

EAST AYRSHIRE COUNCIL

GOVERNANCE AND SCRUTINY COMMITTEE – 18 DECEMBER 2009

**POSITION STATEMENT-
ASSET MANAGEMENT STRATEGY-
CABINET REPORT 4 NOVEMBER 2009**

Report by Executive Head of Finance and Asset Management

1. PURPOSE

- 1.1** This report provides information on the need to have an approved Asset Management Strategy in place.

2. BACKGROUND

- 2.1** The Cabinet on 4 November 2009 approved the proposed Asset Management Strategy which had been drafted by the Executive Head of Finance and Asset Management.

- 2.2** In accordance with the Council's Call in Procedures, 5 elected members have Called In the decision to approve the draft Strategy. The reasons for the Call In are stated as follows;

"To provide an opportunity for Governance and Scrutiny to explore the detail of all aspects of the Asset Management Strategy: with particular reference to both the capital investment – Ten Year Investment Strategy and monitoring arrangements."

3. ASSET MANAGEMENT

- 3.1** The Improvement Action Plan arising from the Audit of Best Value and Community Planning in September 2006 included a requirement to develop a comprehensive Corporate Asset Management Plan. The Asset Management Strategy Document effectively finalises that improvement action point.

- 3.2** The report to the Cabinet of 4 November 2009 identified 5 key objectives which the Asset Management Strategy sought to achieve, namely;

- Ensure our property portfolio is suitable for its current use and supports the council's overarching objectives by assisting efficient and effective service delivery both now and in the future;
- Ensure that the performance of property assets can be monitored and reported upon and set out responsibilities for securing continuous improvement;

- Ensure comprehensive asset management data to support decision making is collected, maintained and stored efficiently and is easily accessible;
- Ensure property is managed as a corporate resource;
- Ensure future investment decisions are based on robust option appraisal.

3.3 In January 2009 the Cabinet approved a Capital Investment Strategy and a ten year Capital Investment Programme for financial years 2009/10 to 2018/19. The budget allocation is £200m with expenditure skewed towards the earlier years with a view to mitigating some of the effects of the economic downturn. The programme includes provision for key strategic projects including new schools, roads infrastructure and regeneration as well as funding for refurbishment, component renewal and other general projects across all services which are deemed to be of the highest priority in relation to condition and suitability criteria.

3.4 The Asset Management Strategy confirms that the capital investment strategy will be reviewed annually as part of the Council's budget process

3.5 Progress on implementation of the capital programme, with changes proposed as required to take account of operational issues are reported to the Cabinet as part of the Finance and Service Strategy reporting cycle.

4. CONCLUSION

4.1 The Asset Management Strategy which was approved by the Cabinet on 4 November 2009 is based on best practice guidance and addresses an area for improvement highlighted previously by Audit Scotland.

Alex McPhee
Executive Head of Finance & Asset Management

4 December 2009