Report on Asset Management

The Audit Committee, on the 2nd of September 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 progress to date.

Requirement:

This report provides an update to the report provided in September 2005 to the 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	Action dates
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.	**Sept 2005 – complete** **Sept 05 - complete**
1.2 Who is the owner/user for each asset?	A detailed list of Assets were provided to Services in October, for confirmation and verification of Service owned Assets. Some responses have been received, and discussions are on going.	Strategic Finance, Legal & Protective, User Depts	**Oct 05 commenced** **Jan 06 completion**

2 Conditions and Costing	Current Position	Responsibility	Action Dates
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 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.

Service data collection activities (condition)

1. There is a rolling programme for Property Condition Surveys

2.Roads have an annual Condition Inspection & Maintenance programme.

3. Street lighting operate a rolling program for asset inspection, condition and asset replacement,

4. Fleet management have a rolling programme for vehicle inspections

5. Infrastructure assets have a rolling programme for Bridge inspections reported through SCOTS | IT, Fleet Mgt, Property, Roads & Health & Safety | Schools Estate condition Surveys **Complete -December 2004**

Shared office accommodation Condition surveys **Complete 0ctober 2005**

7 Roads Depots **Complete October 2005**

(A rolling count of 139 Asset Condition Surveys as of Nov 2005).

Update still to be obtained on Public conveniences **December 2005**

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Complete Nov 2005

Completed July 2005.

Complete Nov 2005

Complete Nov 2005

Completed July 2005 |
| 2.2 Are assets fit for purpose? | Assets fitness for purpose will be assessed by services based upon a combination of factors such as condition surveys, suitability, service delivery, operational requirements, desired performance levels, and stakeholder's views. | User Depts, IT, Fleet Mgt, Property, Roads & Health & Safety | **Expected time frame for reporting is June 2006** |
| 2.3 What do we need to spend to make assets fit for purpose? | Financial spending is dependant upon the assessment of requirements and information obtained within sections 2.1 and 2.2. | IT, Fleet Mgt, Property, Roads & Health & Safety | **Expected timeframe for reporting is June 2006** |

2.4 What do we need to spend over the lifecycle of our assets?	For Schools Estates and some properties whole life costs information is currently available through the condition survey reports. There is a rolling programme to obtain property condition survey reports, which will provide lifecycle cost information.	IT, Fleet Mgt, Property, Roads & Health & Safety	Schools Estate **Completed December 2004** **Complete Nov 2005**
2.5 What does it cost to run and operate our assets?	Operational costs for assets based upon a number of cost elements which are reported to Services directly or indirectly **Operational cost elements:** **Energy cost** information for Schools Estate Asset Management Plan is currently reported annually, as part of the requirement on core facts. Energy management information is available In various formats, for other property assets. A STARK energy management system is currently being purchased which will provide structured reporting. **Asset Maintenance Costs** Costs for reactive, planned and statutory property maintenance are reported monthly. **Cleaning & Janitorial cost information** Fixed charges for property are charged directly to the Finance ledger. **Asset property rate charges** Annualised charges are sent out to Services **Fleet management** Fuel costs for vehicles are reported weekly. Hire charges for vehicles are reported on 4 weekly basis.	User Depts, IT, Fleet Mgt, Property, Roads & Health & Safety	**Schools Estate:** Current Schools Estate reporting **Complete January 2005** (for 2004 year) **Energy Management: STARK April 2006** is the anticipated timeframe for reports via the STARK system. **Complete Nov 2005** **Complete Nov2005** **Complete Nov 2005** **Complete Nov 2005**
3 Asset Use	**Current Position**	**Responsibility**	**Action dates**
3.1 What use do we make of our assets?	This will commence once the asset completeness checks above are complete. This will be based upon user demand and Service planning /operational requirements.	User Depts.	**Expected timeframe for reporting Dec 2006**
3.2 What are our future asset requirements?	This will commence once the asset completeness checks above are complete.	User Depts.	**Expected timeframe for reporting Dec 2006**

4 Options Appraisal	Current Position	Responsibility	Action dates
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	**Expected timeframe for reporting Oct 2006**
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. **Update November 2005** The asset management group's direction is to specify a corporate level system based upon a prioritised list of strategic finance and operational requirements. A number of Service based computer systems are currently in use for Asset management activities.	User Depts, IT, Fleet Mgt, Property, Roads & Health & Safety.	**Nov 2005**

The tasks above in essence are about establishing a process rather than completing a task. Once the actions above have been completed the Council will 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.

John MacNicol
Chief Asset Manager
9th November 2005.