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**REPORT TO: POLICY AND RESOURCES COMMITTEE ON 21 MARCH 2017**

**SUBJECT: CORPORATE ASSET MANAGEMENT PLAN**

**BY: CORPORATE DIRECTOR (CORPORATE SERVICES)**

**1. REASON FOR REPORT**

- 1.1 To provide the committee with a report of progress made against the Corporate Asset Management Plan for 2016/17 and to consider targets for 2017/18.
- 1.2 This report is submitted to committee in terms of Section III (A) (30) of the Council's Scheme of Administration relating to the formulation, implementation and review of asset management policies and practices, and to the maintenance of an overview of the council's property disposal programme.

**2. RECOMMENDATION**

**2.1 It is recommended that the committee:**

- (i) **considers and notes the report of work done to date to meet the targets set in the Corporate Asset Management Plan for 2015/16;**
- (ii) **notes the status of Asset Management Plans for each type of asset, and**
- (iii) **approves the targets set in the Corporate Asset Management Plan for 2016/17.**

**3. BACKGROUND**

- 3.1 The Policy and Resources committee approved the council's first Corporate Asset Management Plan on 23 September 2008 (paragraph 6 of the minute refers) and has approved annual updates since then. The updated plan for 2016/17 was approved by this committee on 10 May 2016 (paragraph 7 of the minute refers).
- 3.2 A schematic representation of the asset management planning process is included as **APPENDIX 1** to this report.

- 3.3 A summary of progress to date on developing individual asset management plans is included as **APPENDIX 2** to this report.

**4. REPORT ON PROGRESS UNDER THE CORPORATE ASSET MANAGEMENT PLAN 2016/17**

- 4.1 The Corporate Asset Management Plan (CAMP) for 2016/17 reflected a year of consolidation, with the key aim of the CAMP being to ensure that the work needed to underpin and deliver a ten-year capital plan was identified, resources and carried out. As part of that piece of work, the policies and priorities of the council underpinning the capital plan were to be reviewed.
- 4.2 The key tasks identified for 2016/17 were:
- To review the draft ten-year capital plan for affordability;
  - To develop a process of prioritising projects for inclusion in the ten-year capital plan;
  - To develop the Gateway process;
  - To develop capital monitoring and reporting to include:
    - benefits of projects;
    - project specific risks
    - progress against milestones, and
    - total cost of projects where these span more than one financial year.
- 4.3 In addition to these tasks, the Asset Management Working Group kept the status of individual service asset management plans under review with the aim of identifying further actions to improve the asset management process.
- 4.4 The ten year capital plan was comprehensively updated to cover all known asset management requirements and current council priorities. The resultant plan is unaffordable within the context of the council's revenue commitments and expected funding.
- 4.5 The council on 30 March 2016 (paragraph 10 of the minute refers) agreed a revised Capital Strategy which included the restriction of capital expenditure until it had robust plans in place to reduce annual expenditure on the delivery of services to a sustainable level. Council on 25 May 2016 (paragraph 11 of the minute refers) approved an interim strategy for capital expenditure and avoiding potentially abortive costs: Make Do and Mend. The interim strategy has been applied to the capital plan for 2017/18.
- 4.6 Accordingly, the first task has been completed and the second task superseded in the short term by Make Do and Mend.
- 4.7 Council on 25 May 2016 also approved the formation of a Programme Management Office for the council. This Office has been developing the corporate Gateway process and now that this has been agreed the protocols specifically for the capital planning process will be revised to fit the new

corporate process. This task therefore requires to be carried forward into 2017/18.

- 4.8 Developing capital monitoring to include project-specific benefits is dependent on a more robust Gateway process, to explicitly identify the expected benefits of a project, and so it also requires to be carried forward into 2017/18.
- 4.9 Budget managers are encouraged to identify project specific risks and where they have done so these have been reported as part of the capital monitoring process. It is recognised that this could be improved.
- 4.10 Progress against milestones is also dependent on an improved Gateway process, in which project milestones are identified. This task should also be carried forward.
- 4.11 Reviewing the status of individual asset management plans is an on-going task.

## 5. **CORPORATE ASSET MANAGEMENT PLAN 2017/18**

5.1 The undernoted tasks are recommended for inclusion in the 2017/18 CAMP:

- The process of prioritising capital projects requires to be subsumed within the development of a target to reduce the council's asset base, as part of the corporate planning process;
- To develop monitoring of project benefits and milestones;
- To report to members a review of the roads asset management plan; based on an updated model of road conditions;
- End of project review of the four schools project;
- Promote the completion of more end of project reports; and
- Continue general development of AMPs.

5.2 The full plan is included as **APPENDIX 3** to this report.

## 6. **SUMMARY OF IMPLICATIONS**

### (a) **Moray 2026: A Plan for the Future and Moray Corporate Plan 2015 - 2017**

Asset management planning assists the council to deliver council and community planning priorities whilst achieving Best Value.

### (b) **Policy and Legal**

There are no policy or legal implications arising directly from this report.

### (c) **Financial implications**

There are no financial implications arising directly from this report. Asset management planning feeds into the council's financial planning process.

**(d) Risk Implications**

There are no risks to the council arising directly from this report. Asset management planning reduces the risk to the council of unexpected issues arising relating to the council's assets.

**(e) Staffing Implications**

There are no staffing implications arising directly from this report. All recommended actions are planned to be carried out within current staffing resources.

**(f) Property**

There are no property implications arising directly from this report.

**(g) Equalities**

There are no equalities issues arising directly from this report.

**(h) Consultations**

Members of the Asset Management Working Group, the Head of Financial Services, the Head of Legal and Democratic Services, Lissa Rowan, Committee Services Officer and the Equal Opportunities Officer have been consulted in the preparation of this report

**5. CONCLUSION**

**5.1 Progress continues to be made with the development of asset management processes and plans.**

**5.2 The Corporate Asset Management Plan for 2017/18 sets out the actions planned for next financial year to progress asset management planning in the council.**

Author of Report: Lorraine Paisey, Principal Accountant  
Background Papers:  
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