

**REPORT TO: BEST VALUE SUB-COMMITTEE - 26 JUNE 2006**  
**REPORT ON: ASSET MANAGEMENT PLAN PROGRESS**  
**REPORT BY: DIRECTOR OF ECONOMIC DEVELOPMENT**  
**REPORT NO: 428-2006**

## **1 PURPOSE OF REPORT**

This report is to inform the Best Value Sub Committee of the progress so far with the compilation of the Asset Management Plan. This is key theme of achieving efficient government.

## **2 RECOMMENDATIONS**

2.1 The Sub-Committee is asked to note the content of this update report.

## **3 FINANCIAL IMPLICATIONS**

3.1 The total asset value of the Council's non investment portfolio is £343,803,818 excluding Highways and Housing.

3.2 So far, departments have been charged for the revenue costs of agency workers at an estimated cost of about £22,000. One has now left and only one is continuing at a cost of around £1,500 per month.

## **4. LOCAL AGENDA 21 IMPLICATIONS**

The asset management plan will fully comply with the Council's sustainability policy and the suitability of property and energy efficiency are key issues in the plan.

## **5. EQUAL OPPORTUNITIES IMPLICATIONS**

The asset management plan will fully comply with the Council's equalities policies. Measuring compliance with the Disability Discrimination Act is a key function of the plan.

## **6. REPORT**

6.1 The report on the Council's Efficient Government Plan included the creation of an Asset Management (AMP) as a key part of achieving efficiencies. This report provides members of the sub-committee with progress to date.

6.2 The surveys for both Sufficiency and Suitability and Condition of properties were completed by 31 March 2006. The next target date to be achieved is October 2006 when a full draft of the Plan with the results and an accompanying analysis and report has to be completed. This will provide an accurate baseline of the property assets. Thereafter the service departments will be consulted on the detail before the final report is submitted in September 2007.

6.3 A draft plan as at the end of March 2006 is attached as an appendix.

## **7. CONSULTATIONS**

The officer Efficient Government Board were consulted on the contents of this report.

8. **BACKGROUND PAPERS**

Efficient Government October 2005 - Policy and Resources  
Council Plan Update June 2004 - Policy and Resources

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**DIRECTOR OF ECONOMIC DEVELOPMENT**

**DATE: 22 JUNE 2006**

## **CORPORATE ASSET MANAGEMENT PLAN**

### **1. The Council Plan and Corporate Priorities**

The Council Plan 2003-2007 identified areas in respect of property priorities which have to be addressed on a corporate basis:

- a) The application of a regular review process to identify property needs
- b) The treatment of property as a strategic resource
- c) Early identification and disposal of surplus property
- d) Maintenance of accurate property duties and related systems including
- e) Costs
- f) Support and development of an Asset Management Plan

The Corporate priorities for the same period are

1. Identify assets not required to meet service needs or are unnecessary costly (revenue savings made upon disposal would be released for Prudential Code borrowing)
2. Enhance service to the public through provision of buildings of good physical quality and making services easy to access.(DDA, Health & Safety, Location)
3. Maximise opportunities to share properties with other public agencies. (Joint Venture and sharing of similar resources)
4. Seek to be innovative in ways of providing services potentially reducing overall property requirements.(Combined functions within properties)
5. Set measurable targets for non-operational property. (This will be properties held as investments).

### **2. Property Aims and Objectives**

This plan seeks to reinforce the aims contained in the Council Plan and so rationalise and utilise property to its optimum performance taking account of the Council's financial objectives and the functions of the users of property to deliver and use services.

The key objectives are

1. to maximise the use of property as an integral asset in service delivery
2. to protect the assets of the Council
3. to Direct Capital and Revenue expenditure to the resource most in need and a necessary function.

4. To identify and extract properties no longer suitable for purpose and dispose of or recycle for other use.

### 3. Current Position

#### Property Assets

The Council has a total of 1245 properties split into Operational (function of service delivery)/Non-operations (not directly involved in service delivery but not able to be declared surplus (767 properties) and properties held for investment purposes which are not involved in service delivery but do provide a rental income to the Council (478 properties).

The total asset value of the Council's non-investment portfolio is £343,803,818 excluding Highways and Housing.

The breakdown of current properties by service

<b>Department/Services</b>	<b>No of Properties</b>	<b>Total Value</b>
Education	103	£190,921,749
Social Work	50	£ 22,410,383
Planning & Transportation	240	£ 12,329,495
Economic Development	121	£ 34,284,226
Leisure & Arts	145	£ 42,922,972
ECPD	27	£ 2,915,668
Chief Executive		
Communities	30	£ 23,468,781
Support Services	2	£ 2,935,000
Finance	0	£ 0
Other Housing	2	£ 1,091,258
Housing Revenue	86	£ 9,719,097
DCS	5	£ 805,189
<b>Total</b>	<b>811</b>	<b>£ 343,803,818</b>

The total value of the Council's Investment portfolio is £51,112,000 broken down into

<b>Department/Services</b>	<b>No of Properties</b>	<b>Total Value</b>
Economic Development	284	£ 43,364,000
Leisure and Arts	11	£ 491,000
ECPD	2	£ 77,000
Other Housing	9	£ 378,000
Housing Revenue	172	£ 6,802,000
<b>Total</b>	<b>478</b>	<b>£ 51,112,000</b>

## **Property Performance**

The key indicators nationally relating to property performance are

### Key Property Indicators

- A Current Condition (survey rating of A Good to D Poor for each property)
- B % of money spent on Maintenance planned v unplanned
- C % of Capital projects meeting financial targets + or - %
- D % of Capital Projects on time as a % + or - of expected completion date.
- E Space per employee on average.
- F Disabled Access: What % of buildings has compliance with DDA
- G What % of maintenance budget is spent on emergency repairs
- H What % of buildings is good or poor for electricity and fossil fuels per  $m^2$

### **Service Functions Not Included in AMP**

#### *Highways*

This is separate AMP proposed to be prepared by Planning and Transportation. It has been recently reported that highways have been graded on a Green, Amber and Red basis depending upon the level of priority to be addressed with Green being basically fine and Red being urgent attention required.

This has been done for the A and B classified roads but not for unclassified roads which are the bulk of the City streets.

Similarly bridges, walkways etc have been assessed and the results retained by Planning and Transportation.

#### *Housing*

The housing stock was assessed some years ago and a new start has been made on a desktop update based upon capital and revenue (maintenance) expenditure incurred since they were last looked at. This is being done as part of the process to ensure all housing stock complies with the Scottish Standard by 2015.

### **Next Steps**

Properties have had and will continue to need capital and revenue expenditure made on them. The Council Plan is due for renewal in 2007 and the Community Plan in 2010. The next step, therefore, is consultation with the service departments to see where property will fit into the context of their plans and how they might be influenced by the results particularly from the function surveys (Sufficiency and Suitability).

The target to complete the baseline position will have to be October 2006 so that all the plans are harmonised and interlinked ready for detailed consultation with service managers.

Until now, services have been provided based upon what is available and whether it can be altered or extended to cope without using an option appraisal technique to see if an alternative arrangement can be employed (sharing of physical resources with another body internal and external). Consequently, what current and future services are being planned and whether the availability of property can enhance them will be a part of the consultation. The full details of all our properties have not been analysed and the data on maintenance expenditure, running costs, health and safety and rates costs have not been extracted from the GVA database which will give a complete picture of the full cost of every operational property.

### **Criteria**

The criteria we are aiming at with an Asset Management Plan is:

Space allocated for a service should be enough for its needs, be in the right place for both staff to function efficiently and as near to the point of service provision as possible and for the customer to access that service at the same point of delivery.

Space should be safe, clean and comfortable for staff to work at their optimum capacity in a pleasant environment as possible for both employees and customers.

Space should be continuously utilised as much as possible to obtain the maximum benefit at the least cost per square metre.

### **Conclusions to date**

The Asset management Plan is a management tool which will continuously gather information to update the physical and financial profile of every property and, therefore, the Capital and Revenue planning. The link between the Plan and the Capital Plan is one of future expectation and the cost to change.

Apart from operational property needed to deliver the service, all other properties are optional holdings and remain assets which can be retained for revenue generating purposes or disposal for Capital purposes when necessary. They are the physical reserve.