# Asset Management Plans

Contents

Context

The development of Asset Management Plans for Council owned land and building assets is referenced in the Asset Management Strategy, its primary purposed being to act as a toolkit to aid the decision-making process in relation to the future of a given asset.

An Asset Management Plan will be developed for each asset or where appropriate group of assets. Asset Management Plans will make use of a variety of data sources which will result in a recommended course of action.

It will be the role of the Asset Strategy Steering Group to review the Asset Management Plans and to make recommendations on the course of action to be taken.

Process Map
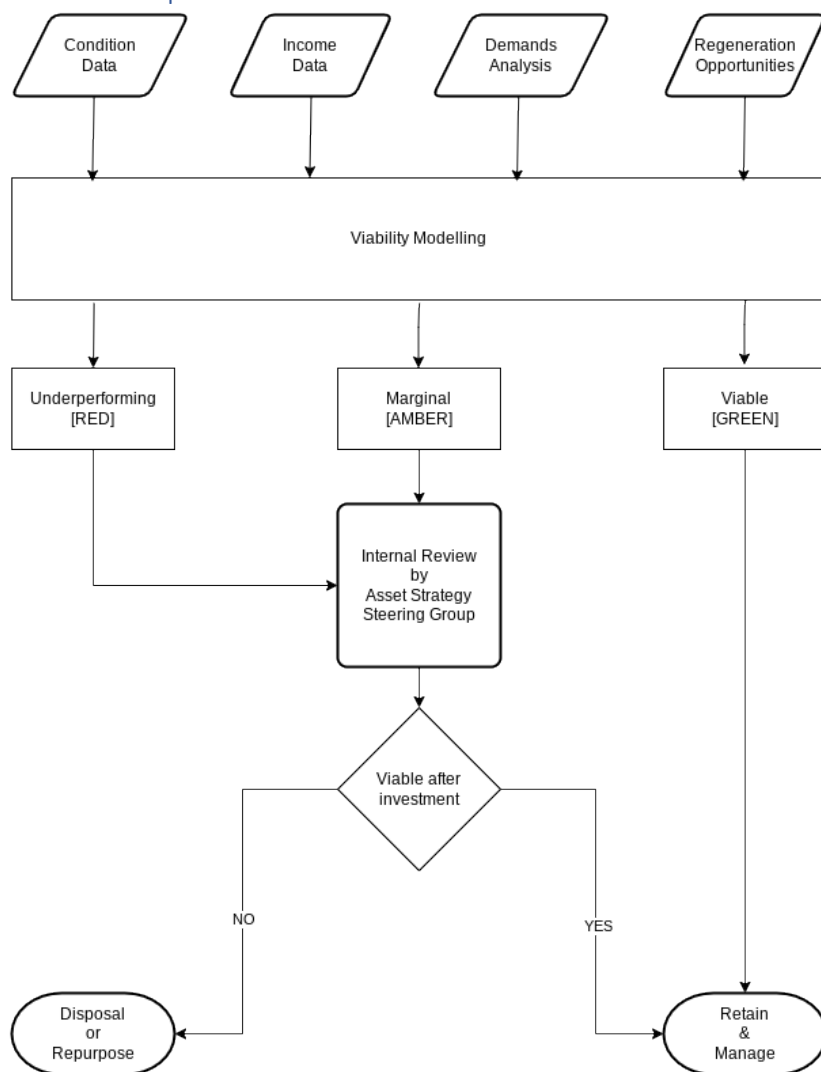
Data Inputs

- Condition Data – Information on condition will be collected for all built assets. This data will be used to determine the investment requirements for the asset over a 30-year period.

Condition data should be refreshed on a 5-year cycle to ensure that Asset Management Plans are being reviewed using current data. Included within condition data will be information on the planned and reactive expenditure required to maintain the property fit for use.

- Income Data – Income data is to be collected for all Housing properties and those assets held for investment/operational purposes.
- Demands Analysis – The demands analysis process will make use of a number of data sources. Information on void rates, void periods, churn and known waiting lists will be considered. Subjective demands data will be collected from those involved in operational management of assets. Suitability data will be considered under this data source.
- Regeneration Opportunities – Consideration will be given to wider Council aspirations for regeneration. The Regeneration Board will feed into the process by identifying assets that may be needed to facilitate regeneration projects.

Viability Modelling

The collated data will be fed into a software-based viability modelling tool. The tool will consider income vs expenditure, Net Present Values and needs/demands. The Asset Strategy Steering Group will set the thresholds that need to be met for the various outputs.

Generally, the financial viability modelling will consider a period of 30 years, however for some assets the Asset Strategy Steering Group may agree a different period.

Outputs

- RED – properties that significantly fail to make a return on investment and are proven to have little to no demand and are unlikely to be in demand. Properties that don't pass the suitability test and would be difficult to make suitable.
- AMBER – properties that are in high demand but fail to make a return on investment or properties that make a return on investment but are considered to be generally in low demand or properties that barely break-even financially. Properties that don't pass the suitability test but that could be made suitable.
- GREEN – properties that show a return on investment, are in demand and pass the suitability test.

Review Process

The Asset Strategy Steering Group will review all categories of output. There will be a 'reality check' of the categorisations. A review of all AMBER assets will be carried out with a view to moving them into either the RED or GREEN categories; this is likely to be a subjective process based on knowledge of the asset, cost of any investment required and a forecast of likely future performance.

Each asset in the RED category will be reviewed individually and a decision made on the most appropriate course of action to be taken.

Outcomes

- Disposal – it is likely that the most appropriate course of action for those assets in the RED category will be disposal. The method of disposal will be in line with the Disposals Policy.
- Repurpose – assets falling into either the RED or AMBER categories may be suitable for retention through a process of repurposing. Any proposed repurposing would need to be run through the viability modelling process to ensure that the repurposed asset would be suited to retention.

- Retain – assets falling into the GREEN category will generally be retained and managed in line with the data collected at the input stages. Assets identified for repurposing will fall into the retention category upon completion of the repurposing process.

Other considerations

Budgets – despite an asset being considered viable it is possible that the expenditure required is not available within the MTFS. Consideration will need to be given as to how to fund the retention of such assets. There may also be a need to dispose of assets as a means of generating a capital receipt for reinvestment purposes. The Asset Management Strategy and Asset Management Plans will be used in the annual budget setting process.

Regeneration – the Council may wish to use its assets as part of a regeneration project. Any project that makes use of existing assets and/or that will result in new or repurposed assets will need to take account of the viability modelling process so that its impacts on assets and budgets are fully understood.

Assets out of scope – some properties are likely to fall outside the scope of the Asset Management Plans. Assets held for community benefit or assets of historic nature are unlikely to present themselves as being viable, however the Council has a stewardship responsibility for these assets and will need to make provision for their retention and upkeep.