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Asset Management

What is Asset Management?

Central Government Local Transport Plan (LTP) settlements have changed from using from Cash Accounting to Resource Accounting. Resource Accounting involves producing the equivalent of the main financial statements from commercial accounts, in particular a balance sheet and the equivalent of a profit and loss statement, and using this as the basis for planning and controlling public spending.

Infrastructure assets are to be valued at current replacement cost, not historic cost. The highway network is to be valued as a single item. Assets should be valued regularly, so their condition needs to be known. Whole Government Accounting uses depreciated replacement cost - the cost of replacing the asset to modern standards, but with a deduction to reflect its present condition.

Renewal accounting is to be used, not straight line depreciation. This needs an estimate of the maintenance needed to maintain the asset in its current condition - its depreciation. If the depreciation amount is spent on maintenance, the value of the asset will remain steady.

If more or less than the depreciation is spent, the value of the asset will increase or decrease.

WDM[®] and Asset Management

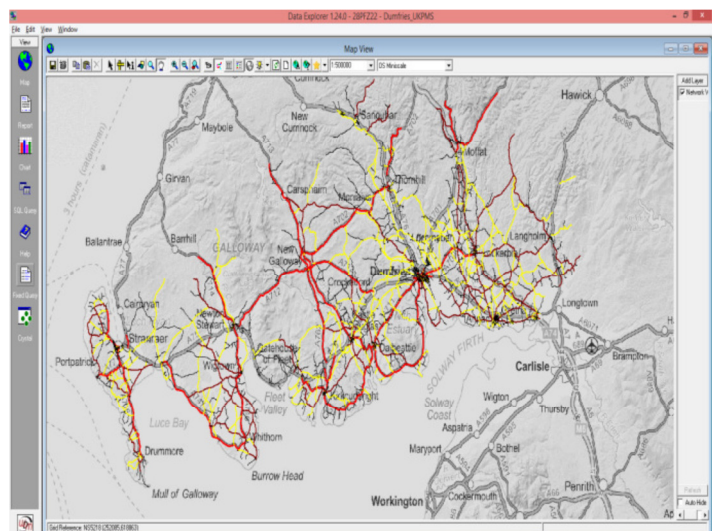
The WDM[®] Pavement Management System provides a unique central data source of survey data relating to the condition of the highway network. These datasets can be used to provide a dynamic, network-wide, condition based, asset management system.

The required maintenance in the life of a pavement is considered as three distinct categories:

- Structural Condition or Strength
- Functional or Ride Quality
- Safety

Each Pavement Management System survey data set contributes to one or more maintenance categories. The user can specify the priority order of the maintenance categories.

For each maintenance category, Invention Levels, Treatments and Costs are defined using the purpose built policy editor. The required funding is then calculated within minutes. The user can then input a range of proposed funding options, either as monetary values or absolute condition.





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A wide range of display options are available to display the Required and Proposed Funding including pie charts, bar charts and relative condition charts, in addition to hardcopy and CSV options. Maintenance Backlog is the difference between the cumulative proposed funding and the cumulative required funding.

Asset Valuation

The condition datasets contained within the WDM[®] PMS are used in conjunction with PMS meta data including construction types and thickness, carriageway types and widths, maintenance hierarchy's and traffic flows to produce a valuation of the pavement.

The Policy Editor provides the user with tools to enter replacement costs and maintenance policy. The Asset Value Calculator simply and quickly produces the Asset Value. Basing the Asset Value on the complete range of condition surveys provides a robust valuation, which dynamically reflects the value of the pavement at any trend date.

Whilst the pavement provides the largest part of the Highways Asset Value, it is essential to consider the value of other assets such as structures, highway inventory including gullies, manholes etc. and street lighting. If the Asset Manager is used as part of the WDM[®] integrated management system then the Asset Valuation will use data from the Structures Manager, Lighting Management System and the Routine Management System to produce this value.