Report on Asset Management

Background

The Audit Committee in 2005 requested regular updates of progress with the asset register and implementation of asset management strategy/planning. This report identifies the main elements of asset management planning, its development and progress.

A number of action items previously identified are now complete, and those items have been removed from this report. Therefore this update contains only the current work items and associated details of asset management activities.

Requirement:

This report provides additional information to the previous reports of September and November 2005 to the Audit Committee, and details the process being followed for the production of the Asset Register.

Development

The tasks in essence are about establishing a process rather than completing a task. Once the actions have been completed the Council will have an established process and a sound basis in place for managing its assets, 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.

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; and
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
1.2 Who is the owner/user for each asset?	A detailed list of Assets was 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 expected completion date** **January 2006 update** **This work item is still ongoing.** **Completion date now anticipated March 2006.**
2 Conditions and Costing	**Current Position**	**Responsibility**	**Action Dates**
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.** **January 2006 update** **Data collection is on-going which will be used to support this activity.**
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. (Action items 2.1 and 2.2 complete and removed from document)	IT, Fleet Mgt, Property, Roads & Health & Safety	**Expected timeframe for reporting is June 2006** **January 2006** **Whole life cost information is to be collected through condition surveys and this data collection process is on-going.**
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.** **January 2006 update** **This work item is anticipated to be developed through the Draft Best Value Audit Improvement Plan.**
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.** **January 2006 update** **This work item is anticipated to be developed through the Draft Best Value Audit Improvement Plan.**
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.** **January 2006 update** **This work item is anticipated to be developed through Best value and the Draft Best Value Audit Improvement Plan.**

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.	**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.** **Update January 2006** **January 2006 – currently awaiting response and information from Strategic Finance.**

John MacNicol
Chief Asset Manager
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