

## **Corporate Asset Management Plan 2013**

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# Executive Summary

## 1.0 Background

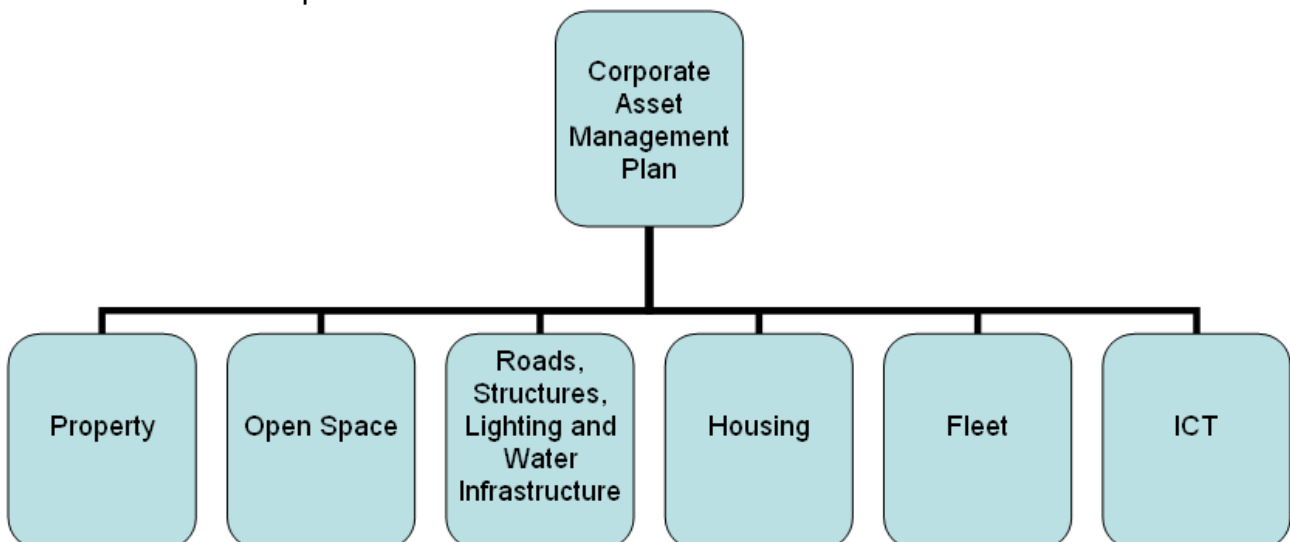
1.1.1 Asset Management is recognised as vital to optimising the use and management of assets with the aim of releasing financial and service benefits. This is identified in a recent publication from the Scottish Futures Trust (SFT) entitled “Improving Asset Management across the Scottish Public Sector”.

## 1.2 Asset Management Planning in Aberdeen

1.2.1 Aberdeen has become an exciting place to live, work and visit. Aberdeen has evolved into a city with a recognised global reputation for knowledge development, capture and application. Its people have a strong, outward-looking view of the world, grounded in an equally strong sense of their traditional north-east identity. Its continued economic success is benefiting all its citizens and advancing equality in the city such that the City is now highly placed in Europe for quality of living.

1.2.2 Asset management therefore has an important role in maintaining and enhancing Aberdeen’s position. This Council has carried out asset management in other guises for many years but only since 2007 have significant steps been made in corporate asset management and in particular property asset management

1.2.3 The diagram below indicates the best practice model for strategic asset management documents, with the Corporate AMP acting as an umbrella document. Each detailed asset management plan will follow a broadly similar structure although by the very nature of the different types of assets they approach asset management in different ways when required. However, they will have a common theme of offering a critical appraisal of existing asset performance as well as identifying future investment requirements.



## 2.0 Council's Vision and Asset Objectives

2.1.1 The Council's approved vision for our assets is:-

**“The Council will provide assets, working with partners, where appropriate, which support the Council in the delivery of quality services by being fit for purpose, accessible, efficient, suitable and sustainable.”**

2.1.2 In order to deliver our Strategic Priorities, we have identified 6 overarching asset aims and objectives that will seek to ensure that the Council's assets are fit for purpose within the current budgetary restraints.

- **Assets must meet the needs of those that use them.** As assets are used by all Services to assist in their delivery of services, they are vital in ensuring continuing support to all citizens, users of the Council's services, and the local economy.
- **Assets must be economically sustainable.** This means keeping running costs down, considering the reuse of assets rather than renewal, undertaking option appraisals incorporating whole life costing for projects and assessing opportunity costs where relevant.
- **Assets must be safe and comply with current legal requirements.**
- **Assets must make a strategic impact.** Ensuring that our assets contribute to the outcomes set out within our Single Outcome Agreement, our strategic priorities and address challenges.
- **Assets must be environmentally sustainable.** Ensuring that asset decisions take into account both the local and global environment and make a positive contribution to a sustainable community.
- **Work with our partners where practical to encourage joint working, sharing of assets and shared asset strategies.**

## 3.0 Delivery Arrangements

### 3.1 Corporate Asset Group

3.1.1 The Corporate Asset Group (CAG) continues to generate a culture and awareness of asset management within the Council. As a result significant improvements in asset management processes have been made. The importance of the Group continues to be recognised particularly in terms of the support it provides to all Services in developing their Service Asset Management Plans, considering the corporate impact of service demands for new assets and therefore the management of the Capital Projects and Programmes process.

### 3.2 Asset Management Plans

3.2.1 Asset Management Plans for each of the asset types are already in place or are programmed for completion during 2013. Progress with each AMP is shown in Sections 4-9. Annual updates are required, with best practice suggesting a comprehensive review every 3 years. Service AMP's are also subject to annual update.

## 4.0 Performance Management

4.1.1 The effectiveness of this asset management strategy needs to be measured. Key Performance Indicators will therefore be needed for each of the AMPs. Those selected should give an overview of the performance across the asset groups or specific asset groups. Existing performance indicators, statutory performance indicators or benchmarking indicators can be used but in some cases new indicators may require to be devised.

## 5.0 Capital Strategy and Funding – Non-Housing

5.1.1 The Council faces real challenges in funding capital projects and the demands for new infrastructure and buildings. Recent years have seen a decline in the capital programme, which means that several projects have not been funded. The Councils debt charges have been targeted for reduction, which means that borrowing to support the programme is not a desirable option. As such future capital programmes will be primarily funded through the Scottish Government grant and capital receipts.

5.1.2 The Council has an approved a Corporate Process for the Prioritisation of Non-Housing Capital bids. This process is due for review and the revised version will be submitted to the Finance & Resources Committee for approval during 2013.

## 6.0 Approved Non-Housing Capital Projects 2012-2015

6.1.1 The approved three year Capital Programme against each asset group is summarised below. A full list of the projects can be seen in **Appendix A**. It should be noted that projects in some cases may have part funding from previous capital programmes or will require funding in future programmes. Any grant funding is not factored into these figures.

	3 Year Budget £000's
Property	58,107
Open Space	8,269
Infrastructure	33,540
Fleet	1,200
ICT	342

## 7.0 Capital Strategy and Funding – Housing

7.1.1 The Council is working towards a 30 Year business plan which demonstrates the long term affordability of maintaining and improving the Council housing stock. The Housing Capital Programme is an integral element of the long term plan. The monies required to fund the housing capital programme can be achieved through a combination of external borrowing, capital grants and a revenue contribution. The primary revenue income is rent which means the Housing Capital Programme is closely tied to the rent strategy.

## 8.0 Approved Housing Capital Projects 2012/13

8.1.1 The approved Capital Programme is summarised below.

Heading	Determination	£000s
SHQS	Compliant with tolerable standard	600
	Free from Serious Disrepair	9,301
	Energy Efficiency	7,635
	Modern Facilities and Services	16,410
	Healthy Safe and Secure	2,576
Non SHQS	Community Plan and SOA	4,306
	Service Development	250
	Service Fees	5,923
Total		47,001

## 9.0 Key Priorities

9.1.1 Several key tasks have been identified by the CAG as key to ensuring the continued implementation of asset management. This includes the completion of AMP's for all asset groups. A timetable for completion of the various AMP's is included within this document.

# 1. Background

## 1.1 Asset Management Planning

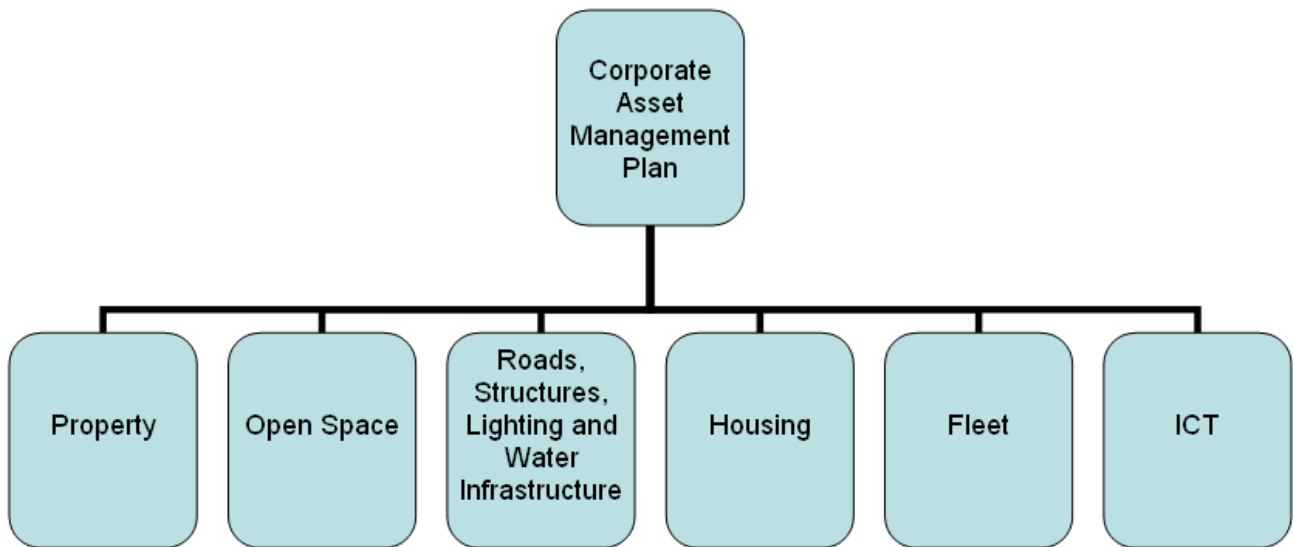
- 1.1.2 Asset Management is widely recognised by the Scottish Government and Public Bodies as vital to optimising the use and management of assets with the aim of releasing financial and service benefits. This is identified in a recent publication from the Scottish Futures Trust (SFT) entitled “Improving Asset Management across the Scottish Public Sector”. Such thoughts have been expressed in earlier publications from Audit Scotland, the Chartered Institute of Public Finance & Accountancy (CIPFA) and various professional bodies.
- 1.1.3 Asset Management Planning simply put ‘is the activity that ensures that the assets make the maximum possible contribution to achieving the goals and objectives of an organisation.
- 1.1.4 All Councils across Scotland have taken up Asset Management to some degree. However, there are few that could say that they have fully developed Asset Management Plans for all their assets.

## 1.2 Asset Management Planning in Aberdeen

- 1.2.1 Aberdeen has become an exciting place to live, work and visit. Aberdeen has evolved into a city with a recognised global reputation for knowledge development, capture and application. Its people have a strong, outward-looking view of the world, grounded in an equally strong sense of their traditional north-east identity. Its continued economic success is benefiting all its citizens and advancing equality in the city such that the City is now highly placed in Europe for quality of living.
- 1.2.3 Asset management therefore has an important role in maintaining and enhancing Aberdeen’s position. This Council has carried out asset management in other guises for many years but it wasn’t until 2007 that the Council actively set out to implement asset management. Part of this initial step was to ask CIPFA to perform a review of asset management within the Council. These findings were included within the 2009 Property AMP. Significant steps have been made since then both in corporate asset management and in particular property asset management.
- 1.2.4 Asset management is now well developed within the Council. Significant improvements have been made in essential processes/procedures as well as the ongoing improvements to actual assets. This good work is set to continue in future years through the evolving culture within all services and various work streams subject to funding availability.
- 1.2.5 The expected growth in the population and the new communities created as a result, along with demographic changes within existing communities creates challenges in asset management terms. This includes identifying provision for new assets, rationalisation of assets and identifying appropriate funding.
- 1.2.6 Also of note is a significant push from the Scottish Government, through the SFT to improve joint working and integration with all public sector partners. The Council is

already an active contributor to the work of the Grampian Public Sector Strategic Asset Group (GPsSPAG) (a network of public sector partners in the Grampian area).

1.2.7 The diagram below indicates the best practice model for strategic asset management documents, with the Corporate AMP acting as an umbrella document. Sections 4-9 of this document goes on to show the progress with each of the individual AMP's. Each detailed asset management plan will follow a broadly similar structure although by the very nature of the different types of assets they approach asset management in different ways when required. However, they will have a common theme of offering a critical appraisal of existing asset performance as well as identifying future investment requirements.





## 2. Corporate – Objectives and Priorities

### 2.1 Council's Vision and Asset Objectives

2.1.1 The key to ensuring that our assets deliver what is required for Aberdeen, both now and in the future, is ensuring that our use and management of assets is aligned to our strategic objectives and priorities.

2.1.2 The Council's Vision and strategic priorities are set out in 'Aberdeen – the Smarter City'. To realise this vision, Aberdeen City Council is working to support:

An ambitious, achieving, smart city, which:

- Develops an economy based on knowledge and innovation;
- Encourages more efficient use of greener resource which generates a competitive economy;
- Uses technology and data to enable informed decisions to be taken;
- Enables citizens to interact in a city where there is a sense of place; and
- Encourages a form of governance which engages citizens.

Strategic priorities are set out under specific themes:

- Smarter Governance
- Smarter Living
- Smarter People
- Smarter Environment
- Smarter Economy
- Smarter Mobility

Assets have a particularly important role to play in Smarter Living, Smarter People, Smarter Environment themes and Smarter Mobility.

2.1.3 The Council's approved vision for our assets is:-

**“The Council will provide assets, working with partners, where appropriate, which support the Council in the delivery of quality services by being fit for purpose, accessible, efficient, suitable and sustainable.”**

2.1.4 In order to deliver our Strategic Priorities, we have identified 6 overarching asset aims and objectives that will seek to ensure that the Council's assets are fit for purpose within the current budgetary restraints.

- **Assets must meet the needs of those that use them.** As assets are used by all Services to assist in their delivery of services, they are vital in ensuring continuing support to all citizens, users of the Council's services, and the local economy.
- **Assets must be economically sustainable.** This means keeping running costs down, considering the reuse of assets rather than renewal, undertaking option appraisals incorporating whole life costing for projects and assessing opportunity costs where relevant.

- **Assets must be safe and comply with current legal requirements.**
- **Assets must make a strategic impact.** Ensuring that our assets contribute to the outcomes set out within our Single Outcome Agreement, contribute to our strategic priorities and address challenges.
- **Assets must be environmentally sustainable.** Ensuring that asset decisions take into account both the local and global environment and make a positive contribution to a sustainable community.
- **Work with our partners where practical to encourage joint working, sharing of assets and shared asset strategies.**

## **3. Delivery Arrangements**

### **3.1 Corporate Asset Group**

3.1.1 The Corporate Asset Group continues to generate a culture and awareness of asset management within the Council. As a result significant improvements in asset management processes have been made. The importance of the group continues to be recognised particularly in terms of the support it provides to all Services in developing their Service Asset Management Plans, considering the corporate impact of service demands for new assets and therefore the management of the Capital Projects and Programmes process.

3.1.2 The Head of Asset Management & Operations continues to chair the group, with the following officials representing each Service:-

- Head of Finance, Corporate Governance
- Head of Environment Services, Housing & Environment
- Head of Regeneration and Housing Investment
- Head of Service, Office of Chief Executive
- Head of Customer Service and Performance
- Head of Adult Services
- Head of Educational Development, Policy and Performance
- General Manager, Asset Management

### **3.2 Asset Management Team Function**

3.2.1 The Asset and Capital Management function brings together Asset Management, Corporate Asset Management System, Design and Energy Management. These teams are core to the success of Asset Management and the support provided to other services in developing asset management plans.

### **3.3 Service Representatives**

3.3.1 Each Service has a nominated official who acts as the direct link with the Asset Management Team. In most cases they also coordinate the Asset Management Plans (AMP) and Service Asset Management Plans (SAMP) for their service. Members of the Asset Management Team meet with Service Reps on a six weekly basis to discuss the key issues.

### **3.4 Asset Management Plans**

3.4.1 Asset Management Plans for each of the asset types are already in place or are programmed for completion during 2013. Details of the progress with each AMP are shown in Sections 4-9. Annual updates are required, with best practice suggesting a comprehensive review every 3 years. Service AMP's are also subject to annual update.

### **3.5 Partnership & Collaboration**

- 3.5.1 The Council needs to work closely with partners, particularly those within the public sector to ensure joint opportunities for efficiencies are explored. Through the GPsSPAG a number of policies and procedures have been agreed to allow public property assets to be used more efficiently between partners including model occupancy agreements (used by the Council to regularise occupation of 3R schools by Grampian Police and NHS Grampian) and sharing information on potentially surplus assets.
- 3.5.2 The ongoing joint working within this group shows that there are real opportunities for the Council. Individual AMPs will explore the possibility of similar approaches and will outline how these can be progressed.

### **3.6 Communication**

- 3.6.1 Communicating the purpose, benefits and achievements of asset management, particularly corporately is an essential component for success. Training for members and officers has been made available in the past, with the focus at the time primarily on property assets. It is necessary to review the requirements for both members and officers, to ensure that there is sufficient asset management knowledge. The level of training required will vary, particularly between asset groups. A review will be carried out to establish an appropriate way forward.
- 3.6.2 All the approved AMPs are available on the Council's website along with some general information and contact details. In addition there is now a Property Asset Management toolkit available on the Council's internal website. This holds all the essential information for Services and includes links to documents such as the Service AMP guidance and suitability assessment proforma.

## 4. Property Asset Management Plan

Status – 2012 PAMP approved by Finance & Resources Committee 4 October 2012

Lead Service – Enterprise Planning & Infrastructure

### 4.1 Introduction

4.1.1 The Council owns a hugely diverse property portfolio containing around 1200 assets, including both land and buildings. It is a constantly evolving portfolio with assets being sold, built and leased all resulting in changes to the overall numbers.

4.1.2 The Council's first Property Asset Management Plan (PAMP) was approved by the Resources Management Committee in June 2009 and updated annually thereafter. It is recognised as good practice to have a complete review of the PAMP every three years with annual updates in between.

### 4.2 Assets Included

Asset Type	Number	Grouping
Car parks (incl multi-storey and staff)	24	Operational
Childrens Homes	4	Operational
Community Centres	44	Operational
Depots/Stores	47	Operational
Education	70	Operational
Family Centres	6	Operational
Homes and Hostels	17	Operational
Libraries	17	Operational
Miscellaneous (e.g. Crematorium)	5	Operational
Museums/Galleries	5	Operational
Office	34	Operational
Public Conveniences	13	Operational
Leisure Facilities	5	Operational
Sports Facilities	3	Operational
Construction/Refurbishment funded	9	Operational
Aberdeen Performing Arts	3	Operational Trust
Sports Trust Managed	35	Operational Trust
Vacant but not Declared Surplus	17	Not Declared Surplus
Held for Roads Improvement	6	Vacant (Roads Improvement)
Business Centres	3	TNRP
Car parks and spaces	19	TNRP
Commercial (Other)	9	TNRP
Depots/Stores	14	TNRP
Factory/Industrial Units	116	TNRP
Farm and field leases	31	TNRP
Garage sites and lock-ups	61	TNRP
Ground Leases	321	TNRP
Homes and Hostels	18	TNRP
Miscellaneous Assets	8	TNRP
Offices	35	TNRP
Sports Facilities	5	TNRP
Shops	92	TNRP
SITA Managed Assets	7	TNRP
Staff Houses	41	TNRP
Community Facilities	6	TNRP
Various Surplus Assets	60	Surplus Assets

## 4.3 Aims & Objectives

### 4.3.1 Our approved vision for property assets is:-

**“The Council will provide property, working with partners, where appropriate, which supports the Council in the delivery of quality services by being fit for purpose, accessible, efficient, suitable and sustainable.”**

There are 7 overarching property aims and objectives that will seek to ensure that the Council’s assets are fit for purpose within the current budgetary restraints.

- **Assets must meet the needs of those that use them.** This includes staff, elected members, visitors, customers and the general public, people with disabilities or special needs and other minority groups. This means creating a comfortable and accessible environment that makes a positive contribution to the use to which the asset is put. It also means asking people what they think about our property assets and responding to their needs.
- **Assets must be economically sustainable.** This means keeping running costs down, prioritising capital spending, considering the reuse of assets rather than renewal, proper option appraisal incorporating whole life costing and assessing opportunity costs.
- **Assets must be safe and comply with current legal requirements and any future requirements.** This means ensuring that regular surveys and inspections for asbestos, legionella, fire and health and safety as well as physical conditions surveys and Disability Discriminations Act (DDA) audits are undertaken.
- **Assets must make a strategic impact.** Ensuring that our property decisions are linked to decisions on other Council resources (staff, IT, finance) and that asset management contributes to our strategic priorities and challenges.
- **Assets must be environmentally sustainable.** Monitoring and reducing energy consumption and CO<sub>2</sub> emissions, ensuring that asset decisions take into account both the local and global environment and make a positive contribution to a sustainable community.
- Working with our public sector partners, primarily in the Grampian Public Sector Strategic Property Asset Group. We are developing a shared strategy to **encourage the sharing of property assets where practical.**
- **Heritage Assets should be maintained to a high standard.** Ensuring the Council upholds its responsibilities in maintaining our built heritage.

## 4.4 Investment Requirements

### Approved capital projects 2012-2015

- New Additional Supports Need School
- New Children’s Home (Marchburn House)
- New Homeless Accommodation (Victoria House)
- School Estate Strategy (Riverbank/Bucksburn & Newhills)

- Tullos Pool - Refurbishment
- Condition & Suitability Rolling Programme
- Corporate Office Accommodation Improvements
- Frederick Street Relocations - Crombie Road
- Frederick Street Multi Storey Car Park
- Duthie Park & Winter Gardens Replacement Greenhouses
- Reserve Collection Store

**Funding requested for 2015-2018 include**

- Energy from Waste Plant
- New Replacement Childrens Home
- New Academy to the South
- Art Gallery Refurbishment
- Music Hall Refurbishment
- New Milltimber Primary

## **5. Open Space Asset Management Plan**

Status – Open Space Strategy in place. First Open Space AMP required.

Lead Service – TBC

### **5.1 Introduction**

5.1.1 Aberdeen City is renowned for its beautiful parks and open spaces, which are considered to be some of the best green spaces in Scotland. This makes for a beautiful city environment and contributes to our quality of life. There is growing evidence that quality and accessible open spaces play a vital role in the health and wellbeing of everyone. Good quality open spaces provide opportunities for outdoor recreation, physical exercise and promote social interaction and cohesion. It is recognised that open spaces play an important role in reducing and mitigating the effects of climate change and the conservation of biodiversity. They act as green lungs for the city and its residents and help in absorbing carbon emissions. Developing and managing quality open spaces is a major challenge that demands resources and time. This cannot be achieved by an individual or an organisation and requires joint working and a partnership approach.

5.1.2 The Council has an approved Open Space Strategy, which covers many aspects of what would be considered an Open Space AMP. In addition the Housing & Environment AMP approved at the Housing & Environment Committee on 28 August 2012 also identifies some key asset management issues. There is now a need to bring this information together, within the Open Space AMP.

### **5.2 Assets Included**

- Public Parks and Gardens
- Amenity Greenspace
- Play Space for Children
- Sports Areas
- Green Corridors
- Allotments
- Natural Semi-Natural
- Civic Space
- Burial Grounds
- Former Landfill Sites
- Park/Street Furniture

### **5.3 Aims & Objectives**

5.3.1 To be determined with the Vision, Aims and Objectives from Open Space Strategy to act as a starting point.



## **5.4 Investment Requirements**

### **Approved capital projects 2012-2015**

- Ness Landfill Restoration
- Hill of Tramaud Landfill - Change of Law Costs
- Duthie Park Restoration

### **Funding requested for 2015-2018**

- Leachate and Gas Control Measures at Ness Landfill
- Hill of Tramaud Landfill - Change of Law Costs (further phase)
- Play equipment – removal/replacement

## **6. Infrastructure Asset Management Plan**

Status – Road AMP approved at Enterprise Planning & Infrastructure on 11 September 2012. First Infrastructure AMP to be completed in 2013.

Lead Service – Enterprise Planning & Infrastructure

### **6.1 Introduction**

6.1.1 The Council had its Roads AMP approved in 2012. This did not cover the full range of infrastructure assets and work is required to extend this document so that it covers all of the infrastructure assets the Council is responsible for. This document will cover all the assets listed.

### **6.2 Assets Included**

- Carriageways – e.g. Adopted Roads Network
- Footways, Cycleway and Verges
- Lighting
- Signs, Barriers and Street Furniture
- Bridges & Other Structures
- Water Related Assets – e.g. Coastal/Flood Defences
- City Broadband

### **6.3 Aims & Objectives**

6.3.1 To be determined by AMP.

### **6.4 Investment Requirements**

#### **Approved capital projects 2012-2015**

- Planned Renewal & Replacement of Road Infrastructure
- Aberdeen Western Peripheral Route
- Cycling Walking Safer Streets Grant
- Access from the North
- City Broadband

#### **Funding requested for 2015-2018**

- Planned Renewal & Replacement of Road Infrastructure
- Aberdeen Western Peripheral Route (AWPR)
- Central Aberdeen Infrastructure
- A96 Link Road and Park & Choose
- Upgrade of Signage for AWPR
- Rob Roy Bridge structural improvements

## **7. Housing Asset Management Plan**

Status – Being developed

Lead Service – Housing & Environment

### **7.1 Introduction**

7.1.1 The housing stock for Aberdeen City Council has continued to reduce over the years because of the Right to Buy, however the Council applied for Pressured Area Status (PAS) in 2007 which has resulted in a decrease of applications being made by tenants to purchase their properties. In 2012 the Council extended the number of PAS letting areas to 50 and this will contribute to further reductions in RTB sales. The main reasons for applying PAS are due to the Council experiencing an increase in waiting lists coupled with the number of relets of properties declining, subsequently putting pressure on meeting housing needs in the City. Further pressure has been exerted on the Council's ability to meet housing needs by the number of homeless households in priority need who had to be offered permanent accommodation to meet the Scottish Government's homeless target by December 2012.

7.1.2 The Council has recently embarked on a new build housing programme which has provided 151 new homes and is also working with local developers through the National Housing Trust (NHT) to provide 85 mid-market rent properties. At this time the Council does not have plans to provide any new properties in the immediate future, however this could change once the Framework for Regeneration is completed and implemented.

7.1.3 Housing & Environment has started to develop an appropriate asset management plan for its fifty nine multi storey flatted blocks, which accounts for 20% of the housing stock. This will be conducted with external stock condition and asset management advice and will be supplemented by investment in new systems. Collectively it will form the blueprint for a fuller asset management plan to follow in the remainder of 2013.

7.1.4 The context within which Plan will operate is:-

- A current demand made to the Council for rented housing creates a waiting list in excess of 6,000
- Customer and tenancy demand which is changing to reflect demographic or tenant changes
- An investment programme which is spearheaded by meeting SHQS standards and carbon reduction targets

### **7.2 Assets Included**

- Multi-Storey Blocks
- Non-Traditional Housing Types
- Traditional Housing Types

- Sheltered Housing

### 7.3 Aims & Objectives

7.3.1 To be determined by AMP.

### 7.4 Investment Requirements

#### Current Housing Capital Programme

- Victoria House Flatted Accommodation
- Scottish Housing Quality Standards
  - Compliant with the tolerable standard
  - Free from Serious Disrepair
  - Energy Efficient
  - Modern Facilities & Services
  - Healthy, Safe & Secure
- Non Scottish Housing Quality Standards

#### 2013/14 Housing Capital Programme

Heading	Determination	£000s
SHQS	Compliant with tolerable standard	1,250
	Free from Serious Disrepair	11,050
	Energy Efficiency	7,305
	Modern Facilities and Services	13,894
	Healthy Safe and Secure	3,476
Non SHQS	Community Plan and SOA	4,100
	Service Development	250
	Service Fees	5,605
Total		46,930

## **8. Fleet Asset Management Plan**

Status – Plan to be approved at Finance & Resources Committee 21 February 2013

Lead Service – Enterprise Planning & Infrastructure

### **8.1 Introduction**

8.1.1 Meeting the requirements of our Fleet Operators License is of vital importance to the delivery of services across the Council. Fleet Management is therefore encompassed within the asset management team to ensure the principles of sound asset management are adopted within this service area.

8.1.2 The Council, as a Fleet Operator, manages and maintains a wide range of vehicles and plant to enable a number of services to operate efficiently. The operation has a legislative basis and failure to meet the requirements of the Traffic Commissioner could lead to a suspension of the license and added costs for the Council to deliver services.

### **8.2 Assets Included**

- Vehicles and Plant - 1800
- Vehicle Workshop - 1

### **8.3 Aims & Objectives**

8.3.1 The aims and objectives in providing a Fleet Maintenance Service is to ensure that the Council continues to operate vehicles which are fit for purpose for delivering services, meet all of the requirements of our operators license and satisfies all Health & Safety, Legislative and Statutory requirements

8.3.2 Goals:-

- Ensuring Council Services have the appropriate vehicles to carry out their responsibilities and duties
- Maintaining vehicles to VOSA (Vehicle Operator Services Agency) standard
- Ensuring Fleet Asset Management information and data is collected and stored effectively
- Demonstrating Best Value
- Considering the needs of Stakeholders
- Ensuring vehicles are environmentally friendly
- Maintaining the City Council's Operator's Licence

### **8.4 Investment Requirements**

#### **Approved capital projects 2012-2015**

- Hydrogen Buses

## **Revenue Replacement Programme**

A draft 5 year replacement programme has been established and is included within the Fleet AMP.

## **9. ICT Asset Management Plan**

Status – Approved by Finance & Resources Committee on 6 December 2012

Lead Service – Corporate Governance

### **9.1 Introduction**

9.1.1 The ICT Section within Corporate Governance is committed to working within the Council and with its partner organisations to deliver a value for money, secure, quality service which enables business innovation through its use of ICT. The first ICT Asset Management Plan was approved in December 2012 and will be reviewed on an annual basis thereafter.

### **9.2 Assets Included**

- Data Centre and network communication facilities incorporating Server Racks, Uninterrupted Power Supplies (UPS), Generators and Air Conditioning;
- Communication Lines and network equipment including cabling, wireless access points, controllers, switches, routers and hubs;
- Telephone Systems and handsets, including mobile phones, Blackberry and other smart phone devices;
- Desktop computers, laptops and thin client devices;
- Servers;
- Shared network and local storage and backup facilities;
- Shared network and peripheral devices (printers and scanners);
- Local peripheral devices (USB memory sticks, printers, scanners);
- Enterprise Applications (Internet/Intranet presence, E-mail, Content Management, Firewall, Security);
- Enterprise Database Systems (Oracle and SQL Server);
- Enterprise Agreements, Contracts and Certificates;
- Data and Information

### **9.3 Aims & Objectives**

9.3.1 In designing our approach to ICT asset management we have identified the following 5 overarching aims and objectives that will seek to ensure that the Council's ICT assets are fit for purpose within the current budgetary restraints:-

- ICT Assets should meet the needs of those that use them. This includes staff, members, pupils, visitors, customers and the general public through the different access channels (face to face, telephone and online). ICT Asset access needs to consider access for those with disabilities and or special needs, such as additional language support.
- ICT Assets should be economically sustainable with minimal operating costs on a whole life costing model. This means keeping running costs down, maximising existing asset use, reducing duplication and waste while planning for future capacity requirements, prioritising capital and revenue spending,

proper option appraisal incorporating whole life costing and assessing opportunity costs. ICT Asset acquisition will follow evaluation and consideration of full life cycle costs and benefits appraisal.

- ICT Assets should be environmentally sustainable. This means considering local and global environmental factors, monitoring and reducing energy consumption and CO<sub>2</sub> emissions through the whole ICT life cycle from manufacture, packaging, utilisation and disposal.
- ICT Assets must be safe, secure and comply with current legal and regulatory requirements and known future requirements. This means ensuring regular audits for DSE requirements and PAT testing of all ICT Assets, regular preventative maintenance and testing of critical ICT assets such as UPS and Air Conditioning within Data Centre and communications room facilities, compliance with WEEE regulations for electrical disposals, compliance with software licensing terms and conditions, compliance with Data Protection Act (DPA) and Disability Discriminations Act (DDA) when designing new ICT systems.
- ICT Assets should link to the Council's strategic business objectives. This means that governance and decision making around ICT Assets are integral to the strategic planning process and managed to deliver its strategic priorities and service in line with risk, providing value for money services for the benefit of the local community.

## **9.4 Investment Requirements**

### **Approved capital projects 2012-2015**

- Information Communication Technology Connectivity
- Replacement of Education Management Information System
- ICT Investment Programme (Revenue)

### **Funding requested for 2015-2018**

- ICT Data Centre
- Technology Investment Requirements



## 10. Performance Measures

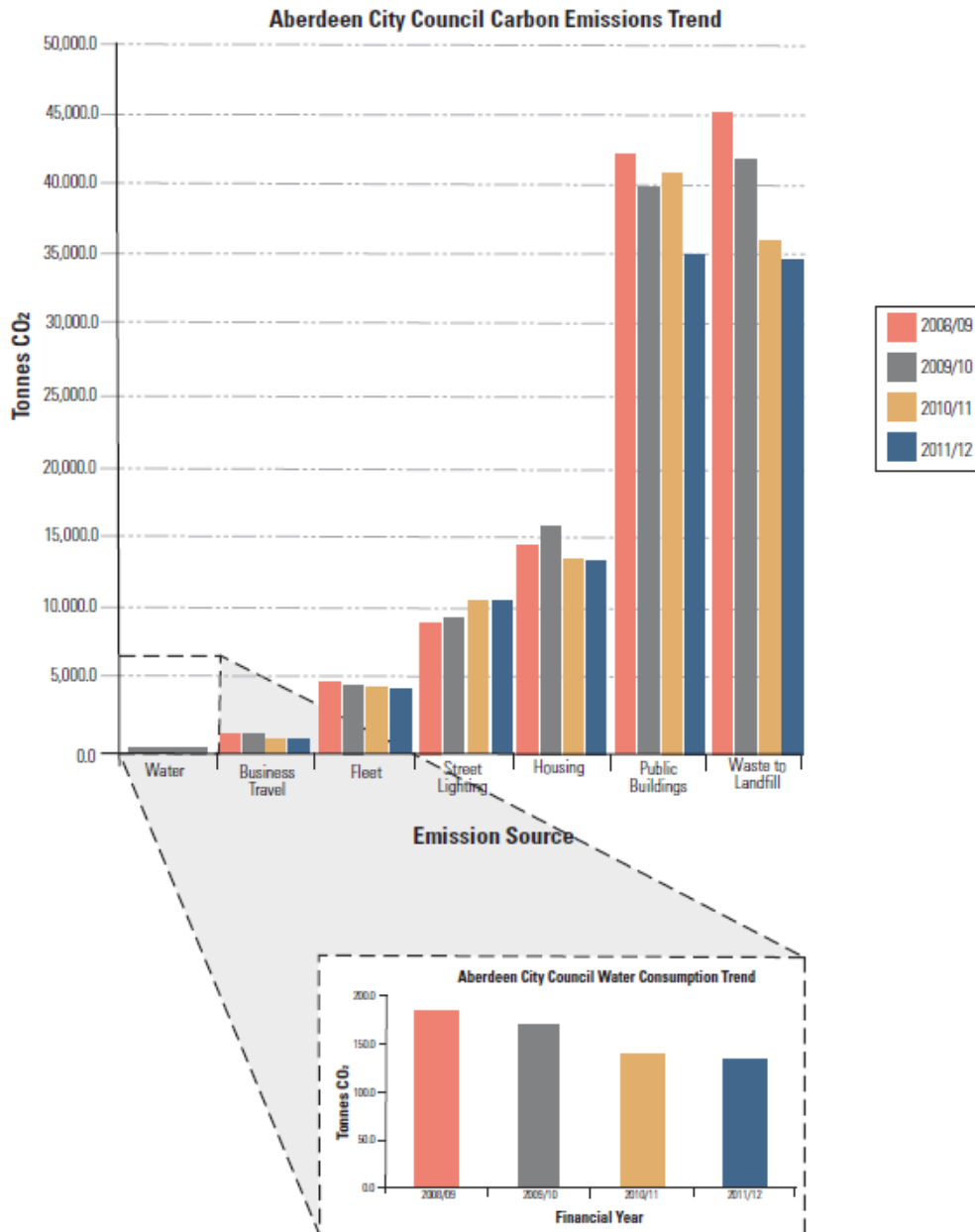
### 10.1 Introduction

10.1.1 The effectiveness of this asset management strategy needs to be measured. Key Performance Indicators will therefore be needed for each of the AMPs. Those selected should give an overview of the performance across the asset groups or specific asset groups. Existing performance indicators, statutory performance indicators or benchmarking indicators can be used but in some cases new indicators may require to be devised.

10.1.2 At this time indicators have not been selected for inclusion in the Corporate AMP as the AMPs are either in progress or have been recently approved. The exception is the Property AMP which is now in its fourth year and has appropriate indicators. In addition the Carbon Reduction Targets are well established and provide performance across a range of assets. These indicators are as follows:-

- 1) 23% reduction in CO<sub>2</sub> emissions by 2015 (based on 2008/09 emission levels)**

The volume of CO<sub>2</sub> emitted from Council operations has been monitored over the past 4 financial years (2008/09 – 2011/12). This includes emissions from business travel, fleet, some Council housing (59 multi-storey blocks, consisting of approximately 4,500 flats), public buildings, street lighting, water and waste disposal. The graph below shows the trend for emissions for each of these groups.



**Figure 2: Aberdeen City Council Carbon Emission Trend 2008/09 – 2011/12**

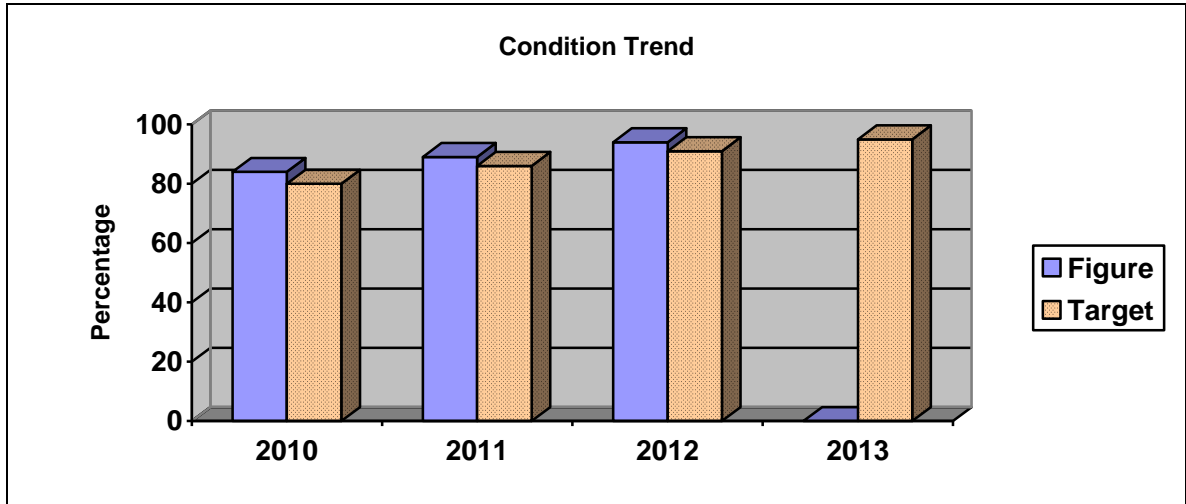
\* carbon emissions associated with housing are for 2010/11 due to issues with the accuracy of data supplied for 2011/12.

Source: Aberdeen City Council Carbon Management Plan Progress Review 2011/12

A 4.6% reduction must be achieved year on year until 2015. To date, the Council has achieved a **15.5%** reduction in its carbon footprint, the equivalent of 17,001 tonnes CO<sub>2</sub> since 2008/09. This means the Council is on track to meet its target of a 23% reduction in carbon emissions by 2015 but must continue this trend and further reduce emissions by over 8,000 tonnes by 2015.

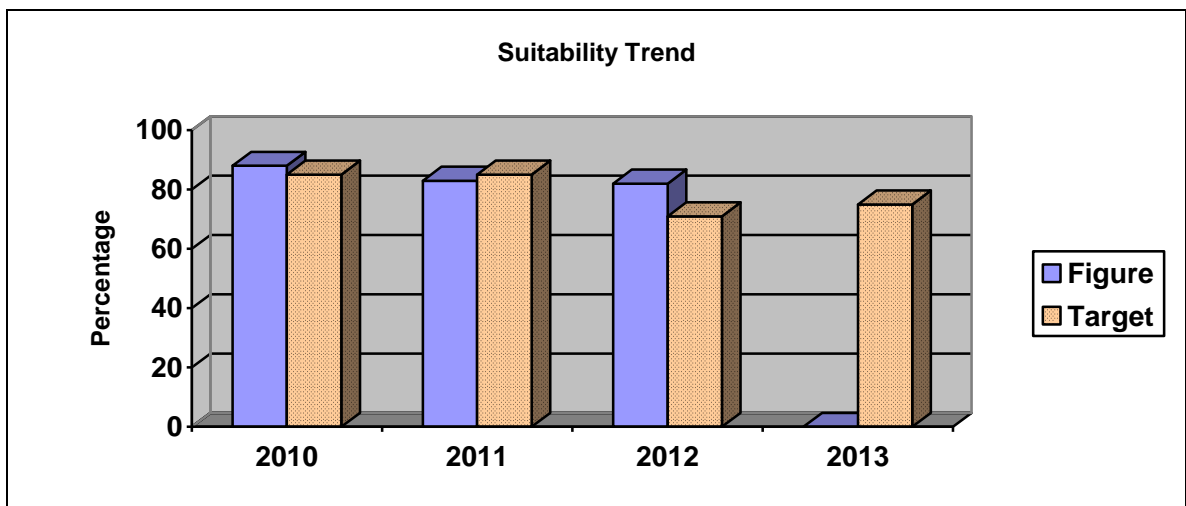
- 2) **The proportion of operational accommodation that is in a satisfactory condition.**

The trend continues to show an improvement, with the 2012 figure being **94%**. There are currently no plans in place that would make significant improvements next year but small improvements will come through the Condition and Suitability programme. Taking this into account a target for next year of 95% has been set. The trend since 2010 is shown below.



**3) The proportion of operational accommodation that is suitable for its current use.**

The figure has dropped very slightly from 81.6% to **81.5%**. A drop in the figure was anticipated due to the implementation of the non-school suitability form, which as expected, will result in further assets being assessed as unsuitable. As such a target of 75% has been set. The trend since 2010 is shown below.



## 11. Capital Strategy and Funding – Non-Housing

### 11.1 Introduction

11.1.1 The Council faces real challenges in funding capital projects and the demands for new infrastructure and buildings. Recent years has seen a decline in the capital programme, which means that several projects have not been funded. The Councils debt charges have been targeted for reduction, which means that borrowing to support the programme is not a desirable option. As such future capital programmes will be primarily funded through the Scottish Government grant and capital receipts. In 2012 the Council moved to a three year capital programme to allow for easier management and greater certainty. Plans are now in place to move to a five year programme.

11.1.2 The Council has an approved Corporate process for the prioritisation of non-housing Capital bids. This process is due for review and the revised version will be submitted to the Finance & Resources Committee for approval during 2013. A robust process is essential as the investment needs now flowing from the AMP's exceed the available funding. Without this process in place funding may not be allocated to the correct priorities.

### 11.2 Approved Non-Housing Capital Projects 2012-2015

11.2.1 The current approved three year Capital Programme (in February 2012) split against each asset group is summarised below. A full list of the projects can be seen in **Appendix A**. It should be noted that projects in some cases may have been part funded from previous capital programmes or will require funding in the future programme. Any grant funding is not factored into these figures.

	<b>3 Year Budget £000's</b>
Property	58,107
Open Space	8,269
Infrastructure	33,540
Fleet	1,200
ICT	342

### 11.3 Future Programme 2015-2018

11.3.1 Services submitted new Capital bids in 2012 for inclusion within the 2015-2018 programme. Following the approved process for capital bids the programme will be submitted to the full City Council budget meeting on 14 February 2013. Certain projects will be offset by Developers Contributions, capital receipts and grant funding. Also of note is the proposed addition of projects being funded through revenue rather than capital, subject to these projects being able to demonstrate whole life cost effectiveness.

## **11.4 Future Investment**

11.4.1 It is recognised that the bids submitted thus far do not encompass the full investment needs of assets over the next 10 years. In late 2012 The Corporate Management Team (CMT) requested that a high level review be carried out to identify such investment requirements. From this it was apparent that there was significant investment required well beyond the Councils financial capacity. A follow up piece of work is now progressing lead by CMT to review how this can be funded, in particular looking beyond the traditional capital and revenue routes.

## **11.5 Capital Receipts**

11.5.1 General Services - Capital receipts (sales of assets) are integral to the affordability of the current and future non-housing capital programme. The target for the General Services Account across 2012/13 – 2014/15 is £20 million. By projecting income from receipts over a 3 year period more flexibility can be established, given requirements of many sales project to achieve planning permission, etc. £6.141m of receipts were achieved in 2012/13 and current predictions are that the £20m target can be met. It is anticipated that additional receipts will have to be identified to assist with the delivery of the proposed Capital Programme 2013/14 – 2016/17.

## **11.6 Developers Contributions**

11.6.1 Developers contributions are monitored by the Asset Management Team, ensuring their allocation and subsequent spend. In some cases these contributions can be used to fund existing capital projects or used to enhance projects. These contributions are particularly important to the building of new schools.

11.6.2 The total contribution from Developers between 2007 and 2012 was £3.44m. It is expected that this figure will rise significantly as work continues on reviewing the legal agreements in place from that period and from development flowing from the implementation of the New Aberdeen Local Development Plan.

## **11.7 Alternative Funding**

11.7.1 Pressures on the capital programme mean that alternative funding methods are becoming increasingly important. Recognised routes of applying for grant funding such as through the Heritage Lottery Fund has been successful in obtaining funding for the Duthie Park Restoration and similar assistance will be required if the redevelopment of the Art Gallery is to be successfully progressed.

11.7.2 Non traditional routes are also being explored with an example already in place within the Council; this being the 3Rs Project which was implemented through a Public Private Partnership (PPP) using a non-profit distributing organisation with support from the Scottish Government. Similar Scottish Government support is likely to be available for further Schools projects through the SFT. Such projects are likely to be implemented through Design Build Finance & Maintain (DBFM) contracts provided by the Hub Imitative.

## 12. Capital Strategy and Funding – Housing

### 12.1 Introduction

12.1.1 The Council is working towards a 30 Year business plan which demonstrates the long term affordability of maintaining and improving the Council housing stock. The Housing Capital Programme is an integral element of the long term plan. The monies required to fund the housing capital programme can be achieved through a combination of external borrowing, capital grants and a revenue contribution. The primary revenue income is rent which means the Housing Capital Programme is closely tied to the rent strategy.

### 12.2 Approved Housing Capital Projects 2012/13

12.2.1 The approved Capital Programme is summarised below.

Heading	Determination	000s
SHQS	Compliant with tolerable standard	600
	Free from Serious Disrepair	9,301
	Energy Efficiency	7,635
	Modern Facilities and Services	16,410
Non SHQS	Healthy Safe and Secure	2,576
	Community Plan and SOA	4,306
	Service Development	250
	Service Fees	5,923
Total		47,001

### 12.3 2013/14 Housing Capital Programme

12.3.1 Proposed works for the 2013/14 financial year have been produced using the information held on cyclical replacement of each element (central heating, kitchens, bathrooms etc) and community projects provided by key stakeholders.

### 12.4 Future Investment

12.4.1 Future investment will be targeted on the basis of the outcomes from: the proposed Housing Asset Management Plan, compliance with the Scottish Housing Quality Standard and the regulations contained within the proposed Scottish Government's "Energy Efficiency in Scottish Social Housing" which is due for publication later this year.

### 12.5 Capital Receipts

12.5.1 Capital receipts are not used to support the Housing Capital Programme and in most cases are relatively small in value. £332,468 of receipts were achieved in 2011/12. Such receipts are used to reduce capital borrowing.

## **12.6 Developers Contributions**

12.6.1 Developers contributions are not currently used to support the Housing Capital Programme.

## **12.7 Alternative Funding**

12.7.1 A Carbon Energy Savings Programme (CESP) grant of approximately £1.6 million each will be paid to Aberdeen City Council by Scottish Power before the end of the 2012/13 financial year following the over cladding and installation of a Combined Heat and Power to 198 flats in three multi storey blocks in the Seaton area.

12.7.2 A similar CESP grant of approximately £1.5 million each will be paid to Aberdeen City Council by Scottish and Southern Electricity during the 2013/14 financial year following the over cladding and installation of a Combined Heat and Power to 156 flats in three multi storey blocks in the Balnagask area.

12.7.3 Discussions are also currently in progress with Scottish and Southern Electricity with a view to securing a £420,000 ECO Pilot funding to assist with the insulation of external walls to 84 solid wall flats in Tullos Place and Grampian Place, Torry.

## 13. Key Priorities

### 13.1 Key Priority Tasks

13.1.1 The tasks below have been identified by the CAG as key to ensuring the continued implementation of asset management. The timetable may vary slightly depending on future Committee dates.

Target Date	Priority Task	Responsibility
Feb 2013	1 <sup>st</sup> Corporate AMP 1 <sup>st</sup> Fleet AMP	EP&I EP&I
Mar 2013		
Apr 2013		
May 2013	EP&I Service AMP Update	EP&I
Jun 2013		
Jul 2013		
Aug 2013	H&E Service AMP Update	H&E
Sep 2013	SC&W Service AMP Update EC&S Service AMP Update 1 <sup>st</sup> Open Space AMP 1 <sup>st</sup> Infrastructure AMP	SC&W EC&S TBC EP&I
Oct 2013	Property AMP Update CG Service AMP Update 1 <sup>st</sup> Housing AMP	EP&I CG H&E
Nov 2013	ICT AMP Update	CG
Dec 2013	Update Capital Prioritisation Process	EP&I
Jan 2014	Fleet AMP Update	EP&I
Feb 2014	Corporate AMP Update	EP&I
Mar 2014		
Apr 2014		
May 2014	EP&I Service AMP Update	EP&I
Jun 2014	Review and Update Capital Process	EP&I
Jul 2014		
Aug 2014	H&E Service AMP Update	H&E
Sep 2014	SC&W Service AMP Update EC&S Service AMP Update Open Space AMP Update Infrastructure AMP Update	SC&W EC&S TBC EP&I
Oct 2014	Property AMP Update CG Service AMP Update	EP&I CG
Nov 2014	ICT AMP Update	CG
Dec 2014		
Jan 2015	Fleet AMP Update	EP&I



## 14. Glossary of Terms

### 14.1.1

ACROYNM	TITLE	
AWPR	Aberdeen Western Peripheral Route	New road being developed to improve travel in and around Aberdeen and North-East Scotland.
CAG	Corporate Asset Group	Group of senior officers within Aberdeen City Council tasked with driving Asset Management.
CIPFA	Chartered Institute of Public Finance & Accountancy	Accountancy body for public services, whether in the public or private sectors.
CMT	Corporate Management Team	Consists of ACC Chief Executive and Directors, meeting on a regular basis.
DBFM	Design Build Finance & Maintain	Alternative method to financing construction projects through Capital. Similar to PPP.
GPsPAG	Grampian Public Sector Strategic Property Asset Group	Group featuring Grampian Police, Grampian Fire & Rescue, NHS Grampian, Aberdeenshire Council, Moray Council and Aberdeen City Council.
NHT	National Housing Trust	Scottish Government funded initiative.
PAMP	Property Asset Management Plan	Strategic document covering the management of all property assets.
PPP	Public Private Partnership	Alternative method to financing construction projects through Capital.
SAMP	Service Asset Management Plan	Asset Management Plan looking specifically at individual services and their requirements.
SFT	Scottish Futures Trust	Scottish Government funded organisation with wide ranging remit including Asset Management.
TNRP	Tenanted Non-Residential Property	Assets not held for operational purposes and leased to third parties. Excludes housing including Staff Houses.

## Appendix 1

### Appendix A – Capital Programme 2012/13 – 2014/2015\*

Project Description	Budget 12/13 £000's	Budget 13/14 £000's	Budget 14/15 £000's	Full 3 Year Project Budget £000's
<b>Property</b>				
3R's Furniture, Fittings & Equipment and Other Works	50	0	0	50
Corp Property Condition & Suitability Programme	7,610	7,400	7,400	22,410
Corporate Office Accommodation totals	1,000			1,000
Duthie Park & Winter Gardens Replacement Greenhouses	4	0	0	4
Frederick Street Multi Storey Car Park	2,345	0	0	2,345
Marchburn House	981	0	0	981
Provision for Children with Complex Needs	771	5,722	6,393	12,886
School Estate Strategy - Bucksburn / Newhills	522	1,215	7,638	9,375
School Estate Strategy - Riverbank	172	1,490	88	1,750
St. Nicholas House Demolition	500	2,992	200	3,692
Tullos Pool Refurbishment	971	100	0	1,071
Victoria House	1,271	1,272	0	2,543
			<b>Total</b>	<b>58,107</b>
<b>Open Space</b>				
Duthie Park & Winter Gardens - Cost Net of HLF	3,170	0	0	3,170
Hill of Tramaud Landfill - Change of Law Costs	449	0	0	449
Land Acquisition - Contingency	650	0	0	650
Ness Landfill Restoration	4,000	0	0	4,000
			<b>Total</b>	<b>8,269</b>
<b>Infrastructure</b>				
Access From the North	430	7,010	6,400	13,840
City Broadband	1,000	1,000	0	2,000
Cycling Walking Safer Streets Grant	252	232	341	825
Planned Renewal & Replacement of Road Infrastructure	3,748	3,768	3,659	11,175
Western Peripheral Route	4,100	1,000	600	5,700
			<b>Total</b>	<b>33,540</b>
<b>Fleet</b>				
Hydrogen Buses	400	400	400	1,200
			<b>Total</b>	<b>1,200</b>
<b>ICT</b>				
Data Centre Move	175	0	0	175
Replacement of Education Management Information System	167	0	0	167
			<b>Total</b>	<b>342</b>

\*Position prior to budget meeting held on 14 February 2013.