Planning permission for phase 2 recently granted.	Phase 2 – due to start on site Sept 05.
Central Park, Houghton Road Community Theme: Improving Local Economy; Enhancing Environment; Raising Educational Achievement	Tees Valley Regeneration project for development of mixed use scheme, including hotel, offices, approximately 600 houses and new site for Darlington College Under-grounding of Overhead cables to facilitate development of College site and Hundens depot Proposed relocation of Hundens Depot to site at Yarm Road TVR to select preferred developer Joint Venture agreement between TVR; ONE; EP and DBC to be negotiated	Planning Application submitted July 05. College under construction and due to complete Spring 06. Completed following Joint Venture agreement between the Council and English Partnerships. Feasibility and initial costing stage. Late 05. Autumn 05.
Alderman Leach replacement school Community theme: Raising educational achievement	New school at West Park	New School Opened Feb 05

Projects and Requirement	Current Stage	Stage completion
Faverdale East Business Park Community Theme: Improving Local Economy;	Infrastructure, to open up site funded by ONE through JV and ERDF grant Phase 2 – Argos - 770,000sq ft distribution warehouse Phase 1 – Developer selected for speculative development of Industrial/Business space	Completed. Completed July 05 Anticipate exchange contracts August 2005
Darlington Eastern Transport Corridor Community Theme:- Improving the Local Economy; Developing an Effective Transport System.	Advance acquisition by agreement but CPO required to ensure all interests can be acquired.	On-going
Shared ownership housing and special needs facility Parkside, Smithfield Road Community Theme: Promoting inclusive Communities; Enhancing the Environment.	Development by Three Rivers Housing association of part of Parkside Balance of site awaiting disposal for residential development.	Completed Summer 2005
Expansion facilities at McMullen Road – S G Petch. Community Theme: Improving the Local Economy.	Disposal of land to facilitate the expansion of S G Petch with a body workshop. Disposal of further land for secure parking.	Completed and work under construction. Subject to terms.
Rosemary Court, Fenby Avenue	Development of Extra Care facility as an extension to Rosemary Court by Hanover Housing Association to include community facilities	Planning Application expected Autumn 2005. Start expected Spring 2006.
Arts Centre Community theme: Stimulating Leisure Activities	Proposed Refurbishment of premises. Proposed installation of new sound, lighting and communication equipment in refurbished studio theatre.	Preparing bid for Northern Arts lottery funding Bid for Invest to Save Round 8

Projects and Requirement	Current Stage	Stage completion
<p>Darlington Railway Museum Community theme: Stimulating Leisure Activities</p>	<p>Restoration works to main building including repairs to roof and valley gutter. External funding bid submitted to: Heritage Lottery Fund; English Heritage & Railway Heritage Trust for proposed refurbishment of existing lavatory facilities and a new café on the station external platform. Plus learning and resource provision, redesign of museum displays including interactive displays and enhanced interpretation for visitor attractions. All in line with Museum Development Plan.</p>	<p>Works commenced July 05. Bids submitted - May and June 2005</p>
<p>Dolphin Centre Refurbishment Community theme: Stimulating Leisure Activities</p>	<p>Proposed refurbishment and re-configuration of leisure facilities including alterations to main entrance. Incorporation of Registrars and separate entrance.</p>	<p>Planning Application due Sept 05. Anticipated start Nov/Dec 05.</p>
<p>Pedestrian Heart (Town Centre) Community theme: Improving Local Economy; Enhancing Environment; Developing an Effective Transport System</p>	<p>Development of high quality pedestrian areas and creating unique town centre experience and open spaces. Phase 1 enabling works Phase 2 enabling works</p>	<p>Commenced Feb 05 and completion due July/Aug 05 Due to start Oct/Nov 05</p>
<p>East Street Car Park Community theme: Improving Local Economy</p>	<p>Works to bring upper deck of car park into use and provide additional 160 spaces.</p>	<p>Commenced July 05 and due to complete Sept 05.</p>
<p>Adaptations to Building to meet statutory requirement of the Disability Discrimination Act Corporate Objective: Access for All</p>	<p>Work programme in place and capital funding allocated 05/06. Additional funding required in Capital Programme to meet remaining adaptations.</p>	<p>BVPI 156 – 75% of buildings compliant and working towards target of 100%</p>

Section 8

The Way Forward - Action Plan

1. This section of the plan recognises the considerable progress made to date but also the progress and improvements still to be undertaken in addressing Asset Management and Work Programme Priorities. An area which has progressed during the last 12 months is Project Management which is being introduced within Development and Environment Department to enable the Council to project manage projects more effectively and timely. The Strategic Project Development Manager is already monitoring the project status of major projects and is to roll out Project Management to other Departments this Autumn.
2. Post Project Reviews are also to be embedded into the Project Management culture of the Council.
3. Linked to Project Management, the use of the Project Brief into work programming has been introduced within the Development and Environment Department to be used at the initial conception stage of developments and projects to identify risks, programme, resources, funding issues and other headline issues. Again this initiative is being rolled out across the Council.
4. As part of Development and Environment's Corporate Landlord role, procedures and protocols for declaring assets surplus to requirements will soon be embedded across the Council. It will form part of the proposed roll out of Corporate Landlord methodology to other Departments. The Estates Section will continue to provide advice on capital investment and expenditure involving the Council's operational and non operational assets through the capital bidding process and Asset Planning Group.
5. Whole life costing and option appraisals is an area the Council is targeting when considering major capital projects.

Action Plan

6. The update of the Action Plan included in last year's Asset Management Plan is shown below and you will note the actions achieved for 2004/5 and those actions which are programmed for 2005/6.

Work Breakdown Structure	Programme 2004/5	Programme 2005/6
<ul style="list-style-type: none"> Roll out Corporate Landlord 		2005/6
<ul style="list-style-type: none"> Review justification for holding property 	Achieved	
<ul style="list-style-type: none"> Identify Key areas for change – Land and Property Evaluation 		2005/6
<ul style="list-style-type: none"> Validate property management data for each property with unique reference number 		2005/6
<ul style="list-style-type: none"> Implement formal property procedures 		2005/6
<ul style="list-style-type: none"> Corporate optional appraisal and whole life costing methodology in place for capital projects 		2005/6
<ul style="list-style-type: none"> Introduction of Project Brief as a tool for property/development projects 	Achieved	
<ul style="list-style-type: none"> Implementation of Project Management and Post Project Review 		2005/
<ul style="list-style-type: none"> Undertake Service Property Reviews, pending decisions on service delivery 		2006/7
<ul style="list-style-type: none"> Continue with implementation of DDA compliance, subject to capital funds 		On-going
<ul style="list-style-type: none"> Continue implementation of Asbestos Management Plans to all Council owned and occupied buildings 		On-going
<ul style="list-style-type: none"> Implement recommendations of Asset Management Review 		2005/6
<ul style="list-style-type: none"> Introduce Corporate Health and Safety Files 		2005/6
<ul style="list-style-type: none"> Complete Energy Audits of Operational Buildings 		2005/6
<ul style="list-style-type: none"> Introduce Building management Systems for Energy Efficiency in Operational buildings 		2005/6
<ul style="list-style-type: none"> Negotiate and complete major development projects 		On-going

This section of the plan sets out the available data on the condition and performance of our property portfolio and of property-related services.

I: Property Condition and Fitness for Purpose

* Condition survey 2005 recently undertaken by IPF (Institute of Public Finance) and awaiting results of survey reports

pPI 1A - % gross internal floorspace in condition categories A (Good) to D (Bad)					
Asset Management Objective: Maintain assets in good condition					
Condition Category	A	B	C	D	Comments
Operational Property 2005/6	Results of 2005 Condition Survey Pending				
Operational Property 2004/05	71%	29%	0%	0%	2004/05 data based on IPF 2000 Condition Survey
Non-Operational – General 2005/6	Results of 2005 Condition Survey Pending				
Non-Operational – General 2004/5	63%	36%	1%	0%	
Non-Operational – Surplus 2005/6	Results of 2005 Condition Survey Pending				
Non-Operational – Surplus 2004/5	0%	100%	0%	0%	
pPI 1Bi - backlog of maintenance by cost					
Asset Management Objective: Maintain assets in good condition					
Maintenance Priority Level	1	2	3	4	
Operational Property 2005/6	Results of 2005 Condition Survey Pending				
Operational Property 2004/5	£42,000	£1,333,000	£1,087,000	nil	
Non-operational – General 2005/6	Results of 2005 Condition Survey Pending				
Non-operational – General 2004/5	nil	£372,000	£276,000	nil	

Non-Operational – Surplus 2005/6	Results of 2005 Condition Survey Pending				
Non-Operational - Surplus 2004/5	nil	£5,000	£2,250	Nil	
pPI 1Bii – backlog of maintenance by cost expressed as a % in priority levels					
Asset Management Objective: Maintain assets in good condition					
Maintenance Priority Level	1	2	3	4	
Operational Property 2005/6	Results of 2005 Condition Survey Pending				
Operational Property 2004/5	1%	42%	57%	nil	
Non-operational – General 2005/6	Results of 2005 Condition Survey Pending				
Non-operational – General 2004/5	0%	43%	57%	nil	
Non-Operational – Surplus 2005/6	Results of 2005 Condition Survey Pending				
Non-Operational – Surplus 2004/5	nil	70%	30%	nil	

II: Investment Performance

pPI 2 – Current internal rate of return (IRR)					
Asset Management Objective: achieve maximum efficiency, effectiveness and economy in management of assets					
Property Category	A) Industrial	B) Retail	C) Agricultural	IPF Rank	
Internal Rate of Return as at 1 April 2005	16.7%	12.2%	3.9%	n/a	
2005/06 Targets	15-17%	Primary:10-13%; Secondary: 15-17.5%	3-5%	n/a	

III: Management Performance

pPI 3 – Annual Management Costs per M2

Asset Management Objective: achieve maximum efficiency, effectiveness and economy in management of assets

Property Category	Strategic Asset Management	Housing	
A: Operational Property	£0.71/m ³	£13.71/house	
B: Non-Operational Property	£0.59/m ⁵	Housing	

IV: Property Efficiency

pPI 4 – Operating Costs and Energy Efficiency of operational buildings excluding schools & houses

Asset Management Objective: achieve maximum efficiency, effectiveness and economy in management of assets

	2003/4	2004/5	
A: Repair and maintenance costs per m ²	£11.55	£10.56*	
B: Energy costs per m ²	£7.50	£6.93	
C: Water costs per m ²	£1.40	£1.28	
D: CO2 emissions in tonnes per m ²	0.11	0.11 (provisional)	

* Backlog reduced and some properties upgraded through Capital

V: New Construction (excludes Highways) – Projects 03/04

pPI 5 – Cost and time predictability of new property projects		
Asset Management Objective: achieve maximum efficiency, effectiveness and economy in management of assets		
	2003/4	2004/5
A: % of project where outturn falls within $\pm 5\%$ of the estimated outturn, expressed as % of the total number of projects completed within the financial year	100%	Awaiting final accounts of those projects meeting the ODPM's reporting criteria over £50,000
B: % of projects falling within + 5% of the estimated timescale, expressed as a % of total number of projects completed in the financial year	100%	A Post Project Evaluation system is being established to examine all Council projects for cost and time.

Local PI – Investment Property	
Asset Management Objective: achieve maximum efficiency, effectiveness and economy in management of assets	
A: Total income from rents	£756,000
B: Total rent arrears as % of total rental income	6.4%
C: Current rent arrears as % of total rental income	5.6%

Local PI – Council House Sales

Asset Management Objective: achieve maximum efficiency, effectiveness and economy in management of assets

	2003/4	2004/5
% of 'Right-to-Buys' completed in 4 weeks	100%	19% - Distorted due to problems gaining access to inspect
% of Conveyance Plans completed within target	100%	100%

BVPI 156 - % of buildings open to the public in which all public areas are suitable for and accessible to disabled people

Asset Management Objective: Pursue social inclusion and equal opportunities

	2002/3	2003/4	2004/5 Target	2005/6 Target	Unitary Best Quartile 03/04
Year	31.1%	48%	85%	91%	64.83%

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PROCEDURE FOR DECLARING PREMISES SURPLUS TO OPERATIONAL REQUIREMENTS

Development and Environment Department

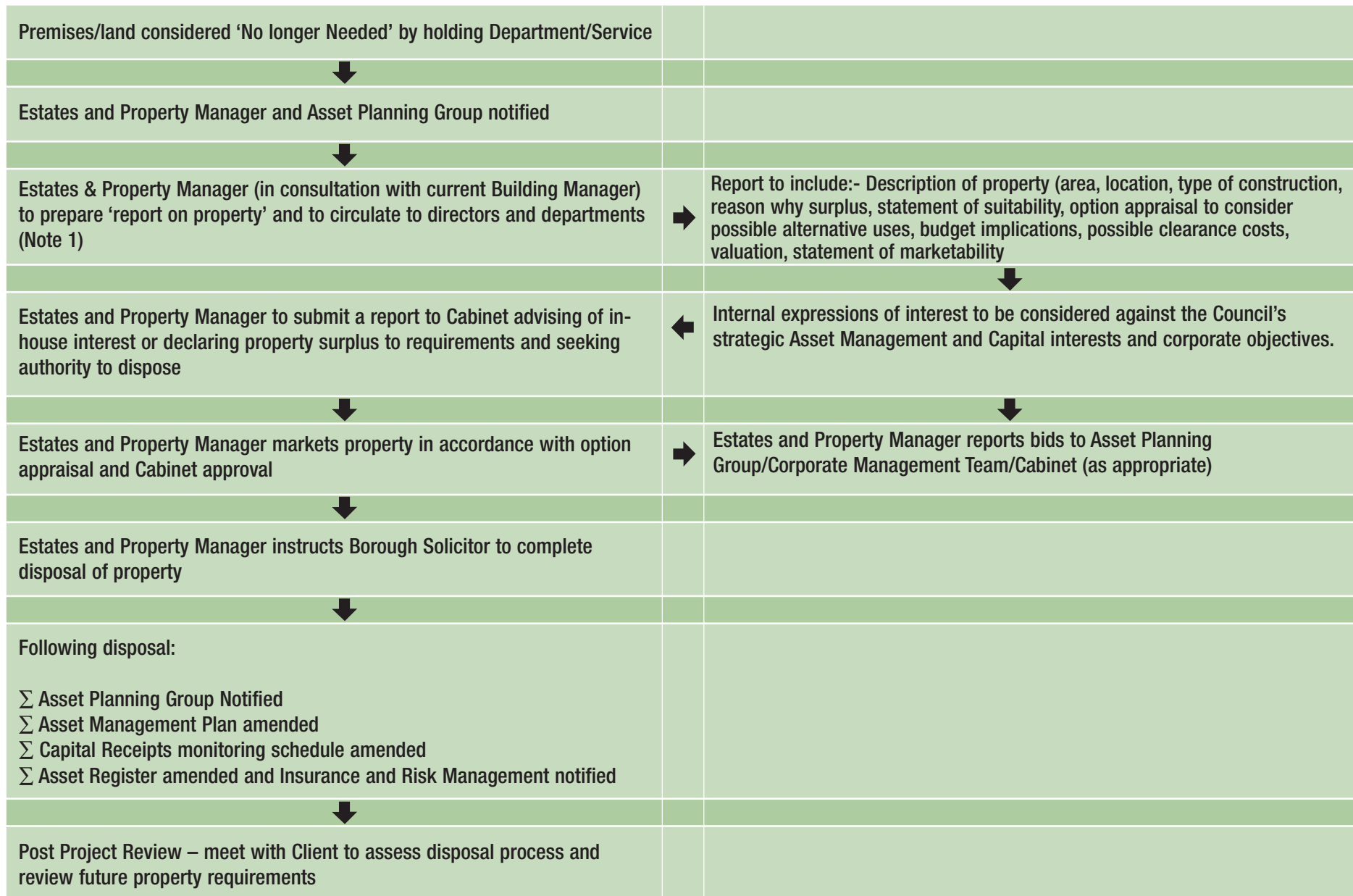
Procedure for Declaring Premises Surplus to Operational Requirements

In the event of a Department considering an asset surplus or no longer suitable for their operational requirements the following procedure is to be followed:-

- Step 1** The Estates and Property Manager be advised of the Department's intentions and the Asset Planning Group duly notified.
- Step 2** The Estates and Property Section be instructed to prepare a 'report on property' in respect of the premises covering the following:-
- (a) A brief description of the premises including floor area, location, type of construction.
 - (b) A statement as to the suitability of the premises for its current use and the reason(s) why the premises are no longer required for the service provision.
 - (c) An Option Appraisal of possible alternative uses including redevelopment potential, exploring different perspectives from external parties where appropriate
 - (d) A statement on the budgetary costs of the premises to include the ongoing and estimated running costs of the premises (i.e. security, void rates, heating, utility services, general maintenance and any leasehold liabilities). Demolition and site clearance costs should also be included if appropriate.
 - (e) Valuation of the premises for freehold sale and/or leasing if appropriate to include a statement as to the marketability of the premises and strategic implications for retention/disposal.
- Step 3** A copy of the report to be distributed to Departmental representatives of the Asset Planning Group by the Estates and Property Section to ascertain whether a Department has a requirement for the facility in line with the Department's Service Property Review. Such requirement to be balanced against the Council's strategic interests.
- Step 4** The Estates and Property Manager in consultation with the Client Department to present a report to Cabinet advising of any in-house interest if appropriate or seeking to declare the building surplus to requirements and authority to dispose. Cabinet also to approve a revenue budget from central resources to meet costs which cannot be capitalised.
- Step 5** On approval by Cabinet, responsibility for disposal of the premises to transfer to the Development and Environment Department.
- Step 6** The cost centres created to deal with marketing/disposal costs to be monitored by the Estates and Property Manager.

Following disposal of the premises the Client Department to be invited to a Post Project Review meeting to assess the disposal process and to review the Department's future property requirements.

Darlington Borough Council's Surplus Asset Disposal Process



Note 1: Costs (Security, Cleaning, Maintenance, etc.) stay with holding department pending disposal.

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