

WEST DUNBARTONSHIRE COUNCIL

Report by the Executive Director of Housing, Environmental and Economic Development

Council: 21 December 2011

Subject: Annual Review of Corporate Asset Management Strategy

1. Purpose

- 1.1** The purpose of the report is to inform Council of the progress that has been made in relation to the Corporate Asset Management Strategy following the initial Asset Management Strategy being presented and approved on 27 October 2010.

2. Background

- 2.1** The Council recognises that Assets are a key resource and require to be effectively managed. Asset Management is critical in enabling the delivery of improvement of service provision and ensuring that assets are utilised in the most effective and efficient manner.
- 2.2** Current guidance from CIPFA (Chartered Institute of Public Finance and Accountancy) suggests that Local Authorities should classify assets under six generic categories as follows:
- Property
 - Open Spaces
 - Roads Structures, Lighting and Water Related Infrastructure
 - Housing
 - Vehicle, Fleet and Plant
 - Information and Information Technology
- 2.3** Given the Economic pressures facing the Council presently and over the coming years, it is appropriate to have a more focused approach in developing an effective corporate Asset Management Strategy, demonstrating collaborative working and effective corporate decision making as well as delivering key short, medium and long term objectives.

3. Main Issues

- 3.1** The Strategic Asset Management Group has been operational for 16 months chaired by the Executive Director of Housing, Environmental and Economic Development and comprising of senior representation from all Council Departments. The role of this group is to continue to develop the Asset Management Strategy and to consider options for the future including efficiency of current assets, potential disposals, potential investment costs and the use of resources to optimise benefit to the Council.

Data Collection - General

- 3.2** One of the main areas of work identified within the original Property Action Plan was to ensure that the property data was available and refreshed. Systems were established to ensure all information was captured, known where it was held and on what format.
- 3.3** At present we are reconciling the various historic property lists into one overall list updating all building changes and disposals. This information will then be used to develop a condition survey programme over 3 years initially to ensure we are working with current information. Once the initial 3 year programme is completed the intention would be to revert back to a 5 year survey programme. A detailed condition survey plan will be prepared within the next month so a procurement exercise can begin.
- 3.4** Although suitability surveys have been refreshed in all our schools a programme of refreshing the remainder of our operation portfolio is required. A review of the current suitability survey form is underway to establish the best way to report on these buildings. It has been established that the Asset Management Section will carry out these surveys in order that we bring the suitability information back up to date.

Property Action Plan

- 3.5** All actions contained within the Property Action Plan for months 1 - 12 have been achieved to date which include.
- Surplus land sales programme has been reviewed with a revised programme of disposal dates set.
 - Feasibility study completed to establish whether securitisation of the non-operational estates rental income is feasible and how much capital it might generate. It should be noted that further significant progress has been made as per the update report to Council on 26 October 2011.
 - The office rationalisation action has now been developed into a Detailed Business Case which will be presented to the CMT challenge panel on 29 November 2011.
 - The depot Rationalisation action is currently being developed into a Detailed Business Case which will be presented to the CMT challenge panel in January 2012.
 - The Older People Care Homes action is being developed into a Detailed Business Case which will be presented to the CMT challenge panel in January 2012.
 - The Feed In Tariffs feasibility was investigated as per the action plan. The focus has subsequently changed to focus on a wind farm proposal as the priority project. The wind farm project has now been developed into a Detailed Business Case which will be presented to the CMT challenge panel on 29 November 2011. Feed In Tariffs in relation to Solar Photo Voltaics will continue to be further investigated.

- The Schools Estate Strategy continues to be developed. Good progress is being made in relation to the appointment of the Dumbarton Academy project which is expected to start on site in March 2012 as planned.
- Through the securitisation project 2 new schools projects are now at Detailed Business Case stage.
- The first project is a new co-location primary school in Bellsmyre, Dumbarton which will consist of St. Peter's Primary School and Aitkenbar Primary School with a new Early Education and Childcare Centre consisting of the current St. Peter's E.E.C.C and Andrew B Cameron E.E.C.C. This Detailed Business Case will be presented to the CMT challenge panel on 29 November 2011.
- The second project is a new Kilpatrick Secondary School replacing the existing provision. This Detailed Business Case will be presented to the CMT challenge panel on 29 November 2011.

Statutory Compliance

- 3.6** The Corporate compliance responsibility has now transferred to Asset Management now that relevant staff has now transferred from Property Maintenance.
- 3.7** A programme of compliance issues has been produced to address areas of action required including reviewing policies and procedures, review training needs of staff and refreshing the Responsible Premises Officer arrangements covering asbestos and legionella management.

Asset Management Plans

- 3.8** Excellent progress has been made in meeting the targets for producing new asset management plans including the service Asset Management Plan for ICT which was approved at the Corporate & Efficient Governance Committee on 23 November 2011.
- 3.9** The service Asset Management Plans for Open Spaces, Roads, Structures and Lighting and Vehicle, Fleet and Plant were submitted and approved at the Housing, Environmental and Economic Development Committee on 2 November 2011.
- 3.10** Progress continues to be made updating the Schools Estate Strategy and was refreshed in October 2011. No date has been announced by Scottish Government as to when the next submission will be requested however an internal update will be carried out annually.
- 3.11** Work continues to progress in capturing all Asset Management savings for 11/12 and 12/13. This will highlight all relevant projects that have generated actual savings and when expected savings will take effect. Various meetings have taken place with Corporate Finance to discuss how we track savings that should be attributed to the £250k asset management savings target for 2011/12 and a further £250k savings in 2012/13.

4. People Implications

- 4.1 Good progress continues to be made implementing the new Corporate Asset Management Structure. At present 42 out of the 45 posts within the new structure are filled which has included 4 vacancies being filled by staff that were displaced through the restructuring process.
- 4.2 The benefits of bringing together skills and expertise previously spread across the Council is now being realised and this will develop further over the next 12 months. Importantly the clarity of purpose established through the Corporate Asset Strategy provides a clear focus for the team as well as a sound basis for measuring added value and improved performance.

5. Financial Implications

- 5.1 The strategy over the 9 remaining years of the current plan will secure savings across our asset base however, capital investment will continue to be required in achieving on-going revenue savings. A number of projects through “spend to save” initiatives and the capital programme continue to progress to ensure that the strategy can be delivered effectively.

6. Risk Analysis

- 6.1 The main risk identified in the initial report of October 2010 was around the lack of available resources at that time. As identified in 4.1 good progress is being made in completing the new structure which will allow the successful delivery of the plan moving forward.

7. Equalities Impact Assessment (EIA)

- 7.1 No general issues were identified in relation to any potential equality impact from this report. However Equality Impact Assessment's have been carried out for the securitisation projects as listed in 3.5.

8. Strategic Assessment

- 8.1 The overall approach being taken to achieve the Asset Management Strategy and the securitisation project has the potential to have a significant impact on all of the Council's 4 priorities.
- 8.2 The projects which involve new build will assist in the social and economic regeneration of the area.
- 8.3 The financial model adopted for the securitisation project and capital plan will contribute to the effective delivery of the Council's financial strategy.
- 8.4 Asset Management will be improved by the significant investment in buildings, both from a new build and maintenance perspective.

8.5 All of the proposed projects are capable of improving our current services and ensuring that the Council has fit for purpose services in the future.

9. Conclusions and Recommendations

9.1 The Corporate Asset Management Strategy represents a strategic approach to the management of the Council's Assets. Its aim is to continue to ensure that our Assets are managed in a more Corporate, coherent and prioritised fashion as a mechanism to support the delivery of key services, ensuring their effectiveness in meeting the current and future need of communities.

9.2 It is recommended that the Council:

- (i) note the progress being made in delivering the Asset Management Strategy; and
- (ii) agree that future annual update reports will be submitted to Council;

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Date: 28 November 2011

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Appendices: None

Background Papers: None

Wards Affected: All