Report on Asset Management

The Audit Committee, on the 3rd of June 2005 requested an update on progress with the asset register and implementation of asset management strategy/planning. This report identifies the main elements of asset management planning and identifies against each the progress to date.

Requirement:

To prepare a report for the next Audit Committee that details the process being followed for the production of the Asset Register.

Progress:

In summary terms implementation of the asset management strategy is being taken forward in 5 broad areas. These are:

1 Completeness check
2 Conditions and costings
3 Asset use
4 Options appraisal
5 Computer systems

Each of the broad areas can be broken down into more specific issues. The specific issues and progress against each of these is noted below along with responsibility.

1 Completeness check	Current Position	Responsibility
1.1 What assets do we own, lease and use?	Cross checking of capital accounting register to title deeds nearing completion. Expected to be finalised by 30 September 2005 for audit of Annual Accounts. Once the capital accounting register and title deeds reconciled, further cross checks against property maintenance records, rent roll and non-domestic rate register/valuation roll, will be carried out. At this stage the capital accounting register will also be reviewed with Fleet Management and Information Technology to reconcile entries for vehicles and IT equipment.	Strategic Finance, Legal & Protective, User Depts.
1.2 Who is the owner/user for each asset?	Once tasks above completed then circulate asset users to confirm position.	Strategic Finance, Legal & Protective, User Depts
2 Conditions and Costing	**Current Position**	**Responsibility**
2.1 What condition are assets in?	Information on the school estate is already available through the School Estate Asset Management Plan. Information on roads is already available through the SCOTS study and Roads Asset Management Plan. Information on fleet and IT equipment will be reviewed as part of the asset completeness checks outlined above. Property condition surveys have already	IT, Fleet Mgt, Property, Roads & Health & Safety
2.2 Are assets fit for purpose?		User Depts, IT, Fleet Mgt, Property, Roads & Health & Safety
2.3 What do we need to spend to make assets fit for purpose?		IT, Fleet Mgt, Property, Roads & Health & Safety

2.4 What do we need to spend over the lifecycle of our assets?	been completed for shared offices and will be completed for leisure properties by 31 March 2007, (this is being carried out over a 3 year period). Property condition surveys for depots will be carried out in 2006-07. A reduced scale, (to reflect the properties in question) is being undertaken in house for public conveniences and will be completed by October 2005. In terms of social work properties whilst condition surveys have been undertaken further work is required to generate all the information necessary for asset management planning. It is intended that on an ongoing basis property condition surveys will be carried out on a 5 yearly basis.	IT, Fleet Mgt, Property, Roads & Health & Safety
2.5 What does it cost to run and operate our assets?		User Depts, IT, Fleet Mgt, Property, Roads & Health & Safety
3 Asset Use	**Current Position**	**Responsibility**
3.1 What use do we make of our assets?	This will commence once the asset completeness checks above are complete.	User Depts.
3.2 What are our future asset requirements?	This will commence once the asset completeness checks above are complete.	User Depts.
4 Options Appraisal	**Current Position**	**Responsibility**
4.1 Do we need this asset/What are the alternatives?	A review of appropriate approaches to and development of an initial approach to options appraisal will take place in 2005-06 as per the draft Best Value Audit Improvement Plan. This will require review, refinement and further development from 2006-07 onwards.	User Depts, IT, Fleet Mgt, Property, Roads & Health & Safety
5 Computer Systems	**Current Position**	**Responsibility**
5.1 Identify systems to be put in place to manage recording, transfer and management of data related to asset management.	Scoping study currently being carried out by the Chief Asset Manager and scheduled for completion by 30 September 2005. There will be a second stage to this to implement decisions based on the scoping study.	User Depts, IT, Fleet Mgt, Property, Roads & Health & Safety.

The tasks above in essence are about establishing a process rather than completing a task. Once the actions above have been completed the Council should have an established process and a sound basis in place for managing its assets and collecting and using the information necessary to do so.

Out-with the above, further tasks related to asset management are underway and these include input by the Asset Management Team to reviews on rationalisation of council properties and regeneration projects in Helensburgh, Oban, Campbeltown and Dunoon.

A further progress report could be provided to the meeting of the Audit Committee scheduled for the 9th of December 2005.

John MacNicol
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23 August 2005.