



REPORT TO: ECONOMIC GROWTH, HOUSING AND ENVIRONMENTAL SUSTAINABILITY COMMITTEE ON 13 APRIL 2021

SUBJECT: CORPORATE ASSET MANAGEMENT PLAN

BY: DEPUTE CHIEF EXECUTIVE (ECONOMY, ENVIRONMENT AND FINANCE)

1. REASON FOR REPORT

- 1.1 To provide the committee with a report of progress made against the Corporate Asset Management Plan for 2019/20 and 2020/21 and to consider targets for 2021/22.
- 1.2 This report is submitted to the Economic Growth, Housing and Environmental Sustainability Committee following a decision of Moray Council on 17 June 2020 to agree a simplified committee structure as a result of the COVID-19 pandemic. In the case of this committee the combining of the delegated responsibilities of Economic Development and Infrastructure, Community Services (Housing and Property) and Finance (budget, capital and revenue monitoring) (para 9 of the minute refers).

2. RECOMMENDATION

2.1 It is recommended that the Committee:

- (i) considers and notes the work done to date to meet the targets set in the Corporate Asset Management Plan for 2019/20 during 2019/20 and 2020/21;**
- (ii) notes the status of Asset Management Plans for each type of asset as set out in APPENDIX 2;**
- (iii) notes that the focus of asset management planning in the council has been on ICT due to the impact of the Covid-19 pandemic; and**
- (iv) approves the targets set in the Corporate Asset Management Plan for 2020/22 as detailed in APPENDIX 3.**

3. BACKGROUND

- 3.1 This report was originally scheduled for presentation to the Policy and Resources Committee in 2020, however, due to the COVID-19 Pandemic its

completion and presentation was placed on hold. Work on many of the targets set out in **APPENDIX 3** was suspended and depending on the future nature of the pandemic it is hoped that they can be carried over for completion during 2021/22.

- 3.2 The Policy and Resources committee approved the council's first Corporate Asset Management Plan on 23 September 2008 (paragraph 6 of the minute refers) and has approved annual updates since then. The updated plan for 2019/20 was approved by Policy and Resources committee on 9 April 2019 (paragraph 6 of the minute refers).
- 3.3 A schematic representation of the asset management planning process is included as **APPENDIX 1** to this report. Committee should note the iterative nature of asset management planning, taking financial affordability into account. The next stage in the development of asset management across the council is a reiteration to address financial sustainability. An important step in this process was the approval of the Property Asset Management Appraisal (PAMA) by Council on 12 December 2018 (paragraph 5 of the minute refers). A progress report on the PAMA was presented to the Policy and Resources Committee on 29 October 2019 (paragraph 13 of the minute refers).
- 3.4 At its meeting on 27 February 2019 Moray Council (paragraph 4 of the minute refers) agreed to commence preliminary work to revert to capital expenditure based on asset management principles, from a Make Do and Mend policy, with a view to full implementation by 2022/23.
- 3.5 A summary of progress to date on developing individual asset management plans is included as **APPENDIX 2** to this report. This highlights progress in Property Asset Management Planning over the past two years.

4. REPORT ON PROGRESS UNDER THE CORPORATE ASSET MANAGEMENT PLAN 2019/20 DURING 2019/20 AND 2020/21

- 4.1 The Corporate Asset Management Plan (CAMP) for 2019/20 reflected a year of continuing consolidation; with the key aim of the CAMP being to ensure that the work needed to underpin and deliver a ten-year capital plan was identified, resourced and carried out.
- 4.2 The key tasks identified for 2019/20 were:
 - Plan and commence implementation of the findings of the Property Asset Management Appraisal report;
 - Develop a new PI as identified by the Capital Strategy;
 - Incorporate the process of prioritising capital projects within the development of a target to reduce the Council's asset base, as part of the corporate planning process;
 - Review the remit and membership of the Asset Management Working Group;
 - Flood Alleviation Asset Management Plan to be completed and reviewed by Asset Management Working Group prior to submission to Members
 - Develop a selection process for post project reviews

- Continue general development of AMPs
- 4.3 As referred to in paragraph 4.2, a Property Asset Management Appraisal (PAMA) was presented at the Moray Council on 12 December 2018 (paragraph 5 of the minutes refers). The PAMA proposed a review of office accommodation, depots, storage facilities and the implementation of a revised Asset Management Structure - all of which to be completed in 2019/20. An update was provided to the Policy and Resources Committee on 28 October 2019 (paragraph 13 of the minute refers) and a report on the Leisure Estate presented to Moray Council on 17 December 2019 (paragraph 7 of the minute refers). The draft report on the depot structure was completed and scheduled for presenting to Committee in February 2020 but was delayed due to the Covid-19 pandemic. Work is continuing with a view to reducing footprint but the current restrictions on social distancing have impacted upon what can be achieved in the short term
 - 4.4 New PI identified and developed, reported as part of the budget setting process.
 - 4.5 The ten year capital plan was updated based on an extension of the indicative ten year plan for 2020/30 with a review of the profile of work contained within the plan and was reported to Council on 3 March 2020, with the overarching Council's Climate Change Strategy impacting across asset types and in particular buildings and vehicles (paragraph 6 of the minute refers). This strategy was agreed in March 2021. Together with developments described in paragraph 4.4 these supersede the original aim of simply reducing the asset base.
 - 4.6 A move away from Make Do and Mend to a developed asset management led programme of work based on updated condition surveys within the school estate was identified as being necessary. At Council on 16 December 2020 (paragraph 5 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. 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.
 - 4.7 Preliminary work was carried out between Officers from the Programme Management Office and Finance to review the remit and membership of the Asset Management Working Group (AMWG). This will be concluded and a report presented to the AMWG during 2021/22.
 - 4.8 The Flood Alleviation Asset Management Plan remains outstanding, however, the service continued to update the asset management database with the majority of this work now completed and 2021/22 targeted for the remaining elements to be complete.
 - 4.9 Work is ongoing to formalise a process for selecting post project reviews, with collaboration between Officers from the Programme Management Office and

Finance on identifying the best way forward. This work will continue into 2021/22 where a draft report will be brought to the AMWG

- 4.10 Continuing the development of individual asset management plans is an on-going task but little progress has been made in 2020/21 as the focus of Council services was on response to the pandemic and then supporting recovery, prior to the current lockdown.

5. CORPORATE ASSET MANAGEMENT PLAN 2021/22

5.1 The undernoted tasks are recommended for inclusion in the 2021/22 CAMP:

- Review asset standards as approved by Council on 18 February 2021
- Continue to plan and implement the findings of the Property Asset Management Appraisal report;
- Review the remit and membership of the AMWG, carried forward from 2019/20;
- Flood Alleviation Asset Management Plan to be completed and reviewed by group prior to submission to Members; carried forward from 2019/20
- Refresh current Capital Strategy for presentation to Council as part of the financial planning process for 2022 onwards
- Continue to develop a selection process for post project reviews and bring a draft report with recommendations to the AMWG; and
- Continue general development of AMPs.

5.2 The full plan is included as **APPENDIX 3** to this report.

6. SUMMARY OF IMPLICATIONS

(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))

Asset management planning assists the council to deliver council and community planning priorities whilst achieving Best Value.

(b) Policy and Legal

There are no policy or legal implications arising directly from this report.

(c) Financial implications

There are no financial implications arising directly from this report. Asset management planning feeds into the council's financial planning process and forms a key part of the strategy for reducing budget pressures and the Council's Improvement and Modernisation Programme.

(d) Risk Implications

There are no risks to the council arising directly from this report. Asset management planning reduces the risk to the council of unexpected issues arising relating to the council's assets.

(e) Staffing Implications

There are no staffing implications arising directly from this report. All recommended actions are planned to be carried out within current staffing resources.

(f) Property

There are no property implications arising directly from this report.

(g) Equalities/Socio Economic Impact

There are no equalities issues arising directly from this report.

(h) Consultations

Members of the Corporate Management Team and of the Asset Management Working Group, the Legal Services Manager, L Rowan, Committee Services Officer and the Equal Opportunities Officer have been consulted in the preparation of this report.

7. CONCLUSION

7.1 Progress continues to be made with the development of asset management processes and plans.

7.2 The Corporate Asset Management Plan for 2021/22 sets out the actions planned for the next financial year to progress asset management planning in the council.

Author of Report: Paul Connor, Principal Accountant
Background Papers:
Ref: PC/LJC/