

Report

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Report to:	Executive Committee
Date of Meeting:	7 September 2011
Report by:	Executive Director (Housing and Technical Resources)

Subject:	2011 Corporate Asset Management Plan
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1. Purpose of Report

1.1 The purpose of the report is to:-

- ◆ advise the Executive Committee on the outcomes of the 2011 Corporate Asset Management Plan process, including the Statutory Performance Indicator (SPI) outcomes for property Condition and Suitability and Roads and Lighting.

2. Recommendation(s)

2.1 The Executive Committee is asked to approve the following recommendation(s):-

- (1) that the update of the Corporate Asset Management Plan be approved;
- (2) that the updated SPIs for Property Condition and Suitability be noted; and
- (3) that the updated SPIs for Roads and Lighting be noted

3. Background

3.1 The approved Executive Committee report dated 9 November 2005 set out the framework for asset management within South Lanarkshire Council. The report put in place an action plan and timetable for the production and annual updating of the Corporate and Resource Asset Management Plans (AMPs), relating to the Council's property portfolio. This report also detailed that a major review would take place after five years to confirm the Council strategy for asset management.

3.2 In 2009 the Executive Committee approved the development of a revised model for Corporate Asset Management. This included developing Asset Plans across a number of service areas in line with current CiPFA guidance and summarised under an overarching Corporate AMP. Service areas included are:-

- Property (including sub reports on Lease Portfolio and non operational assets)
- Roads Infrastructure
- Housing
- Fleet
- ICT

4. Outcomes of the 2011 Asset Management Plan

4.1 The 2011 Corporate Asset Management Plan for South Lanarkshire Council is the first plan in the new format and will allow the Council to consider current issues and priorities across all of the Council's assets. The new Corporate Asset Management Plan details the objectives which direct asset management and the structures which support it. The detail of the strategies and priorities for individual asset groups can be obtained from the detailed plan which has been prepared for each discipline and

which is linked to the Corporate Plan. The outcomes for each area are highlighted below.

- 4.2 **The Property Asset Management Plan** is divided into two key sections which provide a breakdown of the performance and priorities for both operational property and non operational property. The operational property section shows an improving portfolio in relation to condition and suitability and this is likely to continue due to current capital investment. The non residential, lease portfolio consist of 926 properties, with a passing rent of £5,943,359 as at 31 March 2011.

Key Facts from the Property AMP are included in Appendix 1.

- 4.3 **The Housing Asset Management Plan** includes a strategy which has been drawn up to complement and inform the Housing Business Plan and to set out priorities for the physical care and improvement of the housing stock and related assets. The plan details the priorities for the current housing portfolio which extends to 25,474 units, a drop of 280 in 2010/11. This comprised 161 right-to-buy (RTB) sales and 119 demolitions.

The key focus of the Plan is to consider future management and investment plans to meet the objectives set out in Connect and specifically how the stock will comply with the Scottish Housing Quality Standard by 2015. Included in the plan is the impact the £39.6M invested in 2010/11 had on the condition of the stock in relation to the SHQS. Key Facts are detailed in Appendix 2.

- 4.4 **The Fleet Services Asset Management Plan** outlines the key objectives and strategies to manage and maintain the Council's stock of over 969 vehicles. Over 280 of these vehicles weigh over 3.5 tonnes and are therefore subject to specific statutory obligations under the Council's Operating Licence. Fleet Services also provide passenger transport services to Education and Social Work Resources. Key Facts are detailed in Appendix 3.

- 4.5 **Roads Asset Management Plan** outlines the priorities and strategies to manage the council's assets with an estimated replacement cost of £2.312bn in June 2010. Currently, base funding of £9.5m is invested annually on maintenance of carriageways and footways. In November 2004, Audit Scotland published 'Maintaining Scotland's Roads', effectively introducing a requirement on local Roads Authorities in Scotland to produce a Roads Asset Management Plan (RAMP). The Society of Chief Officers for Transportation in Scotland (SCOTS) received agreement from all 32 Councils to jointly fund a project to develop a common asset management framework through which all Council's could develop their own RAMP. Key Facts from The RAMP are included in Appendix 4.

- 4.6 **The ICT Asset Management Plan** outlines the priorities and strategies required to support the ICT function. Information Technology Services maintains and develops physical assets worth approximately £45 million as a key resource in delivering our services. The plan details the links to Council and Resource priorities and also initiatives to optimise utilisation minimise cost in use and maximise the return in investment. Key Facts from The ICT AMP is included in Appendix 5.

5. **Statutory Performance Indicators**

- 5.1 The Statutory Performance Indicators (SPI) for Asset management relate to the property core facts for condition and suitability and a number of indicators for Roads maintenance.

5.2 Property condition is assessed as the percentage floor space of operational buildings which are in a satisfactory condition (category A and B in Core Facts).

Suitability is assessed as the number of operational buildings which are considered to be satisfactory for service delivery (category A & B Core Facts excluding those which have been assessed as having a poor location).

5.3 Assessment of the Core Facts for 2011 has given the following return for the SPI.

- Condition shows 82% in a satisfactory condition (79% in 2010).
- Suitability shows 91% of properties suitable for service delivery (85% - 2010).

The SPIs are based on the reported operational buildings extending to 773,731m² of floor area which provided 729 individual service locations. The improvement in the SPI reflects the investment by the Council in its operational portfolio and is potentially a more representative measure of condition ie. the building being replaced, such as a school, has a marginal impact on the improvement of condition by number of buildings but a significant impact on floor area.

5.4 The SPI for Roads relate to the maintenance categorisation of roads and the return for 2009/10 and 2010/11 are detailed below.

Roads & Lighting	2009/2010	2010/2011
Percentage of A class roads that should be considered for maintenance treatment	28.9%	28%
Percentage of B class roads that should be considered for maintenance treatment	29.7%	30.1%
Percentage of C class roads that should be considered for maintenance treatment	41.4%	41.5%
Percentage of unclassified roads that should be considered for maintenance treatment	39.5%	40.5%
Overall percentage of road network that should be considered for maintenance treatment	37.5%	38%

6. Employee Implications

6.1 There are no Employee Implications.

7. Financial Implications

7.1 The details of the plans will influence future investment but there are no direct Financial Implications from the production of the AMP.

8. Other Implications

8.1 Failure to produce a strategic plan to determine the future of the Councils assets would present an obvious and substantial risk to the Council.

8.2 The new Corporate Asset Management Plan is currently being assessed to determine whether a full Strategic Environmental Assessment will be required.

9. Equality Impact Assessment and Consultation Arrangements

- 9.1 This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy and, therefore, no impact assessment is required.

Lindsay Freeland

Executive Director (Housing and Technical Resources)

12 August 2011

Link(s) to Council Values/Improvement Themes/Objectives

- Improve the Quality, Access and Availability of Housing
- Develop Services for Older People
- Improve Quality of the Physical Environment
- Raise Educational attainment for all

Previous References

- Executive Committee report September 2010

List of Background Papers

None

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

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Appendix 1 - Property AMP Key Facts

1A - Operational Property

Core Facts 2010 – 2011 Comparison

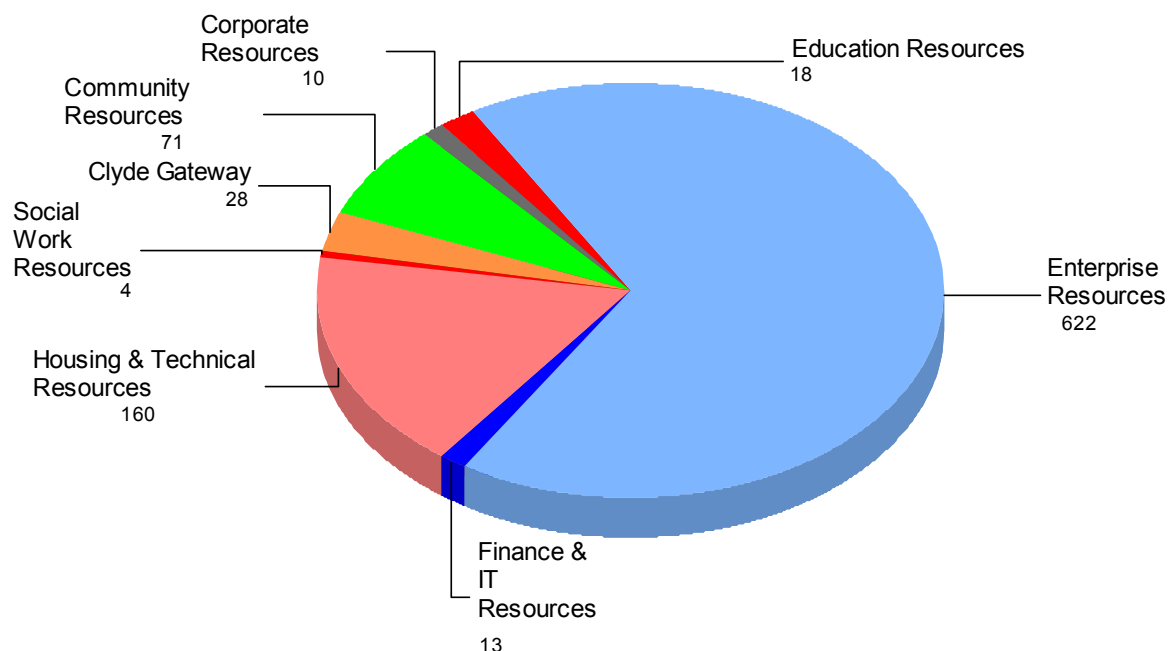
Core Fact	2011				2010	
	No of Properties assessed	Category (note 1)	Number by Category	Percent by Category	Number by Category	Percent by Category
Condition (See Note 2)	1295	Green	708	55%	725	53%
		Amber	542	42%	603	44%
		Red	45	3%	45	3%
Suitability (See Note 3)	1297	Green	1048	80%	1048	76.5%
		Amber	228	18%	288	21%
		Red	21	2%	34	2.5%
Sufficiency (see Note 4)	1272	Green	387	30%	398	29%
		Amber	865	68%	924	68%
		Red	20	2%	40	3%
Opportunity (see note 5)	1287	Green	895	69.5%	915	67.5%
		Amber	360	28%	391	29%
		Red	32	2.5%	49	3.5%
NOTE: The number of properties in each category varies due to some property types requiring limited surveys, e.g. play areas or non SLC properties.						

Notes to Table:

- Core Facts are categorised using a traffic light system which operates on the basis of:
 - Green - Good or Excellent
 - Amber - Fair
 - Red - Poor
- Condition** is assessed as an overall rating for the property based on an elemental assessment carried out by qualified surveyors.
- Suitability** is an assessment by Resources of how well the property supports current service delivery in terms of design and location.
- Sufficiency** is an assessment by the Resource as to how the capacity of the property matches current and anticipated demand.
- The **Opportunity** Model combines Condition and Suitability.

Appendix 1B – Leased Portfolio

Number of Properties per Resource



A performance matrix has been developed to assess the performance of individual properties within the lease portfolio against financial and service criteria. The matrix takes into account matters such as rental stability, condition and marketability following which each property is given an A, B, C or D rating. Non performing properties are the subject of more detailed scrutiny and the resultant reports supplement the financial and property reports helping to inform investment and disposal decisions.

Entire Portfolio

	2011		2010		2009	
Total Number of Assets Assessed	267		278		271	
Number of properties rated A (percentage of total)	67	25.09%	41	14.75%	61	22.51%
Number of properties rated B (percentage of total)	145	54.31%	174	62.58%	117	43.17%
Number of properties rated C (percentage of total)	37	13.86%	47	16.91%	63	23.25%
Number of properties rated D (percentage of total)	18	6.74%	16	5.76%	30	11.07%

Appendix 2 - Housing AMP Key Facts

Housing and Technical Resources have responsibility for the management of a varied housing stock as outlined below:

LOCATION	FLATS EXC MULTI	MULTI STOREY	HOUSES	TOTAL	% Overall stock
CLYDESDALE	1989	0	3058	5047	19.81%
EAST KILBRIDE	1887	805	2244	4936	19.38%
HAMILTON	2609	141	1414	4164	16.35%
LARKHALL	1234		2206	3440	13.50%
BLANTYRE	942		1852	2794	10.97%
CAMBUSLANG	1523	414	716	2653	10.41%
RUTHERGLEN	1967		473	2440	9.58%
Total	12151	1360	11963	25474	100%

* As at 11 March 2011

In addition to the housing stock Housing and Technical Resources are also responsible for the management of lock-ups as detailed below.

Areas	No Colonies	No Lock UP
CAMBUSLANG/RUTHERGLEN	68	939
CLYDESDALE	60	468
EAST KILBRIDE	311	5130
HAMILTON/BLANTYRE/LARKHALL	170	2149
Total	609	8686

Investment in the housing stock continued with £39,612,088 invested in 2010/11 on internal and external refurbishments resulting in the condition of the stock in relation to the SHQS beings as noted below

Total meeting tolerable standard	25,474	100 %
Total meeting free from serious disrepair	25,187	99 %
Total meeting energy efficient	17,795	70 %
Total meeting modern facilities and services	24,918	98 %
Total meeting healthy, safe and secure	24,845	99 %
Total dwellings meeting SHQS	16,893	66 %

Appendix 3 - Fleet AMP Key Facts

Vehicles Operated by each Resource:

- Community 350,
- Corporate 1,
- Education 18,
- Enterprise 132,
- Housing & Technical 368,
- Social Work 76,
- Trust 24
- **Total 969**

Over 80% of Fleet Services owned vehicles are under 3 years old:

- Under a year 193 vehicles,
- 1 year old 150 vehicles,
- 2 years old 295 vehicles,
- 3 years old 151 vehicles,
- Older than 3 years 182 vehicles.

The life span of the current fleet also compares well with the average optimum life span displayed in the following table.

Vehicle	SLC Optimum Life Span	APSE Average Optimum Life Span
Refuse Collection Vehicle	7	6.5
Minibuses	5	6
Vans, trucks and tippers 3.501 - 7.500kg	5.5	6.5
Cars and car derived vans	4	5

Carbon emission associated with fuel use has reduced by an average of 3.4% per year since the first baseline year.

Carbon Totals	2005-6 Baseline	2006/07	2007/08	2008/09	2009/10
Fleet (Carbon Tonnes)	10,418	10,290	10,210	9,710	10,039

Appendix 4 - Roads AMP Key Facts

South Lanarkshire Council Roads Asset Valuation Summary.

Asset	Quantity	Unit	Gross Replacement Cost (GRC)
Carriageway	2315	km	£6,647,842,000
Footways, Footpaths & Cycleways	2440	km	£334,305,000
Structures	764	No.	£236,640,000
Street Lighting	59,074	No.	£93,349,000
All Other Assets			TBC
Total Gross Replacement Cost			£2,312,136,000

The carriageway asset is made up of a range of roads as illustrated below

Area Road Lengths by Classification of Road

Environment	Class	Clydesdale	East Kilbride	Hamilton	Rutherglen & Cambuslang	Total
Road Length (Km)						
Urban	A	20.680	16.271	30.132	22.278	89.361 km
	B	9.581	10.695	24.192	11.192	55.660 km
	C	12.268	19.676	23.523	7.311	62.778 km
	U	216.806	284.297	313.837	151.381	966.321 km
	Total					1174.120 km
Rural	A	146.996	31.536	20.721	1.332	200.585 km
	B	152.922	28.523	10.558	2.638	194.641 km
	C	191.469	97.849	53.255	1.917	344.490 km
	U	238.970	79.565	29.131	7.023	354.689 km
	Total					1094.405 km

Appendix 5 ICT AMP Key Facts

ICT Assets:

Asset Type	Quantity (Leased)	Quantity (Purchased)	Total
Data Centre :			
Air conditioning Units	-	12	12
Fire Suppression System	-	3	3
UPS	-	2	2
Generator	-	1	1
Video Surveillance Equipment	-	1	1
Environmental Monitoring System	-	1	1
Sprinkler System	-	1	1
Communications:			
Private Lines	137	7	144
Broadband Lines	142	-	142
ISDN Lines	28	-	28
Network Equipment:			
Concentrator	-	2	2
Comms Server	-	6	6
Comms Firewall	-	5	5
Comms UPS	-	1	1
Voice Gateway	-	37	37
Tape Drive	-	3	3
Comms Wireless (Internal connections)	-	30	30
Comms Switches	-	722	722
Routers	-	196	196
IT Hardware:			
Servers	6	346	352
Servers (Curricular)	193	-	193
Storage	1	134	135
Monitors	4756	364	5120
PCs	4560	181	4741
PCs (Curricular)	10650	-	10650
Laptops	530	123	653
Laptops (Curricular)	580	-	580
Port Replicators	232	63	295
Netbooks	-	5	5
Netbooks (Curricular)	80	-	80
Hand held devices	-	4527	4527
Printers	1198	310	1508
Plotters	4	15	19
MFD's	466	-	466
Scanners	-	128	128
Software:			
Software Applications	-	170	170
Software Licences (Microsoft) - Corporate	-	4945	4945
Software Licences (Microsoft) - Academic	-	449	449
Software Licences (Microsoft) - Curricular	-	11310	11310
Other:			
Contracts	-	16	16
Security Certificates	-	7	7
Domain names	-	19	19

ICT Performance Core Facts

Notes to tables below – core facts are categorised using a traffic light system which operates on the basis of:

Green – Good or Excellent

Amber – Fair

Red – Poor

Desktop Hardware

IT Desktop Hardware				
		Asset Condition		
Type	Total	Green	Amber	Red
PC	4741	4560	181	-
PC (Curricular)	10650	10650	-	-
Monitor	5120	4756	364	-
Laptop	653	530	123	-
Laptop (Curricular)	580	580	-	-
Port Replicator	295	232	63	-
Netbook	5	5	-	-
Netbook (Curricular)	80	80	-	-

Server Hardware

Server Hardware				
		Asset Condition		
Type	Total	Green	Amber	Red
Server	352	352	-	-
Server (Curricular)	193	193	-	-
Storage	135	135	-	-

Networks and Communications

Networks and Communications				
		Asset Condition		
Type	Total	Green	Amber	Red
Routers	196	196	-	-
Switches	722	722	-	-
Lines	314	314	-	-
Network Equipment	84	84	-	-
Mobile Phones	4213	4213	-	-
Blackberries	314	314	-	-

Shared Network Devices (Printers and Multi-Functional Devices)

Shared Network Devices (Printers and Multi-Functional Devices)				
		Asset Condition		
Type	Total	Green	Amber	Red
Printers	1508	1508	-	-
Scanners	128	128	-	-
MFD	466	466	-	-
Plotters	19	19	-	-

Software Applications

Software Applications				
		Asset Condition		
Type	Total	Green	Amber	Red
IT Applications	170	169	-	1
Microsoft – Corporate	3863	3863	-	-
Microsoft – Academic	449	449	-	-
Microsoft – Curricular	11310	11310	-	-

Datacentre

Datacentre				
		Asset Condition		
Type	Total	Green	Amber	Red
Air conditioning Units	12	12	-	-
Fire Suppression System	3	3	-	-
UPS	2	2	-	-
Generator	1	-	-	1
Video Surveillance Equipment	1	1	-	-
Environmental Monitoring System	1	1	-	-
Sprinkler System	1	1	-	-