

For Publication

Corporate Services Policy and Challenge Group
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Item No. 12

REPORT AUTHOR: HEAD OF FINANCE/TREASURER

SUBJECT: ASSET MANAGEMENT PLANS 2017/18 to 2020/21

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Background Papers:

Previous Year's Asset Management Policy and Plans

Implications (tick ✓):

LEGAL		FINANCIAL	✓
HUMAN RESOURCES		EQUALITY IMPACT	✓
ENVIRONMENTAL	✓	POLICY	
ORGANISATIONAL RISK	✓	OTHER (please specify)	

Any implications affecting this report are noted at the end of the report.

PURPOSE

To present to the Corporate Services Policy and Challenge Group (CSP&CG) for approval, updated Asset Management Plans for 2017/18 to 2020/21 in respect of:

- Fleet and Transport (Appendix A)
- Information and Communications Technology (Appendix B)
- Land and Buildings (including performance/benchmark indicators for 2016/17 and 2017/18) (Appendix C),

RECOMMENDATION:

That CSP&CG consider and approve:

1. The attached updated Asset Management Plans for Fleet & Transport, Information & Communications Technology and Land & Buildings.
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1. Introduction

- 1.1 The Authority maintains an overarching Asset Management Strategy, together with a series of underpinning Asset Management Plans comprising:

- Fleet and Transport;
- Information and Communications Technology and
- Land and Buildings.

The value of the Authority's Property, Plant and Equipment, as at 31st March 2017 was as follows:

Property, Plant and Equipment	£m at 31 March 2017
Vehicles, plant and equipment (incl Heritage Asset)	5,753
Land and buildings	23,955
Assets under construction	1,618
Total fixed assets	31,326

- 1.2 Whilst the Plans all have a medium-term (three to four year) timescale to align with the Authority's Community Risk Management and Medium Term Financial Planning framework, they are subject to an annual review and updating process.
- 1.3 The suite of Asset Management Plans produced in 2016/17 were approved by the Corporate Services Policy and Challenge Group in June 2016, in line with its terms of reference. The Asset Management Strategy was updated in 2014 and approved by the CSP&CG. There are no changes proposed to the strategy and it is therefore not attached to this report.
- 1.4 This paper, presents for consideration and endorsement by CSP&CG updated Asset Management Plans for 2017/18 to 2020/21 (attached at appendices 1 to 3).

Utilities

- 1.5 Following the review of the 2016/17 year-end figures for utility usage, the benchmark 2017/18 performance indicators are proposed in the Land and Buildings plan.

For 2015/16 these benchmarks were based on averages over the prior two years for electricity and gas (2013/14 and 2014/15). The actual data provided for 2015/16 did contain some estimated meter readings.

The roll out of Automatic Meter Readers (AMR) will now greatly improve the regularity and reliability of data collection for both gas and electricity. The roll out has predominantly taken place during 2015/16 and 2016/17, this is further detailed in the Land and Buildings Asset Management Plan. All water supplies were already on meters.

The actual meter readings for 2016/17 are therefore the first year where all but one are on meters. As some meters we fitted in year, there isn't a full years actual new meter reading for all. However, using the 2016/17 figures as the base to set the benchmark, the usage of utilities should now be effectively monitored. Option for the service providers to manage the data and flag anomalies is being considered, with the review of costs, services provided and value for money.

1.6 Queries from 2015/16 data used in the 2016/17 benchmark report:

- Water – Ampt Hill, high average benchmark for 2015/16, from 2013/14 and 2014/15. This benchmark was too high, based on inaccurate estimates. The benchmark for 2017/18 is based on consistent actuals from 2015/16 and 2016/17.
- Water – Shefford, actual usage for 2015/16 didn't appear correct, too high. This figure was inaccurate and revised down.

- Water – Toddington. The benchmark was low, again based on prior year averages. There is consistent actual usage over 2015/16 and 2017/18 to set the 2017/18 benchmark.

2. Contents of the Asset Management Plans

2.1 The detailed Asset Management Plans (Fleet and Transport, ICT and Land & Buildings) underpin the Asset Management Strategy. Whilst the detailed format and layout of each of the plans differs to reflect the differences in the types of assets covered, all are based on recognised best practice and Central Government guidance on public sector asset management. All contain:

- comprehensive information on the current assets within each group;
- a review of the relevant policies, practices and responsibilities for asset management;
- the wider strategic planning context and corporate priorities within which the plans have been developed and key changes planned over the medium-term;
- a focus on asset related performance measurement and management;
- capital and revenue expenditure implications of planned programmes of replacement, repair and maintenance;
- reviews of achievement over the past year and forward looking action plans for the next year and beyond.

3. Organisational Risk Implications

3.1 The use of the Asset Management Plans forms a crucial tool in minimising the risk of the Authority's major assets failing to support its overall aims, objectives and priorities and thus failing to support efficient and effective delivery of services to the community.

3.2 Establishing suitability of the current asset base, identifying future changes in Service need and monitoring the performance of assets is central to effective forward planning and ensuring assets support the service delivery requirements arising from Authority's strategic priorities and Community Risk Management Plan.

3.3 Good Practice guidance issued by Central Government continues to place ever increasing importance on effective public sector asset management in order to improve on efficiency and the better delivery of services. This philosophy was reinforced by both the national Comprehensive Performance Assessment and Comprehensive Area Assessment frameworks, which required Local Authorities to demonstrate that asset management arrangements were in place that allowed them to plan and improve upon the corporate use of major asset groups. Although these national audit frameworks have now ceased, a focus on robust and effective asset management across all public sector organisations remains core to the current Government's strategy for delivering significant reductions in public spending.

4. Financial Implications

4.1 The Asset Management Plans are essential tools in assisting the targeting of financial resources in the most efficient and effective way. They provide supporting information that enables the prioritisation of both capital and revenue expenditure on each of the asset groups to feed into the Authority's Medium-Term Financial Plan.

4.2 The focus on performance management of assets plays a crucial role towards the Authority's aims of securing measurable efficiency, effectiveness and value for money in delivery of its services.

5. Equality Impact Assessment

Equality Assessments will be picked up by each of the plans as and when necessary. For example, prior to the commencement of building works in the Capital Programme.

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