

EAST AYRSHIRE COUNCIL

CABINET - 4 NOVEMBER 2009

ASSET MANAGEMENT STRATEGY

Report by the Executive Head of Finance and Asset Management

1. PURPOSE OF THE REPORT

- 1.1 This report presents a proposed Asset Management Strategy for property assets to the Cabinet for consideration and approval.

2. BACKGROUND

- 2.1 Audit Scotland, in its report on the Audit of Best Value and Community Planning in September 2006 noted that the Council had agreed a strategy for asset management in 2005 which was consistent with CIPFA best practice at that time. Its initial focus was on office accommodation with an expectation that the strategy would be further developed to ensure that the use of council assets were consistent with overall council objectives.
- 2.2 The Improvement Action Plan agreed as part of that report included work to review property portfolios, establish a capital investment strategy, develop detailed project option appraisal procedures and implement a Corporate Asset Management IT system. These actions have been completed and support the new strategy attached to this report.

3 ASSET MANAGEMENT

- 3.1 The Asset Management Strategy sets out the council's approach to the management of its property assets. It supports the delivery of the Council's strategic objectives by:
- Setting out the councils approach to the management and development of the property portfolio;
 - Identifying the key challenges facing the council's property assets;
 - Identifying the strategic objectives driving the Council's Capital Investment Strategy; and
 - Implementing governance arrangements to ensure appropriate monitoring and reporting performance

4 KEY OBJECTIVES

4.1 The key objectives which the strategy is designed to achieve are to;

- Ensure our property portfolio is suitable for its current use and supports the council's overarching objectives by assisting efficient and effective service delivery both now and in the future;
- Ensure that the performance of property assets can be monitored and reported upon and set out responsibilities for securing continuous improvement;
- Ensure comprehensive asset management data to support decision making is collected, maintained and stored efficiently and is easily accessible;
- Ensure property is managed as a corporate resource;
- Ensure future investment decisions are based on robust option appraisal.

4.2 The strategy sets out the arrangements that are proposed in order to achieve these objectives including roles, responsibilities, systems, procedures, governance and reporting arrangements.

5 COMMUNITY PLANNING IMPLICATIONS

5.1 All Service Plans include an assessment by individual services of assets currently employed in service delivery and any identified future changes necessary for the development of operations in pursuit of Council objectives as set out in the Community Plan. The Asset Management Strategy will further enhance that approach.

6 FINANCIAL IMPLICATIONS

6.1 There are no additional financial implications which would arise from the approval of the proposed strategy. It will provide assurance that property assets are managed as efficiently as possible.

7 POLICY/LEGAL IMPLICATIONS

7.1 The strategy has been subject to an Equalities Impact Assessment.

8 RECOMMENDATIONS

8.1 It is recommended that Members;

- (i) Approve the proposed Asset Management Strategy
- (ii) Otherwise note the contents of this report.

Alex McPhee
Executive Head of Finance and Asset Management
1 October 2009
AMcP/JB

BACKGROUND PAPERS - NIL

For further information, please contact
Alex McPhee, Executive Head of Finance & Asset Management on 01563 576300.

ASSET MANAGEMENT STRATEGY



East Ayrshire
COUNCIL

November 2009

Accessibility Statement

This document is also available, on request, in Braille, large print or recorded on to tape, and can be translated into your language on request.

Tha an sgrìobhainn seo ri faotainn cuideachd, ma iarrar a leithid, ann an clò nan dall, sa chlàr mhòr no air a clàradh air teip, agus faodar a cur dhan chànan agaibh fhèin ma dh'iarras sibh.

Dokument dostępny jest również w alfabecie Braille'a, w wersji z powiększonym drukiem lub w formie nagrania dźwiękowego na kasecie. Na życzenie oferujemy także tłumaczenie dokumentu na wybrany język.

ਮੰਗ ਕਰਨ ਤੇ, ਇਹ ਦਸਤਾਵੇਜ਼ ਬ੍ਰੇਲ, ਵੱਡੀ ਛਪਾਈ ਜਾਂ ਟੇਪ ਉੱਪਰ ਰਿਕਾਰਡ ਕੀਤਾ ਹੋਇਆ ਵੀ ਮਿਲ ਸਕਦਾ ਹੈ, ਅਤੇ ਬੇਨਤੀ ਕਰਨ ਤੇ ਤੁਹਾਡੀ ਭਾਸ਼ਾ ਵਿੱਚ ਵੀ ਇਸ ਦਾ ਅਨੁਵਾਦ ਕੀਤਾ ਜਾ ਸਕਦਾ ਹੈ।

本文件也可按要求提供凸字、特大字體、錄音帶或中文版本。

درخواست کرنے پر یہ دستاویز بریل، بڑی طباعت یا ٹیپ پر ریکارڈ شدہ آواز کی صورت میں بھی دستیاب ہے، اور درخواست کرنے پر آپ کی پسندیدہ زبان میں اس کا ترجمہ کروایا جاسکتا ہے۔

CONTENTS

1. FRAMEWORK

1.1	Strategic Context	3
1.2	Key Drivers	6
1.3	Planning	7

2. AIMS & OBJECTIVES

2.1	Objectives	9
-----	------------	---

3. STRATEGY

3.1	Corporate Property Management	10
3.2	Future Investment Decisions	12
3.3	Property Performance	12
3.4	Data Management	14
3.5	Best Value in Property Asset Management Service Delivery	15
3.6	Suitability	16
3.7	Condition	17
3.8	Statutory Compliance	18
3.9	Property Accessibility	19
3.10	Office Space	21
3.11	Cost & Consumption of Resources	21
3.12	Surplus Property	22
3.13	Construction Procurement and Management	23
3.14	Environmental Considerations	24

4. CAPITAL INVESTMENT

4.1	Strategic Objectives	25
-----	----------------------	----

5. FUTURE DEVELOPMENT

5.1	Monitoring and Reporting Arrangements	26
5.2	Implementation Action Plan	27

1. FRAMEWORK

1.1 Strategic Context

1.1.1 Best Value provision of services includes planning ahead so that the council has in place a sustainable long-term strategy for management of assets. Appropriate use of assets can make the difference between average and excellent service delivery and assist in the achievement of service objectives.

1.1.2 At a strategic level, recognising the principle of 'One Council, One Plan', the Council has adopted East Ayrshire's Community Plan as its Corporate Plan. The Asset Management Strategy contributes to the Guiding Principles of the Community Plan, which is also the 'sovereign' planning document for the Council. The Guiding Principles are to:

- promote social justice and social inclusion;
- build sustainability;
- succeed in joint working and involving people;
- ensure quality and accessibility; and,
- deliver continuous improvement and best value.

1.1.3 East Ayrshire Council and its Planning Partners took a collective view from the outset that a Community Planning Partnership Single Outcome Agreement (SOA) would be developed for the local area, covering the three-year period from 1 April 2008 to 31 March 2011. In East Ayrshire, the SOA is seen as a management tool that allows the Community Planning Partnership to:

- further improve the quality of life across our communities;
- deliver better outcomes for local people;
- secure opportunities for reducing bureaucracy;
- make more efficient use of our resources;
- make a difference by removing barriers to improved service delivery; and,
- identify areas for improvement.

1.1.4 While the efficient use of assets is a major factor in all of the fifteen National Outcomes of the SOA, assets make a direct contribution to the following:

National Outcome 10: We live in well-designed, sustainable places where we are able to access the amenities and services we need.

Local Outcome: Number of buildings which are suitable and accessible for people with a disability.

National Outcome 15: Our public services are high quality, continually improving, efficient and responsive to local people's needs.

Local Outcome: Resources and services delivered maximised through shared premises.

Following the success of the joint Project Board with NHS Ayrshire & Arran which delivered an award winning comprehensive Health/Council/Community Facility in North West Kilmarnock the Policy and Resources Committee agreed in May 2006 to establish a Co-Location Board with the NHS to identify and drive forward further initiatives across East Ayrshire. This will continue to be a key element in the development of joint facilities across East Ayrshire.

The joint approach to asset management extends across Ayrshire with the Public Sector Property Group, which involves the three Ayrshire councils, NHS Ayrshire & Arran, Strathclyde Police, Strathclyde Fire & Rescue and the Scottish Ambulance Service taking forward an agenda which seeks to share best practice in asset management and ensure a pan-Ayrshire co-ordinated approach to asset use and development where appropriate.

1.1.5 While the Property Asset Management Strategy makes an important contribution to both the Community Plan and the SOA, it also provides the necessary information on our future investment strategy and the effect this will have on our assets.

1.1.6 There are six main types of assets:

- Property;
- Open Space;
- Roads, Structures, Lighting and Water Related Infrastructure;
- Housing;
- Fleet; and
- IT

1.1.7 This plan focuses on the Property aspects of the Council and its integral contribution to service delivery, offering a critical appraisal of existing asset performance and the decision-making requirements that follow such work.

1.1.8 Audit Scotland, in its report on the Audit of Best Value and Community Planning in September 2006 noted that the Council agreed a strategy for asset management in 2005 and whilst consistent with CIPFA best practice, its initial focus was on office accommodation with an expectation that the strategy would be developed to ensure that all council assets are directed towards council objectives.

1.1.9 The Improvement Action Plan agreed as part of that report included work to review property portfolios, establish a capital investment strategy, develop detailed project option appraisal procedures and implement a Corporate Asset Management IT system. These actions have been completed and support the strategy detailed in this document.

1.1.10 There have been several key influences in the development of Asset Management Strategies.

- The abolition of the Section 94 capital controls in 2004 and the replacement of this investment system by the Prudential Code. This Code allows Councils the freedom to invest and borrow, within approved parameters.
- The Scottish Executive invested heavily in publicising best practice asset management techniques for the school estate in 2003. This led to a set of guidelines for the preparation of detailed school estate management plans and an annual set of core facts. The improvements achieved by asset management planning in schools have created the basis for the development of best practice in other Council services.
- Audit Scotland allowed local authorities some breathing space in the period 2005 to 2008 to put in place proper asset management and capital planning decision making frameworks, and a study of Asset Management in Local Government was published in May 2009. It is now expected that a comprehensive Asset Management Strategy will be a requirement for auditors seeking evidence of best value for all decisions on investment.

1.1.11 It is clear that an integrated asset management/capital planning system is a critical part of the management of any organisation and a key principle in ensuring that all investment decisions are considered within an overall approach that includes the use of business cases and option appraisal.

1.2 Key Drivers

1.2.1 Asset Management consists ultimately of a small number of key drivers which offer the 'building blocks' for sound decision making. The information from each of these drivers underpins the management of assets including monitoring and reporting on the performance of the assets, and the formal basis on which Outline Business Cases (OBCs) and the capital planning system can be built. The drivers are as follows:

Condition

1.2.2 It is essential there is an awareness of the condition of all assets. The Council has had initial surveys carried out by external contractors and regular reviews will be undertaken over the course of each year by Property Officers to ensure the picture remains up to date. A graded system will be used to categorise the condition of assets.

Suitability

- 1.2.3 Suitability ratings go beyond the question of condition and are concerned with how well the asset is suited to its current purpose. An example might be premises that are in good condition but are cramped and consist of small offices that are not suited to 21st century working. This is a suitability issue rather than one of condition.

Sufficiency

- 1.2.4 Sufficiency is concerned with asset use both now and in the future. It is critically important because it helps to identify under-utilised assets that can be identified for possible disposal or reconfiguration. It is primarily concerned with asset capacity compared to asset use and again taking the example above, a building may have a capacity of up to 300 people but is currently occupied with only 100 meaning an occupancy rate of only 33%. In the case of this particular asset this would be the key sufficiency indicator.

Revenue Costs

- 1.2.5 The revenue costs of running the asset including maintenance, cleaning, energy and rates should be within a range that the Council is content to continue to pay. In theory these costs should be in line with the condition rating for the asset; however information on the two should assist in deciding the relative merits or otherwise of continued, economic use.

Accessibility

- 1.2.6 Whilst the Disability Discrimination Act (DDA) is designed to ensure that public buildings are accessible to people with disabilities, it is important to recognise that other issues of accessibility may also be important including access by public transport.

Value

- 1.2.7 Asset valuation should be determined by a qualified surveyor in accordance with guidance issued by the Royal Incorporation of Chartered Surveyors. The basis may be market value, replacement cost or historical cost dependent on circumstances.

1.3 Planning

- 1.3.1 The Asset Manager will ensure there is a plan in place for each asset type. This includes:

- managing a programme of asset performance data collection;
- the preparation of detailed asset management plans; and,

- The coordination of all business cases for future investment related to the asset type
- 1.3.2 A strategic approach to asset management allows assets to be viewed as a corporate resource, encourages joined up asset solutions, and provides a framework for the integration of asset management planning and future investment decisions.
- 1.3.3 The Council delivers a wide range of services from many different property categories of varying age, condition and construction type. The geography of the area means they are widely spread and are located in both rural and urban areas. Property assets are an essential element of service delivery. Managing these assets needs to be a structured process that seeks to ensure best value for money from property assets and improved performance in meeting strategic needs. It is recognised that:
- Managing property assets effectively is a key driver of service transformation;
 - Properties are an important aspect of the public's perception of local authority; and
 - The value of property assets and expenditure on construction and running the estate is significant
- 1.3.4 The Asset Management Strategy sets out the council's approach to the management of its property assets. It supports the delivery of the Council's strategic objectives by:
- Setting out a clear vision for the future of the property portfolio;
 - Identifying the key challenges facing the council's property;
 - Clearly setting out the council's approach to the management and development of the property portfolio;
 - Identifying the strategic objectives driving the Council's Capital Investment Strategy; and
 - Implementing governance arrangements to ensure appropriate monitoring and reporting performance

Strategies related to other asset categories including vehicles, Plant and IT Infrastructure are located elsewhere.

2. AIMS & OBJECTIVES

The purpose of this section is to set out the objectives for the management and development of the property portfolio.

2.1 Property Asset Management Objectives

- Objective 1:** Ensure property is managed as a corporate resource
- Objective 2:** Ensure future investment decisions are based on robust option appraisal.
- Objective 3:** Regularly monitor and report on the performance of property and set out responsibilities for securing continuous improvement
- Objective 4:** Ensure comprehensive asset management information to support decision making is collected, maintained and stored efficiently
- Objective 5:** Ensure best value in the delivery of property asset management services
- Objective 6:** Ensure our property portfolio is suitable for its current use and supports efficient and effective service delivery both now and in the future
- Objective 7:** Ensure properties are in an appropriate condition and maintained effectively
- Objective 8:** Ensure properties are compliant with relevant legislation
- Objective 9:** Ensure properties are accessible for people with disabilities
- Objective 10:** Ensure office space is used efficiently
- Objective 11:** Ensure property running cost and consumption of resources is minimised
- Objective 12:** Manage surplus property effectively
- Objective 13:** Ensure efficient procurement and project management of construction projects
- Objective 14:** Minimise the impact to the environment from the construction and operation of our properties

3. STRATEGY

The purpose of this section is to clearly set out the arrangements in place in order to achieve the property asset management objectives.

3.1 Corporate Property Management

3.1.1 **Objective 1:** *Ensure property is managed as a corporate resource.*

- Establishing the framework and responsibility for the management of operational and non-operational property assets.
- Ensuring service management planning identifies the property needed to support service delivery.

3.1.2 **Establishing the framework and responsibility for the management of operational and non-operational property assets**

East Ayrshire Council is committed to managing property as a corporate resource. This is demonstrated through the following framework:

- The role of the Asset Manager.
- Multi disciplinary professional and technical services provided by Asset Management including a dedicated Corporate Property Asset Management Team responsible for collecting and analysing property performance data and identifying future investment needs and opportunities.
- Specific agreed responsibilities for services as property users.

3.1.3 The Asset Manager reports directly to the directly to the Executive Head of Finance and Asset Management. The roles and responsibilities of this position include:

- To manage all of the council's professional and technical property asset management functions;
- To develop and review of the framework for strategic asset management across the authority;
- To ensure appropriate resources and skills are present for the delivery of effective property asset management;
- To provide professional leadership;
- To develop, implement and review policy and strategy for the effective and efficient management of the council's property portfolio;
- To ensure the property asset management strategy and plans are reviewed and updated as required;
- To establish the condition and fitness for purpose of all property owned and/or occupied by the council;
- To analyse, in consultation with services, the occupancy and appropriateness of the authority's property holdings in relation to strategic and service objectives;

- To oversee the collection of data in order to enable analysis of the performance of the portfolio and the making of strategic decisions, and advise on the development and implementation of appropriate data management systems;
- To ensure that future investment to the councils property portfolio are consistent with the Community Plan;
- To identify any cross-service opportunities where services and/or partner organisations could share accommodation;
- To ensure the Total Project Management process is applied appropriately to construction projects;
- To disseminate best practice on asset management planning;
- To ensure that the asset management planning process has due regard to, and is consistent with, the best value process; and
- To encourage innovative asset management techniques.

3.1.4 Ensuring service management planning identifies the property needed to support service delivery

East Ayrshire Council's structure is such that individual services are responsible for the delivery of services from the properties they use to deliver their service. The key responsibilities of occupier services to ensure that the property assets continue to contribute to corporate as well as departmental objectives Service level management responsibility are set out below:

- To act as the responsible custodian of the premises that they occupy, with a duty to safeguard and preserve its value;
- To identify changing asset requirements resulting from national strategies, new legislation and guidance, demographic changes (e.g. an ageing population);
- To improve value for money by maximising utility (in terms of service benefit and financial remuneration) and minimising cost in use;
- To contribute to the development of crosscutting priorities and shared services; and
- To ensure compliance with statutory obligations, including health and safety and disability discrimination in line with corporate guidance

3.1.5 While the above describes specific responsibilities of Council services for individual properties, these responsibilities are discharged through the Council's Service Planning Framework. The production of the Service Plan is the responsibility of the relevant Head of Service and current use and future requirements for service delivery assets are an essential aspect of the Service Plan.

3.2 Future Investment Decisions

3.2.1 Objective 2: *Ensure future investment decisions are based on robust option appraisal.*

The Council's Total Project Management framework delivers projects through the Prince II methodology. This approach will be applied to the production of business cases in all decisions relating to Capital Investment.

The aim is to ensure that projects approved meet required objectives in the most effective way and that costs and delivery are closely monitored with early warning of deviations from budget or timescale to allow appropriate action to be identified and initiated.

Projects vary in size, complexity, scope and impact and TPM has been designed to ensure a proportionate approach is applied to all projects. The level of control is determined by reference to cost, complexity, business sensitivity and partner involvement.

3.3 Property Performance

3.3.1 Objective 3: *Regularly monitor and report on the performance of property and set out responsibilities for securing continuous improvement.*

Property Performance Reports

3.3.2 To ensure that performance is being recorded and available on a corporate basis, the Technology Forge Asset Management System is designed to generate performance information "scorecards" based on the relevant asset objectives. These scorecards show the best and worst expected result for the period and the current level of performance, including, for example, maintenance schedule, utilities use, utilisation of space and level of accessibility.

3.3.3 Relevant information from the Technology Forge system is available internally to all appropriate stakeholders. Responsibility for collecting and reporting and monitoring property performance rests with the Asset Manager.

Statutory Performance Indicators

3.3.4 The Accounts Commission has a statutory responsibility to specify information that councils must publish about their performance, in the form of statutory performance indicators. The information is collected and published locally by each council after being checked by its auditor. There are currently two statutory performance indicators relevant to the management of property assets. They are:

CM4: Public Access

- The number of council buildings from which the council delivers services to the public and the percentage of these in which all public areas are suitable for and accessible to disabled people.

CM8: Asset Management

- The proportion of operational accommodation that is in a satisfactory condition.
- The proportion of operational accommodation that is suitable for its current use.

Responsibility for collecting and reporting these statutory performance indicators rests with the Asset Manager.

Core Facts

3.3.5 Building our Future: Scotland's School Estate was published in 2003. This placed a duty on councils to report on school estate performance annually in the form of Core Facts. They include:

- Extent of the School Estate;
- Value of the School Estate;
- Condition of the School Estate;
- Sufficiency of the School Estate;
- Suitability of the School Estate; and
- Financial Performance of the School Estate

Responsibility for coordinating the collection of Core Facts rests with the Asset Manager.

Benchmarking Property Performance

3.3.6 The National Best Value Benchmarking Scheme (NBVBS) is a benchmarking scheme set up by the property professional societies in conjunction with The Chartered Institute of Public Finance & Accountancy (CIPFA) to provide a benchmarking service, particularly for Local Authorities. East Ayrshire Council will continue to be an active member of the NBVBS. Data to be benchmarked will include; condition and required maintenance, suitability, costs, energy efficiency and accessibility. Responsibility for collection and submission of the NBVBS Scottish Asset Management Performance Indicators rests with the Asset Manager.

Valuing land and buildings in accordance with legislation

3.3.7 The council has various requirements for valuations of land and buildings. These include:

- asset valuations for capital accounting (asset register);
- insurance valuations;
- market valuations for lease or sale; and,
- rating valuations and valuations in connection with compulsory purchase and statutory compensation.

3.3.8 Valuations are carried out in accordance with the relevant professional standards (RICS Red Book) and/or statutory requirements. Responsibility for ensuring that valuations are accurate and up to date rests with the Asset Manager.

3.4 Data Management

3.4.1 *Objective 4: Ensure comprehensive asset management information to support decision making is collected, maintained and stored efficiently*

3.4.2 The following is required:

- Having an up to date asset register;
- Developing a corporate property asset management database; and
- Having current as-built floor plans for all properties

Asset Register

3.4.3 The Asset Register provides a record of all assets on the Council's balance sheet, together with other information such as use, size, value and occupying service. Responsibility for maintaining and updating the Asset Register rests with the Asset Manager.

3.4.4 The Council's records of all of its land and property ownership interests are held centrally on the Technology Forge System. Responsibility for maintaining and updating Technology Forge rests with the Asset Manager. Data held for each property includes;

Core Data	Primary Data	Secondary Data
Asset Register GIS Acquisitions & Disposal	Condition Suitability Sufficiency Running Cost Consumption Accessibility Asbestos & Compliance Identified Works Planned maintenance Valuation	Energy Performance Certification Property History Images Layout Plans Maintenance Manuals Health & Safety Files Routine Inspection As Built Drawings Service Level Agreements Property Contacts Access Details

As-Built Floor Plans

3.4.5 Accurate up to date layout plans of the property portfolio are available to support property decisions. The Council has electronic layout plans for the whole operational property portfolio. This information is available electronically to services through Technology Forge. The responsibility for reviewing, maintaining and updating the layout plans lies with the Asset Manager.

3.5 Best Value in Property Asset Management Service Delivery

3.5.1 Objective 5: *Ensure best value in the delivery of property asset management services*

3.5.2 The Council has carried out a Council-wide Strategic Self Assessment of performance in 2005 and 2008. This high level approach is augmented by service level EFQM assessments. The services delivered by Asset Management are assessed on an annual basis.

3.5.3 Best Value techniques will be applied in:

- **Comparing** our asset performance both within the Council portfolio and with other councils;
- **Consulting** with appropriate stakeholders on all aspects of asset management;
- Regularly **challenging** property retention and use by services; a formal property review will be carried out when a lease or other legal agreement requires to be renewed; significant changes are planned to the way a service is delivered or there is a potential opportunity to co-locate the services delivered from within the property.

3.5.4 The findings and recommendations from property reviews will be reported to the Corporate management Team for consideration. The Asset Manager is responsible for commissioning the Property Review.

3.6 Suitability

3.6.1 Objective 6: *Ensure our property portfolio is suitable for its current use and supports efficient and effective service delivery both now and in the future*

Measuring and reporting the suitability of the property portfolio

3.6.2 Suitability assessments were initially carried out in 2007/08 by the services occupying each property using a scoring template devised in accordance with guidance provided by the Scottish Executive as part of the work on the School Estate Management Plan (SEMP). The measurement of suitability requires that properties meet any statutory requirements as well as the operational requirements of the service being delivered from it. Audit Scotland therefore recommend that such assessments should be carried out by relevant service management.

3.6.3 Factors taken into account are;

- Location;
- Internal environment;
- Safety & Security;
- Image;
- Facilities; and
- Space and Layout

3.6.4 In addition, the service managers also assign an overall suitability category that best represented the overall suitability of the property based on the following categories.

3.6.5 **A Good:** Performing well and operating efficiently. The buildings support the delivery of service and are considered suitable for use now and in the future.

3.6.6 **B Satisfactory:** Performing well but with minor issues. The buildings generally support the delivery of services and would be considered suitable. There is room for improvement in certain areas but the property is fundamentally satisfactory.

3.6.7 **C Poor:** Showing major problems and/or not operating optimally. The buildings impede the delivery of services and would not be considered suitable.

3.6.8 **D Bad:** Does not support the delivery of services in major respects. The buildings seriously impede the delivery of services and would definitely not be considered suitable.

3.6.9 The methodology for collecting property suitability information will continue to evolve to mirror best practice including ascertaining the views of service users. Responsibility for developing the model, and of collecting suitability assessments, rests with the Asset Manager.

3.7 Condition

3.7.1 *Objective 7: Ensure properties are in an appropriate condition and maintained effectively*

Measuring and reporting the condition of the property portfolio

3.7.2 Detailed condition surveys are currently being carried out the entire operational property portfolio with completion due by the end of 2009.

3.7.3 Each property has been assessed on a room-by-room, element-by-element basis. The condition of each element within each room has been assessed for condition using the following scale:

A Good: Performing well and operating efficiently.

B Satisfactory: Performing adequately but showing minor deterioration.

C Poor: Showing major problems and/or not operating adequately.

D Bad: Life expired and/or serious risk of imminent failure.

3.7.4 Where work is required to bring the element up to standard, construction estimates have been prepared and prioritised using the following scale:

Urgent - Works required immediately.

Essential - Works required within 1 year.

Desirable - Works required within 2-5 Years.

Required - Works required outwith the 5-year window.

3.7.5 The condition data is kept up to date by Property Officers who have responsibility to update the Asset Management system with any change to the condition of a property which results in a need for major repairs and by Project Delivery Managers who must ensure that ensuring that master layout plans are amended as necessary following alteration works to a building.

Managing property maintenance corporately

3.7.6 Property maintenance is viewed within the council as a corporate function all capital and revenue maintenance investment is identified and controlled by the Asset Management Team in consultation with user services.

Ensuring planned maintenance spend is targeted at the areas of greatest need

3.7.7 Planned maintenance will be prioritised based on information contained within condition surveys and maintenance lifecycle costs with a view to improving the overall condition, and reducing the backlog of maintenance.

Maximising the amount of planned revenue maintenance

- 3.7.8 Audit Scotland indicates that the ratio of reactive to planned maintenance should be 30% reactive and 70% planned. The Council's ratio for 2008/09 was 49% reactive and 51% planned. Increasing the amount of planned improvement work can deliver savings through grouping works that would previously have been carried out in isolation, improve service quality by reducing the incidence of reactive repairs and allow enhanced planning and control of expenditure. The aim is to move towards the 30:70 target over the next three years.

Providing a reactive maintenance service to ensure properties remain open and available

- 3.7.9 The Asset Improvement Service (AIS) places considerable emphasis on the efficient delivery of reactive repairs to ensure service continuity is maintained and property risks are minimised. Term Maintenance Contracts are used to ensure that work carried out by contractors meets recognised quality standards and is cost effective. From October 2009, performance measures are included in the contract and financial penalties are in place where performance falls below specified standards.

Providing a regular property inspection regime to identify defects at an early stage

- 3.7.10 Regular property inspections are carried out by Property Officers to record and monitor the condition of the property and to identify, at the earliest opportunity, defects that could lead to the deterioration of the building fabric.

3.8 Statutory Compliance

3.8.1 Objective 8: Ensure properties are compliant with relevant legislation

Establishing key responsibilities

- 3.8.2 Legislative compliance throughout the estate is managed through a rigorous and accountable approach to carrying out the necessary inspection and through the management of risk. Responsibility for ensuring on-going compliance with Health & Safety legislation rests with the Head of Establishment or Lead Officer identified on each site.

Carrying out all necessary statutory servicing and inspections

- 3.8.3 There are a wide range of ongoing servicing and inspection requirements for plant and safety equipment within properties. This includes lifts, boilers and air conditioning equipment. Responsibility for ensuring this is managed in line with legislation rests with the Asset Manager.

3.9 Property Accessibility

3.9.1 *Objective 9: Ensure properties are accessible for people with disabilities:*

Measuring and reporting the accessibility of the areas of buildings likely to be used by the public.

3.9.2 Part three of the Disability Discrimination Act 1995 (DDA) places duties on those providing goods, facilities or services to the public (or sections of the public) and those selling, letting or managing premises.

3.9.3 Where a physical feature makes it impossible or unreasonably difficult for disabled customers to make use of a service offered to the public, East Ayrshire Council, as a service provider, must take measures, where reasonable, to:

- Remove the feature, or
- Alter it so that it no longer has that effect, or
- Provide a reasonable means of avoiding the feature, or
- Provide a reasonable alternative method of making the service available to disabled people.

3.9.4 Access Audits have been carried out on all Council buildings that are open to the public in partnership with DisabledGo. The DisabledGo survey includes taking relevant measurements and photographs and talking to a representative of the service face to face. The survey template that is used can collect over 800 individual pieces of information, per venue, relating to access. The DisabledGo research template was developed in consultation period with disabled people. The information provided by DisabledGo aims to empower disabled people to make their own informed decisions as to the usability of a venue based on their own particular access requirements. DisabledGo does not judge a venue's accessibility, but provides the information needed for individuals to make this choice. The Asset Manager is responsible for ensuring that this information is kept up to date.

3.9.5 Audit Scotland introduced a statutory performance indicator for the financial year 2004/05. This indicator is intended to quantify the number of buildings that are open to the public and the percentage of those that are accessible for disabled people. This indicator has been used to monitor progress in improving accessibility at buildings used by the public. In order to quantify accessibility, summary assessments were carried out as part of the detailed Access Audits on all buildings open to the public.

Seven criteria were used as the benchmark for accessibility. In order to be considered accessible, the property must meet all seven criteria.

1. Where car parking is provided for the public there must be at least one space per twenty spaces for disabled parking, clearly marked and of appropriate size.

2. The approach to the principal entrance must be a level or ramped surface from the car park (if provided for public) or pavement.
3. The principal entrance door must have a minimum clear opening of 800mm with 300mm clear leading edge.
4. All internal areas open to the public must have a ramp or unassisted movement at changes in level.
5. All Internal doors that are accessed by the public must have a clear opening of at least 750mm with 300mm leading edge.
6. Where a building has a toilet facility that is open to the public then there must be at least one fully accessible toilet.
7. Fire exits from areas open to the public must lead to a place of safety or a refuge within a protected zone.

3.9.6 This methodology will be updated in line with any further guidance published by Audit Scotland.

Ensuring all new properties and refurbishment of existing property meet acceptable accessibility standards

3.9.7 All new-build and refurbishment works are managed using the Royal Institute of British Architects (RIBA) Plan of Work. This provides ample opportunity for designs to be reviewed at various stages to take into account access issues prior to being signed off. Design standards that build upon the British Standard 8300: Design of Buildings and their Approaches to meet the needs of Disabled People are being developed, and will be adopted where possible as part of all new-build and refurbishment projects. This will ensure a consistency of approach to design in order to deliver new-build and refurbished buildings that are fully accessible and meet the requirements of the Disability Discrimination Act. In addition, all new build proposals are scrutinised by the councils Asset Improvement Service to ensure best practice. There are two Access Panels within East Ayrshire; Cumnock and Doon Valley Access Panel and East Ayrshire North Access Panel. Both Panels meet regularly to discuss access issues and each Panel also has a remit to review and comment on Planning & Building Warrant Applications submitted to the Council.

Ensuring that the routine replacement of building fabric and services elements is consistent with good practice

3.9.8 Copies of each property access audit will be available on the Council's Asset Management System. This will ensure that, where appropriate, the current access issues at the property and any relevant recommendations in the audit can be taken into account when repairs are being planned. In addition, design standards will be developed to ensure works can be completed in accordance with best practice.

3.10 Office Space

3.10.1 Objective 10: *Ensure office space is used efficiently*

Measuring and reporting the office space used per person

3.10.2 Space audits have been carried out on all East Ayrshire Council offices. The audits followed the guidance issued by Federation of Property Societies (FPS) and in the Office of Government Commerce (OGC) publications “Working Without Walls”

3.10.3 Space within each office areas is categorised into:

- Workspace;
- Support (Stores, meeting rooms, printing areas, libraries, reference areas); and,
- Ancillary (Reception, circulation, toilets, maintenance and space allocated to member areas).

3.10.4 The space requirement per person is dependent on the kind of work done but clearly there are financial benefits from minimising this through optimising the use of all available space within a building.

3.10.5 There will be a presumption in favour of open plan office accommodation with shared meeting facilities and the number of individual offices kept to a minimum.

3.11 Cost & Consumption of Resources

3.11.1 Objective 11: *Ensure property running cost and consumption of resources is minimised*

Measuring and reporting the cost and consumption of resources in the operation of our properties

3.11.2 The running cost of the property portfolio is recorded on the council's financial ledger. Every year, the running costs are available as a total figure and also broken down into the following categories:

- Repairs and maintenance,
- Energy,
- Water,
- Ground maintenance,
- Rent,
- Rates,
- Cleaning,
- Insurance,
- Caretaking, and,
- Fixtures and fittings.

3.11.3 Energy Consumption information will be recorded on a quarterly basis broken down into the following categories:

- Solid fuel;
- Piped gas;
- Oil;
- Electricity; and
- Water

3.11.4 Responsibility for the collection, analysis and regular reporting of energy information to the Corporate Management Team rests with the Asset Manager.

3.12 Surplus Property

3.12.1 Objective 12: Manage surplus property effectively

Maximising Disposal Value

3.12.2 Section 74(1) of the Local Government (Scotland) Act 1973 provided local authorities with the power to dispose of land in any manner they wish, but a local authority required consent from a Scottish Minister to dispose of land for consideration less than the best that can reasonably be obtained. Section 11 of the Local Government in Scotland Act 2003 amended the 1973 Act. The 2003 Act granted local authorities the right to dispose of land for the best consideration that can be reasonably obtained, subject to certain conditions. These conditions include that the local authority must appraise and compare the costs and benefits of any proposal, and the local authority is satisfied the proposal is reasonable. The 2003 Act also adds that consent from a Scottish Minister is still required if the best consideration that can be reasonably obtained is less than a threshold amount or a marginal amount.

The council will therefore, in appropriate circumstances, seek to maximise the market value for properties which it is selling including:

- Considering the timing of disposals in relation to current and anticipated market conditions;
- Adding value, where appropriate and cost effective, by obtaining a detailed planning brief;
- Advertising the property on the open market to encourage competition from likely purchasers;
- Setting a closing date for offers;
- Generally recommending acceptance of the highest offer submitted in accordance with the above; and
- Reporting all disposals of property to the Governance & Scrutiny Committee

3.12.3 Surplus property requires to be managed and maintained in the period prior to sale. Any costs incurred reduce the return to the council. As a result, it is

important to minimise the length of time surplus properties marked for disposal are held.

Regularly reporting and monitoring the capital values of surplus property and receipts generated.

3.12.4 Capital receipts will be monitored on a four weekly basis against the annual target set within budgets as part of the Council's normal budget control process.

3.13 Construction Procurement and Management

3.13.1 Objective 13: *Ensure efficient procurement and project management of construction projects*

Providing Asset Improvement Services

3.13.2 AIS provides and procures multi-disciplinary professional and technical services to deliver the council's capital and revenue programmes of new build, refurbishment and maintenance works in relation to developing, maintaining and protecting property assets. As part of its integrated service, AIS provides the Council and its stakeholders with both construction and consultancy procurement services, together with a project monitoring, budget management and reporting service.

3.13.3 Asset Improvement also provides the services which ensure that the Council meets its statutory obligations in areas such as Health and Safety, Construction (Design and Management) Regulations, Building (Scotland) Act, Town and Country Planning (Scotland) Act, Fire Precaution Act and compliance with other regulatory legislation such as Asbestos and Legionella.

Effective monitoring and reporting of construction project performance.

3.13.4 Asset Improvement actively monitors the Council corporate capital programme, reporting on project delivery against programme timescale and financial out-turn against approved budget in consultation with service departments.

Developing effective procurement practices that can demonstrate improvements in value for money

3.13.5 Procurement procedures for Building and Civil Engineering works contracts and Consultancy Services for Building and Engineering works are undertaken in accordance with the Council's Standing Orders for the Regulation of Contracts.

Carrying out post project reviews

3.13.6 Project review analysis with customers, end users, stakeholders and partners to evaluate service satisfaction and end product, is held on all major projects.

Feedback on future project brief development and construction specification will be disseminated through design team review sessions and information sheets.

3.14 Environmental Considerations

3.14.1 Objective 14: *Minimise the impact to the environment from the construction and operation of our properties*

Establishing a Sustainable construction policy and regularly monitoring progress

3.14.2 Asset Improvement have adopted the Construction Services Sustainable Construction Policy (2006) which outlines the strategy for implementing a proactive process to ensure that the design, construction and maintenance of council property assets is considered and implemented to meet stated environmental targets.

3.14.3 The Policy is integrated into the Royal Institute of British Architects (RIBA) Plan of Work process with relevant sustainable checklists for each stage of the design process that must be completed.

3.14.4 The policy aims to;

- minimise adverse impacts on the environment, during construction and in use, whilst enhancing the natural surroundings;
- maximise the positive contribution to business activity through the whole life of the building;
- help to encourage productivity through being flexible for future use, building cost-efficiently and improving people's working environment;
- take fully into account the impact of construction on the surrounding environment by seeking to maintain biodiversity within the location and avoiding any unnecessary pollution;
- wherever possible make use of modern methods of construction to improve building efficiency and minimise environmental effects on construction sites.

4 CAPITAL INVESTMENT

4.1 Ten Year Investment Strategy

4.1.1 In January 2009 the Cabinet approved a Capital Investment Strategy and a ten year Capital Investment Programme for financial years 2009/10 to 2018/19. The budget allocation is £200m with expenditure skewed towards the earlier years with a view to mitigating some of the effects of the economic downturn.

4.1.2 The approved strategy includes specific priorities for the Council, namely;

- Improving the schools estate;
- Minimising costs by maximising the use of property assets including co-location of services wherever appropriate;
- Regeneration of Kilmarnock and Cumnock Town Centre;
- Improving sports, leisure and cultural opportunities
- Ensuring that buildings are fit for purpose and meet required statutory and regulatory standards including Health and Safety and Disabled Access;
- Every Council House meeting or exceeding the Scottish Housing Quality Standard by 2015.

These elements are designed to make the maximum contribution to the objectives of the Community Plan, the council's three key strategic projects, namely improving Educational Attainment, Regeneration and Council Housing.

4.1.3 The programme includes provision for key strategic projects including new schools, roads infrastructure and regeneration as well as funding for refurbishment, component renewal and other general projects across all services which are deemed to be of the highest priority in relation to condition and suitability criteria.

4.1.4 The Capital Strategy also encourages the identification of spend to save opportunities and allows projects to be added to the programme where revenue savings will meet the additional borrowing costs.

5 FUTURE DEVELOPMENT

5.1 Monitoring and Reporting Arrangements

5.1.1 The Corporate Asset Management Strategy and the ten-year capital investment strategy provide an overall framework for securing best value in the use of the council's capital resources and asset infrastructure.

5.1.2 To ensure that this strategy is translated into ongoing delivery at operational level and that elected members and senior officers are fully involved in developments the following monitoring, reporting and review framework will apply:

- The Corporate Asset Management Strategy will be reviewed on a three yearly basis with any changes required being presented to the Cabinet for approval;
- The capital investment strategy will be reviewed annually as part of the Council's budget process;
- Reports on asset performance will be considered by the Corporate Asset Management Working Group;
- Capital project monitoring will be a standing item on the agenda of the Corporate Management Team; and
- Progress on implementation of the capital programme, with the programme being updated as required to take account of operational changes will be reported to the Cabinet as part of the Finance and Service Strategy reporting cycle.

5.2 Implementation Action Plan

Action	Responsibility	Target Date
Implement fundamental elements of Technology Forge Asset Management System with continued development thereafter	Asset Manager	October 2009
Develop detailed Asset Management Implementation Plan covering the 14 Objectives	Asset Manager	March 2010
Further develop benchmarking in consultation with CIPFA	Asset Manager	March 2010
Develop Detailed Management Plans for each property	Asset Manager	September 2010
Develop performance information "scorecards" based on the relevant asset objectives	Asset Manager	December 2010
Move ratio of Reactive:Planned Maintenance towards 30:70	Asset Manager	March 2012