



























## APPENDIX 1:

## ASSET MANAGEMENT ACTION PLAN (AUGUST 2009)

Driver & Objectives	Indicator	Action required to meet objectives	Who	Deadline	Status	Revised date
<p><b>NPPI 1A &amp; 1B</b></p> <p>To measure the condition of the asset for its current use.</p> <p>To show the severity and extent to which maintenance problems affect the portfolio.</p> <p>To show year on year changes in maintenance backlog.</p> <p>To provide information on the overall condition of the Local Authority estate.</p>	<p>Show the percentage of gross internal floor space in condition categories A-D.</p> <p>Show the total backlog of maintenance by cost, expressed as:</p> <p>i. total value. ii. as a % in priority levels 1-3.</p>	1. Identify & record all council owned land and property assets.		-		Completed historically
		2. Conduct condition survey of all council owned buildings for next 5 yr programme.	LC	Jul 2010		
		3. Survey all council owned land. This is not cost effective in view of the nature of the Council's land ownership.		N/A		
		4. Prepare five year maintenance plan for each property and calculate backlog of repairs. To Be reviewed in 09/10.	LC	Aug / Sep 2010		
		5. Conduct asbestos inspection to all facilities and establish asbestos register.		-		Completed historically
		6. Conduct accessibility inspection to all facilities.		-		Completed historically
<p><b>NPPI 2A,B &amp; C</b></p> <p>To demonstrate the justification, in financial terms, for retaining a non-operational investment portfolio. It will ensure accountability for investment decisions, illustrating the financial advantages and disadvantages of holding/disposing of assets in the portfolio.</p>	<p>Overall average internal rate of return (IRR) for each of the following portfolios:</p> <p>i. Industrial ii. Retail iii. Agricultural investment property.</p>	7. Identify non-operational properties in each of the three categories.		-		Completed historically
		8. Carry out option appraisal for non-operational assets.(linked with point 3)	MF	N/A		On going
		9. Apply methodology for calculating Internal Rate of Return (IRR)	MF	Aug 2009		Completed
		10. Review asset disposal strategy	MF	Jan 2010		Subject to Review


Driver & Objectives	Indicator	Action required to meet objectives	Who	Deadline	Status	Revised date
<p><b>NPPI 3</b></p> <p>To measure the cost and efficiency of property services provision.</p>	Total annual management costs per square metre (GIA) for the property portfolio.	<p>11. Using collected data calculate management costs and report to elected members.</p> <p>12. Benchmark costs with Beacon Council in this field.</p>	MF	Dec 2009  -	  	<p>Aug 2009</p> <p>Completed historically via VFM benchmarking</p>
<p><b>NPPI 4A, 4B, 4C, 4D</b></p> <p>To encourage the efficient use of assets over time and year on year improvements in energy efficiency.</p>	<p>Show repair and maintenance costs per sm GIA.</p> <p>Show energy costs per sm GIA (gas, electricity, oil, solid fuel)</p> <p>Show water costs per sm GIA.</p> <p>Show CO2 emissions in tonnes of CO2 per sm GIA.</p>	<p>13. Prepare annual report of recorded energy use under the headings: i. Annual energy costs (by building) ii. Annual water costs (by building) iii. Annual CO2 emissions by building.</p> <p>14. Benchmark energy costs with similar Local authorities.</p> <p>15. Prepare annual report to Elected members</p>	LC  LC  LC	May 2010  May 2010  May 2010	    	


Driver & Objectives	Indicator	Action required to meet objectives	Who	Deadline	Status	Revised date
<p><b>NPPI 5A &amp; 5B</b></p> <p>To measure and monitor the performance of the whole authority in the delivery of capital projects in terms of cost and time predictability.</p> <p>To impact on the prioritising process for the projects and the associated local performance measures and monitoring systems put in place.</p>	<p>Indicate the percentage of project where outturn falls within +/- 5% of the estimated outturn, expressed as a percentage of the total number of projects completed in the financial year.</p>	<p>16. Review Capital project procedures and apply to all capital schemes over £60k in value.</p>	MF	<p>Within three months of completion of any applicable capital project</p>		<p>Completed historically via VFM benchmarking</p>
	<p>Indicate the percentage of projects falling within +/-5% of the estimated timescale expressed as a percentage of the total number of projects completed in that financial year.</p>	<p>17. Benchmark with Beacon Council in this field. Benchmarking nationally and with comparable authorities completed.</p>				
<p><b>LPI 1.</b></p> <p>Improve asset management data storage and retrieval.</p>	<p>Procure and implement IT based system including staff training, data transfer and report development. Data transfer from paper system to IT based system.</p>	<p>18. Select and install suitable IT system.</p>	DA	<p>May 2010</p>		Completed historically
		<p>19. Verify core asset information prior to transfer to IT based system.</p>				Completed historically
		<p>20. Transfer all asset data to IT based system.</p>				Completed historically
		<p>21. Input benchmarking data into IT system.</p>				
<p><b>LPI 2</b></p> <p><b>Integrate AMP with Service plans.</b></p>	<p>Review Service Plans / develop service based AMP.</p>	<p>22. Identify individual asset requirements for services including surplus property and space utilisation.</p>	CPO	<p>To be reviewed on an ongoing basis</p>		On going
	<p>This activity is part of service plan review for 2004/2005 to be completed by Heads of Service in September 2004.</p>	<p>23. Further Develop local performance indicators.</p>	LC	<p>Oct 2009</p>		On going
		<p>24. Carry out suitability assessments including stakeholder consultation and report</p>				


	This process may be delayed by restructure.	findings to CPSG and EMT. 25. Write individual AMPs. This is not regarded as appropriate for a small District Council. 26. Carry out gap analysis and feed into AMP reviews.		N/A		
			MF	May 2010		

**KEY:**

- NPPI - National Property Performance Indicator
- LPI - Local Performance Indicator
- N/A - Not Applicable

 Action on Target

 Action yet to be completed

 Action off Target

# **ASSET MANAGEMENT PLAN**

**(Revised - August 2009)**

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## **1 INTRODUCTION**

- 1.1 The revised Capital Strategy document of July 2009 refers to certain revisions of the Asset Management Plan in the light of a number of data-gathering initiatives being carried out including:
- Property Stock –condition surveys
  - Asbestos and Legionella Audits
  - Open Space Audit
  - National Land and Property Gazetteer
- 1.2 The Capital Strategy has established a three-level structure by the Council to deliver its capital investment programme and oversee the management of its assets, as follows:
- Capital Programme Steering Group (CPSG)
  - Executive Management Team
  - Cabinet Portfolio Holder for Finance and Resources
- 1.3 The Capital Programme Steering Group will report to the Executive Management Team on material matters of asset management performance. The Capital Strategy defines the principal objectives of the Asset Management Plan as: *“to ensure a planned and structured approach to the management, acquisition and disposal of assets to meet the needs of the Council’s future strategy for service delivery”*. The Capital Strategy deems it imperative that the disposal of assets is programmed in such a way as to take maximum advantage of favourable market conditions to support the generation of future capital receipts or revenue income. Further details of how these directives are to be met are contained within the body of this Plan.

The Portfolio Holder for Finance and Resources will receive regular updates on:

- The performance of the non-operational asset portfolio
- progress reports on the implementation of the Asset Management Plan and
- progress on property disposals.

The Asset Management Plan will constitute the key document identifying corporate asset issues and where these impact upon individual service delivery areas they will be fed into the capital programme when necessary via service delivery business plans.

- 1.4 In order to maximise resources to fund the Capital Programme the Council will seek to constantly review the Corporate Property Portfolio to identify surplus existing assets which will be included in the annual Disposal Programme to produce additional capital receipts. Potential disposals of surplus property assets will be an important source of capital financing both in terms of the period covered by the Capital Strategy Document and further into the future given the stated objective of avoiding the use of long term borrowing The Asset Management Plan will constitute a key reference document in this process.

- 1.5 The Council has produced previous Asset Management Plans the last in 2007 which received a favourable assessment from the Government Office North West (GONW) with a “Good” rating. The Council restructured its property operations in 2006 to create a professionally managed property services function and allocated resources to address various asset management issues including:-
- Commence the population of asset Database – now completed.
  - Address the identified maintenance backlog which is now complete with Council now in the fourth year of a 5 year capital programme to address the repairs backlog.
  - Benchmarking of Asset Management Performance Data (2008 CIPFA analysis)
  - The 2007 Revised Asset Management Plan submitted to GONW – resulting in a “Good” rating.
- 1.6 In accordance with the recommendation of the District Auditors and Audit Commission and in order to monitor progress in the Asset Management arena and changes within this Council it has been necessary to carry out an update of the 2007 Plan. Periodic review and update of the Asset Management Plan will continue to be a regular occurrence in the future.



## 2 COMMUNITY STRATEGY

### 2.1 Borough Vision

The Council and The Rossendale Partnership (the Local Strategic Partnership [LSP] for the borough) have a shared view of what they want to see for the Borough now and in the future. This is that:

*“By 2018 Rossendale will have strong communities with an enhanced environment and heritage. It will be an attractive place to live, where tourists visit and employers invest”.*

The LSP have published the Sustainable Community Strategy 2008-18 (SCS) this Identifies 14 priority outcomes these can be viewed in detail at:

[http://www.rossendale.gov.uk/downloads/SCS - final.pdf](http://www.rossendale.gov.uk/downloads/SCS_-_final.pdf)

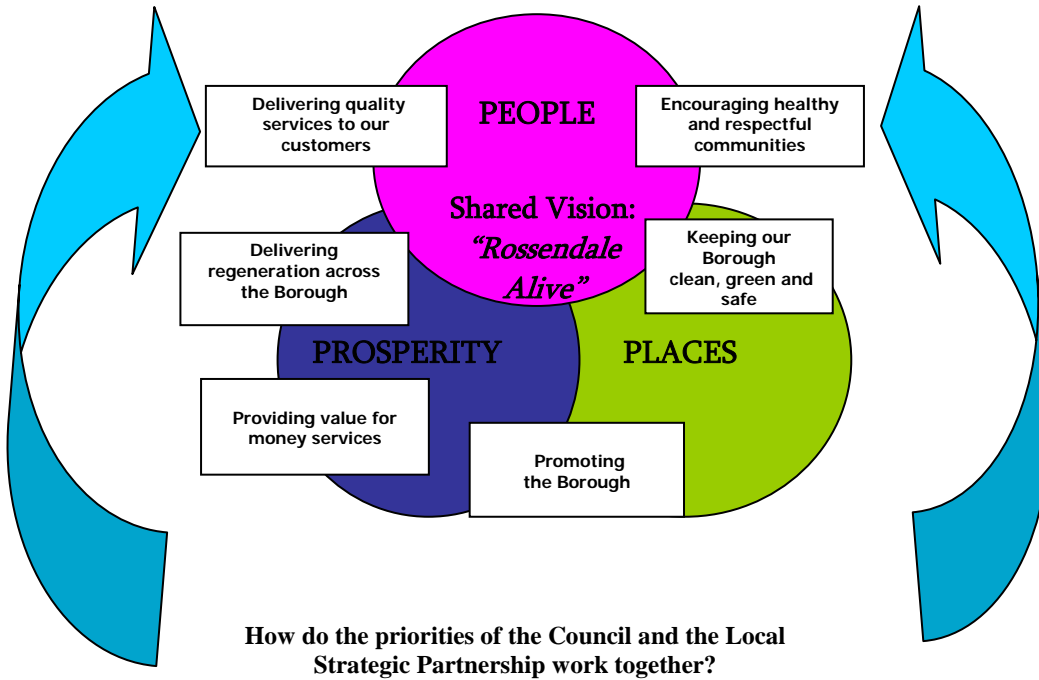
The SCS also provides the structure of the LSP and the theme Groups under this.

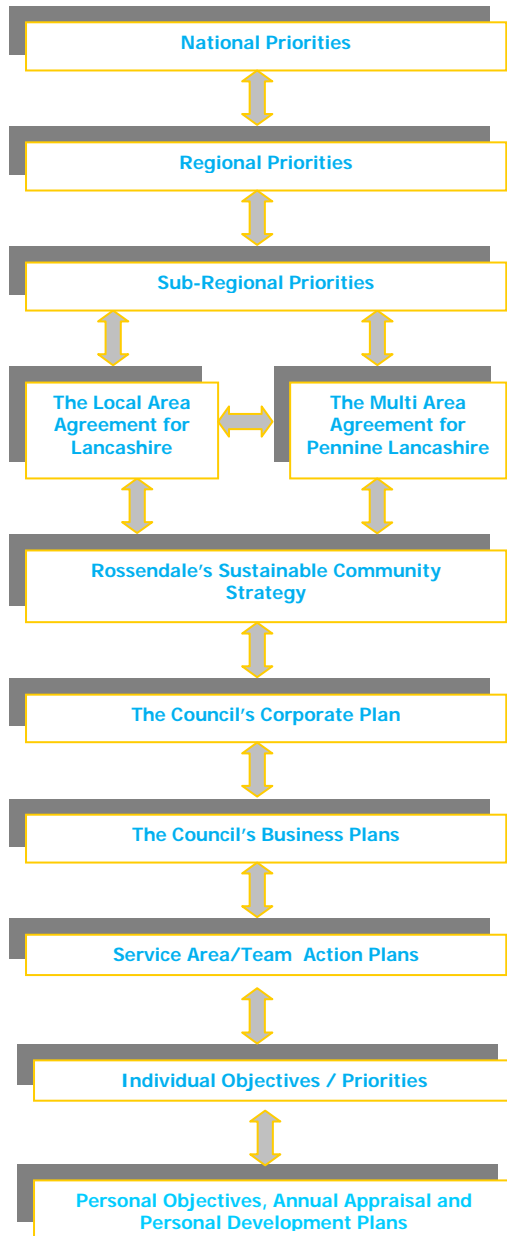
The delivery of the shared vision by Rossendale Borough Council is built around the achievement of three interconnected Council priorities:

- People
- Place
- Prosperity

Rossendale Borough Council is committed to contributing towards this shared vision and see “Pride in Rossendale” is core to all of this. The Council has determined that it will enable its vision by delivering the following corporate priorities:

- Delivering quality services to our customers
- Delivering regeneration across the Borough
- Keeping our Borough clean, green and safe
- Promoting the Borough
- Encouraging healthy and respectful communities
- Providing value for money services





The 'Golden Thread' is a term that is used in local government to describe a clear flow of information from the government's national priorities for improvement through to local and regional and local plans for improvement.

Having a strong 'Golden Thread' in place is important, as it shows how each level of planning and action contributes to the next level to achieving plans and priorities.

### **3 ORGANISATIONAL ARRANGEMENTS FOR CORPORATE ASSET MANAGEMENT**

#### **3.1 Appointment of Corporate Property Officer and Formation of a Corporate Steering Group.**

Following the secondment of the Executive Director of Resources to Lancashire County Council and a restructure of the Council in April 2008 the Council has appointed the Head of Finance as Corporate Property Officer. The Head of Finance reports directly to the Chief Executive and has direct responsibility for the Council's Financial, Risk and Asset Management and is also a key contributor to Corporate Planning and Governance functions.

The Head of Finance is supported in his role as Corporate Property Officer by the Capital Programme Steering Group, which is made up of key stakeholders in asset management and capital programme issues from across the Council.

#### **3.2 Roles and responsibilities of the Corporate Property Officer (CPO).**

The CPO is responsible for:

##### **1. Preparation and maintenance of the Council's Asset Management Plan including:**

- a. Identifying all council owned land and property.
- b. Introducing an assessment programme for the above in relation to the condition, fitness for purpose and sustainability and developing a '*reason for ownership*' argument in relation to the Council's business plans and corporate improvement plan.
- c. Introducing a framework for identifying alternative options for assets for which a '*reason for ownership*' argument cannot be sustained, through an option appraisal process.
- d. Developing a property performance measurement system.
- e. Developing a comprehensive data management system for all Council owned land and property.
- f. Preparing and maintaining the Council's Asset Management Plan.
- g. The development and implementation of a corporate prioritisation methodology, to assist elected members in determining capital programming and expenditure.
- h. The development of quality procedures for the implementation, monitoring and review of capital programmes.

##### **2. Reviewing annually and reporting to elected members on the performance of land and property assets, involving:**

- a. Reviewing corporate property aims, objectives and strategies in consultation with service departments and in line with the business plans, best value and the Council's corporate improvement plan.
- b. Identifying key areas for change, where the usage of assets falls short of targets identified in the strategic service plan.
- c. Appraising the performance of existing assets against indicators and targets identified in *strategic service plans*.

- d. Reviewing the existing capital programme performance and agreeing a capital investment programme for the subsequent three years.
- e. Commissioning an asset review, where performance falls short of the targets identified in the business plans.
- f. Offering advice to front line service providers on the effective and efficient use of assets, by clearly identifying surplus or under-used assets highlighting the need for adapting existing or acquisition of new assets in order to meet or improve performance in meeting the service delivery objectives.

### **3.3 Accountability**

The Corporate Property Officer is the Head of Finance who reports directly to the Chief Executive and is responsible for ensuring a systematic and co-ordinated approach to Asset Management.

The main annual reports to Council are:

- a. Approval of the Council's capital programme.
- b. Updating the Council's Capital Strategy and Asset Management Plan.
- c. Performance of the Councils assets and major capital schemes.

In addition, the Capital Programme Steering Group will report regularly to the Executive Management Team (EMT) and elected members (via the monthly Financial Monitoring report) where appropriate on the following performance indicators:

- Progress of capital schemes.
- Financial performance of capital schemes, including forecast to year-end.
- Progress of other projects/development to which the group is committed.

### **3.4 Capital Programme Steering Group (CPSG)**

The Capital Programme Steering Group is the forum for all capital and asset management issues and comprises key stakeholders from across the Council.

The Capital Programme Steering Group exists to assist the Council to achieve its corporate priorities through effective capital investment and efficient use of its assets.

The appointment in October 2006 of a Property Services Manager, whose lead role is to co-ordinate Asset Management, coincided with the establishment of the Capital Programme Steering Group as part of the Capital Strategy. This group replaced the previous Strategic Asset Management Planning Group. The following table show the composition of the Group and the roles/responsibilities of its members.

<b>OFFICER</b>	<b>ROLE/RESPONSIBILITY</b>
Head of Financial Services	Financial advice and production of the Capital Investment Strategy
Property Management Services	Capital projects, planned public buildings repair, valuations and disposal Strategic/Asset Management/Investment Portfolio Management
Legal Services	Legal advice, Asset & Portfolio Management
Other Heads of Services and Managers as appropriate	Specific service delivery aspects of asset management

### **3.5 CPSG Terms of Reference**

The Terms of Reference of the Capital Programme Steering Group are as follows:-

1. To report to the Executive Management Team on asset management performance
2. Preparing and maintaining the Council's capital expenditure strategy.
3. To act as the key co-ordinating group, which considers the Capital Programme, in association with the Leader and Portfolio Holder for Finance and Resources.
4. To receive bids for capital resources based on business plans or where schemes are deemed of an urgent nature. To prioritise bids and make recommendations for inclusion in the capital programme via the Cabinet to the Council.
5. To objectively assess bids against the capital prioritisation schedule agreed within the Medium Term Financial Strategy (MTFS) and review the impact on the revenue budget and prudential indicators.
6. To make recommendations through Cabinet so that the capital programme is adopted by Council at the Budget and Council Tax setting meeting
7. To monitor the capital programme on a monthly basis.

The functions of decision making in relation to the results of the ongoing review of the performance and relevance of the Council's assets in relation to the delivery of the Corporate Priorities rests with the Council's Cabinet advised by the Corporate Property Officer, and the Property Services Manager working within the framework set by the Capital Programme Steering Group. The Capital Programme Steering Group has also assumed the following responsibilities.

- To determine a clear rationale for owning an asset, in line with corporate priorities and service plans.

- To improve the condition of the Council's property assets and eliminate the backlog of maintenance.
- To ensure that the Council owned properties are suitable for their purpose.
- To dispose of surplus assets as quickly as possible, but ensuring we do not flood the market.
- To reduce the property running costs.
- To assess and reduce the risk associated with holding land and buildings.
- To ensure all public areas in Council owned buildings are accessible to people with disabilities.
- To ensure optimum returns on rented properties.

### **3.5 Member Capital Monitoring Group**

A separate Member Capital Monitoring Group has been established in order to scrutinise on a regular basis: the progress on raising capital receipts, the Council's capital expenditure programme and the medium term affordability of the Council's capital programme.

The Member Capital Monitoring Group is chaired by the Portfolio Holder for Finance and Resources in consultation with the two Portfolio holders for Environmental Services and that of Leisure. Other Portfolio holders will attend as required. The Member Capital Monitoring Group is supported by the Head of Financial Services.

The Member Capital Monitoring Group will report to Cabinet via the regular financial monitoring arrangements currently in place.

### **3.7 Asset Utilisation Performance Review**

During the period following the publication of the 2007 Asset Management Plan, a review of the use, provision, performance and management of assets was commissioned by the Corporate Property Officer, to ensure that the Council was gaining optimum utilisation and value from each asset. Key aims of the review were:

- I. To challenge the appropriateness of current staffing, funding, budget location and provision of assets.
- II. Consult relevant stakeholders on asset management and provision.
- III. To compare the way that the asset management function is provided and compare performance and practices to those of similar organisations (including the private sector) in the region.
- IV. To develop and review the Council's capability to be able to deliver a Capital Programme in preparation for successful funding bids to outside bodies.
- V. To identify external markets and examine alternative ways of delivering Council services that may offer better value.
- VI. To review and further develop the policies laid down in the Capital Strategy and Asset Management Plan.

### **3.8 Rationalisation of under performing or surplus assets.**

The identification of surplus assets is dependant on completion of the sufficiency and suitability surveys and work leading to National Property Performance Indicators and Local Performance Indicators. All assets declared surplus under the terms of the procedures set



out in the Council's constitution will be recorded on a surplus asset register and will be reported in the annual asset management review.

The Property Services Manager, will conduct option appraisals (see background document *Option Appraisal Methodology*) on each surplus asset, working with the members of the Capital Programme Steering Group and will present recommendations to elected members where appropriate.

At all stages, option appraisal is structured using the four C's approach (challenge, compare, consult, compete) to best value.

### **3.9 Shared Properties**

Rossendale Borough Council has operated shared use facilities for a number of years, working with both internal and external partners and is keen to extend this to other areas. Current sites where this occurs are:

- Bacup Mechanics Hall: Contains a library operated by Lancashire County Council and part is leased to Bacup Judo Club.
- Haslingden Sport Centre: shared use with Parkwood Tennis Club.
- Ski Rossendale: The slopes are operated by the Council, with a private retail outlet (Ellis Brigham) on site.
- 41-45 Kay St: Rossendale Leisure Trust occupy these offices and are responsible for the operations of 5 Leisure facilities (excluding the 2 Whitworth based facilities) within the Borough
- A, B & D Centre, Bacup: Community Groups/Sports Development.
- One Stop Shop, Rawtenstall: Where functions are provided on behalf of Greenvale Homes, Citizens Advice Bureau, as well as the Council.
- Whitworth based Civic Centre and Swimming Pool – Lease to CLAW, plus Revenues and Benefits weekly surgery.

The Council has also been proactive in using its assets to support the development of community facilities across the Borough, for example

- Provision of a site for a community centre in Stacksteads to be funded by SRB resources.
- Transfer of the Council's municipal greenhouses at Stubbylee Park to a community enterprise.
- Making available a site for the development of a new Community Centre in Edenfield which will also enable the improvement of the local playing fields.
- Identification of a site to accommodate the Rossendale and Pendle Mountain Rescue Team.



The Council has recently entered into and completed arrangements with private property owners in a pilot study to provide public toilet facilities, thereby reducing operational costs and potentially creating surplus assets. This pilot study will be repeated across the Borough where possible.

### **3.10 Property Implications of Plans, Audits and Reviews.**

A key element in the development of the Council's Capital Strategy and Asset Management Plan is the asset implications of all plans, reviews and audits.

The business planning process allows the CPO on an annual basis, to establish details of individual service asset requirements and performance, and in particular:

- The asset implications of the corporate and community plans.
- The asset implications of service area business plans and any external audits or reviews.
- The performance of assets against recognised indicators and targets.
- Identify any discrepancy between current asset portfolio and requirements identified in service plans.
- Funding availability and opportunities for the coming year.

### **3.11 Stakeholder satisfaction information**

Customer satisfaction surveys continue to be routinely conducted in relation to property sales and lettings. In addition the (2004/05 and 2008/09) Staff surveys have included questions in relation to satisfaction with the working environment the response to which shows considerable year on year improvement.

### **3.12 Elected member with responsibility for Asset Management**

The elected member is Councillor Brian Essex, Portfolio Holder for Finance and Resources, who is a member of the Cabinet and whose role description specifically references Asset Management.

### **3.13 Corporate Property Officer's position with the Council's structure**

The Head of Finance is now the CPO and as such, occupies a senior post within the Council's Senior Executive Management Team. As a member of the Executive Team, he plays a key role in the development and review of the Council's corporate priorities, and business strategies.

### **3.14 Implications for assets contained in the Council's key policies.**

During the annual review process, the CPO will meet with heads of service, to confirm the asset requirements of their service plans and utilise the information in setting priorities for the Council's capital investment plan.

## **4 CONSULTATION PROCESS**

### **4.1 General consultation.**

Details of the wider consultation throughout the Borough are described in the Capital Strategy and are illustrated in appendix 1 of that document.

### **4.2 Consultation with Service providers, Customers and Occupiers.**

Consultation on all aspects of asset management shall initially take place through the Capital Programme Steering Group, as stated elsewhere in this document.

Individual Business Plans will be prepared for specific Directorate service areas, where the scale of asset utilisation makes it appropriate as part of the business planning and review process, focussing on the aims and objectives stated in the plan and how they link with the Council's corporate priorities. Any departmental Business Plan will provide the following information:

- Identifying consultation with its own customers, partners and occupiers.
- Identifying the asset requirements to enable the efficient provision of each service.
- Identifying any land and property implications of their own strategic and service plans.
- Providing key information to the CPO.

During 2003, all service providers were required to conduct a simple suitability survey of properties utilised in delivering their services and to provide a rating for each building (1-10). On completion of this exercise, the information recorded was to be input to the property database for use when prioritising investment. A similar follow up exercise has been carried out in April 2009.

Further consultation with all stakeholders is taking place as a result of the review of the Asset Management process within the Council. This includes a review of the capital projects procedures and clearly links stakeholder consultation with the improvement process. This is identified in the AMP action plan.

## **5 DATA MANAGEMENT**

### **5.1 Maintenance of basic property records.**

The Council has been in the process of transferring all its property records to a computerised system following the acquisition of an asset management software system (Assetmanager.net from IPF.[Institute of Public Finance]) This is now fully populated with all the asset management data following the appointment of Data In-putters on short term contracts. The new system manages core data (condition report, asbestos register, Legionella survey data, plans, electrical and gas testing certificates) relating to individual assets, including:

- A NLPG unique property reference number (UPRN).
- Map references (“easting’s & northing’s”), with eventual link to web based Global Information System due for implementation during 2007/08
- Department for Communities and Local Government (DCLG) category and asset type.
- Client/portfolio responsibility.
- Property tenure.
- Maintenance liability.
- Valuation.
- Expenditure Codes.
- Links to plans of the specific property

The structure of the Property Services Team has identified various specific roles under Property Records Officer.

### **5.2 Validation**

Current asset records are audited at regular intervals and property and land assets re-valued on a five year cycle. Information has been further verified at the condition survey stage and records audited prior to being entered into the asset management system.

### **5.3 Use of data to manage asset performance.**

In addition to the core data, the system is also used to store the following, to assist the Capital Programme Steering Group to manage assets in line with the DCLG guidelines and National Property Performance Indicators.

- Condition grading of all building elements.
- Details of repairs backlog.
- Gross internal floor areas.
- Premises cost (repairs, energy and water).
- Energy consumption.
- Premises Management Costs.
- Suitability grading.
- Valuation information.
- CO<sub>2</sub> emissions data.

## **5.4 Condition Surveys**

The Council arranged for condition surveys to be carried out on all its properties by a private sector firm of Specialist Surveyors over the period May to August 2006 and is using the DCLG's condition and priority gradings to categorise each block. The work has been monitored by the Council's in-house Property Services Management team and the project was completed in September 2006. It is proposed to update the conditions surveys in the remaining period of the 5 year improvement programme.

The survey data was sourced from:

- Historical information.
- Detailed knowledge of the Property Services Management team.
- Site visits and inspections

Following completion of the condition surveys and the recording of the data on the corporate database, the budget costings for outstanding maintenance works were used to calculate an overall value of the backlog of repairs. As part of the condition survey, the floor area of all operational assets was re-measured. Existing floor plans were reviewed and floor plans produced for those properties for which no plans were available. This information has enabled the Capital Programme Steering Group to conduct a fundamental review of asset utilisation in order to identify surplus properties and ensure the efficient use of assets.

## **5.5 Suitability Assessments**

As part of this assessment Service Providers were requested to conduct a simple suitability survey in consultation with premises management.

This combined with user group survey data and information from Accommodation Reviews will be used by the Capital Programme Steering Group to feed into future capital investment plans, programmes and major property reviews. A similar exercise was completed in April 2009 and the results collated to identify areas of possible shortfall.

## **5.6 Premises Costs**

Premises costs are calculated from the Council's financial management system and entered onto the corporate database annually. A Value For Money (VFM) indicator survey was completed for all Council properties in January 2008 which was benchmarked with all the participants and with selected comparable Authorities and the results submitted to the Overview & Scrutiny Committee.

## **5.7 Condition of buildings and maintenance backlog**

Comprehensive statistics relating to the property portfolio are available following completion of the condition surveys and population of the asset management software. The Council has also allocated financial resources over a five year programme to address the maintenance backlog, the fourth year of which has now commenced. .

## **5.8 National Property Land Gazetteer – Unique Property Reference Number (UPRN).**

The Council has achieved status for the National Land and Property Gazetteer. Through implementation of the asset management software system, all property and land pockets will have a UPRN in compliance with BS7666. Work is currently ongoing by the ICT Section to integrate the Corporate Gazetteer with the Asset Management System.

## **5.9 Co-ordination of Property information and links with financial information.**

Compatibility with finance and other software systems has been a key requirement of the asset management system which has been selected. To facilitate an holistic approach to asset management and the linking of systems, estates staff and technical staff were reorganised into one team led by the Property Services Manager which now liaises directly with other members of the Finance Department following the transfer of the Property Services Section to the Finance Department in April 2008 (to ensure all Capital Financing requirements are met.) The new IPF asset Management software is now the Organisation's prime fixed asset record for financial reporting purposes.

## **5.10 Training Needs**

As a result of the reorganisation stated previously, a programme of training has been identified in the service plan, to be implemented where appropriate. Additionally, the contract to supply and install the asset management system has included an on-going training programme for all Property Services staff and key Capital Programme Steering Group members. Training needs will be monitored continuously and reported annually as part of the AMP review, and the individual appraisal system. Elected Members have also been provided with training in the use of the Council's new Plan-Web system of property ownership records.

## **6 PERFORMANCE MANAGEMENT AND MONITORING**

### **6.1 Reporting to Elected members and Chief Officers.**

The Corporate Property Officer, with key members of the Capital Programme Steering Group will prepare an annual asset performance report. The report will be presented to the Executive Management Team and Elected Members and will contain critical performance information, based on performance indicators developed to measure performance and improvement in the following areas:

1. Delivery of the Council's Corporate Priorities.
2. Asset performance through the national property performance indicators.
3. Local performance indicators (when approved)

In compliance with SORP (Statement of Recommended Practice for CIPFA) and the impending introduction of IFRS (International Financial Reporting Standards) Additionally, the Corporate Property Officer will submit a report to the Senior Executive Management Team quarterly, giving a detailed breakdown of asset performance, development of systems and progress against the Asset Management Plan action plan.

Currently, any relevant reports, minutes of Capital Programme Steering Group meetings and an up to date action plan are maintained on the Capital Programme Steering Group shared file on the Council's ICT network and available to all Senior Executive Management Team and Capital Programme Steering Group members.

### **6.2 Performance and progress of the capital programme**

Details of the Council's capital schemes are contained in the contextual information forming part of this submission. Capital projects procedures are in place and apply to current schemes over £60k in value. Procedures will be reviewed, to ensure that all DCLG requirements are met and to ensure that outcome performance indicators are agreed with the client at the feasibility stage and measured at the completion stage. Procurement options will also be investigated at this stage and advice provided to the Project Team by the Property Services Manager.

Future capital programmes will be monitored through meetings of Capital Programme Steering Group. Service Heads report back to Portfolio Holders through their regular 1:1 meetings. The capital procedures were reviewed in 2007 following the update of the contract procedure rules and the monitoring regime amended to ensure that KPIs and performance on time and cost predictability can be reported to the Capital Programme Steering Group monthly, EMT quarterly and in the CPO's annual report to elected members.

### **6.2 Outcomes, outputs and objectives of the Council**

These are listed in sections 1-5 of the Council's Corporate Improvement Plan 2009-2012, which is accessible through the Council's website.



### **6.3 Local performance measures**

As part of the business plan review process previously mentioned, the Council will develop local performance indicators in line with corporate priorities, to run alongside the national Property Performance Indicators (PPIs) that will link asset performance to the Council's corporate priorities.

### **6.4 Comparisons with other organisations.**

The Council recognised that rapid improvement in performance was required in the field of asset management, and is committed to developing an excellent service. To ensure that the necessary improvement happened and that there was continuous improvement in this area, the Council had agreed an action plan that included seeking guidance from a Beacon Status Authority.

Copies of Asset Management Plans were obtained and scrutinised but due to the individual characteristics of the Borough and its Assets it was decided with the advice of GONW to maintain the format of the previous AMPs but to carry out improvements in certain areas.

Keys to the success of improving this service were:

- Joining and playing an active part in the Institute of Public Finance Asset Management Planning Network Group.
- Benchmarking the service, working with Public Service Benchmarking Service both at national and local levels.
- Attendance at AMP Local and National Meetings by key personnel.

### **6.5 Stakeholder Consultation**

The Council recognises that stakeholder consultation process requires further development to incorporate it into decision making processes of asset management. This has been identified in the Asset Management Action Plan (Appendix 1) full consultation will meet the requirements of the Council's Community Involvement and Engagement Strategy.

Public consultation has been carried out, or is shortly to be carried out, in respect of the following Council initiatives:

- Review of Leisure Facilities
- New Swimming Pool proposal
- Allotment Strategy
- Valley Centre Development – Rawtenstall Town Centre.
- Purchase Lease Rental (PLR) Applications
- Community Toilet Scheme

### **6.6 Continuous Improvement**

Customer feedback (both internal and external) and performance indicators provide the foundation for managing continuous improvement in this area, as well as playing a vital part of the option appraisal and prioritisation of potential capital schemes.

## **6.7 Responsibility for gathering information.**

The Property Services Manager has responsibility for collecting and collating KPI information and gathering and maintaining design and construction indicators in relation to projects in excess of £60k in value.

Through the Capital Programme Steering Group, the Corporate Property Officer will also ensure that service heads maintain their own performance and local indicators in the form of performance reports to be presented to the Capital Programme Steering Group on a monthly frequency utilising the corporate performance management system, Covalent.

## **6.8 Indicators for surplus property and space utilisation.**

As part of the review process, performance indicators will be developed to identify and monitor under used and surplus assets. The process will encompass benchmarking with comparable Authorities and the local PPI's will include:

- The net area of the Council's operational buildings as a % of gross internal area (GIA).
- The length of time to dispose of surplus assets (expressed as an average)
- Comparison of floor-space utilisation against national occupation standards for each area.
- The value and total floor-space of surplus properties expressed as a percentage of the total portfolio.

This task was identified in the Asset Management Action Plan (appendix 1) and will be reviewed on an annual basis.

## **6.9 Maintenance backlog report**

This information has now been compiled by the Council and Condition surveys of all buildings have been completed and the maintenance backlog programme finalised. Following a programme of work during 2008/09 the backlog table has been amended to reflect the change in the category of the various properties.

## **6.10 Suitability information**

Formal suitability surveys have been carried out on all Council owned operational buildings and this is identified as part of the asset management action plan. The information will be reported to the Capital Programme Steering Group and form part of the quarterly report to EMT.



## **7 PROGRAMME AND PLAN DEVELOPMENT AND IMPLEMENTATION**

### **7.1 Asset implications**

All service heads, in consultation with the Capital Programme Steering Group and the Corporate Property Officer are required to identify the land and property implications of the Community Plan, Corporate Improvement Plan, and the outcomes of any reviews, audits or benchmarking that may be conducted. It has been identified as a priority on the Asset Management Action Plan (appendix 1) as an on going process.

### **7.2 Priorities for proposed capital schemes**

Prior to recommendation for approval, all proposed schemes shall be prioritised using the DCLG property priority and condition ratings, the criteria listed below and an option appraisal process. Main building elements will be targeted (structure, roof, walls, heating etc) rather than internal finishes.

Main priorities:

- Required to meet statutory obligations (service/health & safety).
- Required to meet corporate priorities.
- Required to meet service objectives.
- Required to meet government initiatives.
- Other.

Within these main priorities, priority will be given to schemes that:

- Have capital needs clearly stated in reviews or plans.
- Relate to operational assets.
- Relate to front line service provision.
- Have the largest impact on PPI's against value of investment.
- Generate revenue savings.
- Attract maximum external funding against the proportion of Council investment.

### **7.3 Five year capital programme.**

Production of a five year capital programme addressing backlog maintenance had been identified as a priority in the initial Asset Management action plan following the completion of the condition surveys, the first three years have been implemented and the fourth year programme is currently awaiting approval by the Portfolio Holder.

### **7.4 Output and Outcome targets for capital programmes and plans.**

Future major schemes in the Council's Capital Programme over £60k in value will be managed in accordance with its capital projects procedures. The procedures identify KPIs, and output/outcome targets linked to corporate priorities at the beginning of the process and employ NPPI 5A and 5B to monitor time and cost predictability.

## **7.5 Property implications of the Council's objectives.**

The full extent of the property implications attached to the corporate priorities has not yet been calculated, but forms part of the asset management action plan. As previously stated, Service Heads must identify land and property implications as part of their service reviews and suitability and sufficiency reviews and any other inspection, in consultation with the Corporate Property Officer. Some of this consultation is done on an 'ad hoc' basis as and when service provision dictates an impact to the corporate estate.

All Service managers involved in Capital projects will feed back to the Property Services Manager details of any proposals which have an impact on the Council's property assets.

## **7.6 Corporate ownership of assets**

Since the first creation of the Corporate Property Officer, the Council has adopted a corporate approach to managing assets which will ensure that all decisions are in line with stated priorities and performance indicators. This approach is underpinned by:

- i. The operation of the Capital Programme Steering Group and the requirement for all issues relating to assets to be approved by this body.
- ii. The implementation of an Office Accommodation Strategy resulting in the declaration of a number of assets as surplus to requirements and considerable savings on the revenue budget. A further consolidation of the Council's operational back-office functions took place in September/October 2008. This was outlined in two highlight reports to the Council's Executive Management Team.
- iii. The requirement for all proposals to acquire or dispose of assets to be subject to an option appraisal and approved by the Capital Programme Steering Group, or to be referred directly to Members by the CPO.
- iv. The importance attached to the role of the Corporate Property Officer, illustrated by the seniority of the person in that role (Head of Finance) and their ability to instil a pro-active asset strategy philosophy in other Heads of Service and Managers.

## **7.7 Analysis of gaps between current asset provision and performance and identified future needs.**

While all the potential gaps have not yet been identified many are known, for example the need to replace assets, which have reached the end of their useful life. A full Gap analysis will be carried out upon completion of the service plan review and the sufficiency and suitability reviews. This has been identified on the Asset Management Action Plan (appendix 1).

## **7.8 Local Government White Paper October 2006/ Quick Review**

This report contains important implications for Asset Management Plans such as the community ownership of assets as proposed in the 'Quirk' Review published in spring 2007. The Council is already actively engaged in this agenda and will consider the opportunities the preview delivers to improve value for money.

## **7.9 Other Assets**

Individual services will carry out periodic reviews of the utilisation of non-property assets. An exercise was carried out in 2007 by the Operations Section to dispose of a number of surplus vehicles. Work is now underway to renew current leasing arrangements with a view to a tender exercise planned for 2009.

Individual service units are required to carry out periodic reviews of their utilisation of non-property assets such as vehicles and ICT and to ensure that properly planned programmes for periodic replacement are in place. There is also a requirement that these programmes have due regard to;

- The ongoing financial sustainability of the programme.
- The securing of the best value at least risk to the tax payer.
- The utilisation of the impact of the programme on the taxpayer.

## 8 PERFORMANCE INFORMATION REPORT

NPPI	Indicator	Performance	
		Operational buildings	Non-operational buildings
	Number.	43	39
	Value.	£8,119,437.00	£ 6,104,000
	Gross internal floor space m sq	14,905	9,212
	Maintenance backlog (5 year total)	£1,155,191.89	£696,671.90
	Maintenance backlog ( year 4/5)	£ 388,000	£12,000
1A	% of total gross internal floor area classed as condition A (Excellent)	45%	0%
1A	% of total gross floor area classed as condition B (Good)	43.94 %	100%
1A	% of total gross floor area classed as condition C (Fair)	11.06 %	0 %
1A	% of total gross floor area classed as condition C (Poor)	0 %	0 %
1B	% of backlog that is priority 1	0	0
1B	% of backlog that is priority 2	0.93	1.04
1B	% of backlog that is priority 3	99.07	98.96
3A	Property management costs per sm GIA.	£11.71	£5.05
4A	Repair costs per sm GIA.	£7.62	£ 1.99
4B	Energy costs per sm GIA.	£ 5.84	£1.11
4C	Water costs per sm GIA.	£ 2.43	£0.64
4D	Carbon dioxide emissions per sm GIA.	17.03 tonnes	3.67 tonnes

NPPI	Indicator	Performance
2A	Avg. IRR for industrial investment portfolio.	10.0%
2B	Avg. IRR for retail investment portfolio.	Not applicable
2C	Avg. IRR for agricultural investment portfolio.	Not applicable

NPPI	Indicator	Performance
5A	% of projects where estimated outturn falls within +/- 5% of the estimated outturn expressed as a % of the total number of projects completed	No capital programme this year
5B	% of projects falling within +/- 5% of the estimated timescale expressed as a % of the total number of projects completed in the financial year.	No capital programme this year.

## 9 CONTEXTUAL INFORMATION: STATISTICS AND FINANCE

### 9.1 Gross & Net Revenue Budget Figures 2009/10

	£000's
Gross Budget	35,464
Net Revenue Budget	11,727

### 9.2 Information on fixed Assets as at 31<sup>st</sup> March 2009

	£000's
Intangible Assets	378
Operational Land & Buildings	15,972
Vehicle, Plant & Equipment	1,386
Community Assets	303
Investment Assets	654
Infrastructure	125
Surplus assets held for disposal	781
Total Assets	19,599

### 9.3 The number, gross internal area (GIA), type and value of assets across the main service areas



Microsoft Office  
Excel Worksheet

(Additional copies available from Property Services, Telephone 01706 252441 or email: [patriciabarlow@rossendalebc.gov.uk](mailto:patriciabarlow@rossendalebc.gov.uk))

### 9.4 Indication of the value of the assessed maintenance backlog:

	£000's
2006/07	200
2007/08	0
2008/09	400
2009/10	200
2010/11	200

## 9.5 Summary capital programme for the next 3 years

Table 1 - Rossendale's Approved Capital Programme March 2009

	2009/10 £000	2010/11 £000	2011/12 £000	TOTAL £000
Operations	1,224	564	609	2,397
Communities	15	15	0	30
Regeneration	1881	915	0	2796
Corporate	347	205	0	552
Housing	2,993	2,812	2,812	8,617
<b>Total</b>	<b>6,460</b>	<b>4,511</b>	<b>3,421</b>	<b>14,392</b>

Table 2 - Rossendale's Indicative Capital Resources 2009/10 to 2011/12

	2009/10 £000	2010/11 £000	2011/12 £000	TOTAL
Grant Funding	4,919	3,981	3,096	<b>12,026</b>
Capital Receipts	375	375	100	<b>850</b>
Capital Reserves	1,262	-	-	<b>1,262</b>
Revenue	210	210	210	<b>630</b>
Borrowing	-	-	-	-
<b>Total Resources</b>	<b>6,766</b>	<b>4,566</b>	<b>3,406</b>	<b>14,738</b>

Table 3 – Capital Pressures versus Resources Required

	2009/10 £000	2010/11£ 000	2011/12 £000	2012/13 £000
RBC Resources	6,766	4,566	3,406	14,738
Resources Applied	6,460	4,511	3,421	14,392
<b>Available Resources</b>	<b>306</b>	<b>55</b>	<b>(15)</b>	<b>346</b>

NB – Capital receipts are generated from disposal of land and buildings together with an estimated £550k from Green Vale Homes (over the first 2 years). This follows a Large Scale Voluntary Transfer of the Council's housing stock in March '06 and a contractual agreement ending 31<sup>st</sup> March 2011.

Further details are available in the: Capital Strategy, Medium Term Financial Strategy, and the annual Capital budget report.

## 9.6 Corporate Borrowing

Following a successful Large Scale Voluntary Transfer (LSVT) of its housing stock in March 2006, the Council has become externally debt free. Any further borrowing will only be taken on the evidence of a robust business case, including arrangements to repay principal, sustainability and affordability as set out in The Prudential Code. Any future external borrowing will be on an EIP (equal instalments of principal) basis, ensuring that the Council's risk exposure is minimised.



## **9.7 Area, Population and Characteristics of the Borough.**

The key facts characteristics of the Borough are as follows:

- 138 Square Kilometres.
- The population of Rossendale is 67,000.
- 94.5% of the population are White, 0.9% are mixed race, 3.9% are Asian/Asian British, 0.3% are Black/Black British, 0.4% are Chinese or other.
- Population Density of 486 persons per km<sup>2</sup> compared to a national population density of 358 persons per km<sup>2</sup>.
- The two largest religions in Rossendale are Christian (76%) and Muslim (2.9%).
- 14.5% of the population are aged 65 and over compared with 16.1% nationally.
- 4.3% Unemployment level compared with 5.3% nationally.
- Job seekers allowance statistics are rising.
- The current total number of businesses in Rossendale is 2,455.
- Rossendale has a very high proportion of land (23.0%) designated as green belt.
- There are currently more than 260 listed buildings in Rossendale and 9 conservation areas.
- Larger percentage of population commute out of the borough to work, this is partly due to the proximity of Rossendale to major employment centres and partly due to the decrease in number of jobs available.
- Median Gross weekly earnings are 95.4% of Great Britain.
- Teenage pregnancy rate in Rossendale is 43.1 per 1,000 15-17 year olds, which is slightly above the national rate of 41.3.
- The percentage of pupils in Rossendale achieving 5 or more GCSE's at Grade A\*-C (64.9%) is well in excess of the England average of 60.4%.
- Household Recycling and Composting rate of 34.3%.
- Road Casualty Rates for Rossendale (5.5) are above the national rate of 4.3 people injured per 1,000 population of all ages.
- Life Expectancy is at birth is low at 75.4 years for Men and 80.3 years for Women.
- There are 27,112 Households in Rossendale with 71.9% classified as owner occupied.
- Of 354 local authorities in England, Rossendale recorded an average index of deprivation score of 24.23, which gave a rank of average score of 92nd position.

Source: [http://www.lancashire.gov.uk/office\\_of\\_the\\_chief\\_executive/lancashireprofile/maps/rosoas.asp](http://www.lancashire.gov.uk/office_of_the_chief_executive/lancashireprofile/maps/rosoas.asp)

## **9.8 The Council**

The Council has 36 Councillors representing 14 wards. With 21 Conservative, 11 Labour, 3 Liberal Democrats and 1 Community First. A cabinet-style executive governs the business of the council, and their overview and scrutiny committees. The Council's net revenue budget is £11.7 million in 2009/10, with the greatest share going to environmental services.

Rossendale Borough Council has approximately 220 full time employees, providing the following services:

- Environmental Health Services
- Waste Removal
- Street Cleansing
- Cemeteries
- Parks & Open spaces
- Local & District Planning
- Regeneration
- Strategic Housing
- Democratic and Electoral Services
- Legal services
- Taxi and Entertainment Licensing
- Corporate functions e.g.: Finance, Asset Management and Human Resource Departments

## **9.9 External investment in the Borough**

- The towns of Haslingden and Bacup have in the past decade benefited from Single Regeneration Budgets funding which has led to substantial investment in the two towns, their infrastructure and employment opportunities.
- In addition the Council has prioritised investment into employment through the Futures Park scheme in Bacup, sponsored in the main via North West Development Agency (NWDA) and European Regional Development Fund (ERDF) grants.
- Bacup and Stacksteads form part of the Elevate Housing Market Renewal Area, which has resulted in significant investment and improvements to the housing stock in these areas. As at March 2009 the Borough has seen £9.9m in investments.
- The transfer of the Council's housing stock in 2006, to Green Vale Homes, has resulted in the release of a £60m investment programme over the following 10 years.
- The Council has begun to explore the process for developing a Regeneration Masterplan for Waterfoot, with the aim of delivering significant improvements to the economic base of this small town.
- The Council is developing proposals for public realm improvements in Rawtenstall and Haslingden to both link key sites and support the local economy. Officers are working with colleagues in the NWDA to secure funding for these projects.
- Working with its partners in Lancashire County Development Limited, the Council is pursuing an option to acquire part of the New Hall Hey site in Rawtenstall. However, development on this site is currently hindered due the developer/owner being in administration.
- Working with its partners in Lancashire County Council Developments Limited, the Council has been able to secure funding from the NWDA to support the development of the Rising Bridge Business Park resulting in a total investment of over £7million.



- The Council continues to work with its partners in the Greater Manchester Authorities and the East Lancashire Railway to secure investment to complete the rail link from Rawtenstall to Manchester. This project is part of wider rail network improvements across the Greater Manchester area which have already secured investment of £18million
- The Council continues to support Adrenaline Gateway and will consider the use of its land assets of moorland, quarries etc to support the project in Rossendale which is the lead project within the Pennine Lancashire Playground initiative

### **9.10 Town Centre Regeneration.**

Proposals to refurbish and extend the existing Rawtenstall shopping mall (the Valley Centre) are advancing, albeit, slowly given the current economic climate. The Council is working with the current owners to deliver a redevelopment programme with potential partners. There are aspirations for the town centre to be further enhanced by the development of a new bus terminal on the site of the present bus terminal, this follows a new supermarket on Bacup Road at the site of the old bus depot, a new superstores built on St Mary's Way and the Ilex Mill complex converted into high quality apartments.

## 10 APPENDICES, BACKGROUND DOCUMENTS AND GLOSSARY

### 10.1 Appendix 1 – Action Plan (Attached)

### 10.2 Background Documents

- Projects & Project Management (including major capital work)
- Survey of staff re suitability of accommodation
- CIPFA Benchmarking Data
- Options Appraisal Methodology
- Stock condition survey and capital expenditure to date
- Various Office Accommodation reports to Members and EMT

*(NB - Copies of all the above are available from Property Services, Telephone 01706 252441 or email: [patriciabarlow@rossendalebc.gov.uk](mailto:patriciabarlow@rossendalebc.gov.uk))*

### 10.3 Glossary

AMP	Asset Management Plan
CIPFA	Chartered Institute for Public Finance and Accountancy
CPO	Corporate Procurement Officer ( <i>not to be confused with a “Compulsory Purchase Order”</i> )
CPSG	Capital Programme Steering Group
DCLG	Department for Communities and Local Government
EIP	Equal Instalments of Principle
EMT	Executive Management Team
ERDF	European Regional Development Fund
GIA	Gross Internal Area
GONW	Government Office North West

ICT	Information and Communications Technology
IFRS	International Financial Reporting Standards
IPF	Institute of Public Finance
IRR	Internal Rate of Return
KPI	Key Performance Indicators
LSP	Local Strategic Partnership
LSVT	Large Scale Voluntary Transfer
MTFS	Medium Term Financial Strategy
NLPG	National Land and Property Gazetteer
NWDA	North West Development Agency
PLR	Purchase, Lease, Rental
PPI	Property Performance Indicators
SORP	Statement of Recommended Practice
SCS	Sustainable Community Strategy
UPRN	Unique Property Reference Number
VFM	Value For Money