

CORPORATE ASSET MANAGEMENT STRATEGY

1. EXECUTIVE SUMMARY

1.1 Asset Management is a structured and systematic approach to managing fixed assets on an ongoing basis. This approach addresses all phases of an asset's life cycle, from pre-acquisition through to retirement. Effective asset management planning means knowing what you own, where it's located, what it costs you, what it will cost you in the future, whether it will support current and future service delivery and who is responsible for it.

1.2 The Corporate Asset Management Strategy sets out the approach to management of its asset base. It sets out

The aims and objectives of the Corporate Asset Management Strategy are to ensure that all assets held by the Council are required for operational and regeneration/economic development purposes,

Links between asset management and the Corporate Plan, the Argyll and Bute Outcome Improvement Plan (ABOIP), Service Plans, Live Argyll and the Argyll and Bute Health and Social Care Partnership (HSCP)

Governance arrangements for asset management,

An overview of the performance improvement framework for asset management,

The need for asset management to be forward looking to deliver the assets which the Council requires for service delivery in the future.

3.13

asset management
performance by challenging services to ensure the most efficient and effective use
of assets focused on delivery of theelivee75s6se

Links Between Asset Management and Key Corporate Policies

3.17

key features of the Corporate Plan are incorporated within this strategy.

Council but operated by the Argyll and Bute Health and Social Care Partnership and Live Argyll continue to be the responsibility of the Council

| | | | |
|--|----|------------------------------------|--------|
| Learning Centre for pupils with additional support needs | 1 | Cemeteries | 131 |
| Leisure Centres | 5 | Crematoria | 1 |
| Community Centres | 4 | Lighting Units | 14,422 |
| Halls | 5 | Vehicles and Plant | 500 |
| Libraries | 11 | IT Systems and Devices (estimated) | 11,151 |

The table includes

- 3.31 A range of policies in support of good asset management practice have been developed and are included in the appendices to this document. The asset management policies approved to date are outlined in Appendix 1. In addition Services have been encouraged to develop policy statements in respect of each asset group.
- 3.32 Each year the Corporate Asset Management Plan will be prepared on the basis of the Corporate Asset Management Strategy and it will take account of the risks identified in the SAMPs and GAMP. The aim of the Corporate Asset Management Plan is to ensure that capital and revenue expenditure is directed efficiently and effectively to further:
- Strategic Change
 - Service Development
 - Asset Sustainability.
- 3.33 The Corporate Asset Management Plan sets out how Services will ensure that the opportunity cost of financial resources tied up in assets are minimised and that there is:
- An integrated corporate approach towards asset management, capital planning and budgeting process for both capital and revenue
 - A process for c
Corporate Plan and ABOIP
 - A process for asset decision making which is consistent with Services requirements
 - An identification of opportunities for innovation, asset investment or disposal
 - Provision of a context for capital project evaluation helping to prioritise decisions on spending.
- 3.34 Each Executive Director is responsible for the completion of their Service Asset Management Plan (SAMP), Group Asset Management Plan (GAMP) and Asset Group Summary templates. Service Asset Managers will prepare the Service Asset Management Plan, Group Asset Management Plan and Asset Group Summary templates, which when approved by the Departmental Executive Director, will be submitted to the Strategic Asset Management Board. The Strategic Asset Management Board will evaluate each Service Asset Management Plan (including Asset Management Plans prepared by the Argyll and Bute Health and Social Care Partnership and Live Argyll), Group Asset Management Plan, and Asset Group Summary template, from which the Corporate Asset Management and Capital Plan will be prepared.

- 3.35 In preparing Service Asset Management Plans, Service Asset Managers must consider the following guiding criteria:
- Maximise the impact of all capital and revenue expenditure on assets
 - Apply asset performance indicators and benchmarking (Condition, Suitability and Risk) to ensure robust planning and decision making
 - Maximise the utilisation of assets
 - Reduce the unit costs of service delivery through smarter and more efficient asset management
 - Dispose of underperforming, unsuitable assets and assets which are at risk
- Share assets with Community Partners and Third Sector to maximise public benefit
- 3.36 Community Empowerment legislation has recently been enacted. The Council has established an asset transfer policy and process to reflect the legislation and guidance.
- 3.37 The Council requires that decision making regarding the procurement, development and disposal of assets is founded on a robust process of options appraisal and Business Case gateways and have been subject to robust corporate challenge. The approach towards, and requirement for, options appraisal and Business Case development including the
- 3.38 In terms of procurement, the Council will take cognisance of traditional or emerging delivery options. It will have regard to the delivery options afforded, for instance, by the SFT and the Northern Hub Co, where appropriate.
- 3.39 Services continue to use a set of asset performance indicators and an associated programme of asset surveys that were previously introduced by the Strategic Asset Management Board. The performance indicators form part of the Service Asset Management Planning process to allow Services and the Council to benchmark asset performance and better inform decision making. In the future the Strategic Asset Management Board will monitor the survey frequency for specific asset groups and continually develop a programme of asset surveys in line with the agreed frequencies.
- 3.40 In order to fully support this strategy, the Council have implemented a corporate property management IT system to develop and improve its asset management and performance reporting capabilities.
- 3.41 Transformation Board and Special Projects Team to exploit opportunities for improved efficiency in asset planning and utilisation. One initiative that is under development is the provide improved asset management and quicker disposal of surplus assets.

4. CONCLUSION

- 4.1 In the short term the aim of the Corporate Asset Management

APPENDIX 1 – ASSET MANAGEMENT POLICIES

1.0 INTRODUCTION

2.0 OPERATIONAL PROPERTY ASSET POLICY STATEMENT

3.0 NON-OPERATIONAL PROPERTY ASSET POLICY STATEMENT

4.0 ASSET DISPOSALS POLICY STATEMENT

5.0 ASSET ACQUISITIONS POLICY STATEMENT

6.0 FLEET ASSET POLICY STATEMENT

7.0 INFRASTRUCTURE ASSET POLICY STATEMENT

8.0 ICT ASSET POLICY STATEMENT

9.0 BUILDING ELEMENT RISK CATEGORY POLICY STATEMENT

1.0 INTRODUCTION

Argyll and Bute Council holds each of its assets as a resource to be used in the delivery of services and to support and contribute to its corporate objectives.

This is the fundamental premise that underpins all the Council's actions in managing its assets. From the acquisition of new assets, their operation throughout their lifetime, right the way through to their eventual disposal, the overall way in which the Council deploys and accounts for its assets can be tested against the contribution they make to the overall corporate vision. It is recognised that all assets can make particular contributions in terms of:-

- Optimising asset portfolios to meet changing service needs.

2.0 OPERATIONAL PROPERTY ASSET POLICY STATEMENT

The Strategic Asset Management Board will oversee the management of all operational property assets to ensure that these resources are operated in an effective and efficient manner and contribute to an improved provision of services to the community.

To do this the Board will:-

- Ensure property is regarded and managed as a corporate resource.
- Ensure best value and best practice in the delivery of property and asset management services.
- Review and challenge the need for retaining properties with services.
- Ensure our property portfolio is suitable for its current use and supports effective

4.0 ASSET DISPOSALS POLICY STATEMENT

The Council has a statutory responsibility under the Local Government (Scotland) Act 1973, not to dispose of land at less than the best consideration. In order to comply with this obligation it will

5.0 ASSET ACQUISITIONS POLICY STATEMENT

The Strategic Asset Management Board's objective is to ensure that the necessary professional and technical services are in place to deliver the Council's capital and revenue programmes of new build, refurbishment and maintenance works in respect of developing, consolidating and protecting property assets.

The Board will ensure that the Property, Design, Estates and Asset Management Teams will provide the Council with construction, procurement, valuation and consultancy services including project management, project monitoring and budget management. On this basis the Board will be in a position to review and determine whether due process has revealed that acquisition is the only or most favourable option available.

In the event that the acquisition of an asset is the optimum solution the Strategic Asset Management Board will ensure efficient procurement of assets and construction projects by:-

- Reviewing the integrated and multi-disciplined approach within Facilities Services.
- Requiring services to follow the methodical and efficient processes contained within the Council's approved Capital Planning and Management Guide.
- Overseeing and reviewing the production of Full Business Cases.

7.0 INFRASTRUCTURE ASSET POLICY STATEMENT

The infrastructure portfolio is a complicated collection of diverse asset groups such as roads, bridges, piers, airports, amenity (e.g. cemeteries, memorials and parks), street lighting, landfill sites and flood prevention schemes. The overarching aim of the Strategic Asset Management Board is to ensure that the service with responsibility for these asset groups strives for a good quality, well maintained and sustainable infrastructure network that is not only safe but also contributes to the needs of the community together with the everyday requirements of the businesses operating within Argyll and Bute. The Annual Status and Options Report has been developed for the road, lighting and bridge/structures assets. This document includes deterioration modelling and investment scenarios that model likely future conditions.

The aim of the Strategic Asset Management Board is to make sure that:-

- The infrastructure assets perform well in terms of suitability and condition.
- Appropriate asset management information is gathered, maintained and used to underpin decision making.
- Infrastructure meets the needs of users' requirements and compliance with relevant legislation and regulations is achieved.
- Data continues to be gathered and held on appropriate systems.
- Benchmarking activities continue to inform business improvement actions.
- All of the above within the confines of the available budgets.

8.0 ICT ASSET POLICY STATEMENT

It is the aim of the Strategic Asset Management Board to ensure that the Council's ICT assets are utilised in the most effective, efficient and economical manner in support of the Council's plans, strategies and service delivery.

The following approach will be undertaken to achieve this:-

- Business, corporate and strategic requirements will be identified.
- Procurement options will be tailored and developed to suit continuing needs, taking into account ongoing maintenance and sustainability issues throughout the whole life of the asset.
- Regular reviews will be conducted to assess fitness for purpose and performance of the asset in question.
- Full compliance with legislative and operational requirements during the withdrawal

9.0 BUILDING ELEMENT RISK CATEGORY POLICY STATEMENT

The risk category for building elements is used as part of the condition surveys undertaken by Property Services. The classification for fabric related elements and building services are as follows:

Fabric – The condition of an element is based on a combination of factors including site visual appearance, manufacturer's guidance on the lifecycle of the element and frequency of repeated maintenance based on historical knowledge and recorded data. In taking cognisance of all factors an assessment is made and a score (out of ten) is applied resulting in a condition percentage being allocated to the element. A score of less than 40% is classified as **bad** and categorised as a red risk. A score between 40% and 60% is classified as **poor** and categorised as an amber risk. A score between 60% and 85% is classified as **satisfactory** and categorised as a yellow risk. A score greater than 85% is classified as **good** and categorised as a green risk.

In addition to overall condition and therefore the risk associated with elements, the Property