

Perth & Kinross Council

22 January 2024

CORPORATE ASSET MANAGEMENT FRAMEWORK

Report by the Director (Strategy, People & Resources) & Executive Director
(Communities)
(Report No. 24/18)

1. PURPOSE

- 1.1 This report introduces the Corporate Asset Management Framework (Appendix 1 to this document) as a key component of our wider Strategic Capital Investment Planning Framework.

2. RECOMMENDATIONS

- 2.1 It is recommended that the Council:
- (a) approves the Corporate Asset Management Framework (Appendix 1) and its integration into Strategic Capital Investment Planning Framework.
 - (b) uses the asset information contained within the Corporate Asset Management Plan to assist in setting future budgets.
 - (c) approves the establishment of a Strategic Investment Advisory Group (Members and Officers) based upon Appendix 2 of this document, to further develop the Strategic Investment Planning processes.

3. STRUCTURE OF THE REPORT

- 3.1 This report is structured over the following sections: -

Section 4: Background
Section 5: Proposals
Section 6: Conclusion
Appendix

4. BACKGROUND

- 4.1 The Council's vision is for '***a Perth and Kinross where everyone can live life well, free from poverty and inequality***'. There are significant and increasingly complex challenges, such as the cost-of-living crisis, recovery from the pandemic, global inflation and increasing levels of poverty. Alongside this, demands for services are increasing while simultaneously facing

reductions in the resources we have to meet these demands. All of this will mean difficult decisions on where we commit our resources and may require investment or disinvestment in some areas.

- 4.2 In October 2021, the Council approved the Strategic Capital Investment Planning Framework (Report 21/180 refers) aimed at facilitating a cohesive and flexible approach to investment planning and resourcing. A major component is the Investment Blueprint which has a key principle of supporting **'the delivery of sustainable public services through effective management of our assets'**, which can be achieved through a corporate asset management approach.
- 4.3 Our corporate asset management mission is **'to maximise the value of our physical assets and infrastructure and use them effectively, to realise our vision and deliver our strategic priorities.'** This report introduces the Council's Corporate Asset Management Framework, based on this approach.
- 4.4 This Framework comprises a Corporate Asset Management Policy, Strategy and Plan and incorporates the 5 asset streams:
- Community Greenspace
 - Fleet
 - ICT
 - Property
 - Roads

The Framework is detailed in the table below:

Corporate Asset Management Policy and Strategy	This describes our overarching strategic policy, principles and corporate approach to how we will manage our assets to deliver our corporate priorities.
Corporate Asset Management Plan	This shows the entirety and value of our assets together with their annual cost. It identifies the developments required to facilitate the corporate asset management approach to investment decision making in line with the Investment Blueprint principle, allowing investment to be based on the Council's corporate priorities.
Stream Asset Management Plans	These describe how individual asset streams adhere to the Corporate Asset Management policy and strategy, and how the asset challenge will be delivered: advising on ongoing investment requirements. The plans also summarise the 30 Year investment requirements based upon life cycle planning for our existing asset base.

4.5 The Housing Revenue Account (HRA) operates its own Asset Management Framework, which will be incorporated into the Corporate Asset Management (CAM) Framework.

5. PROPOSALS

5.1 It is proposed that our approach to the management of our assets will be aligned with the Council's Investment Blueprint and Financial Strategy. In particular, our approach to corporate asset management is underpinned by the following principles:

- we maximise the public value of our physical assets
- we only have/keep and invest in the physical assets that we need to support effective service delivery
- our approach to asset management helps mitigate the impact of climate change
- our approach to asset management helps promote inclusive economic growth
- our approach to asset management helps promote equality and fairness through service design and delivery
- our approach to asset management helps promote and enhance digital inclusion

5.2 A key component of the Framework is the introduction of the Asset Challenge. This challenge provides a measurable and comparable overview across all asset streams giving an evidence base to support more informed and risk aware investment decision making. Any investment or disinvestment will be subject to this challenge.

5.3 A key output of the Framework is the 30 Year Investment Plan. This is based on utilising the asset data held in our electronic systems to develop 30-year lifecycle investment plans for our existing asset base and existing levels of service. As such, the investment plans will form the basis for long term strategic investment planning. In particular, this will balance the needs of our asset base with our future aspirations, in the context of matching Corporate priorities with service delivery, while recognising communities needs, climate change and affordability.

5.4 It is proposed that the Asset Stream Plans should be treated as iterative documents, in particular, the 30 year investment plans represent our current position. These will be updated on an annual basis to incorporate additional investment and disinvestment decisions.

5.5 A key consequence is that the 30 year plans will underpin the annual budget process.

5.6 As part of the Framework, asset status reports will be prepared on an annual basis.

5.7 A key part of our long-term strategic investment planning will be balancing the needs of our asset base with our future aspirations. It is essential that Elected Members are at the centre of this and, to this end, it is recommended that a Strategic Investment Advisory Group is formed, consisting of members and officers. This will be a visionary group looking to the long-term needs of our citizens and communities, it will be innovative, and legacy focussed, making investment recommendations at a strategic level. The terms of reference for this group are attached as Appendix 2 to this document.

6. CONCLUSION

6.1 Approving the recommendations of this report, will allow our investment decisions to be directed towards delivering our corporate asset management approach of maximising the value of our physical assets and infrastructure and using them effectively, to deliver our strategic priorities.

6.2 Through the establishment of a Strategic Investment Advisory Group, Elected Members will be at the heart of our strategic investment planning, providing the opportunity for direct involvement in ensuring the long term sustainability of our physical and infrastructure assets.

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APPENDICES: -

- Appendix 1 – Corporate Asset Management Framework
- Appendix 2 – Terms of Reference for Strategic Investment Advisory Group

1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

Strategic Implications	Yes / None
Community Plan / Single Outcome Agreement	None
Corporate Plan	Yes
Resource Implications	
Financial	None
Workforce	None
Asset Management (land, property, IST)	None
Assessments	
Equality Impact Assessment	Yes
Strategic Environmental Assessment	Yes
Sustainability (community, economic, environmental)	Yes
Legal and Governance	None
Risk	None
Consultation	
Internal	Yes
External	None
Communication	
Communications Plan	None

1. Strategic Implications

Corporate Plan

1.1 The Council's Corporate Plan 2022 – 2027 lays out seven outcome focussed strategic objectives which provide clear strategic direction, inform decisions at a corporate and service level and shape resources allocation. They are as follows:

- Tackling poverty
- Tackling climate change and supporting sustainable places
- Growing a sustainable and inclusive local economy
- Enabling our children and young people to achieve their full potential
- Protecting and caring for our most vulnerable people
- Supporting and promoting physical and mental wellbeing
- Placing communities at the heart of how we work

1.2 This report relates to all objectives.

2. Resource Implications

Financial

- 2.1 There are no direct financial implications arising from this report other than those reported within the body of the main report.

3. Assessments

Equality Impact Assessment

- 3.1 Under the Equality Act 2010, the Council is required to eliminate discrimination, advance equality of opportunity, and foster good relations between equality groups. Carrying out Equality Impact Assessments for plans and policies allows the Council to demonstrate that it is meeting these duties.
- 3.2 The information contained within this report has been considered under the Corporate Equalities Impact Assessment process ("EqIA") and has been assessed as **not relevant** for the purposes of EqIA.

Strategic Environmental Assessment

- 3.3 The Environmental Assessment (Scotland) Act 2005 places a duty on the Council to identify and assess the environmental consequences of its proposals.
- 3.4 The information contained within this report has been considered under the Act. However, no action is required as the Act does not apply to the matters presented in this report.

Sustainability

- 3.5 Under the provisions of the Local Government in Scotland Act 2003 the Council has to discharge its duties in a way which contributes to the achievement of sustainable development. In terms of the Climate Change Act 2008, the Council has a general duty to demonstrate its commitment to sustainability and the community, and the environmental and economic impact of its actions.
- 3.6 The information contained within this report has been considered under the Act. However, no action is required as the Act does not apply to the matters presented in this report.

4. Consultation

Internal

- 4.1 The Executive Leadership Team has been consulted in the preparation of this report.

2. BACKGROUND PAPERS

- 2.1 No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973, other than any containing confidential or exempt information, were relied on to any material extent in preparing the above report.