

CORPORATE ASSET MANAGEMENT PLAN 2023/24

1. INTRODUCTION

- 1.1 The Council's Corporate Asset Management Plan (CAMP) describes the arrangements which the Moray Council has made for asset management planning; links the asset management planning process to other key concerns of the Council; highlights progress in the preparation of asset management plans for the six main categories of asset, and includes an action plan for the coming year.
- 1.2 The CAMP also seeks to make explicit the links which exist between the asset management planning process and the financial planning process, particularly capital planning, and this is addressed throughout the CAMP.
- 1.3 The CAMP has been prepared according to the guidelines set out in the CIPFA Guide to Asset Management and Capital Planning ("the CIPFA Guide").

2. BACKGROUND

- 2.1 The Asset Management Working Group (AMWG) was established to develop and oversee overall asset management arrangements within Moray Council. A key task for the group is to assist in the development of proposals for capital expenditure based on asset management principles. These proposals are then fed into the Council's financial planning process. They aim to establish appropriate expenditure plans for the medium term. Indicative ten years plans are prepared, reflecting approved asset standards and asset conditions at the time the plan is prepared, and reported to Council when the Council Tax is set to facilitate longer term planning. The current indicative ten year plan was approved on 1 March 2023, along with the capital plan for 2023/24. The 2023/24 plan falls in an environment of considerable uncertainty about the state of the economy, with increased inflation and supply chain issues causing price rises. The current trend of increasing interest rates is also putting pressure on spending plans.
- 2.2 The AMWG is also responsible for developing the corporate asset management framework and for overseeing progress on the development of individual asset management plans. Progress on the development of asset management planning is reported to the Corporate Committee, which approves the CAMP on an annual basis.

2.3 The key drivers for asset management planning are listed below:

Driver

Condition	This requires to be measured for each class of asset, and each asset within that class graded. The Council sets targets for condition for each asset class.
Suitability	This assesses whether or not an asset is fit for purpose.
Sufficiency	This is about asset capacity rather than asset use and reflects demand for the asset.
Revenue Costs	The costs of operating the asset.
Accessibility	Both physical accessibility – e.g. with the duty to make reasonable adjustments under the Equalities Act 2010 – and whether specialist knowledge is required to operate the asset, potentially restricting its use.
Value	This could be the book value of the asset, the market value or replacement value.

2.4 Asset management planning is closely linked to capital planning, and has come of age in local government under the Prudential Code. Long-term affordability is therefore a major concern for asset management planning. The recognised six drivers listed above all impact on affordability. The CAMP places this under the umbrella of sustainability and this will be discussed from three aspects – financial sustainability, environmental sustainability and economic sustainability – in section 3.

2.5 As well as affordability, the asset management process aims to achieve efficiency in terms of use of assets, and maximisation of value in terms of asset disposal.

2.6 The CIPFA Guide identifies the six main categories of asset for asset management planning as property, open space, roads and associated structures, housing, fleet and ICT. Asset Management Plans should be based on robust data about the number of assets in each category; their condition; suitability for use; sufficiency for use, and revenue cost of use. They should set targets for performance; relate to service plans for future delivery of service; identify investment needs; support the Local Outcome Improvement Plan, Corporate Plan or other Council policy priorities.

2.7 In order to better reflect local priorities and operational needs two of these main categories have been subdivided. Property is subdivided into the school estate, industrial estates and offices and other properties; Roads etc. is subdivided into roads and directly associated infrastructure; harbours; flood alleviation schemes.

- 2.8 Assessment of current progress on preparation of asset management plans for each asset type is summarised in section 4.
- 2.9 The Action Plan for 2023/24 forms section 5 of the CAMP.

3. SUSTAINABILITY

Financial Sustainability

- 3.1 For the Council to be able to assess the sustainability of its asset base, it must have good quality information on the condition of its assets and use this to estimate the cost to the Council of maintaining each asset over its expected life.
- 3.2 The Council's Capital Strategy sets out the principles underlying the Capital Planning process and in doing so describes how Asset Management Planning and Capital Planning inter-relate. The latest version of the Capital Strategy was approved by Council on 2 February 2023 (paragraph 8 of the Minute refers).
- 3.3 The Council requires to reduce expenditure to an affordable and sustainable level. An important part of this process will be to reduce the Council's asset base; to review the standards to which the Council aspires its assets to reach; to agree on an affordable level of capital expenditure, and to agree a process for prioritising capital expenditure across asset types and prioritising new developments. The AMWG has trialled a process of prioritisation of capital bids and work to prioritise bids will continue during 2023/24.
- 3.4 The ten-year plan when first developed was based on the work required to meet the Council's approved standards for all asset groups. The plan presented to the Council on 1 March 2023 also reflected the requirement to provide new or improved infrastructure and facilities to accommodate planned local developments, along with expenditure arising from Asset Management Plans (AMPs). Accordingly, the Capital Plan is framed by drivers for expenditure that: recognise the Local Development Plan and other Council plans (specifically for Economic Development); Asset Management Planning; Improvement and Modernisation Programme/efficiencies; expenditure arising from Legislative Requirements; Funded Government Priorities and Responsive Expenditure.

Environmental Sustainability

- 3.5 A Special Meeting of the Council on 27 June 2019 (paragraph 6 of the Minute refers) recognised that Climate Change was an ecological emergency and agreed to form a Climate Change Group made up of Officers and Members with the view to developing a Climate Change strategy and action plan within 6 months, with a core goal of carbon neutral by 2030. Due to the Covid-19 pandemic the Strategy and Action Plan was not approved until 10 March 2021 (paragraph 13 of the Minute refers).

- 3.6 At a meeting of the Council on 6 April 2022 a Route Map to Net Zero (RMNZ) Carbon Emissions was approved. This set out the current pathway to net-zero for the Council by 2030 by explaining actions to target the Council's major emissions sources; buildings (electricity and heat), fleet, waste and operating emissions. The additional work to reduce emissions contained in the RMNZ will require substantial funding over the next ten years and will need to be progressed through the Council's financial planning process. However, without significant external funding RMNZ is likely to be unaffordable.
- 3.7 The Council has invested in energy efficiency projects and in prior years has benefited from funding from the Central Energy Efficiency Fund and a capital grant from the Scottish Government. The Council is investigating solar energy projects to progress as spend to save energy proposals with possible funding through SALIX Loans. An annual report on the Council's Energy Strategy is made to the Economic Development and Infrastructure Service Committee, with the latest report being to that committee on 15 November 2022.
- 3.8 The Council undertook a project to replace all SON and SOX street lanterns with LED lanterns and this was successfully complete in 2022/23.
- 3.9 The Council also funds on-going small scale energy saving projects and an allowance is included in the capital plan each year to fund such projects.
- 3.10 Environmental considerations will remain an important consideration in the development of individual asset management plans and in developing individual projects. Proposals for capital projects will seek to maximise environmental benefits, balanced with cost to the Council. With respect to the Learning Estate and LEIP funding, this has set an energy efficiency target of 67/kWh per square metre per annum for core facilities use. At a meeting of Economic Development and Infrastructure Services Committee on 7 February 2023 (paragraph 12 of the minute refers) it was agreed that for capital spend on fleet and property the value of carbon should be incorporated into the appraisal of projects. As per guidance from the UK Government Department for Business, Energy & Industry Strategy (BEIS) the social costs of carbon should be monetised and included in appraisal and evaluations to ensure the impacts of carbon are taken into consideration.
- 3.11 Each key service area has a responsibility of supporting the Council's budget strategy through reducing the cost and impact of the use of resources, including water, energy and transport fuel. This has associated carbon reductions that will contribute to the goal of the Council being carbon neutral by 2030.

Economic Sustainability

- 3.12 Sustainable Economic Development is a priority in the Corporate Plan. The Council aims to support a sustainable economy in Moray through various policy initiatives designed to support economic development locally and in particular through the development of the Moray Economic Partnership, Moray Economic Strategy and the Moray Growth Deal.

3.13 For asset management planning, economic sustainability has three strands:

- ensuring the Council's asset management planning process supports the economic development process by joined-up planning with partners in the Moray Economic Partnership and Moray Growth Deal;
- planning asset management which directly supports economic development (such as developing industrial estates or facilitating development at Buckie harbour), and
- reflecting the requirements of the Local Development Plan.

3.14 Asset disposal can support financial sustainability by maximising capital or other financial receipts. Economic sustainability can also be assisted by facilitating community development and the Council's Community Asset Transfer process seeks to support local sustainable community ventures. This process continues to be part of the mainstream asset management planning function of the Council.

3.15 The Moray Growth Deal was formally signed by the Council and the both the UK and Scottish Governments on 20 December 2021. The outline business cases (OBC) for the various projects were presented to Government and agreed as a precursor to sign off. The financial spend and funding profile in the full business case for the Digital Health Initiative and OBCs for the other seven projects were incorporated into the Council's ten year Capital Plan. As Full Business Cases are signed off the capital plan is updated to reflect the latest planned profile. Any amendments arising from approved change requests will also be reflected in Council's ten year capital plan.

4. ASSET MANAGEMENT PLANS

4.1 Property

4.1.1 The Learning Estate

The Council previously approved target grades of B for both condition and suitability for the Moray School Estate. There is a commitment to provide capital over the next 10 years to support a refurbishment plan to deliver this and an estate-wide condition survey project is underway to determine the scale and scope of upgrade refurbishment works. The B-B upgrade programme that the Council has committed to will be accompanied by the implementation of a robust asset management plan and Planned Preventive Maintenance (PPM) regime. The benefits of this approach should reduce the lifetime operational costs of buildings and equipment. This will include the requirement for a component renewal capital allocation within any future learning estate asset management plan and a robust and affordable approach to delivering a net zero carbon learning estate. The assumption is that a future PPM budget will replace the current repairs and maintenance budget and that some of the BB upgrade budget may be recommended for additional upfront project costs to develop a comprehensive and detailed asset register and PPM plan. Until the service has completed the full condition surveys, which will be mid-2024, it will not be in a

position to develop the full Asset Management Plan – within which PPM and Component Renewal planning resides. This will be a phased process based around an ASG prioritised approach with Forres ASG, Buckie ASG and Elgin ASG being the initial focus (with all the relevant condition surveys completed in these ASGs by autumn 2023) due to future capacity issues and related capital spend. A learning estate team was established in May 2021 to deliver the 2020 Moray Learning Estate Strategy. In addition to managing the B condition / B suitability refurbishment and new build projects, the team are focused on developing options for estate rationalisation, engaging with the local community and other stakeholders to deliver a long term sustainable and affordable learning estate. At Council on 9 October 2020 (paragraph 4 of the Minute refers) the draft approach on the Learning Estate Strategy was presented. The approach confirmed that B suitability and B condition across all elements of a school should be a minimum standard. An updated Learning Estate Strategy was agreed at Council on 28 September (paragraph 12 of the minute refers). The Scottish Government have stipulated minimum standards for schools funded through the Learning Estate Improvement Programme (LEIP). There are four key elements to LEIP. Firstly condition, where a new learning environment is built to a high quality (Condition A) and well maintained (not less than Condition B) over the long-term (25 years). Secondly, new build should be energy efficient and over the long-term contribute to net zero commitments. Thirdly, it should enable digital learning and advancements in technology. Finally, the investment creates new jobs and enables inclusive economic growth. It recognised there needs to be whole life costing and maintenance plans adequately provided for in the Council's financial planning and recognition that it may take many years to achieve this across the whole school estate.

4.1.2 Offices / Other operational buildings

The Property Asset Management Appraisal (PAMA) was presented to Policy and Resources Committee on 12 December 2018 with updates provided on 29 October 2019. Further updates on the actions were provided to Council on 30 June 2021 and then to Corporate Committee on 30 August 2022. The PAMA is a strategic document which details current corporate building usage and associated operational costs. Future opportunities have been highlighted for detailed option appraisal to ensure all our building assets contribute efficiently to service delivery. Two components of the PAMA have been separated. The Office Review is now progressing as part of the Smarter Working Project following the move to hybrid working as the norm. The project is focussed on the HQ Campus at present but the general principles are to be rolled out across all Council offices and the outline business case was approved by Full Council on 2 February 2023. Early adopters have started trialling increased occupation of office space in the HQ building following the end of Covid restrictions. As lessons are learned from these early adopters increased occupation of the HQ Campus will progress during summer and autumn. The increased use of the HQ Campus will see the opportunity to reduce occupation in other locations with early surplus office assets already being identified for generating some revenue savings during this financial year. An update on the Depot and Stores review was provided to the Economic Development and Infrastructure Services

Committee on 6 September 2022. The outline business case for the rationalisation of depots and stores is progressing in development and will take fully on board the need to decarbonise the Council's property and fleet assets in line with the Council's climate change objectives. To this end the outline business case will reflect the need for appropriate electrical vehicle charging points across Council locations and ensure property assets retained can be decarbonised economically with the intention that the outline business case will be reported to Committee in the autumn this year.

4.1.3 Industrial Estates

The annual industrial portfolio report on industrial estates is the vehicle for asset management planning for the Council's industrial portfolio. The latest report was to the Economic Development and Infrastructure Committee on 6 September 2022. The Industrial Estate portfolio plays an important role in supporting the Corporate Plan aim of facilitating economic growth and diversification of the local economy.

4.2 Open Space

- 4.2.1 The Council does not have an approved all-encompassing asset management plan for open spaces (including park and cemeteries), however specific types of open space – in particular cemeteries – have strategies approved by committee. The Cemetery Strategy was approved by the Economic Development and Infrastructure Services Committee on 4 December 2018 (paragraph 6 of the Minute refers)
- 4.2.2 The Council has a rolling programme of replacement of play area equipment. Play area upgrades are prioritised and selected from condition scores received annually from an independent play inspection report. The Council's Open Space and Community Support teams are working closely with communities using Participatory Budgeting to deliver upgrades to play areas prioritised for repair/upgrade. In 2023/24 these are Mannachie Play Area Forres, Letterfourie Park Buckie, and Tomnavoulin Park Speyside.
- 4.2.3 A programme of infrastructure repairs for parks and cemeteries is being prepared for delivery in 2023/24 and is based upon findings and reports from operational teams. A more detailed approach to condition scoring these assets will be developed during 2023/24 and will include road, steps and footpath repairs; and where required refurbishments to walls, gates and fences. Work is also ongoing with support from the Council's Consultancy and Estates teams to develop plans for a new cemetery in Elgin.
- 4.2.4 Given the annual value of the capital programme for open space, the development of a full Asset Management Plan is not currently a priority of the service due to other competing demands on the team's resources but investment continues to be made and prioritised in response to health and safety concerns and as outlined above.

4.3 Roads and other infrastructure

4.3.1 Roads and Associated Infrastructure

The first Roads Asset Management Plan (RAMP) was completed in April 2012, following a nationally developed model. The RAMP addressed the specific lifecycle requirements of 5 different asset groups: carriageways, footways (including footpaths and cycle tracks), structures (road bridges, foot bridges and retaining walls), street lighting and street furniture. This was then modified in the preparation of the financial plan for 2014/15 in which a target of reducing the standard of Moray's roads to the Scottish average over the next ten years was set in order to achieve savings, and this target has since been clarified as being a desired mid-table ranking. The latest RAMP was presented to the Economic Development and Infrastructure Services Committee on 7 February 2023 (paragraph 6 of the Minute refers). It was approved that Officers continue to monitor the Road Condition Indicator (RCI) on an annual basis and subject to the outcome of these, consider to undertake a more detailed analysis that would provide a more up to date long-term prediction on road condition for the future years. In the meantime, work would continue to the current standard, which is mid-table in terms of the highlight RCI score.

4.3.2 The Council participates in a project run by the Society of Chief Officers of Transportation in Scotland (SCOTS) to continue development of Roads Asset Management Planning. The project is now in Phase 3, with Atkins as the Support Consultant. Moray Council's current Road Asset Safety Inspection strategy and operations manual documents were approved by the Council's Economic Development and Infrastructure Committee on 10 September 2019 (paragraph 6 of the minute refers). This system of risk-based inspections, which is in line with both the Well-managed Highway Infrastructure Code of Practice and SCOTS guidance was implemented on 1st April 2020. The Council's Asset Management System software (WDM), which manages customer enquiries, works instructions, asset inventory and asset inspections, was upgraded to a web-based version recently (27 March 2023). The new system utilises mobile technology to deliver an end-to-end mobile working solution which will enable better management of reportable defects on site and create a works instruction for the repair, which can then be sent to the repair crew almost instantly. The paper-free system has also greatly improved the speed and efficiency of allocating work to crews, particularly those based at different depots, as supervisors can send the works instructions directly to their tablets electronically, and also receive back completed instructions, in real time.

4.4 Harbours

4.4.1 Condition surveys of the harbours have been used to develop a planned programme of work which forms the Asset Management Plan for the harbours. A review has now been completed and a four year plan been drafted to cover all urgent repairs based on risk of failure and consequences of that failure. That plan will be reviewed annually. The nature of the asset is such that emergency

and unplanned works can be required, particularly following severe weather events, and an agile approach to asset management planning is required.

4.5 Flood Alleviation Schemes

- 4.5.1 Maintenance of the Council's seven flood protection schemes is undertaken as and when required. Inspection of these schemes is considered critical and any work identified during these inspections will be prioritised based on risk
- 4.5.2 Under the Flood Risk Management (Scotland) Act 2009, we must prepare and publish Flood Risk Management Plans for our local area and members agree these plans. This is done in partnership with SEPA and neighbouring authorities. The plans set out at a fairly high level actions we must undertake to address flood risk over a six year cycle. As part of the plan, we also prepare an annual schedule of Clearance and Repair, which is published, subject to agreement by members
- 4.5.3 Small watercourses, culverts and coastal protection systems as identified on the flood team's schedule of clearance and repair are prioritised based on risk.

4.6 Housing

- 4.6.1 Following a review of the recently introduced Housing Asset Management Team within Housing and Property Services it was established that further staffing resource would be required to manage and implement the housing stock improvements identified within the stock condition survey undertaken in 2021. The Housing and Community Safety Committee of 6 September (paragraph 10 of the minute refers) approved the extension of the team. Due to long term staff illness a steady expansion of the team has been undertaken with two of the four new posts filled by 31 March 2023. It is recognised that the Council's housing stock requires significant investment to meet the Scottish Housing Quality Standard (SHQS) and Energy Efficiency Standard for Social Housing (EESH) within appropriate timescales. Work programmes for the 2022/23 financial year on the stock improvement have once again been affected by the Covid-19 pandemic along with material and labour shortages however circa 8% of the housing stock received replacement heating systems in the year. The Housing Investment Plan approved by Council on 1 March 2023 (paragraph 6 of the minute refers) sets out the areas of spend for next financial year and the following two years in order that the Council can significantly improve the quality of the housing stock in line with legislation, with a particular emphasis on improvement to the poorest energy efficient properties first.
- 4.6.2 A review of the Housing Business Plan was carried out in 2023 to assess the capacity of the Housing Revenue Account to deliver the housing service's ongoing investment priorities, including: EESH compliance; maintaining its housing stock to a good standard; continuing with its new build programme and meeting the home improvement preferences identified by tenants in the 2021

Tenant's Survey and to ensure continued affordability of the programme of the Council's new build housing programme.

- 4.6.3 The Council's Strategic Housing Investment Plan 2023/28 sets out proposals for the delivery of new Council housing over the planned period. The programme will be funded from resources provided by the Scottish Government as part of the Moray Affordable Housing Programme. The 2023 Housing Business Plan has made provision for 50 new houses to be delivered per annum. The new council housing will help address the ongoing acute shortage of affordable homes in Moray and will provide accommodation for a broad range of needs, including overcrowded families, older people, wheelchair users and people with physical disabilities. It will also contribute to the aims of the Council's Rapid Re-Housing Transition Plan by providing permanent accommodation for homeless households. The new council housing is being built to high levels of sustainable design and energy efficiency, achieving EPC B and the "silver" level of current Building Regulations in respect of both Carbon Emissions and Energy for Space Heating.

4.7 Fleet

- 4.7.1 The current policy for replacing vehicles is to plan to replace them at the age assessed as being, on average, the optimum replacement age for that type of vehicle, balancing the cost of repairs and downtime with the cost of replacement. The Fleet's 10 year rolling vehicle and plant replacement plan has to accommodate the Council's target to be Net Zero by 2030 subject to availability of suitably advanced technology vehicles and plant. A project is currently in progress looking into decarbonisation of the Council's fleet through the use of zero emission electric vehicles. A report was submitted to the Economic Development and Infrastructure Services Committee on 7 February 2023 (paragraph 8 of the minute refers) reporting recommendations as to how the Council Fleet can reach its Net Zero position by 2030 subject to available vehicle technology. Further to this, the budget implications associated with this position will need to be identified and reported through the Council's financial planning process.

4.8 ICT

- 4.8.1 The use of ICT underpins all of the Council's activities, to a greater or lesser extent. It is recognised that robust asset management planning for this area is of great importance. The response to the pandemic has changed the shape of the Council's ICT asset base through extensive roll out of devices to support hybrid working. Another significant change is the move to hosted, or Cloud based, systems which reduces the requirement for ICT infrastructure at our own premises. The impact of these changes on future requirements is still being assessed.
- 4.8.2 The current policy for replacing ICT assets varies, depending whether the equipment is related to the schools' network, or the corporate network but is essentially based on the optimal age for the type of asset in the particular setting. Actual replacement, however, does need to take into account other

factors such as performance of the asset but also external factors such as third party support, compatibility with other products, general trends in technology, and security requirements / accreditation. The increased number of mobile devices will also have a bearing on the current policy. This will be addressed when consideration is given to the replacement of the mobile devices which were rolled out during a short period of time.

- 4.8.3 The 2023/24 ICT plan will focus on the server infrastructure to address compliance requirements and major system upgrades. There is also further work planned on the core corporate network infrastructure, which is dependent upon the Council's approach to hybrid working and the future requirements of the property estate. The School's ICT Strategy, when approved, is likely to be a key area that will impact upon the ICT asset management plan. The options for the provision of devices to pupils and teachers may have a significant impact on current planning if there is a move towards 1:1 devices, or a major shift towards the use of different technologies.

5. ACTIONS PLANNED FOR 2023/24

5.1 The key tasks are noted below:

- Improve and automate capital monitoring information provided to budget managers to assist in improved management of the capital plan, with a target completion date of December 2023;
- Continue work on prioritisation of the capital plan for including in the budget process, with a target completion date of September 2023;
- Update Asset Management Planning Process to incorporate the requirements of the Climate Change (Duties of Public Bodies: Reporting Requirements) (Scotland) Amendment Order 2020.
- Progress with the development of the Learning Estate Strategy ;
- Progress with the Smarter Working Project with a view to increasing occupation in the HQ campus in the Summer, taking into account the lessons learned from early adopters;
- Continue to develop the outline business case for the rationalisation of depots and stores taking into account the need to decarbonise the Council's property and fleet assets in line with the Council's climate change objectives. The aim is to report to Council in the autumn of 2023.
- Continue to develop a selection process for post project reviews, with a target of October 2023;
- Review the status of Asset Management Plans in APPENDIX 1 in June 2023 and develop a programme of updates by October 2023. A rolling 5 year programme is envisaged as the likely outcome