

ABERDEEN CITY COUNCIL

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COMMITTEE	Property Sub Committee
DATE	24 September 2013
DIRECTOR	Gordon McIntosh
TITLE OF REPORT	Property Asset Management Plan Update 2013
REPORT NUMBER:	EPI/13/162

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1. PURPOSE OF REPORT

Update members of the progress made since the approval of the Property Asset Management Plan in 2012.

2. RECOMMENDATION(S)

That the Committee approves the Property Asset Management Plan Update 2013.

3. FINANCIAL IMPLICATIONS

There are no specific implications flowing from this report. The further implementation of Property Asset Management Planning will result in additional improvements in efficiency of the utilisation of Council property assets, potentially producing savings in revenue costs and identifying surplus assets, thereby realising capital receipts.

4. OTHER IMPLICATIONS

There are no immediate other implications flowing from this Report.

5. BACKGROUND / MAIN ISSUES

Asset Management is widely recognised by the Scottish Government, Property professionals and Public Bodies as vital to optimising the use and management of property 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 the Royal Institution of Chartered Surveyors (RICS).

The Council's Property Asset Management Plan (PAMP) was approved by the Finance & Resources Committee in September 2012. It is recognised as good practice to have a complete review of the PAMP every three years with annual updates in between. This is the first of the updates.

Asset Management is now well developed within the Council. A small team are dedicated to the development and immediate implementation of Asset Management. Significant improvements have been made in essential processes/procedures as well as improvements to actual assets. This good work is set to continue in future years.

An electronic copy of the Property Asset Management Plan (PAMP) 2013 has been emailed to all members of this Committee, with a copy placed in the Members' Library. Once approved, the PAMP will be available on the Council's Website. An Executive Summary is included at the start of the PAMP. The PAMP was circulated to the Corporate Asset Group in late August and subsequently approved.

Some of the key points/findings from the PAMP are as follows:-

#### Corporate Property – Objectives & Priorities

In designing our approach to asset management within Aberdeen, in order to deliver our Strategic Priorities, we have identified 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<sup>2</sup> 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.

### Current Asset Performance

Improvement:-

- 4% reduction in water consumption
- 15% reduction in oil consumption

Little or No Change:-

- % of Properties suitable
- Corporate Office Utilisation

Decline:-

- Required Maintenance increased from £60.7m to £65.3m
- % of Properties in Satisfactory Condition decreased by 2.3%
- 8% increase in gas/electricity consumption
- Public Access down from 83.9% to 81.6%

### Key Challenges & Achievements

Selected Challenges are:-

- Required Maintenance Backlog
- Increasing Planned Maintenance
- Improving Suitability
- Fit for Purpose School Estate
- Community Transfer

Selected Achievements are:-

- A reduction in oil and water consumption
- A reduction in the time it takes to get surplus assets on the market
- The advancement of the Tenanted Non-Residential Property Review

- The inclusion of over £160m of property related capital projects in the 5 year capital programme

### Investment Planning

A number of new property related projects were approved for funding in the five year capital programme. They are:-

- New Academy to the South (replacement of Kincorth and Torry Academies)
- New Milltimber Primary School
- Art Gallery Redevelopment
- Museums Collection Centre
- Replacement of Rosehill House (Burnside site)
- Childrens Home Replacement/Upgrade
- Quarry Centre Refurbishment
- Craigielea Refurbishment
- Fergus House Lift Replacement
- Creation of Respite Centre (Balnagask House)
- Rosewell House Hydrotherapy Pool
- Tillydrone Extra Care Village

This year has seen the completion of Marchburn House a new build childrens home. The extension to Riverbank School and other associated works to improve the building will be completed in Autumn 2013. The extensive refurbishment of Tullos Swimming Pool is also nearing completion.

### Key Priorities

The updated priority areas are as follows:-

Priority Area	Responsibility	Target Date for Completion
Suitability Assessments Updates	Services	September 2013
Complete Service Asset Management Plans	Services	September 2014
All Services to have access to Uniform and Confirm	Asset Management/Corporate Governance	December 2013
Repairs & Maintenance Strategy to be developed	Asset Management & Operations	December 2013
School Review - Implementation	Education Culture & Sport	Ongoing
Complete ASN/Inclusion Review	Education Culture & Sport	June 2014
Leisure Asset & Sports Pitch Strategy	Education Culture & Sport	October 2013
Cultural Assets Mapping	Education Culture & Sport	September 2013
Water Management Plan (Swimming Pools)	Education Culture & Sport	October 2013
Draft Community Transfer policy	Estates Team	Spring 2014
Complete TNRP Review	Investment Team	December 2013
Office Accommodation	Asset Management	Ongoing

## 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. In addition the plan contributes to achieving the vision set out in 'Aberdeen: The Smarter City'. Property has a particularly important role to play in Smarter Living, Smarter People and Smarter Environment themes.

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 2012  
Corporate Asset Management Plan 2013

## 8. REPORT AUTHOR DETAILS

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