

WEST DUNBARTONSHIRE COUNCIL

Report by the Executive Director of Housing, Environmental and Economic Development

Council: 27 October 2010

Subject: Corporate Asset Management Strategy

1. Purpose

1.1 The purpose of this report is to outline a strategy for the management of the Council's assets, aligned to future service delivery over the next 10 years and to seek approval for that strategy as well as the associated Property Asset Management Plan.

2. Background

2.1 The Council recognises that assets are a key resource that require to be effectively managed. Effective management of assets is critical ensuring that assets are utilised in the most effective and efficient manner and enable the delivery of sustainable services to communities.

2.2 Current guidance from CIPFA (Chartered Institute of Public Finance and Accountancy) suggests that Local Authorities should classify assets under six generic categories (asset bases) as follows:

- Property;
- Open Spaces;
- Roads Structures, Lighting and Water Related Infrastructure;
- Housing;
- Vehicle, Fleet and Plant; and
- Information and Information Technology (ICT).

2.3 At its meeting of 2 September 2009, the Housing, Environment and Economic Development Committee, agreed and approved the content of the Asset Management Plan 2009 update.

2.4 This Asset Management Plan update concentrated principally on the categories of operational and non-operational property, given the scale, value and centrality of property assets to service delivery, warranting a particular focus.

2.5 As part of the 2009 Update Report, it was agreed to engage consultants to undertake a review of the Council's approach to Operational Property Asset Management. This review was subsequently undertaken by CIPFA Property, who highlighted the need for:

- a strategic approach to property with a shared Council vision;
- improve data sharing across the Council;
- performance indicators;
- a change in culture so that property assets are viewed corporately; and
- the Property Service to drive the management of Property Assets.

2.6 Given the CIPFA report, combined with the economic pressures facing the Council presently and over the coming years, it is appropriate to have a more focused approach in developing an effective Corporate Asset Management Strategy, demonstrating collaborative working and effective corporate decision making as well as establishing key short, medium and long-term objectives.

3. Main Issues

3.1 In recognition of the priority placed on effective management of assets by the Corporate Management Team a Strategic Asset Management Group has recently been formed. The Group is chaired by the Executive Director of Housing, Environmental and Economic Development and comprises senior representation from all directorates. The role of this group is to develop a Corporate Asset Management Strategy and to consider options for the future including efficiency of current assets, potential disposals, potential investment costs and the use of resources to optimise benefit to the Council.

3.2 It was acknowledged by the Group that Elected Members, employees and partners have a key role to play in contributing to and informing strategy in relation to Asset Management, particularly given the wider public sector reform agenda.

3.3 Given this, a session was included in the Elected Members' Business Day on 15 September 2010, to discuss with Members the need to make better use of assets and new innovative ways to generate additional income from assets.

3.4 Public Sector organisations more generally are being asked to consider approaches such as shared services and shared premises where appropriate as mechanisms to reduce costs and enhance or protect key front-line services. On 21 September 2009, a meeting took place with some of our Community Planning Partners to discuss our Asset Management Plans and how they could contribute or complement our approach to asset management.

3.5 A 'Visioning Workshop' was held on 14 September 2010, with Senior Staff to consider what services may be provided in 2020 and allow those officers to share their views on what a 10 year Asset Management Vision should reflect given the services it was anticipated the Council may be delivering.

- 3.6** The aim of developing this strategy is to ensure that the Councils assets are fit for purpose over the next 10 years and beyond. The Corporate Asset Management Strategy is therefore informed and driven by the corporate priorities of the Council and new models for delivering services emanating from future Departmental Service Plans (see Appendix 1).
- 3.7** This strategic framework will set the parameters within which plans for defined asset bases will be developed. In addition, it sets out the governance structures to support integrated planning and decision making in relation to asset issues and how the Council's approach links to key outcomes contained within our strategic planning frameworks ie Single Outcome Agreement and Corporate Plan etc.
- 3.8** The Corporate Asset Management Strategy identifies that Asset Management Plans will be drawn up for each of the 6 areas which make up the Councils asset base. These plans will contain the context and actions proposed for each of the asset areas.
- 3.9** The Property Asset Management Plan (see Appendix 2) is the first of the asset based plans to be developed within this strategic framework.

4. People Implications

- 4.1** Effective asset management planning will require cognisance to be taken of the workforce planning implications related to models for the future delivery of core services. Arrangements will require to be sufficiently flexible to meet changing demand across a range of factors including accommodation, technology, location or services, modernisation/shared services etc., whilst at the same time providing sustainable solutions.
- 4.2** Existing organisational arrangements for the effective management of the Councils assets, particularly in terms of its property assets, have been acknowledged to provide limited capacity to optimise the performance of assets or drive forward a progressive strategy. In view of this, these arrangements have been the subject of review. As a consequence, appropriate measures are being introduced through the delegated authority of the Chief Executive to ensure that suitably robust arrangements for the effective delivery of the Strategy and associated Plans are in place.
- 4.3** More broadly, it is acknowledge that effective management of assets is a key skill required by leaders and managers across the organisation. In recognition of this consideration will be given to developing learning opportunities to increase knowledge, understanding and organisational capacity associated with asset management.

5. Financial Implications

- 5.1** The strategy will, over the next 10 year period, secure savings across our asset base, however, capital investment will be required to realise these revenue savings and business cases will feature as part of costed Asset Management Plans. The Corporate Asset Management Strategy describes the current situation regarding the limited availability of capital investment. A number of 'spend to save' type propositions will be needed to ensure that the strategy can be delivered effectively.

6. Risk Analysis

- 6.1** The lack of consistent, sufficiently robust planning in respect of each of the 6 identified asset bases is likely to result in the Council being ill prepared to meet future demands in key service areas and lacking the capacity to respond effectively to changing need. The aim of this strategy and its associated plans is to ensure that these matters are appropriately prioritised from a corporate perspective and that the financial consequences in revenue and capital investment terms can be properly assessed.
- 6.2** Successful delivery of the Corporate Asset Management Strategy will however require to be adequately resourced if the benefits and opportunities identified within the strategy and the Property Asset Management Plan are to be realised. This will require the use of both internal resources from across the Council alongside skilled specialist advisors in key areas.

7. Equalities Impact

- 7.1** No significant issues were identified in a screening for potential equality impact in this report.

8. Conclusions and Recommendations

- 8.1** This Corporate Asset Management Strategy provides a framework for the effective management of the Council's Assets. Its aim is to ensure that our assets are managed in a more corporate, coherent and prioritised fashion as a mechanism to support the delivery of key services, ensuring their efficiency effectiveness in meeting the current and future needs of communities within West Dunbartonshire Council.
- 8.2** Each of the 6 asset bases identified within the strategy will be required to develop an asset management plan consistent with this framework to inform the Council's plans for sustainable service development and delivery in future years. In addition these plans will establish investment needs that require to be met. The first of these plans - Property Asset Management Plan is contained for consideration.

8.2 It is recommended that the Council:

- (a) approve the Corporate Asset Management Strategy 2010 - 2020;
- (b) approve the Asset Management Plan for Property 2010 - 2020;
- (c) delegate authority to the Chief Executive to ensure the effective implementation of the Asset Management Strategy and Property Asset Management Plan;
- (d) note that future report(s) on key projects outlined within the Property Asset Management Plan will be brought to an appropriate Committee for consideration;
- (e) agree that future reports on the remaining 5 asset bases be reported through the appropriate Committee in accordance with the strategy; and
- (f) note that an annual review of the Asset Management Strategy and associated Asset Plans will be reported to the Council.

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Date: 14 October 2010

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Appendices: Appendix 1: Asset Management Strategy: 2010 - 2020
Appendix 2: Asset Management Plan: Property 2010 - 2020

Background Papers: Asset Management Plan Update 2009 Report

Wards Affected: All