



**Stockton-on-Tees**  
BOROUGH COUNCIL

# **Stockton-on-Tees Borough Council**

## **Capital Strategy and Asset Management Plan**

**September 2007**

## **SECTION 1 : INTRODUCTION & BACKGROUND**

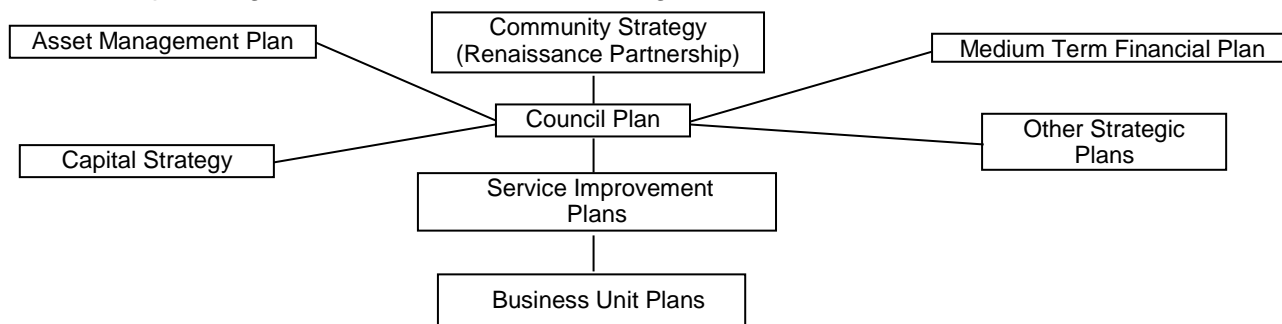
- 1.1 The Capital Strategy and Asset Management Plan is an integral part of the Council's planning framework and has been prepared alongside the Community Strategy and Council Plan. It outlines the Council's approach to planning, prioritising and funding schemes, which will deliver on these priorities and sets out the processes that the Council has put in place to ensure that our land and property supports delivery of local priorities and the programme of action to improve the condition, usage and efficiency of these assets.
- 1.2 The Strategy reflects the major regeneration agenda, which is a key Council Priority together with a significant service change agenda, which will transform the way many services are provided to the people of the Borough. It also demonstrates the commitment to working in partnership with a range of public and private sector organisations to generate large-scale inward investment and maximise external funding to achieve the aims for the Borough.

### **Borough Profile**

- 1.3 Stockton-on-Tees Borough Council is an all-purpose unitary authority providing the full range of local authority services. It is a Borough of contrasts - a mixture of busy town centres, urban residential areas and picturesque villages, covering an area of 22,400 hectares. The population is around 186,300, living in over 79,000 households. This represents an increase of 1.9% since the 2001 Census, the highest rate of growth of any of the Tees Valley authorities. Industry ranges from a strong chemical presence to light engineering.
- 1.4 The Borough has a unique social and economic mix, with areas of high levels of disadvantage situated alongside high levels of relative affluence. For example, 14 of our 30 wards (45% of the total population) fall within the worst 20% of deprived wards nationally (as measured by the Government's Index of Local Deprivation) and 11 wards are in the worst 10%. However, 4 wards (18% of the total population) fall within the top 20% of most affluent wards nationally.

### **Council Purpose Vision And Priorities**

- 1.5 The Community Strategy is foremost in the planning framework and sets out the service priorities for local people, which are to be delivered in partnership with other agencies. Each year, every service area in the Council prepares service plans, which contribute to the delivery of the overall Council Plan. The Council Plan sets out the improvement priorities for the local authority. The planning structure is outlined in the diagram below.



1.6 The Council's vision, in partnership with Stockton Renaissance and our local communities, with a **core theme** of "**promoting achievement and tackling disadvantage**", has been maintained as a consistent focus for the last 10 years. This theme underpins a three-part vision for the Borough:

- Stockton-on-Tees driving **economic renaissance** at the heart of a vibrant Tees Valley city region.
- An enhanced **quality of place**, including renewed town centres and improved local neighbourhoods.
- Enhanced **well-being and achievement** for all children, young people and adults.

1.7 The Council Plan sets out the overall ambitions and priorities of the Council and forms a Business Plan for achieving the Council's contribution to the Community Strategy. Stockton Renaissance and the Council are working together to deliver the vision for the Borough by focusing on 5 priority improvement themes:

Vision	Priority Improvement Themes
Economic Renaissance	1 Economic Regeneration and Transportation
Quality of Place	2 Liveability
	3 Safer Communities
Well-being and Achievement	4 Children and Young People
	5 Healthier Communities and Adults

In addition the Council has a number of organisational improvements providing a sixth theme within the Council Plan.

1.8 Regeneration is key to the delivery of the 3-part vision for the Borough and therefore a prime focus for the Capital Strategy. The Council, along with its partners in the public and private sector and the local community, are developing strategies and proposals that will change the face of the Borough by putting 'sense of place' at the heart of its renaissance. Working in partnership with the Government Office for the North East, ONE North East, English Partnerships, University of Durham Stockton Campus, other agencies, the private sector and adjoining local authorities, the Council is using limited resources to lever in substantial external funding to enable the regeneration to take place.

1.9 Key areas of focus for the Council are:

- The City Region Urban Core through Stockton Middlesbrough Initiative
- Our Main Town Centres
- The focus and usage of the river Tees
- The City Region Transport Infrastructure
- The Quality of Life within our local communities through housing, community and environmental improvements.

The strategy identifies the Council's investment priorities and outlines the approach to using capital and assets to facilitate a transformation in the way council services are delivered, such as the Building Schools for the future programme, which will contribute heavily to the vision for the borough.

1.10 It sets out how the Council's land and property will be better managed, to facilitate, support and influence service delivery. The plan sets out the

structures, information and procedures which the Council has put in place to manage its land and buildings and covers the management of all of the Council's land and buildings, but does not deal with the specific plans for schools, dwellings or highways. These major assets are subject to separate plans and funding processes, in the form of the Education Asset Management Plan, Housing Investment Plan and Local Transport Plan, respectively, all of which support the strategic priorities of the Council.

- 1.11 This comprehensive approach will bring about a step change in the quality of facilities in the Borough over the next 10 years. As well as the Community Strategy and Council Plan, the plans are all aligned with national and regional strategies and the emerging Local Development Framework.

## **SECTION 2 : STRATEGIC PRIORITIES**

- 2.1 The initiatives the Council are undertaking are outlined below and many contribute to all aspects of the economic regeneration of the borough, the quality of place and contribute to well-being and achievement.

### **ECONOMIC REGENERATION AND TRANSFORMATION**

#### **Stockton-Middlesbrough Initiative**

- 2.2 A blueprint for the regeneration of the River Tees Corridor is being developed by the Council, in partnership with Middlesbrough Council. The Stockton-Middlesbrough Initiative is a long-term vision, which will deliver a greatly improved level of economic performance, bring in major private sector investment, and provide opportunities for local people. Aimed at securing the long-term regeneration of the urban core of the Tees Valley, the initiative provides a great opportunity to change the image of the area, by developing a dynamic and renewed centre for the Tees Valley. This is on a city scale, capable of competing regionally and nationally, and which give a sense of place and new central identity to the Tees Valley City Region.
- 2.3 The two Councils are confident that they can deliver a vibrant centre to the 'City Region' and working with the private sector, provide the level of facilities appropriate to an urban area with a population of 350,000. Stockton's priorities (as reflected in the Tees Valley Investment Framework) are therefore focused on the Town Centre through projects including the Southern Gateway, Cultural Quarter and Creative Industries and the River Tees Corridor including projects such as Saltholme International Nature Reserve.

#### **Southern Gateway**

- 2.4 In Stockton, the overarching objective is a comprehensive development of the town centre, critical to this is the southern end of the town centre and to tie the economic and infrastructure improvements to the renewal of the adjacent, disadvantaged communities of Parkfield and Mill Lane.
- 2.5 The approach will be to redevelop the Southern end of the town centre, to provide a focussed, high quality retail, cultural and environmental offer. This will incorporate first order town centre food store, new office development opportunities, and environmental and public realm improvements. Linked to this the Riverside Road will be redesigned to allow the town centre to be turned around and better linked to the river. The intention is to use the Council's own capital and land resources together with Single Programme money to match significant private sector investment. This will be used to acquire sites and implement preparatory work to bring forward development.
- 2.6 It is anticipated that the proposed food store will raise encourage further new retail development within the town centre which will in turn increase vitality, employment and town centre property values and reduce property vacancy levels.
- 2.7 The delivery of the first phase of the Stockton Gateway will be complete by 2011. This will be followed by the development of a new municipal quarter and piazza area at the Southern end of the High Street. This will include a 'one stop shop' for the public enabling better access to services through a

new delivery model bringing services closer to local communities. This would release the existing Municipal Building site for the regeneration of the North End of the high street, linking the North Shore scheme into the heart of the town centre.

### **North Shore/ Green-Blue Heart Regeneration**

- 2.8 The second key cluster of regeneration activity along the Riverside is the North Shore/Green-Blue Heart.
- 2.9 Major housing and commercial development and a £14m iconic footbridge, funded entirely from external sources, will take place at North Shore and Corus, with 800 new homes and approaching on million square feet of business space planned. We already have the commitment of the local university to expand into this are, subject to connectivity requirements. This will be linked to the development to enhanced leisure and recreational facilities in the 'Green-Blue Heart' riverside area to the east of the North Shore site which will include significant enhancements to Tees Barrage White Water Course to attract international sporting events. The integrated development of the overall programme will ensure that full advantage can be taken of the opportunity for elite athlete training facilities, offering a potential legacy of extended facilities for local residents in the longer term. In turn, this leisure provision will accelerate the attractiveness of the area to both business and new residents. The Council is delivering the major infrastructure components of the North Shore development. The main access routes are now constructed, and a new footbridge is due to be completed by December 2008, mainly funded from external contributions.

### **Town Centres**

- 2.10 In addition to the Riverside and Town Centre in Stockton, the Council is also bringing forward regeneration proposals for Thornaby and Billingham Town Centres. These two shopping centres provide valuable facilities for local residents. A development agreement has been signed with Thornfield Properties for the redevelopment of Thornaby Town Centre and work will begin during 2007. The Council is working with developers to provide an additional 92,000 ft<sup>2</sup> of retail space, a greatly improved environment and changes to the Thornaby Pavilion Leisure Complex. The Council has invested its freehold of the Centre into the scheme and brought several million pounds of private sector investment.
- 2.11 In Billingham, the Council has also recently sold its freehold of the town centre to developers, Stockland-Halladale, the development agreement having been completed in July 2007. The resultant capital receipt amounting to £16.7m will be utilised to cover the loss of revenue income and some will be reinvested in Billingham Town Centre. Stockland-Halladale plan to invest up to £45m in the comprehensive regeneration of the Town Centre, to enhance its retail and commercial importance to the Borough. The Council and the Billingham Partnership will be consulted on the design of the town centre redevelopment, which should be completed by 2013.

### **Transport Infrastructure**

- 2.12 The development of the Council's recently completed second Local Transport Plan has been significantly influenced by the wider policy agenda and in particular accessibility planning. By influencing other agendas, including

those of partner agencies, transport can contribute to the delivery of all policy agendas and their negative impact on transport can be minimised.

- 2.13 Recent high level priorities have seen the building of the final stages of the award winning South Stockton Link Road, including a new interchange with the A66, which was completed in March 2005, a year ahead of programme; development of integrated transport initiatives; and highway and bridge maintenance, with significant improvements required in the condition of all parts of the highway network. In 2005/06, £4.8m was made available through the Local Transport Plan for these priorities. Over the next three financial years, plans are being developed for over £10m of investment, including £6m for integrated transport initiatives, £4m for highway and bridge maintenance, including street lighting and up to £45m for major projects, notably the Tees Valley Bus Network Review and East Billingham Transport Corridor.

## **LIVEABILITY**

- 2.14 The pace of change in the housing stock is significant. The North East Regional Spatial Strategy identifies a requirement for 4200 new homes in the Borough between 2004 and 2011. A further need for 5275 additional dwellings is forecast for the succeeding 10 years up to 2021. The regeneration focus means that many of these new dwellings will be in the re-development areas identified in Stockton. Over the past four years the Council has started work on three major housing regeneration schemes, which will result in the demolition of over 1500 homes and the replacement with modern housing offering greater choice and quality. At Mandale and Hardwick the Council has invested the value of its land to bring forward regeneration schemes. In terms of value the Council is contributing £50m to help achieve 1500 new homes.
- 2.15 The Parkfield and Mill Lane areas are next to Stockton Town Centre. Their regeneration will have complimentary impacts, which will help bring greater opportunities to local people. At Parkfield the Council is working with English Partnerships to demolish unfit housing and replace it with modern high quality mixed tenure family homes.
- 2.16 In 2002, the Council established Tristar Homes, an Arms Length Management Organisation to manage, improve and maintain its Council houses to 'Decent Homes' Standard. The ALMO brought with it substantial additional investment, adding to the Council's other housing resources such as capital receipts, funding from the Single Housing Investment Pot and the major repairs allowance, ensuring the Council had the required £162m it needed to improve Council housing, including urgent structural works to multi storey blocks. Tackling unfit and low demand in the private sector and providing disabled facilities grants are also key priorities
- 2.17 In 2005/06 approximately £19m was spent by Tristar Homes on improving the Authority's housing stock and further expenditure of £10m was spent on private sector grants, hostels and estate regeneration. Major regeneration programmes incorporating large scale stock rationalisation and redevelopment are being undertaken in Mandale and Hardwick to ensure these estates remain sustainable in the future. Capital receipts in the region of £25m are being generated for investment in these areas by disposal of land for private and social housing. In Parkfield the Council have secured a share of £23m from the Department for Communities and Local Government, (formerly the Office of the Deputy Prime Minister) to help tackle failing

housing markets. This funding has been added to resources received from the Regional Housing Board, which between 2006 to 2008 amounts to £8.4m and is being used to purchase and site assemble areas of Parkfield in preparation for redevelopment in partnership with the private sector. Clearance of areas has been complimented with external facelifts to neighbouring areas, therefore accelerating the pace of change. Significant additional funding is however required to complete works to the Parkfield area and to ensure the master plan can be implemented. Further funding will be sought on a sub regional basis through the Tees Valley Living Partnership. It is vital that housing investment is seen in the broader context as it both contributes and supports the wider economic agenda.

- 2.18 In addition and accordance with the changing Government agenda we have moved away from a grant culture to assist private sector households with the introduction of new loans and equity share products.
- 2.19 Although the capital investment in council properties has ensured significant improvements it is recognised that decent standard is a minimum standard and additional investment is still needed to ensure a full replacement door and window programme across estates plus other environmental improvements to boundary walls, paths, etc.
- 2.20 The Council are currently exploring options for the future of housing following achievement of Decent Standards. This will include the examination of new and innovative options to ensure that the regeneration of housing is intrinsically linked to our overall regeneration agenda.
- 2.21 Currently the Council is pursuing a small-scale voluntary stock transfer of its sheltered housing stock. Following a positive ballot outcome, this now involves the transfer of ownership of 152 properties to another social landlord. This arrangement will deliver significant investment into elderly persons housing resulting in both newly modernised properties and new build accommodation and is a positive and effective use of the Council's housing asset.

### **Community Buildings And Resource Centres**

- 2.22 This service is responsible for the 21 community buildings/resources centres situated at various locations across the Borough. A full assessment of the condition and future maintenance liabilities of these buildings is currently ongoing, in order to determine their future viability.

### **SAFER COMMUNITIES**

- 2.23 Considerable capital investment has been made in this area some years ago. The focus and investment in this area is around service provision and is funded through revenue along with partners.

### **CHILDREN & YOUNG PEOPLE**

- 2.24 Education has been a key priority for Stockton since it was established as a Unitary Authority in 1996. We have established a Childrens trust to ensure an integrated approach to delivering childrens' services, and this is key for our vision for well-being and achievement.



Performance in this area has been exceptional despite ageing facilities in need of significant investment, simply maintaining current school buildings over the next 5 years will require investment of £46m. Demographic changes are also an issue, with some schools suffering considerable falls in pupil numbers whilst other schools face similar increases. Inroads have been made to some of these issues, however the Council feels that a holistic review of childrens' education in the borough will serve its vision better and has expressed an interest in the Building Schools for the Future Programme.

### **Building Schools for the Future (BSF)**

2.25 Building Schools for the Future is a large-scale government programme designed to fund the rebuilding, remodelling or refurbishment of all secondary school buildings in England over about fifteen years, to meet the needs of communities in the 21<sup>st</sup> Century. The programme includes special schools and pupil referral units as well as mainstream schools, and has three main aims:

- to transform educational attainment, particularly among underachieving groups or in underachieving areas;
- to support the five Every Child Matters outcomes and the delivery of integrated services for children and young people;
- to contribute to the physical and economic regeneration of communities.

2.26 Educational attainment across the Borough's secondary schools is broadly in line with national averages. The Council currently maintains 14 mainstream schools, 3 special schools and one pupil referral unit for pupils of secondary age.

2.27 The Authority's original expression of interest in BSF divided these schools into two groups. The schools in Stockton town are part of wave 6 (to receive funding in 2010). The rest of the Borough's schools are expected to enter the programme in wave 10-12 (funding from 2014 or later). There is now a strong case for bringing these two waves together, and Council officers have opened discussions with government to try to bring that about.

2.28 Detailed preparation for entry into BSF requires the commitment of significant Council resources to fund a local project development team and specialist external advisers. The Council has committed £2 million over three years from 2007-08 and a Project Team is in place. External education advisers have been engaged and other specialist advisers will be appointed shortly. Much planning has been done in consultation with headteachers, college principals and other partners. It is expected that public consultation on a range of possible estate options will take place later this year.

### **Integrated Services**

2.29 The Council proposes a restructuring and reconfiguration of children's services across Stockton on Tees. This is linked to the national drive to improve outcomes for all children and young people, arising from the initial green paper, Every Child Matters, through to the Children Act 2004 and the ongoing publication of central government guidance and the developing body of evidence-based research.

- 2.30 These proposals concentrate on the delivery of services and the processes that will be needed to support delivery. In particular, multi-disciplinary working, multi-agency working, co-location of services, geographically based accessible services, and commonality of processes.
- 2.31 The range of services across the Authority and the Primary Care Trust include Sure Start/Children's Centres, Extended Schools, Council children's services, and PCT community based services. Discussions are underway with other partners including Police, Probation, Health Trust and voluntary organisations. This will require co-location and movement of staff and requires a review of the buildings currently utilised.

## **HEALTHIER COMMUNITIES & ADULTS**

### **Adult Services**

- 2.32 The focus for service development has remained the integration with others partners especially Health that enable the provision of person centred care. Integrated Service Areas are being developed and this will influence the way services are provided at local level and it is likely that buildings will be used much more flexibly by social care, health and other staff. The impact of this approach on the way in which residential and day care is provided will emerge during 2007/8. Also of importance will be the need to ensure that all premise adhere to the various regulations that control their use.
- 2.33 A strong partnership has been forged between the Council and the North Tees Primary Care Trust. Following the successful development of the Health Centres at Thornaby and Lawson Street, North Tees PCT has plans to develop its remaining Health Centres at Billingham & Eaglescliffe. The Billingham Scheme in particular, has potential for a joint development with SBC, health and other agencies to provide a range of integrated service in a convenient local setting.

SBC is also working with the PCT on its concept of a Health Village in Central Stockton. Plans are at a very early stage but envisage more care being provided in a more appropriate local setting. These facilities will complement North Tees & Hartlepool NHS Trust for plans for a single site hospital."

### **Leisure Services**

- 2.34 The provision of high quality, well-located, accessible sport and leisure, contributes heavily to the Council's 'place' and well being agenda. Sport and leisure facilities covering a wide area need to be in accessible locations, well served by public transport and the Council's leisure strategy is to provide wet and dry facilities in each of the three main townships.
- 2.35 The Council's strategy for sport and leisure is delivered by a host of partners, the primary being Tees Active Ltd, a leisure trust, established in 2004, to manage the Council's five sports/leisure centres (Billingham Forum, Splash, Thornaby Pool, Thornaby Pavilion, and Stockton Sports Centre) and subsequently this has been extended to include the Castlegate Water Sports Centre. The assets remain the responsibility of the Authority
- 2.36 The Trust is spearheading the Borough-wide promotion of an active life style with the associated health benefits. This is a strongly proactive approach to

the national and regional policy on sport and physical activity, as outlined in the Government White Paper "Choosing Health" and the North East Regional Plan for Sport and Physical Activity. The Council/Trust's asset management plan has proposals for capital investment in the sports/leisure facilities, as detailed below:

**Stockton:** A £4m extension to Splash is proposed, commencing in 2007/08 and incorporating fitness suites (promoting the Trust's Activ8 brand), therapy rooms, multi-activity space and extra changing accommodation. In addition, due to concerns over its condition and suitability, it has been decided to close the ageing Stockton Sports Centre at Tilery. Options for the future of the Tilery site are under consideration and may involve re-development supporting the neighbouring residential area. The extension to Splash and the re-development of the Tilery site will be funded through £4m prudential borrowing funded through savings in running costs associated with Tilery and projected improvements in revenue streams.

**Thornaby:** The £0.6m refurbishment of the Pavilion (linked to the town centre regeneration by the private developer, Thornfield) will provide a new entrance, reception, office, toilets, café and kitchen refit, new lift and stair access, new fitness facilities, new consulting room and disabled access to the bowls hall.

**Billingham:** The Forum is a large facility comprising, pool, ice rink, sports halls, fitness suite and theatre. This is in need of major refurbishment and a proposal has been prepared for a £25m redevelopment utilising PFI funding in anticipation of the government inviting proposals. The 40-year-old building is increasingly in need of repair, and if no further rounds of PFI are included in the Comprehensive Spending Review 2007, an alternative option will be required, to maintain the facilities in Billingham. Options are therefore also being considered for phased refurbishment, redevelopment or relocation as contingencies.

## **Parks and Countryside**

- 2.37 The Authority has recently completed a £3.5m project to upgrade a major open space at Ropner Park. Significant lottery funding facilitated the work at Ropner Park, a notable part of the project, being the installation of magnificent wrought iron gates at the park entrance, manufactured locally to the original Victorian design. The restoration throughout the park has been undertaken in keeping with the original nineteenth century layout.
- 2.38 Proposals are being developed for the Borough's remaining parks and Council resources will be used to lever in grants and other external funding. To this end, a public consultation exercise is being undertaken on a draft development plan for the refurbishment and improvement of Preston Hall Museum and Park. There is also a commitment to carry out improvements in John Whitehead, Romano, Newham Grange and Wynyard Parks and funding has been identified in the Capital Programme to assist with this process.

## **Museums**

- 2.39 The Council is developing a museum strategy incorporating proposals for major improvement of its key facilities. A master plan for the review and improvement, considering site and spatial issues, activities, content and

management will be prepared in 2007/08, with proposals for investment in the region of £10m over 5 years, funded mainly through grants.

- 2.40 A £200,000 refurbishment of the Green Dragon Yard Museum at the heart of Stockton's "Cultural Quarter" is maximising the opportunity to develop an integrated performing arts focused facility with integral links to the Georgian Theatre, providing a cluster of rehearsal, recording, performing and promotion facilities for local musicians.

### **Libraries**

- 2.41 An asset review of the Council's Libraries Service is being conducted. The future of each of the existing 11 libraries is being considered using option appraisal principles. Review work is informed by property condition survey work. The opportunities for co-location, with other Council or partner agency services is being examined.

## **ORGANISATIONAL AND OPERATIONAL EFFECTIVENESS**

- 2.42 There are a number of organisational developments and improvements which impact on the way Council assets are utilised and which can be influenced by assets.

### **Access to Services**

- 2.43 The Council's vision for customer service is to provide residents and customers easy access to services through multi-service contact centres, providing a single point of telephone contact and 24 hour Internet access. Within the next five years the Authority plans to transform the way in which customers access its services. It will do this by creating:-

- three multi-service centres in the three main townships of Stockton, Billingham and Thornaby, which will be one-stop-shops providing face to face access to Council services and in time, those of partner organisations;
- a single telephone contact centre serving the whole Borough;
- 24 hour internet access providing a range of interactive self-service and information services; and
- a network of local access for the wider community that addresses the diverse needs of local people and other centres of population.

- 2.44 This range of access channels will give customers flexibility and choice in how they contact the Council. The first of the three multi-service contact centres is to be provided at Thornaby Town Centre and is to be incorporated within the existing Library, with work being carried out during 2007/08. A telephone contact centre will be located in Stockton Town Centre and will be operational by January 2008. The locations for the remaining two multi-service centres will be determined in 2007 and they will form the third phase of the implementation of the initiative.

### **Stockton/Darlington Partnership**

- 2.45 The Authority is developing a strategic partnership with Darlington Borough Council, a neighbouring authority, for the provision of a range of support services. This will include co-location of staff for each service. Some of the

services within the partnership will be based in Stockton and some in Darlington, and these will require a dedicated partnership building, and involve some associated movement of staff.

### **Office Accommodation Review**

2.46 To facilitate and enable the changes outlined above and deal with problems in some of the Council's buildings, a review of accommodation is currently being undertaken and will be implemented during 2008. This will allow the closure of Wynyard House, a building in need of major repair and of poor quality accommodation.

### **Workwise**

2.47 The Council is embarking on a longer-term project to develop a strategy and plan to introduce modern working methods. This will combine:

- Consideration of flexible working methods
- Use of technology to facilitate flexible working
- A fundamental review of accommodation to consider how much accommodation is required, and how it will be utilised.

2.48 The review will also consider

- Generation of efficiency savings through space maximisation, rationalisation and flexible working.
- How the current accommodation links with the Council's regeneration and economic development initiatives e.g. Municipal Buildings site.
- Condition, suitability, sufficiency and values of the buildings.

2.49 A feasibility plan and business case will be developed to introduce new working methods and rationalise buildings. This should deliver benefits in recruitment and retention of staff, more efficient ways of working and a reduction in accommodation requirements. The aim will be to deliver:

- High quality work settings
- A focus on technology and design
- Flexible and adaptable spaces
- More work-setting choices
- Greater sharing of facilities
- Interactive / collaborative spaces

2.50 In carrying out a comprehensive review of its office accommodation. A strategy with options is being developed, possibly involving acquisitions, refurbishments, disposals and relocations that revitalises property provision, providing extensive improvements and efficiencies, with integrated working across different services. Existing buildings are geographically diverse, some are of low quality, often with high backlog maintenance, high running costs, inefficient occupation and access. These may be vacated and where possible sold and receipts used to fund better provision elsewhere. An example of this being Wynyard House, Billingham, which is in need of major repair and is regarded as poor office accommodation and will be closed.

2.51 The intention of the strategy will be to improve organisational performance and effectiveness, create a high quality, efficient environment for users and occupiers, whilst minimising capital and revenue liabilities.

### **SECTION 3 : ASSET MANAGEMENT**

3.1 The current asset portfolio of the council is summarised below:

Establishment	No of Properties
Schools	67
Youth & Community Centres	37
Libraries	11
Museums & Galleries	4
Social Services Homes	21
Leisure Centre's	6
Parks	14
Council Dwellings	3

3.2 The Council's multi-faceted approach to asset management considers:

- Contribution to corporate priorities and strategic objectives e.g. major regeneration schemes.
- Suitability and condition.
- Current asset use and service requirements.
- Changes in technologies and asset use.
- Value and saleability.
- Options for partnership working.

3.3 The Capital Strategy has identified that a range of fundamental reviews of assets have been carried out or are in the process of being undertaken:

- A review of libraries
- Museums
- Leisure Centres
- Parks
- Office accommodation

3.4 Reviews have and will continue to assess the location and contribution to the Council's Regeneration agenda. Examples of this are:

- The retention of Council buildings based on the current need for accommodation following the recent sale of Billingham Town Centre on a peppercorn rent.
- The potential incorporation of libraries and service centres within the Billingham Forum redevelopment.
- The acquisition of key sites for future regeneration activity.

3.5 Where assets are not fit for purpose and in poor condition, alternative service provision is considered and undertaken:

- Tilery Sports Centre – the savings generated from closure will fund a major improvement programme to the Splash complex.
- Wynyard House – this is currently used for office accommodation. A renegotiation of leases will enable staff to decamp from this building into much improved accommodation. This site is adjacent to Billingham Town Centre and will be incorporated into the regeneration initiatives in that area.

3.6 This approach informs the Council’s asset retention, disposal and maintenance programmes. The current asset disposal plan is estimated to generate capital receipts of approximately £20m over the next three years. This will however change following the various reviews.

### APPROACH TO BUILDING MAINTENANCE

3.7 The Building Maintenance Plan is focussed on assets which it is envisaged the Council will retain and will not be subject to disposal in the near future. The programme is informed by comprehensive condition data, which considers risk and health and safety priorities. It will adapt and change depending on the outcome of the reviews to ensure investment in potential obsolete assets is not undertaken.

3.8 The Council has undertaken detailed condition surveys of all Council Buildings and this data is captured in an Asset Management System. The Council uses the grading of A – D and priority 1 – 4 as follows:

#### PROPERTY CONDITION BY STANDARD GRADING

Description of Grading
Performing as intended and operating efficiently
Performing as intended but exhibiting minor deterioration
Exhibiting major defects and/or not operating as intended
Life expired and/or serious risk of imminent failure

#### PRIORITY GRADING OF MAINTENANCE REQUIREMENTS

Priority	Description
1	Urgent Work
2	Essential Work
3	Desirable Work
4	Long Term Works

3.9 The information from the system is based on standard lifecycle’s and is used to inform the Council’s maintenance programme. Utilising this data and expertise of property professionals, the outstanding repairs are categorised into:

- High Risk - urgent - Need to be undertaken in next year
- Medium Risk - Need to be undertaken in next 2-3 years
- Low Risk - Required but not urgent

This information along with knowledge of future service changes and asset utilisation, identifies the planned maintenance.



- 3.10 The outstanding maintenance will be incorporated into the Council's Medium Term Financial Planning process with funds concentrating initially on the high risk areas.

### Community Buildings

- 3.11 The service has 21 community buildings/resource centres situated at various locations across the Borough.
- 3.12 The details of the maintenance requirements are summarised below. This demonstrates that £202,500 is needed to tackle the most urgent outstanding work. The building requiring the most urgent work is Wolviston Community Centre with outstanding urgent maintenance works amounting to £78,500.

Summary Maintenance Prioritisation:

Condition Category	Priority		
	1 (1 year)	2 (2-3 years)	3 (4-5 years)
D (Urgent)	£149,000	-	-
C (Poor)	£53,500	£222,976	-
B (Satisfactory)	-	-	£136,009
<b>TOTAL</b>	<b>£202,500</b>	<b>£222,976</b>	<b>£136,009</b>

**Overall Total £561,485**

- 3.13 A project is underway to evaluate options for use of community buildings and this will consider future requirements and options for community use in partnership with the community sector.

### Administration Buildings

- 3.14 An audit of the 34 identified principal administrative buildings occupied by the Authority has been carried out, collecting baseline information on condition, suitability and sufficiency. The data is being reviewed in accordance with corporate space standards and also examining facilities management costs and maintenance requirements. The aim is to identify any significant infrastructure problems with current accommodation such as poor energy efficiency, significant maintenance problems and accessibility.
- 3.15 Consideration is being given to both current and future requirements, highlighting issues in areas such as e-Government, space maximisation, rationalisation, flexible working practices, such as space sharing, home working and new document management systems. Options for the strategy on office accommodation will also take into account the major regeneration of Stockton, Billingham and Thornaby Town Centres and integrated working practices and the requirements and asset plans of key partners.
- 3.16 The details of the examination of maintenance requirements in respect of the 12 most significant of the administrative buildings are summarised below and identify £205,140 being needed to deal with the most urgent work.

### Summary Maintenance Prioritisation:

Condition Category	Priority		
	1 (1 year)	2 (2-3 years)	3 (4-5 years)
D (Urgent)	£172,000	-	-
C (Poor)	£33,140	£883,367	-
B (Satisfactory)	-	-	£788,616
<b>TOTAL</b>	<b>£205,140</b>	<b>£883,367</b>	<b>£788,616</b>

- 3.17 The review of administrative buildings has highlighted the deficiencies in Wynyard House, Billingham, which is in poor condition, has low energy efficiency, is over-crowded and does not meet accessibility standards. Maintenance backlog requirements amount to almost £300,000 within the next 5 years. For this reason it is proposed to proceed with a phased decanting of the building, utilising space identified at alternative buildings.

### Libraries

- 3.18 The Authority has 11 library buildings, in Stockton (3), Thornaby (2), Billingham (2), Norton, Egglecliffe, Eaglescliffe and Yarm. All of these buildings are owned by the Council with the exception of Norton, which is leasehold. A review of the libraries services is being conducted and the future of the existing buildings is under examination.
- 3.19 The maintenance requirements data is given in detail below. The schedule identifies urgent work which requires attention within 1 year amounting to £166,000, of which £160,000 is required for Stockton Central Library, with the remainder for Egglecliffe Library.

Condition Category	Priority		
	1 (1 year)	2 (2-3 years)	3 (4-5 years)
D (Urgent)	£56,000	-	-
C (Poor)	£110,000	£459,700	-
B (Satisfactory)	-	-	£128,700
<b>TOTAL</b>	<b>£166,000</b>	<b>£459,700</b>	<b>£128,700</b>

### Adult Services

- 3.20 Adult Services are delivered from a number of different buildings throughout the Borough and these include elderly persons homes and day centres. They are diverse in their type, use and location.
- 3.21 Details of the maintenance requirements for those buildings used to deliver social care are given below
- 3.22 Only £3,000 is shown as being in the most urgent category. However, in the next priority of outstanding maintenance which requires action within two to three years the cost is estimated at £424,500.

### Summary Maintenance Prioritisation:

Condition Category	Priority		
	1 (1 year)	2 (2-3 years)	3 (4-5 years)
D (Urgent)	£3,000	-	-
C (Poor)	-	£424,500	-
B (Satisfactory)	-	-	£528,900
<b>TOTAL</b>	<b>£3,000</b>	<b>£424,500</b>	<b>£528,900</b>

- 3.23 Integrated Service provision which is currently being planned will influence the way services are provided at local level and buildings are likely to be utilised in a more flexible manner by social care, health and other staff. The impact on residential and day care facilities will emerge during 2007/08. There will be a need to ensure that all premises adhere to the various regulations which apply to their use. The strong partnership between the Council and partners, in particular North Tees Primary Care Trust will be a driver for the future use of facilities.

### Leisure

- 3.24 The Council's leisure facilities are subject to major change and development. Billingham Forum is in need of major refurbishment and has a significant outstanding maintenance requirement of £8m. This is subject to a major review as covered in the Capital Strategy.
- 3.25 In Stockton, the successful pool facility at Splash is to be extended to provide therapy rooms, multi-activity space and additional changing rooms. The cost of this proposal is around £4 million. It will enable the ageing and increasingly poor accommodation at Tilery Sports Centre which has a significant maintenance requirement of £1.2m to be closed, with a phased disposal of a large part of the site planned, enabling the potential development of a medical village.
- 3.26 The sports facilities at Thornaby Pavilion are to be improved at a cost of £600,000 in conjunction with the regeneration of the town centre by a private developer. The proposals will improve accessibility together with better general as well as sporting facilities.

### SUMMARY

- 3.27 The total urgent works can be summarised as follows:-

Community Buildings	202,500
Admin Buildings	165,140 (excluding Wynyard House)
Libraries	166,000
Adult Services establishments	<u>3,000</u>
	<b><u>£535,600</u></b>

- 3.28 The Council's Capital Programme for 2007/08 includes £400K allocated for urgent repairs and maintenance. It is currently envisaged that this will also be available in 2008/09. Subject to the outcome of any reviews, the urgent repairs can be funded from the resources allocated for the next 2 years, with £263K remaining to fund any additional work on medium priority schemes.

The future medium priority schemes will be considered further following the outcome of the various reviews which are ongoing.

## **SECTION 4 : ROLES AND RESPONSIBILITIES**

### **Development & Management Of Capital Investment Plans**

- 4.1 The Council has a corporate approach to the development and management of its capital investment plans and asset management. Strategic management is provided by the Capital Strategy and Asset Management Group reporting to the Corporate Management Team and Cabinet. The Group is chaired by the Head of Operational Finance and comprises key Heads of Service with responsibility for regeneration, housing, transport, children's and adult services, property and finance.
- 4.2 Potential projects are identified and project brief forms, signed by the relevant Corporate Director and Cabinet Member, are submitted for assessment by the Capital Strategy and Asset Management Group, prior to recommendation to the Council's Corporate Management Team and Cabinet, on which schemes should be selected for implementation. The appraisal of proposed projects includes an assessment of the contribution to Council Plan objectives, levels of cost and risk, availability of resources, funding profile and the on-going revenue implications of any capital expenditure, covering capital financing costs, full life cycle operating costs of assets and staffing costs, together with other issues such as environmental impact.
- 4.3 Projects are assessed not only in relation to corporate priorities but capital needs and implications for our existing and anticipated capital as well as revenue resources. Due weighting is given to proposals which trigger or influence financial or other inputs by partners, funding bodies or other agencies in support of corporate and community objectives and lever in significant inward investment, from a variety of sources including Single Programme, Neighbourhood Renewal, European Union, National Lottery and the private sector.
- 4.4 The Capital Strategy and Asset Management Group's capital planning role includes overseeing the preparation of the Capital Strategy and 3 Year Capital Plan, assessing capital projects and recommending a prioritised capital programme to CMT and Cabinet, which reflects the Council's strategy for in capital investment considers available resources. This is part of the Council's Medium Term Financial Planning Framework. This role embraces all capital spending including the service-specific funding programmes. The Council's 3-year Capital Programme is attached at Appendix A

### **Capital Resources**

- 4.5 The Council plans to attract major private sector investment, various grants, utilise capital receipts, resources generated from the sale of land and property, and prudential borrowing in order to meet the cost of addressing local priorities. Plans for the disposal of property, which is surplus to operational needs in order to generate resources for re-investment in new capital projects, are identified in a 3-Year Capital Receipts Programme. Capital receipts obtained from the disposal of surplus assets are pooled and used to contribute to the overall resourcing of the Authority's capital programme, with the exception of the useable receipts generated from the sale of Council houses, which are earmarked for the funding of the housing capital programme.

- 4.6 The Council's capital programme for 2007/08 is around £68 million (see appendix). Approximately £30m is allocated for housing, £16m for childrens' services, £4.4m for transport and £9.6m for regeneration. The remaining £8m is for the community schemes, capital asset enhancement, adult services, sport, culture and leisure. An outline projected capital programme for the three-year period 2007/08 to 2009/10 has been approved by Cabinet and Full Council and information on this is given in the appendix, which accompanies this Strategy. In order to deliver on all of the project and priorities, the Council will need to continue to work in partnership and significantly attract private sector investment into the Borough.
- 4.7 The Strategy also includes projects which will result in asset rationalisation which will generate capital receipts and release revenue funding which will be utilised to support future capital expenditure. The Council will continue to assess its Land and Property portfolio and identify options to generate resources and explore innovative solutions to deliver the Strategy.

## **SECTION 5 : PERFORMANCE MANAGEMENT**

5.1 In order to ensure successful delivery of all plans, the Council has long recognised the importance of robust performance monitoring and review arrangements. The monitoring of capital programme performance is incorporated into the Authority's corporate performance management arrangements and this includes:-

- The use of corporate standards for project management.
- Detailed challenge and review of individual schemes by project managers and finance support staff.
- Service Challenge Clinics, which investigate and address issues with a particular project.
- Corporate Management Team Improvement Clinics on areas where performance improvement is required.
- Reports to CMT, Cabinet, Executive Scrutiny and Audit Committees on financial performance and performance against service plans.

5.2 The national corporate property officers group, COPROP, has recently worked with the local government property services community on a national property performance management initiative (NaPPMI). The outcome of the work, which was completed in November 2006, is a set of new property performance indicators relating to:-

- Condition and Required Maintenance
- Environmental Impact
- Suitability
- Accessibility
- Sufficiency
- Spend
- Time and Cost Predictability

More detail of these new property performance indicators is provided at Appendix B.

5.3 The Institute of Public Finance Asset Management Network, Federation of Property Services and National Best Value Benchmarking Scheme are collaborating in establishing a new benchmarking initiative enabling comparisons between local authorities based upon the new National Property Performance Indicators (NaPPMI). Stockton-on-Tees Borough Council is committed to participating in this benchmarking system as an integral part of performance management and a driver for continuous improvement in value for money.