
ARGYLL & BUTE COUNCIL

**ORGANISATIONAL
DEVELOPMENT PPG**

DEVELOPMENT SERVICES

10th JUNE 2009

AUDIT SCOTLAND - ASSET MANAGEMENT IN LOCAL GOVERNMENT

1. SUMMARY

The purpose of this report is to summarise the key messages and recommendations contained within the recently published Audit Scotland report on Asset Management in Local Government and, in broad terms outline, the areas for improvement identified for action by the Council's Asset Management Board.

2. RECOMMENDATION

- 2.1 That the Organisational Development PPG notes the contents of this report and, in particular, the high level action plan that will address the areas for improvement identified by Audit Scotland in respect of Argyll and Bute Council.
- 2.2 The Organisational Development PPG are also requested to note that a separate report will be submitted to the next meeting by the Head of Facilities, as Chair of the Asset Management Board, setting out the planned actions in greater detail.

3. DETAIL

- 3.1 During the summer of 2008 Audit Scotland devised a detailed questionnaire to be issued to all Scottish local authorities. The intention was to establish a more complete picture of the asset management planning landscape across the Country and to assess progress made by Councils following the publication of an earlier Improvement Service study.
- 3.2 Nick Allan, the Council's Strategic Asset Manager, was invited to join the Audit Scotland Study Advisory Team as the CoSLA representative on this Project.
- 3.3 The Advisory Team signed off the final version of the Questionnaire which was then issued with a return date of 22 August 2008.

3.4 The completed report was eventually published on 7 May 2009. A copy of the full report is attached under **Appendix 1**.

The format of the final report differs from earlier drafts in that it was originally attempted to present the results by banding them in a league table format. In many ways this would have made it easier to assess the performance and weaknesses of individual authorities.

The Organisational Development PPG might therefore find it helpful to consider the content of an extract from the penultimate draft shown below (**Exhibit 13**). It highlights the performance of local authorities relative to each other as opposed to an absolute standard.

Exhibit 13: Summary of the assessment of councils' asset management arrangements

	Aberdeen City	Aberdeenshire	Angus	Argyll & Bute	Clackmannanshire	Dumfries & Galloway	Dumfries City	East Ayrshire	East Dunbartonshire	East Lothian	East Renfrewshire	City of Edinburgh	Eilean Siar	Falkirk	Fife	Glasgow City	Highland	Inverclyde	Midlothian	Morey	North Ayrshire	North Lanarkshire	Orkney Islands	Perth & Kinross	Renfrewshire	Scottish Borders	Shetland Islands	South Ayrshire	South Lanarkshire	Stirling	West Dunbartonshire	West Lothian
1. Strategy, Policy and Plans	Red	Green	Red	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green
2. Structure, roles and responsibilities	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green
3. Working with service areas	Red	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green
4. Data collection	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green
5. Performance Management	Red	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green
6. Implementation	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green
7. Commercial Property (TNRP)	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green
8. Property Review	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green

Source Audit Scotland

In general the bandings broadly signify the following:

- **green** – a council exhibits many of the features associated with good practice (although there may be still some room for improvement)
- **amber** – the council has some of the features associated with good practice, but that there is room for improvement
- **red** – although the council may have some features associated with good practice but there is likely to be considerable room for improvement.

- 3.5 Therefore, in adopting the assessment categories shown in Exhibit 13, the key areas for scrutiny and challenge fall into the headings below.

While it is acknowledged that improvement work will be continuous under each of these headings the categories highlighted in bold lettering represent the areas of asset management where a greater immediate focus is required:-

1. **Strategy, policy and plans**
2. **Structure, roles and responsibilities**
3. Working with service areas
4. Data collection
5. **Performance management**
6. Implementation
7. Commercial property review
8. Property review

Appendix 2 attached to this report contains a table combining the areas for challenge listed above, the key Audit Scotland recommendations and a current statement of position from the Asset Management Board.

- 3.6 Following its re-establishment in April the Asset Management Board has been reviewing its terms of reference, composition and priority areas for action.

A report on the Audit Scotland study has been presented to the Board and agreement has been reached on incorporating the high level action areas identified above into its future work plan. These will, in turn, be translated into more specific and timetabled actions. It is understood that a more detailed report on this subject will be presented separately to the ODPPG.

- 3.7 The Strategic Asset Manger understands that Audit Scotland are likely to follow up the publication of their report with a check to measure how local authorities have reacted to its contents and findings. This exercise is thought to be timetabled for 3-6 months post-publication.
- 3.8 Looking slightly further ahead, it is understood that a future assessment of asset management arrangements within local authorities will be embedded within the next round of Best Value audits.
- 3.9 The Organisational Development PPG may also be interested to note that Audit Scotland carried out a parallel review of asset management arrangements across NHS Scotland. Both reviews contained intentional cross references to joint planning between LA's and Health Boards, Community Planning, sharing of data and the Scottish Governments hub Initiative.

4. **CONCLUSION**

In relative terms, compared with other local authorities, Argyll and Bute Council has emerged from this Study with some credit. To a large extent this has been due to the activities of the original Asset Management Board over the past 18 months and to those Service areas where a strong asset management ethos has developed.

However, there has always been an absolute acknowledgement that there are many areas within the Council's corporate and service asset management planning arrangements where there is much to be done to improve performance.

The findings from the Audit Scotland report have reinforced existing convictions that this Council is heading in the correct direction and it is the intention of the Asset Management Board to address those areas of weakness identified.

5. **IMPLICATIONS**

POLICY	Consistent with terms of Asset Management Strategy
FINANCIAL	None
PERSONNEL	None
EQUAL OPPORTUNITIES	None
LEGAL	None

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