

**CORPORATE ASSET MANAGEMENT STRATEGY**

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**1. EXECUTIVE SUMMARY**

- 1.1 Asset Management is a structured and systematic approach to managing fixed assets on an ongoing basis. This approach addresses all phases of an asset's life cycle, from pre-acquisition through to retirement. Effective asset management planning means knowing what you own, where it's located, what it costs you, what it will cost you in the future, whether it will support current and future service delivery and who is responsible for it.
- 1.2 The Corporate Asset Management Strategy sets out the Council's overall approach to management of its asset base. It sets out
- The Council's approach and commitment to sound asset management,
  - The aims and objectives of the Corporate Asset Management Strategy are to ensure that all assets held by the Council are required for operational and regeneration/economic development purposes,
  - Links between asset management and the Corporate Plan, the Argyll and Bute Outcome Improvement Plan (ABOIP), Service Plans, Live Argyll and the Argyll and Bute Health and Social Care Partnership (HSCP)
  - Governance arrangements for asset management,
  - An overview of the performance improvement framework for asset management,
  - The need for asset management to be forward looking to deliver the assets which the Council requires for service delivery in the future.

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**2. INTRODUCTION**

- 2.1 The Corporate Asset Management Strategy sets out the Council's overall approach to management of its asset base. It sets out:
- The Council's approach and commitment to sound asset management,
  - The aims and objectives of the Corporate Asset Management Strategy is to ensure that all assets held by the Council are required for operational and regeneration/economic development purposes,
  - Links between asset management and the Corporate Plan, the Argyll and Bute Outcome Improvement Plan (ABOIP), Service Plans, Live Argyll and the Argyll and Bute HSCP,
  - Governance arrangements for asset management,
  - An overview of the performance improvement framework for asset management,
  - The need for the asset management to be forward looking to deliver the asset which the Council requires for service delivery in the future.

**3. DETAIL****Definition and Core Values of Asset Management**

- 3.1 Asset Management is a structured and systematic approach to managing fixed assets on an ongoing basis. This approach addresses all phases of an asset's life cycle, from pre-acquisition through to retirement. Effective asset management planning means knowing what you own, where it's located, what it costs you, what it will cost you in the future, whether it will support current and future service delivery and who is responsible for it.
- 3.2 It is recognised that these general guiding principles can also be applied to the management of non-fixed, or less permanent, assets such as vehicles, plant and equipment.
- 3.3 The Council will ensure that the assets it provides are used in a fair, consistent, efficient and effective way, taking into account their social and environmental impact and the needs and aspirations of our people, communities, areas and organisation.
- 3.4 Asset Management is the process of ensuring that the Council's Assets are:
- Fit for purpose,
  - Used efficiently,
  - Maintained on a sustainable basis,
  - Matched in investment terms to service needs.

## **Approach and Commitment to Sound Asset Management**

- 3.5 The Local Government in Scotland Act 2003 provides the legal framework for both the Prudential Code and the Best Value arrangements. Under the Prudential Code local authorities are authorised to make capital investments where it can be demonstrated that these investments are affordable, prudent and sustainable. A local authority, which secures Best Value, is one, which promotes continuous improvement in the performance of its functions.
- 3.6 Asset Management is a key element of achieving Best Value. Councils have a statutory duty to deliver Best Value. This has significant implications for asset management as Councils must:
- Ensure that management arrangements secure continuous improvement;
  - Balance quality and cost in relation to the procurement of assets;
  - Ensure asset management decisions contribute to sustainable development.
- 3.7 Asset Management has potential to contribute to achievement of efficiency savings.
- 3.8 The Best Value 2 Asset Management templates published by Audit Scotland essentially set out the direction of travel for asset management within the Council. The desired outcomes of good practice contained within these templates have been fully adopted and are being actively promoted and progressed by the Strategic Asset Management Board.
- 3.9 In addition, asset management best practice will continue to be shared and developed through participation in national and local benchmarking networks and through membership of professional associations, such as the Scottish Heads of Property Services group.
- 3.10 In line with Best Value Guidance: “Sound Management of Resources” the Council’s Corporate Asset Management Strategy sets out how the Council will manage its assets to deliver the Council’s corporate and ABABOIP objectives, by providing the basis for corporate challenge and a focus on the future asset requirements in respect of service delivery.

## **Aims and Objectives of the Corporate Asset Management Strategy**

- 3.11 Plans for the future ensure that assets must be used primarily to enable the most effective provision of services together with the achievement of strategic objectives; and this should be done in the most efficient and economical manner. The Corporate Asset Management Strategy aims to provide an integrated approach to realising the Council’s overall strategic aims and objectives for optimising assets and challenge services in this regard. A primary objective of asset management is to ensure that all assets held by the Council are required for operational and regeneration/economic development purposes, linked to corporate, service and ABABOIP objectives, while reducing the total cost of ownership and maximising the benefits from investment in these assets.
- 3.12 The Corporate Asset Management Strategy provides a strategic direction of travel and sets out the framework for the development and implementation of a robust process for Asset Management.

- 3.13 The Council's short term strategic objective is to improve the asset management performance by challenging services to ensure the most efficient and effective use of assets focused on delivery of the ABOIP, corporate and service objectives.
- 3.14 The following governing criteria underpin the Corporate Asset Management Strategy and provide a basis for corporate challenge:
- The Council's fixed assets must support current and future service delivery requirements,
  - The Corporate Asset Management Strategy informs and directs service asset management planning, the Corporate Asset Management Plan and Capital Plan,
  - The Corporate Asset Management Strategy informs and enables the Council's actions to successfully progress and improve economic development and connectivity within Argyll and Bute,
  - The Council's Climate Change Declaration informs and directs the improvements required for assets to meet the Council's carbon reduction targets,
  - The criteria of condition, suitability and risk are applied to measure asset performance,
  - The balance between quality and cost in relation to the procurement of assets and Individual asset performance (running cost and utilisation) where appropriate will be subject to measurement to determine efficiency,
  - The development and implementation of a systematic approach to asset investment and expenditure, utilisation and disposal.
- 3.15 As stated earlier, sound asset management is crucial if the Council is to make best use of the resources available to it to deliver its overall aims and objectives. The environment within which the Council operates is dynamic. It is therefore crucial that the Council's asset management approach informs decisions about strategic change across the Council, and is sufficiently flexible to adapt to the circumstances created by such change.
- 3.16 Specific Aims of the Corporate Asset Management Strategy are:
- Provide a framework for conducting a corporate challenge to ensure that all assets held by the Council are required for operational and regeneration/economic development purposes, linked to corporate, service and ABOIP objectives
  - Ensure the capital investment programme will contribute to the achievement of the Council's key objectives designed to ensure that asset management issues are fully reflected in the planning of the Council.
  - Provide a framework for the management and monitoring of the capital programme and maintenance effects on revenue.
  - Inform the bidding for external "third party" additional capital funding and the management of any resources that are secured.
  - Address corporate policies on procurement and disposal policies as required by best value guidance.
  - Determine processes for the generation of capital project proposals; the monitoring of ongoing projects and the evaluation of completed projects.
  - Review existing assets and service needs to explore opportunities for the more efficient and effective use of assets and the release of resources through disposal.

## **Links Between Asset Management and Key Corporate Policies**

- 3.17 The Corporate Plan sets out the Council's corporate objectives and outcomes. The key features of the Corporate Plan are incorporated within this strategy.
- 3.18 The Council's vision is for Argyll and Bute's Economic Success to be built on a Growing Population. This is supported by making Argyll and Bute a place people choose to live, learn, work and do business.
- 3.19 The Corporate Asset Management Plan will need to move its focus from the current estate to considering what future service provision needs will be and the demands this will place on the asset base. This will ensure that in planning for the future the impact of the ABOIP, corporate objectives and national priorities will be taken into account as part of the corporate challenge contained within the asset management process.
- 3.20 There are important links between the Corporate Plan and the ABOIP. The outcomes set out in the Corporate Plan are the Council's contribution to the ABOIP. Each outcome is directly linked to one or more of the national outcomes set by the Scottish Government. The future service delivery requirement for assets is considered as part of the asset management process. This includes assets owned by the Council but operated by the Argyll and Bute Health and Social Care Partnership and Live Argyll.
- 3.21 Community Planning Partners have worked in partnership with the Council to ensure that the ABOIP identifies the outcomes for Argyll and Bute and the partnership action required for effective implementation. The Council will foster partnerships and co-operation with organisations and agencies in the public, private and voluntary sector. In particular we continue to engage with the Scottish Futures Trust (SFT) in view of their emerging role of promoting asset rationalisation between public sector agencies and have increased the capacity of the Transformation Board and Special Projects Team to take forward strategic asset projects.
- 3.22 Linked to the previous section it should be noted that the Community Planning Management Committee has engaged with the Scottish Futures Trust in carrying out "smarter places" reviews to identify project opportunities for rationalisation across Argyll and Bute. A number of these opportunities are moving into design phase.

## **Governance Arrangements for Asset Management**

- 3.23 Council governance of asset management by elected members is on the basis of the Council directing the work of the Council through the Strategic Management Team.
- 3.24 Responsibility for Council assets is held by the three Departments:
- Education (formerly Community Services)
  - Customer Services and
  - Development & Infrastructure.

These Departments are headed by an Executive Director reporting to the Chief Executive and supported by Heads of Services who are responsible for day to day service provision and the effective and efficient use of assets. Assets owned by the

Council but operated by the Argyll and Bute Health and Social Care Partnership and Live Argyll continue to be the responsibility of the Council.

- 3.25 The Head of Facility Services is the Chair of the Strategic Asset Management Board and is responsible for the development of the Corporate Asset Management Strategy, production of the Corporate Asset Management Plan, preparation of the Capital Plan.
- 3.26 The Strategic Asset Management Board is responsible for the development of asset management policy, planning and specification. In addition, the Board is responsible for the development and delivery of the asset management improvement programme and to support the production of the Corporate Asset Management Plan, Capital Plan and for providing corporate challenge within the asset management process.
- 3.27 The corporate requirements of asset management will be driven forward by the Strategic Asset Management Board; which is the link between senior officers and elected members and the Council's service operations in respect of matters of policy related to asset management. In this way a corporate view will be applied to major proposals relating to assets.
- 3.28 The Strategic Asset Management Board responsibilities are:
  1. To oversee Asset Management within the Council by applying a corporate challenge which ensures that all assets held by the Council are required for operational and regeneration/economic development purposes linked to corporate, service and ABOIP objectives and the requirements of Live Argyll and the Argyll and Bute HSCP.
  2. To develop, introduce and fully establish asset management performance, planning and governance systems.
  3. To plan for economic, efficient and effective use of assets, ensuring compliance with statutory regulations.
  4. To prepare the Council's Corporate Asset Management Strategy and Corporate Asset Management Plan.
  5. To manage the approval process for Service and Group Asset Management Plans.
  6. To provide objective appraisal of Initial Business Cases (IBC), Outline Business Cases (OBC) and Full Business Cases (FBC).
  7. To provide objective appraisal of Service Asset Management Plans (SAMPs) and Group Asset Management Plans (GAMPS).
  8. To provide objective appraisal of Asset Group Summary templates in relation to the Capital Plan.
  9. To work with stakeholders, both internal and external, in managing its assets including Community Planning Partners.

10. To review delivery of the Capital Programme.
11. To review the resourcing of the delivery of the Capital Programme.
12. To ensure the capital works undertaken are of a high standard the Board should ensure that feedback of projects is sought by the users of the building / school / IT system etc. The board should review this feedback and pick up on any lessons learnt.
13. To resolve issues in respect of project risks for individual projects that have impacted (reached a level above tolerance).
14. To ensure life cycle costs in terms of building, maintain and decommissioning are considered in procurement and prior to committing to the project.
15. To oversee the standardisation and future development of asset specification and procurement.
16. To undertake a full review of Asset Management IT systems held by the Council and the development of a strategic approach towards future system integration.
17. Seek to ensure that adequate provision is made for planned programme maintenance.

### **Performance Improvement Framework for Asset Management**

- 3.29 The Council must underpin asset management, business case development and capital and revenue decision making with robust asset performance data. The Performance Improvement Framework supports the required improvement in asset performance management, and the Strategic Asset Management Board has identified the continued development of asset performance measures as a key priority.
- 3.30 The table below summarises the asset base of the Council. The Council has an asset base at 31 March 2018, with a Net Book Value of £608.200m (2017 - £503.705m) that includes:

<b>Description</b>	<b>Number</b>	<b>Description</b>	<b>Number</b>
Administrative Buildings	30	Roads (km)	2,284
Operational Depots	20	Public Road Bridges	900
Primary Schools	72	Car Parks	118
Secondary Schools	5	Marine Structures	41
3-18 Schools	5	Public Road Coastal Protection (km estimated)	200
Joint campuses	1	Public Road Retaining Wall (estimated)	2,000
Gaelic Medium Units	7	Public Conveniences	85
Adult Learning Centres	2	Waste Disposal facilities	11
Early Learning Centres (52 Council with 4 partners)	56	Ferries	6
School Houses	21	Airports	3

Learning Centre for pupils with additional support needs	1	Cemeteries	131
Leisure Centres	5	Crematoria	1
Community Centres	4	Lighting Units	14,422
Halls	5	Vehicles and Plant	500
Libraries	11	IT Systems and Devices (estimated)	11,151

The table includes the majority of the Council's assets but is not exhaustive.

- 3.31 A range of policies in support of good asset management practice have been developed and are included in the appendices to this document. The asset management policies approved to date are outlined in Appendix 1. In addition Services have been encouraged to develop policy statements in respect of each asset group.
- 3.32 Each year the Corporate Asset Management Plan will be prepared on the basis of the Corporate Asset Management Strategy and it will take account of the risks identified in the SAMPs and GAMP. The aim of the Corporate Asset Management Plan is to ensure that capital and revenue expenditure is directed efficiently and effectively to further:
- Strategic Change
  - Service Development
  - Asset Sustainability.
- 3.33 The Corporate Asset Management Plan sets out how Services will ensure that the opportunity cost of financial resources tied up in assets are minimised and that there is:
- An integrated corporate approach towards asset management, capital planning and budgeting process for both capital and revenue
  - A process for changing the Council's Asset portfolio consistent with the Corporate Plan and ABOIP
  - A process for asset decision making which is consistent with Services' requirements
  - An identification of opportunities for innovation, asset investment or disposal
  - Provision of a context for capital project evaluation helping to prioritise decisions on spending.
- 3.34 Each Executive Director is responsible for the completion of their Service Asset Management Plan (SAMP), Group Asset Management Plan (GAMP) and Asset Group Summary templates. Service Asset Managers will prepare the Service Asset Management Plan, Group Asset Management Plan and Asset Group Summary templates, which when approved by the Departmental Executive Director, will be submitted to the Strategic Asset Management Board. The Strategic Asset Management Board will evaluate each Service Asset Management Plan (including Asset Management Plans prepared by the Argyll and Bute Health and Social Care Partnership and Live Argyll), Group Asset Management Plan, and Asset Group Summary template, from which the Corporate Asset Management and Capital Plan will be prepared.

- 3.35 In preparing Service Asset Management Plans, Service Asset Managers must consider the following guiding criteria:
- Maximise the impact of all capital and revenue expenditure on assets
  - Apply asset performance indicators and benchmarking (Condition, Suitability and Risk ) to ensure robust planning and decision making
  - Maximise the utilisation of assets
  - Reduce the unit costs of service delivery through smarter and more efficient asset management
  - Dispose of underperforming, unsuitable assets and assets which are at risk and invest in “fit for purpose” assets
  - Share assets with Community Partners and Third Sector to maximise public benefit
- 3.36 Community Empowerment legislation has recently been enacted. The Council has established an asset transfer policy and process to reflect the legislation and guidance.
- 3.37 The Council requires that decision making regarding the procurement, development and disposal of assets is founded on a robust process of options appraisal and Business Case gateways and have been subject to robust corporate challenge. The Capital Programme Planning and Management Guide sets out the Council’s approach towards, and requirement for, options appraisal and Business Case development including the Council’s Climate Change Declaration.
- 3.38 In terms of procurement, the Council will take cognisance of traditional or emerging delivery options. It will have regard to the delivery options afforded, for instance, by the SFT and the Northern Hub Co, where appropriate.
- 3.39 Services continue to use a set of asset performance indicators and an associated programme of asset surveys that were previously introduced by the Strategic Asset Management Board. The performance indicators form part of the Service Asset Management Planning process to allow Services and the Council to benchmark asset performance and better inform decision making. In the future the Strategic Asset Management Board will monitor the survey frequency for specific asset groups and continually develop a programme of asset surveys in line with the agreed frequencies.
- 3.40 In order to fully support this strategy, the Council have implemented a corporate property management IT system to develop and improve its asset management and performance reporting capabilities.
- 3.41 The Asset Management Board will increasingly work closely with the Council’s Transformation Board and Special Projects Team to exploit opportunities for improved efficiency in asset planning and utilisation. One initiative that is under development is the “One Council” approach to property management which may provide improved asset management and quicker disposal of surplus assets.

#### **4. CONCLUSION**

- 4.1 In the short term the aim of the Corporate Asset Management Strategy is to ensure that all the foregoing policies, plans, systems and processes are implemented and operational with on-going development taking place. The Council will, in the coming

year, develop and test an alternative approach to Capital Planning and prioritisation for future review.

## **5. IMPLICATIONS**

5.1	Policy –	The report sets out the Council’s policy in respect of asset management.
5.2	Financial -	None.
5.3	Legal -	None.
5.4	HR -	None.
5.5	Equalities -	None.
5.6	Risk -	None.
5.7	Customer Service -	None .

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## **APPENDICES**

Appendix 1 – Asset Management Policies

# APPENDIX 1 – ASSET MANAGEMENT POLICIES

1.0 INTRODUCTION

2.0 OPERATIONAL PROPERTY ASSET POLICY STATEMENT

3.0 NON-OPERATIONAL PROPERTY ASSET POLICY STATEMENT

4.0 ASSET DISPOSALS POLICY STATEMENT

5.0 ASSET ACQUISITIONS POLICY STATEMENT

6.0 FLEET ASSET POLICY STATEMENT

7.0 INFRASTRUCTURE ASSET POLICY STATEMENT

8.0 ICT ASSET POLICY STATEMENT

9.0 BUILDING ELEMENT RISK CATEGORY POLICY STATEMENT

## 1.0 INTRODUCTION

Argyll and Bute Council holds each of its assets as a resource to be used in the delivery of services and to support and contribute to its corporate objectives.

This is the fundamental premise that underpins all the Council's actions in managing its assets. From the acquisition of new assets, their operation throughout their lifetime, right the way through to their eventual disposal, the overall way in which the Council deploys and accounts for its assets can be tested against the contribution they make to the overall corporate vision. It is recognised that all assets can make particular contributions in terms of:-

- Optimising asset portfolios to meet changing service needs.
- Reaping financial benefits from savings in running costs and enhancing capital receipts.
- Implementing corporate plans and strategies in areas such as carbon reduction and sustainability.
- Acting as a catalyst for partnership working with other public service providers.
- Supporting the development and role of the Third Sector to provide key services within communities under the Community Empowerment Act.

Improved service delivery through effective asset management will be achieved when key assets are in the right location, suitable and fit for purpose and in good condition. In particular all property assets will also need to be accessible and energy efficient.

The current financial climate has created particular problems for many public bodies. For example property assets cannot be so readily acquired, sold and, in some cases altered. The challenge for the Strategic Asset Management Board and the Council will be to consider the changes taking place in the external environment, such as new workplace practices, the increasing influence of information and communications technology and the growing importance of sustainability issues and to respond to these changes by implementing more innovative, aggressive and robust asset management policies.

The purpose of this document is to set out a high level Asset Policy framework for Argyll and Bute Council. These Policies will, in turn, support the Council's Asset Management Strategy and Corporate Asset Management Plan. The Policies set out in this document are in respect of:-

- Operational Property
- Non-Operational Property
- Disposals
- Acquisitions
- Fleet
- Infrastructure
- ICT
- Building Element Risk

These Policies are a dynamic statement of how Argyll and Bute Council expects to better use and manage its assets. The Policies will be reviewed annually and updated, where appropriate, to reflect emerging best practice, altered priorities and any new statutory obligations.

## 2.0 OPERATIONAL PROPERTY ASSET POLICY STATEMENT

The Strategic Asset Management Board will oversee the management of all operational property assets to ensure that these resources are operated in an effective and efficient manner and contribute to an improved provision of services to the community.

To do this the Board will:-

- Ensure property is regarded and managed as a corporate resource.
- Ensure best value and best practice in the delivery of property and asset management services.
- Review and challenge the need for retaining properties with services.
- Ensure our property portfolio is suitable for its current use and supports effective service delivery.
- Ensure properties are compliant with relevant legislation.
- Ensure properties are in an appropriate condition and maintained effectively.
- Ensure office space is used efficiently.
- Regularly measure and report the sufficiency of the school estate.
- Review options for rationalising or consolidating property assets.
- Regularly monitor and report on the performance of property and put in place measures for securing continuous improvement.
- Ensure property running costs and the consumption of resources are minimised.
- Consider the needs of stakeholders.
- Ensure that comprehensive asset management information to support decision making is collected, maintained and stored efficiently.

## 3.0 NON-OPERATIONAL PROPERTY ASSET POLICY STATEMENT

The Strategic Asset Management Board will review and challenge the non-operational property assets held by Services. It will ensure that:-

- The commercial portfolio is managed effectively to maximise income.
- Rental voids are kept to a minimum.
- Key properties are held for economic development purposes.
- Regular reviews of commercial portfolio are carried out to assess rate of return, purpose of retention and alternative development options.
- Underperforming assets are declared surplus to requirements.
- The cost of managing the non-operational portfolio remains competitive through benchmarking and regular review.

## 4.0 ASSET DISPOSALS POLICY STATEMENT

The Council has a statutory responsibility under the Local Government (Scotland) Act 1973, not to dispose of land at less than the best consideration. In order to comply with this obligation it will, in the majority of instances, seek to obtain “market value” for all surplus assets by:-

- Enhancing value wherever practicable and appropriate.
- Advertising on the open market to encourage competition from likely purchasers.
- Setting a closing date for offers.
- Supporting the transfer of certain assets, where appropriate, to the Third Sector in return for wider community benefits.
- Generally recommending acceptance of the highest offer submitted in accordance with the above.
- Reporting all potential disposals to the appropriate Committee of the Council seeking approval to proceed.

Audit Scotland recommend that consideration should be given to using “legislation which allows councils to sell assets at below market value if it is for public benefit, where this is consistent with a published policy objective, and would achieve Best Value for the public sector overall”. Therefore in advance of any move to dispose of an asset, the Council will consider benefits from retaining an asset which may accrue to the public sector overall.

The Strategic Asset Management Board will challenge service departments to review their future property requirements and this will ultimately lead to a net reduction of property assets. The Board will ensure arrangements are in place to:-

- Eliminate as far as possible the number of properties that are poorly used, unfit for purpose and in poor condition.
- Pursue disposal options that will maximise the return to the Council where possible.
- Become more innovative. For example to examine the possibility of setting up joint venture Special Purpose Vehicles (SPV's), where appropriate, with the private sector to unlock the latent value of our assets.
- Fast-track disposal options where possible where unique or significant beneficial opportunities may exist, or can be created.
- Deliver revenue savings to the Council through the prompt and successful disposal of property.
- Ensure the cost of managing the disposal process portfolio remains competitive through benchmarking, market testing and regular review.

In addition to the foregoing, Part 5 of the Community Empowerment (Scotland) Act 2015 has introduced a right for community bodies to make asset transfer requests to specified public bodies for the transfer of an interest in land or buildings for a specified purpose. The act requires public bodies to assess requests against a list of criteria and to agree the request unless there are reasonable grounds for refusal.

The Council has developed a set of enhanced procedures to provide a clear and transparent asset transfer request process to ensure compliance with the act. Web pages have also been developed to provide an interactive tool with advice and guidance, a list of the Council's assets, contact details, the relevant forms and documents required to make a request, an “expression of interest form” (to facilitate early informal discussions between organisations and officers). A single point of contact for enquiries is also provided.

## 5.0 ASSET ACQUISITIONS POLICY STATEMENT

The Strategic Asset Management Board's objective is to ensure that the necessary professional and technical services are in place to deliver the Council's capital and revenue programmes of new build, refurbishment and maintenance works in respect of developing, consolidating and protecting property assets.

The Board will ensure that the Property, Design, Estates and Asset Management Teams will provide the Council with construction, procurement, valuation and consultancy services including project management, project monitoring and budget management. On this basis the Board will be in a position to review and determine whether due process has revealed that acquisition is the only or most favourable option available.

In the event that the acquisition of an asset is the optimum solution the Strategic Asset Management Board will ensure efficient procurement of assets and construction projects by:-

- Reviewing the integrated and multi-disciplined approach within Facilities Services.
- Requiring services to follow the methodical and efficient processes contained within the Council's approved Capital Planning and Management Guide.
- Overseeing and reviewing the production of Full Business Cases.
- Undertaking a rigorous options appraisal process, including consideration of procurement options available through the Council's membership of the Northern Territory hub Co.
- Requiring the demonstration of comprehensive value for money approach.
- Participating and leading, where appropriate, post project reviews.

## 6.0 FLEET ASSET POLICY STATEMENT

The Council operates a wide range of fleet and plant to support the delivery of services.

The Strategic Asset Management Board requires the services to provide an efficient and effective Fleet management and vehicle maintenance service.

Fleet Management ensure that services have:-

- Appropriate vehicles in place to carry out their responsibilities and duties.
- Vehicles which are maintained to DVSA (Driver and Vehicle Standards Agency) standard.
- Appropriate data available to measure performance and use of fleet and plant and to enable targets to be established.
- Proportionate information to enable optimum use to be made of the fleet.
- An appropriate training programme in place to support relevant staff and operators.
- Robust business cases developed to underpin vehicle retention and best value procurement solutions.
- Plans in place where appropriate to develop a "Green Fleet" policy, including infrastructure for public charging.
- Plans are developed to manage a single council fleet with vehicle brokerage to ensure best value through vehicle utilisation and whole life costing.

## 7.0 INFRASTRUCTURE ASSET POLICY STATEMENT

The infrastructure portfolio is a complicated collection of diverse asset groups such as roads, bridges, piers, airports, amenity (e.g. cemeteries, memorials and parks), street lighting, landfill sites and flood prevention schemes. The overarching aim of the Strategic Asset Management Board is to ensure that the service with responsibility for these asset groups strives for a good quality, well maintained and sustainable infrastructure network that is not only safe but also contributes to the needs of the community together with the everyday requirements of the businesses operating within Argyll and Bute. The Annual Status and Options Report has been developed for the road, lighting and bridge/structures assets. This document includes deterioration modelling and investment scenarios that model likely future conditions.

The aim of the Strategic Asset Management Board is to make sure that:-

- The infrastructure assets perform well in terms of suitability and condition.
- Appropriate asset management information is gathered, maintained and used to underpin decision making.
- Infrastructure meets the needs of users' requirements and compliance with relevant legislation and regulations is achieved.
- Data continues to be gathered and held on appropriate systems.
- Benchmarking activities continue to inform business improvement actions.
- All of the above within the confines of the available budgets.

## 8.0 ICT ASSET POLICY STATEMENT

It is the aim of the Strategic Asset Management Board to ensure that the Council's ICT assets are utilised in the most effective, efficient and economical manner in support of the Council's plans, strategies and service delivery.

The following approach will be undertaken to achieve this:-

- Business, corporate and strategic requirements will be identified.
- Procurement options will be tailored and developed to suit continuing needs, taking into account ongoing maintenance and sustainability issues throughout the whole life of the asset.
- Regular reviews will be conducted to assess fitness for purpose and performance of the asset in question.
- Full compliance with legislative and operational requirements during the withdrawal and subsequent disposal of ICT assets.
- Comprehensive ICT and asset management information in support of all of the above will be collected, maintained, stored efficiently and be readily available.

## 9.0 BUILDING ELEMENT RISK CATEGORY POLICY STATEMENT

The risk category for building elements is used as part of the condition surveys undertaken by Property Services. The classification for fabric related elements and building services are as follows:

**Fabric** – The condition of an element is based on a combination of factors including site visual appearance, manufacturer's guidance on the lifecycle of the element and frequency of repeated maintenance based on historical knowledge and recorded data. In taking cognisance of all factors an assessment is made and a score (out of ten) is applied resulting in a condition percentage being allocated to the element. A score of less than 40% is classified as **bad** and categorised as a red risk. A score between 40% and 60% is classified as **poor** and categorised as an amber risk. A score between 60% and 85% is classified as **satisfactory** and categorised as a yellow risk. A score greater than 85% is classified as **good** and categorised as a green risk.

In addition to overall condition and therefore the risk associated with elements, the Property Officers also identify "Hot Spots". These are generally small areas of an element whose condition is such that they do not significantly influence the overall score but require attention as their failure is likely to result in a significant disruption to the building functioning as intended. An example of this would be a bad condition flat roof over a boiler house where the failure of the roof element would potentially result in the heating failing.

As a result, a capital programme is established that deals with high risk elements including "Hot Spots". It is also prudent to include a Health and Safety budget to deal with any emergent issues throughout the financial year.

**Services** - Mechanical & Electrical – this assessment is based on the elemental lifecycle of the specific mechanical or electrical element or sub element. The assessment is coupled with the support of statutory cyclical service reports and industry standard recommendations. In taking cognisance of all factors an assessment is made and a score (out of ten) is applied resulting in a condition percentage being allocated to the element. A score of less than 40% is classified as **bad** and categorised as a red risk. A score between 40% and 60% is classified as **poor** and categorised as an amber risk. A score between 60% and 85% is classified as **satisfactory** and categorised as a yellow risk. A score greater than 85% is classified as **good** and categorised as a green risk.

In addition to the overall elemental condition and therefore the risk associated with elements, the Property and Technical Officers also identify "Hot Spots". These are generally parts of an element where condition is such that they do not significantly influence the overall score but require attention as their failure is likely to result in a significant disruption to the building functioning as intended.

As a result, a capital programme is established that deals with high risk elements including "Hot Spots". It is also prudent to include a Health and Safety budget to deal with any emergent issues throughout the financial year.