

Appendix 5 – Asset Maintenance	
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1.0	Purpose of Report or Summary of main Issues
1.1	The purpose of this report is to provide a management update to the Committee on the progress being made to manage the 'Asset Maintenance', one of the key corporate risks relating to the Committee's sphere of work.
2.0	Recommendation
2.1	That the Committee notes <ul style="list-style-type: none"> - the arrangements in place to manage this risk and the progress being made to implement additional controls / measures to reduce the level of risk further - notes the proposed revised risk description.
3.0	Main report
3.1	Description of risk
3.1.1	<p>The Asset Maintenance risk, as captured in the Council's Corporate risk register is phrased as follows:</p> <p>Fail to plan for and undertake appropriate maintenance of current and new assets (vehicles and buildings) that delivers compliant assets fit for purpose while offering value for money.</p> <p>Management have reviewed this risk and recommended that the description should be reviewed as follows</p> <p>“Fail to resource, plan for and undertake appropriate maintenance of current and new assets (vehicles and buildings) that delivers compliant assets fit for purpose while offering value for money” – this revised description reflects the need to also look at the resourcing of this area, both financial and people, to ensure that the Council can continue to effectively deliver.</p>
3.2	Risk Owner
3.2.1	Accountability for the management of this corporate risk has been assigned to the Director of Property & Projects.

3.3	Risk assessment
3.3.1	<p>Following detailed review of the corporate risks, this risk was assessed in terms of 'impact' and 'likelihood' (using the Council's risk scoring system, see Appendix 1) as follows:</p> <p>Impact – 4 (major) Likelihood – 3 (possible)</p>
3.3.2	<p>The impact is assessed as major in terms of the medium to long-term maintenance of council assets. It is considered "possible" that this risk will happen in 16-17 because while the asset base of the Council has increased, the property maintenance budget has remained the same.</p>
3.4	Current measures in place to manage the risk
3.4.1	<p>The Council has an established framework, policies and procedures in relation to asset maintenance. These include, but are not limited to, the following:</p> <ul style="list-style-type: none"> - Maintenance plan - Maintenance plan for 2016/17 includes requirements for assets transferred under LGR, newly built asset, assets operated by GLL and BWUH. - Maintenance Processes - Implementation of revised operational systems, processes and procedures as per internal audit recommendations - Maintenance Protocol - A methodology for the maintenance of Council Buildings as agreed by CMT
3.5	Council performance
3.5.1	<p>The above measures have ensured the ongoing successful delivery of the Council's rolling £6m asset maintenance programme. In addition to the ongoing cyclical maintenance a number of major upgrades to Council assets have been undertaken over the past year including</p> <ul style="list-style-type: none"> • ATP Memorial Park Changing Pavilion • Henry Jones Changing Pavilion • Blanchflower Changing Pavilion • New Roof at Templemore • On-going refurbishment at the new Prince Regent Road mustering station • On-going refurbishment of the CWB toilets
3.5.2	<p>An internal audit has recently been undertaken in relation to maintenance. The actions arising from this audit are currently being implemented.</p>
3.6	Areas for improvement

3.6.1	<p>Even though the above arrangements are in place, we are always looking at ways to continually enhance the asset maintenance programme. The following areas for improvement have been identified and captured in the risk action plan -</p> <ul style="list-style-type: none"> - Determine what work is required to ensure a corporate approach to maintenance, including governance, review of budget allocation and establishment of a sinking fund. - Ensure that sufficient early consideration of the maintenance implications of design / specification decisions is taken on board as part of the capital project process - Ensure that the maintenance requirements and costs of new buildings are estimated at an early stage and incorporated into the business case; the maintenance programme and the medium term financial plan as part of the capital project process - Implementation of Property Maintenance Unit structure - Undertake a review of the Fleet Management Unit to determine the structure that will meet business needs and deliver VFM. - Handover of new buildings - Develop a handover and implementation protocol for the proper hand over of new buildings to the Property Maintenance Unit. - Progress the procurement of a new IT system for asset management incorporating property maintenance. - Develop and agree a City Energy Strategy (within the context of the ongoing work on resilient cities) - Undertake a review of the maintenance requirements for assets such as parks, open space, fences, pathways, community operated council buildings etc. - Plan for replacement of assets such as 3G pitches, public art etc. - Work in conjunction with holding departments to ensure effective stewardship of buildings to minimise any unnecessary maintenance requirements
3.6.2	<p>Progress against these actions is monitored and reported through SPR as appropriate. Through these improvement programmes, we are working towards reducing the risk rating in terms of likelihood to 1 (very low). However, ensuring the ongoing maintenance of assets will continue to be a priority area for the Council due to the size of the Council's asset base.</p>