

ABERDEEN CITY COUNCIL

COMMITTEE	Finance & Resources
DATE	29 September 2011
DIRECTOR	Gordon McIntosh
TITLE OF REPORT	Property Asset Management Plan Update 2011
REPORT NUMBER:	EPI/11/244

1. PURPOSE OF REPORT

Update members of the progress made since the approval of the Property Asset Management Plan in 2009 and the subsequent update in 2010.

2. RECOMMENDATION

That the Committee approves the Property Asset Management Plan Update 2011.

3. FINANCIAL IMPLICATIONS

There are no immediate financial implications flowing from this Report.

4. OTHER IMPLICATIONS

Staff resources will have to be identified to undertake the detailed property reviews. All other work associated with the PAMP will be undertaken by the Asset Management Team.

5. BACKGROUND/MAIN ISSUES

The Council's first Property Asset Management Plan (PAMP) was approved by the Resources Management Committee in June 2009. It was subsequently updated and approved by this Committee in September 2010. It is recommended good practice to update the PAMP every year. This ensures elected members are kept informed on progress and helps refocus attention on key areas. This update identifies key areas of progress since 2010 as well as highlighting areas for development.

The attached shows the completed Property Asset Management Update 2011. This document was presented at a meeting of the Corporate Asset Group meeting on 29 August and subsequently

approved, with minor alterations. The document will also approved at CMT on 15 September. Some of the key points/findings from the PAMP Update are as follows:-

Objectives & Priorities

Those stated in the 2009 PAMP remain active and are restated below, with some appropriate amendments, including the need for all property reviews to consider the implications of the Priority Based Budget exercise.

Current Asset Management performance

- 82% of operational assets are rated as suitable – Decrease
- 89% of operational assets are in satisfactory or good condition - Improvement
- 72% of operational assets are in both suitable and in satisfactory/good condition – Improvement
- 86% of operational assets are publicly accessible - Improvement
- There is £66 million of required maintenance in our operational assets, equating to £122 per sqm - Improvement

Key Challenges & Achievements

Challenges – The most significant challenges are financial, with a reduction in the Council's General Services Capital Programme and the continued revenue pressures making effective Asset Management very challenging.

Achievements – These include the completion of the 3R's project and the opening of Marischal College. Improvements across a number of key performance indicators and the completion of Service Asset Management Plans for all Services.

Delivery Arrangements

During 2010/11 Asset Management has become more embedded within the Council's corporate structure with the recognition of the importance of the Corporate Asset Group, and the importance of this Group in the management of the Capital Programme. Furthermore the Group has been instrumental in supporting all Services to develop Service Asset Management Plans, which will allow Services to understand how properties assist in the delivery of their services.

Services have developed their Service AMP's using the abbreviated SAMP as recommended in the 2009 PAMP. They have all been approved by the relevant Service Committee and are being used in asset management decision making processes.

A new structure for the future delivery of Asset Management was approved in April 2011 and has now been implemented. The structure brings together the Estates Service, Fleet Services, Asset & Capital Management and the management of the Tenanted Non Residential Portfolio (TNRP).

Investment Planning

For the current and forthcoming financial year the review of capital projects is being linked with the Priority Based Budgets project and the 5 Year Business Plan. The timetable for this year is:-

Report	Key dates
Discussions with Directors / Key Members	June
Completion and submission of Capital Proforma to SMTs	August
Submission of Capital Business Case to the Corporate Asset Group	October
Report to CMT	October / November
Report to Council as part of overall budget setting process	December
CMT	Monthly

In the financial year 2010/11 there was no set target for capital receipts given the level of market activity. £1,430,986 was generated for the General Services Account through sales on the open market with a further £2,597,00 through transfers of surplus assets to the Housing Revenue Account. A further £103,000 was generated in receipts for the City Improvement Fund.

The target for the General Services Account in 2011/12 is £6.735 million. Current projections indicate that we are on target to achieve this. However, there is one significant Receipt that accounts for almost 50% of the projected £6.735 million total. The timing of the conclusion of this receipt has a significant impact on the overall Capital Programme and will require to be carefully monitored and managed.

Performance Management

Education Culture & Sport completed a review of the Secondary schools with assistance from the Asset Management team. The recommendations have not been implemented to date. The provision

for Children with Additional Support Needs has been the subject of a review resulting in the identification of a requirement for a new school. A Primary School review is set to commence in 2011. Community Centres are the subject of a lengthy review which has yet to reach its conclusion.

A programme of reviews for the TNRP portfolio was established and is now at an advanced stage. Among the first grouping reviewed was the Shop portfolio, parts of which were not performing well. This review resulted in a report recommending the disposal of number of these assets which was approved by the Finance & Resources Committee on 10 February 2011. These assets are now being actively marketed, with a report on today's agenda on their possible sale.

Key Priorities

- Expand accessibility of Corporate Asset Management System (CAMS) to all Services and specific Elected Members
- Complete Non-School Suitability Assessments
- Continue Commercial Property Review (TNRP)
- Implement Asset Management pages within the Zone and Website
- Continue Implementation of Capital Prioritisation Process
- Identification of Projects for inclusions within Condition & Suitability Programme

6. IMPACT



Corporate - The continued implementation of the Property Asset Management Plan will ensure that the Council is utilising its property portfolios to support Services in implementing the Single Outcome Agreement. The approved property visions and asset objectives already support *Vibrant, Dynamic & Forward Looking*. They will also be reviewed by the Corporate Asset Group to link to the 5 Year Corporate Business Plan.

Public – The continuing improvement to the Council's properties through good asset management practices will help ensure that services are being delivered from buildings that are "fit for purpose".

7. BACKGROUND PAPERS

Property Asset Management Plan 2009 (Non-Housing)
Property Asset Management Plan Update 2010
RICS: Public Sector Asset Management Guidance 2008
CIPFA: A Guide to Asset Management & Capital Planning 2008
Audit Scotland: Asset Management in Local Government 2009

8. REPORT AUTHOR DETAILS

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