



# **Asset Management Plan**

**(Land and Buildings)**

**November 2016**

**South Ayrshire Council  
Asset Management Plan**

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### 1. Background and Context

- 1.1 South Ayrshire Council is committed to managing its land and building assets efficiently and effectively. The Council's land and building assets can be broken down into the following asset categories:
- **Operational Assets** which are required to directly support Council services;
  - **Non-Operational Assets** which are commercial premises which assist in economic development and generate a revenue income stream for the Council – for example, shops, industrial units; and
  - **Common Good Assets** which are generally historic properties/land held and managed by the Council for the people of South Ayrshire. The use of Common Good assets can fall within any of the above two asset type categories.
- 1.2 The appropriate use of land and building assets in the right location can make the difference between good or bad service delivery. Land and building assets are visible and therefore positively influence our community's perception, as well as that of visitor's to the area, of the Council and the services we deliver; it is recognised that:
- managing land and building assets effectively is a key element of supporting service delivery;
  - resources employed in the management of our land and building assets are significant and therefore the efficiency of their deployment is critical;
  - land and building assets can be a key driver of service transformation and modernisation;
  - schools are a key asset, often the most used public facility and the main hub of the community;
  - the value of land and building assets owned by the Council is significant; and
  - properties are key to public perception of our local authority and the area.
- 1.3 Given that we are in a time of austerity and there has been a reduction in Local Authority budgets that will continue for the foreseeable future it is now more vital than ever that the Council ensures the efficient and effective use of our land and building assets in order to meet the delivery of key service objectives
- 1.4 Responsibility for asset management of land and buildings in the Council falls within the remit of Resources, Governance and Organisation under the Property and Risk service, which has the direct responsibility for the co-ordination and management of the asset management planning process.

1.5 Property and Risk, as the lead service in land and building assets management, must ensure that this is delivered in an efficient and effective manner that supports and links into the Council's financial strategy.

## 2. Executive Summary

2.1 This Asset Management Plan (AMP) sets out the Council's approach to the management of its land and building assets to ensure full support of the delivery of our services and the Council's Strategic Objectives.

2.2 The management of the Council's land and building assets involves a number of significant elements including the day to day management of their use and maintenance, to significant renovation and new construction projects.

2.3 Managing these assets in a challenging financial climate will be a fundamental element of the Property and Risk service delivery strategy, with a commitment to the sustainable development of finite land resources to create an attractive, functional, built environment that makes best use of new and traditional building assets.

2.4 The AMP will directly contribute towards the achievement of the following key actions and outcomes for the Property and Risk service:

- (1) land and building assets are maintained in satisfactory or better condition to support service delivery;
- (2) land and building assets are fit for purpose, compliant in respect of health and safety and suitable in terms of accommodation type and layout to support the delivery of services;
- (3) land and building assets provide accommodation that is accessible for all service users and staff;
- (4) land and building assets are sufficient for service delivery and utilised as much as possible by our communities. Underutilised properties will be subject to comprehensive review to determine if fit for purpose and if required for service delivery;
- (5) the energy performance of our land and building assets is monitored, and improvements undertaken where financially viable and technically feasible;
- (6) dissemination of property information to all relevant users so as to provide more efficient property management and maintenance and to support investment decisions;
- (7) reduction in reactive maintenance through targeting maintenance resources more effectively;
- (8) new procedures are followed for Capital Budget Monitoring to ensure planned improvements and projects are delivered within budget and timescales; and
- (9) capital and revenue expenditure is directed by the AMP and School Estate Management Plan.

2.5 These key actions and outcomes will be delivered in conjunction with the Council's other services to support service delivery outcomes and the Council's Strategic Objectives, using corporate processes and procedures for consistency and quality control.

### **3. Asset Management Plan: Concept**

#### **3.1 *The Role of Property Management***

3.1.1 The role of Property and Risk as lead service in delivering land and buildings asset management consists of the following main activities:

- (1) leading on the scope and direction of this AMP;
- (2) responsibility for ensuring that services use land and building assets effectively and efficiently;
- (3) prioritising and managing the deployment of revenue resources for statutory compliance, cyclical and reactive maintenance;
- (4) prioritising and managing the deployment of capital resources to support and undertake planned improvements, statutory compliance works, and to deliver new property projects;
- (5) managing the capital receipts programme and maximising Best Value in relation to property disposals;
- (6) providing professional services to the Council and partners relating to the management of land and building assets;
- (7) undertaking office accommodation reviews in relation to the Council's administrative buildings;
- (8) managing the Council's non-operational property portfolio; and
- (9) working with SFT and South West Hub, as appropriate, on specific projects.

#### **3.2 *Asset Management and the Council's Strategic Objectives***

3.2.1 Significant resources are deployed in the management, maintenance and construction of our land and building assets and therefore it is essential that these are deployed to deliver the best possible outcomes for South Ayrshire. Land and building assets are essential to the services delivered by the Council. Managing these assets is a structured process that seeks to ensure best value; continuous improvement in performance; achievement of our Strategic Objectives; and service modernisation.

3.2.2 The Council has an approved Council Plan, which sets out 6 strategic objectives that have been developed in consultation with our local communities, partner organisations, stakeholders, staff and trade unions. These objectives inform the activities that the Council will undertake in order to achieve better outcomes for South Ayrshire. Successful management of land and building assets will be critical to ensure the successful delivery of these objectives.

3.2.3 The Council's strategic objectives for 2016-18 are that we will work in partnership to maximise the potential of:

- our local economy;
- our young people;
- our adults and older people;
- our communities;
- our environment; and

Improve the way we work as a Council.

3.2.4 The table below illustrates where good asset management and robust processes in terms of risk and safety management *directly* contribute to, or are directly influenced by, the delivery of the Council's strategic objectives:

<b>Our local economy</b>	The investment in land and building assets is significant and supports employment directly in the Council through the Property and Risk team (including Professional Design Services) and Property Maintenance and indirectly through the engagement of local contractors to undertake works, this also has associated community benefits, as well as through Capital Projects Procurement and partnership working like Hub South West.
<b>Our young people</b>	Schools represent a significant proportion of the Council's operational property portfolio. Ensuring these are compliant, in good condition and fit for purpose is crucial to creating a positive environment for learning.
<b>Our adults and older people</b>	The Council owns and operates care homes and housing facilities for the elderly, supporting a better quality of life for older people. There is also a new development proposed for adults with learning difficulties and additional support needs.
<b>Our communities</b>	Our land and building assets, by providing accommodation for services in communities. Significant investment has been committed to improve accessibility, thereby supporting equal access to our services, including our Sports and Leisure properties and Golf assets. In anticipation that the Community Empowerment Bill will be passed as law in spring/summer 2015, the Council is currently preparing a Community Asset Transfer Policy. This policy will set out a framework to manage the transfer of assets to community groups and voluntary organisations, to empower local communities.

<p><b>Our environment</b></p>	<p>By investing in our land and building assets and ensuring they are managed in a sustainable manner we ensure that there is an attractive and vibrant environment in South Ayrshire and also meet targets for Carbon reduction and a low carbon future.</p>
<p><b>Improve the way we work as a Council</b></p>	<p>Through pro-active management, our land and building assets act as a catalyst for modernisation and improvement of front line and back office service delivery (for example, office modernisation and new ways of working)</p>

3.2.5 The application of an asset management approach can enable efficient resource deployment, service rationalisation, and longer term financial planning and improved risk management. It is therefore essential that the Council embraces this approach and strives to invest to ensure our land and building assets are fit for purpose. The value of an asset management approach is that it enables the Council to develop a better understanding of the land and building assets which it operates, identify and respond flexibly to changing contributing factors, manage and mitigate risk and ensure financial resources are directed towards achieving the Council's strategic objectives.

### 3.3 *Capital Asset Management Planning Process*

3.3.1 Following an audit exercise carried out across all 32 Scottish Local Authorities, a good practice guide and checklist prepared by Audit Scotland titled 'Major Capital Investment in Councils' was first published in March 2013; a follow up report has been published in January 2016. Across a number of Councils, Audit Scotland identified weak processes for developing and using **business cases** and found that monitoring information was generally insufficient. There was recognition within the guide that improvements in these areas are important to support scrutiny and decision-making.

3.3.2 The General Services capital programme has historically under spent against the approved annual budgets. In recognition of this issue, the Head of Property and Risk implemented a revised staffing structure approved by Council on 19 August 2014 which will assist in achieving a number of outcomes in relation to the Audit Scotland report.

3.3.3 Based on the recommendations of the Audit Scotland guide, the Council has developed a Business Case process including option appraisal linking to the AMP (See Appendix A).

3.3.4 In addition, the Leadership Panel of 30 September 2014 approved a revised approach to capital asset management planning and a revised remit and membership of the Capital Asset Management Group (CAMG), comprising senior officers representing all services, which is tasked with ensuring the effective management of the capital programme and the evaluation of new bids brought forward.

- 3.3.5 The process, effective from January 2015, has meant that bids for all new capital projects will be considered on an annual cyclical basis and accord with a timescale that aligns with the budget setting process in December each year. This will ensure that projects are considered and evaluated on a consistent basis related to Strategic Objectives and corporate policies and recommended to Members for future investment on that basis, consultation with Portfolio Holders on an ongoing basis will ensure lines of communication are kept open during the year with final proposals and recommendations being brought forward for formal approval through the budget process annually.
- 3.3.6 As part of the continuous improvement in the Councils approach to asset management, the CAMG aims to develop a draft capital programme beyond the current five year period. This will enable longer term capital investment plans to be developed in the context of improving the linkages between capital investment and Council strategic objectives and key Outcomes.
- 3.3.7 Bids for all new capital projects will be considered on an annual cyclical basis and to accord with a timescale that aligns with the budget setting process in December of each year. This will ensure that projects are considered against the Council's Strategic Objectives on a prioritised basis having regard to existing programmes, available resources and deliverability.
- 3.3.8 The Financial Regulations published in May 2016 detail the procedure for the preparation annually of a financial plan for the capital investment programme.
- 3.3.9 The basis for assessment of business cases for projects is as follows:
- completed business cases are considered and assessed at the one time by the CAMG in September each year;
  - recommendations from the CAMG based on the scored templates are passed to the Executive Officers Group (EOG) for consideration in October; and
  - proposals are presented to Elected Members for inclusion in the Capital Programme
- 3.3.10 The CAMG is established to consider at a strategic level, corporate property issues and investment options. The membership of the CAMG is as follows:
- Executive Director - Resources, Governance and Organisation (Chair);
  - Director of Health and Social Care;
  - Head of Property and Risk (Vice-Chair);
  - Head of Finance and ICT;
  - Head of Enterprise, Development and Leisure;
  - Head of Neighbourhood Services;
  - Head of Housing and Facilities;
  - Asset Manager (Adviser to the Group); and
  - Manager (Schools and Service Support).

- 3.3.11 Capital projects are considered on a regular basis by the CAMG with a view to producing a Capital Project Business Case for each project. Services work together with relevant officers across services as required to complete the template sections 1 to 4, with the actual scoring of the project in section 5 undertaken by the CAMG. Only projects in excess of £100,000 capital requirement will be subject to this process.
- 3.3.12 Projects under £100,000 will be prioritised and approved through a separate form submitted to the CAMG. These will be considered and approved utilising a similar methodology for main capital bids. There may be various sources of funding utilised for works in this category of value including the CRA fund and the Repairs and Renewal Fund. The method for approval of these bids by the CAMG can be achieved through circulation of bids through emails and/ or meetings.
- 3.3.13 Works required to be undertaken and proposed to be funded by the Repairs and Renewal Fund in excess of £100,000 will require to be considered for recommendation by the CAMG but will require formal approval by Leadership Panel.
- 3.3.14 The Capital Asset Management Group (CAMG) sub group is an operational group of the CAMG which meets on a monthly basis to discuss the General Services capital programme. It provides Council services with an update on the progress of on-going capital projects and ensures that project spend is monitored throughout the financial year. Any adjustments to capital programme budget lines are referred to the CAMG or Leadership Panel for approval. The CAMG sub group includes senior officers from Property and Risk, Finance, Education, Communities, Bereavement Services, Sports and Leisure, Grounds Maintenance and Health and Social Care Partnership. The CAMG sub group also discuss future capital bids with regard to investment/improvements to operational properties, new build projects, and feasibility proposals.
- 3.3.15 The Housing Asset Management Group (HAMG) is an operational sub group of CAMG. It meets on a monthly basis to discuss the Housing capital programme and ensures that spend is monitored throughout the financial year. Any adjustments to capital programme budget lines are referred to the CAMG or Leadership Panel for approval. The HAMG sub group is chaired by the Head of Housing and Facilities and consists of senior officers within Housing, Finance and Property and Risk. It fulfils a similar role to the CAMG sub group. It also discusses potential new housing projects, energy efficiency measures, new build /demolition projects, larger scale environmental projects in housing areas and feasibility proposals. .
- 3.3.16 If, at any time following approval it becomes apparent that a capital project will be overspent or if the phased expenditure for the current year is likely to vary between years, then following consultation at either the Capital Asset Management Sub-Group or the Housing Asset Management Sub-Group, it shall be the duty of the Head of Property and Risk / Head of Housing and Facilities to report such variation immediately to the CAMG.
- 3.3.17 Where a budget variance amount is less than £100,000, the transfers or adjustments to funding shall be considered by the CAMG and formally approved by the Executive Director – Resources, Governance and Organisation as Chair of the CAMG. Where

the variance amount is in excess of £100,000 or if the phased expenditure for the current financial year is at any time expected to vary by an amount in excess of £100,000, then approval must be sought from Leadership Panel.

#### **4. Current Assets: Condition and Performance**

##### **4.1 Introduction**

4.1.1 The decision making process relating to asset management should be based upon a sound knowledge of the portfolio and an appreciation of how properties are meeting current and future service needs and supporting the corporate approach set out above. This understanding is gained by the collection and interpretation of several elements of data gathered for each property. This data consists of fully costed condition surveys following the Scottish Government elemental approach, see Appendix B, a suitability assessment (based on guidance issued by the Scottish Government), energy usage and annual running cost figures. The data is then moderated, collated and stored electronically. This allows a very accurate assessment to be made of current asset performance. The following sections give more detail on the current arrangements and performance of current land and building assets.

##### **4.2 Property Performance Evaluation Criteria**

4.2.1 This AMP sets out that we will manage our assets efficiently and effectively to support the delivery of the Council's Strategic Objectives. To demonstrate this six performance areas have been identified. The following table demonstrates how these relate to property and sets out appropriate high level performance indicators that we will use to measure our performance over the year and also to benchmark with other Local Authorities.

<b>Performance Area</b>	<b>Primary Performance Indicators</b>	<b>Activity Aims</b>
<b>Compliance</b>	Percentage of buildings that are fully compliant in terms of having a current fire safety risk assessment, up to date asbestos register, Legionella testing and management processes in place.	Demonstrating that our land and building assets comply with statutory and regulatory requirements. Ensuring properties are safe and available for use to deliver services by having them regularly inspected and retaining compliance logs.
<b>Condition</b>	Percentage of properties in good or satisfactory condition	Detailing the extent to which our land and building assets are maintained in satisfactory or better condition to support service delivery
<b>Suitability</b>	Percentage of properties that are considered satisfactory or better in terms of suitability	Detailing the extent to which our land and building assets are fit for purpose in terms of accommodation type and layout to support the delivery of services.

<b>Performance Area</b>	<b>Primary Performance Indicators</b>	<b>Activity Aims</b>
<b>Sufficiency</b>	Percentage of properties that are considered satisfactory or better in terms of sufficiency, utilisation and usage to support service delivery	Detailing the extent to which our land and building assets are sufficient for service delivery and utilised as much as possible by our communities.
<b>Accessibility</b>	Percentage of properties that are considered accessible according to Government guidelines as detailed in the Equality Act 2010	Demonstrating that our land and building assets provide accommodation that is accessible for all service users and staff
<b>Sustainability</b>	Total carbon emissions from corporate land and building assets (CO2 tonnes)	Demonstrates the impact our consumption of energy has on the environment. The energy performance of our land and building assets is monitored, and improvements undertaken where financially viable and technically feasible.

### 4.3 **Property Information**

4.3.1 The Asset Register is a document of considerable importance to any organisation; an asset register is designed to record all assets on the balance sheet, together with basic information as to use, size, value, occupying department. The register will record the existence of the asset, in order that an accurate, regularly updated listing is in existence so as to assist in good asset management planning and meeting audit requirements.

4.3.2 Land and buildings asset portfolio is broken down into the following categories:

- **Operational Assets** which are required to directly deliver Council services;
- **Non-Operational Assets** which are used to stimulate development and provide the Council with a revenue income stream – for example, shops, industrial units, etc;
- **Common Good Assets** which are generally historic properties/land held and managed by the Council as custodian for the people of South Ayrshire. The use of Common Good assets can fall within any of the three asset type categories above.

4.3.3 As reported in the 2015/16 Asset Register, the current asset value in terms of all land and buildings presently owned by the Council amounts to around £650m with properties classified in line with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS). This is broken down as follows:

<b><i>Asset Value By IFRS Category</i></b>	<b><i>2015/2016</i></b>
Council Dwellings	£240,353,000
Other Land and Buildings	£241,481,000
Schools PPP Assets	£69,635,000
Vehicles, Plant and Equipment	£4,947,000
Infrastructure Assets	£45,263,000
Community Assets	£530,000
Surplus Assets Held for Sale	£4,251,000
Assets Under Construction	£28,038,000
Common Good	£16,612,000
<b><i>Total</i></b>	<b><i>£651,110,000</i></b>

4.3.4 A list of our operational portfolio is attached as Appendix C. The table below provides a summary of Asset value as at 31 March 2016 by property use type and number:

<b><i>Summary Table</i></b>	<b><i>Establishments</i></b>	<b><i>GIA (m<sup>2</sup>)</i></b>	<b><i>Asset Value</i></b>
Car Parks	33	0	£4,148,003
Cemeteries and Crematorium	16	1,859	£2,248,833
Civic Amenity	1	18	£202,001
Community Centres	13	5,503	£2,142,117
Depots and Stores	7	3,863	£1,511,443
Halls	9	3,765	£3,193,651
Municipal Buildings	2	9,539	£4,210,533
Museums	2	1,719	£1,443,815
Nursery Schools	4	1,812	£1,139,444
Offices	22	32,642	£10,646,798
Parks and Recreation	16	2,343	£1,810,849
Primary Schools	41	79,175	£109,679,275
Public Libraries	10	4,903	£4,429,949
Public Toilets	10	913	£2,087,070
Secondary Schools	8	78,160	£112,499,252
Social and Housing	15	10,491	£8,453,915
Special Schools	2	2,919	£4,701,088
Sports and Leisure	17	18,086	£30,261,569
<b><i>Total Operational Assets</i></b>	<b><i>228</i></b>	<b><i>257,709</i></b>	<b><i>£304,809,608</i></b>

- 4.3.5 Assets are re-valued on a 5 year rolling programme in accordance with the Accounting Code of Practice and in line with valuation criteria as set out by the Royal Institute of Chartered Surveyors. All values are recorded within the Council's asset system and an Asset Register report is produced each year.
- 4.3.6 The AMP is by its nature a dynamic document, subject to annual update. The performance data contained within this AMP is drawn from 2015/16 figures, however continual update is made to individual property records as new information comes to light (for example details of a new improvement may be added to a condition record).
- 4.3.7 The performance of the Council's operational property has been evaluated based on a considerable volume of property data. A set of performance indicators has been developed which enables accurate assessment to be made of individual properties, as well as assist in benchmarking with other Scottish Authorities through the National Best Value Benchmarking Scheme and ACES Asset Management Group. More importantly this enables the Council to monitor its property performance against preceding years.
- 4.3.8 The decision making process relating to asset management has to be based upon a sound knowledge of the portfolio and an appreciation of how properties are meeting current and future service demands.
- 4.3.9 It is vital to present relevant information in a simple and informative manner to reflect a property's performance in supporting service delivery. The process will be enhanced in the future with the provision of reports generated from the Technology Forge Asset Management System to highlight priorities and target criteria based upon service needs supported by customer feedback.
- 4.3.10 The information currently gathered relates to the following key areas:
- (1) **Condition** measures the percentage of gross internal floor area of operational accommodation. Each operational property is allocated a condition rating as detailed below:

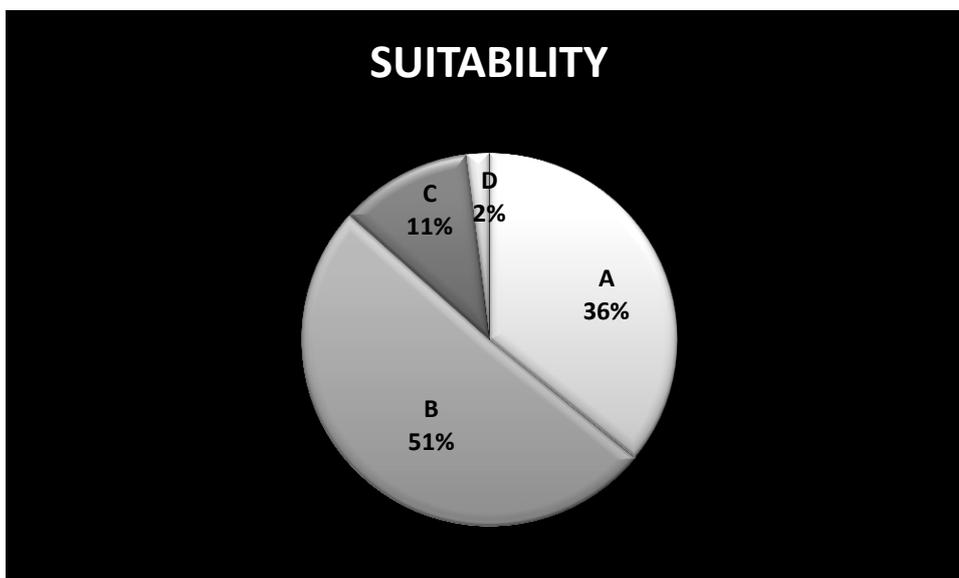
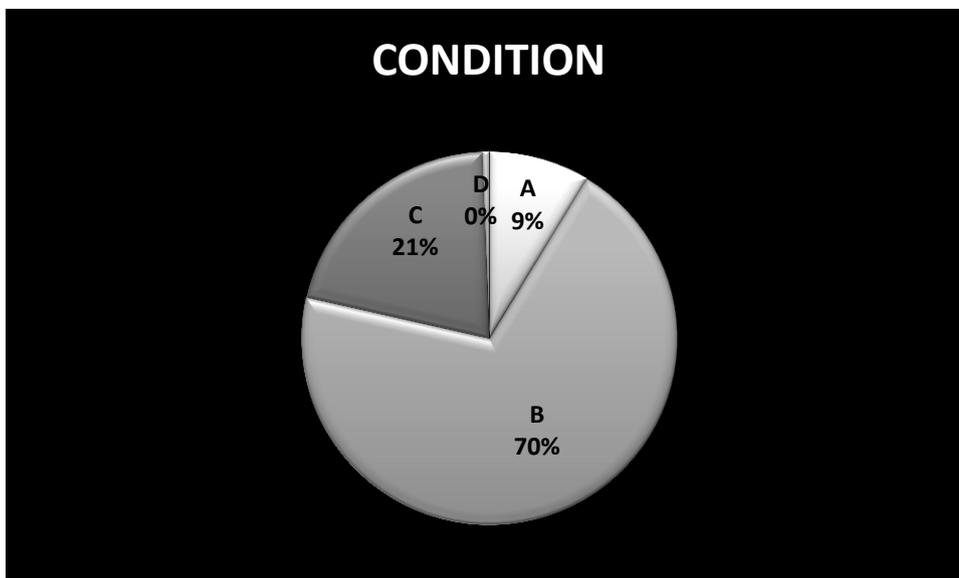
A:	Good	performing well and operating efficiently;
B:	Satisfactory	performing adequately but showing minor deterioration;
C:	Poor	Showing major defects and/or not operating adequately;
D:	Bad	Life expired and/or serious risk of imminent failure.
  - (2) **Suitability** is defined by CIPFA as being 'the extent to which a property meets the current and future needs of, and contributes toward improvement of, service delivery'.

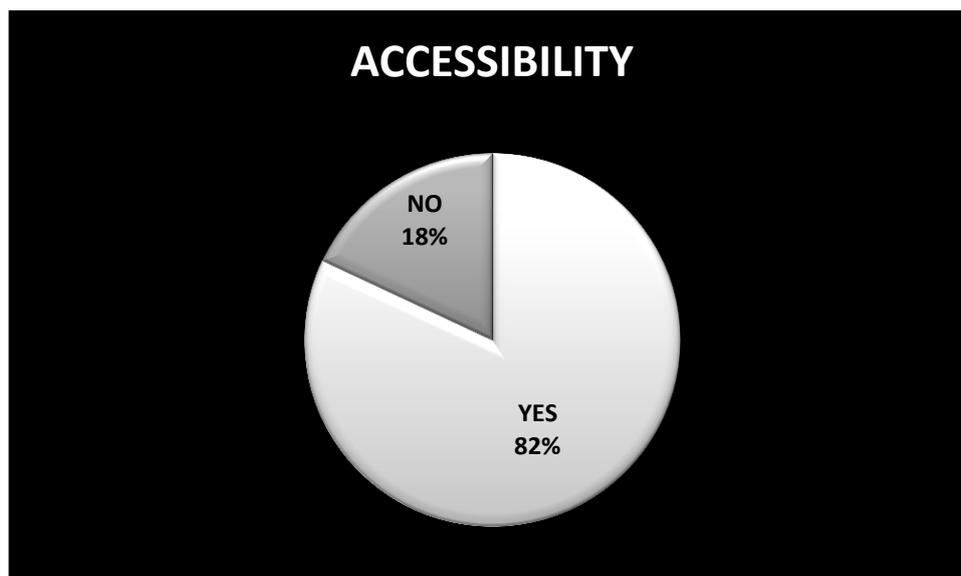
Suitability information is collected on a three year rolling programme basis with the assessment of suitability being carried out by service managers in conjunction with Asset Management officers.

(3) **Accessibility** measures 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 people with a disability.

4.3.11 Surveys of all properties have now been completed and further work will now be undertaken in 2016 to convert this information into Access Plans for each building. Works required to implement the Access Plans would then be quantified to establish the overall cost of compliance with the Equality Act 2010.

4.3.12 The pie charts below outline condition, suitability and accessibility percentage breakdowns by category rating in relation to our operational portfolio:





4.3.13 Within the Council a number of key performance measures are used to report the performance of our asset base to ensure that our assets are fit for purpose. These are shown graphically in Appendix F. The following performance indicators are reported to Audit Scotland an annual basis:

- the proportion of operational accommodation that is in satisfactory condition;
- the proportion of operational accommodation that is suitable for its current use; and
- the percentage of Council buildings in which all public areas are suitable for and accessible to disabled people.

4.3.14 Additional performance measures are reported within the Council as follows:

- percentage of non operational properties let;
- current maintenance spend per square metre; and
- ratios of planned and reactive maintenance spend as expressed as a percentage.

4.3.15 The 2015/16 Audit Scotland return on Condition shows 64% of the Council's operational property with a grade A or B rating. The 2014/15 value was 58%. Through strategic investment in our properties and rationalisation of our estate a targeted increase has been identified which will see the improvement of this SPI rising up to 74% by 2017/18.

4.3.16 The 2015/16 Audit Scotland SPI return on Suitability shows 84% of the Council's operational property with a grade A or B rating. The 2014/15 value was 82%. Through strategic investment in our properties and rationalisation of our estate a targeted increase has been identified which will see the improvement of this SPI rising up to 90% by 2017/18.

4.3.17 The 2015/16 Audit Scotland SPI return on Accessibility shows 82% of the Council’s operational property public areas are suitable for and accessible to disabled people. The 2014/15 value was 59%. Through strategic investment in our properties and rationalisation of our estate a targeted increase has been identified which will see the improvement of this SPI rising up to 90% by 2017/18.

**4.4 Property Assessment Matrix**

4.4.1 The Property Assessment Matrix below combines the condition and suitability grading for each of our operational properties and provides a high level assessment indicating what quartiles need to be targeted for improvement or considered for operational disposal. Please see Appendix C for a property breakdown.

<b>suitability grading</b>	<b>D</b>	<b>Q2 - 9%</b>	<b>Q4 - 5%</b>		
	<b>C</b>				
	<b>B</b>	<b>Q1 - 70%</b>	<b>Q3 - 17%</b>		
	<b>A</b>				
		<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>
		<b>overall condition rating</b>			

- Q1 The best position for properties in good condition and high suitability
- Q2 - 2nd best position for properties; high suitability but condition requires improvement
- Q3 - 3rd best position for properties; good condition but low suitability
- Q4 - The worst position for properties; poor condition and low suitability

4.4.2 Planned property activity every year will work to reduce the number of properties in Q3 and Q4 categories and ensuring funding is targeted to increase the number of properties in Q1 and Q2 categories.

**4.5 Technology Forge Asset Management System**

4.5.1 The Technology Forge Asset Management System (TF) is a cloud based system which is consistently developed and runs in any web browser. The system includes the capability of holding core facts for each property which can be viewed by all Council staff including Elected Members. This will assist in the development of a collaborative approach to asset management and in the creation of a single source for all operational property data.

4.5.2 Work is nearing completion that will allow TF to hold the Council’s Asset Register, including valuation information, in accordance with Audit Scotland guidelines. By

November 2016 South Ayrshire will be the only Council in Scotland to have Asset Register information on a cloud database and will be an exemplar authority in this regard.

- 4.5.3 TF is the principal Council property database and the system is central to all aspects of the work of the Property and Risk service. In the future, it is proposed that all Capital projects, as well as planned and reactive works orders and budgets, will be monitored through the system ensuring expenditure is matched against property records.
- 4.5.4 Within the TF Cloud, the Council's property data can be managed from any location with a web based solution. For this reason there is no longer a requirement to have servers and there are also no databases to maintain. All that is required is a connection to the internet and tf cloud can be accessed via PCs, laptops, tablets and smart phones. The Council's data is held on secure servers by TF. Data Security is maintained through an international quality accredited standard.
- 4.5.5 Revenue costs relate to running and maintenance costs for each property. Maintenance costs are held within TF whilst annual running cost information is obtained from Finance, based on a cost centre basis. Future progress will be made by incorporating financial running cost information into TF in order that real-time information for any property can be seen at any time.

### 4.6 ***Accessibility***

- 4.6.1 In the period since October 2010, the Council has been required to take all reasonable steps to open services to disabled people. The Equality Act 2010 covers all buildings. Barriers to access that make it difficult for people to access services require to be altered unless alternative means of providing that service can be delivered either through increased use of technology and property assets which can provide a range of Council services.
- 4.6.2 Surveys have been carried out for all properties which are accessed by the public to check compliance with the points identified in the Equality Act 2010 and also BS 8300 2001 and 2009. These surveys have highlighted further work that the Council needs to undertake in order to fully comply.
- 4.6.3 Further work has been carried out to convert this information in to Access Plans for each building. Based on these plans, a programme of works across a range of properties has been undertaken.

### 4.7 ***Regulatory Compliance***

- 4.7.1 Steps are taken continually to ensure that properties comply with legislative and regulatory requirements. On-going programmes of compliance testing to measure and control risk are in place to address key issues relating to:
- gas installation testing – tested annually;
  - electrical installation testing – tested on a 5 year rolling programme;

- legionella testing – tested annually;
- asbestos management – ongoing management; and
- fire risk assessments and general health and safety audits – ongoing management.

4.7.2 The Council has a Corporate Safety Action Plan in which identified risks are assessed, scored and prioritised. Resources are then allocated on the basis of priority. The Corporate Safety Action Plan is considered at regular meetings of the Council's Strategic Health and Safety Forum.

### 4.8 ***Non-Operational Asset Information***

4.8.1 The Council's non-operational assets consist of a variety of properties which are leased out to third parties and which provide the Council with an income stream. Overall the non-operational estate is well tenanted with 93% of non-operational properties presently let. A list of these properties is shown as Appendix D. The non-operational estate presently brings in an annual income of approximately £1.1 million with the overall income generated from this portfolio, over the last 3 financial years, has been relatively stable.

4.8.2 The vast majority of the Council's non-operational properties are on Full Repairing and Insuring (FRI) terms which means the burden for repairs and maintenance lies with the tenant. Regular inspections of these properties will be undertaken by the Estates section to ensure that the properties are being maintained to the standard as agreed at the start of the lease.

### 4.9 ***Surplus Assets***

4.9.1 The Council presently holds a number of sites/properties which are deemed surplus to operational requirements. Disposals of the Council land and property assets are undertaken by the Estates Section in order to secure Best Value and maximise the generation of capital receipts. In recent years, the downturn in the economy and the restrictions on private borrowing have reduced the capacity of the Council to dispose of as surplus assets as quickly as in previous years.

4.9.2 Furthermore some of these sites/properties have little or no commercial value and will remain in the Council portfolio for the foreseeable future. A number of properties however have lain derelict and unused for a number of years resulting in ongoing costs to the Council. One solution for a number of these properties is demolition in order to reduce this ongoing financial burden to the Council. Other alternatives which will be considered during 2017 is auctioning a number of assets which have failed to generate interest from traditional methods of marketing.

4.9.3 In March 2016 the Council introduced a Policy for the Acquisition and Disposal of Land and Buildings. The purpose of this policy is to inform Elected Members, services and also other interested parties of the principles and process by which the Council will acquire and dispose of land and buildings.

### 5. Asset Management Plan: Strategic Approach

5.1 As highlighted earlier, the following key actions and outcomes for the Property and Risk service will be:

(1) **Land and building assets are maintained in satisfactory or better condition to support service delivery**

To achieve this we require new property condition surveys which will help to develop a planned maintenance programme and reduce the level of reactive maintenance required in future years. Schools, Libraries, Community Centres and Leisure Centres will have a new condition survey by the end of 2016; GVA James Barr undertook phase 1 of the new condition survey programme in 2015 and they will conclude phase 2 by the end of March 2017. Appendix H contains an example of the information contained within the condition surveys.

Planned maintenance will be undertaken through a Property team managed by the Property and PPP Manager who has direct responsibility for the Central Repairs Account (CRA). Closer links have been established with the Procurement team to enable the creation of framework and measured term contracts that will enable those works which are not to be undertaken by the Council's Property Maintenance Team to be procured in a cost effective manner and actioned promptly. This will in turn ensure that the condition of the Council's land and building assets is improved and these are maintained and fit for purpose.

Coupled with the above, a review of all properties in the poorest condition will be undertaken in order to assess actions and financial implications of addressing condition, suitability and sufficiency issues where appropriate. This information will then be used to prepare the planned maintenance programme; inform service review planning and assist the rationalisation of the Council's assets going forward.

(2) **Land and building assets are fit for purpose, compliant in respect of health and safety and suitable in terms of accommodation type and layout to support the delivery of services**

This will mean a Review of Legislative Compliance in relation to property requirements. Property and Risk will further undertake service asset management planning to understand service property needs and challenge the basis for continued property holding for service delivery. A property pro-forma as shown in Appendix G will be used to assist with this process.

This will mean a strategic review of office accommodation in Ayr will be progressed in order to identify a suitable location for new build offices. Meanwhile, in parallel with this project, 'different ways of working' will be piloted and rolled out in order to reduce our overall office space requirement and to embed this new cultural work change ethos throughout the Council. As management processes and procedures will also require to be changed to assist with this, the Head of Policy and Performance and the Head of Employee and Customer Services will play an integral role.

(3) **Land and building assets provide accommodation that is accessible for all service users and staff**

This will mean the development of access plans for Council buildings. Surveys have been carried out for all properties which are accessed by the public to check compliance with the points identified in the Equality Act 2010. These surveys have highlighted further work that needs to be undertaken in order to achieve full compliance. A £500,000 programme of accessibility works in 2016/17 across a range of properties is presently underway, with similar sums already identified within the Capital programme for future financial years.

(4) **Land and building assets are sufficient for service delivery and utilised as much as possible by our communities. Underutilised properties will be subject to comprehensive review to determine if fit for purpose and if required for service delivery**

Based on the requirements of the Community Empowerment (Scotland) Act 2015, the Council will develop a Community Asset Transfer Policy. This policy will set out a framework to manage the transfer of assets to community groups and voluntary organisations, to empower local communities.

South Ayrshire Council at its meeting on 30 June 2016 agreed for £1,000,000 of reserves to be allocated to the creation of a Community Halls Fund, into which the communities would be invited to bid to assist them in taking ownership of Council-owned community buildings in their local area. The Community Halls fund will be administered jointly by the Executive Director – Resources, Governance and Organisation and the Executive Director – Economy, Neighbourhood and Environment through the Property and Risk and Communities services.

This will further mean service asset reviews will be led by Property and Risk in conjunction with services to ascertain and challenge their future property needs in order to best align this with our existing stock and ensure that service demand is met throughout South Ayrshire. All opportunities for co-location with other public sector partners, for example NHS Ayrshire and Arran or Police Scotland, will be explored. Regular discussions between the Council and other public sector partners are being facilitated by Scotland Futures Trust in relation to shared office accommodation.

- (5) **The energy performance of our land and building assets is monitored, and improvements undertaken where financially viable and technically feasible**

This will mean our land and building assets are managed in a sustainable manner and also meet targets for Carbon reduction and a low carbon future. The Council is committed to reducing carbon and improving the energy efficiency of our buildings. This will influence our planned improvements and the construction of new assets. Further to this discussions are on-going and a new approach is being developed within the PPP schools for energy management that will be rolled out across other schools.

At present, we are working to ensure that the Carbon footprint for Council buildings, in CO2 tonnes, falls by at least 3% per annum. This is being carried out through a range of energy efficiency projects, for example installing thermostatic radiator valves at schools as well as the introduction of Voltage Optimisers in a number of Council properties. The Council also has a well-established 'Green Champions Network', with volunteers from across all services and levels within the Council, which raises awareness of energy issues.

- (6) **Dissemination of property information to all relevant users so as to provide more efficient property management and maintenance and to support investment decisions**

This will mean a review of the core property management information is undertaken which will focus on consolidating our property based information on Technology Forge, together with the revision of processes and procedures to ensure that this system will be fit for purpose and maintained to enable real-time reporting.

- (7) **Reduction in priority maintenance through targeting maintenance resources more effectively**

This requires that an analysis of Condition survey reports will be undertaken to develop a planned maintenance programme and to reduce the level of reactive maintenance required in future years. This work will be carried out by the property team who will focus their resources on ensuring that essential maintenance is carried out timeously and in a planned manner. This work will be funded through the CRA programme. The TF system will be used to identify and prioritise works and on the completion of works this information will be updated within the system.

- (8) **Revised procedures are followed for Capital Budget Monitoring to ensure planned improvements and projects are delivered within budget and timescales**

This will mean that the procedures for the Capital Bid process, including option appraisal for a number of key projects linking to the AMP will be undertaken; together with the establishment of robust criteria for prioritising

property investment. The process will mean that bids for all new capital projects will be considered on an annual cyclical basis. This will ensure that projects are considered and evaluated on a consistent basis related to Strategic Objectives and corporate policies and recommended to Members for future investment on that basis.

A Professional Design Services (PDS) team that contains clearer lines of responsibility at all levels has been created. This has increased the complement of fully qualified professional employees who will be able to undertake more projects in-house. Previously the Council spent a significant amount of money annually to pay for external consultants to undertake project design work on the Council's behalf.

(9) **Capital and Revenue expenditure is directed by the AMP and School Estate Management Plan**

This has meant that, from January 2015, bids for all new capital projects will be considered on an annual cyclical basis and to accord with a timescale that aligns with the budget setting process in December each year. This will ensure that projects are considered and evaluated on a consistent basis related to Strategic Objectives and corporate policies and recommended to Members for future investment on that basis. The current General Services 5 year Capital Investment Programme is shown in Appendix E.

## 5.2 **Conclusions**

5.2.1 This AMP is focused on improving our properties within the budgets we have available. The AMP will be a dynamic document which will be adaptable and will be reviewed and reported on an annual basis.

5.2.2 This AMP will provide information and direction to the following range of stakeholders:

- (1) The Council, its Panels and Elected Members – to inform how available land and building assets are currently used;
- (2) Chief Officers, managers and employees – to help identify the available resources and assist in service delivery planning;
- (3) Residents and visitors of South Ayrshire – to show how the Council's land and building assets impact on service provision; and
- (4) Partners – to help identify opportunities for joint working.

5.2.3 It is essential that the Council embraces this approach to asset management and strives to invest to ensure our land and building assets are fit for purpose. This will enable efficient resource deployment, service rationalisation, longer term financial planning and improved risk management.