

CORPORATE ASSET MANAGEMENT PLAN 2010/11

1. Background

1.1 The purpose of Asset Management Planning is to:

- Assess Service Needs;
- Identify Surplus Assets;
- Assist with prioritisation of investment decisions in acquiring new assets and maintaining existing ones;
- Ensure decisions are based on reliable information;
- Ensure security of assets;
- Assist in achieving efficiency savings.

1.2 The Asset Management Working Group was established to develop and oversee overall asset management arrangements. The Corporate Asset Management Plan brings together different strands of asset management and relates them to the Council's Performance Management Framework.

1.3 The CIPFA Directors of Finance Guide to Asset Management and Capital Planning in Local Authorities identifies 6 categories of asset for which Asset Management plans should be prepared:

- Property
- Open Space
- Roads and Infrastructure Assets
- Housing
- Fleet
- ICT

1.4 Asset Management Plans should be based on robust data about the number of assets in each category, their condition, suitability for use, sufficiency for use, revenue cost of use. They should set targets for performance, relate to service plans for future delivery of service, identify investment needs, support Single Outcome Agreement or other Council policy priorities.

2. Asset Management Plans

2.1 The table below summarises the progress made towards developing Asset Management Plans for each category of asset.

	Property		Open Space	Roads etc	Housing	Fleet	ICT
<u>Baseline Information</u>	Schools	Offices & Other Properties					
Numbers/Suitable Measure	✓	✓		Part	✓	✓	✓
Condition	✓	✓		Part	✓	✓	
Suitability	✓	✓			✓	✓	
Sufficiency	✓				✓	✓	
Revenue Cost	✓	✓		✓	✓	✓	✓
<u>Planning</u>							
Performance Targets	✓				✓	✓	
Service Plans	✓	Part			✓	✓	
Investment Needs	✓	✓		✓	✓	✓	✓
Asset Management Plan	✓				✓		

2.2 Asset Management Plans have been developed for Housing and Schools (Schools Estate Management Plan - SEMP).

2.3 The SEMP is currently under review. The objective of the plan is to improve the condition of schools and suitability across the whole of the schools estate. Prioritised improvements form part of the Council's Composite Capital Plan. The target grade for suitability is A and for conditions is B.

2.4 The process is well developed in Housing. The Standard Delivery Plan informs the Council's Housing Business Plan, and this is updated annually to reflect progress to date and revised expenditure requirements arising from service developments and changes in the environment in which the service operates. The objective of the Housing Standard Delivery Plan is to achieve the Scottish Housing Quality Standard by the nationally-set target of 2015. Progress towards this target is reported annually, to the Scottish Government. A Housing Asset Management Strategy was approved in February 2010.

2.5 The Council's office accommodation requirements is part of the Designing Better Services Property Theme. It is recognised that there is scope to achieve efficiency savings from the office estate by adapting offices to more flexible patterns of working. The DBS

business case for Elgin office accommodation is based on achieving such efficiencies. The Asset and Facilities Management DBS theme has recommended structural revisions to strengthen the property asset management function. Further plans regarding property will depend on the implementation of the recommended revisions.

- 2.6 The category of Open Space is a recent addition to the categories for Asset Management Planning, and consistent, complete and robust information has yet been established, although there is a variety of information held by different departments.
- 2.7 A significant amount of asset management information is available for roads. The Council recognised the need to invest in this area in the capital plan for 2008/09, which allotted a sum for the development of a robust asset management information system. Work on this area has uncovered the need to establish further information e.g. on drainage.
- 2.8 Elgin Traffic Management has been specifically identified as a Council priority, and an agreed scheme of development is being progressed as a separate project from general roads asset management.
- 2.9 Flood Alleviation Schemes are the most costly items in the capital plan. They conform to Asset Management best practice by including whole life costing of their developments.
- 2.10 A significant amount of asset management information is available for vehicles. The capital plan for 2008/09 reflected the business case made for managing the Council's fleet of vehicles by procuring on a life cycle designed to achieve best value by minimising the overall cost of capital, repairs and downtime. A planned programme of vehicle replacement has been agreed with user departments. The Vehicle Management theme of Designing Better Services impacts on the development of the Fleet Asset Management Plan, and a draft plan will be developed as part of the DBS project.
- 2.11 The use of ICT underpins all of the Council's activities, to a greater or lesser extent. It is recognised that robust asset management planning for this area is of great importance. Detailed information was used in the development of the Capital Programme 2010 – 2015, but development of a formal Asset Management Plan is not intended until after implementation of DBS, which is heavily reliant on ICT for its success.

3. Energy Efficiency Projects

- 3.1 The Council has invested in energy efficiency projects and benefited from funding from the Central Energy Efficiency Fund and a capital grant from the Scottish Government. Savings are reported as part of the Efficiency Statement, which is prepared annually and reported to

the Scottish Government through COSLA. Reports are also made to Committee. The Council has established a Working Group to reduce the Council's carbon footprint. Target energy efficiency savings will be developed and approved as this process develops. A post project evaluation process is being developed.

4. Capital Strategy and Financial Plan

4.1 The Council's Capital Strategy is the link between asset management planning and the composite capital programme. Projects proposed to be included within the capital programme are categorised as:

- Required to meet Council Priorities (P)
- Required by Legislation (L)
- Required to maintain operations at current levels (M)
- Will deliver efficiency savings (E)
- Service Development (D)

In the Capital Programme for 2010/11 excluding Flood Alleviation Schemes, 53% of the budget is for projects required to maintain operations at current levels, 23% to achieve efficiency savings and 17% to achieve Council Priorities.

4.2 The Capital Strategy seeks to balance the requirements of the Council's current portfolio of assets with those of the Council's stated priorities which require capital investment within the financial constraints of affordability and sustainability.

4.3 The financial plan for 2010 – 2014 identifies the need to find at least £15 Million savings in addition to those planned for 2010/11. In this financial climate there is likely to be an increased emphasis on investing to achieve efficiencies.

ACTIONS PLANNED FOR 2010/11

1. Complete revised SEMP
2. Commence review of Office Accommodation out with Elgin
3. Collect data on Open Space and assets not aligned to current budgets
4. Progress Roads/Infrastructure AMP
5. Draft fleet AMP for inclusion in Capital Programme review
6. Develop post-project evaluation process for Energy Efficiency Projects

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